



LIMARKO SHIPPING COMPANY

Financial Statements for the first quarter of 2007

April 2007, Klaipėda



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Main information about the Issuer

Issuer (Company) name:	AB "Limarko Shipping Company"
Authorized capital:	109,450,664 LTL
Office address:	Naujoji Uosto str. 8, LT-92125 Klaipėda, Lithuania
Telephone number:	+370 46 340001
Fax number:	+370 46 341195
E-mail address:	info@limarkoshipco.lt
Website address:	www.limarko.lt
Company code:	140346648

The Board of the Issuer

Mr. Vytautas Lygnugaris (Chairman of the Board) – President of AB "Limarko Shipping Company", President of the Lithuanian Ship Owners' Association, Chairman of the Board of UAB "Limarko jūrų agentūra" („Limarko Maritime Agency"). Mr. Lygnugaris does not hold shares of the Issuer.

Mr. Igoris Uba – Director General and Board Member of UAB "Limarko jūrų agentūra" („Limarko Maritime Agency"). Mr. Uba does not hold shares of the Issuer.

Mr. Sigitas Baltuška – Associate Director of public relations agency GCI Vilnius. Mr. Baltuška does not hold shares of the Issuer.

Mr. Paul Lawrence – Director of Limarko (UK) Limited and of Atlantic Union Holding Ltd. Mr. Lawrence does not hold shares of the Issuer.

Mr. Egidijus Bernotas – Attorney-at-law at Bernotas and Dominas Glimstedt Lawfirm, Board Member of UAB „Adminiculum" and Public Institution „European social, legal and economic projects". Mr. Bernotas does not hold shares of the Issuer.

Administration

Mr. Vytautas Lygnugaris, President.

Important Accounting Principles

AB "Limarko Shipping Company" is resident in the Republic of Lithuania. The main activity of AB "Limarko Shipping Company" is transportation of cargo by water (sea) transport. The main shareholder of the Issuer is UAB "Limarko", resident of the republic of Lithuania and which holds 90,88% of the authorised capital (13 April 2007). The shares of the Issuer are traded in Vilnius Stock Exchange.

Compliance of Financial Statements with the Standards

The Financial Statements were prepared in accordance with the International Financial Reporting Standards, adopted by the European Union.



Report of the Management

Activity Results

The unaudited pre-tax profit of AB "Limarko Shipping Company" for the first quarter of 2007 is LTL 6.3 million and constitutes an increase of 59% compared to the pre-tax profit of the Issuer for the first quarter of 2006 of LTL 4.0 million. The revenue for the first quarter of 2007 amounted to LTL 34.6 million and constitutes an increase of 15% compared to the revenue of the first quarter of 2006 of LTL 30.1 million.

During the first quarter of 2007 AB "Limarko Shipping Company" transported 135 thousand tons of cargo in total, whereof 60% accounted for frozen, chilled and perishable food products, and the remaining 40% accounted for dry cargo.

The good results of the Company is the outcome of effective work of the Company, the employment in the beginning of 2007 of the newly acquired modern vessels under long-term contracts, which substantially contributed to the positive results of the first quarter, as well as favourable global transportation of refrigerated cargo market.

On 31 March 2007 the fleet of the Company comprises of 16 vessels: 14 being reefers, container vessel "Serenada" and dry-cargo vessel "Siuita".

On 9 February 2007 AB "Limarko Shipping Company" acquired motor vessel "Capella". The motor vessel was built in 1993 in Japan. The maximum vessel speed is 18 knots. The vessel of 134 metres in length is designed for carriage of 3,450 standard Europalettes. Motor vessel "Capella" may carry fruit, vegetables, frozen or perishable food products (meat, fish). On 22 March 2007 the Company acquired until then bareboat-chartered dry-cargo vessel "Siuita".

The total capacity of reefer vessels, compared with 31 March 2007, increased by 7% - from 3.59 million cubic feet to 3.86 million cubic feet.

The investment in the expansion of the fleet during the first quarter amounted to LTL 43 million.

On 31 March 2007 there were a total of 429 employees of the Company: 388 seamen and 41 on-shore employees.

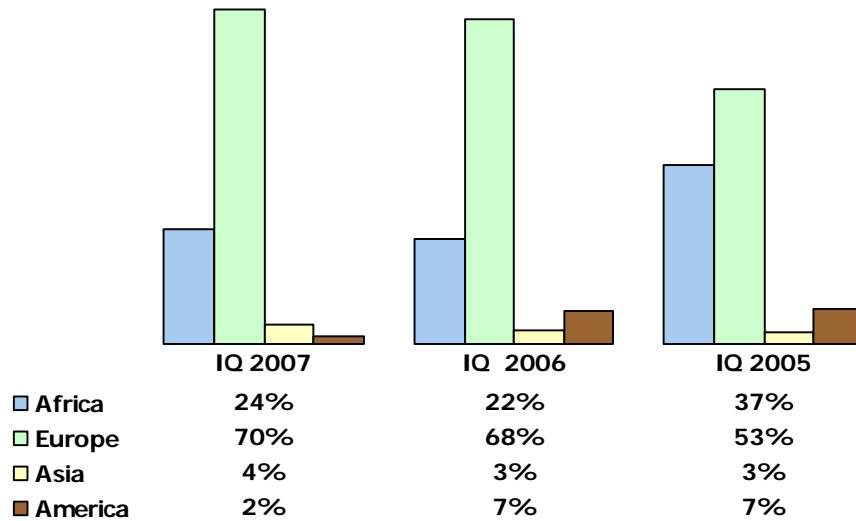
Structure of transportation according to regions

The main operation regions of the Company were Europe and West Africa:



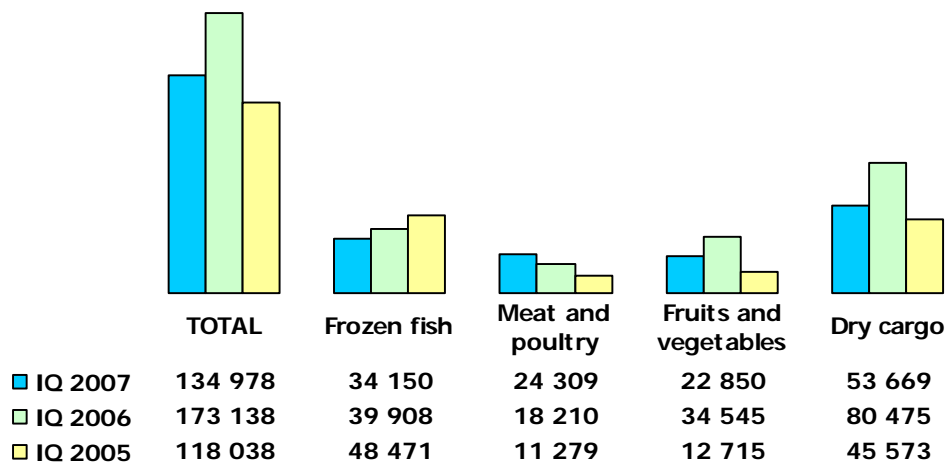
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Structure of transported cargo

The main transported cargoes were dry-cargo, frozen fish, meat and poultry, as well as fruit and vegetables:





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The Company expects that the second quarter of 2007 shall be successful. Traditionally, the second half of the year should be less active, but still expected to be more successful than in 2006. It is anticipated, that during the nearest years the global reefer transport market shall not only remain stable, but shall also increase by 3-4%. This is positive, having in mind that the new buildings of reefer vessels are very limited due to big congestion at ship builders up to 2010. Accordingly, the present tonnage shall be used to transport the increasing volumes of cargo that requires temperature regime.

Klaipėda, 30 April 2007

Vytautas Lygnugaris
President & CEO



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INCOME STATEMENT

in Litas

No.	ITEMS	2007 03 31	2006 03 31
I.	SALES INCOME	<u>34 573 476</u>	<u>30 144 428</u>
II.	COST OF SALES	<u>26 778 600</u>	<u>23 897 857</u>
III.	GROSS PROFIT (LOSS)	<u>7 794 876</u>	<u>6 246 571</u>
IV.	OPERATING COSTS	<u>1 779 251</u>	<u>1 226 227</u>
IV.1	Sales	12 287	(7 516)
IV.2	General and administrative	1 766 964	1 233 743
V.	OPERATING PROFIT (LOSS)	<u>6 015 626</u>	<u>5 020 344</u>
VI.	OTHER ACTIVITIES	<u>174 062</u>	<u>38 041</u>
VI.1.	Income	190 038	49 060
VI.2.	Expenses	15 976	11 019
VII.	FINANCING AND INVESTING ACTIVITIES	<u>143 227</u>	<u>(1 070 264)</u>
VII.1.	Income	1 592 979	120 044
VII.2.	Expenses	1 449 752	1 190 308
VIII.	PROFIT (LOSS) FROM NORMAL ACTIVITIES	<u>6 332 915</u>	<u>3 988 122</u>
IX.	GAIN		
X.	LOSSES		
XI.	PROFIT (LOSS) BEFORE TAX	<u>6 332 915</u>	<u>3 988 122</u>
XII.	PROFIT TAX		
XIII.	NET PROFIT (LOSS)	<u>6 332 915</u>	<u>3 988 122</u>



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BALANCE SHEET

ASSETS		2007 03 31	2006 03 31
A.	NON-CURRENT ASSETS	221 814 973	195 578 324
I.	INTANGIBLE ASSETS	83 518	114 289
I.1.	Development works		
I.2.	Goodwill		
I.3.	Licences and patents		
I.4.	Computer software	83 518	114 289
I.5.	Other intangible assets		
II.	TANGIBLE ASSETS	221 400 440	195 067 442
II.1.	Land		
II.2.	Buildings and constructions	1 969 489	2 595 961
II.3.	Machinery and equipment		
II.4.	Vehicles	218 861 098	192 194 622
II.5.	Other property, plant and equipment	569 853	276 860
II.6.	Construction in progress		
II.7.	Other tangible assets		
III.	FINANCIAL ASSETS	331 015	396 593
III.1.	Investments into subsidiaries and associates		
III.2.	Loans to subsidiaries and associates		
III.3.	Amounts receivable after one year		65 578
III.4.	Other financial assets	331 015	331 015
B.	CURRENT ASSETS	22 286 740	22 838 737
I.	INVENTORIES, PREPAYMENTS AND CONTRACTS IN PROGRESS	8 408 354	9 897 909
I.1.	Inventories	4 125 664	5 306 645
I.1.1.	Raw materials and consumables	4 125 664	5 306 645
I.1.2.	Work in progress		
I.1.3.	Finished goods		
I.1.4.	Goods for resale		
I.2.	Prepayments	4 282 689	4 591 264
I.3.	Contracts in progress		
II.	AMOUNTS RECEIVABLE WITHIN ONE YEAR	8 083 882	10 500 841
II.1.	Trade amounts receivable	7 625 392	10 158 738
II.2.	Receivables from subsidiaries and associates		6 251
II.3.	Other amounts receivable	458 489	335 853
III.	OTHER CURRENTS ASSETS		
III.1.	Current investments		
III.2.	Time deposits		
III.3.	Other currents assets		
IV.	CASH AND CASH EQUIVALENTS	5 794 505	2 439 987
TOTAL ASSETS		244 101 713	218 417 062



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EQUITY AND LIABILITIES		2007 03 31	2006 03 31
C.	EQUITY	116 717 690	104 771 641
I.	CAPITAL	109 450 664	109 450 664
I.1.	Authorised (subscribed)	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
III.1.	Legal reserve	6 597 114	6 597 114
III.2.	Reserve for acquiring own shares		
III.3.	Other reserves		
IV.	RETAINED EARNINGS (LOSSES)	669 912	(11 276 137)
IV.1.	Profit (loss) of the reporting year profit	6 332 915	3 988 122
IV.2.	Profit (loss) of the previous year	(5 663 002)	(15 264 259)
D.	GRANTS AND SUBSIDIES		
E.	AMOUNTS PAYABLE AND LIABILITIES	127 384 022	113 645 421
I.	NON-CURRENT AMOUNTS PAYABLE AND LIABILITIES	94 195 307	87 024 719
I.1.	Financial debts	87 795 307	80 826 719
I.1.1.	Leases and similar obligations		5 079
I.1.2.	To credit institutions	87 795 307	80 821 640
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	6 198 000
I.6.	Other amounts payable and non-current liabilities		
II.	CURRENT AMOUNTS PAYABLE AND LIABILITIES	33 188 716	26 620 701
II.1.	Current portion of non-current debts	15 537 639	14 151 067
II.2.	Financial debts		
II.2.1.	To credit institutions		
II.2.2.	Other debts		
II.3.	Trade amounts payable	9 602 402	9 017 856
II.4.	Amounts received in advance	1 891 999	190 124
II.5.	Profit tax liabilities	1 908 390	
II.6.	Liabilities related with labour relations	4 209 644	3 223 023
II.7.	Provisions		
II.8.	Other amounts payable and current liabilities	38 641	38 631
TOTAL EQUITY AND LIABILITIES		244 101 713	218 417 062



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CASH FLOW STATEMENT

No.	ITEMS	2007 I ketv.	2006 I ketv.
I.	Cash flows from operating activities		
I.1.	Net profit (loss)	6 332 915	3 988 122
I.2.	Depreciation and amortization costs	4 450 607	4 061 958
I.3.	Decrease (increase) in amounts receivable after one year		
I.4.	Decrease (increase) in inventory	(661 943)	(2 298 430)
I.5.	Decrease (increase) in advances received	(1 490 772)	3 041 454
I.6.	Decrease (increase) in contracts in progress	-	-
I.7.	Decrease (increase) in trade receivables	(385 476)	(4 075 746)
I.8.	Decrease (increase) in amounts receivable from	-	(6 251)
I.9.	Decrease (increase) in other amounts receivable	(51 256)	(85 503)
I.10.	Decrease (increase) in other current assets	-	-
I.11.	Increase (decrease) in non-current payables to suppliers	-	-
I.12.	Increase (decrease) in current payables to suppliers and	4 525 095	3 103 189
I.13.	Increase (decrease) in profit tax liability	-	-
I.14.	Increase (decrease) in liabilities connected with labour	1 032 729	723 737
I.15.	Increase (decrease) in provisions	-	-
I.16.	Increase (decrease) in other amounts payable and	3 697	(548 466)
I.17.	Elimination of financing and investing activity results	(146 761)	1 069 515
	Net cash flows from operating activities	13 608 834	8 973 580
II.	Cash flows from investing activities		
II.1.	Acquisition of non-current assets (excluding investments)	(42 989 240)	(53 224 350)
II.2.	Transfer of non-current assets (excluding investments)	3 145 700	2 293
II.3.	Acquisition of long-term investments	-	-
II.4.	Transfer of long-term investments	-	-
II.5.	Loans granted	-	-
II.6.	Loans recovered	48 991	9 704
II.7.	Dividends and interest received	69 443	39 365
II.8.	Other increase in cash flows from investing activities	-	-
II.9.	Other decrease in cash flows from investing activities	-	-
	Net cash flows from investing activities	(39 725 106)	(53 172 989)
III.	Cash flows from financing activities		
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	24 228 066	41 808 498
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	(5 777 682)	(5 140 145)
III.2.2.1.	Loans repaid	(4 341 155)	(3 927 390)
III.2.2.2.	Purchase of bonds	-	-
III.2.2.3.	Interest paid	(1 431 860)	(1 189 559)
III.2.2.4.	Payments of lease (finance lease) liabilities	(4 667)	(23 196)
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	-	-
	Net cash flows from financing activities	24 228 066	41 808 498
IV.	Cash flows from extraordinary items	-	-
IV.1.	Increase in cash flows from extraordinary items	-	-
IV.2.	Decrease in cash flows from extraordinary items	-	-
V.	The effects of changes in foreign exchange rates on	(121 045)	(744 652)
VI.	Net increase (decrease) in cash flows	(2 009 252)	(3 135 563)
VII.	Cash and cash equivalents at the beginning of period	7 803 757	5 575 550
VIII.	Cash and cash equivalents at the end of period	5 794 505	2 439 987



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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)	100 783 519
Net profit for Q1 2006			3 988 122	3 988 122
Balance at 31 March 2006	109 450 664	6 597 114	(11 276 137)	104 771 641
Balance at 1 January 2007	109 450 664	6 597 114	(5 663 002)	110 384 776
Net profit for Q1 2007			6 332 915	6 332 915
Balance at 31 March 2007	109 450 664	6 597 114	669 912	116 717 690