



AB LIMARKO LAIVININKYSTĖS KOMPANIJA
LIMARKO SHIPPING COMPANY AB

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1987-2007

TO: Lithuanian Securities Commission
Konstitucijos ave. 23
LT-08105 Vilnius, Lithuania

2007-10-22 Nr. FIN-1-193-07

Confirmation of responsible persons

Following the Article No. 22 of Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission, we, Vytautas Lygnugaris, President of Limarko laivininkystės kompanija AB, and Renaldas Vyšniauskas, Finance Director of Limarko laivininkystės kompanija AB, hereby confirm, that to the best of our knowledge, the attached not audited Limarko laivininkystės kompanija AB Interim Financial Statements for the nine months of 2007, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of Limarko laivininkystės kompanija AB.

Enclosure:

1. Limarko laivininkystės kompanija AB Interim Financial Statements for the nine months of 2007;

President & CEO

Vytautas Lygnugaris

Finance Director

Renaldas Vyšniauskas



LIMARKO LAIVININKYSTĖS KOMPANIJA

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Interim Financial Statements for the first nine months of 2007

October 2007, Klaipėda

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The financial statements of Limarko laivininkystės kompanija AB have been prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union.

Financial statements for the first nine months of 2007 are not audited. Limarko laivininkystės kompanija AB financial statements for the year ended 31 December 2006 are audited by the auditors - KPMG Baltics, UAB.

Income statement

(in Litas)

No.	ITEMS	2007 09 30	2006 09 30
I.	SALES INCOME	104 357 586	87 634 727
II.	COST OF SALES	85 118 072	77 731 455
III.	GROSS PROFIT (LOSS)	19 239 514	9 903 272
IV.	OPERATING COSTS	5 772 937	4 372 963
IV.1.	Sales	18 405	(8 681)
IV.2.	General and administrative	5 754 532	4 381 644
V.	OPERATING PROFIT (LOSS)	13 466 577	5 530 309
VI.	OTHER ACTIVITIES	361 412	4 690 815
VI.1.	Income	504 035	4 715 060
VI.2.	Expenses	142 623	24 245
VII.	FINANCING AND INVESTING ACTIVITIES	1 504 472	303 713
VII.1.	Income	6 016 343	4 041 965
VII.2.	Expenses	4 511 872	3 738 252
VIII.	PROFIT (LOSS) FROM NORMAL ACTIVITIES	15 332 460	10 524 837
IX.	GAIN		
X.	LOSSES		
XI.	PROFIT (LOSS) BEFORE TAX	15 332 460	10 524 837
XII.	PROFIT TAX		
XIII.	NET PROFIT (LOSS)	15 332 460	10 524 837



Balance sheet

(in Litas)

ASSETS		2007 09 30	2006 12 31	2006 09 30
A.	NON-CURRENT ASSETS	216 331 832	186 485 388	185 458 066
I.	INTANGIBLE ASSETS	58 836	95 906	103 679
I.1.	Development works			
I.2.	Goodwill			
I.3.	Licences and patents			
I.4.	Computer software	58 836	95 906	103 679
I.5.	Other intangible assets			
II.	TANGIBLE ASSETS	215 941 982	186 009 477	184 968 835
II.1.	Land			
II.2.	Buildings and constructions	1 925 325	1 980 658	2 002 403
II.3.	Machinery and equipment			
II.4.	Vehicles	213 120 948	180 637 630	182 694 407
II.5.	Other property, plant and equipment	895 709	283 689	272 024
II.6.	Construction in progress		3 107 500	
II.7.	Other tangible assets			
III.	FINANCIAL ASSETS	331 015	380 005	385 553
III.1.	Investments into subsidiaries and associates			
III.2.	Loans to subsidiaries and associates			
III.3.	Amounts receivable after one year		48 991	54 538
III.4.	Other financial assets	331 015	331 015	331 015
B.	CURRENT ASSETS	20 168 706	21 706 545	25 918 376
I.	INVENTORIES, PREPAYMENTS AND CONTRACTS IN PROGRESS	8 802 459	6 255 638	5 954 827
I.1.	Inventories	3 979 951	3 463 721	4 388 997
I.1.1.	Raw materials and consumables	3 979 951	3 463 721	4 388 997
I.1.2.	Work in progress			
I.1.3.	Finished goods			
I.1.4.	Goods for resale			
I.2.	Prepayments	4 822 508	2 791 917	1 565 830
I.3.	Contracts in progress			
II.	AMOUNTS RECEIVABLE WITHIN ONE YEAR	7 154 812	7 647 150	10 751 877
II.1.	Trade amounts receivable	6 782 612	7 239 916	10 329 081
II.2.	Receivables from subsidiaries and associates			
II.3.	Other amounts receivable	372 200	407 234	422 797
III.	OTHER CURRENTS ASSETS			
III.1.	Current investments			
III.2.	Time deposits			
III.3.	Other currents assets			
IV.	CASH AND CASH EQUIVALENTS	4 211 435	7 803 757	9 211 672
TOTAL ASSETS		236 500 538	208 191 933	211 376 442



EQUITY AND LIABILITIES		2007 09 30	2006 12 31	2006 09 30
C.	EQUITY	125 717 236	110 384 776	111 308 356
I.	CAPITAL	109 450 664	109 450 664	109 450 664
I.1.	Authorised (subscribed)	109 450 664	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	6 597 114
III.1.	Legal reserve	6 597 114	6 597 114	6 597 114
III.2.	Reserve for acquiring own shares			
III.3.	Other reserves			
IV.	RETAINED EARNINGS (LOSSES)	9 669 458	(5 663 002)	(4 739 422)
IV.1.	Profit (loss) of the reporting year profit	15 332 460	9 601 256	10 524 837
IV.2.	Profit (loss) of the previous year	(5 663 002)	(15 264 259)	(15 264 259)
D.	GRANTS AND SUBSIDIES			
E.	AMOUNTS PAYABLE AND LIABILITIES	110 783 302	97 807 157	100 068 086
I.	NON-CURRENT AMOUNTS PAYABLE AND LIABILITIES	82 950 045	72 549 126	76 938 071
I.1.	Financial debts	76 550 045	66 149 126	70 740 071
I.1.1.	Leases and similar obligations			4 812
I.1.2.	To credit institutions	76 550 045	66 149 126	70 735 259
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	6 400 000	6 198 000
I.6.	Other amounts payable and non-current liabilities			
II.	CURRENT AMOUNTS PAYABLE AND LIABILITIES	27 833 256	25 258 031	23 130 015
II.1.	Current portion of non-current debts	14 162 655	13 168 475	13 509 449
II.2.	Financial debts			
II.2.1.	To credit institutions			
II.2.2.	Other debts			
II.3.	Trade amounts payable	6 854 683	6 045 743	5 661 888
II.4.	Amounts received in advance	358 683	923 564	103 894
II.5.	Profit tax liabilities	1 911 338	1 908 390	
II.6.	Liabilities related with labour relations	4 511 676	3 176 916	3 821 029
II.7.	Provisions			
II.8.	Other amounts payable and current liabilities	34 221	34 944	33 755
TOTAL EQUITY AND LIABILITIES		236 500 538	208 191 933	211 376 442



Statement of cash flows

No.	ITEMS	2007 09 30	2006 09 30
I.	Cash flows from operating activities		
I.1.	Net profit (loss)	15 332 460	10 524 837
I.2.	Depreciation and amortization costs	15 328 849	12 659 824
I.3.	Decrease (increase) in amounts receivable after one year		
I.4.	Decrease (increase) in inventory	(516 230)	(1 380 782)
I.5.	Decrease (increase) in advances received	(2 030 591)	6 066 889
I.6.	Decrease (increase) in contracts in progress	-	-
I.7.	Decrease (increase) in trade receivables	457 305	(4 246 089)
I.8.	Decrease (increase) in amounts receivable from	-	-
I.9.	Decrease (increase) in other amounts receivable	35 034	(172 446)
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	244 060	(339 008)
I.13.	Increase (decrease) in profit tax liability	2 948	-
I.14.	Increase (decrease) in liabilities connected with labour	1 334 760	1 321 742
I.15.	Increase (decrease) in provisions	-	-
I.16.	Increase (decrease) in other amounts payable and	(723)	(553 342)
I.17.	Elimination of financing and investing activity results	(1 494 715)	(3 737 752)
	Net cash flows from operating activities	28 693 157	20 143 873
II.	Cash flows from investing activities		
II.1.	Acquisition of non-current assets (excluding investments)	(48 434 959)	(56 277 387)
II.2.	Transfer of non-current assets (excluding investments)	3 181 736	8 060 572
II.3.	Acquisition of long-term investments		
II.4.	Transfer of long-term investments	-	-
II.5.	Loans granted	-	-
II.6.	Loans recovered	48 991	20 743
II.7.	Dividends and interest received	256 000	240 946
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	(44 948 233)	(47 955 126)
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	13 456 449	32 433 355
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	(16 549 299)	(14 515 288)
III.2.2.1.	Loans repaid	(12 051 945)	(10 719 665)
III.2.2.2.	Purchase of bonds	-	-
III.2.2.3.	Interest paid	(4 492 688)	(3 735 954)
III.2.2.4.	Payments of lease (finance lease) liabilities	(4 667)	(59 669)
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	13 456 449	32 433 355
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	(793 694)	(985 981)
VI.	Net increase (decrease) in cash flows	(3 592 321)	3 636 122
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	4 211 435	9 211 672



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 3Q 2006			10 524 837	10 524 837
Balance at 30 September 2006	109 450 664	6 597 114	(4 739 422)	111 308 356
Balance at 1 January 2007	109 450 664	6 597 114	(5 663 002)	110 384 776
Net profit for 3Q 2007			15 332 460	15 332 460
Balance at 30 September 2007	109 450 664	6 597 114	9 669 458	125 717 236

Explanatory letter

Limarko laivininkystės kompanija AB (the "Company") is a company domiciled in Lithuania. The Company is involved in transportation of cargo by sea transport (vessels).

The major shareholder of the Company is Limarko UAB, a company incorporated in Lithuania, which owns 90.76% of the share capital (2007 09 30). The ordinary shares of the company are listed on the Vilnius Stock Exchange

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union.

The financial statements are presented in Litas, the legal currency of Lithuania and considered to be the functional currency of the company, and are prepared on the historical cost basis except for available-for-sale financial assets which are measured at fair value, from accounting records maintained in accordance with Lithuanian laws and regulations.

Revenue

In Litas	2007 09 30	2006 09 30
Voyage charter operations	64 233 787	51 243 494
Pool operations	22 872 623	28 225 049
Time charter operations	15 803 584	7 468 607
Demurrage	1 447 591	697 577
Total revenue	104 357 586	87 634 727

On 30 September 2007 the fleet of the Company comprises of 16 vessels: 14 being reefers, container vessel "Serenada" and dry-cargo vessel "Siuita".

During the first nine months of 2007 the pre-audited turnover of Limarko laivininkystės kompanija AB reached LTL 104 million and increased by 19% compared to the first nine months of 2006.



Cost of sales

In Litas	2007 09 30	2006 09 30
Crew costs	20 255 708	16 343 329
Fuel	19 637 871	21 010 311
Depreciation	15 063 598	12 450 896
Repair and maintenance of vessels	11 645 489	9 479 550
Commissions	4 370 692	3 230 573
Port dues	4 366 324	5 380 580
Insurance	4 166 286	4 285 260
Lubricating oil	3 225 573	2 330 077
Other costs	2 386 530	3 220 879
	85 118 072	77 731 455

Other operating income/expenses

In Litas	2007 09 30	2006 09 30
Other activities income:		
Profit from sale of non-currents assets	2 213	4 541 977
Rental and revenue from the sales of goods	369 121	106 866
Revenue from non-ordinary activities	132 701	66 217
Total other activities income	504 035	4 715 060
Other activities costs:		
Loss from sale of non-currents assets	-31 154	-6 616
Cost of sold non-current assets	-111 469	-17 629
Total other activities costs	-142 623	-24 245
	361 412	4 690 815

Operating costs

In Litas	2007 09 30	2006 09 30
Staff costs	2 727 826	2 397 078
Rental costs	706 546	54 699
Business trips	276 082	306 931
Depreciation and amortization	265 251	208 927
Exploitation and maintenance of real estate	193 496	57 236
Communication	150 176	206 839
Financial, legal advisory	81 590	185 450
Other costs	1 371 971	955 803
	5 772 937	4 372 963



Financial income/costs

In Litas	2007 09 30	2006 09 30
Financial income:		
Currency exchange rate gain	5 760 343	3 738 869
Interest	256 000	240 946
Penalties		62 150
Total financial income	6 016 343	4 041 965
Financial expenses:		
Interest	-4 492 688	-3 735 954
Penalties	-19 184	-2 299
Total financial costs	-4 511 871	-3 738 252
	1 504 472	303 713

Depreciation

Depreciation is recognised in the following line items in the income statement:

In Litas	2007 09 30	2006 09 30
Cost of sales	15 063 598	12 450 896
General and administrative operating expenses	265 251	208 927
	15 328 849	12 659 824

Investments

In Litas	2007 09 30	2006 09 30
Available-for-sale investments	331 015	331 015
	331 015	331 015

Available-for-sale investments include 20% of the shares of Alpha Reefer Transport GmbH. Alpha Reefer Transport GmbH is the company, through which Limarko laivininkystės kompanija AB earns pool revenue.

Although the Company has 20% investment in Alpha Reefer Transport GmbH, it does not have representation in the Board and management and, therefore, does not exercise significant influence. Accordingly, it is not treated as an associated entity under IFRS.

Inventories

In Litas	2007 09 30	2006 09 30
Fuel	2 822 132	3 439 691
Lubricating oil	1 164 729	952 291
Raw materials and consumables	63 091	67 015
	4 049 951	4 458 997
Allowance for slow moving inventory	-70 000	-70 000
	3 979 951	4 388 997



Receivable

In Litas	2007 09 30	2006 09 30
Trade receivable	6 782 612	10 329 080
Prepayments	3 408 949	128 307
Deferred expenses	1 413 559	1 437 523
Other receivable	372 200	422 796
	11 977 319	12 317 707

The majority of deferred expenses comprise prepaid insurance expenses.

Cash and cash equivalents

In Litas	2007 09 30	2006 09 30
Bank balances	4 170 468	9 186 458
Cash in hand	40 966	25 213
	4 211 435	9 211 672

Share capital

As of 30 September 2007, the authorised share capital, issued and fully paid, comprised 109 450 664 ordinary shares at a par value of Litas 1 each.

Holders of ordinary shares are entitled to one vote per share in the General Meeting of the Company and are entitled to receive dividends.

The shareholders at the balance sheet date were as follows:

	Ordinary shares	Ownership %
UAB "Limarko"	99 336 869	91%
Skandinaviska Enskilda Banken	6 327 335	6%
Other minority shareholders	3 786 460	3%
	109 450 664	100%

The shares are listed in Vilnius Stock Exchange.

Interest-bearing loans and borrowings

The company's interest-bearing loans and borrowings are as follows:

Lending institution	Ref	Principal amount	Balance LTL 2007 09 30	Balance LTL 2006 09 30
AB "SEB Vilniaus bankas", (mv "Andromeda")	a)	\$3 350 000	8 170 650	11 261 025
AB "SEB Vilniaus bankas", (mv "Libra")	b)	\$4 580 000	11 170 620	14 869 980
AB "Hansabankas", (mv "Pluto" and mv "Uranus")	c)	\$12 221 000	29 807 019	39 457 004
AB "Hansabankas", (mv "Capella")	d)	\$10 458 750	25 508 891	
AB "SEB Vilniaus bankas", (mv "Serenada")	e)	€ 4 650 000	16 055 520	18 645 120
"Nordea Finance Leasing"				16 391
Total liabilities			90 712 700	84 249 520
Less: current portion			-14 162 655	-13 509 449
Total long term portion of net liabilities			76 550 045	70 740 071

Interest rates for the loans are variable and relate to LIBOR, varying from LIBOR+0.8% to LIBOR+1.35%.



- a) The loan was received to finance the acquisition of the vessel "Andromeda". The loan should be repaid by 31 December 2011 in quarterly payments. The loan is secured by pledging the vessel "Andromeda".
- b) The loan was received to finance the acquisition of the vessel "Libra". The loan should be repaid by 23 October 2012 in quarterly payments. The loan is secured by pledging the vessel "Libra".
- c) The loan was received to finance the acquisition of the vessels "Pluto" and "Uranus". The loan should be repaid by 3 January 2013 in quarterly payments. The loan is secured by pledging the vessels "Pluto", "Uranus" and "Lyra".
- d) The loan was received to finance the acquisition of the vessel "Capella". The loan should be repaid by 31 December 2013 in quarterly payments. The loan is secured by pledging the vessels "Capella" and „Astra“.
- e) The loan was received to finance the acquisition of the vessel "Serenada". The loan should be repaid by 11 August 2012 in quarterly payments. The loan is secured by pledging the vessel "Serenada".

Subsequent events

Limarko Shipping Company AB completed the acquisition of the m/v America Feeder. The m/v America Feeder was built in Turkey in 1997. Its maximum performing speed is 17 knots. 121 m length vessel is designed for carrying 585 TEU. An important advantage of the vessel is the ability to carry 144 reefer containers.

After the delivery of the ship, the newly purchased vessel was profitably employed in the Caribbean Sea region. According to the terms of the contract the name of the vessel remained unchanged.

