



**AB LIMARKO LAIVININKYSTĖS KOMPANIJA**  
**LIMARKO SHIPPING COMPANY AB**

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

2008-05-06 Nr. FIN-1-50-08

**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 three months of 2008, 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 three months of 2008;

President & CEO

Vytautas Lygnugaris

Finance Director

Renaldas Vyšniauskas



# LIMARKO LAIVININKYSTĖS KOMPANIJA

Interim Financial Statements for the first three months of 2008

April 2008, Klaipėda

## **TABLE OF CONTENTS**

Income statement .....	3
Balance sheet .....	4
Statement of cash flows.....	6
Statement of changes in equity .....	7
Explanatory letter .....	7



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 three months of 2008 are not audited.

### **Income statement**

*In thousand of Litas*

<b>No.</b>	<b>In thousand of Litas</b>	<b>1Q, 2008</b>	<b>1Q, 2007</b>
I.	SALES INCOME	36 025	34 573
II.	COST OF SALES	32 899	26 753
III.	GROSS PROFIT (LOSS)	3 127	7 821
IV.	OPERATING COSTS	1 807	1 780
IV.1	Sales	(7)	12
IV.2	General and administrative	1 814	1 767
V.	OPERATING PROFIT (LOSS)	1 319	6 041
VI.	OTHER ACTIVITIES	57	32
VI.1.	Income	57	48
VI.2.	Expenses	0	16
VII.	FINANCING AND INVESTING ACTIVITIES	5 500	143
VII.1.	Income	6 857	1 593
VII.2.	Expenses	1 356	1 450
VIII.	PROFIT (LOSS) FROM NORMAL ACTIVITIES	6 876	6 216
IX.	GAIN		
X.	LOSSES		
XI.	PROFIT (LOSS) BEFORE TAX	6 876	6 216
XII.	PROFIT TAX		
XIII.	NET PROFIT (LOSS)	6 876	6 216



## Balance sheet

*In thousand of Litas*

ASSETS		2008 03 31	2007 03 31
<b>A.</b>	<b>NON-CURRENT ASSETS</b>	<b>233 794</b>	<b>221 747</b>
I.	INTANGIBLE ASSETS	49	84
I.1.	Development works		
I.2.	Goodwill		
I.3.	Licences and patents		
I.4.	Computer software	49	84
I.5.	Other intangible assets		
II.	TANGIBLE ASSETS	233 109	221 333
II.1.	Land		
II.2.	Buildings and constructions	1 881	1 969
II.3.	Machinery and equipment		
II.4.	Vehicles	230 416	218 793
II.5.	Other property, plant and equipment	812	570
II.6.	Construction in progress		
II.7.	Other tangible assets		
III.	FINANCIAL ASSETS	635	331
III.1.	Investments into subsidiaries and associates		
III.2.	Loans to subsidiaries and associates		
III.3.	Amounts receivable after one year	387	
III.4.	Other financial assets	248	331
<b>B.</b>	<b>CURRENT ASSETS</b>	<b>20 861</b>	<b>22 286</b>
I.	INVENTORIES, PREPAYMENTS AND CONTRACTS IN PROGRESS	10 626	8 408
I.1.	Inventories	6 547	4 125
I.1.1.	Raw materials and consumables	6 547	4 125
I.1.2.	Work in progress		
I.1.3.	Finished goods		
I.1.4.	Goods for resale		
I.2.	Prepayments	4 079	4 283
I.3.	Contracts in progress		
II.	AMOUNTS RECEIVABLE WITHIN ONE YEAR	10 005	8 084
II.1.	Trade amounts receivable	9 624	7 625
II.2.	Receivables from subsidiaries and associates		
II.3.	Other amounts receivable	381	458
III.	OTHER CURRENTS ASSETS		
III.1.	Current investments		
III.2.	Time deposits		
III.3.	Other currents assets		
IV.	CASH AND CASH EQUIVALENTS	230	5 795
<b>TOTAL ASSETS</b>		<b>254 655</b>	<b>244 034</b>



<b>EQUITY AND LIABILITIES</b>		<b>2008 03 31</b>	<b>2007 03 31</b>
<b>C.</b>	<b>EQUITY</b>	<b>138 223</b>	<b>116 601</b>
I.	CAPITAL	109 451	109 451
I.1.	Authorised (subscribed)	109 451	109 451
I.2.	Subscribed uncalled share capital (-)		
I.3.	Share premium		
I.4.	Own Shares (-)		
II.	REVALUATION RESERVE (RESULTS)		
III.	RESERVES	6 597	6 597
III.1.	Legal reserve	6 597	6 597
III.2.	Reserve for acquiring own shares		
III.3.	Other reserves		
IV.	RETAINED EARNINGS (LOSSES)	22 176	553
IV.1.	Profit (loss) of the reporting year profit	6 876	6 216
IV.2.	Profit (loss) of the previous year	15 299	(5 663)
<b>D.</b>	<b>GRANTS AND SUBSIDIES</b>		
<b>E.</b>	<b>AMOUNTS PAYABLE AND LIABILITIES</b>	<b>116 431</b>	<b>127 433</b>
I.	NON-CURRENT AMOUNTS PAYABLE AND LIABILITIES	83 298	94 195
I.1.	Financial debts	83 298	87 795
I.1.1.	Leases and similar obligations		
I.1.2.	To credit institutions	83 298	87 795
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
I.6.	Other amounts payable and non-current liabilities		
II.	CURRENT AMOUNTS PAYABLE AND LIABILITIES	33 134	33 237
II.1.	Current portion of non-current debts	14 788	15 538
II.2.	Financial debts		
II.2.1.	To credit institutions		
II.2.2.	Other debts		
II.3.	Trade amounts payable	12 070	9 651
II.4.	Amounts received in advance	188	1 892
II.5.	Profit tax liabilities	82	1 908
II.6.	Liabilities related with labour relations	5 971	4 210
II.7.	Provisions		
II.8.	Other amounts payable and current liabilities	35	39
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>254 655</b>	<b>244 034</b>



### Statement of cash flows

No.	In thousand of Lit	1Q, 2008	1Q, 2007
<b>I.</b>	<b>Cash flows from operating activities</b>		
I.1.	Net profit (loss)	6 876	6 216
I.2.	Depreciation and amortization costs	5 707	4 425
I.3.	Decrease (increase) in amounts receivable after one year	-	-
I.4.	Decrease (increase) in inventory	841	(662)
I.5.	Decrease (increase) in advances received	(1 706)	(1 491)
I.6.	Decrease (increase) in contracts in progress	-	-
I.7.	Decrease (increase) in trade receivables	(549)	(385)
I.8.	Decrease (increase) in amounts receivable from	-	-
I.9.	Decrease (increase) in other amounts receivable	58	(51)
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	(380)	4 574
I.13.	Increase (decrease) in profit tax liability	-	-
I.14.	Increase (decrease) in liabilities connected with labour	313	1 033
I.15.	Increase (decrease) in provisions	-	-
I.16.	Increase (decrease) in other amounts payable and	(1)	4
I.17.	Elimination of financing and investing activity results	(5 502)	(146)
	<b>Net cash flows from operating activities</b>	<b>5 659</b>	<b>13 515</b>
<b>II.</b>	<b>Cash flows from investing activities</b>		
II.1.	Acquisition of non-current assets (excluding investments)	(12)	(39 788)
II.2.	Transfer of non-current assets (excluding investments)	0	38
II.3.	Acquisition of long-term investments	-	-
II.4.	Transfer of long-term investments	-	-
II.5.	Loans granted	-	-
II.6.	Loans recovered	(196)	49
II.7.	Dividends and interest received	16	69
II.8.	Other increase in cash flows from investing activities	-	-
II.9.	Other decrease in cash flows from investing activities	-	-
	<b>Net cash flows from investing activities</b>	<b>(192)</b>	<b>(39 631)</b>
<b>III.</b>	<b>Cash flows from financing activities</b>		
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	(7 132)	24 228
III.2.1.	Increase in financial debts	-	30 006
III.2.1.1.	Loans received	-	30 006
III.2.1.2.	Issue of bonds	-	-
III.2.2.	Decrease in financial debts	(7 132)	(5 778)
III.2.2.1.	Loans repaid	(5 777)	(4 341)
III.2.2.2.	Purchase of bonds	-	-
III.2.2.3.	Interest paid	(1 355)	(1 432)
III.2.2.4.	Payments of lease (finance lease) liabilities	-	(5)
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	-	-
	<b>Net cash flows from financing activities</b>	<b>(7 132)</b>	<b>24 228</b>
<b>IV.</b>	<b>Cash flows from extraordinary items</b>	-	-
IV.1.	Increase in cash flows from extraordinary items	-	-
IV.2.	Decrease in cash flows from extraordinary items	-	-
<b>V.</b>	<b>The effects of changes in foreign exchange rates on</b>	<b>194</b>	<b>(121)</b>
<b>VI.</b>	<b>Net increase (decrease) in cash flows</b>	<b>(1 471)</b>	<b>(2 009)</b>
<b>VII.</b>	<b>Cash and cash equivalents at the beginning of period</b>	<b>1 702</b>	<b>7 804</b>
<b>VIII.</b>	<b>Cash and cash equivalents at the end of period</b>	<b>230</b>	<b>5 795</b>



## Statement of changes in equity

*In thousand of Litas*

In thousand of Litas	Share capital	Legal reserve	Retained earnings	Total equity
Balance at 1 January 2007	109 451	6 597	(5 663)	<b>110 385</b>
Net profit for 1Q 2007	-	-	6 216	<b>6 216</b>
Balance at 31 March 2007	109 451	6 597	553	<b>116 601</b>
Balance at 1 January 2008	109 451	6 597	15 299	<b>131 347</b>
Net profit for 1Q 2008	-	-	6 876	<b>6 876</b>
Balance at 31 March 2008	109 451	6 597	22 176	<b>138 223</b>

## 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 90.59% of the share capital (2008 03 31). 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 thousand of Litas	1Q, 2008	1Q, 2007
Voyage charter operations	22 812	20 462
Time charter operations	7 713	3 654
Pool operations	5 500	9 609
Demurrage		848
<b>Total revenue</b>	<b>36 025</b>	<b>34 573</b>

As at 31 March 2008, the Company owned 16 vessels : 14 reefer ships and 2 container ships.

During the three months of 2008 the pre-audited turnover of Limarko laivininkystės kompanija AB reached LTL 36 million and increased by 4% compared to the first three months of 2007.





**Cost of sales**

In thousand of Litas	1Q, 2008	1Q, 2007
Crew costs	8 263	6 258
Fuel	8 950	6 208
Depredation	5 598	4 348
Repair and maintenance of vessels	4 232	3 762
Commissions	1 342	1 439
Port dues	1 420	1 466
Insurance	1 302	1 340
Lubricating oil	1 197	944
Other costs	595	988
	<b>32 899</b>	<b>26 753</b>

**Other operating income/expenses**

In thousand of Litas	1Q, 2008	1Q, 2007
Revenue from sale of non-current assets		38
Cost of sold non-current assets		-53
Net revenue from sale of non-currents assets		-14
Other operating income, net	57	46
	<b>57</b>	<b>32</b>

**Operating costs**

In thousand of Litas	1Q, 2008	1Q, 2007
Staff costs	948	995
Rental costs	263	211
Business trips	56	68
Depredation and amortization	108	76
Exploitation and maintenance of real estate	68	46
Communication	48	41
Other costs	318	342
	<b>1 807</b>	<b>1 780</b>



### Financial income/costs

In thousand of Lit	1Q, 2008	1Q, 2007
Financial income:		
Currency exchange rate gain	6 840	1 523
Interest	16	69
Total financial income	6 857	1 593
Financial expenses:		
Interest	-1 355	-1 432
Penalties	-1	-18
Total financial costs	-1 356	-1 450
	<b>5 500</b>	<b>143</b>

### Depreciation

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

In thousand of Lit	1Q, 2008	1Q, 2007
Cost of sales	5 598	4 348
General and administrative operating expenses	108	76
	<b>5 707</b>	<b>4 425</b>

### Investments

In thousand of Lit	2008 03 31	2007 03 31
Available-for-sale investments	248	331
	<b>248</b>	<b>331</b>

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. An impairment of 83 thousand Lit on the investment was recognised in the income statement for 2007.

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 thousand of Lit	2008 03 31	2007 03 31
Fuel	5 231	3 115
Lubricating oil	1 321	1 022
Raw materials and consumables	64	58
	6 617	4 195
Allowance for slow moving inventory	-70	-70
	<b>6 547</b>	<b>4 125</b>



### **Receivable**

<b>In thousand of Litas</b>	<b>2008 03 31</b>	<b>2007 03 31</b>
Trade receivable	9 624	7 625
Deferred expenses	3 953	4 018
Prepayments	126	265
Other receivable	381	458
	<b>14 084</b>	<b>12 367</b>

The majority of deferred expenses comprise prepaid insurance expenses.

### **Cash and cash equivalents**

<b>In thousand of Litas</b>	<b>2008 03 31</b>	<b>2007 03 31</b>
Bank balances	203	5 751
Cash in hand	27	43
	<b>230</b>	<b>5 795</b>

### **Trade and other payables**

<b>In thousand of Litas</b>	<b>2008 03 31</b>	<b>2007 03 31</b>
Trade payable	12 070	9 651
Amounts received in advance	188	1 892
Remuneration payable	5 971	4 210
Other payable	117	1 947
	<b>18 346</b>	<b>17 700</b>

### **Share capital**

As of 31 March 2008, 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:

	<b>Ordinary shares</b>	<b>Ownership %</b>
UAB "Limarko"	99 147 000	90,59%
Skandinaviska Enskilda Banken Clients	6 279 468	5,74%
Other minority shareholders	4 024 196	3,68%
	<b>109 450 664</b>	<b>100%</b>

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 2008 03 31	Balance LTL 2007 03 31
AB "SEB Vilniaus bankas", (mv "Andromeda")	a)	2 950 tUSD	6 458	9 721
AB "SEB Vilniaus bankas", (mv "Libra")	b)	4 130 tUSD	9 041	13 039
AB "Hansabankas", (mv "Pluto" and mv "Uranus")	c)	11 061 tUSD	24 214	34 686
AB "Hansabankas", (mv "Capella")	d)	10 034 tUSD	21 965	28 537
AB "SEB Vilniaus bankas", (mv "Serenada")	e)	4 277 tEUR	14 768	17 350
UniCredit Bank, (mv "America Feeder")	f)	9 885 tUSD	21 640	
<b>Total liabilities</b>			<b>98 086</b>	<b>103 333</b>
Less: current portion			-14 788	-15 538
<b>Total long term portion of net liabilities</b>			<b>83 298</b>	<b>87 795</b>

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 vessels "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".

f) The loan was received to finance the acquisition of the vessel "America Feeder". The loan should be repaid by 30 September 2017 in quarterly payments. The loan is secured by pledging the vessel "America Feeder".

### **Subsequent events**

On 11 April 2008 a decision at the annual General Meeting was taken to increase the authorized capital of the company by supplementary contributions up to LTL 120,395,730 by a new issue of 10,945,066 ordinary registered shares with nominal value of LTL 1 (one litas) each. The shareholders decided that the shares of the new issue shall be offered to the shareholders of the company in proportion to the number of shares held on the day of the annual General Meeting. The shareholders set the price of the shares of the new issue at LTL 1 (one litas) for one share. On 22 April 2008, the Company submitted the prospectus of the new share issue to Lithuanian Securities Commission for approval. After confirmation of prospectus, the new issue of shares will be joined with the outstanding one, listed on stock exchange.

