



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

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

2008-08-21 Nr. FIN-1-113-08

**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 six 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. We hereby also confirm, that to the best of our knowledge, the report on business development and activities in the attached Interim Report for the first six months of 2008 is correct.

Enclosure:

1. Limarko laivininkystės kompanija AB Interim Financial Statements for the six months of 2008;
2. Limarko laivininkystės kompanija AB Interim Report for the first six months of 2008.

President & CEO

Vytautas Lygnugaris

Finance Director

Renaldas Vyšniauskas



# LIMARKO LAIVININKYSTĖS KOMPANIJA

Interim Financial Statements for the first six months of 2008

August 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 six months of 2008 are not audited.

### **Income statement**

		<i>In thousand of Litas</i>			
<b>No.</b>	<b>In thousand of Litas</b>	<b>Q2 2008</b>	<b>Q2 2007</b>	<b>H1 2008</b>	<b>H1 2007</b>
I.	SALES INCOME	<u>41 140</u>	<u>39 419</u>	<u>77 165</u>	<u>73 992</u>
II.	COST OF SALES	<u>32 963</u>	<u>29 711</u>	<u>65 862</u>	<u>56 463</u>
III.	GROSS PROFIT (LOSS)	8 177	9 708	11 303	17 529
IV.	OPERATING COSTS	<u>1 864</u>	<u>1 966</u>	<u>3 671</u>	<u>3 746</u>
IV.1.	Sales	(14)	(10)	(21)	2
IV.2.	General and administrative	1 878	1 976	3 692	3 743
V.	OPERATING PROFIT (LOSS)	6 313	7 742	7 632	13 783
VI.	OTHER ACTIVITIES	(103)	130	(46)	161
VI.1.	Income	88	139	145	187
VI.2.	Expenses	192	9	192	25
VII.	FINANCING AND INVESTING ACTIVITIES	(1 286)	(614)	4 214	(471)
VII.1.	Income	(215)	949	6 642	2 541
VII.2.	Expenses	1 071	1 562	2 428	3 012
VIII.	PROFIT (LOSS) FROM NORMAL ACTIVITIES	4 923	7 258	11 800	13 474
IX.	GAIN				
X.	LOSSES				
XI.	PROFIT (LOSS) BEFORE TAX	4 923	7 258	11 800	13 474
XII.	PROFIT TAX				
XIII.	NET PROFIT (LOSS)	4 923	7 258	11 800	13 474



## Balance sheet

*In thousand of Litas*

ASSETS		2008 06 30	2007 12 31	2007 06 30
<b>A.</b>	<b>NON-CURRENT ASSETS</b>	<b>226 273</b>	<b>239 292</b>	<b>218 292</b>
I.	INTANGIBLE ASSETS	44	56	73
I.1.	Development works			
I.2.	Goodwill			
I.3.	Licences and patents			
I.4.	Computer software	44	56	73
I.5.	Other intangible assets			
II.	TANGIBLE ASSETS	225 980	238 796	217 888
II.1.	Land			
II.2.	Buildings and constructions	1 859	1 903	1 947
II.3.	Machinery and equipment			
II.4.	Vehicles	223 359	236 024	215 373
II.5.	Other property, plant and equipment	762	869	567
II.6.	Construction in progress			
II.7.	Other tangible assets			
III.	FINANCIAL ASSETS	248	440	331
III.1.	Investments into subsidiaries and associates			
III.2.	Loans to subsidiaries and associates			
III.3.	Amounts receivable after one year		191	
III.4.	Other financial assets	248	248	331
<b>B.</b>	<b>CURRENT ASSETS</b>	<b>38 445</b>	<b>20 977</b>	<b>25 686</b>
I.	INVENTORIES, PREPAYMENTS AND CONTRACTS IN PROGRESS	16 731	9 761	9 496
I.1.	Inventories	7 937	7 388	6 211
I.1.1.	Raw materials and consumables	7 937	7 388	6 211
I.1.2.	Work in progress			
I.1.3.	Finished goods			
I.1.4.	Goods for resale			
I.2.	Prepayments	8 794	2 373	3 285
I.3.	Contracts in progress			
II.	AMOUNTS RECEIVABLE WITHIN ONE YEAR	8 490	9 515	6 856
II.1.	Trade amounts receivable	8 091	9 075	6 485
II.2.	Receivables from subsidiaries and associates			
II.3.	Other amounts receivable	399	439	371
III.	OTHER CURRENTS ASSETS	2 173		1 420
III.1.	Current investments			
III.2.	Time deposits	2 173		1 420
III.3.	Other currents assets			
IV.	CASH AND CASH EQUIVALENTS	11 050	1 702	7 914
<b>TOTAL ASSETS</b>		<b>264 717</b>	<b>260 269</b>	<b>243 978</b>



<b>EQUITY AND LIABILITIES</b>		<b>2008 06 30</b>	<b>2007 12 31</b>	<b>2007 06 30</b>
<b>C.</b>	<b>EQUITY</b>	<b>142 997</b>	<b>131 347</b>	<b>123 859</b>
I.	CAPITAL	109 451	109 451	109 451
I.1.	Authorised (subscribed)	109 451	109 451	109 451
I.2.	Subscribed uncalled share capital (-)			
I.3.	Share premium			
I.4.	Own Shares (-)			
II.	REVALUATION RESERVE (RESULTS)			
III.	RESERVES	7 645	6 597	6 597
III.1.	Legal reserve	7 645	6 597	6 597
III.2.	Reserve for acquiring own shares			
III.3.	Other reserves			
IV.	RETAINED EARNINGS (LOSSES)	25 901	15 299	7 811
IV.1.	Profit (loss) of the reporting year profit	11 800	20 962	13 474
IV.2.	Profit (loss) of the previous year	14 101	(5 663)	(5 663)
<b>D.</b>	<b>GRANTS AND SUBSIDIES</b>			
<b>E.</b>	<b>AMOUNTS PAYABLE AND LIABILITIES</b>	<b>121 721</b>	<b>128 922</b>	<b>120 119</b>
I.	NON-CURRENT AMOUNTS PAYABLE AND LIABILITIES	79 055	92 778	89 424
I.1.	Financial debts	79 055	92 778	83 024
I.1.1.	Leases and similar obligations			
I.1.2.	To credit institutions	79 055	92 778	83 024
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	42 666	36 144	30 695
II.1.	Current portion of non-current debts	15 081	17 732	15 077
II.2.	Financial debts			
II.2.1.	To credit institutions			
II.2.2.	Other debts			
II.3.	Trade amounts payable	9 643	11 882	8 699
II.4.	Amounts received in advance	11 767	755	578
II.5.	Profit tax liabilities	82	82	1 908
II.6.	Liabilities related with labour relations	6 059	5 658	4 397
II.7.	Provisions			
II.8.	Other amounts payable and current liabilities	35	36	35
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>264 717</b>	<b>260 269</b>	<b>243 978</b>



## Statement of cash flows

*In thousand of Lit*

No.	In thousand of Lit	H1 2008	H1 2007
<b>I.</b>	<b>Cash flows from operating activities</b>		
I.1.	Net profit (loss)	11 800	13 474
I.2.	Depreciation and amortization costs	11 753	9 809
I.3.	Decrease (increase) in amounts receivable after one year	-	-
I.4.	Decrease (increase) in inventory	(549)	(2 747)
I.5.	Decrease (increase) in advances received	(6 421)	(493)
I.6.	Decrease (increase) in contracts in progress	-	-
I.7.	Decrease (increase) in trade receivables	985	755
I.8.	Decrease (increase) in amounts receivable from	-	-
I.9.	Decrease (increase) in other amounts receivable	40	36
I.10.	Decrease (increase) in other current assets	(2 173)	(1 420)
I.11.	Increase (decrease) in non-current payables to suppliers	-	-
I.12.	Increase (decrease) in current payables to suppliers and	8 772	2 307
I.13.	Increase (decrease) in profit tax liability	-	-
I.14.	Increase (decrease) in liabilities connected with labour	401	1 220
I.15.	Increase (decrease) in provisions	-	-
I.16.	Increase (decrease) in other amounts payable and	(1)	0
I.17.	Elimination of financing and investing activity results	(4 086)	475
	<b>Net cash flows from operating activities</b>	<b>20 520</b>	<b>23 416</b>
<b>II.</b>	<b>Cash flows from investing activities</b>		
II.1.	Acquisition of non-current assets (excluding investments)	(4 343)	(44 868)
II.2.	Transfer of non-current assets (excluding investments)	5 236	3 181
II.3.	Acquisition of long-term investments	-	-
II.4.	Transfer of long-term investments	-	-
II.5.	Loans granted	-	-
II.6.	Loans recovered	191	49
II.7.	Dividends and interest received	59	162
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>1 144</b>	<b>(41 476)</b>
<b>III.</b>	<b>Cash flows from financing activities</b>		
III.1.	Cash flows related to enterprise owners:	(150)	-
III.1.1.	Emission of shares	-	-
III.1.2.	Owners' contributions against losses	-	-
III.1.3.	Purchase of own shares	-	-
III.1.4.	Dividends, bonuses paid	(150)	-
III.2.	Cash flows arising from other financing sources	(12 290)	18 364
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	(12 290)	(11 641)
III.2.2.1.	Loans repaid	(9 919)	(8 644)
III.2.2.2.	Purchase of bonds	-	-
III.2.2.3.	Interest paid	(2 371)	(2 993)
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>(12 440)</b>	<b>18 364</b>
<b>IV.</b>	<b>Cash flows from extraordinary items</b>	-	-
<b>V.</b>	<b>The effects of changes in foreign exchange rates on</b>	<b>125</b>	<b>(194)</b>
<b>VI.</b>	<b>Net increase (decrease) in cash flows</b>	<b>9 349</b>	<b>111</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>11 050</b>	<b>7 914</b>



## Statement of changes in equity

*In thousand of Litas*

<b>In thousand of Litas</b>	<b>Share capital</b>	<b>Legal reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
Balance at 1 January 2007	109 451	6 597	(5 663)	<b>110 385</b>
Net profit for H1 2007	-	-	13 474	<b>13 474</b>
Balance at 30 June 2007	109 451	6 597	7 811	<b>123 859</b>
Balance at 1 January 2008	109 451	6 597	15 299	<b>131 347</b>
Net profit for H1 2008	-	-	11 800	<b>11 800</b>
Appropriation of profit for the year 2007:				
Increasing of the statutory reserve	-	1 048	(1 048)	-
Bonuses	-	-	(150)	<b>(150)</b>
Balance at 30 June 2008	109 451	7 645	25 901	<b>142 997</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 86.73% of the share capital (30 June 2008). 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

<b>In thousand of Litas</b>	<b>H1 2008</b>	<b>H1 2007</b>
Voyage charter operations	50 972	46 047
Time charter operations	13 764	9 378
Pool operations	11 816	17 573
Demurrage	613	995
<b>Total revenue</b>	<b>77 165</b>	<b>73 992</b>





As at 30 June 2008, the Company owned 15 vessels: 13 reefer ships and 2 container ships. The Company sold m/v Tukanas on 21 May 2008.

During the six months of 2008 the unaudited turnover of Limarko laivininkystės kompanija AB reached LTL 77 million and increased by 4% when compared to the first six months of 2007.

### **Cost of sales**

<b>In thousand of Litas</b>	<b>H1 2008</b>	<b>H1 2007</b>
Fuel	18 529	12 969
Crew costs	16 362	13 146
Depredation	11 535	9 647
Repair and maintenance of vessels	7 149	7 989
Commissions	3 382	3 043
Port dues	2 718	3 012
Insurance	2 566	2 743
Lubricating oil	2 320	2 127
Other costs	1 301	1 786
	<b>47 332</b>	<b>43 494</b>

### **Other operating income/expenses**

<b>In thousand of Litas</b>	<b>H1 2008</b>	<b>H1 2007</b>
Revenue from sale of non-current assets	5 904	74
Cost of sold non-current assets	-6 087	-97
Net revenue from sale of non-currents assets	-182	-24
Other operating income, net	136	185
	<b>-46</b>	<b>161</b>

### **Operating costs**

<b>In thousand of Litas</b>	<b>H1 2008</b>	<b>H1 2007</b>
Staff costs	1 835	1 821
Rental costs	514	455
Depreciation and amortization	218	162
Business trips	186	164
Exploitation and maintenance of real estate	131	147
Communication	90	97
Other costs	697	901
	<b>3 671</b>	<b>3 746</b>



### Financial income/costs

In thousand of Litas	H1 2008	H1 2007
Financial income:		
Currency exchange rate gain	6 580	2 380
Interest	59	162
Penalties		
Total financial income	6 639	2 541
Financial expenses:		
Interest	-2 371	-2 993
Penalties	-57	-19
Total financial costs	-2 428	-3 012
	<b>4 212</b>	<b>-471</b>

### Depreciation

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

In thousand of Litas	H1 2008	H1 2007
Cost of sales	11 535	9 647
General and administrative operating expenses	218	161
	<b>11 753</b>	<b>9 808</b>

### Investments

In thousand of Litas	2008 06 30	2007 06 30
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 Litas 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 Litas	2008 06 30	2007 06 30
Fuel	6 685	4 948
Lubricating oil	1 253	1 271
Raw materials and consumables	69	61
	8 007	6 281
Allowance for slow moving inventory	-70	-70
	<b>7 937</b>	<b>6 211</b>



### **Receivables**

<b>In thousand of Litas</b>	<b>2008 06 30</b>	<b>2007 06 30</b>
Trade receivable	8 091	6 485
Deferred expenses	2 601	2 814
Prepayments	6 193	470
Other receivable	399	371
	<b>17 284</b>	<b>10 141</b>

The majority of deferred expenses comprise prepaid insurance expenses.

The majority of prepayments comprises of the advance payment for mv „Tokata“, purchased on 3 July 2008.

### **Cash and cash equivalents**

<b>In thousand of Litas</b>	<b>2008 06 30</b>	<b>2007 06 30</b>
Bank balances	11 029	7 844
Cash in hand	21	71
	<b>11 050</b>	<b>7 914</b>

### **Amounts received in advance**

On 30 June 2008 amounts received in advance totalled 11 767 thousand LTL, whereof 10 933 thousand LTL were received as payments for the shares of the new share issue.

### **Share capital**

As of 30 June 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 shares are listed in Vilnius Stock Exchange.

On 12 June 2008 Limarko laivininkystės kompanija AB completed the offering of the share issue. During the offering 10 761 765 shares at par value of LTL 1 were subscribed to and fully paid up. On 2 July 2008 Articles of Association of Limarko laivininkystės kompanija AB with increased authorized capital were registered with the Register of legal entities. After the increase, the Company's authorized capital amounts to LTL 120 212 429.



### **Interest-bearing loans and borrowings**

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

<b>Lending institution</b>	<b>Ref</b>	<b>Principal amount</b>	<b>Balance tLTL 2008 06 30</b>	<b>Balance tLTL 2007 06 30</b>
AB SEB Bankas, (mv "Andromeda")	a)	2 700 tUSD	5 923	8 975
AB SEB Bankas, (mv "Libra")	b)	3 860 tUSD	8 468	12 206
AB "Hansabankas", (mv "Pluto" and mv "Uranus")	c)	10 481 tUSD	22 993	32 824
AB "Hansabankas", (mv "Capella")	d)	9 884 tUSD	21 683	27 523
AB SEB Bankas, (mv "Serenada")	e)	4 050 tEUR	13 984	16 573
UniCredit Bank, (mv "America Feeder")	f)	9 611 tUSD	21 084	
<b>Total liabilities</b>			<b>94 136</b>	<b>98 102</b>
Less: current portion			-15 081	-15 077
<b>Total long term portion of net liabilities</b>			<b>79 055</b>	<b>83 024</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 is to 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 is to 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 is to 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 is to 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 is to 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 is to be repaid by 30 September 2017 in quarterly payments. The loan is secured by pledging the vessel "America Feeder".

### **Subsequent events**

On 12 June 2008 Limarko laivininkystes kompanija AB completed the offering of the share issue. During the offering 10 761 765 shares at par value of LTL 1 were subscribed to and fully paid up. On 2 July 2008 Articles of Association of Limarko laivininkystes kompanija AB with increased authorized capital were registered with the Register of legal entities. After the increase, the Company's authorized capital amounts to LTL 120 212 429.

On 3 July 2008 Limarko laivininkystes kompanija AB purchased m/v "Tokata". M/v „Tokata“ is CV1100 type of vessel. The vessel was built in 2006 in China according to German design. The vessel is of 148 m length and is designed for carrying 1080 TEUs, with a capacity to carry 220 reefer containers.

The Board of Limarko laivininkystes kompanija AB on its own initiative decided to convene the Extraordinary General Meeting on 11 August 2008



The following resolutions were adopted at the Extraordinary General Meeting on 11 August 2008:

1. Election of the firm of auditors for the years 2008 and 2009 and establishment of terms of remuneration for audit services – KPMG Baltics UAB was elected as an auditor of the company for the years 2008 and 2009. LTL 60000 (VAT exclusive) per year were allocated for auditing services.
2. Election of the Board member – Mr. Steponas Ranonis was elected to the Board of the Company for the current term of the Board. Mr. Steponas Ranonis replaced Mr. Paul Lawrence, who notified the Company of his resignation from the Board.





# **LIMARKO LAIVININKYSTĖS KOMPANIJA**

Interim Report for the first six months of 2008

## **TABLE OF CONTENTS**

1. The reporting cycle for which the report was drawn up.....	3
2. Issuer and its contact information.....	3
3. The Nature of the Issuer's Main Activity .....	3
4. Agreements with Intermediaries of Public Trading in Securities .....	3
5. Information about trading in the Issuer's securities on regulated markets .....	3
6. Information about results of Issuer's activities.....	4
7. References and additional explanatory notes regarding the data presented in the financial accountability .....	6
8. Information about own shares acquired and owned by the enterprise.....	6
9. Material events since the close of the previous financial year.....	6
10. Plans and forecast for the enterprise's activity .....	6
11. The Issuer's Authorized Capital Structure .....	6
12. Restrictions on assignment of securities .....	7
13. Shareholders .....	7
14. Shareholders having special control rights & description of such rights.....	7
15. All restrictions on voting rights .....	7
16. All mutual agreements by shareholders, of which the Issuer is aware and due to which the assignment of securities and (or) voting rights may be restricted.....	7
17. Employees .....	8
18. Procedure for the amendment of the Issuer's Articles of Association .....	8
19. Issuer's bodies .....	8
20. Members of collegial bodies, the Company's chief executive officer, the chief financial officer.....	9
21. Information on compliance with the Corporate Governance Code .....	10
22. Data on published information.....	10



## **1. The reporting cycle for which the report was drawn up**

The Interim report was drawn up for the first six months of 2008; all numbers presented are as of 30 June 2008, unless otherwise indicated. In the report Limarko laivininkystės kompanija AB may be designated as Enterprise, Company or Issuer.

## **2. Issuer and its contact information**

Issuer name:	Limarko laivininkystės kompanija AB
Legal and organizational form:	Public Limited Liability Company
Authorized capital:	109,450,664 LTL
Date and place of registration:	9 September 1991, Board of Klaipėda City
Registration certificate:	No. AB 95 - 114
Company code:	140346648
VAT payer's code:	LT403466412
Enterprise register:	Register of Legal Persons of the Republic of Lithuania
Office address:	Naujoji Uosto str. 8, LT-92125 Klaipėda, Lithuania
Telephone number:	+370 46 340001
Fax number:	+370 46 341195
E-mail address:	<a href="mailto:info@limarkoshipco.lt">info@limarkoshipco.lt</a>
Website address:	<a href="http://www.limarko.lt">www.limarko.lt</a>

## **3. The Nature of the Issuer's Main Activity**

The main activity of Limarko laivininkystės kompanija AB is transportation of cargo by water (sea) transport. In previous years the Company was mainly operating in the market of perishable and frozen cargo transportation. On 17 November 2004 the General Shareholders Meeting resolved to expand the fleet by acquiring dry-cargo vessels. The main activity of Limarko laivininkystės kompanija AB became split into two fields: transportation of perishable and frozen and dry cargo.

The Company may be engaged in other activities provided for in the Articles of Association.

## **4. Agreements with Intermediaries of Public Trading in Securities**

On 29 April 2003 the Company signed the Issuer's Service Agreement with the SEB Bank, represented by the Department of Finance Markets, located at the address Gedimino pr. 12, Vilnius, tel. (8 5) 268 2687, fax (8 5) 262 6043.

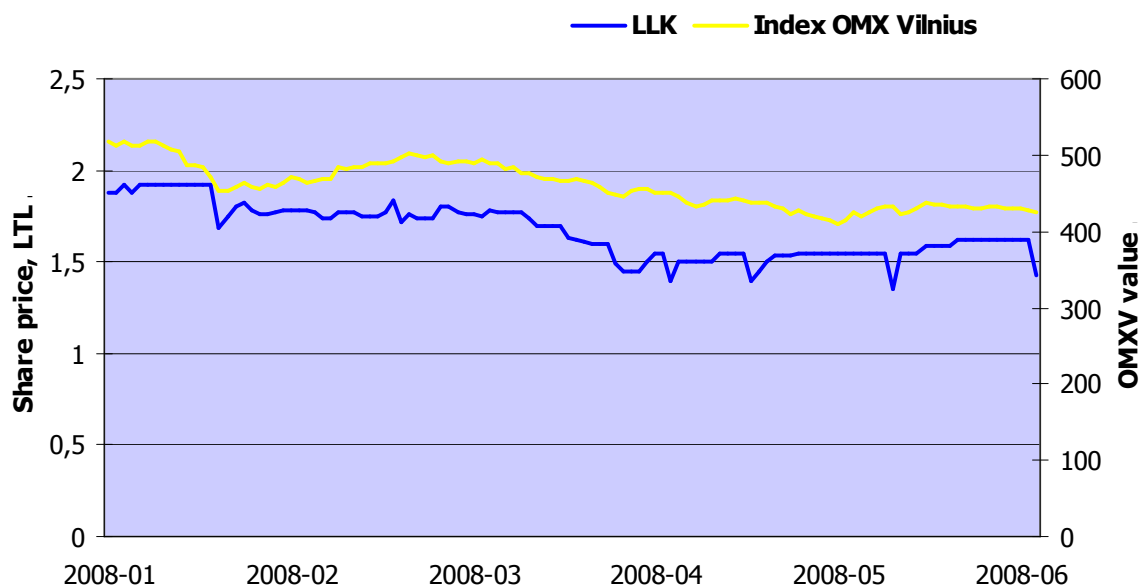
## **5. Information about trading in the Issuer's securities on regulated markets**

On 22 May 2000 the Issuer's shares were admitted to the lists of Vilnius Stock Exchange. On 30 June 2008 the VSE Current List of trading contained 109,450,664 ordinary registered shares of Limarko laivininkystės kompanija AB at par value of one LTL each. The ISIN code of these securities is LT0000119646.

Dynamics of Limarko laivininkystės kompanija AB share price in Vilnius Stock Exchange during the year 2008:





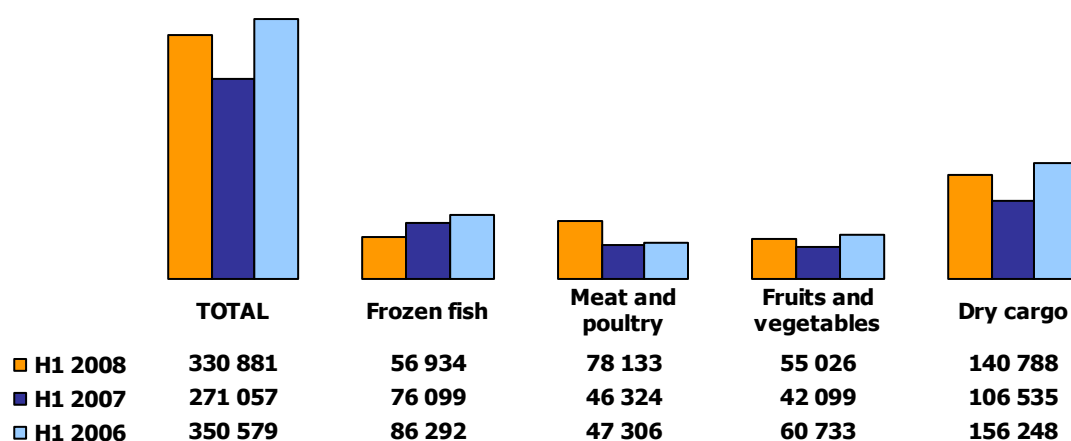


## 6. Information about results of Issuer's activities

On 30 June 2008 the fleet of the Company consisted of 15 vessels: 13 reefers and 2 container vessels. The company sold m/v "Tukanas" on 21 May 2008.

On 3 July 2008 Limarko laivininkystės kompanija AB acquired m/v "Tokata" (built 2006). After this acquisition the fleet of the Company consists of 16 vessels: 13 reefers and 3 container vessels.

During the first six months of 2008 Limarko laivininkystės kompanija AB transported 331 thousand tons of cargo in total, whereof 57% accounted for frozen, chilled and perishable food products, and the remaining 43% accounted for dry cargo:

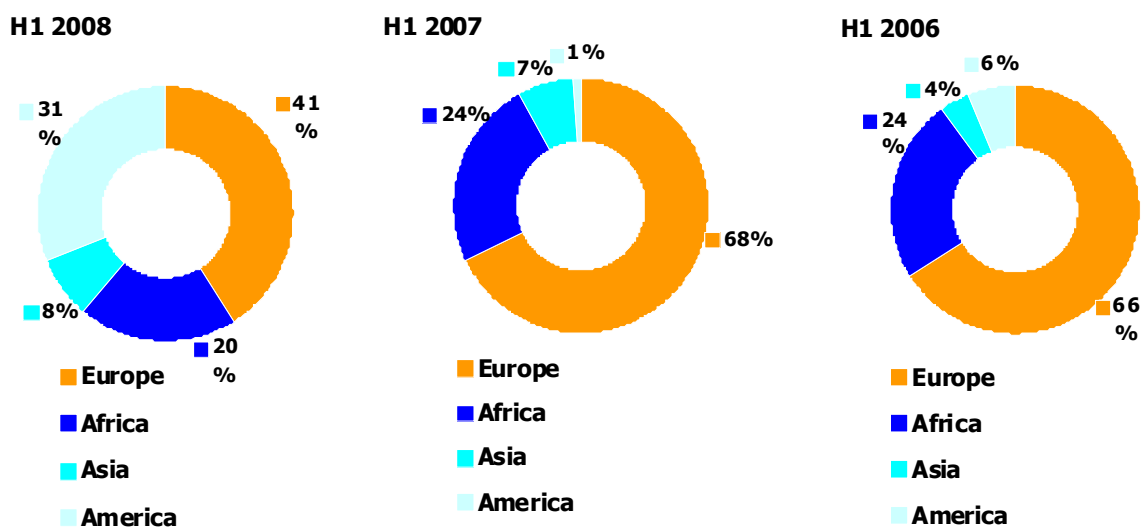


When compared to the first six months of 2007, the total amount of cargo transported during the first six months of 2008 increased by 22%. Due to varying length of transportation routes and cargo structure, revenue of the Company is not directly related to the quantity of cargo transported.

The main operation regions of the vessels operated by the Company were the continents of Europe and America, which respectively accounted for 41 and 31 percent of all transported cargoes.



Transportations in the region of Africa constituted 20 percent, while in Asia 8 percent of all transportations:



During the first six months of 2008 the pre-audited turnover of Limarko laivininkystės kompanija AB reached LTL 77 million and increased by 4% compared to the six months of 2007. The pre-audit net profit before taxes of the Company for the first half of 2008 was LTL 11.8 million and decreased when compared to the net profit of LTL 13.5 million for the first six months of 2007. The results were negatively affected by the weakening of the US Dollar and high fuel prices during the first half of 2008.

The main financial results of Limarko laivininkystės kompanija AB:

In thousand of Lit	H1 2008	H1 2007
Income	77 165	73 992
EBITDA <i>EBITDA margin</i>	19 385 25,1%	23 592 31,9%
EBIT <i>EBIT margin</i>	7 632 9,9%	13 783 18,6%
Net profit (loss) <i>Net profit (loss) margin</i>	11 800 15,3%	13 474 18,2%
Equity	142 997	123 859
Financial debts	94 136	98 102
Total assets	264 717	243 978
Efficiency indicators:		
Return of assets, ROA (annual estimate)	7,3%	5,3%
Return on equity, ROE (annual estimate)	13,6%	10,4%
Return of capital employed, ROCE (annual estimate)	8,2%	5,8%

**Explanation:**

EBITDA = Earnings excluding other income + interest + taxes + depreciation and amortization

EBIT = Earnings excluding other income + interest + taxes

ROA = Net profit / Total assets at the end of the reporting period



ROE = Net profit / Total equity at the end of the reporting period

ROCE = Net profit / (Total equity at the end of the reporting period + financial liabilities)

On 30 June the Company employed 491 employees, whereof 452 worked in the fleet and 39 in the administration.

## **7. References and additional explanatory notes regarding the data presented in the financial accountability**

All financial data provided in this annual report are calculated according to the International Financial Accountability Standards as adopted by the EU.

## **8. Information about own shares acquired and owned by the enterprise**

During the reporting cycle the Company had acquired none of its own shares.

## **9. Material events since the close of the previous financial year**

Limarko laivininkystės kompanija AB completed the sale of m/v "Tukanas" on 21 May 2008.

On 12 June 2008 Limarko laivininkystės kompanija AB completed the offering of the share issue. During the offering 10 761 765 shares at par value of LTL 1 were subscribed to and fully paid up. On 2 July 2008 Articles of Association of Limarko laivininkystės kompanija AB with increased authorized capital were registered with the Register of legal entities. After the increase, the Company's authorized capital amounts to LTL 120 212 429.

## **10. Plans and forecast for the enterprise's activity**

Having regard to the tendencies of the international market, the Company forecasts that the earning before interest, taxes, depreciation and amortisation (EBITDA) of LTL 36.2 million shall be reached in the year 2008. More than LTL 62 million are planned to be invested in the renewal of the fleet.

Actual results achieved during the first six months of 2008 do not differ by more than 10% from the forecasted results, accordingly the Company does not amend its forecasts.

## **11. The Issuer's Authorized Capital Structure**

On 30 June 2008 the Enterprise's authorized capital consisted of 109,450,664 ordinary registered shares at the par value of 1 LTL each.

The company shareholders have the following property rights:

- 1) To receive a share of the Company's profit (dividend);
- 2) To receive a portion of the funds of the Company when Company's authorized capital is reduced in order to pay out a certain amount of the funds of the Company to the shareholders;
- 3) To receive a share of assets of the Company under liquidation;
- 4) To obtain shares gratuitously if the authorized capital is being increased from the Company's funds, excluding exceptions established by the Law on Companies;
- 5) To acquire, with the right of priority, any shares issued by the Company or convertible bonds, unless the General Meeting resolves to revoke this right for all shareholders;
- 6) To devise all or part of shares to one or more persons;
- 7) To assign all or part of shares to other persons by the right of ownership;
- 8) To lend money in favour of the Company;
- 9) Other property rights established by the Company's Articles of Association.



The company shareholders have the following non-property rights:

- 1) To participate in General Shareholders Meetings;
- 2) To obtain all information regarding the Company's economic activity;
- 3) To appeal to a court against the decisions or actions taken by the General Meeting, the Board or the head of the administration. One or more shareholders are entitled, without a separate authority, to claim the indemnification of damage caused to the shareholders;
- 4) To conclude an agreement with an auditing firm for the inspection of the Company's activity and documentation;
- 5) Other non-property rights established by the laws and the Company's Articles of Association.

The structure of the authorized capital of Limarko laivininkystes kompanija AB according to the types of shares:

Type of shares	Number of shares	Par value	General nominal value	Portion in authorized capital
Ordinary registered shares	109,450,664	1 LTL	109,450,664	100%

All shares of Limarko laivininkystės kompanija AB are paid-up.

## 12. Restrictions on assignment of securities

N/A.

## 13. Shareholders

The total number of shareholders of Limarko laivininkystes kompanija AB on 30 June 2008 was 442.

Shareholders who on 30 June 2008 owned more than 5% of the Company's authorized capital:

Shareholder's name, surname (enterprise name, form, office address, enterprise register code)	Number (units) of shares belonging to shareholders by the right of ownership	Owned portion of the authorized capital	Portion of votes granted by shares belonging by the right of ownership	Portion of votes belonging to a shareholder jointly with associated persons
Limarko UAB (Naujoji uosto str. 8, Klaipėda, enterprise code 4076537)	94 922 926	86,73%	86,73%	86,73%
Skandinaviska Enskilda Banken (Sergels Torg 2, 10640 Stockholm, code 502032908101)	6 204 468	5,67%	5,67%	5,67%

## 14. Shareholders having special control rights & description of such rights

N/A.

## 15. All restrictions on voting rights

N/A.

## 16. All mutual agreements by shareholders, of which the Issuer is aware and due to which the assignment of securities and (or) voting rights may be restricted

N/A.



## 17. Employees

	H1 2008	H1 2007	H1 2006
<b>Average number of employees:</b>	<b>491</b>	<b>459</b>	<b>432</b>
Managing personnel	7	6	6
On-shore employees	32	37	30
Seafarers	452	416	396
<b>Education:</b>			
Higher	103	99	91
Special secondary (advanced vocational)	164	158	156
Secondary	224	202	185
<b>Average gross salary:</b>			
Managing personnel	17 471 Lt	12 153 Lt	16 287 Lt
On-shore employees	4 709 Lt	4 091 Lt	3 378 Lt
Seafarers (with daily allowance)	4 720 Lt	4 451 Lt	3 912 Lt

## 18. Procedure for the amendment of the Issuer's Articles of Association

The Law on Companies of the Republic of Lithuania establishes that the amendment of the Articles of Association is an exclusive right of the General Shareholders Meeting.

The Company's Articles of Association stipulate that a decision concerning the amendment of the Articles of Association shall be taken by the majority, i.e. 2/3 of all votes cast by the shareholders entitled to vote and participating in the meeting.

## 19. Issuer's bodies

The Company's Articles of Association determine that the Company's bodies are the General Meeting, the Board and the Head of the Administration.

The Articles of Association state that the competence of the General Meeting is established by the Law on Companies.

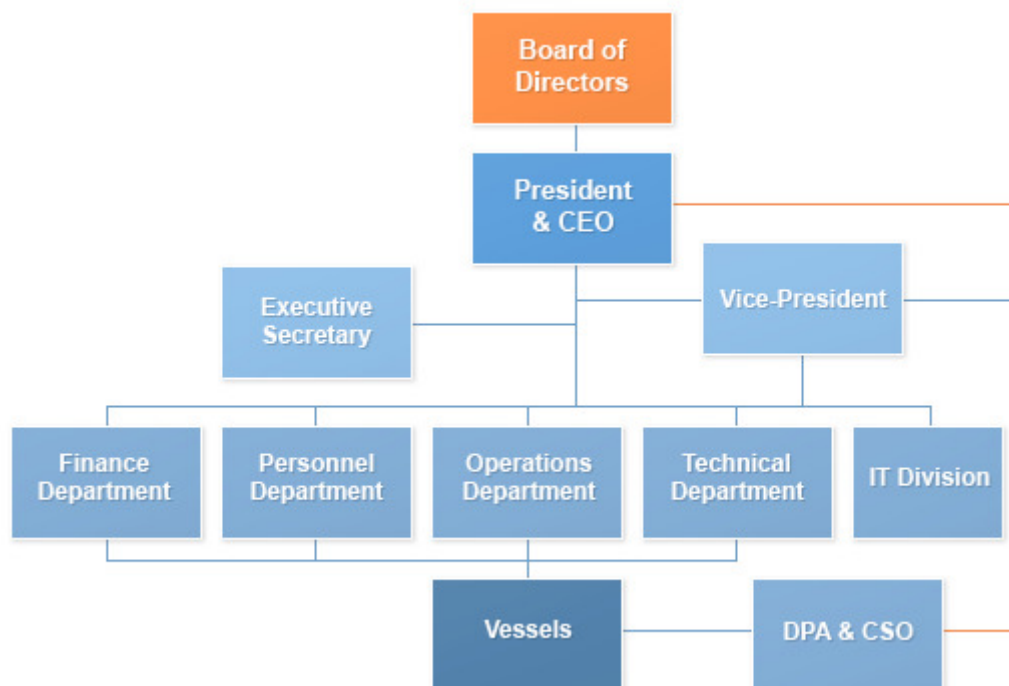
The Company's Board is the Company's management body, comprised of 5 members, elected in the order established by the Law on Companies for the term of four years. The Board members shall be recalled in the order established by the Law on Companies.

The Company's Articles of Association establish that the Board solves the main production, organizational, financial and economic matters of the Company, analyzes and approves the activity strategy, the application of financial resources, approves the Company's organizational and management structure, elects and recalls the head of the administration and the chief finance officer as well as performs other functions established by the Law on Companies.

The head of the administration – the president – is elected and recalled by the Board in the order established by the Law on Companies. The competence of the head of the administration is established by the Law on Companies - the head of the administration is responsible for the organization of the Company's activity, the implementation of its goals, is entitled to conclude deals in his sole discretion, excluding the cases established by the Law on Companies when the decision regarding the deal is to be adopted by the Board. While performing his activity, the head of the administration shall follow the decisions of the General Meeting and the Board.



The organizational structure of the Company:



## 20. Members of collegial bodies, the Company's chief executive officer, the chief financial officer

Personal status	Name, surname	Number of shares owned in the Issuer	Start date	End date
<b>Board:</b>				
Chairman of the Board	Vytautas Lygnugaris	2 949 852	2007 04 20	2011 04 20
Board member	Igoris Uba	1 264 222	2007 04 20	2011 04 20
Board member	Sigitas Baltuška	-	2007 04 20	2011 04 20
Board member	Egidijus Bernotas	-	2007 04 20	2011 04 20
Board member	Steponas Ranonis	-	2008 08 11	2011 04 20
Board member	Paul Lawrence	-	2007 04 20	2008 07 03
<b>Head of administration and Finance Director:</b>				
President	Vytautas Lygnugaris	2 949 852	2003 10 07	-
Chief Financial Officer	Renaldas Vyšniauskas	-	2004 02 17	-

Vytautas Lygnugaris - Chairman of the Board and President of Limarko laivininkystės kompanija AB. Mr. Lygnugaris is also the Chairman of the Board of Lithuanian Shipowners Association and Limarko jūrų agentūra UAB. In 2002 he graduated from the Baltic Management Institute with the executive MBA. In 1987 he graduated from State Maritime Academy of St. Petersburg.

Igoris Uba – member of the Board. Mr. Uba is the director general and member of the Board of Limarko jūrų agentūra UAB. He is also the member of the Board of Lithuanian Shipbrokers and Agents Association. In 2004 he graduated from the Baltic Management Institute with the executive MBA. In 1984 he graduated from State Maritime Academy of St. Petersburg.

Sigitas Baltuška – member of the Board. Mr. Baltuška is the director of public relations agency GCI. He graduated from the Faculty of Economics of Vilnius University with a master in Industry Planning. He



also obtained MBA degree from Vytautas Magnus University and graduated from the Baltic Management Institute with the executive MBA. From 2000 to 2004 he worked as a coordinator and representative for relations with the Government at Philip Morris Lietuva UAB. From 1994 to 2000 Mr. Baltuška worked as the commerce advisor at the Danish Embassy. The Company considers Mr. Baltuška to be an independent member of the Board.

Egidijus Bernotas - member of the Board. Mr. Bernotas is Attorney-at-law at Bernotas & Dominas Glimstedt law firm. He is also a member of the Board at Adminiculum UAB and Public Enterprise European Social, Legal and Economic Projects. In 1994 he graduated from the Law Faculty of Vilnius University with a master's degree in law. The Company considers Mr. Bernotas to be an independent member of the Board.

Steponas Ranonis - member of the Board. Mr. Ranonis is the Vice President of Limarko laivininkystės kompanija AB. In 1975 he graduated from the Department of Maritime Navigation at Klaipeda Naval School, where he obtained the qualification of technical-navigational officer. In 1982 Mr. Ranonis obtained the qualification of engineer-economist from the Economics Faculty of Kaliningrad Fishing, Industry and Economy Institute. From 1975 until 1996 he served on vessels and finished his sea-going career as a Master Mariner.

Renaldas Vyšniauskas – Chief financial officer. In 1995 he graduated from the Faculty of Economics of Vilnius University with a degree in economics. From 2000-2002 he worked as Chief financial officer at Western Shipyard. From 2003 to 2004 he worked as the head of finance and economics department of Plungės kooperatinė prekyba UAB. From 2004 he is the Chief financial officer of Limarko laivininkystės kompanija AB.

## **21. Information on compliance with the Corporate Governance Code**

Limarko laivininkystės kompanija AB in principle follows a recommendatory Corporate Governance Code for the Companies Listed on the Vilnius Stock Exchange adopted in August 2006.

## **22. Data on published information**

During the six months of 2008 the Issuer published the following notices on material events:

- 2008-01-29 Investor's calendar for 2008
- 2008-02-28 Unaudited operational results for the year 2007 and forecast for the year 2008
- 2008-03-07 Notice on the annual General Meeting
- 2008-03-31 Draft Resolutions of the Annual General Meeting
- 2008-04-11 Resolutions of the annual General Meeting
- 2008-04-23 Limarko laivininkystės kompanija AB submitted prospectus to register issue of shares
- 2008-04-25 Results of the first quarter of 2008
- 2008-05-09 Unaudited Interim Financial Statements for the first three months of 2008
- 2008-05-22 Sale of the m/v Tukanas
- 2008-05-23 AB Limarko laivininkystės kompanija ordinary shares prospectus was approved
- 2008-05-28 Proposal to the Shareholders to Acquire Shares of the New Issue by the Pre-emptive Right
- 2008-06-13 Offering of the share issue of Limarko laivininkystės kompanija AB has been completed

All information concerning material events publicly announced during the six months of 2008 is available for familiarisation at the office of Limarko laivininkystės kompanija AB at the address: Naujoji Uosto str. 8, Klaipėda, and on the Company's website [www.limarko.lt](http://www.limarko.lt).

