



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

TO: Supervision Service of the Central Bank of the Republic of Lithuania  
Zirmunu str. 151  
LT-09128 Vilnius, Lithuania

2013-02-28 Nr. FIN-1-31-13

**Confirmation of responsible persons**

Following the Article 21 of the 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, Mindaugas Petrauskas, Executive Director of Limarko laivininkystės kompanija AB, and Diana Povilaitienė, Chief Accountant of Limarko laivininkystės kompanija AB, hereby confirm, that to the best of our knowledge, the enclosed Limarko laivininkystės kompanija AB Financial Statements for the twelve months of 2012, prepared in accordance with International Financial Reporting Standards, 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 twelve months of 2012;

Executive Director

Mindaugas Petrauskas

Chief Accountant

Diana Povilaitienė



# LIMARKO LAIVININKYSTĖS KOMPANIJA

Interim Financial Statements for the twelve months of 2012



February 2013, Klaipėda

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

Interim financial statements for the twelve months of 2012 are not audited.

### **Statement of financial position**

<b>In thousand of Lit</b>	<b>Note</b>	<b>2012 12 31</b>	<b>2011 12 31</b>
<b>Assets</b>			
Property, plant and equipment	7	138 619	195 086
Intangible assets	8	2	8
Other investments			
Long term receivable			
<b>Total non-current assets</b>		<b>138 622</b>	<b>195 094</b>
Inventories	9	967	4 201
Trade and other receivable	10	5 615	7 181
Cash and cash equivalents	11	1 298	184
<b>Total current assets</b>		<b>7 880</b>	<b>11 566</b>
<b>Total assets</b>		<b>146 502</b>	<b>206 660</b>
<b>Equity</b>			
Share capital		20 000	120 212
Reserves			7 645
Retained earnings		(6 442)	(86 333)
<b>Total equity</b>	12	<b>13 558</b>	<b>41 524</b>
<b>Liabilities</b>			
Interest-bearing loans and borrowings	13	28 383	89 335
Other long-term liabilities		300	268
<b>Total non-current liabilities</b>		<b>28 683</b>	<b>89 603</b>
Interest-bearing loans and borrowings	13	95 088	51 174
Trade and other payables	15	9 173	24 359
<b>Total current liabilities</b>		<b>104 261</b>	<b>75 533</b>
<b>Total liabilities</b>		<b>132 944</b>	<b>165 136</b>
<b>Total equity and liabilities</b>		<b>146 502</b>	<b>206 660</b>

The notes set out on pages 6 to 21 form an integral part of these financial statements.



**Statement of comprehensive income**

In thousand of Litas	Note	October-December 2012	October-December 2011	2012	2011
Revenue	1	9 971	15 500	49 719	86 738
Cost of sales	2	(9 633)	(22 360)	(49 531)	(98 207)
<b>Gross profit</b>		<b>338</b>	<b>(6 860)</b>	<b>188</b>	<b>(11 469)</b>
Other operating income	3		841	497	7 676
Other operating expenses	3	(1)	(971)	(25 137)	(2 367)
Distribution expenses			(8)		(0)
Administrative expenses	4	(732)	(28 180)	(3 051)	(32 192)
<b>Operating profit before financing costs</b>		<b>(395)</b>	<b>(35 179)</b>	<b>(27 503)</b>	<b>(38 352)</b>
Financial income		2 586	(5 915)	2 586	1
Financial expenses		325	(2 429)	(3 006)	(5 949)
<b>Net financial costs/income</b>	5	<b>2 911</b>	<b>(8 344)</b>	<b>(420)</b>	<b>(5 948)</b>
<b>Profit (loss) before tax</b>		<b>2 516</b>	<b>(43 523)</b>	<b>(27 923)</b>	<b>(44 300)</b>
Income tax expense	6	(43)	(58)	(43)	(53)
<b>Profit (loss) for the year</b>		<b>2 473</b>	<b>(43 581)</b>	<b>(27 966)</b>	<b>(44 353)</b>
Other comprehensive income					
<b>Total comprehensive income</b>		<b>2 473</b>	<b>(43 581)</b>	<b>(27 966)</b>	<b>(44 353)</b>

The notes set out on pages 6 to 21 form an integral part of these financial statements.



### Statement of cash flows

In thousand of Litas	Note	2012	2011
<b>Cash flows from operating activities</b>			
Profit (loss) for the period		(27 966)	(44 353)
Adjustments for:			
Depreciation	7	16 909	24 001
Amortization	8	6	13
Impairment of vessels			27 000
Income tax expense		43	53
Gain (loss) on disposal of property, plant and equipment	3	24 909	(3 830)
Effects of exchange rate changes on borrowings	5	(2 681)	1 369
Interest expenses, net	5	2 961	4 664
<b>Net cash from ordinary activities before any changes in working capital</b>		<b>14 182</b>	<b>8 917</b>
Change in inventories		3 235	(263)
Change in receivable		(3 173)	3 882
Change in trade and other payables		(15 140)	(8 214)
<b>Net cash generated from ordinary activities</b>		<b>(896)</b>	<b>4 322</b>
Net interests paid / received		(2 961)	(4 664)
Income tax paid		(58)	(68)
<b>Net cash used in operating activities</b>		<b>(3 915)</b>	<b>(410)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	7	(601)	(4 686)
Acquisitions of intangible assets	8		(1)
Proceeds from sale of property, plant and equipment		19 988	29 069
<b>Net cash from investing activities</b>		<b>19 387</b>	<b>24 382</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings			
Repayment of borrowings		(14 357)	(24 311)
<b>Net cash used in financing activities</b>		<b>(14 357)</b>	<b>(24 311)</b>
<b>Change in cash and cash equivalents</b>		<b>1 115</b>	<b>(339)</b>
<b>Cash and cash equivalents at 1 January</b>		<b>184</b>	<b>523</b>
<b>Cash and cash equivalents at 30 September</b>		<b>1 298</b>	<b>184</b>

The notes set out on pages 6 to 21 form an integral part of these financial statements.





### Statement of changes in equity

Thousand Litas	Note	Share capital	Legal reserve	Retained earnings	Total equity
As at 1 January 2011		120 212	7 645	(41 980)	85 877
<b>Comprehensive income for the period</b>					
Net profit (loss) for for 2011				(44 353)	(44 353)
<b>Total comprehensive income for the period</b>					
At 31 December 2011	12	<b>120 212</b>	<b>7 645</b>	<b>(86 333)</b>	<b>41 524</b>
As at 1 January 2011		120 212	7 645	(86 333)	41 524
<b>Comprehensive income for the period</b>					
Net profit (loss) for 2012				(27 966)	(27 966)
<b>Total comprehensive income for the period</b>					
<b>Transactions with owners recognised in equity</b>					
Transfers from reserves			(7 645)	7 645	
Reduction of authorised capital		(100 212)		100 212	
<b>Total transactions with owners</b>					
At 30 December 2012	12	<b>20 000</b>		<b>(6 442)</b>	<b>13 558</b>

The notes set out on pages 6 to 21 form an integral part of these financial statements.

### Explanatory letter

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

The major shareholder of the Company is Limarko UAB, a company incorporated in Lithuania, which owns 89.6% of the share capital (31 December 2012). The ordinary shares of the Company are listed on the NASDAQ OMX Vilnius.

The interim financial statements for the twelve months of 2012 have been prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union.

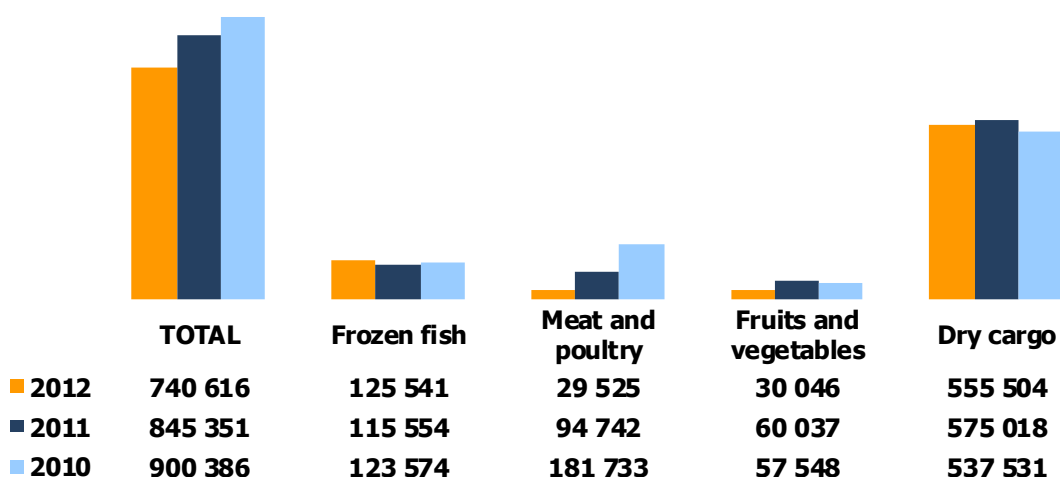
The financial statements are presented in Litai, the legal currency of Lithuania, which is considered to be the functional currency of the Company, and are prepared on the historical cost basis except for available-for-sale financial assets which are measured at fair value, accounting records are maintained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

On 31 December 2012 the fleet of the Company consisted of 7 vessels: 4 reefers and 3 container vessels.

During the year 2012 the Company sold four reefer ships - m/v Marsas (built 1989) in May 2012, m/v Pluto (built 1988) in June 2012, m/v Uranus (built 1989) in August 2012 and m/v Lyra (built 1991) in September 2012.

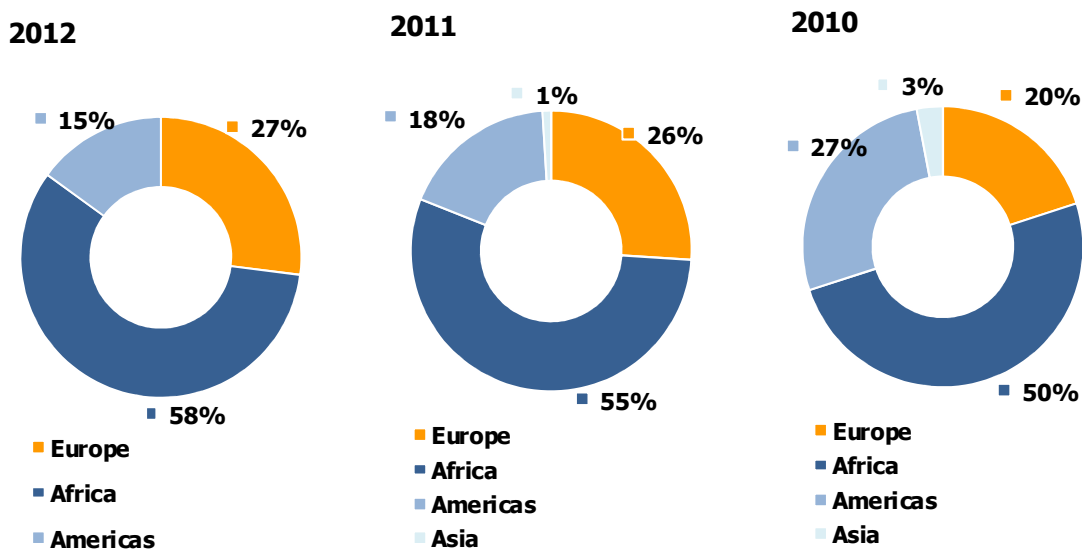
In 2012 Limarko laivininkystės kompanija AB transported a total of 741 thousand tons of cargo, whereof 75% accounted for dry cargo accounted and the remaining 25% for frozen, chilled and perishable food products:





The total amount of cargo transported during the year 2012 decreased by 12%, when compared to the year 2011. The main reason for the decrease – diminishing fleet of the Company. Due to varying length of transportation routes and cargo structure, revenue of the Company is not directly related to the quantity of cargo transported.

In 2012, the main discharge regions of company's vessels were West Africa and Europe, which respectively accounted for 58 and 27 percent of all transported cargo. Transportations in Americas constituted 15 percent.



The revenue of Limarko laivininkystės kompanija AB for the year 2012 amounted to LTL 49.7 million and decreased by 43% when compared to the revenue of LTL 86.7 million for the year 2011. Main reasons for the decreased revenue are smaller fleet and type of vessel employment – during 2012 most vessels were earning 'net income' (i.e. excluding bunkers and port expenses).





During the twelve months of 2012 the Company achieved the EBITDA of LTL 14.1 million and the EBITDA margin was 28%. In 2011, the EBITDA (before impairment of vessels) was LTL 7.4 million and the EBITDA margin was 9%.

The losses of LLK in 2012 amounted to LTL 28.0 million. The losses of LLK (after impairment of vessels) for January - December of 2011 were LTL 44.4 million.

The main reasons negatively affecting the results of the year 2012 were:

- result of sale of four vessels;
- high bunker prices;
- low freight rates for reefer vessels during the first half of 2012.

Although the fleet was reduced from 11 to 7 vessels (when compared to 31 December 2011), sale of less efficient vessels and increase in freight rates for reefer vessels during the second half of 2012 allowed to improve efficiency of Company's main activities.

## 1. Revenue

In thousand of Litas	2012	2011
Pool operations	30 397	23 589
Time charter operations	14 319	14 928
Voyage charter operations	4 784	46 638
Demurrage	219	1 322
Other revenue		261
<b>Total revenue</b>	<b>49 719</b>	<b>86 738</b>

As of 31 December 2012, the Company owned 7 vessels: 4 reefer ships and 3 container ships (as of 31 December 2011 – 8 reefer ships and 3 container ships).

As of 31 December 2012, 4 ships were operated under a Pool agreement and 3 ships under long-term charter agreements (as of 31 December 2011, 5 ships were operated under a Pool agreement, 4 ships were chartered for separate voyages, and 2 ships under long-term charter agreements).

## 2. Cost of sales

In thousand of Litas	2012	2011
Depreciation	(16 805)	(23 736)
Crew costs	(15 504)	(22 580)
Repair and maintenance of vessels	(5 544)	(10 843)
Insurance	(3 579)	(4 967)
Lubricating oil	(2 797)	(4 025)
Fuel	(2 430)	(23 837)
Port dues	(709)	(3 394)
Commissions	(464)	(2 532)
Other costs	(1 698)	(2 293)
	<b>(49 531)</b>	<b>(98 207)</b>



### 3. Other operating items

In thousand of Litas	2012	2011
Net gain on sale of property, plant and equipment	177	5 357
Insurance, other compensation		2 264
Other income	321	55
	<b>497</b>	<b>7 676</b>

In thousand of Litas	2012	2011
Net loss on sale of property, plant and equipment	(25 086)	(2 367)
Other expenses	(51)	
	<b>(25 137)</b>	<b>(2 367)</b>
	<b>(24 640)</b>	<b>5 309</b>

During the year 2012 the Company sold four reefer ships - m/v Marsas (built 1989) in May 2012, m/v Pluto (built 1988) in June 2012, m/v Uranus (built 1989) in August 2012 and m/v Lyra (built 1991) in September 2012.

### 4. Administrative expenses

In thousand of Litas	2012	2011
Staff costs	(1 919)	(2 607)
Rental costs	(164)	(647)
Depreciation and amortization	(109)	(278)
Business trips	(143)	(285)
Operation and maintenance expenses of real estate	(90)	(205)
Communication	(53)	(75)
Impairment of vessels		(27 000)
Other costs	(573)	(1 095)
	<b>(3 051)</b>	<b>(32 192)</b>



## 5. Net financial income / costs

In thousand of Litas	2012	2011
Financial income:		
Currency exchange rate gain	2 586	
Interest	0	1
Total financial income	2 586	1
Financial expenses:		
Currency exchange rate loss		(1 259)
Interest on borrowings	(2 961)	(4 664)
Penalties	(44)	(22)
Other financial costs		(4)
Total financial costs	(3 006)	(5 949)
	<b>(420)</b>	<b>(5 948)</b>

## 6. Income tax expense

In thousand of Litas	2012	2011
Tonnage tax	(43)	(53)
	<b>(43)</b>	<b>(53)</b>

Tonnage tax for 2012 and 2011 was calculated based on the general tonnage of the fleet.



## 7. Property, plant and equipment

In thousand of Litas	Land and buildings	Vessels and cars	Other assets	Total
<b>Cost</b>				
Balance at 1 January 2011	411	366 435	1 412	368 257
Acquisitions		4 681	5	4 686
Disposals		(47 302)	(154)	(47 456)
Balance at 31 December 2011	411	323 814	1 263	325 488
Balance at 1 January 2012	411	323 814	1 263	325 487
Acquisitions		601		601
Disposals	(11)	(83 069)	(640)	(83 719)
Balance at 31 December 2012	400	241 346	623	242 369
<b>Depreciation and impairment losses</b>				
Balance at 1 January 2011	139	108 458	1 138	109 735
Depreciation charge for the period	32	23 825	144	24 001
Disposals		(30 181)	(153)	(30 334)
Impairment losses		27 000		27 000
Balance at 31 December 2011	171	129 102	1 129	130 402
Balance at 1 January 2012	171	129 102	1 129	130 401
Depreciation charge for the period	31	16 818	60	16 909
Disposals	(7)	(42 961)	(593)	(43 561)
Balance at 31 December 2012	195	102 959	595	103 749
<b>Carrying amounts</b>				
At 1 January 2011	272	257 977	274	258 523
At 31 December 2011	240	194 712	134	195 086
At 1 January 2012	240	194 712	134	195 086
At 31 December 2012	205	138 387	27	138 619

### Security

As of 30 December 2012, ships with the carrying amount of 138 388 thousand Litas (as at 31 December 2011 – 194 644 thousand Litas) were pledged to secure bank loans (see note 13).



### Depreciation

Depreciation is recognised in the following items of the statement of comprehensive income:

In thousand of Litas	2012	2011
Cost of sales	(16 805)	(23 736)
General and administrative operating expenses	(104)	(265)
	<b>(16 909)</b>	<b>(24 001)</b>

### 8. Intangible assets

In thousand of Litas	Software	Total
Balance at 1 January 2011	320	320
Acquisitions	1	1
Disposals	(5)	(5)
Reclassification		
Balance at 31 December 2011	316	316
Balance at 1 January 2012	316	316
Acquisitions		
Disposals	(39)	(39)
Balance at 31 December 2012	277	277
<b>Amortisation and impairment losses</b>		
Balance at 1 January 2011	300	300
Amortisation for the period	13	13
Disposals	(5)	(5)
Balance at 31 December 2011	308	308
Balance at 1 January 2012	308	308
Amortisation for the period	6	6
Disposals	(39)	(39)
Balance at 31 December 2012	275	275
<b>Carrying amounts</b>		
At 1 January 2011	20	20
At 31 December 2011	8	8
At 1 January 2012	8	8
At 31 December 2012	2	2

Amortisation charge is provided in cost of sale and administrative costs.



## 9. Inventories

In thousand of Litas	2012-12-31	2011-12-31
Lubricating oil	729	2 836
Fuel	237	1 365
	<b>967</b>	<b>4 201</b>

During the year 2012 fuel and lubricants, amounting to 5 228 tLTL (during the year 2011 – 27 862 tLTL) were recognized under cost of sales.

## 10. Receivables

In thousand of Litas	2012-12-31	2011-12-31
Trade receivable	3 643	4 142
Prepaid expenses	1 273	1 746
Prepayments	26	13
Other receivable	672	1 280
	<b>5 615</b>	<b>7 181</b>

The majority of prepaid expenses comprise of prepaid insurance expenses.

The ageing of trade and other receivables as at 31 December 2012 and 2011 can be specified as follows:

In thousand of Litas	Trade and other receivables not past due an impairment allowance on which is not recognised	Trade receivables past due an impairment allowance on which is not recognised					Total
		Less than 30 days	30–59 days	60–89 days	90–359 days	More than 360 days	
2011-12-31	5 422						5 422
2012-12-31	4 315						4 315

*Quality of financial assets not past due on which no impairment allowance has been formed*

No indication exists that receivables which are not past due and not impaired as at reporting date will not be settled as the Company provides services only to well known and solvent third parties.

## 11. Cash and cash equivalents

In thousand of Litas	2012-12-31	2011-12-31
Bank balances	1 295	171
Cash in hand	4	13
	<b>1 298</b>	<b>184</b>

In accordance with loan agreements with Swedbank AB, AB SEB Bankas and AS UniCredit Bank Lithuanian branch, the Company has pledged existing and future cash balances in certain bank accounts to these banks.





## 12. Share capital

As of 31 December 2012, the authorised share capital, issued and fully paid, comprised 20 000 000 ordinary shares at a par value of LTL 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 NASDAQ OMX Vilnius.

Shareholders who on 31 December 2012 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 140765379)	17 911 643	89,6%	89,6%	89,6%

Limarko UAB pledged shares of Limarko laivininkystės kompanija AB to the banks (AS „UniCredit Bank“, „Swedbank“, AB and AB SEB bankas), securing the performance of the credit agreements with subject banks by Limarko laivininkystės kompanija AB. Limarko UAB retained voting rights and property in the shares.

### **Legal reserves**

Under Lithuanian legislation, an annual allocation to the legal reserve should amount to at least 5% of the net profit, calculated as to International Financial Reporting Standards, until the reserve makes up 10% of the share capital. The reserve can be used only to cover losses.

The Annual Shareholders' Meeting of 30 April 2012 decided to reduce the accumulated losses by way of transfer of the whole legal reserve (LTL 7 645 228). Accordingly, the legal reserve is currently LTL 0.

### **Earnings per share**

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year:

In thousand of Litas	2012	2011
Average weighted number of shares in issue	68 573 881	120 212 429
Net loss for the year, in thousand Litas	(27 966)	(44 353)
Loss per share, in Litas	<b>(0,41)</b>	<b>(0,37)</b>

The Company has no convertible shares or diluted potential shares and, therefore, basic and diluted earnings per share are the same.



## Equity

According to the Law on Companies of the Republic of Lithuania, equity of the company cannot be lesser than one half of the authorised capital of the company.

The Annual Shareholders' Meeting of 30 April 2012 decided to reduce the authorised capital to LTL 45 000 000 in order to restore the ratio between equity and authorised capital to the level required by law. The amended Articles of Association with reduced authorised capital were registered on 11 May 2012.

According to financial statements for the first half of 2012, the equity amounted to 19 694 tLTL and was smaller than ½ of the Company's authorised capital (22 500 tLTL). As of 30 September 2012, shareholders' equity decreased to 11 084 tLTL

On 26 October 2012 the Extraordinary General Meeting decided to reduce the authorised capital from 45 000 000 LTL to 20 000 000 LTL by cancelling shares in order to cancel the losses recorded in the balance sheet.

The amended Articles of Association with reduced authorised capital were registered on 9 November 2012.

## 13. Interest-bearing loans and borrowings

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

Lending institution	Ref	Principal amount	Balance tLTL 2012-12-31	Balance tLTL 2011-12-31
AB SEB Bankas, (mv "Andromeda", mv "Libra", mv "Serenada")	a)	6 827 tUSD	17 792	18 536
„Swedbank“, AB, (mv "Pluto" and mv "Uranus")	b)	3 876 tUSD	10 102	12 570
„Swedbank“, AB, (mv "Capella")	c)	4 471 tUSD	11 652	16 109
„Swedbank“, AB (mv "Cassiopea")	d)	8 097 tUSD	21 101	27 600
UniCredit Bank, (mv "America Feeder")	e)	5 822 tUSD	15 173	16 884
UniCredit Bank, (mv "Tokata")	f)	18 285 tUSD	47 651	48 811
<b>Total liabilities</b>		<b>47 380 tUSD</b>	<b>123 471</b>	<b>140 509</b>
Less: current portion		(36 488) tUSD	(95 088)	(51 174)
<b>Total long term portion of net liabilities</b>		<b>10 891 tUSD</b>	<b>28 383</b>	<b>89 335</b>

a) The loan was received to finance acquisition of the vessels "Andromeda", "Libra" and "Serenada". The loan is to be repaid by 31 March 2013. The loan is secured by pledging the vessels "Andromeda", "Libra" and "Serenada".

b) The loan was received to finance the acquisition of the vessels "Pluto" and "Uranus". The loan is to be repaid by 31 March 2013.

c) The loan was received to finance the acquisition of the vessel "Capella". The loan is to be repaid by 31 December 2013.

d) The loan was received to finance the acquisition of the vessel "Cassiopea". The loan is to be repaid by 18 September 2015.

Loans b), c) and d) are secured by pledging the vessels "Capella" and "Cassiopea".

e) The loan was received to finance the acquisition of the vessel "America Feeder". The loan is to be repaid by 30 September 2017.



f) The loan was received to finance the acquisition of the vessel "Tokata". The loan is to be repaid by 31 March 2013.

Loans e) and f) are secured by pledging the vessels "Tokata" and "America Feeder".

#### 14. Deferred tax assets and liabilities

Due to the fact that in 2007 the Company chose a fixed tonnage tax, the base of which is independent of the Company's results, no temporary differences between tax and financial reporting exist. Due to this no deferred taxes arise in the Company.

#### 15. Trade and other payables

In thousand of Lit	2012-12-31	2011-12-31
Trade payable	6 208	17 953
Remuneration payable and related taxes	2 536	5 699
Amounts received in advance for voyages	334	597
Other payable	94	110
	<b>9 173</b>	<b>24 359</b>

#### 16. Contingencies

At the issuance date of the financial statements the Company did not have any contingent liabilities.

#### 17. Contingent assets and liabilities

The tax authorities have not performed a full scope tax review of Limarko Shipping Company AB for the period from 2007 to 2012. According to prevailing tax legislation the tax authorities have the right to check accounting registers and records of the company for 5 years prior to the current accounting period and may charge additional taxes and penalties. The Company's management is not aware of any circumstances that may give rise to a potential material liability in this respect.

#### 18. Segment reporting

Segment reports to the management of the company are prepared on a type of vessels basis – vessels of each segment operate in different markets. There are two segments based on the vessels' types – reefers and container vessels. The Company operates exclusively in the international shipping market and geographical segment reporting is not possible.



**In year 2012:**

In thousand of Litas	Reefers	Containers	Unallocated	Total
Voyage income	35 401	14 319	-	49 719
Voyage costs *	(2 939)	(671)	-	(3 610)
<b>Net voyage result</b>	<b>32 461</b>	<b>13 647</b>		<b>46 109</b>
Vessel operating costs **	(20 452)	(8 664)	-	(29 115)
Administration expenses	-	-	(2 942)	(2 942)
<b>Operating result before depreciation, EBITDA</b>	<b>12 010</b>	<b>4 984</b>	<b>(2 942)</b>	<b>14 051</b>
Depreciation	(11 548)	(5 257)	(109)	(16 915)
<b>Operating result, EBIT</b>	<b>462</b>	<b>(274)</b>	<b>(3 051)</b>	<b>(2 863)</b>
Other operating	(24 643)	19	(15)	(24 640)
Interest expenses	(1 290)	(1 671)	-	(2 961)
Result on currency exchange rate	910	1 771	(95)	2 586
Net other financial items	-	(2)	(42)	(44)
Taxes	-	-	(43)	(43)
<b>Net result</b>	<b>(24 562)</b>	<b>(157)</b>	<b>(3 246)</b>	<b>(27 966)</b>
Segment property, plant and equipment	66 527	71 861	234	138 622
Segment borrowings	50 049	73 422	-	123 471
Aquisition of property, plant and equipment	-	601	-	601

\* Voyage costs comprise: fuel costs, port duties, commissions.

\*\* Vessel operating costs comprise: labour related costs, repair and maintenance costs, insurance costs, communication costs, etc.

**In year 2011:**

In thousand of Litas	Reefers	Containers	Unallocated	Total
Voyage income	69 594	17 144	-	86 738
Voyage costs *	(27 573)	(2 604)	-	(30 177)
<b>Net voyage result</b>	<b>42 021</b>	<b>14 540</b>		<b>56 561</b>
Vessel operating costs **	(35 178)	(9 114)	-	(44 292)
Administration expenses, excluding impairment of vessels	-	-	(4 916)	(4 916)
Impairment of vessels	(10 000)	(17 000)	-	(27 000)
<b>Operating result before depreciation, EBITDA</b>	<b>(3 157)</b>	<b>(11 574)</b>	<b>(4 916)</b>	<b>(19 647)</b>
Depreciation	(17 201)	(6 538)	(276)	(24 015)
<b>Operating result, EBIT</b>	<b>(20 358)</b>	<b>(18 112)</b>	<b>(5 192)</b>	<b>(43 662)</b>
Other operating	5 398	2	(91)	5 309
Interest expenses	(2 237)	(2 427)	-	(4 664)
Result on currency exchange rate	(76)	(1 292)	109	(1 260)
Net other financial items	-	-	(24)	(24)
Taxes	-	-	(53)	(53)
<b>Net result</b>	<b>(17 273)</b>	<b>(21 829)</b>	<b>(5 251)</b>	<b>(44 353)</b>
Segment property, plant and equipment	118 126	76 518	450	195 094
Segment borrowings	63 774	76 735	-	140 509
Aquisition of property, plant and equipment	3 527	1 156	4	4 687

\* Voyage costs comprise: fuel costs, port duties, commissions.

\*\* Vessel operating costs comprise: labour related costs, repair and maintenance costs, insurance costs, communication costs, etc.



### **Fair value of financial instruments**

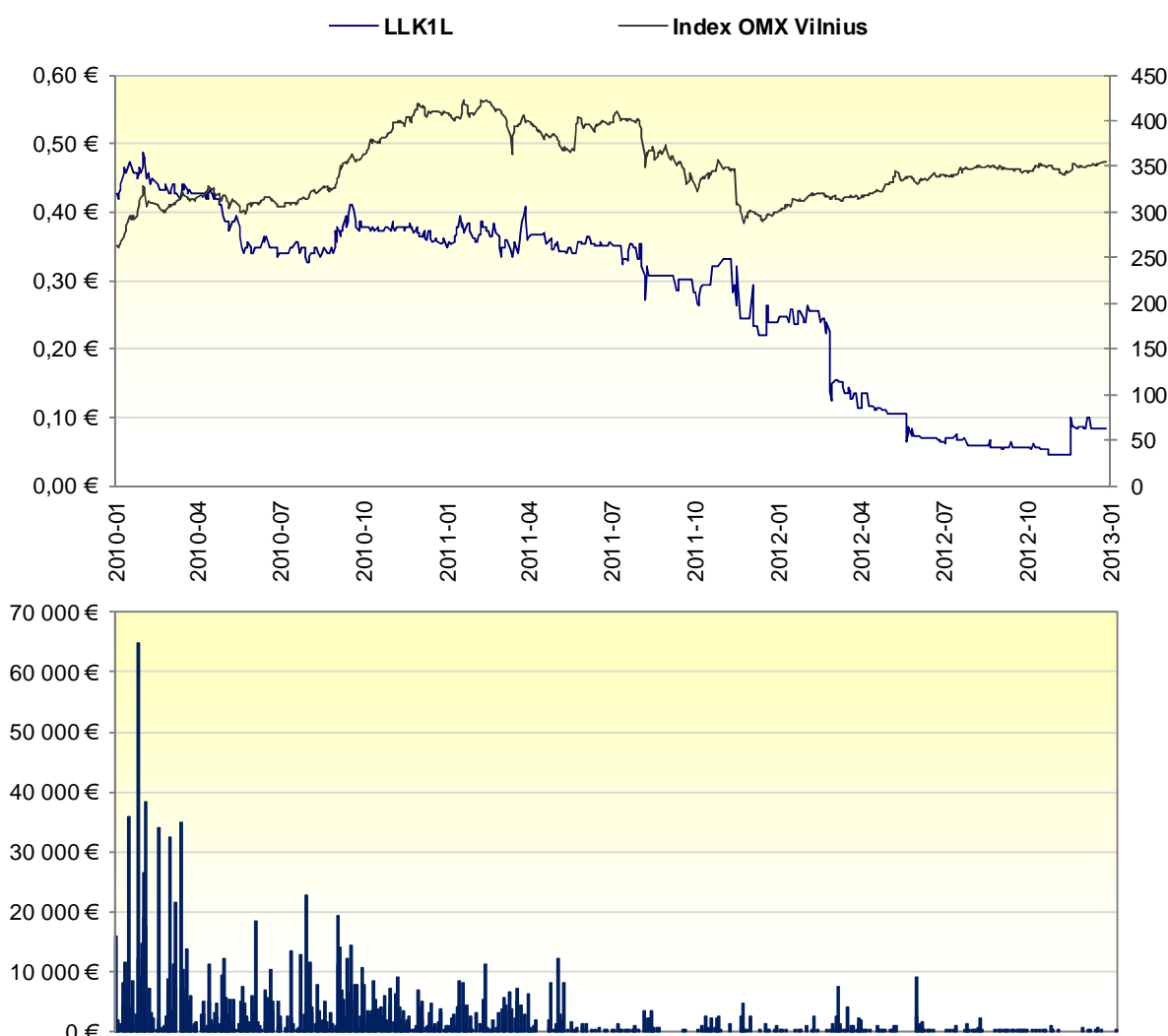
The Company's principal financial instruments not carried at fair value are trade and other receivables, trade and other payables, non-current and current borrowings.

Fair value is defined as the amount at which the instrument could be exchanged between knowledgeable willing parties in an arm's length transaction, other than in forced or liquidation sale. Fair values are obtained from quoted market prices and discounted cash flow models as appropriate.

The management of the Company is of the opinion that the carrying amounts of trade and other receivables, trade and other payables approximate their fair value due to their short-term nature, as well as borrowings approximate their fair value due to re-pricing based on the Libor interest rate in regular intervals.

### **Dynamics of share price and turnover**

Dynamics of Limarko laivininkystės kompanija AB share price and turnover in NASDAQ OMX Vilnius during the last three years:



Information about trading in Limarko Shipping Company AB shares on NASDAQ OMX Vilnius stock exchange during the year 2012:

Opening price	Lowest price	Highest price	Last price	Average price	Turnover (unites)	Turnover
0,09 €	0,04 €	0,10 €	0,08 €	0,06 €	1 110 170	65 341 €

LLK market capitalisation as of 31 December 2012 was LTL 5.8 million (as at 31 December 2011 - LTL 37.4 million).

**Members of collegial bodies, the Company's executive director, the chief accountant**

Personal status	Name, surname	Number of shares owned in the Issuer	Start date	End date
<b>Board:</b>				
Chairman of the Board	Vytautas Lygnugaris	-	2011-04-29	2015-04-29
Board member	Igoris Uba	-	2011-04-29	2015-04-29
Board member	Audrius Žiugžda	-	2011-04-29	2015-04-29
Board member	Egidijus Bernotas	-	2011-04-29	2015-04-29
Board member	Aurimas Lygnugaris	-	2011-04-29	2015-04-29
<b>Head of administration and Chief financial officer:</b>				
Executive Director	Mindaugas Petrauskas	1 664	2012-07-02	-
Chief Accountant	Diana Povilaitienė	-	2011-03-01	-

Vytautas Lygnugaris - Chairman of the Board of Limarko laivininkystės kompanija AB. Mr. Lygnugaris is also the Chairman of the Board of Lithuanian Shipowners Association, Limarko UAB, Limarko jūrų agentūra UAB and Baltkonta 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, member of the Board of Limarko UAB, Limarko jūrų agentūra UAB and Baltkonta UAB. In 2004 he graduated from the Baltic Management Institute with the executive MBA. In 1984 he graduated from State Maritime Academy of St. Petersburg.

Audrius Žiugžda – member of the Board. Mr. Žiugžda is the Chief Executive Officer and Deputy Chairman of the Board of Šiaulių bankas, AB, Board Member of Vytautas Magnus University. During 1992-2010 held various positions within AB SEB bank and during 2006-2010 he was the Chairman of the bank. In 2010 Mr. Žiugžda was the Advisor to CEO of TEO LT. In 1995 completed studies of business administration and management in Vytautas Magnus University and was awarded Master's degree. The Company considers A. Žiugžda 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, Mediaras UAB and Charity Fund "Sport future". 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.

Aurimas Lygnugaris – member of the Board. Mr. Aurimas Lygnugaris is the head of Klaipeda Region Corporate Customers Unit at Nordea Bank Finland Plc Lietuvos skyrius (from July 2009); during 2004-2009 held various positions at Swedbank, AB. In 2004 he graduated from International School of Management with a Bachelor of Business Management (specialization – Finance management), in 2011 he graduated from the Baltic Management Institute with the executive MBA.





Mindaugas Petrauskas – executive director. Mindaugas Petrauskas is the Member of the Board of Limarko UAB, Limarko jūrų agentūra UAB and the deputy director of Limarko UAB. In 2002 he graduated from Vilnius University with Masters degree in Law; in 2004 – graduated from Cardiff University with LL.M. degree in Legal Aspects of Marine Affairs. M. Petrauskas has been working for Limarko laivininkystės kompanija AB since 2004.

Diana Povilaitienė – Chief Accountant of the Company. Diana Povilaitienė graduated from the Economics Faculty of Vilnius University in 1995. During 1997-2003 she was the accountant at AB „Vakarų skirstomieji tinklai“ and senior accountant during 2003-2004. She started working as an accountant at Limarko laivininkystės kompanija AB in 2004. She became Deputy Chief Accountant in 2008 and Chief Accountant in 2011.

### **Committees constituted in the Company**

Personal status	Name, surname	Number of shares owned in the Issuer	Start date	End date
<b>Audit Committee:</b>				
Independent Member	Arūnas Bučys	-	2011-05-13	2015-04-29
Member	Vaida Kazlauskaitė	-	2011-05-13	2015-04-29

Arūnas Bučys – the independent member of the Audit Committee of Limarko laivininkystės kompanija AB. During 1990-1994 he was the Chief Accountant of Kiras UAB, during 1994-2002 – finansist of Koris UAB. During this time he learned at the Audit Institute and obtained the status of independent auditor in 1997. From 2002 he is the director – auditor of Pajūrio auditas UAB.

Vaida Kazlauskaitė – Chief Accountant of Limarko UAB (from 2007); from 2001 to 2007 she worked at Prorūna UAB, Žemaitijos auditas UAB, Audito ir konsultacijų biuras, UAB as accounting and finance consultant, assistant auditor. In 2007 she graduated from Kaunas Technological University with a master degree in economics (specialisation – accounting and finance).

### **Employees**

	2012-12-31	2011-12-31	2010-12-31
<b>Number of employees 2012-09-30:</b>	<b>268</b>	<b>373</b>	<b>466</b>
Managing personnel	2	5	5
On-shore employees	16	20	26
Seafarers	250	348	435
<b>Average gross salary:</b>			
Managing personnel	11 371 Lt	11 006 Lt	11 119 Lt
On-shore employees	5 217 Lt	4 693 Lt	4 887 Lt
Seafarers (with daily allowance)	3 848 Lt	3 895 Lt	4 095 Lt

On December 31 2012 the Company employed 268 employees, whereof 250 worked in the fleet and 18 in the administration.

The decrease of the number of employees was triggered by the decrease in the number of vessels owned.

Company's Collective Bargaining Agreement does not contain very special rights or obligations of the employees.



**Data on published information**

In accordance with the requirements of securities market regulations, the Company during the year 2012 publicly announced the following information:

- 11 January 2012 Resolutions of the Extraordinary General Meeting
- 22 February 2012 Notifications on transactions concluded by a legal person closely related to the issuer's manager
- 29 February 2012 Unaudited operational results for the year 2011
- 29 February 2012 Regarding the ratio of equity and authorised capital
- 6 April 2012 Notice on the Annual General Meeting of Shareholders and Draft Resolutions
- 24 April 2012 Operational results for the first quarter of 2012
- 30 April 2012 Resolutions of the Annual General Meeting of Shareholders
- 30 April 2012 Audited annual information for the year 2011
- 4 May 2012 Regarding the sale of vessels
- 29 June 2012 Regarding the appointment of a new Managing Director
- 4 July 2012 Regarding the sale of vessel
- 27 July 2012 Regarding the ratio of equity and authorised capital
- 27 July 2012 Operational results for the first half of 2012
- 10 August 2012 Regarding the sale of vessel
- 16 August 2012 Interim information for the first six months of 2012
- 4 October 2012 Notice on the Extraordinary General Meeting of Shareholders and Draft Resolutions
- 25 October 2012 Operational results for the nine months of 2012
- 26 October 2012 Resolutions of the Extraordinary General Meeting of Shareholders
- 28 November 2012 Unaudited Interim Financial Statements for the first nine months of 2012
- 21 December 2012 Notification on the transactions in issuer's securities concluded by managers and associated legal person

All information concerning material events publicly announced 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.com](http://www.limarko.com).

