



LIMARKO LAIVININKYSTĖS KOMPANIJA

Interim Report for the first six months of 2013



Klaipėda, August 2013

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

The interim report was drawn up for the first six months of 2013; all numbers presented are as of 30 June 2013, unless otherwise indicated. In the report Limarko laivininkystės kompanija AB may be referred to 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:	8 600 000 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:	info@limarko.com
Website address:	www.limarko.com

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. The Company is active in the market of transportation of frozen, chilled and perishable food products, as well as dry cargo.

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

4. Agreements with Intermediaries of Public Trading in Securities

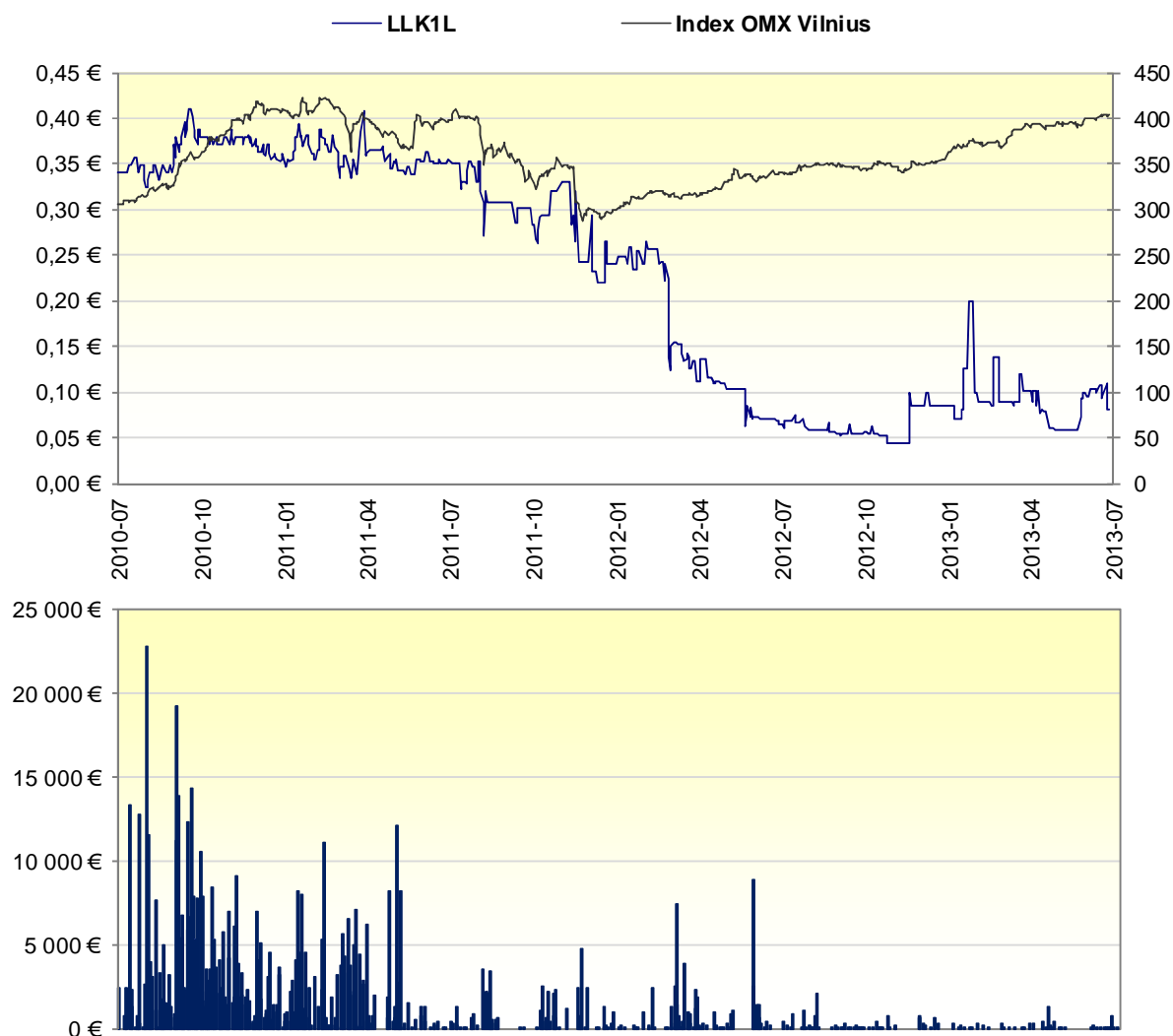
On 29 April 2003 the Company signed the Issuer's Service Agreement with the SEB Bank, represented by the Department of Finance Markets, located at the address Gedimino pr. 12, Vilnius, tel. (8 5) 268 2687, fax (8 5) 262 6043.

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 the NASDAQ OMX Vilnius. On 30 June 2013 the NASDAQ OMX Vilnius Baltic Secondary list of trading contained 8 600 000 ordinary registered shares of Limarko laivininkystės kompanija AB at par value of 1 (one) LTL each. The ISIN code of these securities is LT0000119646.



Dynamics of Limarko Shipping Company AB share price and turnover during the last three years:



Information about trading in Limarko laivininkystės kompanija AB shares on NASDAQ OMX Vilnius stock exchange during the first six months of 2013:

Opening price	Lowest price	Highest price	Last price	Average price	Turnover (unites)	Turnover
0,056 €	0,056 €	0,199 €	0,081 €	0,091 €	75 623	6 851 €

6. The objective review of the Company's state, activity performance and development; the description of the main risk types and uncertainties encountered by the enterprise

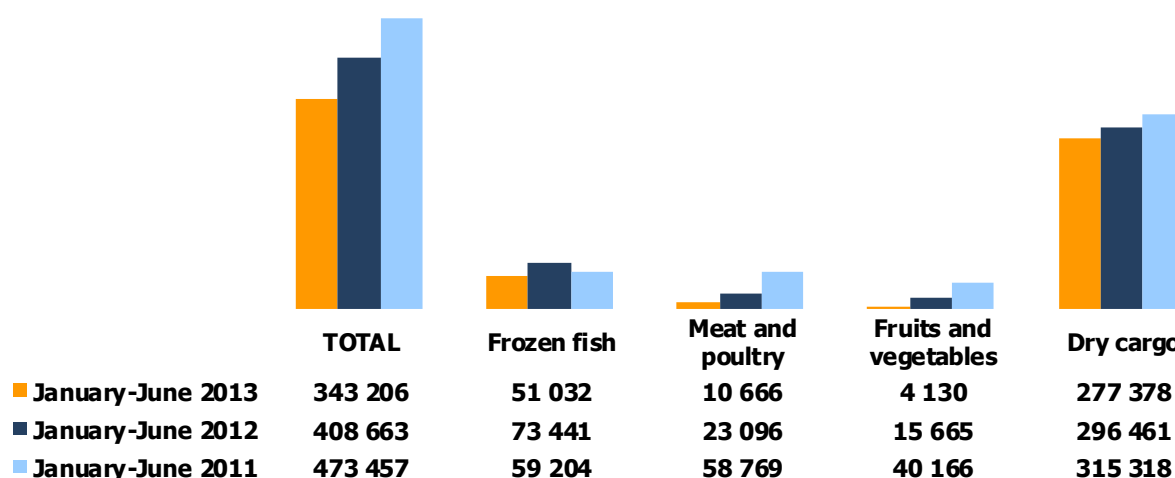
As of 30 June 2013, the Company owned 6 vessels: 4 reefer ships and 2 container ships (as of 30 June 2012 – 6 reefer ships and 3 container ships).

The Company sold m/v Serenada (built 1999) in May 2013.

As of 30 June 2013, 4 ships were operated under a Pool agreement and 2 ships under long-term charter agreements (as of 30 June 2012 – 6 ships were operated under a Pool agreement and 3 ships under long-term charter agreements).

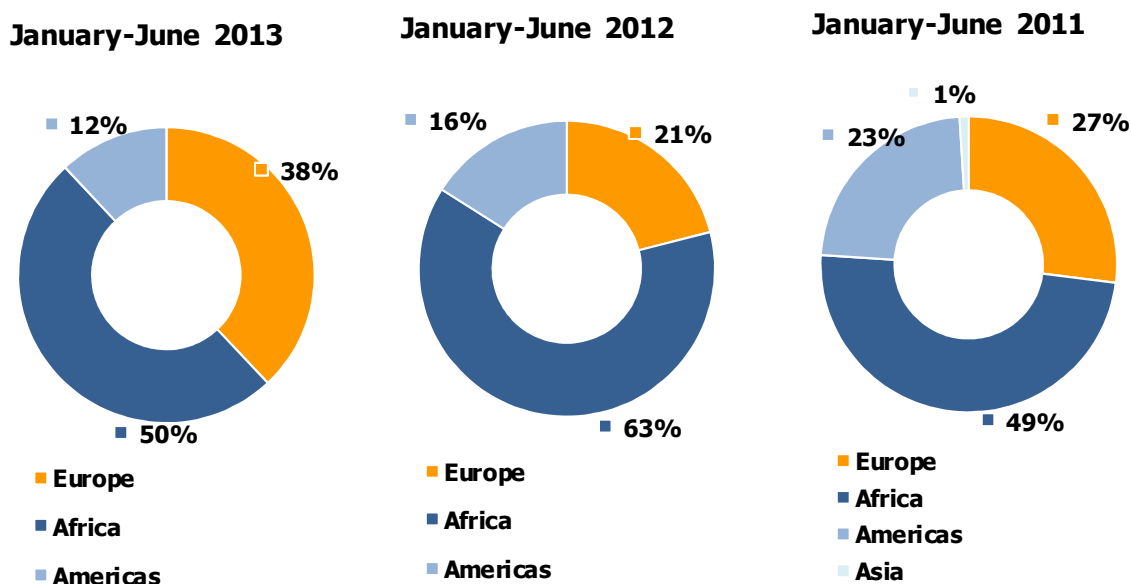


During the first six months of 2013 Limarko laivininkystes kompanija AB transported a total of 343 thousand tons of cargo, whereof 81% accounted for dry cargo accounted and the remaining 19% for frozen, chilled and perishable food products:



The total amount of cargo transported during the six months of 2013 decreased by 16%, when compared to the first six months of 2012. 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 50 and 38 percent of all transported cargo. Transportations in Americas constituted 12 percent.



Risk factors related to the Issuer’s activity:

Economic risk factors. The vessels of Limarko laivininkystes kompanija AB are operating in the international market of sea cargo transportation, and the quality of its rendered services conforms to the international requirements.



The Company's sales depend on the situation in the international market. It is not dependant on monopoly consumers.

Procurement opportunities – of raw materials, consumables, manufacturing areas, workforce and financial resources – are unlimited. Raw materials and services are bought from diverse suppliers; consequently, the Company is not dependant on particular suppliers.

In the market of frozen, chilled and perishable food products transportation there exists the influence of seasonality, which manifests itself in the decrease of freight rates in the summer season.

Currency exchange risk. The Company encounters with the currency exchange risk, related to sales, purchases and borrowing costs denominated in currencies other than Litas and Euro. During the first six months of 2013 95% of all income from ordinary activity was received in US Dollars.

Fair value interest rate risk. In general, the Company's income and cash flows from ordinary activity are not dependent on changes in the market interest rate. The Company has not been granted nor issued itself any loans with a fixed interest rate, therefore was not exposed to the fair value interest rate risk.

Price risk. The rates of cargo transportation by sea as well as vessel hire rates vary depending on the situation in the market. The Company seeks to minimize the impact of the mentioned fluctuations by diversifying the fleet, i.e. maintaining the number of vessels for transportation of frozen, chilled and perishable food products or containers as well as proposing different ways of vessel charters (short-term, long-term, voyage).

Credit risk. The Company uses procedures which ensure that sales are performed to clients having a proper crediting history without exceeding the limit of credit risk set by the management. The Company did not have any concentration of significant credit risk at the balance sheet date.

Liquidity risk. Current ratio as of 30 June 2013 was 0.1 (after classifying financial debt as current liabilities); external financing for cash-flow was not used.

Interest rate risk. The average effective interest rate during the six months of 2013 was 1.93% (during the first six months of 2012 - 3.36%).

The Company's borrowings are subject to variable interest rates, related to 6 Month USD LIBOR.

Bank Loans. As at 30 June 2013, ships with the carrying amount of 121 397 thousand Litas (as of 30 June 2012 – 165 943 thousand Litas) are pledged to secure bank loans. Note 12 of the Interim Financial Statements for the six months of 2013 provides more details regarding bank loans.

Capital management. 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.

According to the Financial statements of the Company for the year ended 31 December 2012, equity of the company, as of 31 December 2012 amounted to 8 558 thousand Litas and was less than one half of the authorised capital of the Company (10 000 thousand Litas). Compared to the data as of 31 December 2012, the shareholders' equity decreased by 1 920 tLTL to 6 638 tLTL during the first quarter of 2013. Therefore, on 30 April 2013 the Annual General Meeting decided to reduce the authorized capital from 20 000 000 LTL to 8 600 000 LTL by cancelling shares in order to cancel the losses recorded in the balance sheet and to restore the ratio between equity and authorised capital to the level required by law. The amended Articles of Association with reduced authorized capital were registered on 16 May 2013.



Political risk factors. Having regard to the particularities of the shipping business, the European Commission in 2004 adopted the Guidelines on State aid to maritime transport (2004/C 13/03). It is established in the Guidelines that one of the main measures to strengthen the maritime transport is the reduction of fiscal and other expenses of the ship owners. The aim of such state aid measures is to ensure the competitiveness of the European Union shipping sector in relation to the third countries. The Guidelines contain state aid measures, which are exclusively designed to promote maritime transport; however, this does not influence competition between different trades of the company, because shipping is developed in international markets.

Social risk factors. The average salary in the Enterprise exceeds the average salary in Lithuania. Part of the Enterprise's employees belongs to the trade-union of Limarko laivininkystes kompanija AB.

Technical-technological risk factors. The technical condition of the Enterprise's vessels is supervised by classification societies authorized by the national supervisory authority in charge of the technical condition of the vessels. These companies certify that the vessels conform to the international standards for the technical condition of vessels, that they may be operated and that no obstacles are applied to them in ports. The Enterprise's vessels undergo scheduled maintenance works, as well as dock repair works every 2-3 years in ship-repair enterprises both in Lithuania and abroad.

Ecological risk factors. The main ecological risk factor is related to the operation of the Company's vessels. The vessels are operated in most safe manner and in accordance with the strictest environmental standards. However, there still exists some probability that during an accident the environment may be negatively affected. However, the Company's vessels are insured in respect of incidents and consequences thereof, so in these cases the damage to the environment would be indemnified and fines would be paid by the insurance company, and such incidents and consequences thereof would have no impact on the Company's financial status.

7. Analysis of financial and non-financial activity results

The revenue of Limarko laivininkystės kompanija AB for the first six months of 2013 amounted to LTL 23.9 million and decreased by 20% when compared to the revenue of LTL 29.9 million during the first six months of 2012.

EBITDA for the first half of 2013 was LTL 8.9 million. EBITDA for the first six months of 2012 was LTL 8.7 million.

The profit of the Company for the first six months of 2013 was LTL 1.0 million. The loss of the Company the first six months of 2012 was LTL 21.8 million.

At the beginning of the year the freight level in reefer cargo market was higher when compared to 2012. However, the freight rates decreased in mid-May due to seasonality in the market, which results in lower freight rates during summer-autumn season. It is forecasted that the off-seasonal correction will be deeper this year due to declining banana trade (due to political and weather conditions in Latin America, which is world's largest banana supplier), as well as continuing sharp competition with container lines.

Dry-docking of two vessels is planned for the third quarter of 2013.



The main financial results of Limarko laivininkystės kompanija AB:

In thousand of Litass	H1 2013	H1 2012	H1 2011	H1 2010	H1 2009
Income	23 887	29 916	52 843	66 896	71 590
EBITDA	8 907	8 690	9 699	10 846	16 093
<i>EBITDA margin</i>	<i>37,3%</i>	<i>29,0%</i>	<i>18,4%</i>	<i>16,2%</i>	<i>22,5%</i>
Gross profit	6 400	648	(35)	(59)	5 347
<i>Gross profit margin</i>	<i>26,8%</i>	<i>2,2%</i>	<i>-0,1%</i>	<i>-0,1%</i>	<i>7,5%</i>
EBIT	4 722	(1 063)	(2 848)	(3 123)	1 274
<i>EBIT margin</i>	<i>19,8%</i>	<i>-3,6%</i>	<i>-5,4%</i>	<i>-4,7%</i>	<i>1,8%</i>
Profit (loss) before tax	981	(21 829)	8 305	(34 255)	(2 181)
<i>Profit (loss) before tax margin</i>	<i>4,1%</i>	<i>-73,0%</i>	<i>15,7%</i>	<i>-51,2%</i>	<i>-3,0%</i>
Net profit (loss)	981	(21 829)	8 309	(34 255)	(2 181)
<i>Net profit (loss) margin</i>	<i>4,1%</i>	<i>-73,0%</i>	<i>15,7%</i>	<i>-51,2%</i>	<i>-3,0%</i>
Equity	9 539	19 694	94 187	82 467	126 967
Financial debts	116 089	141 021	143 810	189 357	178 221
Total assets	133 686	175 227	260 915	303 094	332 725
Efficiency indicators:					
Return of assets, ROA	-7,6%	-42,5%	4,5%	-14,7%	-8,1%
Return on equity, ROE	-106,5%	-378,2%	12,4%	-54,0%	-21,2%
Return of capital employed, ROCE	-8,1%	-46,4%	4,9%	-16,4%	-8,8%
Liquidity indicators:					
Current ratio	0,10	0,08	0,27	0,17	0,39
Quick ratio	0,08	0,05	0,14	0,08	0,22
Cash ratio	0,04	0,01	0,01	0,00	0,06
Market indicators:					
P/E	(0,2)	(0,1)	4,7	(1,2)	(2,6)
Profit (loss) per share	0,11 Lt	(0,49 Lt)	0,07 Lt	(0,28 Lt)	(0,02 Lt)

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)

P/E = share's market price / Profit (loss) per share

On 30 June 2013 the Company employed 228 employees, whereof 212 worked in the fleet and 16 in the administration (section 24 of the present report provides additional information on Company's employees).

On 30 June 2012 the Company employed 314 employees, whereof 292 worked in the fleet and 22 in the administration.



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

Company's vessels are managed in accordance with strict environmental standards. There were no cases of pollution from Company's vessels during the first six months of 2013. In addition, Company vessels are insured against accident risks, and any damage caused or fines would be covered by the insurers.

8. 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.

9. Information about own shares acquired and owned by the enterprise

The Company does not possess any own shares. During the reporting period the Company neither acquired nor transferred any own shares.

10. Information regarding Company's branches and representative offices

The Company has no branches or representative offices.

11. Material events since the close of the previous financial period

1. On 2 August 2013 the Issuer received a notification that "Limarko" UAB, the largest shareholder of LLK, acquired 397 704 shares of "Limarko laivininkystes kompanija" AB. After this transaction, "Limarko", UAB controls 94,2% of Company's share capital.
2. On 9 August 2013 "Limarko laivininkystes kompanija" AB received the following notice from "Limarko", UAB regarding the intention to announce the voluntary takeover bid to acquire all the remaining 500 307 ordinary registered shares of the Issuer, granting 5.8% of the votes at the General Meeting of the Shareholders of the Issuer. The intended takeover bid price is EUR 0.12 (twelve Euro cents) (equivalent in Litas: LTL 0.414) per one ordinary registered share of the Issuer. The intended method for settlement for the ordinary registered shares of the Issuer to be acquired will be monetary payment. Minimum number of the Issuer's shares intended for purchase – one ordinary registered share.

12. Company's operational plans and forecasts

With the aim of effectiveness of employment of reefer vessels and having regard to the developments in the market of reefer cargo transportation, during the second half of 2012 the Company intends to employ reefers in the Alpha Reefer Transport pool. Container vessels shall continue to be employed on long term charterparties.

Dry-docking of two vessels is planned for the third quarter of 2013.

13. Research and development activities

Company's employees are continuously interested in the novelties of vessel maintenance and care, which help to reduce maintenance costs, increase safety and effectiveness. The Company did not undertake any major research and development projects undertaken during the first six months of 2013.



14. Financial instruments

N/A.

15. Information on material direct and indirect share holdings

The Company does not directly or indirectly own material share holdings.

16. Shareholders having special control rights & description of such rights

N/A.

17. The Issuer's Authorized Capital Structure

On 30 June 2013 the Enterprise's authorized capital consisted of 8 600 000 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	8 600 000	1 Lt	8 600 000	100%

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

Changes in the authorized capital during the last 3 years:



	2013-06-30	2012-06-30	2011-06-30
The authorized capital (Ordinary registered shares, units)	8 600 000	45 000 000	120 212 429
The authorized capital (Nominal value, in Litas)	8 600 000	45 000 000	120 212 429

18. Information on paid dividends

The Company has not paid dividends for the last five financial years.

19. Restrictions on assignment of securities

On 22 February 2012 Limarko UAB pledged shares of Limarko laivininkystes 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 laivininkystes kompanija. Limarko UAB can transfer the shares with prior agreement of the banks and Limarko UAB retained voting rights and property in the shares.

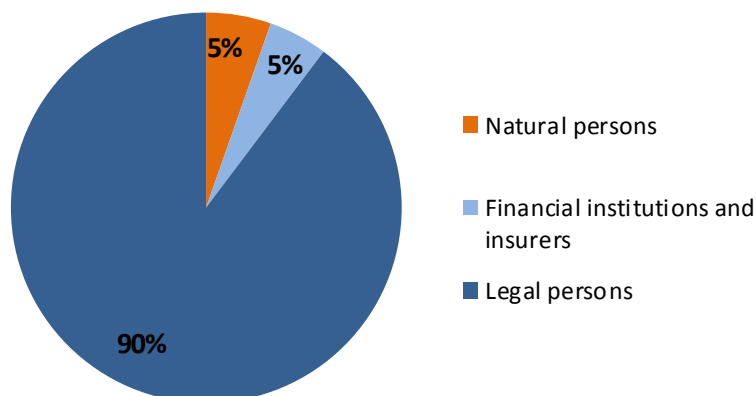
20. Shareholders

The total number of shareholders of Limarko laivininkystes kompanija AB on 16 May 2013 was 715.

Shareholders who on 30 June 2013 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)	7 701 989	89,6%	89,6%	89,6%

Kinds of shareholders:



95% of the shareholders are residents of the Republic of Lithuania and 5% - residents of other countries.



21. All restrictions on voting rights

N/A.

22. Description of major investments during 2012

During the first six months of 2013, investment into capitalised docking repairs and ship equipment amounted to 541 tLTL.

23. 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.

24. Employees

	2013-06-30	2012-06-30	2011-06-30
Number of employees	228	314	435
Managing personnel	2	4	5
Specialists	115	162	224
Technicians	111	148	206
Average gross salary:			
Managing personnel	13 013 Lt	10 677 Lt	11 043 Lt
Specialists	3 763 Lt	3 104 Lt	3 073 Lt
Technicians	1 516 Lt	1 322 Lt	1 390 Lt

On 30 June 2013 the Company employed 228 employees, whereof 212 worked in the fleet and 16 in the administration.

On 30 June 2012 the Company employed 314 employees, whereof 292 worked in the fleet and 22 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.

Company's success is dependent on its professional workers. Seafarers constitute the biggest part of Company's personnel and their qualifications are regulated by international regulations. The Company employs only the properly qualified and certified seafarers, which allows ensuring proper and safe operation of the vessels. The seafarers and shore personnel can improve their qualifications at Company's account, which helps the Company to maintain good specialist.

25. Powers of the Issuer to issue or acquire own shares

In accordance with the Company Law of the Republic of Lithuania, General Annual Meeting of the can take decisions regarding the issuance or acquirement of own shares of the Issuer.

26. 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.

27. 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.

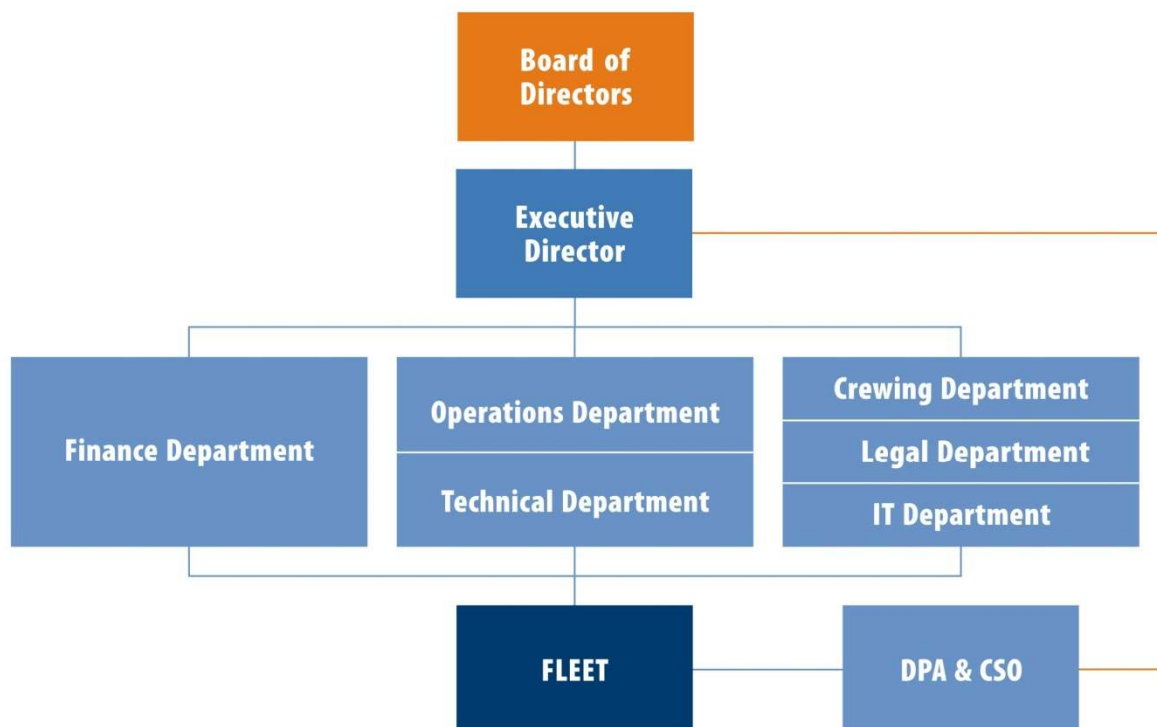
The Company's Board is the Company's management body, comprised of 5 members, elected in the order established by the Law on Companies for the term of four years. The Board members shall be recalled in the order established by the Law on Companies.

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 – Executive Director – 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:



28. 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
Board:				
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
Head of administration and Chief financial officer:				
Executive Director	Mindaugas Petrauskas	716	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. From 2009 till end of 2012 Mr. Aurimas Lygnugaris was the head of Klaipeda Region Corporate Customers Unit at Nordea Bank Finland Plc Lietuvos; 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 laivininkystes 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 laivininkystes kompanija AB in 2004. She became Deputy Chief Accountant in 2008 and Chief Accountant in 2011.

Information about remunerations and tantiemes to the members of managing bodies during the first six months of 2013:

In Litas	Remuneration	Tantiemes
Total amount for all members of Board		
On the average per member of the board*		
Total amount for all members of administration	156 273	
On the average per member of the administration **	78 137	

Notes: * The Chairman of the Board works in the Company under an employment contract and receives remuneration. His employment related income is calculated in the administration line. Other members of the Board did not receive income related to work in the Board.

** The administration consists of the Executive Director and the Chief Accountant.



During the six months of 2013, there were no loans, guarantees or sponsorship granted to the members of the Board or administration by the Company.

29. Committees constituted in the Company

Personal status	Name, surname	Number of shares owned in the Issuer	Start date	End date
Audit Committee:				
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).

The functions of the Audit Committee are to:

1. Observe the process of preparation of Company's financial statements;
2. Observe the effectiveness of Company's systems of internal controls and risk management;
3. Observe the process of Company's audit;
4. Monitor independence and impartiality of the external auditor;
5. Make recommendations to the Management Board related to the selection of the auditor, conditions of the audit contract and other issues in respect of Company's accounting, budget control and audit.

30. Material agreements to which the Issuer is a party and which would come into effect, be amended or terminated in case of change in the issuer's control, also their impact except the cases where the disclosure of the nature of the agreements would cause significant damage to the issuer.

N/A.

31. All agreements of the issuer and the members of its management bodies, or the employee agreements providing for a compensation in case of the resignation or in case they are dismissed without a due reason or their employment is terminated in view of the change of the control of the issuer

The Company has not concluded agreements with members of the management bodies providing for compensation in case of the resignation or in case they are dismissed without a due reason or their employment is terminated in view of the change of the control of the issuer. The only compensations that might need to be paid to the employees are foreseen in the Labour Code of the Republic of Lithuania.

32. Information about related party transactions

Limarko Shipping Company AB is a subsidiary of UAB Limarko, which owns 89,6% of the Company's share capital as at 30 June 2013.



UAB Limarko Jūry Agentūra and UAB Baltkonta are subsidiaries of UAB Limarko. These companies are further referred to as related parties.

The management is of the opinion that all related party transactions are carried out on an arm's-length basis.

During reporting period there were no material related party transactions.

33. Information on transactions that would be harmful may have had or will have a negative impact on the Issuer's operations and (or) performance

There were no transactions on behalf of the Issuer that would be harmful may have had or will have a negative impact on the Issuer's operations and (or) performance during the reporting period.

34. Information on transactions made under a conflict of interests between the Issuer's managers, controlling shareholders or other related parties obligations to the Issuer and their private interests and (or) other duties

There were no transactions on behalf of Company that would enter a conflict of interests between the Issuer's managers, controlling shareholder or other related parties obligations to the Company and their private interests and (or) other duties during the reporting period.

35. 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 Nasdaq OMX Vilnius Stock Exchange.

36. Data on published information

In accordance with the requirements of securities market regulations, the Company during the first six months of 2013 publicly announced the following information:

28 February 2013 Unaudited operational results for the year 2012

9 April 2013 Regarding the change of financial results after audit and regarding the ratio of equity and authorised capital

9 April 2013 Notice on the Annual General Meeting of Shareholders

24 April 2013 Operational results for the first quarter of 2013

30 April 2013 Resolutions of the Annual General Meeting of Shareholders

30 April 2013 Audited annual information for the year 2012

20 May 2013 Regarding the sale of vessel

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.





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

2013-08-27 Nr. FIN-1-84-13

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, 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 attached not audited Limarko laivininkystės kompanija AB Interim Financial Statements for the six months of 2013, 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 2013 is correct.

Enclosure:

1. Limarko laivininkystės kompanija AB Interim Financial Statements for the six months of 2013;
2. Limarko laivininkystės kompanija AB Interim Report for the first six months of 2013.

Executive Director

Mindaugas Petrauskas

Chief Accountant

Diana Povilaitienė



LIMARKO LAIVININKYSTĖS KOMPANIJA

Interim Financial Statements for the first six months of 2013



August 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 first six months of 2013 are not audited.

Statement of financial position

In thousand of Litas	Note	2013-06-30	2012-12-31	2012-06-30
Assets				
Property, plant and equipment	6	121 599	133 620	166 213
Intangible assets	7	8	2	5
Other investments				
Long term receivable		274		
Total non-current assets		121 880	133 622	166 217
Inventories	8	596	967	1 105
Trade and other receivable	9	5 903	5 615	6 933
Cash and cash equivalents	10	5 306	1 298	971
Total current assets		11 806	7 880	9 009
Total assets		133 686	141 502	175 227
Equity				
Share capital		8 600	20 000	45 000
Reserves				
Retained earnings		939	(11 442)	(25 306)
Total equity	11	9 539	8 558	19 694
Liabilities				
Interest-bearing loans and borrowings	12			45 915
Other long-term liabilities		300	300	268
Total non-current liabilities		300	300	46 183
Interest-bearing loans and borrowings	12	116 089	123 471	95 106
Trade and other payables	14	7 758	9 173	14 243
Total current liabilities		123 847	132 644	109 349
Total liabilities		124 147	132 944	155 532
Total equity and liabilities		133 686	141 502	175 227

The notes set out on pages 6 to 15 form an integral part of these financial statements.



Statement of comprehensive income

In thousand of Litas	Note	April-June 2013	April-June 2012	January- June 2013	January- June 2012
Revenue	1	11 926	12 432	23 887	29 916
Cost of sales	2	(9 212)	(13 428)	(17 487)	(29 268)
Gross profit		2 714	(996)	6 400	648
Other operating income	3	108	42	110	300
Other operating expenses	3	(547)	(13 764)	(547)	(13 832)
Administrative expenses	4	(887)	(861)	(1 678)	(1 711)
Operating profit before financing costs		1 389	(15 579)	4 285	(14 595)
Financial income		0	(4 431)	0	0
Financial expenses		1 512	(6 053)	(3 304)	(7 235)
Net financial costs/income	5	1 512	(10 484)	(3 304)	(7 235)
Profit (loss) before tax		2 901	(26 063)	981	(21 829)
Income tax expense					
Profit (loss) for the period		2 901	(26 063)	981	(21 829)
Other comprehensive income					
Total comprehensive income, net of income tax		2 901	(26 063)	981	(21 829)

The notes set out on pages 6 to 15 form an integral part of these financial statements.



Statement of cash flows

In thousand of Litas	Note	H1 2013	H1 2012
Cash flows from operating activities			
Profit (loss) for the period		981	(21 829)
Adjustments for:			
Depreciation	6	4 184	9 745
Amortization	7	1	8
Gain (loss) on disposal of property, plant and equipment	3	545	13 770
Effects of exchange rate changes on borrowings	5	2 097	4 831
Interest expenses, net	5	1 171	2 393
Net cash from ordinary activities before any changes in working capital		8 980	8 917
Change in inventories		371	3 097
Change in receivable		(721)	(1 715)
Change in trade and other payables		(1 414)	(10 116)
Net cash generated from ordinary activities		7 215	183
Net interests paid / received		(1 171)	(2 393)
Income tax paid			
Net cash used in operating activities		6 043	(2 209)
Cash flows from investing activities			
Acquisition of property, plant and equipment	6	(541)	
Acquisitions of intangible assets	7	(7)	
Proceeds from sale of property, plant and equipment		7 992	7 316
Net cash from investing activities		7 444	7 316
Cash flows from financing activities			
Proceeds from borrowings			
Repayment of borrowings		(9 479)	(4 319)
Net cash used in financing activities		(9 479)	(4 319)
Change in cash and cash equivalents		4 008	788
Cash and cash equivalents at 1 January		1 298	184
Cash and cash equivalents at 30 June		5 306	971

The notes set out on pages 6 to 15 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 2012		120 212	7 645	(86 334)	41 523
Comprehensive income for the period					
Net profit (loss) for H1 2012				(21 829)	(21 829)
Total comprehensive income for the period				(21 829)	(21 829)
Transactions with owners recognised in equity					
Transfers from reserves			(7 645)	7 645	
Reduction of authorised capital		(75 212)		75 212	
Total transactions with owners		(75 212)	(7 645)	82 858	
At 31 June 2012	11	45 000		(25 306)	19 694
As at 1 January 2013		20 000		(11 442)	8 558
Comprehensive income for the period					
Net profit (loss) for H1 2013				981	981
Total comprehensive income for the period				981	981
Transactions with owners recognised in equity					
Transfers from reserves					
Reduction of authorised capital		(11 400)		11 400	
Total transactions with owners		(11 400)		11 400	
At 30 June 2013	11	8 600		939	9 539

The reduction of the share capital is presented in note 11.

The notes set out on pages 6 to 15 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 (30 June 2013). The ordinary shares of the Company are listed on the NASDAQ OMX Vilnius.

The interim financial statements for the first six 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 Litas, 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.



1. Revenue

In thousand of Litas	H1 2013	H1 2012
Pool operations	17 225	17 430
Time charter operations	5 973	7 541
Voyage charter operations	688	4 784
Demurrage		161
Total revenue	23 887	29 916

As of June 30 2013, the Company owned 6 vessels: 4 reefer ships and 2 container ships (as of 30 June 2012 – 6 reefer ships and 3 container ships).

As of June 30 2013, 4 ships were operated under a Pool agreement and 2 ships under long-term charter agreements (As of June 30 2012, 6 ships were operated under a Pool agreement, 3 ships under long-term charter agreements).

2. Cost of sales

In thousand of Litas	H1 2013	H1 2012
Crew costs	(6 227)	(8 840)
Depreciation	(4 154)	(9 683)
Repair and maintenance of vessels	(2 818)	(2 809)
Insurance	(1 456)	(2 167)
Lubricating oil	(1 033)	(1 607)
Commissions	(400)	(389)
Fuel	(616)	(2 374)
Port dues	(88)	(472)
Other costs	(694)	(927)
	(17 487)	(29 268)

3. Other operating items

In thousand of Litas	H1 2013	H1 2012
Net gain on sale of property, plant and equipment	1	11
Other income	108	289
	110	300

In thousand of Litas	H1 2013	H1 2012
Net loss on sale of property, plant and equipment	(547)	(13 781)
Other expenses		(51)
	(547)	(13 832)
	(437)	(13 532)

The Company sold m/v Serenada (built 1999) in May 2013.



4. Administrative expenses

In thousand of Litas	H1 2013	H1 2012
Staff costs	(1 026)	(1 076)
Rental costs	(109)	(84)
Business trips	(111)	(42)
Operation and maintenance expenses of real estate	(42)	(50)
Depreciation and amortization	(31)	(70)
Communication	(22)	(28)
Other costs	(337)	(360)
	(1 678)	(1 711)

5. Net financial income / costs

In thousand of Litas	H1 2013	H1 2012
Financial income:		
Currency exchange rate gain		
Interest	0	0
Total financial income	0	0
Financial expenses:		
Currency exchange rate loss	(2 132)	(4 798)
Interest on borrowings	(1 171)	(2 393)
Penalties	(1)	(44)
Total financial costs	(3 304)	(7 235)
	(3 304)	(7 235)



6. Property, plant and equipment

In thousand of Litas	Land and buildings	Vessels and cars	Other assets	Total
Cost				
Balance at 1 January 2012	411	323 814	1 263	325 487
Acquisitions				
Disposals	(11)	(38 419)	(451)	(38 881)
Balance at 30 June 2012	400	285 395	811	286 606
Balance at 1 January 2013	400	241 346	623	242 369
Acquisitions		541		541
Disposals		(18 676)	(301)	(18 977)
Balance at 30 June 2013	400	223 211	322	223 933
Depreciation and impairment losses				
Balance at 1 January 2012	171	129 102	1 129	130 401
Depreciation charge for the period	16	9 697	37	9 749
Disposals	(7)	(19 344)	(406)	(19 757)
Balance at 30 June 2012	179	119 454	760	120 394
Balance at 1 January 2013	195	107 959	595	108 749
Depreciation charge for the period	15	4 154	15	4 184
Disposals		(10 299)	(301)	(10 600)
Balance at 30 June 2013	210	101 814	309	102 334
Carrying amounts				
At 1 January 2012	240	194 712	134	195 086
At 30 June 2012	221	165 941	51	166 213
At 1 January 2013	205	133 387	28	133 620
At 30 June 2013	190	121 397	12	121 599

Security

As of 30 June 2013, ships with the carrying amount of 121 397 thousand Litas (as at 30 June 2012 – 165 943 thousand Litas) were pledged to secure bank loans (see note 12).

Depreciation

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

In thousand of Litas	H1 2013	H1 2012
Cost of sales	(4 154)	(9 682)
General and administrative operating expenses	(30)	(67)
	(4 184)	(9 749)



With tax administrator's consent, as from 1st January 2013, the Company amended vessels' depreciation norms from 24-30 years to 30-35 years (from building year).

7. Intangible assets

In thousand of Litas	Software	Total
Balance at 1 January 2012	316	316
Acquisitions		
Disposals	(14)	(14)
Balance at 30 June 2012	302	302
Balance at 1 January 2013	277	277
Acquisitions	7	7
Disposals	(1)	(1)
Balance at 30 June 2013	283	283
Amortisation and impairment losses		
Balance at 1 January 2012	308	308
Amortisation for the period	3	3
Disposals	(14)	(14)
Balance at 30 June 2012	297	297
Balance at 1 January 2013	275	275
Amortisation for the period	1	1
Disposals	(1)	(1)
Balance at 30 June 2013	275	275
Carrying amounts		
At 1 January 2012	8	8
At 30 June 2012	5	5
At 1 January 2013	2	2
At 30 June 2013	8	8

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

8. Inventories

In thousand of Litas	2013-06-30	2012-06-30
Lubricating oil	596	868
Fuel		237
	596	1 105

During the six months of 2013 fuel and lubricants, amounting to 1 649 tLTL (during the six months of 2012 – 3 981 tLTL) were recognized under cost of sales.



9. Receivables

In thousand of Litas	2013-06-30	2012-06-30
Trade receivable	4 519	4 486
Prepaid expenses	1 008	1 962
Prepayments	107	127
Other receivable	269	358
	5 903	6 933

The majority of prepaid expenses comprise of prepaid insurance expenses.

The ageing of trade and other receivables as at 30 June 2013 and 2012 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	
2012-06-30	4 844						4 844
2013-06-30	4 788						4 788

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.

10. Cash and cash equivalents

In thousand of Litas	2013-06-30	2012-06-30
Bank balances	5 295	961
Cash in hand	12	10
	5 306	971

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

11. Share capital

As of 30 June 2013, the authorised share capital, issued and fully paid, comprised 8 600 000 ordinary shares at a par value of LTL 1 each. The movement in share capital during the six months of 2013 in the table below:

	Number of shares	General nominal value
31 December 2012	20 000 000	20 000 000
Reduction of authorized capital according to the Shareholders' meeting on 30 April 2013	8 600 000	8 600 000
30 June 2013	8 600 000	8 600 000



On 30 April 2013 the Annual General Meeting decided to reduce the authorized capital from 20 000 000 LTL to 8 600 000 LTL by cancelling shares in order to cancel the losses recorded in the balance sheet and 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 16 May 2013.

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.

The total number of shareholders of Limarko laivininkystes kompanija AB on 30 June 2013 was 715.

Shareholders who on 30 June 2013 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)	7 701 989	89,6%	89,6%	89,6%

Limarko UAB pledged shares of Limarko laivininkystes 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 laivininkystes kompanija AB. Limarko UAB retained voting rights and property in the shares.

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.

According to the Financial statements of the Company for the year ended 31 December 2012, equity of the company, as of 31 December 2012 amounted to 8 558 thousand Litas and was less than one half of the authorised capital of the Company (10 000 thousand Litas). Compared to the data as of 31 December 2012, the shareholders' equity decreased by 1 920 tLTL to 6 638 tLTL during the first quarter of 2013. Therefore, on 30 April 2013 the Annual General Meeting decided to reduce the authorized capital from 20 000 000 LTL to 8 600 000 LTL by cancelling shares in order to cancel the losses recorded in the balance sheet and to restore the ratio between equity and authorised capital to the level required by law. The amended Articles of Association with reduced authorized capital were registered on 16 May 2013.



12. Interest-bearing loans and borrowings

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

Lending institution	Ref	Principal amount	Balance tLTL 2013-06-30	Balance tLTL 2012-06-30
AB SEB Bankas, (mv "Andromeda", mv "Libra")	a)	3 968 tUSD	10 513	18 984
„Swedbank“, AB, (mv "Pluto" and mv "Uranus")	b)	3 876 tUSD	10 271	13 008
„Swedbank“, AB, (mv "Capella")	c)	4 371 tUSD	11 582	16 670
„Swedbank“, AB (mv "Cassiopea")	d)	7 900 tUSD	20 931	25 079
UniCredit Bank, (mv "America Feeder")	e)	5 413 tUSD	14 344	16 769
UniCredit Bank, (mv "Tokata")	f)	18 285 tUSD	48 449	50 511
Total liabilities		43 814 tUSD	116 089	141 021
Less: current portion		43 814 tUSD	116 089	(95 106)
Total long term portion of net liabilities				45 915

All loans and borrowings have been reported as current liabilities, as part of the loans mature on 31 October 2013 and the Company will negotiate with the banks to amend the repayment schedule.

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

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

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

13. 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.



14. Trade and other payables

In thousand of Litas	2013-06-30	2012-06-30
Trade payable	4 934	10 460
Remuneration payable and related taxes	2 514	3 369
Amounts received in advance for voyages	238	325
Other payable	72	90
	7 758	14 243

15. Contingencies

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

16. Contingent assets and liabilities

The tax authorities have not performed a full scope tax review of Limarko Shipping Company AB for the period from 2008 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.

17. 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.

During the six months of 2013:

In thousand of Litas	Reefers	Containers	Unallocated	Total
Voyage income	17 179	6 708	-	23 887
Voyage costs *	(2)	(1 103)	-	(1 104)
Net voyage result	17 177	5 605		22 782
Vessel operating costs **	(7 573)	(4 655)	-	(12 228)
Administration expenses	-	-	(1 647)	(1 647)
Operating result before depreciation, EBITDA	9 604	950	(1 647)	8 907
Depreciation	(2 424)	(1 730)	(31)	(4 185)
Operating result, EBIT	7 180	(780)	(1 678)	4 722
Other operating	-	(438)	1	(437)
Interest expenses	(617)	(554)	-	(1 171)
Result on currency exchange rate	(817)	(1 280)	(35)	(2 132)
Net other financial items	-	-	(1)	(1)
Taxes	-	-	-	-
Net result	5 745	(3 051)	(1 713)	981
Segment property, plant and equipment	64 643	56 754	210	121 607
Segment borrowings	53 297	62 792	-	116 089
Aquisition of property, plant and equipment	541	-	7	548



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

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

During the six months of 2012:

In thousand of Lit	Reefers	Containers	Unallocated	Total
Voyage income	22 375	7 541	-	29 916
Voyage costs *	(2 933)	(305)	-	(3 239)
Net voyage result	19 442	7 236		26 677
Vessel operating costs **	(12 180)	(4 166)	-	(16 346)
Administration expenses, excluding impairment of vessels	-	-	(1 641)	(1 641)
Impairment of vessels	-	-	-	-
Operating result before depreciation, EBITDA	7 262	3 069	(1 641)	8 690
Depreciation	(6 971)	(2 712)	(70)	(9 752)
Operating result, EBIT	291	358	(1 711)	(1 063)
Other operating	(13 535)	19	(16)	(13 532)
Interest expenses	(1 063)	(1 329)	-	(2 393)
Result on currency exchange rate	(2 170)	(2 661)	33	(4 798)
Net other financial items	-	(2)	(41)	(44)
Taxes	-	-	-	-
Net result	(16 478)	(3 616)	(1 736)	(21 829)
Segment property, plant and equipment	92 137	73 806	274	166 217
Segment borrowings	62 433	78 589	-	141 021
Aquisition of property, plant and equipment	-	-	-	-

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

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

18. Fair value of financial instruments

The Company does not have any financial instruments carried at fair value.

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. As fair values cannot be obtained with reference from quoted market prices the discounted cash flow models are used.

Trade and other receivable amounts as well as trade and other payable amounts are of short-term nature. Received loans and borrowings bear variable interest rates, which are reviewed every 3-6 months. Therefore, the management is of the opinion that carrying amounts of these financial instruments are similar to their fair values.

