

**Public Joint Stock Company  
Latvian Shipping Company  
and it's Subsidiaries**

## **Unaudited Condensed Consolidated Financial Statements**

**for the 1<sup>st</sup> quarter 2007**



**Latvian Shipping Company & its Subsidiaries**  
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**for the 1st quarter 2007**

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**CONTENTS**

Information on parent company	3
Management report	4
Statement of Management's Responsibilities	6
Consolidated income statement	7
Consolidated balance sheet	8
Consolidated statement of changes in shareholders' equity	9
Consolidated cash flow statement	11
Notes	12

**Latvian Shipping Company & its Subsidiaries**  
**Unaudited Condensed Consolidated Financial Statements**  
**for the 1st quarter 2007**

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**INFORMATION ON PARENT COMPANY**

***THE SUPERVISORY COUNCIL***

<b>Chairman of the Council</b>	Uldis Pumpurs
<b>Deputy Chairperson of the Council</b>	Andris Linužs Olga Pētersone
<b>Members of the Council:</b>	Vladimirs Solomatins Aldis Āķis Ansis Sormulis Laimonis Junkers Mamerts Vaivads Pēteris Putniņš Vladimirs Krastiņš

***THE MANAGEMENT BOARD***

<b>Chairman of the Management Board</b>	Imants Vikmanis
<b>Member of the Management Board – 1.vice-president</b>	Miks Ekbaums
<b>Member of the Management Board – vice-president</b>	Solvita Deglava
<b>Members of the Management Board</b>	Guntis Tīrmanis Ilva Purēna

**Latvian Shipping Company & its Subsidiaries**  
**Unaudited Condensed Consolidated Financial Statements**  
**for the 1st quarter 2007**

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## **MANAGEMENT REPORT**

### **Line of Business**

The core business of JSC *Latvijas kuģniecība* (Latvian Shipping Company – LASCO) Group is transportation of cargoes by sea.

### **Performance in the Reporting Period**

LASCO Group's Unaudited Net Profit for the three months ended 31 March 2007 is USD 45.8 million (LVL 24.5 million, EUR 34.4 million). The result was ensured by both Vessel Operating Profit and Gain on Sale of Vessels. The Group's first quarter profit 4.5 times exceeds the respective result of 2006.

In the first three months of 2007, LASCO Group's assets increased by USD 47.8 million (LVL 19.9 million, EUR 28.3 million) and, as of 31 March 2007, they reached USD 713.4 million (LVL 376.7 million, EUR 563.0 million).

As at the end of the reporting period, LASCO Un-audited Shareholders' Equity was USD 465.0 million (LVL 245.5 million, EUR 349.3 million) or USD 2.32 (LVL 1.23, EUR 1.74) per share, which is the highest level in the history of LASCO as a private company.

### **Tanker Fleet Renewal Programme**

On 11 January 2007, in order to ensure finance for ordering four additional middle-range tanker newbuilds, the Company's Supervisory Council reviewed and approved the sale of two Panamax-type tanker vessels (m/t *Zemgale* and m/t *Latgale*) considered within the frames of LASCO fleet further development project developed by the work group of the Company's shipping experts involved in the elaboration of LASCO Strategic Plan to the Year 2015.

On 18 January 2007 LASCO took the delivery of the first (out of four) tanker newbuilding m/t *Kraslava* ordered at *Hyundai Mipo Dockrd Ltd*.

On 10 February 2007 a festive launching and naming ceremony of LASCO's fifth (out of ten ) tanker newbuild m/t *Ugale* took place at *3.Maj* shipyard, Croatia. Shortly after, on 6 March 2007, LASCO took the delivery of m/t *Targale*, its fourth newbuilding constructed by *3.Maj*.

### **The Fleet**

As at 31 March 2007, LASCO Group's fleet comprised 39 vessels: 31 product tankers (including 3 tankers time chartered in from other shipowners), 2 LPG carriers, 5 reefer vessels and 1 Ro-Ro/general type vessel. In the first quarter of 2007, LASCO sold 4 tankers: (m/t *Pablo Neruda*, m/t *Majori*, m/t *Latgale*, m/t *Zemgale*), took the delivery of 2 newbuildings (m/t *Kraslava*, m/t *Targale*) and continued to employ 3 tankers time chartered in from other shipowners (m/t *Green Star*, m/t *Blue Star*, m/t *Maria M*).

**Latvian Shipping Company & its Subsidiaries**  
**Unaudited Condensed Consolidated Financial Statements**  
**for the 1st quarter 2007**

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In the first three months of 2007, despite a lower activity in the tanker market, tanker freight rates still retained their stability. At the same time, the market did not see the expected rate improvement due to the unusually mild winter conditions.

In the reporting period, LASCO's 2 LPG carriers continued to be employed by *ScandiGas Pool*. Their Voyage Income for the first three months of 2007 was lower compared to the respective period of 2006. Therefore, their Net Voyage Result for the first quarter of 2007 is lower than that for the first quarter of 2006.

In the first three months of 2007, the average freight rates in the reefer market were higher than in the first three months of 2006. As a result, LASCO Reefer Fleet's total result for the first quarter of 2007 is better than for the respective period of 2006.

In the first quarter of 2007, the Group's only Ro-Ro/general type vessel was employed in time charter.

**Post Balance Sheet Events**

On 3 May 2007 the naming, blessing and launching ceremony of m/t *Usma*, LASCO's sixth newbuilding, took place at 3.Maj shipyard in Croatia.

On 21 May 2007 LASCO took the delivery m/t *Kandava*, the second of four tanker newbuildings ordered at *Hyundai Mipo Dockrd Ltd.* in Korea. In May, the Group also plans to take the delivery of its fifth newly built tanker (m/t *Ugale*) ordered at Croatian 3.Maj.

Imants Vikmanis  
Chairman of the Management Board  
JSC *Latvijas kuģniecība*

Riga, Latvia  
25 May 2007

**Latvian Shipping Company & its Subsidiaries**  
**Unaudited Condensed Consolidated Financial Statements**  
**for the 1st quarter 2007**

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**Statement of Management's Responsibilities**

Unaudited consolidated financial statements are prepared to the best on our knowledge in accordance with International Financial Reporting Standards as adopted by EU. These unaudited financial statements give a true and fair view of the state of affairs of the Group and of the results of the Group for the period ended 31 March 2007 in all material aspects. In preparing those financial statements, management:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Management Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that financial statements drawn up from them comply with International Financial Reporting Standards as adopted by EU. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Imants Vikmanis  
Chairman of the Management Board  
*JSC Latvijas kuģniecība*

Riga, Latvia  
May 25, 2007

**Latvian Shipping Company & its Subsidiaries**  
**Unaudited Condensed Consolidated Financial Statements**  
**for the 1st quarter 2007**

***CONSOLIDATED INCOME STATEMENT***

	31.03.2007 US \$'000	31.03.2006 US \$'000	31.03.2007 LVL'000	31.03.2006 LVL'000	31.03.2007 EUR'000	31.03.2006 EUR'000
Net Voyage Result	48 563	40 227	26 034	23 510	36 484	33 313
Vessel Operating costs excluding voyage costs and depreciation	<u>(27 207)</u>	<u>(19 965)</u>	<u>(14 585)</u>	<u>(11 668)</u>	<u>(20 440)</u>	<u>(16 534)</u>
<b>Vessel Operating Result before depreciation</b>	<b>21 356</b>	<b>20 262</b>	<b>11 449</b>	<b>11 842</b>	<b>16 044</b>	<b>16 779</b>
Vessel Depreciation	<u>(5 680)</u>	<u>(4 762)</u>	<u>(3 045)</u>	<u>(2 783)</u>	<u>(4 267)</u>	<u>(3 943)</u>
<b>Vessel Operating Profit</b>	<b>15 676</b>	<b>15 500</b>	<b>8 404</b>	<b>9 059</b>	<b>11 777</b>	<b>12 836</b>
Administration expenses	(5 507)	(3 587)	(2 952)	(2 097)	(4 137)	(2 971)
Gain on sale of assets	<u>38 562</u>	<u>1</u>	<u>20 672</u>	<u>1</u>	<u>28 970</u>	<u>1</u>
<b>Operating Profit</b>	<b>48 731</b>	<b>11 914</b>	<b>26 124</b>	<b>6 963</b>	<b>36 610</b>	<b>9 866</b>
Net Financial Items	<u>(2 940)</u>	<u>(1 661)</u>	<u>(1 576)</u>	<u>(971)</u>	<u>(2 209)</u>	<u>(1 375)</u>
<b>Profit before Taxation</b>	<b>45 791</b>	<b>10 253</b>	<b>24 548</b>	<b>5 992</b>	<b>34 401</b>	<b>8 491</b>
Taxation	(3)	(5)	(2)	(3)	(2)	(4)
<b>Net Profit</b>	<u><b>45 788</b></u>	<u><b>10 248</b></u>	<u><b>24 546</b></u>	<u><b>5 989</b></u>	<u><b>34 399</b></u>	<u><b>8 487</b></u>
<b>Earnings per share</b>	<b>US \$ 0,23</b>	<b>US \$ 0,05</b>	<b>LVL 0,12</b>	<b>LVL 0,03</b>	<b>EUR 0,17</b>	<b>EUR 0,04</b>

**Latvian Shipping Company & its Subsidiaries**  
**Unaudited Condensed Consolidated Financial Statements**  
**for the 1st quarter 2007**

***CONSOLIDATED BALANCE SHEET***

<b><u>ASSETS</u></b>	<b>31.03.2007</b>	<b>31.12.2006</b>	<b>31.03.2007</b>	<b>31.12.2006</b>	<b>31.03.2007</b>	<b>31.12.2006</b>
	<b>US \$'000</b>	<b>US \$'000</b>	<b>LVL'000</b>	<b>LVL'000</b>	<b>EUR'000</b>	<b>EUR'000</b>
<b><u>NON-CURRENT ASSETS</u></b>						
Fleet	453 430	460 967	239 411	247 078	340 651	351 561
Other fixed assets	6 122	6 216	3 232	3 332	4 599	4 741
Investment properties	1 819	1 803	960	966	1 367	1 375
Assets under construction	63 454	71 393	33 504	38 267	47 671	54 449
Investments in associates	25	25	13	13	19	19
Other financial assets	3 701	4 335	1 954	2 324	2 780	3 306
<b><u>TOTAL NON-CURRENT ASSETS</u></b>	<b>528 551</b>	<b>544 739</b>	<b>279 074</b>	<b>291 980</b>	<b>397 087</b>	<b>415 451</b>
<b><u>CURRENT ASSETS</u></b>						
Inventories	5 246	5 547	2 770	2 973	3 941	4 230
Accounts receivable and prepayments	18 770	22 291	9 911	11 948	14 101	17 001
Loans and receivables	48 694	47 995	25 710	25 725	36 583	36 604
Financial assets designated at fair value through profit or loss	7 864	11 948	4 152	6 404	5 908	9 112
Bank and cash balances	104 269	33 092	55 054	17 737	78 335	25 238
<b><u>TOTAL CURRENT ASSETS</u></b>	<b>184 843</b>	<b>120 873</b>	<b>97 597</b>	<b>64 787</b>	<b>138 868</b>	<b>92 185</b>
<b>TOTAL ASSETS</b>	<b>713 394</b>	<b>665 612</b>	<b>376 671</b>	<b>356 767</b>	<b>535 955</b>	<b>507 636</b>
<b><u>SHAREHOLDERS' EQUITY &amp; LIABILITIES</u></b>						
<b><u>SHAREHOLDERS EQUITY</u></b>						
Share capital	362 319	362 319	200 000	200 000	272 202	276 326
Translation reserve	(12 881)	(13 079)	(18 020)	(14 402)	(13 394)	(12 897)
Retained earnings	115 553	69 765	63 534	38 988	90 528	56 129
<b><u>TOTAL SHAREHOLDERS' EQUITY</u></b>	<b>464 991</b>	<b>419 005</b>	<b>245 514</b>	<b>224 586</b>	<b>349 336</b>	<b>319 558</b>
<b><u>NON-CURRENT LIABILITIES</u></b>						
Non-current portion of bank loans	172 447	167 231	91 052	89 636	129 555	127 540
Deferred tax liabilities	22	22	12	12	17	17
<b><u>TOTAL NON-CURRENT LIABILITIES</u></b>	<b>172 469</b>	<b>167 253</b>	<b>91 064</b>	<b>89 648</b>	<b>129 572</b>	<b>127 557</b>
<b><u>CURRENT LIABILITIES</u></b>						
Current portion of bank loans	48 884	49 703	25 811	26 640	36 725	37 906
Accounts payable and other liabilities	27 050	29 651	14 282	15 893	20 322	22 615
<b><u>TOTAL CURRENT LIABILITIES</u></b>	<b>75 934</b>	<b>79 354</b>	<b>40 093</b>	<b>42 533</b>	<b>57 047</b>	<b>60 521</b>
<b><u>TOTAL LIABILITIES</u></b>	<b>248 403</b>	<b>246 607</b>	<b>131 157</b>	<b>132 181</b>	<b>186 619</b>	<b>188 078</b>
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>	<b>713 394</b>	<b>665 612</b>	<b>376 671</b>	<b>356 767</b>	<b>535 955</b>	<b>507 636</b>



**Latvian Shipping Company & its Subsidiaries**  
**Unaudited Condensed Consolidated Financial Statements**  
**for the 1st quarter 2007**

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***CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY***

	<b>Share Capital US \$ 000</b>	<b>Translation Reserve US \$ 000</b>	<b>Retained Earnings US \$ 000</b>	<b>Total US \$ 000</b>
<b>Balance at 31st December 2005</b>	<b>362 319</b>	<b>(13 945)</b>	<b>36 030</b>	<b>384 404</b>
Net Profit for the period	-	-	10 248	10 248
Currency translation differences	-	165	-	165
<b>Balance at 31st March 2006</b>	<b>362 319</b>	<b>(13 780)</b>	<b>46 278</b>	<b>394 817</b>
Net Profit for the period	-	-	23 487	23 487
Currency translation differences	-	701	-	701
<b>Balance at 31st December 2006</b>	<b>362 319</b>	<b>(13 079)</b>	<b>69 765</b>	<b>419 005</b>
Net Profit for the period	-	-	45 788	45 788
Currency translation differences	-	198	-	198
<b>Balance at 31st March 2007</b>	<b>362 319</b>	<b>(12 881)</b>	<b>115 553</b>	<b>464 991</b>
	<b>Share Capital LVL 000</b>	<b>Translation Reserve LVL 000</b>	<b>Retained Earnings LVL 000</b>	<b>Total LVL 000</b>
<b>Balance at 31st December 2005</b>	<b>200 000</b>	<b>7 864</b>	<b>20 089</b>	<b>227 953</b>
Net Profit for the period	-	-	5 989	5 989
Currency translation differences	-	(4 160)	-	(4 160)
<b>Balance at 31st March 2006</b>	<b>200 000</b>	<b>3 704</b>	<b>26 078</b>	<b>229 782</b>
Net Profit for the period	-	-	12 910	12 910
Currency translation differences	-	(18 106)	-	(18 106)
<b>Balance at 31st December 2006</b>	<b>200 000</b>	<b>(14 402)</b>	<b>38 988</b>	<b>224 586</b>
Net Profit for the period	-	-	24 546	24 546
Currency translation differences	-	(3 618)	-	(3 618)
<b>Balance at 31st March 2007</b>	<b>200 000</b>	<b>(18 020)</b>	<b>63 534</b>	<b>245 514</b>

**Latvian Shipping Company & its Subsidiaries**  
**Unaudited Condensed Consolidated Financial Statements**  
**for the 1st quarter 2007**

***CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY***

	<b>Share Capital EUR 000</b>	<b>Translation Reserve EUR 000</b>	<b>Retained Earnings EUR 000</b>	<b>Total EUR 000</b>
<b>Balance at 31st December 2005</b>	<b>284 576</b>	<b>9 371</b>	<b>30 401</b>	<b>324 348</b>
Net Profit for the period	-	-	8 487	8 487
Currency translation differences	-	(5 883)	-	(5 883)
<b>Balance at 31st March 2006</b>	<b>284 576</b>	<b>3 488</b>	<b>38 888</b>	<b>326 952</b>
Net Profit for the period	-	-	17 241	17 241
Currency translation differences	(8 250)	(16 385)	-	(24 635)
<b>Balance at 31st December 2006</b>	<b>276 326</b>	<b>(12 897)</b>	<b>56 129</b>	<b>319 558</b>
Net Profit for the period	-	-	34 399	34 399
Currency translation differences	(4 124)	(497)	-	(4 621)
<b>Balance at 31st March 2007</b>	<b>272 202</b>	<b>(13 394)</b>	<b>90 528</b>	<b>349 336</b>

**Latvian Shipping Company & its Subsidiaries**  
**Unaudited Condensed Consolidated Financial Statements**  
**for the 1st quarter 2007**

***CONSOLIDATED CASH FLOW STATEMENT***

	31.03.2007 US \$'000	31.03.2006 US \$'000	31.03.2007 LVL'000	31.03.2006 LVL'000	31.03.2007 EUR'000	31.03.2006 EUR'000
<b>Profit before taxation</b>	<b>45 791</b>	<b>10 253</b>	<b>24 548</b>	<b>5 992</b>	<b>34 401</b>	<b>8 491</b>
<b>Adjustments for:</b>						
Depreciation	5 908	4 890	3 167	2 858	4 439	3 451
Profit on sale of fixed assets	(38 562)	(1)	(20 672)	(1)	(28 970)	(1)
Other adjustments	7 235	3 996	3 038	1 536	5 058	1 408
	<b>20 372</b>	<b>19 138</b>	<b>10 081</b>	<b>10 385</b>	<b>14 928</b>	<b>13 349</b>
<b>Movements in net working capital:</b>						
Inventories	301	(1 029)	162	(600)	227	(726)
Accounts receivable	2 097	(963)	1 124	(563)	1 575	(680)
Accounts payable	(2 605)	457	(1 397)	267	(1 957)	323
<b>Cash flow from Operating Activities</b>	<b>20 165</b>	<b>17 603</b>	<b>9 970</b>	<b>9 489</b>	<b>14 773</b>	<b>12 266</b>
Net Cash flow from Investing Activities	50 348	(9 583)	26 991	(5 601)	37 825	(6 763)
<b>Cash flow before Financing Activities</b>	<b>70 513</b>	<b>8 020</b>	<b>36 961</b>	<b>3 888</b>	<b>52 598</b>	<b>5 503</b>
Net Cash flow from Financing Activities	664	(235)	356	(137)	499	(166)
<b>Increase in Cash and Cash Equivalents</b>	<b>71 177</b>	<b>7 785</b>	<b>37 317</b>	<b>3 751</b>	<b>53 097</b>	<b>5 337</b>
<b>Cash and Cash Equivalents at the beginning of the reporting period</b>	<b>33 092</b>	<b>70 824</b>	<b>17 737</b>	<b>41 999</b>	<b>25 238</b>	<b>59 760</b>
<b>Cash and Cash Equivalents at the end of the reporting period</b>	<b>104 269</b>	<b>78 609</b>	<b>55 054</b>	<b>45 750</b>	<b>78 335</b>	<b>65 097</b>

**Latvian Shipping Company & its Subsidiaries**  
**Unaudited Condensed Consolidated Financial Statements**  
**for the 1st quarter 2007**

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**NOTES**

**1. Accounting policies**

These unaudited condensed consolidated financial statements are prepared in accordance with and comply with accounting policies applied in preparation of the consolidated financial statements of Latvian Shipping Company & its Subsidiaries for the year ended 31 December 2006, which were prepared in accordance with International Financial Reporting Standards.

The Financial Statements are prepared in U.S. dollars which is the functional currency of the Group and Latvian lats which is the presentation currency of the Group in accordance with legislation of the Republic of Latvia.

Monetary assets and liabilities of the Group denominated in other currencies are translated into U.S. dollars at the rate of exchange prevailing at the end of the reporting period.

Foreign currency transactions are accounted for into U.S. dollars at the exchange rate prevailing at the date of the transaction.

Presentation of financial statements in Latvian lats is done using the exchange rate set by the Bank of Latvia in the following way: assets and liabilities are translated at the closing rate at the end of the reporting year, income and expenses for income statement are translated at the average exchange rates for the reporting year, whilst resulting exchange differences are recognised as a separate component of equity.

LB rate of exchange as at 31.03.2007 USD/LVL - 0.528 ( average – 0.536089 )

LB rate of exchange as at 31.03.2006 USD/LVL - 0.582 ( average – 0.584422 )

These financial statements are translated into euros using the rate of exchange set by the Bank of Latvia prevailing at the 31.03.2007: 1 USD = 0.751276 EUR (31.03.2006: 1 USD = 0.828111 EUR).

**Latvian Shipping Company & its Subsidiaries**  
**Unaudited Condensed Consolidated Financial Statements for the 1st quarter 2007**

**NOTES**

**2. SEGMENT INFORMATION**

	Tankers		Reefers		LPG		Dry Cargo		Total	
	31.03.07 US \$'000	31.03.06 US \$'000	31.03.07 US \$'000	31.03.06 US \$'000	31.03.07 US \$'000	31.03.06 US \$'000	31.03.07 US \$'000	31.03.06 US \$'000	31.03.07 US \$'000	31.03.06 US \$'000
Voyage income	47 563	45 005	3 481	4 925	4 833	5 494	765	688	56 642	56 112
Voyage costs	(7 813)	(13 482)	(237)	(2 369)	-	(7)	(29)	(27)	(8 079)	(15 885)
<b>Net voyage result</b>	<b>39 750</b>	<b>31 523</b>	<b>3 244</b>	<b>2 556</b>	<b>4 833</b>	<b>5 487</b>	<b>736</b>	<b>661</b>	<b>48 563</b>	<b>40 227</b>
Vessel operating costs	(23 753)	(16 834)	(2 058)	(1 811)	(916)	(826)	(480)	(494)	(27 207)	(19 965)
Vessel depreciation	(4 437)	(3 517)	(379)	(379)	(864)	(866)	-	-	(5 680)	(4 762)
<b>Vessel Operating profit</b>	<b>11 560</b>	<b>11 172</b>	<b>807</b>	<b>366</b>	<b>3 053</b>	<b>3 795</b>	<b>256</b>	<b>167</b>	<b>15 676</b>	<b>15 500</b>
Gain on sale of assets	38 537	-	-	-	-	-	-	-	38 537	-
Unallocated sale of assets	-	-	-	-	-	-	-	-	25	1
<b>Segment result</b>	<b>50 097</b>	<b>11 172</b>	<b>807</b>	<b>366</b>	<b>3 053</b>	<b>3 795</b>	<b>256</b>	<b>167</b>	<b>54 238</b>	<b>15 501</b>
Unallocated corporate expenses									(5 507)	(3 587)
<b>Operating profit</b>									<b>48 731</b>	<b>11 914</b>
Net Financial Items									(2 940)	(1 661)
<b>Profit before Taxation</b>									<b>45 791</b>	<b>10 253</b>
Taxation									(3)	(5)
<b>Net Profit</b>									<b>45 788</b>	<b>10 248</b>

**Latvian Shipping Company & its Subsidiaries**  
**Unaudited Condensed Consolidated Financial Statements for the 1st quarter 2007**

**NOTES**

**2. SEGMENT INFORMATION (continued)**

	<b>Tankers</b>		<b>Reefers</b>		<b>LPG</b>		<b>Dry Cargo</b>		<b>Total</b>	
	<b>31.03.07</b>	<b>31.03.06</b>	<b>31.03.07</b>	<b>31.03.06</b>	<b>31.03.07</b>	<b>31.03.06</b>	<b>31.03.07</b>	<b>31.03.06</b>	<b>31.03.07</b>	<b>31.03.06</b>
	<b>US \$'000</b>	<b>US \$'000</b>	<b>US \$'000</b>	<b>US \$'000</b>	<b>US \$'000</b>	<b>US \$'000</b>	<b>US \$'000</b>	<b>US \$'000</b>	<b>US \$'000</b>	<b>US \$'000</b>
<b><u>ASSETS</u></b>										
Segment assets	467 161	385 738	21 577	25 460	65 153	68 517	1 597	990	555 488	480 705
Unallocated assets									157 906	93 891
<b>Total assets</b>									<b>713 394</b>	<b>574 596</b>
<b><u>LIABILITIES</u></b>										
Segment liabilities	228 357	149 886	1 176	1 471	14 759	20 747	227	411	244 519	172 515
Unallocated liabilities									3 884	7 264
<b>Total liabilities</b>									<b>248 403</b>	<b>179 779</b>
<b>Other segment information</b>										
Investments in vessels	59 988	9 613	-	-	-	-	-	-	59 988	9 613
Depreciation	4 437	3 517	379	379	864	866	-	-	5 680	4 762
Drydocking deferred expenditure depreciation	1 831	1 425	107	98	41	38	41	43	2 020	1 604

**Latvian Shipping Company & its Subsidiaries**  
**Unaudited Condensed Consolidated Financial Statements for the 1st quarter 2007**

**NOTES**

**2. SEGMENT INFORMATION (continued)**

	Tankers		Reefers		LPG		Dry Cargo		Total	
	31.03.07 LVL' 000	31.03.06 LVL' 000	31.03.07 LVL' 000	31.03.06 LVL' 000	31.03.07 LVL' 000	31.03.06 LVL' 000	31.03.07 LVL' 000	31.03.06 LVL' 000	31.03.07 LVL'000	31.03.06 LVL' 000
Voyage income	25 498	26 302	1 866	2 878	2 591	3 211	410	402	30 365	32 793
Voyage costs	(4 188)	(7 879)	(127)	(1 384)	-	(4)	(16)	(16)	(4 334)	(9 283)
<b>Net voyage result</b>	<b>21 310</b>	<b>18 423</b>	<b>1 739</b>	<b>1 494</b>	<b>2 591</b>	<b>3 207</b>	<b>394</b>	<b>386</b>	<b>26 034</b>	<b>23 510</b>
Vessel operating costs	(12 734)	(9 838)	(1 103)	(1 058)	(491)	(483)	(257)	(289)	(14 585)	(11 668)
Vessel depreciation	(2 379)	(2 055)	(203)	(221)	(463)	(507)	-	-	(3 045)	(2 783)
<b>Vessel Operating profit</b>	<b>6 197</b>	<b>6 530</b>	<b>433</b>	<b>215</b>	<b>1 637</b>	<b>2 217</b>	<b>137</b>	<b>97</b>	<b>8 404</b>	<b>9 059</b>
Gain on sale of assets	20 659	-	-	-	-	-	-	-	20 659	-
Unallocated sale of assets	-	-	-	-	-	-	-	-	13	1
<b>Segment result</b>	<b>26 856</b>	<b>6 530</b>	<b>433</b>	<b>215</b>	<b>1 637</b>	<b>2 217</b>	<b>137</b>	<b>97</b>	<b>29 076</b>	<b>9 060</b>
Unallocated corporate expenses									(2 952)	(2 097)
<b>Operating profit</b>									<b>26 124</b>	<b>6 963</b>
Net Financial Items									(1 576)	(971)
<b>Profit before Taxation</b>									<b>24 548</b>	<b>5 992</b>
Taxation									(2)	(3)
<b>Net Profit</b>									<b>24 546</b>	<b>5 989</b>

**Latvian Shipping Company & its Subsidiaries**  
**Unaudited Condensed Consolidated Financial Statements for the 1st quarter 2007**

**NOTES**

**2. SEGMENT INFORMATION (continued)**

	Tankers		Reefers		LPG		Dry Cargo		Total	
	31.03.07	31.03.06	31.03.07	31.03.06	31.03.07	31.03.06	31.03.07	31.03.06	31.03.07	31.03.06
	LVL'000	LVL'000	LVL'000	LVL'000	LVL'000	LVL'000	LVL'000	LVL'000	LVL'000	LVL'000
<b><u>ASSETS</u></b>										
Segment assets	246 661	224 500	11 393	14 818	34 401	39 877	843	575	293 298	279 770
Unallocated assets									83 373	54 645
<b>Total assets</b>									<b>376 671</b>	<b>334 415</b>
<b><u>LIABILITIES</u></b>										
Segment liabilities	120 572	87 234	621	856	7 793	12 075	120	238	129 106	100 403
Unallocated liabilities									2 051	4 228
<b>Total liabilities</b>									<b>131 157</b>	<b>104 631</b>
<b>Other segment information</b>										
Investments in vessels	32 159	5 618	-	-	-	-	-	-	32 159	5 618
Depreciation	2 379	2 055	203	221	463	507	-	-	3 045	2 783
Drydocking deferred expenditure depreciation	982	829	57	57	22	22	22	25	1 083	933



**Latvian Shipping Company & its Subsidiaries**  
**Unaudited Condensed Consolidated Financial Statements for the 1st quarter 2007**

**NOTES**

**2. SEGMENT INFORMATION (continued)**

	Tankers		Reefers		LPG		Dry Cargo		Total	
	31.03.07 EUR' 000	31.03.06 EUR' 000	31.03.07 EUR' 000	31.03.06 EUR' 000	31.03.07 EUR' 000	31.03.06 EUR' 000	31.03.07 EUR' 000	31.03.06 EUR' 000	31.03.07 EUR' 000	31.03.06 EUR' 000
Voyage income	35 733	37 268	2 615	4 078	3 631	4 550	575	571	42 554	46 467
Voyage costs	(5 870)	(11 165)	(178)	(1 962)	-	(6)	(22)	(21)	(6 070)	(13 154)
<b>Net voyage result</b>	<b>29 863</b>	<b>26 103</b>	<b>2 437</b>	<b>2 116</b>	<b>3 631</b>	<b>4 544</b>	<b>553</b>	<b>550</b>	<b>36 484</b>	<b>33 313</b>
Vessel operating costs	(17 845)	(13 938)	(1 546)	(1 500)	(688)	(684)	(361)	(412)	(20 440)	(16 534)
Vessel depreciation	(3 333)	(2 912)	(285)	(314)	(649)	(717)	-	-	(4 267)	(3 943)
<b>Vessel Operating profit</b>	<b>8 685</b>	<b>9 253</b>	<b>606</b>	<b>302</b>	<b>2 294</b>	<b>3 143</b>	<b>192</b>	<b>138</b>	<b>11 777</b>	<b>12 836</b>
Gain on sale of assets	28 952	-	-	-	-	-	-	-	28 952	-
Unallocated sale of assets	-	-	-	-	-	-	-	-	18	1
<b>Segment result</b>	<b>37 637</b>	<b>9 253</b>	<b>606</b>	<b>302</b>	<b>2 294</b>	<b>3 143</b>	<b>192</b>	<b>138</b>	<b>40 747</b>	<b>12 837</b>
Unallocated corporate expenses									(4 137)	(2 971)
<b>Operating profit</b>									<b>36 610</b>	<b>9 866</b>
Net Financial Items									(2 209)	(1 375)
<b>Profit before Taxation</b>									<b>34 401</b>	<b>8 491</b>
Taxation									(2)	(4)
<b>Net Profit</b>									<b>34 399</b>	<b>8 487</b>

**Latvian Shipping Company & its Subsidiaries**  
**Unaudited Condensed Consolidated Financial Statements for the 1st quarter 2007**

**NOTES**

**2. SEGMENT INFORMATION (continued)**

	Tankers		Reefers		LPG		Dry Cargo		Total	
	31.03.07 EUR' 000	31.03.06 EUR' 000	31.03.07 EUR' 000	31.03.06 EUR' 000	31.03.07 EUR' 000	31.03.06 EUR' 000	31.03.07 EUR' 000	31.03.06 EUR' 000	31.03.07 EUR' 000	31.03.06 EUR' 000
<b><u>ASSETS</u></b>										
Segment assets	350 967	319 436	16 210	21 084	48 948	56 740	1 200	820	417 325	398 080
Unallocated assets									118 630	77 752
<b>Total assets</b>									<b>535 955</b>	<b>475 832</b>
<b><u>LIABILITIES</u></b>										
Segment liabilities	171 559	124 123	884	1 218	11 088	17 181	170	340	183 701	142 862
Unallocated liabilities									2 918	6 016
<b>Total liabilities</b>									<b>186 619</b>	<b>148 878</b>
<b>Other segment information</b>										
Investments in vessels	45 068	7 961	-	-	-	-	-	-	45 068	7 961
Depreciation	3 333	2 912	285	314	649	717	-	-	4 267	3 943
Drydocking deferred expenditure depreciation	1 376	1 180	80	81	31	31	31	36	1 518	1 328

**Latvian Shipping Company & its Subsidiaries**  
**Unaudited Condensed Consolidated Financial Statements**  
**for the 1st quarter 2007**

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***NOTES***

**Contact person with respect to information presented in these financial statements**

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