

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

Unaudited Condensed Consolidated Financial Statements

**for the six month period ended
30 June 2008**



Latvian Shipping Company & its Subsidiaries
Unaudited Condensed Consolidated Financial Statements
for the six month period ended 30 June 2008

CONTENTS

Information on parent company	3
Management report	4
Statement of Management's Responsibilities	7
Consolidated income statement	8
Consolidated balance sheet	9
Consolidated statement of changes in shareholders' equity	10
Consolidated cash flow statement	12
Notes	13

Latvian Shipping Company & its Subsidiaries
Unaudited Condensed Consolidated Financial Statements
for the six month period ended 30 June 2008

INFORMATION ON PARENT COMPANY

THE SUPERVISORY COUNCIL

Chairman of the Council	Uldis Pumpurs (till 10.02.2008, from 15.02.2008)
Deputy Chairperson of the Council	Vladimirs Solomatins (from 15.02.2008) Andris Vilcmeiers (from 15.02.2008) Andris Linužs (till 10.02.2008) Olga Pētersone (till 10.02.2008)
Members of the Council:	Ansis Sormulis (till 10.02.2008, from 15.02.2008) Olga Pētersone (from 15.02.2008) Svens Zālītis (from 15.02.2008) Guntis Ločmelis (from 15.02.2008) Mīks Ekbaums (from 15.02.2008) Māris Gailis (from 15.02.2008) Normunds Staņevičs (from 15.02.2008) Vladimirs Koškuls (from 15.02.2008) Kārlis Boldiševics (from 15.02.2008) Aldis Āķis (till 10.02.2008) Laimonis Junkers (till 10.02.2008) Mamerts Vaivads (till 10.02.2008) Pēteris Putniņš (till 10.02.2008) Vladimirs Krastiņš (till 10.02.2008) Vladimirs Solomatins (till 10.02.2008)

THE MANAGEMENT BOARD

Chairman of the Management Board	Imants Sarmulis
Member of the Management Board – 1.vice-president	Andris Linužs (from 14.02.2008) Mīks Ekbaums (till 13.02.2008)
Member of the Management Board – vice-president	Raivis Veckāgans (from 14.02.2008) Solvita Deglava (till 13.02.2008)
Members of the Management Board	Guntis Tīrmanis (till 13.02.2008, from 14.02.2008) Ilva Purēna (till 13.02.2008, from 14.02.2008)

Latvian Shipping Company & its Subsidiaries
Unaudited Condensed Consolidated Financial Statements
for the six month period ended 30 June 2008

MANAGEMENT REPORT

Dear share holders and cooperation partners!

During the first half of 2008 *JSC Latvijas kuģniecība (Latvian Shipping Company – LASCO)* Group has been proceeding with the implementation of its strategic goal set – ensuring increase of LASCO value and securing its place among the top ten medium range tanker owners in the world.

During the report period LASCO Group has focused its activities on medium range tanker market providing quality cargo shipments among the ports worldwide. Accomplishment of the fleet renewal programme has boosted the Group's confidence – over the last couple of years there have been 12 tanker newbuildings received within the programme and, given the freight rates, their revenues are considerably higher, than those of the older tonnage. Systematic attainment of strategically important objectives for the Group's development has provided for successful competitiveness of the Group in the nearest future and long term.

LASCO Group performance during the report period demonstrates evidently the efficient and professional commercial management of its fleet and the reasoned strategic decisions taken - regardless of the unfavourable impact of various external factors on company's performance, LASCO has worked with success. The Net Voyage result of the Group has reached USD 111.7 million or USD 10.9 million more than over the respective period a year before. LASCO Group's net profit is USD 42.1 million and both, the vessel operating profit of USD 34.1 million as well as successful selling of six elderly vessels with profit of USD 27.7 million has contributed to the result attained. The deviation of profit indicators compared to the analogue a year before are basically explained by the different revenues from vessel disposal: in the first half of last year the profit from asset disposal was USD 38.0 million, whereas it stands at USD 27.7 million during the report period.

During the report period LASCO assets have grown reaching USD 897.5 million on June 30, 2008. The un-audited equity of the Group comprises USD 531.0 million at the end of the report period.

All LASCO shares are being traded publicly at the Official List of Riga Stock Exchange. During the first half of 2008 the trade with LASCO shares has represented the biggest turnover among the companies listed at Riga Stock Exchange – there have been 1 490 transactions made with 4.38 million shares with total value of LVL 4.75 million. LASCO share capitalisation at Riga Stock Exchange has reached LVL 246 000 000 on June 30, 2008.

During the report period the LASCO share value has been floating between LVL 1.30 at the beginning of the year and LVL 1.23 at the end of the period. In January, 2008, the LASCO shares reached their highest value of LVL 1.37 during the report period but, responding to the events in stock markets worldwide at the end of January and the beginning of February, it dropped to LVL 1.00 per share. However by the end of February the demand remaining solid as well as encouraged by the confident financial performance of LASCO the share price recovered showing ascending dynamics reaching LVL 1.23 by the end of the report period.

Latvian Shipping Company & its Subsidiaries
Unaudited Condensed Consolidated Financial Statements
for the six month period ended 30 June 2008

MANAGEMENT REPORT (CONTINUED)

Fleet Performance

The core business of LASCO Group is cargo shipments among the ports worldwide. At the end of the first half 2008 the fleet in LASCO commercial management consisted of 40 vessels – 35 tankers, two LPG carriers, two reefer vessels and one dry cargo ship.

During the first six month of 2008 LASCO fleet has worked with profit in all the segments. Regardless of the dramatic increase of crude oil price affecting bunker costs accordingly, the optimum application of various freight types responding to the situation in the shipping market provided for performance with profit in all the LASCO fleet segments – the vessel operating profit reached USD 34.1 million during the report period, compared to USD 34.7 million for the respective period last year.

At the beginning of the report period the tanker voyage charter rates had fallen to their lowest level of the decline experienced at the final quarter of 2007 and gradually the market recovery commenced. At the end of the first quarter of 2008 and the beginning of the second the activities in oil shipments encouraged optimism among the market players regarding development of freight rates. Even though to a lower extent than the year before the LASCO Tanker fleet has provided the largest contribution to the total vessel operating profit - 79 per cent or USD 27.1 million during the report period.

Both LPG carriers of the LASCO fleet “Vidzeme” and “Kurzeme”, built in 1997, continued to operate successfully within the “ScandiGas” pool during the report period. Their contribution has increased by USD 0.6 million compared to the respective period of 2007. In the first half of 2008 LPG sector represented 13 per cent of the total vessel operating profit or USD 4.3 million.

In accordance with LASCO operations strategy and the decisions taken before, three “Akadēmiķis Vavilovs” type reefer vessels have been sold. The revenues from their sale have been invested in four medium range tanker newbuildings. The remaining two reefer vessels of the LASCO fleet have been working in accordance with their agreements, in time charter mainly. Considering the reduction of operation costs (crewing, dry-dock and repairs, equipment, etc.) due to the sale of vessels as well as increase of the time charter rates, the profit from reefer operations is USD 0.6 million higher than during the same period in 2007.

The dry cargo vessel of the LASCO fleet “Telo” continued to work in accordance with a time charter agreement generating solid and predictable profit slightly over USD 0.4 million during the first half of 2008.

Tanker Fleet Renewal Programme

In the first half of 2008 within the Tanker Fleet Renewal Programme LASCO took the delivery of one tanker newbuilding “Užava” from “3.Maj” shipyard in Croatia. Another tanker newbuilding “Salacgrīva” has been received just after the report period on July 24, 2008. During the second half of 2008 LASCO will take the delivery of the last tanker newbuilding from ten ordered at “3.Maj” shipyard in Croatia thus completing the Tanker Fleet Renewal Programme launched in 2004. In total LASCO will have received 14 new and modern tankers from Korean and Croatian shipyards complying with all the requirements of international shipping safety conventions.

Latvian Shipping Company & its Subsidiaries
Unaudited Condensed Consolidated Financial Statements
for the six month period ended 30 June 2008

MANAGEMENT REPORT (CONTINUED)

In addition to the fleet renewal programme mentioned above, according to the tanker fleet development scenario foreseen in LASCO Operations Strategy for the period till 2015, there are four medium range 52 000 DWT tankers being built at “*Hyundai Mipo Dockyard Co., Ltd*” in Korea. The optimum parameters of the tanker newbuildings ordered will provide for their comprehensive employment in oil product, chemical cargo and vegoil shipments.

Circumstances that might affect LASCO financial situation and its financial performance over the following six months of the financial year

Over the following six months the unstable economic situation in the world and the financial markets as well as the low USD exchange rate and the volatile oil prices will have an impact on the performance of LASCO. Given the unfavorable external factors LASCO will concentrate its operations and internal resources getting maximum of the knowledge and experience of its shipping professionals as well as actively attracting highly qualified shipping specialists to work on the Group’s vessels. The good news for LASCO current and potential business partners is the Group’s consistently implemented tanker fleet renewal and modernization, demonstrating clearly the long term development perspectives of LASCO Group.

I.Sarmulis
Chairman of the Management Board
JSC Latvijas kuģniecība

Riga, August 27, 2008

Latvian Shipping Company & its Subsidiaries
Unaudited Condensed Consolidated Financial Statements
for the six month period ended 30 June 2008

Statement of Management's Responsibilities

Un-audited consolidated financial statements are prepared to the best on our knowledge in accordance with International Financial Reporting Standards as adopted by EU. These un-audited 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 30 June 2008 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 Sarmulis
Chairman of the Management Board
JSC Latvijas kuģniecība

Riga, August 27, 2008

Latvian Shipping Company & its Subsidiaries
Unaudited Condensed Consolidated Financial Statements
for the six month period ended 30 June 2008

CONSOLIDATED INCOME STATEMENT

	<u>30.06.2008</u> US \$'000	<u>30.06.2007</u> US \$'000	<u>30.06.2008</u> LVL'000	<u>30.06.2007</u> LVL'000	<u>30.06.2008</u> EUR'000	<u>30.06.2007</u> EUR'000
Voyage income	131 618	116 575	60 483	61 640	83 712	86 585
Voyage costs	<u>(19 952)</u>	<u>(15 803)</u>	<u>(9 169)</u>	<u>(8 356)</u>	<u>(12 690)</u>	<u>(11 738)</u>
Net Voyage Result	111 666	100 772	51 314	53 284	71 022	74 847
Vessel operating costs	<u>(62 331)</u>	<u>(54 720)</u>	<u>(28 643)</u>	<u>(28 934)</u>	<u>(39 644)</u>	<u>(40 642)</u>
Vessel Operating Result before depreciation	49 335	46 052	22 671	24 350	31 378	34 205
Vessel depreciation	<u>(15 264)</u>	<u>(11 361)</u>	<u>(7 014)</u>	<u>(6 007)</u>	<u>(9 708)</u>	<u>(8 439)</u>
Vessel Operating Profit	34 071	34 691	15 657	18 343	21 670	25 766
Administration expenses	(12 296)	(11 158)	(5 650)	(5 900)	(7 821)	(8 287)
Gain on sale of assets	<u>27 743</u>	<u>38 025</u>	<u>12 749</u>	<u>20 106</u>	<u>17 645</u>	<u>28 243</u>
Operating Profit	49 518	61 558	22 756	32 549	31 494	45 722
Net Financial Items	<u>(7 415)</u>	<u>(6 365)</u>	<u>(3 407)</u>	<u>(3 366)</u>	<u>(4 715)</u>	<u>(4 728)</u>
Profit before Taxation	42 103	55 193	19 349	29 183	26 779	40 994
Taxation	(4)	(8)	(2)	(4)	(3)	(6)
Net Profit	<u>42 099</u>	<u>55 185</u>	<u>19 347</u>	<u>29 179</u>	<u>26 776</u>	<u>40 988</u>
Earnings per share	US\$ 0,21	US\$ 0,28	LVL 0,10	LVL 0,15	EUR 0,13	EUR 0,20

Latvian Shipping Company & its Subsidiaries
Unaudited Condensed Consolidated Financial Statements
for the six month period ended 30 June 2008

CONSOLIDATED BALANCE SHEET

ASSETS	30.06.2008	31.12.2007	30.06.2008	31.12.2007	30.06.2008	31.12.2007
	US \$'000	US \$'000	LVL'000	LVL'000	EUR'000	EUR'000
<u>NON-CURRENT ASSETS</u>						
Fleet	646 840	636 565	289 137	308 097	411 406	438 383
Other property, plant and equipment	11 636	11 041	5 201	5 344	7 401	7 604
Investment properties	1 655	1 542	740	746	1 053	1 062
Assets under construction	98 112	71 446	43 856	34 580	62 402	49 203
Investments in associates accounted for using the equity method	28	27	13	13	18	18
Other financial assets	1 226	1 523	548	737	780	1 049
<u>TOTAL NON-CURRENT ASSETS</u>	759 497	722 144	339 495	349 517	483 060	497 319
<u>CURRENT ASSETS</u>						
Inventories	8 005	6 698	3 578	3 242	5 091	4 613
Trade accounts receivable	11 479	9 799	5 131	4 743	7 301	6 748
Prepayments and other receivables	14 605	10 563	6 528	5 112	9 289	7 274
Deposits with maturity more than three months	63 112	47 966	28 211	23 216	40 141	33 033
Financial assets designated at fair value through profit or loss	6 042	5 760	2 701	2 788	3 843	3 967
Cash and cash equivalents	34 734	54 097	15 526	26 183	22 092	37 255
<u>TOTAL CURRENT ASSETS</u>	137 977	134 883	61 675	65 284	87 757	92 890
TOTAL ASSETS	897 474	857 027	401 170	414 801	570 817	590 209
<u>SHAREHOLDERS' EQUITY & LIABILITIES</u>						
<u>SHAREHOLDERS EQUITY</u>						
Share capital	362 319	362 319	200 000	200 000	230 444	249 518
Translation reserve	(10 203)	(11 503)	(55 403)	(37 413)	(21 771)	(16 005)
Retained earnings	178 873	136 774	92 754	73 407	129 052	102 276
<u>TOTAL SHAREHOLDERS' EQUITY</u>	530 989	487 590	237 351	235 994	337 725	335 789
<u>NON-CURRENT LIABILITIES</u>						
Non-current portion of bank loans	310 069	298 954	138 601	144 694	197 211	205 881
Deferred tax liabilities	40	37	18	18	25	25
<u>TOTAL NON-CURRENT LIABILITIES</u>	310 109	298 991	138 619	144 712	197 236	205 906
<u>CURRENT LIABILITIES</u>						
Current portion of bank loans	25 364	41 775	11 338	20 219	16 132	28 769
Trade accounts payable	6 569	3 569	2 936	1 727	4 178	2 458
Other liabilities	24 443	25 102	10 926	12 149	15 546	17 287
<u>TOTAL CURRENT LIABILITIES</u>	56 376	70 446	25 200	34 095	35 856	48 514
<u>TOTAL LIABILITIES</u>	366 485	369 437	163 819	178 807	233 092	254 420
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES	897 474	857 027	401 170	414 801	570 817	590 209

Latvian Shipping Company & its Subsidiaries
Unaudited Condensed Consolidated Financial Statements
for the six month period ended 30 June 2008

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital US \$ 000	Translation Reserve US \$ 000	Retained Earnings US \$ 000	Total US \$ 000
Balance at 31st December 2006	362 319	(13 079)	69 765	419 005
Net Profit for the period	-	-	55 185	55 185
Currency translation differences	-	316	-	316
Balance at 30th June 2007	362 319	(12 763)	124 950	474 506
Net Profit for the period	-	-	11 824	11 824
Currency translation differences	-	1 260	-	1 260
Balance at 31st December 2007	362 319	(11 503)	136 774	487 590
Net Profit for the period	-	-	42 099	42 099
Currency translation differences	-	1 300	-	1 300
Balance at 30th June 2008	362 319	(10 203)	178 873	530 989
	Share Capital LVL 000	Translation Reserve LVL 000	Retained Earnings LVL 000	Total LVL 000
Balance at 31st December 2006	200 000	(14 402)	38 988	224 586
Net Profit for the period	-	-	29 179	29 179
Currency translation differences	-	(6 072)	-	(6 072)
Balance at 30th June 2007	200 000	(20 474)	68 167	247 693
Net Profit for the period	-	-	5 240	5 240
Currency translation differences	-	(16 939)	-	(16 939)
Balance at 31st December 2007	200 000	(37 413)	73 407	235 994
Net Profit for the period	-	-	19 347	19 347
Currency translation differences	-	(17 990)	-	(17 990)
Balance at 30th June 2008	200 000	(55 403)	92 754	237 351

Latvian Shipping Company & its Subsidiaries
Unaudited Condensed Consolidated Financial Statements
for the six month period ended 30 June 2008

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital EUR 000	Translation Reserve EUR 000	Retained Earnings EUR 000	Total EUR 000
Balance at 31st December 2006	276 326	(12 897)	56 129	319 558
Net Profit for the period	-	-	40 988	40 988
Currency translation differences	(7 218)	(893)	-	(8 111)
Balance at 30th June 2007	269 108	(13 790)	97 117	352 435
Net Profit for the period	-	-	5 159	5 159
Currency translation differences	(19 590)	(2 215)	-	(21 805)
Balance at 31st December 2007	249 518	(16 005)	102 276	335 789
Net Profit for the period	-	-	26 776	26 776
Currency translation differences	(19 074)	(5 766)	-	(24 840)
Balance at 30th June 2008	230 444	(21 771)	129 052	337 725

Latvian Shipping Company & its Subsidiaries
Unaudited Condensed Consolidated Financial Statements
for the six month period ended 30 June 2008

CONSOLIDATED CASH FLOW STATEMENT

	30.06.2008 US \$'000	30.06.2007 US \$'000	30.06.2008 LVL'000	30.06.2007 LVL'000	30.06.2008 EUR'000	30.06.2007 EUR'000
Profit before taxation	42 103	55 193	19 349	29 183	26 779	40 994
<u>Adjustments for:</u>						
Depreciation	15 923	11 818	7 317	6 249	10 127	8 778
Profit on sale of fixed assets	(27 743)	(38 025)	(12 749)	(20 106)	(17 645)	(28 243)
Other adjustments	10 897	11 088	3 248	5 247	4 083	7 577
	41 180	40 074	17 165	20 573	23 344	29 106
Movements in net working capital:						
Inventories	(1 307)	(400)	(601)	(212)	(831)	(297)
Trade accounts receivable, prepayments and other receivables	(5 647)	2 337	(2 595)	1 236	(3 592)	1 736
Trade accounts payable and other liabilities	2 434	(5 140)	1 119	(2 718)	1 548	(3 818)
Cash flow from Operations	36 660	36 871	15 088	18 879	20 469	26 727
Net Cash flow from Investing Activities	(42 026)	(52 879)	(19 313)	(27 960)	(26 730)	(39 276)
Cash flow before Financing Activities	(5 366)	(16 008)	(4 225)	(9 081)	(6 261)	(12 549)
Net Cash flow from Financing Activities	(13 997)	38 806	(6 432)	20 519	(8 902)	28 823
Increase in Cash and Cash Equivalents	(19 363)	22 798	(10 657)	11 438	(15 163)	16 274
Cash and Cash Equivalents at 1 January	54 097	33 092	26 183	17 737	37 255	25 238
Cash and Cash Equivalents at 30 June	34 734	55 890	15 526	29 175	22 092	41 512

Latvian Shipping Company & its Subsidiaries
Unaudited Condensed Consolidated Financial Statements
for the six month period ended 30 June 2008

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 2007, 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 30.06.2008 USD/LVL - 0.447 (average – 0.459538)

LB rate of exchange as at 30.06.2007 USD/LVL - 0.522 (average – 0.528757)

These financial statements are translated into euros using the rate of exchange set by the Bank of Latvia prevailing at the 30.06.2008: 1 USD = 0.636024 EUR (30.06.2007: 1 USD = 0.742739 EUR).

Latvian Shipping Company & its Subsidiaries
Unaudited Condensed Consolidated Financial Statements for the 6 month period ended 30 June 2008

NOTES

2. SEGMENT INFORMATION

	Tankers		Reefers		LPG		Dry Cargo		Total	
	30.06.08 US \$'000	30.06.07 US \$'000	30.06.08 US \$'000	30.06.07 US \$'000	30.06.08 US \$'000	30.06.07 US \$'000	30.06.08 US \$'000	30.06.07 US \$'000	30.06.08 US \$'000	30.06.07 US \$'000
Voyage income	113 284	99 933	8 191	7 134	8 480	7 979	1 663	1 529	131 618	116 575
Voyage costs	(18 498)	(15 216)	(1 364)	(511)	(4)	(16)	(86)	(60)	(19 952)	(15 803)
Net voyage result	94 786	84 717	6 827	6 623	8 476	7 963	1 577	1 469	111 666	100 772
Vessel operating costs	(54 870)	(47 066)	(3 853)	(4 216)	(2 466)	(2 526)	(1 142)	(912)	(62 331)	(54 720)
Vessel depreciation	(12 846)	(8 873)	(689)	(759)	(1 729)	(1 729)	-	-	(15 264)	(11 361)
Vessel Operating profit	27 070	28 778	2 285	1 648	4 281	3 708	435	557	34 071	34 691
Gain on sale of assets	7 645	38 002	20 098	-	-	-	-	-	27 743	38 002
Segment result	34 715	66 780	22 383	1 648	4 281	3 708	435	557	61 814	72 693
Unallocated corporate expenses									-	23
Other operational expenses									(12 296)	(11 158)
Operating profit									49 518	61 558
Net Financial Items									(7 415)	(6 365)
Profit before Taxation									42 103	55 193
Taxation									(4)	(8)
Net Profit									42 099	55 185

Latvian Shipping Company & its Subsidiaries
Unaudited Condensed Consolidated Financial Statements for the 6 month period ended 30 June 2008

NOTES

2. SEGMENT INFORMATION (continued)

	Tankers		Reefers		LPG		Dry Cargo		Total	
	30.06.08	30.06.07	30.06.08	30.06.07	30.06.08	30.06.07	30.06.08	30.06.07	30.06.08	30.06.07
	US \$'000	US \$'000	US \$'000	US \$'000	US \$'000	US \$'000	US \$'000	US \$'000	US \$'000	US \$'000
<u>ASSETS</u>										
Segment assets	663 676	520 534	13 175	22 690	61 137	63 803	1 444	1 598	739 432	608 625
Unallocated assets									158 042	153 582
Total assets									897 474	762 207
<u>LIABILITIES</u>										
Segment liabilities	360 208	274 646	3 285	1 076	1 106	7 752	309	238	364 908	283 712
Unallocated liabilities									1 577	3 989
Total liabilities									366 485	287 701
Other segment information										
Investments in vessels	66 342	120 768	-	48	-	211	-	-	66 342	121 027
Depreciation	12 845	8 873	690	759	1 729	1 729	-	-	15 264	11 361
Drydocking deferred expenditure depreciation	2 898	2 990	654	213	100	136	88	84	3 740	3 423

Latvian Shipping Company & its Subsidiaries
Unaudited Condensed Consolidated Financial Statements for the 6 month period ended 30 June 2008

NOTES

2. SEGMENT INFORMATION (continued)

	Tankers		Reefers		LPG		Dry Cargo		Total	
	30.06.08 LVL' 000	30.06.07 LVL' 000	30.06.08 LVL' 000	30.06.07 LVL' 000	30.06.08 LVL' 000	30.06.07 LVL' 000	30.06.08 LVL' 000	30.06.07 LVL' 000	30.06.08 LVL'000	30.06.07 LVL' 000
Voyage income	52 058	52 841	3 764	3 772	3 897	4 219	764	808	60 483	61 640
Voyage costs	(8 500)	(8 046)	(627)	(270)	(2)	(8)	(40)	(32)	(9 169)	(8 356)
Net voyage result	43 558	44 795	3 137	3 502	3 895	4 211	724	776	51 314	53 284
Vessel operating costs	(25 214)	(24 886)	(1 771)	(2 229)	(1 133)	(1 336)	(525)	(483)	(28 643)	(28 934)
Vessel depreciation	(5 902)	(4 692)	(317)	(401)	(795)	(914)	-	-	(7 014)	(6 007)
Vessel Operating profit	12 442	15 217	1 049	872	1 967	1 961	199	293	15 657	18 343
Gain on sale of assets	3 513	20 094	9 236	-	-	-	-	-	12 749	20 094
Segment result	15 955	35 311	10 285	872	1 967	1 961	199	293	28 406	38 437
Unallocated corporate expenses									-	12
Other operational expenses									(5 650)	(5 900)
Operating profit									22 756	32 549
Net Financial Items									(3 407)	(3 366)
Profit before Taxation									19 349	29 183
Taxation									(2)	(4)
Net Profit									19 347	29 179

Latvian Shipping Company & its Subsidiaries
Unaudited Condensed Consolidated Financial Statements for the 6 month period ended 30 June 2008

NOTES

2. SEGMENT INFORMATION (continued)

	Tankers		Reefers		LPG		Dry Cargo		Total	
	30.06.08 LVL'000	30.06.07 LVL'000	30.06.08 LVL'000	30.06.07 LVL'000	30.06.08 LVL'000	30.06.07 LVL'000	30.06.08 LVL'000	30.06.07 LVL'000	30.06.08 LVL'000	30.06.07 LVL'000
ASSETS										
Segment assets	296 663	271 719	5 889	11 844	27 328	33 305	646	834	330 526	317 702
Unallocated assets									70 644	80 170
Total assets									401 170	397 872
LIABILITIES										
Segment liabilities	161 013	143 365	1 468	562	494	4 047	139	124	163 114	148 098
Unallocated liabilities									705	2 081
Total liabilities									163 819	150 179
Other segment information										
Investments in vessels	30 487	63 857	-	25	-	112	-	-	30 487	63 994
Depreciation	5 902	4 692	317	401	795	914	-	-	7 014	6 007
Drydocking deferred expenditure depreciation	1 332	1 581	301	113	46	72	40	44	1 719	1 810

Latvian Shipping Company & its Subsidiaries
Unaudited Condensed Consolidated Financial Statements for the 6 month period ended 30 June 2008

NOTES

2. SEGMENT INFORMATION (continued)

	Tankers		Reefers		LPG		Dry Cargo		Total	
	30.06.08	30.06.07	30.06.08	30.06.07	30.06.08	30.06.07	30.06.08	30.06.07	30.06.08	30.06.07
	EUR' 000	EUR' 000	EUR' 000	EUR' 000	EUR' 000	EUR' 000	EUR' 000	EUR' 000	EUR' 000	EUR' 000
Voyage income	72 051	74 224	5 210	5 299	5 393	5 926	1 058	1 136	83 712	86 585
Voyage costs	(11 765)	(11 302)	(868)	(380)	(2)	(12)	(55)	(44)	(12 690)	(11 738)
Net voyage result	60 286	62 922	4 342	4 919	5 391	5 914	1 003	1 092	71 022	74 847
Vessel operating costs	(34 899)	(34 958)	(2 451)	(3 131)	(1 568)	(1 876)	(726)	(677)	(39 644)	(40 642)
Vessel depreciation	(8 170)	(6 590)	(438)	(564)	(1 100)	(1 285)	-	-	(9 708)	(8 439)
Vessel Operating profit	17 217	21 374	1 453	1 224	2 723	2 753	277	415	21 670	25 766
Gain on sale of assets	4 862	28 226	12 783	-	-	-	-	-	17 645	28 226
Segment result	22 079	49 600	14 236	1 224	2 723	2 753	277	415	39 315	53 992
Unallocated corporate expenses									-	17
Other operational expenses									(7 821)	(8 287)
Operating profit									31 494	45 722
Net Financial Items									(4 715)	(4 728)
Profit before Taxation									26 779	40 994
Taxation									(3)	(6)
Net Profit									26 776	40 988

Latvian Shipping Company & its Subsidiaries
Unaudited Condensed Consolidated Financial Statements for the 6 month period ended 30June 2008

NOTES

2. SEGMENT INFORMATION (continued)

	Tankers		Reefers		LPG		Dry Cargo		Total	
	30.06.08 EUR' 000	30.06.07 EUR' 000	30.06.08 EUR' 000	30.06.07 EUR' 000	30.06.08 EUR' 000	30.06.07 EUR' 000	30.06.08 EUR' 000	30.06.07 EUR' 000	30.06.08 EUR' 000	30.06.07 EUR' 000
<u>ASSETS</u>										
Segment assets	422 114	386 621	8 380	16 853	38 885	47 389	918	1 187	470 297	452 050
Unallocated assets									100 520	114 071
Total assets									570 817	566 121
<u>LIABILITIES</u>										
Segment liabilities	229 101	203 990	2 089	799	703	5 758	197	177	232 090	210 724
Unallocated liabilities									1 002	2 962
Total liabilities									233 092	213 686
Other segment information										
Investments in vessels	42 195	89 699	-	36	-	156	-	-	42 195	89 891
Depreciation	8 169	6 590	439	564	1 100	1 285	-	-	9 708	8 439
Drydocking deferred expenditure depreciation	1 843	2 221	416	158	64	101	56	62	2 379	2 542

Latvian Shipping Company & its Subsidiaries
Unaudited Condensed Consolidated Financial Statements
for the six month period ended 30 June 2008

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Contact person with respect to information presented in these financial statements

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