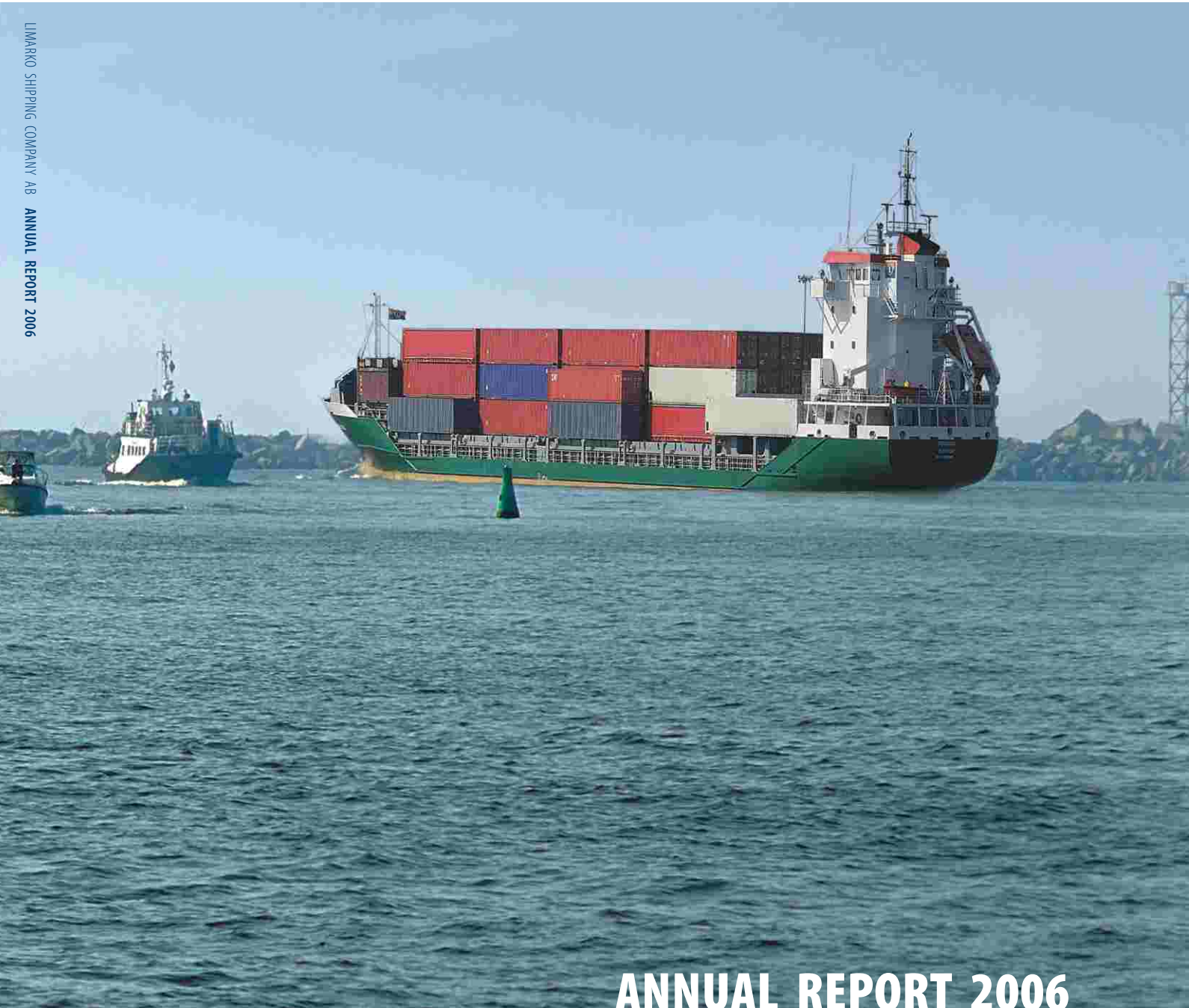




AB LIMARKO LAIVININKYSTĒS KOMPANIJA
LIMARKO SHIPPING COMPANY AB

LIMARKO SHIPPING COMPANY AB ANNUAL REPORT 2006



ANNUAL REPORT 2006



Contents

CONTENTS

2006 Highlights	2
Letter to the Shareholders	3
Organizational Structure	4
Board of Directors	5
Vision, Mission, Values and Objectives	6
Key Figures	7
Management Report	8
Key Trade Lanes	12
Fleet	14
Shareholder Information	18
Market Report	20
Financial Statements	22
Auditor's Report	23
Income Statement	24
Balance Sheet	25
Statement of Cash Flows	26
Statement of Changes in Equity	27
Notes to the Financial Statements	28
Summary in Lithuanian	49

2006 HIGHLIGHTS

On 5th of January, 2006, Limarko Shipping Company AB purchased the m/v Uranus (capacity 342,707 cbft).

On 13th of January, 2006, Limarko Shipping Company AB purchased the m/v Pluto (capacity 344,216 cbft). Overall LSCo investment into fleet renewal totaled LTL 61 million for the year 2006.

On 5th of July, 2006, Limarko Shipping Company AB successfully sold the oldest ship in the fleet m/v Orionas (capacity 130,285 cbft).

On 18th of December, 2006, after a joint evaluation of the three Baltic securities markets by the stock exchanges OMX in Vilnius, Tallinn and Riga, Limarko Shipping Company AB was nominated among three the best information disclosing companies listed on the Vilnius Stock Exchange.

On 27th of December, 2006, Paul Lawrence, Director and Chief Commercial Officer (CCO) of Limarko (UK) Limited, was appointed to the Board of Directors of Limarko Shipping Company AB. He replaced Renaldas Vyšniauskas, Chief Financial Officer (CFO) of Limarko Shipping Company AB.

On 31st of December, 2006, Limarko Shipping Company AB had 430 employees: 390 seafarers and 40 shore based administration staff.



LETTER TO THE SHAREHOLDERS

2006 was a year of further fleet modernization and expansion for Limarko Shipping Company AB. In January, purchase contracts were completed for the acquisition of two conventional sister reefers – the m/v Uranus and the m/v Pluto, whereas the m/v Orionas was successfully sold in the summer. Investments significantly increased the Company's reefer fleet tonnage, further strengthening LSCo positions in the reefer segment. The Board of Directors approved the Company's fleet renewal and development strategy until year 2010, according to which future LSCo investments will be planned and implemented. Forecasts for 2007 show that overall investments in fleet modernization will reach LTL 70 million and will noticeably surpass 2006 levels. Given favourable conditions for acquisition of other ships, plans for 2007 include purchase of 3-4 modern motor vessels, investing into reefer, dry-cargo and container ships.

Current tendencies in the perishable cargo transport market favour shipowners. The shipping market for fruits, vegetables, and frozen food products is growing at an average rate of 4% annually, while the number of reefer vessels operating in the global market is steady. Market experts forecast that this reefer supply-demand ratio so favourable to shipowners will remain stable for several years because new buildings of reefer vessels are very limited due to high backlogs in shipbuilding until 2010.

Successful investments had a direct impact on the Company's positive operating results: turnover grew by 31%, net profit was LTL 9.6 million, and carried cargoes increased by 14%. The drop in fuel prices at the end of year 2006, favourable seasonal conditions and positive market tendencies allow for positive expectations for the coming year. We expect the Company's revenues to grow more than 20% and to reach LTL 140 million in 2007, while consistent investment into fleet development will further strengthen the LSCo positions in the reefer and dry-cargo segments.

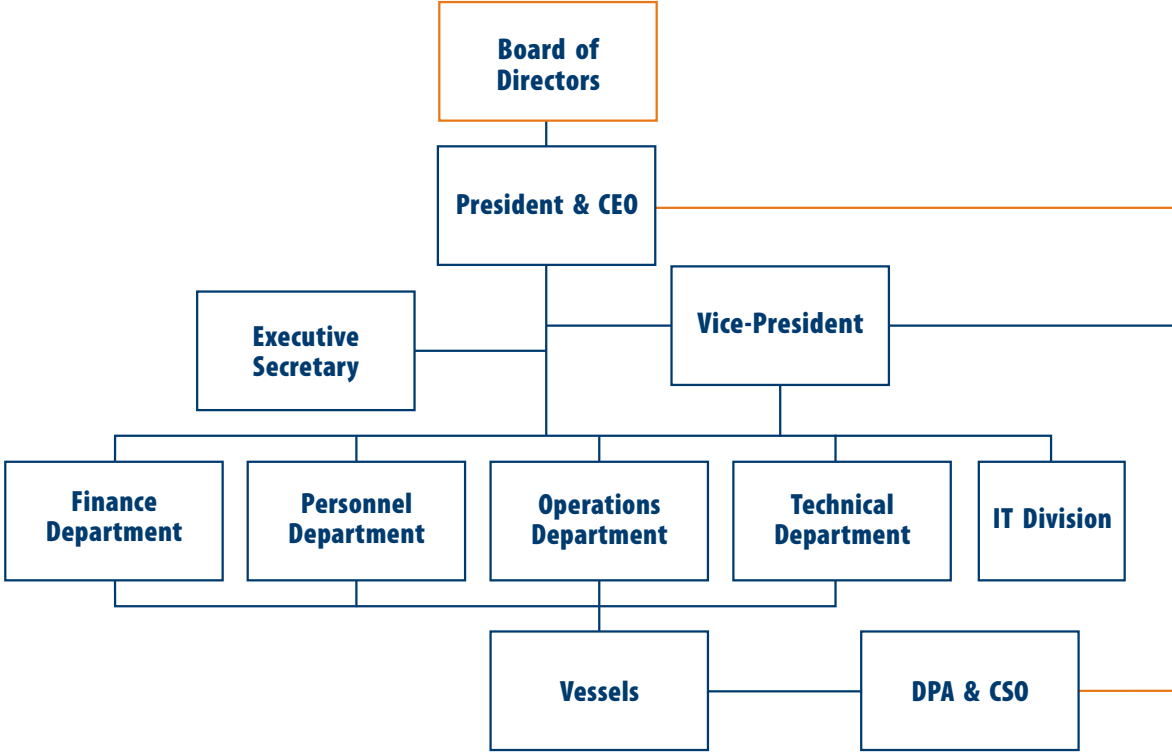
Traditionally, substantial attention was allocated to the enhancement of LSCo employee qualification. A year-long intensive English language teaching program, organized by the Lithuanian Shipowners' Association and successfully completed in December, was attended by 170 employees of the Limarko Group – 126 seafarers and 44 shore-based administrative staff. LSCo continued constructive cooperation with trade unions. Implementing the continuous employee motivation program, salaries will be increased for all seafarers of Limarko Shipping Company AB at the beginning of 2007 and the TIARA motivation system will be introduced for shore-based administration staff. The Board of Directors approved a new organizational structure oriented to optimizing the Company's management. As in every year, the traditional rally gathering and picnic for all employees of the Limarko Group took place during the week of the Klaipeda Sea Festival.

In 2006, the Limarko Shipping Company AB continued its long-standing sponsorship traditions: support was provided to the yacht "Lietuva" to participate in "The Tall Ships' Races 2006", a grant was given for the establishment of a marine museum in the Captain L. Stulpinas secondary school, traditional support was allocated to the annual Klaipeda Castle Jazz Festival, and donations given to the Klaipeda Rowing School. The Limarko Group was among the main sponsors of the exclusive staging of the opera "La Boheme" by G. Puccini to the Lithuanian public in October. Remaining true to its corporate social responsibility position, the Company continues providing support to the disabled children's class at the M. Mažvydas secondary school.

We are happy that our philosophy to work transparently has been acknowledged internationally: the OMX Vilnius, Tallinn and Riga stock exchanges jointly evaluated the Baltic securities market and nominated Limarko Shipping Company AB among the top three information-disclosing companies listed on the Vilnius Stock Exchange. We have no doubt that our transparent work, as well as professional and modern management are the keys to the success of Limarko Shipping Company AB and the solid position that it holds in the world-wide shipping markets.

Vytautas Lygnugaris
President & CEO
Limarko Shipping Company AB

ORGANIZATIONAL STRUCTURE



BOARD OF DIRECTORS



Igoris Uba

Director General
Limarko Maritime
Agency UAB

*23 years in maritime
business. Has no
interest in the share
capital of
Limarko Shipping
Company AB.*

Paul Lawrence

Director and CCO
Limarko (UK) Limited

*22 years in
maritime business.
Has no interest in
the share capital of
Limarko Shipping
Company AB.*

Vytautas Lygnugaris

Chairman of the Board
President & CEO
Limarko Shipping
Company AB

*20 years in maritime business.
Has no interest in the share
capital of Limarko Shipping
Company AB.*

Sigitas Baltuška

Associate Director
GCI Vilnius UAB

*2 years in maritime
business and 17 years
in corporate governance.
Has no interest in the
share capital of
Limarko Shipping
Company AB.*

Egidijus Bernotas

Partner, Attorney at law
Bernotas &
Dominas Glimstedt

*4 years in maritime
business and 14 years
in corporate governance.
Has no interest in the
share capital of Limarko
Shipping Company AB.*



VISION, MISSION, VALUES AND OBJECTIVES

Vision

To become the leading Central/Eastern European based provider of worldwide sea-transportation services to the chilled, frozen and perishable cargo industry.

Mission

To maintain excellence in the execution of all our services and to consistently ensure safe, trustworthy, timely and high quality cargo transportation by sea.

Values

We strive:

- To deliver value-added service to our customers
- To protect our customers' assets
- To present high-quality services in conjunction with professional management
- To undertake business with integrity and responsibility

To build a dynamic and successful organisation, it remains our conviction that professional management, teamwork and responsibility work in parallel with the high expectations of our customers and shareholders alike.

Objectives

The aim of LSCo is to render efficient and socially responsible services to our clients and customer networks.

The primary long-term strategy of LSCo is for further expansion and renewal of the existing fleet. This will be united with strategic growth in all activities by the Company.



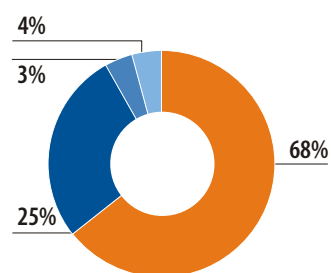
KEY FIGURES

Summary of Limarko Shipping Company AB financial results

LTL	2006	2005	2004
Revenues	115,673,241	88,290,584	62,208,038
EBITDA	22,991,925	28,865,526	15,361,930
<i>EBITDA margin</i>	19.9%	32.7%	24.7%
EBIT	6,101,325	16,430,932	2,512,677
<i>EBIT margin</i>	5.3%	18.60%	4.0%
Net profit (loss)	9,601,256	15,395,273	5,373,595
<i>Net profit (loss) margin</i>	8.3%	17.4%	8.6%
Equity	110,384,776	100,783,519	85,388,246
Total Assets	208,191,933	168,977,753	134,729,676
Profitability ratios:			
Return on assets	4.6%	9.1%	4.0%
Return on equity	8.7%	15.3%	6.3%
Return on cost of equity	5.1%	10.0%	4.3%

Breakdown of LSCo transportation by regions

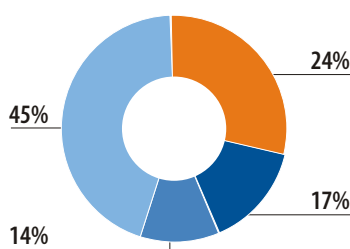
2006



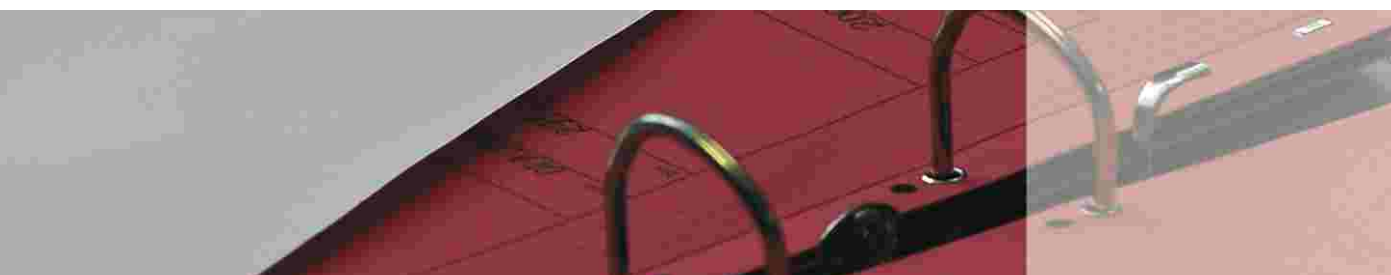
■ Europe
■ Africa
■ Asia
■ America

The structure of cargo transported by LSCo

2006



■ Frozen fish
■ Meat and poultry
■ Fruits and vegetables
■ Dry cargo



MANAGEMENT REPORT

Financial performance 2006

With consistent investment into the renewal and modernization of the Company's fleet, Limarko Shipping Company AB has strengthened its positions in the reefer market. LSCo continued profitable operations in the container vessel segment and the dry cargo market during 2006.

LSCo revenues reached LTL 115.7 million and net profit was LTL 9.6 million. LSCo carried 643 thousand tonnes of cargo in 2006 (a 14 percent increase over 2005).

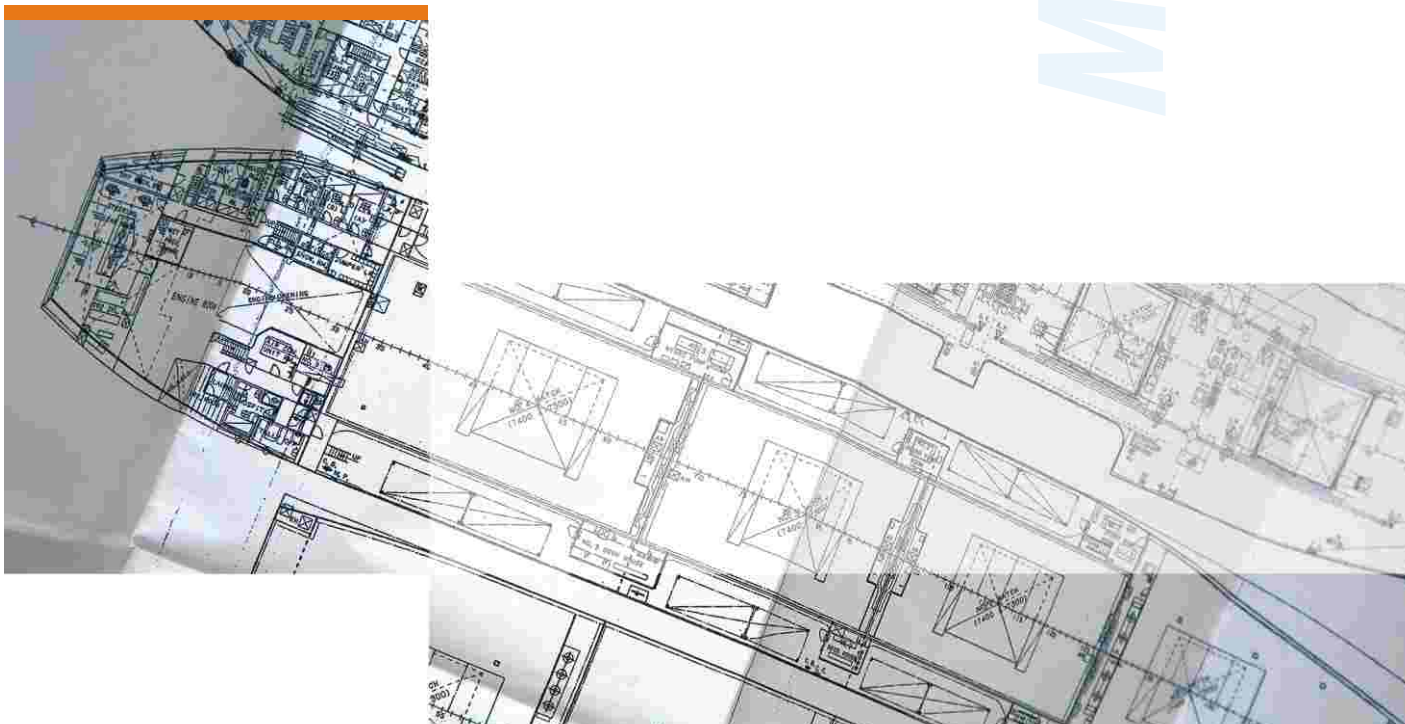
LSCo acquisitions

Limarko Shipping Company AB continued its fleet modernization and renewal by investing more than LTL 60 million in 2006.

In January 2006, LSCo completed purchase contracts for the acquisition of two conventional sister reefers – the m/v Uranus (built in 1989) and the m/v Pluto (built in 1988), whereas the oldest ship in the fleet m/v Orionas was successfully sold in July. Investments significantly increased the Company's reefer fleet tonnage, further strengthening LSCo positions in the reefer segment.

The LSCo fleet consists of 16 ships – 12 conventional reefer vessels, 2 freezers, 1 container vessel and 1 dry cargo ship. Some LSCo ships are of the ice class, which enable them to sail to Northern ports in wintertime. Total reefer capacity of the LSCo fleet exceeded 3.5 million cubic feet at the end of 2006.

In the dry cargo market, LSCo continued to successfully charter out the dry cargo ship m/v Siuita (carrying capacity 2,800 mts).

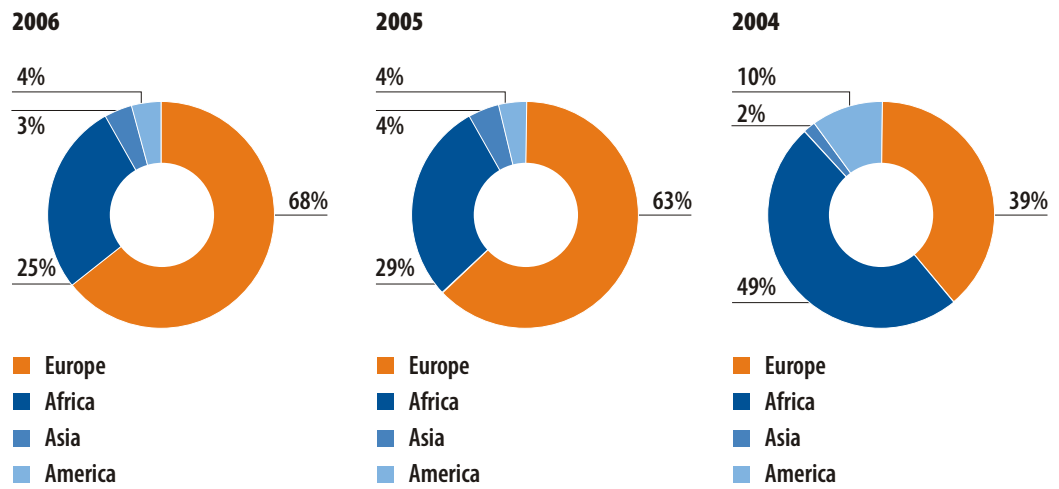


Breakdown of LSCo transportation by regions

The main discharge regions of the Limarko Shipping Company AB are Europe and West Africa.

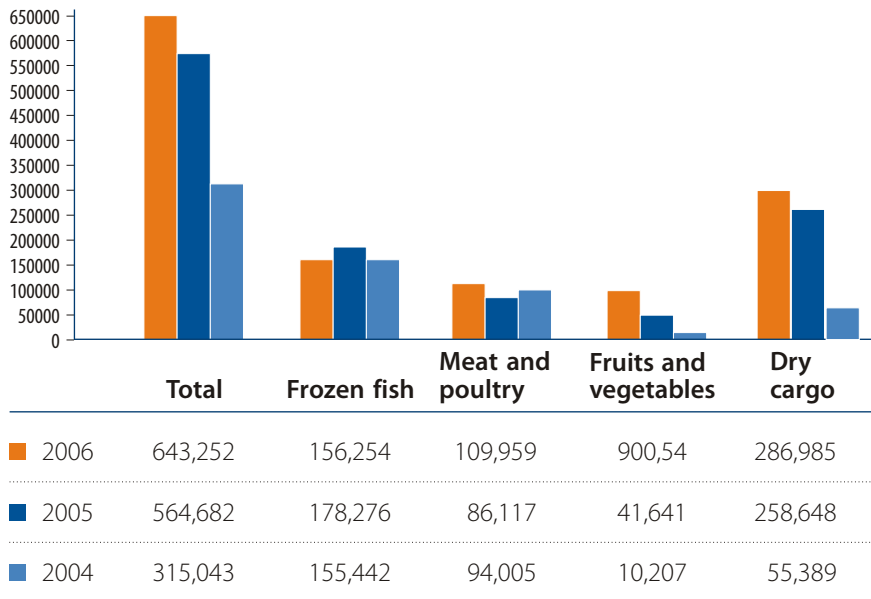
Europe remains a main region for the Company's activities since 2005 due to successful LSCo fleet chartering activities. Southern Europe and the Black Sea regions are increasingly important as a result of long term banana contracts.

The company continues to maintain its container traffic volumes, particularly in Northern Europe.



The structure of cargo transported by LSCo

The Limarko Shipping Company AB is active in all specialised cargo sectors and continues to register strong growth, particularly in fruit commodities.



Having established its positions in the dry cargo markets in recent years, LSCo continues to register further growth in this sector.

2006 is highlighted by LSCo presence in the mainstream banana trade lanes to Europe. Simultaneously, LSCo freezers continued poultry transportation from North America to Europe.



Human resources

On December 31, 2006, the Limarko Shipping Company AB had 430 employees: 390 seafarers and 40 shore-based administrative staff.

Substantial attention was allocated to the enhancement of employee qualification. A year-long intensive English language teaching program was successfully completed in December 2006. 170 employees (126 seafarers and 44 administration staff) of the Limarko Group attended these English language courses organized by the Lithuanian Shipowners Association.

Traditionally, LSCo continued its long-term cooperation with the Klaipeda University, the Lithuanian Maritime College and the Klaipeda Marine School.

LSCo recognizes contributions made by our employees and always strives to compensate them fairly. Implementing the continuous employee motivation program, salaries will be increased for all seafarers of the Company at the beginning of 2007.

The TIARA (Teamwork-Initiative-Accuracy-Responsibility-Achievement) bonus system will be introduced for shore-based administration staff starting January 1, 2007. Bonuses will be related to benchmarks and individual employee effectiveness in fulfilling the demands of the job. The bonus reward system recognizes those who show initiative, drive, team-spirit and commitment as well as accuracy and performance in reaching and exceeding the requirements set out in the job description. LSCo's top management expects the TIARA motivation system to be a successful way of distributing performance-related bonuses tied to the profitability of the Company.

Organizational changes

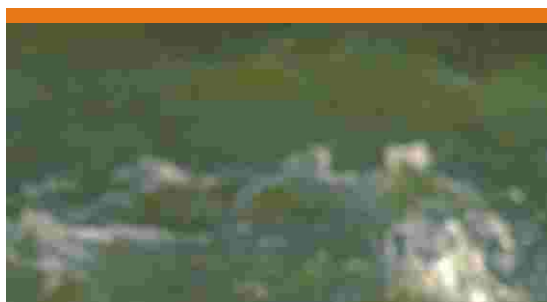
Paul Lawrence, Director and Chief Commercial Officer (CCO) of Limarko (UK) Limited, was appointed to the Board of Directors of Limarko Shipping Company AB in December 2006. He replaced Renaldas Vyšniauskas, Chief Financial Officer (CFO) of the Limarko Shipping Company AB.

Forecasts for 2007

Limarko Shipping Company AB expects revenues to grow more than 20 percent and to reach LTL 140 million in 2007.

LSCo plans consistent investments into its fleet development, thus strengthening the Company's positions in the reefer and dry-cargo segments.

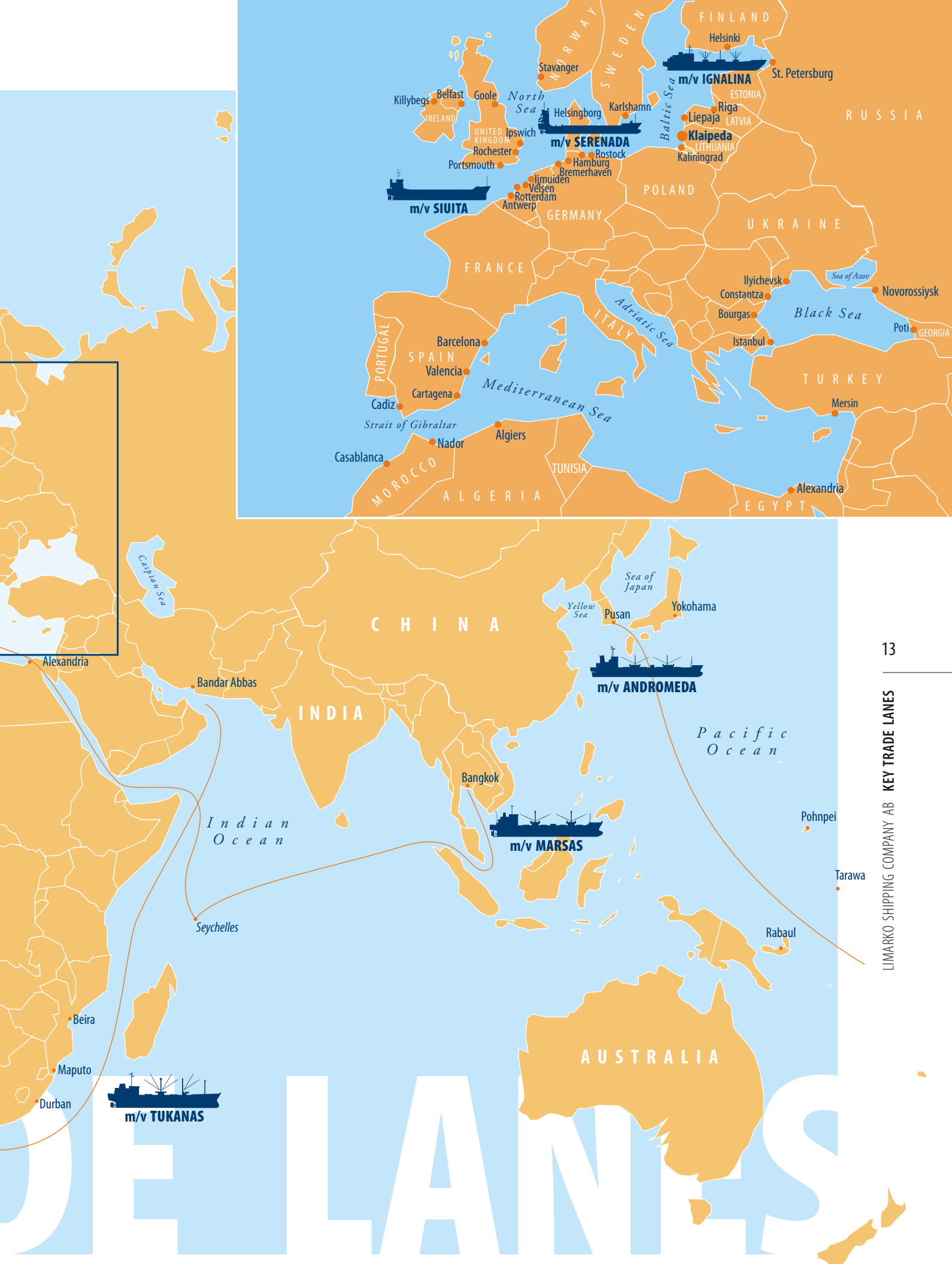
Forecasts for 2007 show that overall investments in fleet modernization will reach LTL 70 million and will noticeably surpass 2006 levels.



KEY TRADE LANES



KEY TRADE LANES



FLEET



m/v IGNALINA

Type	Freezer
Flag	Lithuanian
Built	1983, Germany
Capacity	470 603 cbft
Deadweight	11 871
Speed (ballast / laden)	15,0 kn / 14,5 kn
Temperature	-25°C
Classification	MRS



m/v SEDA

Type	Freezer
Flag	Lithuanian
Built	1985, Germany
Capacity	470 594 cbft
Deadweight	11 849
Speed (ballast / laden)	15,0 kn / 14,5 kn
Temperature	-25°C
Classification	BV

14

LIMARKO SHIPPING COMPANY AB FLEET



m/v CAPELLA

Type	Conventional reefer
Flag	Lithuanian
Built	1993, Japan
Capacity	394 158 cbft
Deadweight	8 045
Speed (ballast / banana / laden)	18,0 kn / 17,5 kn / 17,0 kn
Temperature	+15°C / -25°C
Classification	DNV



m/v PLUTO

Type	Conventional reefer
Flag	Lithuanian
Built	1988, Korea
Capacity	344 216 cbft
Deadweight	6 536
Speed (ballast / banana / laden)	17,5 kn / 17,5 kn / 17,0 kn
Temperature	+15°C / -25°C
Classification	LR

m/v URANUS

Type	Conventional reefer
Flag	Lithuanian
Built	1989, Korea
Capacity	342 707 cbft
Deadweight	6 518
Speed (ballast / banana / laden)	17,5 kn / 17,5 kn / 17,0 kn
Temperature	+15°C / -25°C
Classification	LR



m/v ANDROMEDA

Type	Conventional reefer
Flag	Lithuanian
Built	1989, Japan
Capacity	296 554 cbft
Deadweight	6 565
Speed (ballast / banana / laden)	17,5 kn / 17,0 kn / 17,0 kn
Temperature	+15°C / -25°C
Classification	LR



m/v LYRA

Type	Conventional reefer
Flag	Lithuanian
Built	1991, Japan
Capacity	237 133 cbft
Deadweight	5 226
Speed (ballast / banana / laden)	16,0 kn / 15,5 kn / 15,0 kn
Temperature	+15°C / -25°C
Classification	DNV



m/v ASTRA

Type	Conventional reefer
Flag	Lithuanian
Built	1990, Japan
Capacity	237 014 cbft
Deadweight	5 287
Speed (ballast / banana / laden)	16,0 kn / 15,5 kn / 15,0 kn
Temperature	+15°C / -25°C
Classification	DNV





m/v LIBRA

Type	Conventional reefer
Flag	Lithuanian
Built	1991, Japan
Capacity	236 925 cbft
Deadweight	5 065
Speed (ballast / banana / laden)	17,5 kn / 16,5 kn / 16,0 kn
Temperature	+15°C / -25°C
Classification	LR



m/v MARSAS

Type	Conventional reefer
Flag	Lithuanian
Built	1989, Japan
Capacity	189 141 cbft
Deadweight	5 010
Speed (ballast / banana / laden)	15,5 kn / 15,0 kn / 15,0 kn
Temperature	+15°C / -25°C
Classification	DNV



m/v ARGO

Type	Conventional reefer
Flag	Lithuanian
Built	1985, Japan
Capacity	180 703 cbft
Deadweight	5 002
Speed (ballast / banana / laden)	16,5 kn / 16,0 kn / 16,0 kn
Temperature	+15°C / -25°C
Classification	DNV



m/v VEGA

Type	Conventional reefer
Flag	Lithuanian
Built	1982, Japan
Capacity	153 162 cbft
Deadweight	3 847
Speed (ballast / banana / laden)	14,0 kn / 13,5 kn / 13,5 kn
Temperature	+15°C / -25°C
Classification	DNV

m/v TUKANAS

Type	Conventional reefer
Flag	Lithuanian
Built	1982, Japan
Capacity	152 884 cbft
Deadweight	3 919
Speed (ballast / banana / laden)	13,5 kn / 13,0 kn / 13,0 kn
Temperature	+15°C / -25°C
Classification	DNV



m/v SATURNAS

Type	Conventional reefer
Flag	Lithuanian
Built	1982, Japan
Capacity	152 716 cbft
Deadweight	3 930
Speed (ballast / laden)	12,5 kn / 12,0 kn
Temperature	+15°C / -25°C
Classification	NKK



m/v SIUITA

Type	Dry cargo
Flag	Lithuanian
Built	1986, UK
DWCC	2 800 mts
Deadweight	2 887
Speed (ballast / laden)	9,5 kn / 9,0 kn
GRT / NRT	1 892 / 1 044
Classification	LR



m/v SERENADA

Type	Container
Flag	Lithuanian
Built	1999, Netherlands
Capacity	344 TEU
Deadweight	3 739
Speed (ballast / laden)	15,0 kn / 14,5 kn
GRT / NRT	2 926 / 1 444
Classification	BV



Classification descriptions

BV Bureau Veritas
DNV Det Norske Veritas

LR Lloyd's Register of Shipping
MRS Russian Maritime Register of Shipping
NKK Nippon Kaiji Kyokai

SHAREHOLDER INFORMATION

Limarko Shipping Company AB share capital is 109,450,664 LTL. The share capital is distributed in 109,450,664 shares with a nominal value of 1 LTL. Shares of Limarko Shipping Company AB are traded on the current list of the Vilnius Stock Exchange.

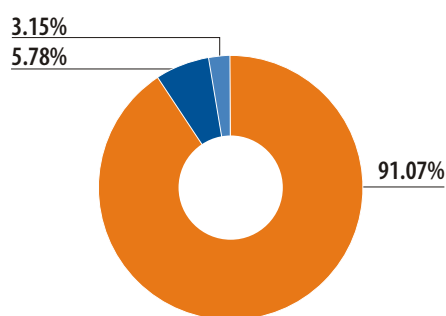
Security information

Source: Vilnius Stock Exchange

ISIN	LT0000119646
Ticker name	LLK1L
List	BALTIC I-LIST
Nominal value	1.00 LTL
Total number of securities	109,450,664
Number of listed securities	109,450,664
Listing date	22.05.2000

Shareholding

On December 31, 2006, the number of shareholders of Limarko Shipping Company AB was 444. Limarko UAB was the primary shareholder.



- Limarko UAB
- Skandinaviska Enskilda Banken clients
- Small Shareholders

Investor relations

Vytautas Lygnugaris, President & CEO

Tel: +370 46 340001

Fax: +370 46 341195

E-mail: v.lygnugaris@limarkoshipco.lt

Renaldas Vyšniauskas, Chief Financial Officer (CFO)

Tel: +370 46 340001

Fax: +370 46 341195

E-mail: r.vysniauskas@limarkoshipco.lt



Announcements to the Vilnius Stock Exchange in 2006

February 1	Limarko Shipping Company AB: Sales in 2005
February 23	LSCo: Regarding pre-audit net profit in 2005
March 24	LSCo: Announcement of General shareholder's meeting
April 19	LSCo: Draft decisions for the general shareholder's meeting
April 27	LSCo: Profit for the first quarter of 2006
April 28	LSCo: Resolutions of the General Meeting
July 31	LSCo: Results for the first half of 2006
October 30	LSCo: Results for the three quarters of 2006
November 27	LSCo: Announcement of extraordinary shareholder's meeting
November 30	LSCo: Amendment of operating forecast for the year 2006
December 15	LSCo: Revised agenda of the extraordinary General Meeting
December 15	LSCo: Draft resolutions of the extraordinary General Meeting
December 27	LSCo: Resolutions of the extraordinary General Meeting

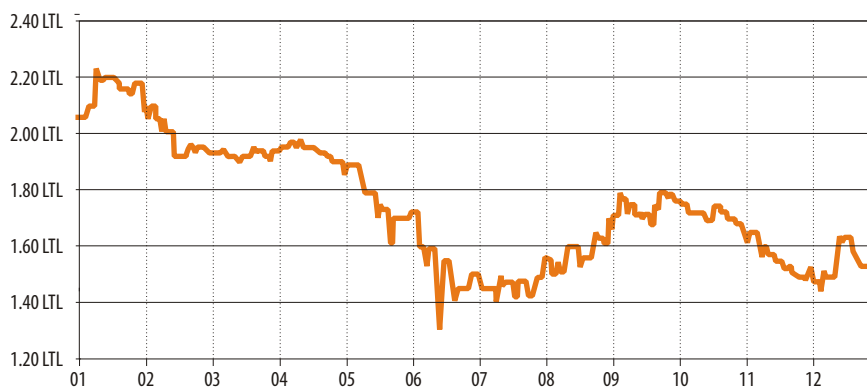
Share related key figures for 2006

Source: Vilnius Stock Exchange

Price at year start	2.06 LTL
Price at year end	1.59 LTL
Lowest price	1.27 LTL
Highest price	2.25 LTL
Number of transactions per year	1,889
Turnover, shares	2,631,829
Turnover	4,742,121 LTL

Dynamics of Limarko Shipping Company AB share price in 2006

Source: Vilnius Stock Exchange



Market price indicators

Indicators	2006	2005	2004
Capitalization	174,026,556 LTL	225,468,368 LTL	88,655,038 LTL
Earnings per share	0.09 LTL	0.14 LTL	0.05 LTL
Book share value	1.01 LTL	0.92 LTL	0.78 LTL



MARKET REPORT

Reefer Market Recap of 2006

The Market for 2006 was characterised by sporadic 'swings' in the market with wide fluctuations in charter values. However, despite this, the underlying market trend has remained stable, with even the most negative periods being short lived and at satisfactory returns. Significant rate gains have been available to ship owners during the bullish periods.

The market is now displaying a steeper earning peak during the seasonal months typically from January through to end May, whilst the 'off season' period has now become more stable, delivering sustainable and firmer earnings.

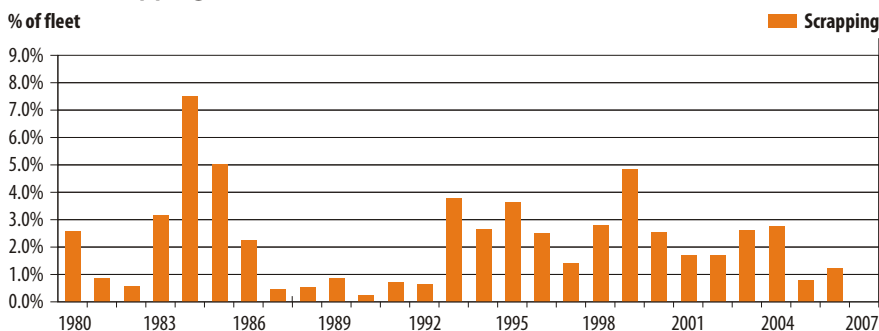
The 'swing' phenomenon was clearly in evidence during the November/December 2006 market.

Key positive factors affecting the Reefer market for 2006:

- Absence of climatic or political interference with mainstream Reefer trade routes.
- Ongoing strength in Banana volumes to Eastern European and Mediterranean based markets.
- A weak US Dollar environment, encouraging export from US Dollar based economies principally Southern Hemisphere producing regions into Northern Hemisphere Euro based zones.
- Market operator consolidation.
- Transparent market activity.
- Reduced impact of inter-modal competition, which results from increased demand for containers to service expanding Asian-linked trade.

It is clear that the market environment has been displaying symptoms of a delicately balanced supply/demand, where successive years of world fleet/capacity shrinkage through scrapping or natural wastage have reached a defining threshold.

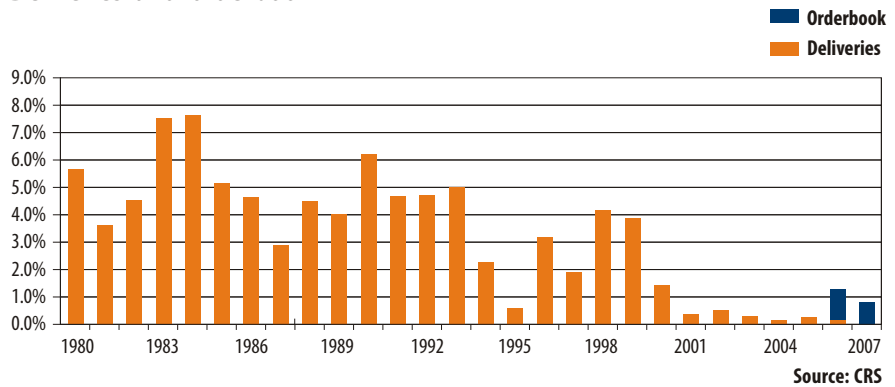
Reefer scrapping



Source: Clarkson Research Services (CRS), Fairplay

FAO statistics in parallel with Reefer industry opinion support the prognosis that perishable seaborne volumes are increasing by 3-5 per cent annually. This growth and subsequent demand for Reefer capacity sits in tandem with a static supply of Reefer capacity.

Deliveries and orderbook



The forecast for 2007 is therefore very good. Conditions appear optimised for a further recovery in Reefer rates fuelled by strong demand from the principle producing regions. Most notably, we expect consistent demand from the Banana exporters, and healthy cargo flows in both Deciduous and Citrus from the Southern hemisphere.

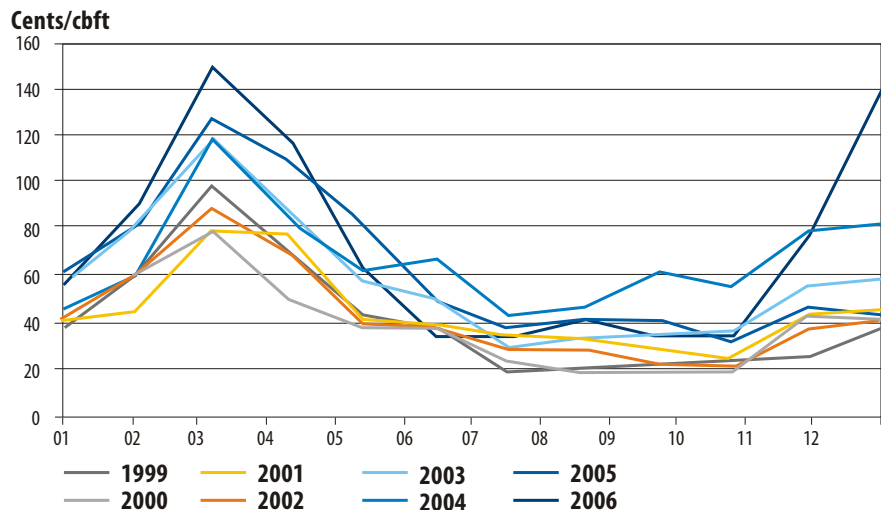
In terms of world tonnage deployment, we expect more and more vessels to be absorbed into liner type operations in order to exploit the growing volumes of fruit and frozen commodities into the Mediterranean and Baltic Markets. Parallel to this, a considerable number of 'value adding' container/reefer hybrid vessels will be absorbed into end user Time charter employment (typically Banana or fruit multi nationals).

Container encroachment will remain abated whilst hardware assets remain committed into established trade routes.

This activity coupled with a limited number of ship providers, is likely to create a void in ship supply to service the spot markets in the Atlantic. As a result, the 'swings' in rate values will continue to be an endemic market feature as we trade through 2007.

The below graph illustrates year-by-year average TCE returns since 1999. A sustained period of correction has been manifest since the historic recessionary period up to 2001.

2006 Ave TCE rates



FINANCIAL STATEMENTS

Management's statement on the annual financial statements

The Management has today discussed and authorized for issue the annual financial statements and the annual report for issue and signed then on behalf of the Company.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. We consider that the accounting policies used are appropriate and that the annual financial statements give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union.

Klaipeda, 29 March 2007

Vytautas Lygnugaris

Chairman of the Board



AUDITOR'S REPORT

We have audited the accompanying financial statements of Limarko Shipping Company AB, which comprise the balance sheet as at 31 December 2006, and the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, set out on pages 5-29.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the financial statements give a true and fair view of the financial position of the Company as at 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on legal and other regulatory requirements

Furthermore, we have read the Annual Report for the year 2006 set out on pages 30-64 of the Annual Accounts and have not noted any material inconsistencies between the financial information included in it and the financial statements for the year ended 31 December 2006.

Klaipeda, 29 March 2007
KPMG Baltics UAB

Stephen Young
Partner

Rokas Kasperavičius
Certified Auditor



INCOME STATEMENT

For the year ended 31 December 2006

In thousand of Litass	Note	2006	2005
Revenue	1	115,673	88,291
Cost of sales	2	-103,368	-65,332
Gross profit		12,305	22,959
Other operating income, net	3	4,837	6,704
Distribution expenses		-23	-160
Administrative expenses	4	-6,181	-6,368
Operating profit before financing costs		10,938	23,135
Financial income		5,769	240
Financial expenses		-4,996	-5,007
Net financial costs/income	5	773	-4,767
Profit before tax		11,711	18,368
Income tax expense	6	-2,110	-2,973
Profit for the year		9,601	15,395
Basic earnings per share (Litas)		0.09	0.14
Diluted earnings per share (Litas)		0.09	0.14

The notes set out on pages 9 to 29 form an integral part of these financial statements.

BALANCE SHEET

As at 31 December 2006

In thousand of Lit	Note	2006	2005
Assets			
Property, plant and equipment	7	186,009	145,899
Intangible assets	8	96	122
Other investments	9	331	331
Long term receivable		49	75
Total non-current assets		186,485	146,427
Inventories	10	3,464	3,008
Receivable	11	10,439	13,966
Cash and cash equivalents	12	7,804	5,576
Total current assets		21,707	22,550
Total assets		208,192	168,977
Equity			
Issued capital		109,451	109,451
Reserves		6,597	6,597
Retained earnings		(5,664)	(15,265)
Total equity	13	110,384	100,783
Liabilities			
Interest-bearing loans and borrowings	14	66,149	45,197
Deferred tax liabilities	15	6,400	6,198
Total non-current liabilities		72,549	51,395
Interest-bearing loans and borrowings	14	13,168	7,608
Trade and other payables	16	12,091	9,191
Total current liabilities		25,259	16,799
Total liabilities		97,808	68,194
Total equity and liabilities		208,192	168,977

The notes set out on pages 9 to 29 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2005

In thousand of Litass	Note	2006	2005
Cash flows from operating activities			
Profit before tax		11,711	18,368
Adjustments for:			
Depreciation	7	16,825	12,380
Amortization	8	66	55
Gain on sales of non-current assets	3	-4,520	-6,482
Written off non-current assets		7	4
Investment income	5	0	-22
Interest expense, net	5	4,635	1,544
Net cash from ordinary activities before any changes in working capital		28,724	25,847
Change in inventories		-456	-1,775
Change in debtors		3,553	-7,598
Change in trade and other payables		992	1,137
Net cash generated from ordinary activities		32,813	17,610
Net interests paid / received		-4,635	-1,344
Net cash from operating activities		28,178	16,266
Cash flows from investing activities			
Acquisition of tangible non-current assets	7	-61,502	-53,548
Acquisitions of intangible non-current assets	8	-40	-75
Proceeds from sale of tangible non-current assets	3	9,080	20,916
Dividends received		0	22
Net cash from investing activities		-52,462	-32,684
Cash flows from financing activities			
Proceeds from borrowings		46,949	38,499
Repayment of borrowings		-13,631	-28,740
Payment of finance lease liabilities		-71	-67
Net cash from financing activities		33,247	9,692
Effects of exchange rate changes on monetary items		-6,735	4,851
Effects of exchange rate changes on monetary items		-6,735	4,851
Net decrease in cash and cash equivalents		2,228	-1,875
Cash and cash equivalents at 1 January		5,576	7,450
Cash and cash equivalents at 31 December		7,804	5,576

The notes set out on pages 9 to 29 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

In thousand of Litass	Note	Share capital	Legal reserve	Retained earnings	Total equity
At 1 January 2005		109,451	6,597	-30,660	85,388
Net profit for 2005				15,395	15,395
At 31 December 2005		109,451	6,597	-15,265	100,783
At 1 January 2006		109,451	6,597	-15,265	100,783
Net profit for 2006				9,601	9,601
At 31 December 2006	13	109,451	6,597	-5,664	110,384

The notes set out on pages 9 to 29 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Significant accounting policies

Limarko Shipping Company AB (the "Company") is a company domiciled in Lithuania. The Company is involved in transportation of cargo by sea transport (vessels).

The major shareholder of the Company is Limarko UAB, a company incorporated in Lithuania, which owns 91.07% of the share capital. The ordinary shares of the company are listed on the Vilnius Stock Exchange.

The financial statements were authorised for issue by the directors on 29 March 2007.

Statement of compliance

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

Basis of preparation

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

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the note on property, plant and equipment.

Determination of fair values

A number of the Company's accounting policies and disclosures require determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Investments in debt and equity securities

The fair value of available-for-sale financial assets is determined by reference to their quoted bid price at the reporting date, if available. If not available available-for-sale financial assets are carried at cost less impairment losses.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Derivative financial instruments

The company does not use derivative financial instruments and hedge accounting.

Other financial instruments

Loans and receivables are initially recognized at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. After initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment, if any. Short-term receivables are not discounted.

Foreign currency

Transactions in foreign currencies are translated to Litas at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Litas at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

Property, plant and equipment

Items of property, plant and equipment, including assets under finance lease terms, are stated at cost less accumulated depreciation and impairment losses. The cost of selfconstructed assets includes the cost of materials, direct labor costs and an appropriate proportion of production overheads.

Leases under the terms of which the Company assumes substantially all the risks and rewards of the ownership are classified as finance leases. The owner-occupied property acquired by way of a finance lease is stated at the present value of the minimum lease payments at inception of the lease less accumulated depreciation and impairment losses.

Significant accounting policies (continued)

The Company recognises in the carrying amount of an item of tangible non-current assets the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Company and the costs of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

Costs incurred during regular inspections of vessels are recognised in the carrying amount of the vessels as a replacement. Any remaining carrying amount of the cost of previous inspection is derecognised.

Component accounting is not considered appropriate for vessels.

The base for depreciation property, plant and equipment is cost less expected residual value.

Depreciation is charged to the income statement on own assets and assets leased under finance lease terms on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment until it reaches estimated residual value.

The estimated useful lives are as follows:

Land and buildings	11-44 years
Ships and other transport vehicles	4-16 years
Capitalised dry docking expenses	3 years
Other non-current assets	2-7 years

Useful lives, residual values and depreciation methods are reassessed annually.

Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the lease asset is recognised an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the assets leased are not recognised in the Company's balance sheet.

When preparing the financial statements for 2005 the Company applied IFRIC 4 "Determination of lease elements in a transaction", which is obligatory for accounting periods as of 1 January 2006.

Significant accounting policies (continued)

Intangible assets

Intangible assets that are acquired by the company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to the income statement on a straight-line basis over the estimated useful life of 3-4 years.

Investments

Investments, held by the company are classified as being available-for-sale. Due to an inability to determine the fair value of investments, investments are stated at cost less impairment, if any.

Trade and other receivables

Trade and other receivables are stated at their amortised cost less an allowance for estimated doubtful amounts.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash at bank, including call deposits.

Impairment

Assets are reviewed for impairment whenever events or changes in circumstances indicate that carrying amount of an asset may not be recoverable.

Significant accounting policies (continued)

Whenever such indication exists or when it is required to test for impairment, the Company calculates the recoverable amount of the assets. The recoverable amount is the greater of the net selling price and the value in use. The recoverable amount is estimated for individual assets, except for cases when the asset does not generate any cash flows not dependent on other assets or asset groups. When the carrying amount of an asset exceeds its recoverable amount, the value of the asset is impaired and is decreased to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised in the income statement under those costs items which are related to the activity of the impaired asset.

At each balance sheet date the Company estimates whether there is any indication that the previously recognised impairment no longer exists or is decreased. If such indication exists, a recoverable amount is estimated. Impairment losses recognised in prior years are reversed only upon the change of estimates which were used for determination of the recoverable amount, compared to the last recognition of the impairment. In this case the carrying amount of the asset is increased up to its recoverable amount. The increased value cannot exceed the recoverable amount after estimation of depreciation, which would have been if no impairment had been previously recognised. Such a reversal is recognised in the income statement unless the asset is accounted for at a revalued value and the reversal, in this case, would be recognised as an increase of revaluation. Subsequent to such reversal the depreciation rate (if such applied) is adjusted so that in the future the difference between the reversed carrying amount and the residual value would be distributed over the remaining useful lifetime of the asset.

Dividends

Dividends are recognised as a liability in the period in which they are declared.

Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings using the effective interest rate method.

Significant accounting policies (continued)

Trade and other payables

Trade and other payables are measured at amortized cost, if under short term then measured at cost.

Revenue

Revenue from sales of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Transfers of risks and rewards vary depending on the individual terms of the contract of sale.

Vessel charter contracts are recognised as turnover according to the percentage of completion method. The stage of completion is assessed by reference of surveys performed.

Cost of goods sold and services rendered

Cost of sales include depreciation, wages and salaries and other operating costs incurred in order to obtain the turnover for the year.

Repair expenses of the vessels in connection with regular inspection are capitalised as a part of the asset concerned and amortised during the period of 3 years. Other repair and maintenance expenses of the vessels are recognised as expenses in the year they occur.

Distribution and administrative expenses

Distribution and administrative expenses comprise expenses of administrative staff, management, office expenses, etc. including depreciation and amortisation.

Other operating income and charges

Other operating income and charges comprise gains and losses from sale of vessels and other non-current assets and other items, which are not directly related to the primary activities of the company.

Financial income and expenses

Financial income and expenses comprise interest receivable and payable, realised and unrealised exchange gains and losses regarding debtors and creditors denominated in foreign currencies.

Significant accounting policies (continued)

Interest income is recognised in the income statement as it accrues. The interest expense component of finance lease payments is recognised in the income statement using the effective interest rate method.

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year using applicable tax rates and calculated in accordance with Lithuanian tax legislation.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in a foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Subsequent events

Events subsequent to the year end that provide additional information about the Company's position at the balance sheet date (adjusting events) are reflected in the financial statements. Subsequent events that are not adjusting events are disclosed in the notes when material.

Significant accounting policies (continued)

New Standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2006, and have not been applied in preparing these financial statements:

- IFRS 7 Financial Instruments: Disclosures and the Amendment to IAS 1 Presentation of Financial Statements: Capital Disclosures require extensive disclosures about the significance of financial instruments for an entity's financial position and performance, and qualitative and quantitative disclosures on the nature and extent of risks. IFRS 7 and amended IAS 1, which become mandatory for the Company's 2007 financial statements, will require extensive additional disclosures with respect to Company's financial instruments and share capital.
- IFRS 8 Operating Segments (effective from 1 January 2009). The Standard requires segment disclosure based on the components of the entity that management monitors in making decisions about operating matters. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company has not yet completed its analysis of the impact of the new Standard.
- IFRIC 7 Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies addresses the application of IAS 29 when an economy first becomes hyperinflationary and in particular the accounting for deferred tax. IFRIC 7, which becomes mandatory for the Group's 2007 financial statements, is not expected to have any impact on the consolidated financial statements.
- IFRIC 8 Scope of IFRS 2 Share-based Payment addresses the accounting for share-based payment transactions in which some or all of goods or services received cannot be specifically identified. IFRIC 8 will become mandatory for the Company's 2007 financial statements, with retrospective application required. IFRIC 8 is not relevant to the Company's operations as the Company has not entered into any share-based payment arrangements.
- IFRIC 9 Reassessment of Embedded Derivatives requires that a reassessment of whether embedded derivative should be separated from the underlying host contract should be made only when there are changes to the contract. IFRIC 9 becomes mandatory for the Company's 2007 financial statements, with retrospective application required. The Group has not yet determined the potential effect of the interpretation.
- IFRIC 10 Interim Financial Reporting and Impairment prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill, an investment in an equity instrument or a financial asset carried at cost. IFRIC 10 will become mandatory for the Company's 2007 financial statements, and will apply to goodwill, investments in equity instruments, and financial assets carried at cost prospectively from the date that the Group first applied the measurement criteria of IAS 36 and IAS 39 respectively (i.e., 1 January 2004). The adoption of IFRIC 10 is not expected to have any impact on the consolidated financial statements.

Significant accounting policies (continued)

- IFRIC 11 IFRS 2 – Group and Treasury Share Transactions (effective for annual periods beginning on or after 1 March 2007). The Interpretation requires a sharebased payment arrangement in which an entity receives goods or services as consideration for its own equity-instruments to be accounted for as an equitysettled share-based payment transaction, regardless of how the equity instruments needed are obtained. It also provides guidance on whether share-based payment arrangements, in which suppliers of goods or services of an entity are provided with equity instruments of the entity's parent, should be accounted for as cashsettled or equity-settled in the entity's financial statements. IFRIC 11 is not relevant to the Company's operations as the Company has not entered into any share-based payments arrangements.
- IFRIC 12 Service Concession Arrangements (effective from 1 January 2008). The Interpretation provides guidance to private sector entities on certain recognition and measurement issues that arise in accounting for public-to-private service concession arrangements. IFRIC 12 is not relevant to the Company's operations.

1.

Revenue

In thousand of Litass	2006	2005
Pool operations	37,104	49,829
Voyage charter operations	68,960	31,570
Time charter operations	8,670	5,213
Demurrage	939	1,679
Total revenue	115,673	88,291

As at 31 December 2006 the Company owned 13 reefer ships, one container ship and chartered one dry cargo ship.

During the year 2006 the Company operated 8 ships in pool operations. One of these vessels was sold during 2006 (see note 7).

7 ships were chartered for separate voyages, including one vessel, which was chartered from a related company. 2 of these vessels were acquired during 2006.

Two ships were chartered according to time charter contracts – one during full year 2006, another for 5 months only.

2.

Cost of sales

In thousand of Litass	2006	2005
Fuel	26,469	10,108
Crew costs	21,372	17,594
Depreciation	16,612	12,140
Repair and maintenance of vessels	14,484	8,908
Port dues	6,959	3,992
Insurance	5,638	4,134
Commissions	4,313	2,165
Lubricating oil	3,185	2,006
Other costs	4,336	4,285
Total cost of sales	103,368	65,332

3.**Other operating income**

In thousand of Litas	2006	2005
Revenue from sale of non-current assets	9,080	20,916
Cost of sold non-current assets	-4,560	-14,434
Net revenue from sale of non-current assets	4,520	6,482
Other operating income, net	317	222
Total	4,837	6,704

During the year 2006 the Company sold one vessel and the administrative building.

4.**Administrative expenses**

In thousand of Litas	2006	2005
Staff costs	3,338	3,649
Business trips	427	375
Depreciation and amortization	279	295
Communication	279	208
Financial, legal advisory	238	266
Exploitation and maintenance of real estate	204	92
Learning/qualification improvement	193	205
Other costs	1,223	1,278
Total administrative expenses	6,181	6,368

5.**Net financial costs / income**

In thousand of Litas	2006	2005
Financial income		
Dividends received		22
Penalties	62	61
Interest	339	157
Currency exchange rate gain	5,368	0
Total financial income	5,769	240
Financial expenses		
Currency exchange rate loss	-4,974	-1,701
Interest	-22	-13
Other		-3,293
Total financial costs	-4,996	-5,007
	773	-4,767

6.

Income tax expense

Recognised in the income statement

In thousand of Litas	2006	2005
Current tax expense	-1,908	0
Deferred tax expense	-202	-2,973
Total income tax expense in income statement	-2,110	-2,973

Deferred tax liabilities arise due to a difference in the carrying amounts of property, plant and equipment for financial and tax purposes. Deferred tax assets arise due to the availability of taxable losses carried forward (see note 15).

Reconciliation of effective tax rate

In thousand of Litas	2006	2005
Profit before taxation	11,711	18,368
Profit tax using tax rate defined by Profit tax law	19% 2,225	15% 2,755
Tax effect of non-deductable expenses	12% 1,384	6% 1,117
Tax effect of non-taxable income	-10% -1,199	-6% -1,014
Effect of tax rate change	-3% -300	1% 115
	2,110	2,973

A new provisional Law on Social Tax came into effect, which will be valid only from 1 January 2006 to 31 December 2007. According to the law, social tax payers are defined as entities that are obliged to pay profit tax according to the Law of Profit Tax. The taxable base for this additional tax is taxable profit defined in the Law of Profit Tax. The tax rate is 4% in 2006 and 3% in 2007. In such a case, generally the taxable profit is subject to 19% rate for 2006 and shall be subject to 18% rate for 2007.

7.

Property, plant and equipment	Land and buildings	Vessels and cars	Other assets	Under construction, advance payments	Total
In thousand of Lit					
Cost					
Balance at 1 January 2005	4,204	162,747	908	3,180	171,039
Acquisitions		53,425	123	0	53,548
Disposals		-26,413	-56	-3,180	-29,649
Balance at 31 December 2005	4,204	189,759	975	0	194,938
Balance at 1 January 2006	4,204	189,759	975	0	194,938
Acquisitions	400	57,819	175	3,108	61,502
Disposals	-1,706	-12,098	-152	0	-13,956
Balance at 31 December 2006	2,898	235,480	998	3,108	242,484
Depreciation and impairment losses					
Balance at 1 January 2005	1,487	49,793	589	0	51,869
Depreciation charge for the year	96	12,129	154	0	12,379
Disposals	0	-15,167	-42	0	-15,209
Balance at 31 December 2005	1,583	46,755	701	0	49,039
Balance at 1 January 2006	1,583	46,755	701	0	49,039
Depreciation charge for the year	93	16,573	159	0	16,825
Disposals	-759	-8,485	-145	0	-9,389
Balance at 31 December 2006	917	54,843	715	0	56,475
Carrying amounts					
At 1 January 2005	2,717	112,954	319	3,180	119,170
At 31 December 2005	2,621	143,004	274	0	145,899
At 1 January 2006	2,621	143,004	274	0	145,899
At 31 December 2006	1,981	180,637	283	3,108	186,009

In column Under construction, advance payments reflects the 3,180 tLTL advance payment for acquired ship in 2007.

Security

As at 31 December 2006, ships with the carrying amount of 132,749 tLTL are pledged to secure bank loans (see note 14).

Leased transport vehicles

The Company leases several transport vehicles under finance lease agreements. At 31 December 2006, the net book value of the leased assets was 5 tLTL (2005:7 tLTL). Lease obligations are secured by the leased assets (see Note 14).

Depreciation

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

In thousand of Lit	2006	2005
Cost of sales	16,612	12,140
Other operating expenses	213	239
Total	16,825	12,379

8.

Intangible assets

In thousand of Litas	Software	Total
Cost		
Balance at 1 January 2005	135	135
Acquisitions	75	75
Balance at 31 December 2005	210	210
Balance at 1 January 2006	210	210
Acquisitions	40	40
Disposals	-3	-3
Balance at 31 December 2006	247	247
Amortisation and impairment losses		
Balance at 1 January 2005	33	33
Amortisation for the year	55	55
Balance at 31 December 2005	88	88
Balance at 1 January 2006	88	88
Amortisation for the year	66	66
Disposals	-3	-3
Balance at 31 December 2006	151	151
Carrying amounts		
At 1 January 2005	102	102
At 31 December 2005	122	122
At 1 January 2006	122	122
At 31 December 2006	96	96

9.

Investments

In thousands of Litas	2006	2005
Available-for-sale investments	331	331
Total	331	331

Available-for-sale investments include 20% of the shares of Alpha Reefer Transport GmbH. Alpha Reefer Transport GmbH is the company, through which Limarko Shipping Company AB earns pool revenue.

Although the Company has 20% investment in Alpha Reefer Transport GmbH, it does not have representation in the Board and management and, therefore, does not exercise significant influence. Accordingly, it is not treated as an associated entity under IFRS.

10.**Inventories**

In thousand of Lit	2006	2005
Raw materials and consumables	191	70
Fuel	2,472	2,202
Lubricating oil	871	806
Total	3,534	3,078
Allowance for slow moving inventory	-70	-70
Subtotal	3,464	3,008

11.**Receivable**

In thousand of Lit	2006	2005
Trade receivable	7,240	6,083
Prepayments	310	5,347
Deferred expenses	2,482	2,286
Other receivable	407	250
Total	10,439	13,966

42

The majority of deferred expenses comprise prepaid insurance expenses.

12.**Cash and cash equivalents**

In thousand of Lit	2006	2005
Bank balances	7,723	5,524
Cash in hand	81	52
Total	7,804	5,576

As at 31 December 2006 the Company has 2,904 thousand USD in the current account and as cash in hand.

13.

Share capital

As at 31 December 2006, the authorised share capital, issued and fully paid, comprised 109,450,664 ordinary shares at a par value of Litas 1 each.

Holders of ordinary shares are entitled to one vote per share in the meeting of the Company and are entitled to receive dividends as declared from time to time and to residual assets.

The shareholders at the balance sheet date were as follows:

	Ordinary shares	Ownership %
Limarko UAB	99,671,379	91.0
Other minority shareholders	9,779,285	9.0
Total	109,450,664	100.0

The shares are listed in Vilnius Stock Exchange.

Legal reserves

Under Lithuanian legislation, an annual allocation to the legal reserve should amount to at least 5% of the net profit until the reserve makes up 10% of the share capital. The reserve cannot be distributed.

Earnings per share

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

	2006	2005
Average weighted number of shares in issue	109,450,664	109,450,604
Net result for the year, in thousand Litas	9,601	15,395
Earning per share, in Litas	0.09	0.14

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

14.

Interest-bearing loans and borrowings

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

Lending institution	Ref	Principal amount	Balance at 2006 12 31	Balance at 2005 12 31
AB "SEB Vilniaus bankas"	a)	5,600 tUSD	10,521	13,969
AB "SEB Vilniaus bankas"	b)	6,000 tEUR	18,127	20,717
AB "SEB Vilniaus bankas"	c)	6,200 tUSD	13,941	18,043
AB "Hansabankas"	d)	16,281 tUSD	36,723	
"Nordea Finance Leasing"	e)		5	76
Total liabilities			79,317	52,805
Less: current portion			-13,168	-7,608
Total long term portion of net liabilities			66,149	45,197

Interest rates for the loans are variable and relate to LIBOR, varying from LIBOR+0.8% to LIBOR+1.35%.

a) The loan was received to finance the acquisition of the vessel "Andromeda". The loan should be repaid by 31 December 2011 in quarterly payments. The loan is secured by pledging the vessel "Andromeda".

b) The loan was received to finance the acquisition of the vessel "Serenada". The loan should be repaid by 11 August 2012 in quarterly payments. The loan is secured by pledging the vessel "Serenada".

c) The loan was received to finance the acquisition of the vessel "Libra". The loan should be repaid by 23 October 2012 in quarterly payments. The loan is secured by pledging the vessel "Libra".

d) The loan was received to finance the acquisition of the vessels "Pluto" and "Uranus". The loan should be repaid by 3 January 2013 in quarterly payments. The loan is secured by pledging the vessels "Pluto", "Uranus" and "Astra".

e) Liabilities to Nordea Finance Leasing comprise leasing of one transport vehicle. The effective interest rate for the period was between 4% and 6% per annum.

Finance lease liabilities

Finance lease liabilities are payable as follows:

In thousands of Lit	Minimum lease payments			Minimum lease payments		
	Interest	Principal	Interest	Principal	Interest	Principal
	2006	2006	2006	2005	2005	2005
Less than one year	5	0	5	72	1	71
Between one and five years				5	0	5
More than five years						
TOTAL	5	0	5	77	1	76

Terms of the lease agreements do not include any contingent rent payment.

15.

Deferred tax assets and liabilities

Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following items calculated at a rate of 18% (2005: 19%):

In thousands of Litas	Assets		Liabilities		Net	
	2006	2005	2006	2005	2006	2005
Property, plant and equipment	0	0	6,505	6,794	6,505	6,794
Tax value of tax loss carry-forwards recognised	0	-583	0	0	0	-583
Provisions	-105	-13	0	0	-105	-13
Tax (assets) / liabilities	-105	-596	6,505	6,794	6,400	6,198

The difference in tax and financial values of property, plant and equipment arose due to faster depreciation for tax purposes. Moreover, dry docking repair costs are capitalised and depreciated over a period of 3 years in the financial statements. However, for calculation of the taxable income the dry docking costs are expensed in the period of acquisition.

16.

Trade and other payables

In thousands of Litas	2006	2005
Trade payable	6,046	6,105
Amounts received in advance	924	0
Remuneration payable	3,177	2,499
Other payable	1,944	587
Total	12,091	9,191

17.

Financial instruments

Exposure to credit, interest rate and currency risks arises in the normal course of the company's business.

Credit risk

Management has a credit policy in place, and the exposure to credit risk is monitored on an ongoing basis. At the balance sheet date, there were no significant concentrations of credit risk.

Foreign exchange risk

The Company is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than Litas or euro (Lithuanian Litas is linked to euro at a fixed rate equal 3.4528 LTL / EUR).

As at 31 December 2006, the Company held the following position in foreign currencies:

	USD	RUB	EUR	GBP	DKK	JPY	SEK	ZAR	NOK	SGD	LTL
Prepayments	10,000	610,000	19,167			2,967,985					90,835
Trade amounts receivable	2,660,129		67,438								9,866
Other amounts receivable	48,109		22,010	42							146,460
Current account	2,895,167		6,521								84,879
Cash	8,723		7,320								32,696
Financial liabilities	-23,262,773		-5,250,000								
Trade payables	-1,240,954		-530,249	-18,234	-41,653	-8,088,106	-60,419	-304,714	-4,305	-9,273	-521,320
Amounts received in advance	-325,967		-19,156								
Total	-19,207,567	610,000	-5,676,949	-18,192	-41,653	-5,120,121	-60,419	-304,714	-4,305	-9,273	-156,585

The position in foreign currencies is translated into Litas at the exchange rate ruling at the balance sheet date.

Interest rate risk

Company's financial liabilities are subject to variable interest rates, related to LIBOR varying from LIBOR+0.8% to LIBOR+1.35%.

18.

Contingencies and capital commitments

At 27 December 2006, at the Extraordinary General Meeting the shareholders of Limarko Shipping Company AB decided to approve the purchase of bareboat chartered motor vessel "Siuita". The purchase agreement was concluded on 22 March 2007.

19.

Related parties

Limarko Shipping Company AB is a subsidiary of Limarko UAB, which owns 91.07% of the share capital.

Limarko Maritime Agency UAB is a subsidiary of Limarko UAB too.

Related party transactions are as follows:

In thousands of Litas	31 December 2006			31 December 2005		
	Receivable	Payable	Advance payment	Receivable	Payable	Advance payment
Limarko UAB	0	37	3,108	0	0	0
Limarko Maritime Agency UAB	0		0	0	0	0
Total	0	37	3,108	0	0	0

In thousands of Lit	Year 2006		Year 2005	
	Sales	Purchases	Sales	Purchases
Limarko UAB	1	4,804	629	5,232
Limarko Maritime Agency UAB	16	266		
Total	17	5,070	629	5,232

Remuneration to management is included in "staff costs" of administrative expenses (see note 4):

In thousands of Lit	2006	2005
Management remuneration	1,056	1,189
	1,056	1,189

Loans outstanding, granted to the management, are recorded as long-term receivable and are as follows:

In thousands of Lit	2006	2005
Loans to management	49	75
	49	75

All related party transactions are carried out on an arm's-length basis.

20.

Subsequent events

On 9th of February 2007 Limarko Shipping Company AB has completed the purchase of the m/v Capella. The vessel was built in Japan in 1993. Its maximum performing speed is 18 knots, 134 m in length vessel and is capable of carrying 3,450 standard euro-pallets. The m/v Capella can carry fruits, vegetables, frozen or perishable food products. The acquisition of the vessel was financed by AB Bankas Hansabankas. The loan amounts to 11 284 tUSD and should be repaid by 31 December 2013.

21.

Segment reporting

The Company operates exclusively in the international shipping market and accordingly neither geographical or business segment reporting is appropriate. Revenue from reefer vessels comprises more than 91.5% of the total revenue in 2006. The revenue split is presented in note 1.

Summary in Lithuanian

48





2006 METŲ ĮVYKIAI

2006 m. sausio 5 d. AB „Limarko laivininkystės kompanija“ įsigijo motorlaivį „Uranus“ (talpa 342 707 kubinės pėdos).

2006 m. sausio 13 d. AB „Limarko laivininkystės kompanija“ įsigijo motorlaivį „Pluto“ (talpa 344 216 kubinių pėdų). 2006 metais bendros kompanijos investicijos į laivyno atnaujinimą sudarė 61 mln. litų.

2006 m. liepos 5 d. AB „Limarko laivininkystės kompanija“ sėkmingai pardavė seniausią laivyno motorlaivį „Orionas“ (talpa 130 285 kubinės pėdos).

2006 m. gruodžio 18 d. OMX Vilniaus, Talino ir Rygos vertybinių popierių biržoms kartu įvertinus Baltijos vertybinių popierių rinką, AB „Limarko laivininkystės kompanija“ buvo nominuota tarp trijų geriausiai informaciją rinkai atskleidusių Vilniaus biržos bendrovių.

2006 m. gruodžio 27 d. AB „Limarko laivininkystės kompanija“ valdybos nariu buvo paskirtas „Limarko UK Limited“ direktorius Paul Lawrence. Jis pakeitė AB „Limarko laivininkystės kompanija“ finansų direktorių Renaldą Vyšniauską.

2006 m. gruodžio 31 d. AB „Limarko laivininkystės kompanija“ dirbo 430 darbuotojų: 390 laivyne ir 40 krante.



LAIŠKAS AKCININKAMS

2006 metai tapo AB „Limarko laivininkystės kompanija“ laivyno tolesnės modernizacijos ir plėtros metais.

Sausio mėnesį buvo užbaigtas dviejų vienatiپی motorlaivių „Uranus“ ir „Pluto“ įsigijimo sandoris, o vasarą sėkmingai parduotas motorlaivis „Orionas“. Atliktos investicijos leido ženkliai padidinti įmonės valdomo refrižeratorinio laivyno tonažą, dar labiau sustiprinant bendrovės pozicijas refrižeratorinių laivų segmente. Įmonės valdyba yra patvirtinusi kompanijos laivyno atnaujinimo ir plėtros strategiją iki 2010 metų, kuria vadovaujantis bus planuojamos ir įgyvendinamos tolesnės kompanijos investicijos. Numatoma, kad 2007 metais bendros investicijos į laivyno modernizavimą sudarys 70 mln. litų ir gerokai viršys 2006 metų lygį. Esant palankioms sąlygoms laivų įsigijimui, 2007 metais planuojama įsigyti 3-4 modernius motorlaivius, investuojant tiek į laivus-refrižeratorius, tiek ir į sausakrūvius arba konteinerinius laivus.

Šiuo metu pasaulinėje temperatūrinio režimo reikalaujančių krovinų pervežimo rinkoje vyrauja laivų savininkams palankios tendencijos. Vaisių, daržovių, šaldytų ir atšaldytų maisto produktų pervežimų rinka kasmet auga vidutiniškai 4 proc., tuo tarpu tarptautinėje rinkoje dirbančių refrižeratorinių laivų skaičius praktiškai nekinta. Rinkos ekspertai prognozuoja, kad šis laivų savininkams palankus laivų-refrižeratorių pasiūlos ir paklausos santykis išliks artimiausius keletą metų, nes dėl didelio laivų statyklų užimtumo naujų refrižeratorinių laivų statyba visame pasaulyje yra labai ribota iki pat 2010 metų.

Sėkmingos investicijos tiesiogiai įtakojo teigiamus kompanijos veiklos rezultatus – 31 proc. padidėjusią apyvartą, 9,6 mln. litų siekusį grynąjį pelną, 14 proc. išaugusį pervežtų krovinų kiekį. 2006 metų pabaigoje kritusios kuro kainos, palankios gamtinės sąlygos ir teigiamos rinkos tendencijos leidžia pozityviai vertinti ateinančius metus. Planuojame, kad 2007 metais įmonės apyvarta išaugs daugiau kaip 20 proc. ir sieks 140 mln. litų, o nuoseklios investicijos į laivyno plėtrą leis dar labiau sustiprinti įmonės pozicijas laivų-refrižeratorių ir sausakrūvių laivų segmentuose.

Tradicškai daug dėmesio buvo skirta bendrovės darbuotojų kvalifikacijos kėlimui. Gruodžio mėnesį sėkmingai baigtas daugiau kaip metus trukęs intensyvių anglų kalbos mokymų projektas, kurio metu Lietuvos laivų savininkų asociacijos organizuojamuose kursuose dalyvavo 170 „Limarko Grupės“ darbuotojų – 126 jūrininkai ir 44 administracijos darbuotojai. Pratęstas konstruktyvus bendradarbiavimas su darbuotojų profesine sąjunga. Įgyvendinant nuoseklią darbuotojų motyvavimo programą, nuo 2007 metų pradžios bus padidinti atlyginimai visiems kompanijos laivyne dirbantiems jūrininkams ir įvesta TIARA motyvacinė sistema administracijos darbuotojams. AB „Limarko laivininkystės kompanija“ valdyba patvirtino naują, optimalų bendrovės valdymą užtikrinsiančią, organizacinę struktūrą. Kaip ir kasmet, Klaipėdos jūros šventės metu vyko tradicinis visų „Limarko Grupės“ darbuotojų sąskrydis.

2006 metais AB „Limarko laivininkystės kompanija“ pratęsė mecenavimo tradicijas, paremdama jachtos „Lietuva“ dalyvavimą regatoje „The Tall Ships' Races 2006“, muziejaus įrengimą kapitono L. Stulpino mokykloje, tradicškai rėmė Klaipėdos pilies džiaz festivalį ir Klaipėdos irklavimo mokyklą. „Limarko Grupė“ buvo spalio mėnesį Lietuvos publikai pristatyto išskirtinio projekto, G. Puccini operos „Bohema“, viena pagrindinių rėmėjų. Išlikdama socialiai atsakinga bendrove, įmonė toliau remia neįgaliųjų vaikų klasę M. Mažvydo vidurinėje mokykloje.

Džiugu, kad bendrovės nuostata dirbti skaidriai buvo įvertinta tarptautiniu mastu: OMX Vilniaus, Talino ir Rygos biržoms kartu įvertinus Baltijos vertybinių popierių rinką, AB „Limarko laivininkystės kompanija“ buvo nominuota tarp trijų geriausiai informaciją rinkai atskleidusių Vilniaus biržos bendrovių. Neabejojame, kad skaidri veikla, profesionali ir moderni vadyba yra sėkmingos AB „Limarko laivininkystės kompanija“ veiklos pagrindas, lemiantis tvirtas bendrovės pozicijas pasaulinėje laivybos rinkoje.

Vytautas Lygnugaris

Prezidentas

AB „Limarko laivininkystės kompanija“



KOMPAIJOS VEIKLA

AB „Limarko laivininkystės kompanija“ finansiniai rezultatai

LTL	2006	2005	2004
Pajamos	115 673 241	88 290 584	62 208 038
EBITDA	22 991 925	28 865 526	15 361 930
<i>EBITDA marža</i>	19,9%	32,7%	24,7%
EBIT	6 101 325	16 430 932	2 512 677
<i>EBIT marža</i>	5,3%	18,6%	4,0%
Grynasis pelnas (nuostolis)	9 601 256	15 395 273	5 373 595
<i>Grynojo pelno (nuostolio) marža</i>	8,3%	17,4%	8,6%
Savininkų nuosavybė	110 384 776	100 783 519	85 388 246
Turtas	208 191 933	168 977 753	134 729 676
Rentabilumo rodikliai:			
Turto grąža	4,6%	9,1%	4,0%
Nuosavybės grąža	8,7%	15,3%	6,3%
Investicijų grąža	5,1%	10,0%	4,3%

Veikla

Pagrindinė AB „Limarko laivininkystės kompanija“ veikla – krovinių pervežimas vandens (jūros) transportu. Bendrovė tradiciškai daugiausia dirba temperatūrinio režimo reikalaujančių krovinių pervežimo rinkoje. 2004 metais AB „Limarko laivininkystės kompanija“ papildomai pradėjo dirbti sausakrūvių jūrinių krovinių pervežimo rinkoje, o 2005 metais įžengė ir į konteinerinių laivų segmentą.

2006 metų veiklos rezultatai

AB „Limarko laivininkystės kompanija“ pajamos 2006 metais siekė 115,7 mln. litų, o grynasis ikimokestinis pelnas sudarė 9,6 mln. litų. 2006 metais AB „Limarko laivininkystės kompanija“ iš viso pervežė 643 tūkst. tonų krovinių (14 proc. daugiau nei 2005 metais).



Rinkos ir veiklos apžvalga

AB „Limarko laivininkystės kompanija“ laivai dirba pasaulinėje jūrinių krovinių pervežimų rinkoje, jos teikiamų paslaugų kokybė atitinka tarptautinius standartus. Kompanija nėra priklausoma nuo monopolinių vartotojų, o jos paslaugų realizacijos apimtys priklauso nuo situacijos tarptautinėje rinkoje. Galimybės apsirūpinti žaliavomis, komplektavimo dalimis, gamybiniais plotais, darbo jėga ir finansiniais ištekliais nėra apribotos. Žaliavas ir paslaugas perkant iš įvairių tiekėjų, bendrovė nėra priklausoma nuo konkrečių verslo partnerių.

Laivyno plėtra

Tęsiant nuoseklų įmonės laivyno modernizavimą ir atnaujinimą, 2006 metais AB „Limarko laivininkystės kompanija“ sėkmingai pardavė seniausią laivyno motorlaivį „Orionas“ bei įsigijo du didelius vienatipius motorlaivius – „Uranus“ (pastatytas 1989 metais) ir „Pluto“ (pastatytas 1988 metais).

Šiuo metu AB „Limarko laivininkystės kompanija“ laivyną sudaro šešiolika laivų, įskaitant vieną sausakrūvį ir vieną konteinerinį laivą. 2006 metų pabaigoje bendras kompanijos reфриeratorinio laivyno tonažas viršijo 3,5 mln. kubinių pėdų.

Akcinis kapitalas

AB „Limarko laivininkystės kompanija“ įstatinis kapitalas yra 109 450 664 litai. Jį sudaro 109 450 664 paprastosios vardinės 1 lito nominaliosios vertės akcijos. AB „Limarko laivininkystės kompanija“ akcijos kotiruojamos Vilniaus vertybinių popierių biržoje.

Akininkai

Didžiausiais AB „Limarko laivininkystės kompanija“ akininkais yra UAB „Limarko“ (91,07%). „Skandinaviska Enskilda Banken“ klientams priklauso 5,78%, kitiems akininkams – 3,15% bendrovės akcinio kapitalo.

Valdyba

2006 metų gruodžio mėnesį patvirtinta nauja AB „Limarko laivininkystės kompanija“ valdyba: Vytautas Lygnugaris (AB „Limarko laivininkystės kompanija“ prezidentas; valdybos pirmininkas), Igoris Uba (UAB „Limarko jūrų agentūra“ generalinis direktorius), Paul Lawrence („Limarko (UK) Limited“ direktorius), Egidijus Bernotas (advokatų kontoros „Bernotas & Dominas Glimstedt“ partneris) ir Sigitas Baltuška (konsultacinės kompanijos „GCI Vilnius“ asocijuotas direktorius).

Veiklos prognozė 2007 metams

2007 metais AB „Limarko laivininkystės kompanija“ planuoja pasiekti 140 milijonų litų metinę apyvartą (20 proc. daugiau nei 2006 metais). Bendrovė tęs nuoseklų laivyno atnaujinimo ir plėtros programos įgyvendinimą, toliau stiprindama įmonės pozicijas reфриeratorių ir sausakrūvių krovinių rinkose. AB „Limarko laivininkystės kompanija“ 2007 metais įmonės laivyno modernizavimui numato skirti apie 70 mln. litų, taip gerokai viršydama 2006 metų investicijų lygį.







LIMARKO SHIPPING COMPANY AB

Naujoji Uosto str. 8

LT-92125 Klaipeda, Lithuania

Tel: +370 46 340001

Fax: +370 46 341195

info@limarkoshipco.lt

www.limarko.lt