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Blue Water Shipping A/S

Central Business Registration No: 40 51 66 11

Annual report 2005

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This document is an unauthorised translation of the Danish original. In the event of any inconsistencies the Danish version shall apply.

Company details

Company

Blue Water Shipping A/S

Trafikhavnskaj 11

6700 Esbjerg

Central Business Registration No: 40 51 66 11

Registered in: Esbjerg

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Website: www.bws.dk

E-mail: bwsebj@bws.dk

Supervisory Board

Kurt Skov, chairman

Niels Kaalund

Morten Petersen

Michael Honoré

Executive Board

Carsten Eskildsen

Company auditors

Deloitte Statsautoriseret Revisionsaktieselskab

The Annual General Meeting adopted the annual report on

Chairman

Management's statement on the annual report

We have today presented the annual report of Blue Water Shipping A/S for 2005.

The annual report has been presented in accordance with the Danish Financial Statements Act. We consider the applied accounting policies appropriate for the annual report to provide a true and fair view of the Group's and the Parent company's assets, equity and liabilities, financial position, and results as well as of the consolidated cash flows.

We recommend the annual report for adoption at the Annual General Meeting.

Esbjerg, May 10, 2006

Executive Board

Carsten Eskildsen

Supervisory Board

Kurt Skov
Chairman

Niels Kaalund

Morten Petersen

Michael Honoré

Auditors' report

To the shareholders of Blue Water Shipping A/S

We have audited the annual report of Blue Water Shipping A/S for the financial year 2005, prepared in accordance with the Danish Financial Statements Act.

The annual report is the responsibility of the Company's Management. Our responsibility is to express an opinion on the annual report based on our audit.

Basis of opinion

We conducted our audit in accordance with Danish Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual report. An audit also includes assessing the accounting policies used and significant estimates made by the Management, as well as evaluating the overall annual report presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not resulted in any qualification.

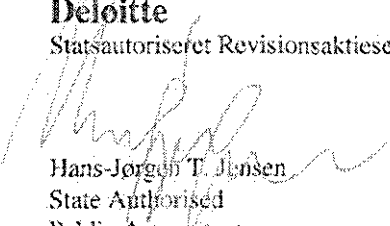
Opinion

In our opinion, the annual report gives a true and fair view of the Group's and the Parent Company's financial position at 31.12.2005 and of the results of their operations as well as the consolidated cash flows for the financial year 2005 in accordance with the Danish Financial Statements Act.


Esbjerg, May 10, 2006

Deloitte

Statsautoriseret Revisionsaktieselskab



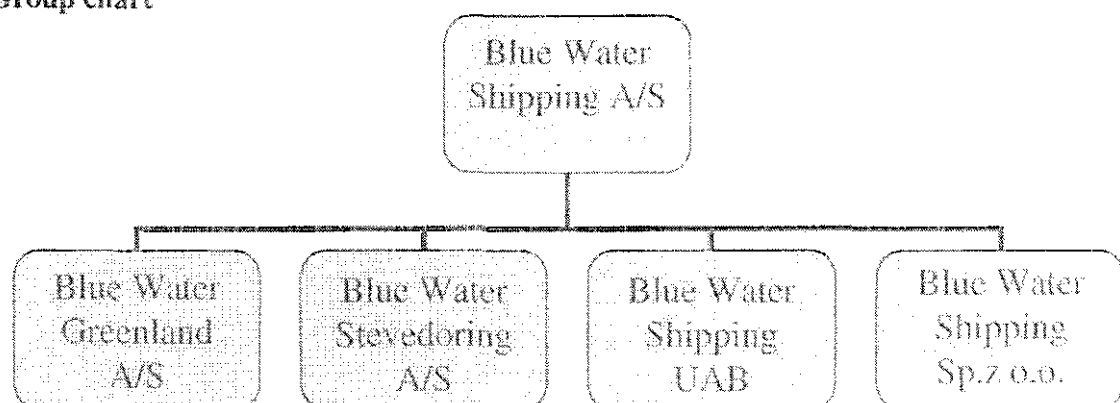
Hans-Jørgen T. Jensen
State Authorised
Public Accountant



Peder R. Pedersen
State Authorised
Public Accountant

Management's review

Group chart



	2005 DKK'000	2004 DKK'000	2003 DKK'000	2002 DKK'000	2001 DKK'000
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Group financial highlights

Key figures

Gross profit	189.220	167.471	123.828	150.022	138.323
Operating profit/loss	8.907	10.013	13.991	13.096	7.346
Net financials	301	(79)	(1.830)	(2.132)	(3.472)
Profit/loss before tax	9.176	10.081	12.299	11.605	4.042
Net profit/loss for the year	5.712	6.597	8.309	8.177	2.492
Trade receivables	132.470	106.632	83.437	75.634	89.635
Equity	33.520	27.808	29.211	30.902	30.528
Balance sheet total	212.990	175.989	153.789	144.716	194.371
Investments in property, plant and equipment	5.986	8.917	2.680	3.862	5.210

Ratios

Profit margin (%)	4,7	6,0	11,3	8,7	5,2
Return on assets (%)	4,2	5,7	9,1	9,0	3,7
Return on equity (%)	18,6	23,1	27,6	26,6	8,5
Equity ratio (%)	15,7	15,8	19,0	21,4	15,7

There has been restructuring at 31.12.2002 and 31.12.2003 which has resulted in transferring of activities to/from other companies in the Blue Water Group.

Management's review

Primary activity

The company's and Group's activities comprise transport arrangement of industrial cargo by road, sea and air including short and long-term warehouse arrangements as well as cargo handling.

Development in activities and finances

2005 was a satisfactory year for Blue Water Shipping A/S as the result of the year was a profit of DKK 5.712k - compared to a profit of DKK 6.597k in 2004.

At the end of the year, the equity amounts to DKK 33.520k.

Particular risks

Operating risks

The Group's financial development is influenced by the total amount of cargo assigned for transport within the Danish industry.

Financial exposure

The Group is in consequence of its activities exposed to changes in exchange rates.

Currency exposure

The greater part of the Group's turnover is in Euro dependent currencies or in Danish kroner.

Credit risks

The Group has no essential risks regarding one single client or co-operation partner. The Group pursues a strict credit policy which ensures that potential losses are discovered before they assume a considerable size.

Cash flow

Central control of capital procurement and placement of excess liquidity – by the parent company Blue Water Holding A/S in so far as it answers purpose – is part of the Group's policy. Furthermore the Group has liquidity measures in the shape of excess liquidity and credits which at any time must be available for the company/Group.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which influence the evaluation of this annual report.

Management's review

Outlook

The Management expects a continued progress for the Group -- both in respect of turnover and result for next year. The expectation is partly based on expected growth in the cargo volume and partly on a continuous effectivization process.

The company expects to have a positive liquidity in 2006 and investments are expected to be at the same level as in 2005.

Foreign branches

2 offices in England

Accounting policies

This annual report has been prepared in accordance with the Danish Financial Statements Act governing reporting class C enterprises (medium-size).

The accounting policies applied for this annual report are consistent with those applied last year.

Consolidated financial statements

The consolidated financial statements comprise Blue Water Shipping A/S (Parent) and the group enterprises (subsidiaries) that are controlled by the Parent, see group chart on page 4. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Blue Water Shipping A/S and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation intra-group income and expenses, intra-group accounts as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated using the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Fixed assets purchased in foreign currencies are translated using historical rates.

Income statement

Net turnover

The net turnover is included exclusive of VAT and discounts in connection with the sale. Invoiced sale includes allowance for both services as well as outlays. In the opinion of the Management statement of invoiced sale as turnover will not give a true and fair view of the company's business volume. We have therefore cho

Accounting policies

sen in the accounts only to state the forwarding profit which is calculated as invoiced turnover less outlays and direct related expenses.

Accounting profit of a forwarding job is booked as income at the time when the transport of the shipment in question starts.

Expenses

Expenses comprise expenses to sale, advertising, administration, facilities, bad debts etc.

Staff expenses

Staff expenses comprise wages and salaries as well as social insurance expenses and employers' contributions, pensions etc. to the company's staff.

Financial income and expenses

These items comprise interest income and expenses, as well as, realised and unrealised capital gains and losses on payables and transactions in foreign currencies.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit/loss for the year, and recognised directly on equity by the portion attributable to entries directly on equity.

The current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities. The tax-based value of the assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carry-forward, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

The Company is jointly taxed with the Parent. The current Danish income tax is allocated among the jointly taxed Danish companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Accounting policies

Balance sheet

Goodwill

Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by the Management for each business area. The period of amortisation is usually 5 years, however, it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer period of amortisation is considered to give a better reflection of the Group's benefit from the relevant resources.

The carrying amount of goodwill is assessed currently and written down to recoverable amount if the carrying amount exceeds the estimated future net income from the enterprise or activity to which the goodwill is related.

Property, plant and equipment

Buildings, other fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	25 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

Assets costing less than DKK 11k per unit are recognised as costs in the income statement at the time of acquisition.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Profits or losses are recognised in the income statement together with depreciation and impairment losses.

Accounting policies

Investments in subsidiaries, associates and other companies.

Investments in subsidiaries, associates and other companies, where the activity matches the primary activities of the parent company, are recognised and measured under the equity method. This means that in the balance sheet investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised positive, or negative, goodwill on consolidation and plus or minus unrealised intra-group profits or losses.

The Parent's share of the enterprises' profits or losses after elimination of unrealised intra-group profits and losses and minus or plus amortisation of positive, or negative, goodwill on consolidation is recognised in the income statement.

Net revaluation of investments in subsidiaries and associates is taken to reserve for net revaluation under the equity method if the carrying amount exceeds cost.

Deposits

Deposits are recorded at costs.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less provisions for bad debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at amortised cost, which usually corresponds to the nominal value.

Dividend

Dividends are recognised as a liability at the time of adoption at the general meeting. The proposed dividends for the financial year are disclosed as a separate item under equity.

Mortgage debt

At the time of borrowing, mortgage debt is measured at cost, which corresponds to the proceeds received less transaction costs incurred. It is subsequently measured at amortised cost, which corresponds to the capitalised value applying the effective interest method.

Lease commitments

Lease commitments relating to assets held under finance leases are recognised in the balance sheet under liabilities other than provisions, and are measured at amortised cost after initial recognition. The interest portion of lease payments is recognised over the term of the contracts as financial costs in the income statement.

Other financial liabilities

Other financial liabilities are recognised at amortised cost, which usually corresponds to nominal value.

Accounting policies

Cash flow statement

The cash flow statement of the Group is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the Group's cash and cash equivalents at the beginning and the end of the financial year. No separate cash flow statement has been prepared for the Parent because it is included in the consolidated cash flow statement.

Cash flows from acquisition and divestment of enterprises are shown separately under cash flows from investing activities. Cash flows to acquired enterprises are recognised in the cash flow statement from the time of their acquisition, and cash flows from divested enterprises are recognised up to the time of sale.

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises and activities as well as purchase and sale of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, instalments on interest-bearing debt and payment of dividends.

Cash and cash equivalents comprise cash less short-term bank debt.

Ratios

The ratios have been compiled in accordance with "Anbefalinger & Nøgletal 1997" (Recommendations & Ratios 1997) issued by the Danish Society of Financial Analysts.

Profit margin	=	$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$
Return on assets	=	$\frac{\text{Operating profit/loss} \times 100}{\text{Balance sheet total}}$
Return on equity	=	$\frac{\text{Net profit/loss for the year} \times 100}{\text{Average equity}}$
Equity ratio	=	$\frac{\text{Equity} \times 100}{\text{Balance sheet total}}$

Income statement for 2005

Parent				Group	
2004	2005			2005	2004
DKK'000	DKK'000		Notes	DKK'000	DKK'000
154.546	175.471	Net turnover	1	189.220	167.471
(54.527)	(60.250)	Other external expenses		(66.643)	(58.268)
(90.646)	(102.601)	Staff expenses	2	(109.362)	(95.646)
(3.088)	(3.650)	Depreciations etc.	3	(4.308)	(3.544)
6.285	8.970	Operating profit		8.907	10.013
3.513	(253)	Profit/loss before tax in group enterprises	4	0	0
71	(116)	Profit/loss before tax in associates	5	(116)	71
76	84	Profit/loss before tax in other companies	6	84	76
982	1.151	Financial income	7	1.081	912
(846)	(660)	Financial expenses	8	(780)	(991)
10.081	9.176	Profit before tax		9.176	10.081
(3.484)	(3.464)	Tax on profit for the year	9	(3.464)	(3.484)
6.597	5.712	Net profit for the year		5.712	6.597

Proposed distribution of profit

0	Dividends for the financial year
(2.344)	Transfer to reserve for net revaluation under the equity method
<u>8.056</u>	Retained earnings
5.712	

Balance sheet at 31.12.2005

Parent				Group	
2004	2005			2005	2004
DKK'000	DKK'000		Notes	DKK'000	DKK'000
450	0	Goodwill	10	0	450
450	0	Intangible assets		0	450
0	0	Buildings	11	5.531	5.681
6.985	8.309	Other fixtures and fittings, tools and equipment	11	10.440	8.394
1.745	1.389	Leasehold improvements	11	1.389	1.745
8.730	9.698	Property, plant and equipment		17.360	15.820
4.904	4.622	Investments in group enterprises	12	0	0
35	543	Investments in other companies	12	543	35
813	800	Deposits	13	800	813
5.752	5.965	Fixed asset investments		1.343	848
14.932	15.663	Fixed assets		18.703	17.118
100.848	125.267	Trade receivables		132.470	106.632
22.574	30.191	Receivables from group enterprises		23.735	17.973
2.443	0	Work in progress	17	0	2.375
718	1.029	Deferred tax assets	15	1	0
1.930	1.617	Other receivables		2.623	3.371
1.256	1.610	Accrued income and deferred expenses		1.668	1.289
129.769	159.714	Receivables		160.498	131.640
26.374	33.175	Cash		33.789	27.231
156.143	192.889	Current assets		194.287	158.871
171.075	208.552	Assets		212.990	175.989

Balance sheet at 31.12.2005

Parent			Group	
2004	2005		2005	2004
DKK'000	DKK'000		DKK'000	DKK'000
20.000	20.000	Share capital	20.000	20.000
3.267	923	Reserve for net revaluation according to the equity method	0	0
4.541	12.597	Retained earnings	13.520	7.808
0	0	Proposed dividends for the financial year	0	0
<u>27.808</u>	<u>33.520</u>	Equity	<u>33.520</u>	<u>27.808</u>
0	0	Deferred tax	0	171
<u>0</u>	<u>0</u>	Provisions	<u>0</u>	<u>171</u>
0	0	Mortgage debt	621	899
749	1.099	Lease commitments	1.099	838
187	187	Deposita	187	187
<u>936</u>	<u>1.286</u>	Long-term liabilities other than provisions	<u>1.907</u>	<u>1.924</u>
575	496	Current portion of long-term debt	883	994
425	2.252	Investments in group enterprises	0	0
47	163	Investments in associates	163	47
319	405	Bank debt	405	319
119.363	144.203	Trade payables	149.064	122.883
2.800	3.855	Group enterprises payable	2.649	404
0	42	Income taxes	42	248
5.876	3.390	Tax refund to parent company	3.754	6.887
0	5.086	Work in progress	4.600	0
12.926	13.854	Other payables	16.003	14.304
<u>142.331</u>	<u>173.746</u>	Short-term liabilities other than provisions	<u>177.563</u>	<u>146.086</u>
<u>143.267</u>	<u>175.032</u>	Liabilities other than provisions	<u>179.470</u>	<u>148.010</u>
<u>171.075</u>	<u>208.552</u>	Equity and liabilities	<u>212.990</u>	<u>175.989</u>
		Assets charged and contingent liabilities etc	18-19	
		Other notes	22-24	

Statement of changes in equity for 2005

	Group				
	Share capital	Net revalu- ation, equity method	Retained earnings	Proposed dividends for financial year	Total
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Equity at 31.12.2004	20.000	0	7.808	0	27.808
Dividends paid	0	0	0	0	0
Net profit/loss for the year	0	0	5.712	0	5.712
Equity at 31.12.2005	20.000	0	13.520	0	33.520

Statement of changes in equity for 2005

	Parent				
	Share capital	Net revalu- ation, equity method	Retained earnings	Proposed dividends for financial year	Total
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Equity at 31.12.2004	20.000	3.267	4.541	0	27.808
Dividends paid	0	0	0	0	0
Net profit/loss for the year	0	(2.344)	8.056	0	5.712
Equity at 31.12.2005	<u>20.000</u>	<u>923</u>	<u>12.597</u>	<u>0</u>	<u>33.520</u>

Cash flow statement for 2005

	Notes	Group	
		2005	2004
		DKK'000	DKK'000
Operating profit/loss		8.907	10.013
Depreciation and amortisation etc.	3	4.308	3.544
Working capital changes	20	5.757	5.920
		18.972	19.477
Interest income etc received		1.081	912
Interest expenses etc paid		(780)	(991)
Dividend		84	76
Income taxes paid		(6.958)	(35)
Cash flows from operating activities		12.399	19.439
Acquisition of property, plant and equipment		(5.986)	(8.917)
Sale of property, plant and equipment		593	975
Fixed asset investments		(530)	(21)
Fixed asset divestments		13	0
Cash flows from investing activities		(5.910)	(7.963)
Raise of long-term liabilities other than provisions		261	1.025
Instalments on long-term liabilities other than provisions		(278)	(2.038)
Instalments on subordinate loan capital		0	(7.014)
Dividends paid		0	(8.000)
Cash flows from financing activities		(17)	(16.027)
Increase/decrease in cash and cash equivalents		6.472	(4.551)
Cash and cash equivalents at 01.01.2005		26.912	31.463
Cash and cash equivalents at 31.12.2005	21	33.384	26.912

Notes

Parent			Group	
2004	2005		2005	2004
<u>DKK'000</u>	<u>DKK'000</u>		<u>DKK'000</u>	<u>DKK'000</u>
1. Net turnover				
154.546	175.471	Forwarding profit	189.220	167.471
<u>154.546</u>	<u>175.471</u>		<u>189.220</u>	<u>167.471</u>
2. Staff costs				
85.405	96.625	Wages and salaries	103.324	90.380
4.091	4.552	Pension contributions	4.552	4.091
1.150	1.424	Other social security costs	1.486	1.175
<u>90.646</u>	<u>102.601</u>		<u>109.362</u>	<u>95.646</u>
294	315	Average number of employees	335	313
3. Depreciation etc.				
600	450	Goodwill	450	600
370	486	Leasehold improvements	486	370
0	0	Buildings	150	149
2.420	2.867	Other fixtures and fittings, tools and equipment	3.405	2.772
(302)	(153)	Profit from sale of operating equipment	(183)	(347)
<u>3.088</u>	<u>3.650</u>		<u>4.308</u>	<u>3.544</u>

Notes

Parent			Group	
2004	2005		2005	2004
DKK'000	DKK'000		DKK'000	DKK'000
4. Profit/loss before tax in group enterprises				
3.513	(253)	Share of profit/loss before tax	0	0
<u>3.513</u>	<u>(253)</u>		<u>0</u>	<u>0</u>
5. Profit/loss before tax in associates				
71	(116)	Share of profit/loss before tax	(116)	71
<u>71</u>	<u>(116)</u>		<u>(116)</u>	<u>71</u>
6. Profit/loss before tax in other companies				
76	84	Share of profit/loss before tax	84	76
<u>76</u>	<u>84</u>		<u>84</u>	<u>76</u>
7. Financial income				
817	635	Interest from group enterprises	374	620
165	185	Other interests	388	292
0	331	Exchange adjustments	319	0
<u>982</u>	<u>1.151</u>		<u>1.081</u>	<u>912</u>
8. Financial expenses				
0	0	Interest and amortisation premium on mortgage debt	53	125
96	58	Interest portion of in lease payment	58	96
303	258	Other interests	298	310
223	344	Bank charges	371	236
224	0	Exchange adjustments	0	224
<u>846</u>	<u>660</u>		<u>780</u>	<u>991</u>

Notes

Parent			Group	
2004	2005		2005	2004
DKK'000	DKK'000		DKK'000	DKK'000
9. Tax on profit/loss for the year				
1.756	3.272	Current tax	3.636	2.619
405	(357)	Change of deferred tax	(218)	865
		Change of deferred tax in consequence of		
0	46	change of the rate of corporation tax from 30% to 28%	46	0
1.323	503	Share of Group enterprises' tax	0	0
<u>3.484</u>	<u>3.464</u>		<u>3.464</u>	<u>3.484</u>

Parent			Group	
Goodwill			Goodwill	
DKK'000			DKK'000	
10. Intangible assets				
7.657		Cost at 01.01.2005	12.305	
0		Additions	0	
0		Disposals	0	
<u>7.657</u>		Cost at 31.12.2005	<u>12.305</u>	
(7.207)		Depreciation at 01.01.2005	(11.855)	
(450)		Additions	(450)	
<u>(7.657)</u>		Depreciation at 31.12.2005	<u>(12.305)</u>	
<u>0</u>		Carrying amount at 31.12.2005	<u>0</u>	
450		Carrying amount at 31.12.2004	450	

Notes

	Group		
	Buildings	Other fixtures etc	Leasehold improve- ments
	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>
11. Property, plant and equipment			
Cost at 01.01.2005	6.486	18.451	2.715
Exchange adjustment	0	(3)	0
Additions	0	5.856	130
Disposals	0	(4.647)	0
Cost at 31.12.2005	<u>6.486</u>	<u>19.657</u>	<u>2.845</u>
Depreciation at 01.01.2005	(805)	(10.057)	(970)
Exchange adjustment	0	8	0
Additions	(150)	(3.405)	(486)
Disposals	0	4.237	0
Depreciation at 31.12.2005	<u>(955)</u>	<u>(9.217)</u>	<u>(1.456)</u>
Carrying amount at 31.12.2005	<u>5.531</u>	<u>10.440</u>	<u>1.389</u>
Carrying amount at 31.12.2004	<u>5.681</u>	<u>8.394</u>	<u>1.745</u>
The carrying amount at 31.12.2005 includes:			
Recognised leased assets	<u>0</u>	<u>1.559</u>	<u>0</u>

Notes

	Parent	
	Other fixtures etc DKK'000	Leasehold improve- ments DKK'000
11. Property, plant and equipment		
Cost at 01.01.2005	12.704	2.715
Exchange adjustment	(5)	0
Additions	4.598	130
Disposals	<u>(1.318)</u>	<u>0</u>
Cost at 31.12.2005	<u>15.979</u>	<u>2.845</u>
Depreciation at 01.01.2005	(5.719)	(970)
Exchange adjustment	8	0
Additions	(2.867)	(486)
Disposals	<u>908</u>	<u>0</u>
Depreciation at 31.12.2005	<u>(7.670)</u>	<u>(1.456)</u>
Carrying amount at 31.12.2005	<u>8.309</u>	<u>1.389</u>
Carrying amount at 31.12.2004	<u>6.985</u>	<u>1.745</u>
The carrying amount at 31.12.2005 includes:		
Recognised leased assets	<u>1.559</u>	<u>0</u>

Notes

	Group	
	Invest- ments in associates DKK'000	Invest- ments in other companies DKK'000
12. Fixed asset investments		
Cost at 01.01.2005	127	25
Additions	0	530
Disposals	0	0
Cost at 31.12.2005	127	555
Net revaluations 01.01.2005	(174)	10
Revaluations	0	(22)
Net share of profit/loss for the year	(116)	84
Dividends	0	(84)
Net revaluations 31.12.2005	(290)	(12)
Carrying amount at 31.12.2005	(163)	543
Carrying amount at 31.12.2004	(47)	35

	Share of owner- ship in %	Result after tax 2005	Equity 31.12 2005	Net book value 31.12 2005
Investment in associates :				
Fragtterminalen A/S, Kolding	33,33	(288)	(491)	(163)

Notes

	Parent		
	Invest- ments in group enterprises DKK'000	Invest- ments in associates DKK'000	Other companies DKK'000
12. Fixed asset investments			
Cost at 01.01.2005	1.048	127	25
Additions	97	0	530
Disposals	<u>0</u>	<u>0</u>	<u>0</u>
Cost at 31.12.2005	<u>1.145</u>	<u>127</u>	<u>555</u>
Net revaluations 01.01.2005	3.431	(174)	10
Revaluations	0	0	(22)
Net share of profit/loss for the year	(756)	(116)	84
Dividends	<u>(1.450)</u>	<u>0</u>	<u>(84)</u>
Net revaluations 31.12.2005	<u>1.225</u>	<u>(290)</u>	<u>(12)</u>
Carrying amount at 31.12.2005	<u>2.370</u>	<u>(163)</u>	<u>543</u>
Carrying amount at 31.12.2004	<u>4.479</u>	<u>(47)</u>	<u>35</u>

	Share of owner- ship in %	Result after tax 2005	Equity 31.12 2005	Net book value 31.12 2005
Group enterprises:				
Blue Water Stevedoring A/S, Esbjerg	100	936	1.451	1.451
Blue Water Greenland A/S, Nuuk, Greenland	100	232	3.171	3.171
Blue Water Shipping SP Z O.O., Warsaw, Poland	100	(162)	(65)	(65)
Blue Water Shipping UAB, Vilnius, Lithuania	100	<u>(1.762)</u>	<u>(2.187)</u>	<u>(2.187)</u>
		<u>(756)</u>	<u>2.370</u>	<u>2.370</u>
Associates :				
Fragtterminalen A/S, Kolding	33,33	<u>(288)</u>	<u>(491)</u>	<u>(163)</u>

Notes

Parent

Group

DKK'000DKK'000**13. Deposits**

813	Cost at 01.01.2005	813
0	Additions	0
<u>(13)</u>	Disposals	<u>(13)</u>
<u>800</u>	Cost at 31.12.2005	<u>800</u>
<u>800</u>	Carrying amount at 31.12.2005	<u>800</u>
<u>813</u>	Carrying amount at 31.12.2004	<u>813</u>

14. Share capital

The share capital consists of:

1 share at DKK 18.000k

1 share at DKK 1.900k

10 shares at DKK 10k

The shares have not been divided into classes.

Notes

Parent			Group	
2004	2005		2005	2004
DKK'000	DKK'000		DKK'000	DKK'000
15. Deferred tax				
(212)	(162)	Intangible assets	(162)	(212)
254	138	Property, plant and equipment	1.166	1.343
(760)	(1.005)	Receivables etc	(1.005)	(960)
<u>(718)</u>	<u>(1.029)</u>		<u>(1)</u>	<u>171</u>
Net value is recognised as follows in the balance sheet:				
718	1.029	Deferred tax assets	1	0
<u>0</u>	<u>0</u>	Deferred tax liabilities	<u>0</u>	<u>171</u>
<u>718</u>	<u>1.029</u>		<u>1</u>	<u>171</u>

	Group			
	Due within one year	Due after one year	Total amortised debt	Total nominal debt
	DKK'000	DKK'000	DKK'000	DKK'000
16. Long-term liabilities other than provisions				
Mortgage debt	346	621	967	967
Lease commitments	537	1.099	1.636	1.636
Long-term liabilities other than provisions at 31.12.2005	883	1.720	2.603	2.603
Long-term liabilities other than provisions at 31.12.2004	994	1.737	2.731	2.731
Due after more than five years:				
Mortgage debt		0		
Lease commitments		0		
		0		

Notes

	Parent			
	Due within one year DKK'000	Due after one year DKK'000	Total amortised debt DKK'000	Total nominal debt DKK'000
16. Long-term liabilities other than provisions				
Lease commitments	<u>496</u>	<u>1.099</u>	<u>1.595</u>	<u>1.595</u>
Long-term liabilities other than provisions at 31.12.2005	<u>496</u>	<u>1.099</u>	<u>1.595</u>	<u>1.595</u>
Long-term liabilities other than provisions at 31.12.2004	<u>575</u>	<u>749</u>	<u>1.324</u>	<u>1.324</u>
Due after more than five years:				
Lease commitments		<u>0</u>		

17. Work in progress

The amount comprises vendor's invoices not received and not yet invoiced but performed transactions.

Parent		Group	
2004 DKK'000	2005 DKK'000	2005 DKK'000	2004 DKK'000

18. Assets charged

Mortgage debt is secured by way of mortgage on properties.

Bank debt is secured by a deposited mortgage deed registered to the mortgagor on properties of DKK 3.000k nominal.

<u>0</u>	<u>0</u>	Book value of pledged assets	<u>4.304</u>	<u>4.425</u>
<u>6.353</u>	<u>6.247</u>	Bank guarantee to third party as security for liabilities	<u>6.495</u>	<u>6.601</u>

Notes

19. Recourse guarantee commitments and contingent liabilities

Guarantee for group enterprises' and affiliated company's bank loans and mortgage debt, which on the balance date amount to:

<u>0</u>	<u>0</u>	Bankloan	<u>0</u>	<u>0</u>
<u>3,450</u>	<u>3,158</u>	Mortgage debt	<u>0</u>	<u>0</u>

The Group is under an obligation to pay rent to associated company for 13 years. The annual basic rent is DKK 1.200k.

Group	
2005	2004
<u>DKK'000</u>	<u>DKK'000</u>

20. Working capital changes

Change in receivables	(28.857)	(22.869)
Change in trade payables etc	<u>34.614</u>	<u>28.789</u>
	<u>5.757</u>	<u>5.920</u>

21. Cash and cash equivalents

Cash	33.789	27.231
Short-term bank debt	<u>(405)</u>	<u>(319)</u>
	<u>33.384</u>	<u>26.912</u>

Notes

22. Related parties

Related parties with a controlling interest in Blue Water Shipping A/S:

Blue Water Holding A/S, Trafikhavnskaj 11, 6700 Esbjerg, controlling shareholder

Shipbroker Kurt Skov, Liljevænget 14, 6710 Esbjerg V, Blue Water Group controlling shareholder

Other related parties with whom Blue Water Shipping A/S has had transactions in 2005:

Blue Water Greenland A/S, Industrivej 43, 3900 Nuuk, subsidiary company

Blue Water Stevedoring A/S, Trafikhavnskaj 11, 6700 Esbjerg, subsidiary company

Blue Water Shipping SP Z O.O., Warsaw, Poland, subsidiary company

Blue Water Shipping UAB, Vilnius, Lithuania, subsidiary company

Blue Water Transport A/S, Istedvej 7, 6330 Padborg, affiliated company

Blue Water International A/S, Trafikhavnskaj 11, 6700 Esbjerg, affiliated company

Blue Water Property A/S, Trafikhavnskaj 11, 6700 Esbjerg, affiliated company

Lawyer Niels Kaalund, Torvet 21, 6700 Esbjerg, committee member

Transactions between related parties and Blue Water Shipping A/S in 2005:

Lawyer Niels Kaalund's firm of lawyers has assisted the Group on a continuing basis.

23. Ownership

The following shareholders hold more than 5% of the Company's share capital:

Blue Water Holding A/S, Trafikhavnskaj 11, 6700 Esbjerg.

24. Consolidation

Blue Water Shipping A/S and subsidiaries are included in the consolidated financial statements of Blue Water Holding A/S.