

**FAR-EASTERN SHIPPING COMPANY PLC.
AND ITS SUBSIDIARIES**

CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2012

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ZAO KPMG
10 Presnenskaya Naberezhnaya
Moscow, Russia 123317

Telephone +7 (495) 937 4477
Fax +7 (495) 937 4400/99
Internet www.kpmg.ru

**Independent Auditors' Report
on Review of the Consolidated Interim Condensed Financial Information**

To the Board of Directors of

Open Joint Stock Company FAR-EASTERN SHIPPING COMPANY PLC.

Introduction

We have reviewed the accompanying consolidated interim condensed statement of financial position of Open Joint Stock Company FAR-EASTERN SHIPPING COMPANY PLC. (the "Company") and its subsidiaries (the "Group") as at 30 June 2012, the related consolidated interim condensed income statement, statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and notes to the consolidated interim condensed financial information (the "consolidated interim condensed financial information"). Management is responsible for the preparation and presentation of this consolidated interim condensed financial information in accordance with International Financial Reporting Standard IAS 34 – "*Interim Financial Reporting*". Our responsibility is to express a conclusion on this consolidated interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 – "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim condensed financial information as at 30 June 2012 and for the six-month period then ended is not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34 - "*Interim Financial Reporting*".


ZAO KPMG
29 August 2012

FAR-EASTERN SHIPPING COMPANY PLC.
and its subsidiaries

Consolidated Interim Condensed Statement of Financial Position
As at 30 June 2012

'000 USD	Note	30 June 2012	31 December 2011
ASSETS			
Non-Current Assets			
Fleet	8	225,342	381,591
Rolling stock	9	481,946	504,660
Other tangible fixed assets	10	377,481	161,019
Goodwill	7	263,039	213,873
Other intangible assets		2,667	1,606
Investments in associates and joint ventures	11	275,771	105,267
Other equity investments	12	2,515	199,079
Other non-current assets	13	68,179	313,293
Total non-current assets		<u>1,696,940</u>	<u>1,880,388</u>
Current Assets			
Inventories		29,141	25,142
Accounts receivable	14	192,230	178,189
Current tax assets		11,531	9,730
Assets held for sale	15	64,708	-
Other current assets		1,992	8,113
Cash and cash equivalents		250,577	231,576
Total current assets		<u>550,179</u>	<u>452,750</u>
Total Assets		<u>2,247,119</u>	<u>2,333,138</u>
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share capital	20	57,230	57,230
Share premium		770,101	999,494
Treasury shares		(106,712)	(336,104)
Retained earnings		759,096	889,352
Reserves		(184,083)	(183,464)
Equity attributable to owners of the Company		<u>1,295,632</u>	<u>1,426,508</u>
Non-controlling interests		<u>4,851</u>	<u>14,396</u>
Total equity		<u>1,300,483</u>	<u>1,440,904</u>
Non-current liabilities			
Long term loans and finance lease obligations	17	415,952	498,511
Deferred tax liability	19	53,883	34,546
Other long term liabilities	18	29,521	27,136
Total non-current liabilities		<u>499,356</u>	<u>560,193</u>
Current Liabilities			
Accounts payable	16	227,205	128,561
Current tax liabilities		5,908	4,542
Liabilities held for sale		4,455	-
Short term loans and finance lease obligations	17	209,712	198,938
Total current liabilities		<u>447,280</u>	<u>332,041</u>
Total liabilities		<u>946,636</u>	<u>892,234</u>
Total equity and liabilities		<u>2,247,119</u>	<u>2,333,138</u>

Y.B. Gilts, President
Date: 29 August 2012

M.V. Subbotin, Vice President and CFO

The accompanying notes on pages 11 to 27 form an integral part of these consolidated financial statements.

FAR-EASTERN SHIPPING COMPANY PLC.
and its subsidiaries

Consolidated Interim Condensed Income Statement
For the six-month period ended 30 June 2012 (unaudited)

‘000 USD	Note	30 June 2012	30 June 2011
Revenue	23	582,519	458,954
Operating expenses	24	(391,406)	(311,447)
Gross profit before depreciation and amortization		191,113	147,507
Depreciation and amortisation	8,9,10	(51,064)	(37,215)
Administrative expenses	25	(73,210)	(64,744)
Impairment loss on tangible fixed assets, net		(81,559)	-
Gain on disposal of tangible fixed assets	27	2,582	659
Bad debt release/(charge)		1,088	(4,946)
Other income and expenses		(21,881)	1,996
(Loss)/profit from operating activity		(32,931)	43,257
Interest expense		(29,207)	(15,336)
Foreign exchange (loss)/gain		(4,859)	10,368
Other finance income, net	26	3,604	6,344
Share of profit of equity accounted investees	11	21,985	7,086
(Loss)/profit before income tax		(41,408)	51,719
Income tax expense	19	(19,530)	(8,951)
(Loss)/profit for the period		(60,938)	42,768
Attributable to:			
Owners of the Company		(63,590)	38,187
Non-controlling interests		2,652	4,581
Basic and diluted (loss)/profit per share	28	(USD 0.024)	USD 0.015

The accompanying notes on pages 11 to 29 form an integral part of these consolidated interim condensed financial statements.

FAR-EASTERN SHIPPING COMPANY PLC.
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Consolidated Interim Condensed Statement of Comprehensive Income
For the six-month period ended 30 June 2012 (unaudited)

'000 USD	30 June 2012	30 June 2011
(Loss)/profit for the period	(60,938)	42,768
Other comprehensive (loss) /income:		
Revaluation of fleet	(7,355)	-
Deferred tax charge on revaluation of fleet	1,471	-
Effect of foreign currency translation	(26,012)	46,987
Foreign currency translation differences – equity-accounted investees	(15,625)	8,983
Revaluation of available-for-sale investments	<u>19,748</u>	<u>29,262</u>
Other comprehensive (loss)/ income for the period	<u>(27,773)</u>	<u>85,232</u>
Total comprehensive (loss)/ income for the period	<u>(88,711)</u>	<u>128,000</u>
Total comprehensive (loss)/ income attributable to:		
Ordinary shareholders of the Company	(91,102)	122,474
Non-controlling interests	<u>2,390</u>	<u>5,526</u>

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FAR-EASTERN SHIPPING COMPANY PLC.
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Consolidated Interim Condensed Statement of Changes in Equity
For the six-month period ended 30 June 2012 (unaudited)

'000 USD	Attributable to equity holders of the Company								Total	Non- controllin g interest	Total equity
	Share capital (Note 20)	Share premium (Note 20)	Treasury shares (Note 20)	Retained earnings	Revaluation reserve	Investmen t fair value reserve	Translatio n reserve	Cash flow hedge			
Balance at 1 January 2011	57,230	999,494	(336,104)	870,357	28,689	23,711	(130,407)	2,915	1,515,885	11,409	1,527,294
Profit for the period	-	-	-	38,187	-	-	-	-	38,187	4,581	42,768
Other comprehensive income/(loss)											
Effect of foreign currency translation	-	-	-	-	-	-	55,025	-	55,025	945	55,970
Release from revaluation reserve	-	-	-	729	(729)	-	-	-	-	-	-
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	29,262	-	-	29,262	-	29,262
Total other comprehensive income/(loss)	-	-	-	729	(729)	29,262	55,025	-	84,287	945	85,232
Total comprehensive income for the period	-	-	-	38,916	(729)	29,262	55,025	-	122,474	5,526	128,000
Transactions with owners, recorded directly in equity											
Dividends declared	-	-	-	-	-	-	-	-	-	(322)	(322)
Acquisition of non-controlling interests without a change in control	-	-	-	(2,266)	-	-	-	-	(2,266)	(1,928)	(4,194)
Total transaction with owners	-	-	-	(2,266)	-	-	-	-	(2,266)	(2,250)	(4,516)
Balance at 30 June 2011	57,230	999,494	(336,104)	907,007	27,960	52,973	(75,382)	2,915	1,636,093	14,685	1,650,778

The accompanying notes on pages 11 to 29 form an integral part of these consolidated interim condensed financial statements.

**FAR-EASTERN SHIPPING COMPANY PLC.
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**Consolidated Interim Condensed Statement of Changes in Equity
For the six-month period ended 30 June 2012 (unaudited)
(Continued)**

‘000 USD	Attributable to equity holders of the Company										
	Share capital (Note 20)	Share premium (Note 20)	Treasury shares (Note 20)	Retained earnings	Revaluation reserve	Investment fair value reserve	Translation reserve	Cash flow hedge	Total	Non- controlling interests	Total equity
Balance at 1 January 2012	57,230	999,494	(336,104)	889,352	29,868	(48,997)	(167,250)	2,915	1,426,508	14,396	1,440,904
Loss for the period	-	-	-	(63,590)	-	-	-	-	(63,590)	2,652	(60,938)
Other comprehensive income/(loss)											
Effect of foreign currency translation	-	-	-	-	-	-	(41,376)	-	(41,376)	(261)	(41,637)
Revaluation of fleet, net of deferred tax	-	-	-	-	(5,884)	-	-	-	(5,884)	-	(5,884)
Release from revaluation reserve	-	-	-	2,356	(2,356)	-	-	-	-	-	-
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	19,748	-	-	19,748	-	19,748
Disposal of available-for-sale financial assets	-	-	-	(29,249)	-	29,249	-	-	-	-	-
Total other comprehensive income/(loss)	-	-	-	(26,893)	(8,240)	48,997	(41,376)	-	(27,512)	(261)	(27,773)
Total comprehensive income/(loss) for the period	-	-	-	(90,483)	(8,240)	48,997	(41,376)	-	(91,102)	2,391	(88,711)
Transactions with owners, recorded directly in equity											
Acquisition of non-controlling interests without a change in control (Note 30)	-	-	-	(39,773)	-	-	-	-	(39,773)	(17,041)	(56,814)
Acquisition of subsidiaries (Note 29)	-	-	-	-	-	-	-	-	-	5,105	5,105
Disposal of treasury shares (Note 16)	-	(229,393)	229,393	-	-	-	-	-	-	-	-
Total transaction with owners	-	-	-	(39,773)	-	-	-	-	(39,773)	(11,936)	(51,709)
Balance at 30 June 2012	57,230	770,101	(106,712)	759,096	21,628	-	(208,626)	2,915	1,295,632	4,851	1,300,483

The accompanying notes on pages 11 to 29 form an integral part of these consolidated interim condensed financial statements.

FAR-EASTERN SHIPPING COMPANY PLC.
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Consolidated Interim Condensed Statement of Cash Flows
For the six-month period ended 30 June 2012 (unaudited)

'000 USD	Note	30 June 2012	30 June 2011
Cash flows from operating activities			
(Loss)/profit for the period		(60,938)	42,768
<i>Adjustments for:</i>			
Depreciation and amortisation		51,064	37,215
Impairment losses		81,559	2,300
Gain on disposal of tangible fixed assets		(2,582)	(659)
Foreign exchange differences		4,859	(10,368)
Net finance costs		25,603	8,992
Share of profit of equity accounted investees		(21,985)	(7,086)
Income tax expense		19,530	8,951
Share options expense		1,781	2,839
Cash from operating activities before changes in working capital and provisions		98,891	84,952
Change in inventories		(1,819)	(8,453)
Change in trade and other receivables		(8,696)	(37,557)
Change in trade and other payables		25,336	18,719
Cash flows from operations before income taxes paid		113,712	57,661
Income tax paid		(29,675)	(10,677)
Cash flows from operating activities		84,037	46,984

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FAR-EASTERN SHIPPING COMPANY PLC.
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Consolidated Interim Condensed Statement of Cash Flows
For the six-month period ended 30 June 2012 (unaudited)
(Continued)

'000 USD	Note	30 June 2012	30 June 2011
Cash flows from investing activities			
Expenditure on vessels under construction	8	(8,744)	(3,886)
Refund from cancellation of construction contract		-	1,100
Expenditure on other fixed assets	10	(34,051)	(68,746)
Expenditure on drydocking	8	(3,537)	(4,222)
Proceeds on disposal of fleet		8,564	-
Proceeds on disposal of other fixed assets		28,047	1,547
Cash of subsidiaries acquired	29	17,726	-
Prepayments for investments	13	(40,793)	(27,070)
Other investments acquired		(1,222)	-
Proceeds on sale of investments		-	708
Dividends received		683	937
Short-term loans received/(paid)		7,796	(1,956)
Finance lease received		895	62
Interest received		6,195	4,002
Net cash used in investing activities		(18,441)	(97,524)
Cash flows from financing activities			
Proceeds from borrowings		18,255	232,365
Repayment of borrowings		(109,232)	(214,873)
Finance charges		(25,282)	(15,923)
Financial instruments liability paid		(4,584)	(2,570)
Proceeds on sale of treasury shares		77,925	-
Dividends paid		-	(322)
Acquisition of non-controlling interests		-	(4,194)
Net cash used in financing activities		(42,918)	(5,517)
Effect of exchange rate fluctuations on cash and cash equivalents		(3,677)	13,254
Net increase/(decrease) in cash and cash equivalents		19,001	(42,803)
Cash and cash equivalents at the beginning of the period		231,576	556,288
Cash and cash equivalents at the end of the period		250,577	513,485

The accompanying notes on pages 11 to 29 form an integral part of these consolidated interim condensed financial statements.

**FAR-EASTERN SHIPPING COMPANY PLC.
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**Notes to the Consolidated Interim Condensed Financial Statements
For the six-month period ended 30 June 2012**

1. Organisation and Trading Activities

Far-Eastern Shipping Company PLC. (FESCO) was privatised and became a joint stock company governed by the laws of the Russian Federation on 3 December 1992. The Company's registered office and principal place of business is: 15 Aleutskaya Street, Vladivostok, Primorskiy Kray, Russian Federation 690091.

The Company's immediate parent entity is SVG Holdings S.A. Luxemburg and Mr Sergey Generalov is considered to be the Company's ultimate controlling party. During the reporting period the Company's controlling shareholder entered into a sales agreement with a third party to sell its shareholding in Fesco. The closing of this transaction has not taken place yet.

The principal activity of FESCO and its subsidiaries (the Group) has traditionally been shipping (ship owning, ship management, chartering out and line operating). In recent years FESCO has been transformed into an intermodal logistics Group focused on Russia, offering a full range of logistical solutions through a combination of shipping, rail, trucking and port services.

2. Statement of Compliance

These consolidated interim condensed financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2011.

3. Significant Accounting Policies

The accounting policies applied by the Group in these consolidated interim condensed financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2011.

4. Estimates

The preparation of consolidated interim condensed financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these consolidated interim condensed financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the preparation of the consolidated financial statements as at and for the year ended 31 December 2011.

5. Financial Risk Management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2011.

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Notes to the Consolidated Interim Condensed Financial Statements
For the six-month period ended 30 June 2012

6. Seasonality of Operations

The Group's operations are not subject to high seasonality.

7. Goodwill

	<u>Gross amount</u>	<u>Accumulated impairment loss</u>	<u>Carrying amount</u>
		'000 USD	
At 1 January 2011	240,550	(40,298)	200,252
Translation difference	17,135	-	17,135
At 30 June 2011	<u>257,685</u>	<u>(40,298)</u>	<u>217,387</u>
At 1 January 2012	254,171	(40,298)	213,873
Additions (Note 29)	57,753	-	57,753
Translation difference	(8,587)	-	(8,587)
At 30 June 2012	<u>303,337</u>	<u>(40,298)</u>	<u>263,039</u>

8. Fleet

	<u>Carrying value</u>	
	<u>30 June 2012</u>	<u>31 December 2011</u>
	'000 USD	
(a) Fleet	206,531	313,783
(b) Deferred dry docking expenses	18,811	19,552
(c) Vessels under construction	-	48,256
	<u>225,342</u>	<u>381,591</u>
Total deadweight tonnage	<u>773,947</u>	<u>699,653</u>

FAR-EASTERN SHIPPING COMPANY PLC.
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Notes to the Consolidated Interim Condensed Financial Statements
For the six-month period ended 30 June 2012

	<u>Valuation</u>	<u>Depreciation</u>	<u>Net Book Value</u>
	<u>'000 USD</u>		
At 1 January 2011	307,256	-	307,256
Depreciation charge for the period	-	(6,063)	(6,063)
At 30 June 2011	<u>307,256</u>	<u>(6,063)</u>	<u>301,193</u>
At 1 January 2012	313,783	-	313,783
Depreciation charge for the period	-	(7,298)	(7,298)
Disposals	(9,922)	-	(9,922)
Transfers from vessels under construction	56,923	-	56,923
Revaluation	(93,206)	4,292	(88,914)
Transfers to current assets held-for-sale	(61,047)	3,006	(58,041)
At 30 June 2012	<u>206,531</u>	<u>-</u>	<u>206,531</u>

The Group regularly reviews the carrying value of the fleet. At the interim date management analyses the carrying value of tangible fixed assets for indicators of impairment /reversal of impairment. Due to decrease in market value of the vessels as compared to prior year, a revaluation loss of USD 88.9 million has been recognised in the income statement (USD 81.9 million decrease) and revaluation reserve (USD 7 million decrease).

At 30 June 2012, the estimated scrap value of the Group's fleet was calculated based on an estimate of USD 350 per LWT (31 December 2011: USD 455). This change in accounting estimate was made in reaction to the sharp decrease in international steel prices. This change in accounting estimate resulted in an increase of depreciation charge for the period ended 30 June 2012 by USD 0.9 million. 25 vessels with a net book value of USD 229 million are pledged as a security to guarantee the Group's obligations under ING Bank N.V, Raffaisensbank and Citibank International plc loans (Note 17).

Movements during the period on deferred dry docking expenses were:

	<u>Cost</u>	<u>Depreciation</u>	<u>Net Book Value</u>
	<u>'000 USD</u>		
At 1 January 2011	39,135	(19,045)	20,090
Additions	4,446	-	4,446
Charge for the period	-	(4,237)	(4,237)
Amortised dry dock write off	(2,472)	2,472	-
At 30 June 2011	<u>41,109</u>	<u>(20,810)</u>	<u>20,299</u>
At 1 January 2012	42,551	(22,999)	19,552
Additions	6,454	-	6,454
Charge for the period	-	(4,052)	(4,052)
Transfers from vessels under construction	600	-	600
Transfers to assets held-for-sale	(4,995)	2,465	(2,530)
Amortised dry dock write off	(4,264)	4,264	-
Release on disposal of fleet	(4,035)	2,822	(1,213)
At 30 June 2012	<u>36,311</u>	<u>(17,500)</u>	<u>18,811</u>

FAR-EASTERN SHIPPING COMPANY PLC.
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Notes to the Consolidated Interim Condensed Financial Statements
For the six-month period ended 30 June 2012

Movements during the period on vessels under construction were:

	<u>30 June 2012</u>	<u>30 June 2011</u>
	<u>'000 USD</u>	
At the beginning of the period	48,256	84,259
Expenditure incurred during the period	9,093	4,218
Capitalised borrowing costs	174	910
Transferred to fleet during the period	<u>(57,523)</u>	<u>-</u>
At the end of the period	<u>-</u>	<u>89,387</u>

9. Rolling Stock

	<u>Cost</u>	<u>Depreciation</u>	<u>Net Book Value</u>
	<u>'000 USD</u>		
At 1 January 2011	420,897	(104,016)	316,881
Correction of the cost of tangible fixed assets	(7,251)	7,113	(138)
Additions in the period	168,285	-	168,285
Depreciation charge for the period	-	(15,793)	(15,793)
Disposals	(2,080)	714	(1,366)
Translation difference	36,278	(6,624)	29,654
At 30 June 2011	<u>616,129</u>	<u>(118,606)</u>	<u>497,523</u>
At 1 January 2012	639,028	(134,368)	504,660
Additions in the period	29,183	-	29,183
Depreciation charge for the period	-	(22,466)	(22,466)
Disposals	(23,620)	2,020	(21,600)
Translation difference	(11,351)	3,520	(7,831)
At 30 June 2012	<u>633,240</u>	<u>(151,294)</u>	<u>481,946</u>

Rolling stock includes assets held under finance leases with a net book value of USD 148 million (at 31 December 2011: USD 153 million).

At 30 June 2012 rolling stock with a carrying amount of USD 126 million (31 December 2011: USD 219 million) are subject to a registered debenture to secure bank loans (Note 17).

FAR-EASTERN SHIPPING COMPANY PLC.
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Notes to the Consolidated Interim Condensed Financial Statements
For the six-month period ended 30 June 2012

10. Other Tangible Fixed Assets

	<u>Buildings and Infrastructure</u>	<u>Plant, Machinery and Other</u>	<u>Assets under construction</u>	<u>Total</u>
	'000 USD			
Cost				
At 1 January 2011	82,314	150,979	9,796	243,089
Additions	1,654	5,225	13,027	19,906
Transfer	-	947	(947)	-
Disposals	-	(2,736)	(653)	(3,389)
Translation difference	3,977	5,091	239	9,307
At 30 June 2011	<u>87,945</u>	<u>159,506</u>	<u>21,462</u>	<u>268,913</u>
At 1 January 2012	78,736	160,835	25,041	264,313
Acquisition through a business combination (Note 29)	118,583	121,992	1,738	242,313
Additions	383	9,950	3,451	13,237
Transfer	-	3,497	(3,497)	-
Disposals	(610)	(1,656)	(576)	(2,842)
Translation difference	(10,379)	(13,559)	(454)	(24,392)
At 30 June 2012	<u>186,713</u>	<u>281,059</u>	<u>25,703</u>	<u>493,475</u>
Depreciation				
At 1 January 2011	20,765	69,408	-	90,173
Depreciation charge	2,101	8,178	-	10,279
Eliminated on disposal	-	(2,163)	-	(2,163)
Translation difference	387	1,040	-	1,427
At 30 June 2011	<u>23,253</u>	<u>76,463</u>	<u>-</u>	<u>99,716</u>
At 1 January 2012	23,528	80,065	-	103,593
Depreciation charge	4,969	12,279	-	17,248
Eliminated on disposal	(69)	(1,265)	-	(1,334)
Translation difference	(668)	(2,845)	-	(3,513)
At 30 June 2012	<u>27,760</u>	<u>88,234</u>	<u>-</u>	<u>115,994</u>
Net Book Value				
At 1 January 2011	<u>61,549</u>	<u>81,571</u>	<u>9,796</u>	<u>152,916</u>
At 30 June 2011	<u>64,692</u>	<u>83,043</u>	<u>21,462</u>	<u>169,197</u>
At 1 January 2012	<u>55,208</u>	<u>80,770</u>	<u>25,041</u>	<u>161,019</u>
At 30 June 2012	<u>158,953</u>	<u>192,825</u>	<u>25,703</u>	<u>377,481</u>

Plant, machinery and other fixed assets include containers held under finance lease with a net book value of USD 18 million (at 31 December 2011: USD 18 million) and plant and machinery with a net book value of USD 3 million (at 31 December 2011 – USD 3.5 million).

At 30 June 2012 fixed assets with a carrying amount of USD 59 million (31 December 2011: USD 22 million) are pledged as a security to guarantee the Group's loan obligations (Note 17).

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11. Investments in Associates and Joint Ventures

Equity accounted investments represent investments in joint ventures and associates.

<u>Name</u>	<u>Country of incorporation</u>	<u>Percentage Holding</u>	<u>Activity</u>
OJSC TransContainer	Russia	21.2%	Intermodal Container Operations
CJSC Russkaya Troyka	Russia	50%	Intermodal Container Operations
FESCO Wallem Shipmanagement Limited	Hong Kong	50%	Technical, crewing and safety management services provider
Trans Russia Agency Japan Co. Ltd	Japan	50%	Agency services
International Paint (East Russia) Limited	Hong Kong	49%	Ship Paint Production
SHOSHTRANS JVCSC	Uzbekistan	25%	Forwarding services
MB – Fesco Trans	Cyprus	49%	Forwarding services
FESCO BLG Automobile Logistics Russia Limited	Cyprus	50%	Agency stevedoring services

Movements in joint ventures and associated companies consolidated on an equity basis are as follows:

	<u>30 June 2012</u>	<u>30 June 2011</u>
	<u>'000 USD</u>	
At the beginning of the period	105,267	100,634
Share of results of equity accounted investees	21,985	7,086
Disposal (Note 29)	(90,713)	-
Additions	263,775	-
Dividends received	(8,918)	(539)
Translation differences	(15,625)	8,983
At the end of the period	<u>275,771</u>	<u>116,164</u>

At the end of January 2012 the Group purchased 2.62% of equity in a form of GDR of OJSC TransContainer which resulted in OJSC TransContainer becoming an associate. Prepayment for GDR was made in December 2011.

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Summary financial information for equity- accounted investees, not adjusted for the percentage ownership held by the Group:

Reporting date	Current assets	Non-current assets	Total assets	Current liabilities	Non – current liabilities	Total liabilities	Income	Expenses	Profit/ (loss)
30 June 2012									
'000 USD									
30 June	359,837	1,250,262	1,610,099	340,693	283,416	624,109	562,486	(480,685)	82,301

Reporting date	Current assets	Non-current assets	Total assets	Current liabilities	Non – current liabilities	Total liabilities	Income	Expenses	Profit/ (loss)
31 December 2011					30 June 2011				
'000 USD									
31 December	81,907	193,594	275,501	41,917	64,741	106,658	86,307	(71,839)	14,468

Goodwill in amount of USD 71 million related to OJSC TransContainer and FESCO BLG is included into the investments in associates and joint ventures.

The Group has Repurchase Agreement (REPO) with ING Bank N.V. The Group has pledged 5,210,540 Global Depository Receipts and 1,687,740 ordinary shares of OJSC TransContainer as a security for a short-term loan to the total amount of USD 84 million.

The fair value of OJSC TransContainer shares held by the Group, based on the quotations in RTS, at the reporting date is USD 318 million.

12. Other Equity Investments

	30 June 2012	31 December 2011
	'000 USD	
Investments available-for-sale	-	196,854
Other investments	2,515	2,225
	2,515	199,079

Due to the fact that OJSC TransContainer became a Group associate in 2012 the accumulated revaluation loss at this date was transferred to retained earnings.

13. Other Non-Current Assets

	30 June 2012	31 December 2011
	'000 USD	
Prepayment for investment, at cost	42,015	292,935
Non-current portion of finance lease receivable, at amortized cost	5,765	6,787
Long-term bank deposit, at cost	80	1,944
Prepayments for fixed assets, at cost	14,768	3,865
Other long-term prepayments, at cost	-	2,577
Long-term loan to related party, at cost	1,708	1,575
Other non-current assets	3,843	3,610
	68,179	313,293

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Prepayments for investments as of 31 December 2011 represent prepayment for 2.6% of share capital of OJSC TransContainer in a form of Global Depository Receipts (GDR) in the total amount of USD 46.4 million and 100% of shares of Transportnaya Companiya CJSK, which main asset is 47.78% of shares in Commercial Port of Vladivostok, in the total amount of USD 246.5 million.

Prepayments for investments as of 30 June 2012 represent prepayment for 2.6% of share capital of OJSC TransContainer made in June 2012.

Prepayments for fixed assets represent prepayments for equipment.

The Group leases railroad platforms to one of its joint ventures. The lease agreement provides for ownership transfer of assets to the lessee at the end of the lease term for nominal consideration. The contractual interest rate on the platforms leased is 13.2 %.

14. Accounts Receivable

	<u>30 June 2012</u>	<u>31 December 2011</u>
	<u>'000 USD</u>	
Trade debtors	68,889	66,277
VAT receivable	33,629	48,289
Prepayments to OJSC "Russian Railways"	19,105	18,683
Amounts due from associates and joint ventures	2,884	4,393
Amounts due from non-consolidated subsidiaries	59	23
Other debtors and prepayments	92,270	71,949
Allowance for impairment	(24,606)	(31,425)
	<u>192,230</u>	<u>178,189</u>

15. Assets Held-for-Sale

	<u>30 June 2012</u>	<u>31 December 2011</u>
	<u>'000 USD</u>	
Vessels held-for-sale	60,571	-
Other assets held-for-sale	4,137	-
	<u>64,708</u>	<u>-</u>

16. Accounts Payable

	<u>30 June 2012</u>	<u>31 December 2011</u>
	<u>'000 USD</u>	
Trade creditors	52,894	36,542
Fair value of interest swap contracts	7,258	10,585
Taxes payable, other than income tax	9,876	7,290
Interest payable	3,500	3,119
Amounts due to associates and joint ventures	1,795	2,447
Amounts due to non-consolidated subsidiaries	43	141
Other creditors and accruals	73,913	68,437
Put - Call option liability	77,925	-
	<u>227,204</u>	<u>128,561</u>

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During the reporting period the Group signed a sales agreement for 268,704 thousand of treasury shares representing 9.1% of all issued shares with a third party. The consideration received for the shares was USD 77,925 thousand. At the same time the Group entered into a put-call option agreement with the same third party which requires the Group to buy and the counterparty to sell, the same number of shares for the same consideration. The options are exercisable only upon occurrence of certain events in the future and shall terminate on 31 August 2012. The liability has been stated at the exercise price of the option due to short maturity.

17. Loans Payable and Finance Leases Obligations

(a) Loans payable

	30 June 2012	31 December 2011
	'000 USD	
Loans and other obligations comprise:		
<i>Secured loans</i>		
At fixed rate 0.3%-5%	36,844	43,419
At fixed rate 5% - 10%	230,653	253,903
At variable rates 0.25%-5% above Libor/Euribor /Mosprime	225,572	257,259
	<u>493,069</u>	<u>554,581</u>
Obligations under finance leases at fixed rate 6%	24,812	20,826
Obligations under finance leases at fixed rate 7.7% - 18.3%	107,783	122,042
	<u>132,595</u>	<u>142,868</u>
	<u>625,664</u>	<u>697,449</u>
Repayable within the next twelve months	209,712	198,938
Long term balance	415,952	498,511
	<u>625,664</u>	<u>697,449</u>

Fixed assets pledged as a security for loans are disclosed in Notes 8,9,10.

The Group was in compliance with covenants as at 30 June 2012.

18. Other Non-Current Liabilities

	30 June 2012	31 December 2011
	'000 USD	
Fair value of interest rate swap	21,223	21,411
Defined benefit obligations	2,614	1,642
Share based payments (Note 21)	5,684	3,903
Other non-current payables	-	180
	<u>29,521</u>	<u>27,136</u>

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19. Current and Deferred Tax

Companies within the Group are subject to taxation in different jurisdictions. The most significant tax expense arises in entities incorporated in the Russian Federation.

	Six-month period ended 30 June	
	2012	2011
	'000 USD	
Current tax expense		
Current period	29,240	9,949
	<u>29,240</u>	<u>9,949</u>
Deferred tax expense		
Origination and reversal of temporary differences	(9,710)	(998)
	<u>(9,710)</u>	<u>(998)</u>
Total income tax expense	<u>19,530</u>	<u>8,951</u>

Reconciliation of effective tax rate:

	Six-month period ended 30 June			
	2012		2011	
	'000 USD	%	'000 USD	%
(Loss)/profit before income tax	(41,408)	100	51,719	100
Income tax at applicable tax rate of 20% (2011: 20%)	(8,282)	(20)	10,344	20
Effect of income taxed at different rates	16,296	39	(2,402)	(5)
Income tax on dividends	1,164	3	-	-
Non-deductible expenses/non taxable income, net	10,398	25	3,629	7
Effect of foreign exchange rates	(46)	0	(2,558)	(5)
Change in unrecognised deferred tax asset	-	-	(62)	-
	<u>19,530</u>	<u>47</u>	<u>8,951</u>	<u>17</u>

The Group's deferred tax liability mainly arises in entities incorporated in Russia and the effect of deferred taxation in other jurisdictions is not material.

20. Shareholders' Equity

	30 June 2012	31 December 2011
	'000 USD	
Authorised number of shares (1 Rouble per share)	3,643,593,000	3,643,593,000
Issued number of shares	2,951,250,000	2,951,250,000
Share capital ('000 USD)	<u>57,230</u>	<u>57,230</u>

As at 30 June 2012 the Group held 125,000,001 of its own shares (31 December 2011: 393,705,807) which were purchased for USD 106 million, being approximately 4% of the shares in issue.

268,705,806 shares have been sold to a third party, subject to a Put-Call agreement (Note 16).

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	30 June 2012	31 December 2011
	Number of shares	
Treasury shares held by:		
Halimeda International Limited	125,000,001	-
Far Eastern Shipping Company PLC	-	55,783
Neteller Holdings Limited	-	393,650,024
	<u>125,000,001</u>	<u>393,705,807</u>

21. Share – Based Payments

The Group has share option programme for management.

The Group's obligations may be settled in shares or in cash at the choice of the employee. Vesting of the options is subject to the individuals concerned remaining employees at the end of the specified period, although leavers may have a pro-rata entitlement. The employees are not required to achieve any other non-market or market based performance conditions.

The accumulated liability from recognised grants amounts to USD 5.7 million (31 December 2011: USD 3.9 million).

The fair values of options granted under the Group's share option scheme were calculated at the period end using a Black-Scholes option pricing model with the following key assumptions:

	2012	2011
Stock price, USD	0.34	0.27
Exercise price, USD	0.32	0.32-0.456
Risk – free rate	0.27%-0.33%	0.25%-0.31%
Volatility	76.74%-81.09%	87.30%-91.56%
Time to expiration	1.4-2 years	1.9-2.5 years

The stock price was obtained from Russian Trading System (RTS) data on the balance sheet date. The risk – free rate is based on an estimate of returns on US two-four year Treasury bonds. Volatility is based upon historical record of share price with reference to the period of time from the reporting date to expected exercise date ranging from 1.4 to 2 years. The method corresponds to level 3 of the hierarchy of determination of the fair values.

22. Business Segmental Analysis

For management purposes, the Group is organised into four major operating divisions – shipping, liner and logistics, railway services and ports. The Group also includes certain companies that cannot be allocated to a specific division; these include investing and managing companies. These divisions are the basis on which the Group reports its operating segment information. The services provided by each of these divisions are as follows:

Shipping	The shipping division is involved in ship ownership, ship management, chartering out and provision of agency services. These activities are carried out on a cabotage, cross trade and import-export basis. The vessels operated by the shipping division are largely container vessels and bulk carriers.
Liner and Logistics	The Liner and logistics division operates liner services and provides freight forwarding services both for containers and break-bulk cargoes.
Railway	The railway services division provides services both as an operator and an agent.

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Services	When acting as an operator it renders services for containerised and bulk cargoes using locomotives, railway wagons, hoppers, steel-pellet wagons and tank wagons owned by the division or leased by it under finance leases. In addition it uses rolling stock hired on short term operating leases.
Ports	The ports division owns and operates port facilities and container terminals in Russia and provides cargo handling, stevedoring, container storage and rental and related port services and facilities.
Investment in Trans-Container	Investment in OJSC TransContainer represents 21.1% shareholding of share capital of OJSC TransContainer. OJSC TransContainer provides container transportation and freight management services.

Segmental reporting information is submitted to management of the Group on a regular basis as part of the management reporting process. It is used to assess the efficiency of the segments and to take decision on the allocation of resources.

Segment information for the main reportable segments of the Group for the period ended 30 June 2012 is set out below.

	Shipping	Liner and Logistics	Railway services	Ports	Corpo- rate	Investment in Trans- Container	Eliminations/ Adjustments	Total
	'000 USD							
External sales	55,402	284,034	182,921	60,162	-	-	-	582,519
Inter-segment sales	19,968	573	1,919	24,244	-	-	(46,704)	-
Segment revenue	75,370	284,607	184,840	84,406	-	-	(46,704)	582,519
Total segment operating expenses	(82,102)	(273,318)	(92,048)	(46,727)	(18,747)	-	48,326	(464,616)
Segment result	(6,732)	11,289	92,792	37,679	(18,747)	-	1,662	117,903
Depreciation and amortization	(12,831)	(6,792)	(23,631)	(7 181)	(631)	-	-	(51,064)
Impairment of tangible fixed assets	(81,559)	-	-	-	-	-	-	(81,559)
Other income and expenses	2,025	1,558	-	1,068	(26,532)	-	-	(21,881)
Bad debt (charge) / release	114	1,884	97	(245)	(763)	-	-	1,088
(Loss)/gain on disposal of tangible fixed assets	(2,814)	195	5,861	(490)	(169)	-	-	2,583
Interest expense	(5,542)	(1,379)	(23,566)	(459)	(4,606)	-	6,345	(29,207)
Share of profit/(loss) of equity accounted investees	815	539	3,013	3,744	-	13,874	-	21,985
Income tax (expense)/benefit	3,783	(4,862)	(16,536)	(8,020)	6,105	-	-	(19,529)

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Segment information for the main reportable segments of the Group for the period ended 30 June 2011 is set out below.

	Shipping	Liner and Logistics	Railway services	Ports	Corpo- rate	Eliminations/ Adjustments	Total
	'000 USD						
External sales	47,480	254,399	134,331	22,744	-	-	458,954
Inter-segment sales	22,631	304	3,719	12,769	-	(39,423)	-
Segment revenue	70,111	254,703	138,050	35,513	-	(39,423)	458,954
Total segment operating expenses	(69,121)	(234,417)	(86,269)	(13,099)	(16,821)	43,536	(376,191)
Segment result	990	20,286	51,781	22,414	(16,821)	4,113	82,763
<i>Segment non-cash items:</i>							
Depreciation and amortization	(11,754)	(5,907)	(16,874)	(2,000)	(680)	-	(37,215)
Bad debt (charge) / release	(2,954)	131	432	(255)	(2,300)	-	(4,946)
<i>Other material items of income/expense:</i>							
(Loss)/gain on disposal of tangible fixed assets	565	353	(259)	-	-	-	659
Interest expense	(3,469)	(1,760)	(12,449)	(177)	(939)	3,458	(15,336)
Share of profit/(loss) of equity accounted investees	1,055	(36)	1,232	4,835	-	-	7,086
Income tax (expense) / benefit	4,917	(2,929)	(6,282)	(4,287)	(370)	-	(8,951)

Segmental assets and liabilities

	Assets		Liabilities	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
	'000 USD			
Shipping (Global)	392,147	561,363	218,725	249,732
Liner and logistics (Global)	207,154	185,723	109,479	87,988
Railway services (Russia)	628,198	634,815	346,996	425,874
Stevedoring services (Russia)	389,168	439,933	89,894	19,213
Total of all segments	1,616,667	1,821,834	765,094	782,807
Investment in OJSC				
TransContainer	249,772	243,330	-	-
Goodwill	263,039	213,873	-	-
Other items not attributed to a specific segment	117,641	54,101	181,542	109,427
Consolidated	<u>2,247,119</u>	<u>2,333,138</u>	<u>946,636</u>	<u>892,234</u>

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Other segmental information

	Acquisition of segment assets		Investments in equity accounted investees	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
	'000 USD			
Shipping (Global)	15,844	35,901	1,108	1,121
Liner and logistics (Global)	7,454	6,054	7,622	7,280
Railway services (Russia)	29,417	332,062	17,269	15,294
Stevedoring services (Russia)	6,004	276,120	-	81,572
Investment in OJSC TransContainer	-	-	249,772	-
	58,719	650,137	275,771	105,267

23. Revenue

	Six-month period ended 30 June	
	2012	2011
	'000 USD	
Transportation services (operators' business)	434,576	367,688
Hire and freight	55,402	47,660
Port and stevedoring services	60,162	22,744
Revenue from rentals	29,443	15,109
Agency fees	2,936	5,753
	582,519	458,954

24. Operating Expenses

	Six-month period ended 30 June	
	2012	2011
	'000 USD	
Railway infrastructure tariff and transportation services	247,948	200,665
Voyage and vessel running cost	58,582	46,372
Payroll expenses	43,174	32,601
Stevedoring services	10,389	3,058
Operating lease	27,555	24,834
Non-profit based taxes	3,758	3,917
	391,406	311,447

25. Administrative Expenses

	Six-month period ended 30 June	
	2012	2011
	'000 USD	
Salary and other staff related costs	41,174	43,475
Professional fees	7,702	2,832
Office rent	5,852	3,889
Other administrative expenses	18,482	14,548
	73,210	64,744

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Salary and other staff related costs include share based payment expenses in amount of USD 1.8 million (2011: USD 2.8 million expenses).

26. Other Finance Income and Costs

	Six-month period ended 30 June	
	2012	2010
	'000 USD	
Interest income	6,353	6,525
Changes in fair value of financial instruments	(1,885)	(1,153)
Other expenses	(864)	972
	<u>3,604</u>	<u>6,344</u>

27. Gain/ (Loss) on Disposal of Tangible Fixed Assets

	Six-month period ended 30 June	
	2012	2011
	'000 USD	
Loss on sale of vessels	(2,933)	-
Gain on disposal of other fixed assets	5,515	659
	<u>2,582</u>	<u>659</u>

28. (Loss)/ Earnings per Share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year, excluding those held by Group companies. For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potential dilutive ordinary shares. These represent share options granted to management and effect of exercise of Put-Call option agreement for Company's shares.

	30 June 2012	30 June 2011
	USD	
(Loss)/profit for the period	(63,590,000)	38,187,000
Weighted average number of shares in issue (note 20)	<u>2,647,112,795</u>	<u>2,557,544,193</u>
Basic (loss)/profit per share	<u>(0.024)</u>	<u>0.015</u>

	30 June 2012	30 June 2012
	USD	
(Loss)/profit for the period, adjusted for stock option expense	(61,809,925)	41,026,000
Weighted average number of shares in issue, adjusted for potentially dilutive shares (note 21)	<u>2,645,990,739</u>	<u>2,582,804,420</u>
Diluted (loss)/profit per share	<u>(0.023)</u>	<u>0.015</u>

Since the exercise of the share options and the put option on Company's shares would have an anti-dilutive effect, the basic earnings per share equal to the diluted.

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29. Acquisitions of Subsidiary

On 31 March 2012 the Group obtained control over Commercial Port of Vladivostok by acquiring 47.78% of shares and voting interests in the company. As a result, The Group equity interest in Commercial Port of Vladivostok increased from 50% to 97.48%.

In the three months period to 30 June 2012 Commercial Port of Vladivostok contributed revenue of USD 35 million and profit of USD 12 million to the Group results.

The accounting for business combination is stated on a provisional basis.

The acquisition of the subsidiary had the following provisionally determined effect on the Group's assets and liabilities at the date of acquisition:

	Recognised fair values on acquisition
	'000 USD
Non-current assets	
Property, plant and equipment	242,313
Prepayments for fixed assets	13,234
Other non-current assets	1,823
Current assets	
Inventories	2,180
Trade and other receivables	24,188
Cash and cash equivalents	17,726
Other current assets	4,348
Non-current liabilities	
Loans and borrowings	(23,340)
Deferred tax liabilities	(33,696)
Other non-current liabilities	(5,455)
Current liabilities	
Loans and borrowings	(8,139)
Trade and other payables	(7,797)
Non-controlling interests	(5,105)
Net identifiable assets	222,280
Goodwill	57,753
Carrying value of previously held shareholding	90,386
Consideration paid	189,647
Cash acquired	17,726
Net cash outflow	171,921

Cash consideration was paid in 2011 in full.

The carrying value of the disposed 50% of shares in Commercial Port of Vladivostok approximates the fair value.

30. Acquisition of NCI

During the period the Group increased its share in Vladivostok Container Terminal (VCT) from 75% to 99%. The acquisition of NCI resulted in a decrease of retained earnings by USD 39.7 million.

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31. Contingencies and Commitments

(a) Taxation contingencies

The Group operates in several jurisdictions with significantly different taxation systems. Management believes that the Group's shipping and holding companies incorporated in foreign jurisdictions are not subject to taxes outside their countries of incorporation. However, there is a risk that the taxation authorities of higher tax jurisdictions may attempt to subject the Group's earnings to income taxes of a particular jurisdiction. Should the taxation authorities be successful in assessing additional taxes, late payment interest and imposing fines on this basis, the impact on these financial statements could be significant.

Russian tax law and practice are not as clearly established as those of more developed market economies. Russian tax laws, regulations and court practice are subject to interpretations, frequent change, varying interpretation and inconsistent and selective enforcement. As a result, sometimes taxpayers are being challenged as to structures and transactions which have not been challenged or litigated as a result of prior tax audits. Taxation of companies in the transportation and freight forwarding industry in particular has historically been a vague area in the Russian tax legislation leaving a room for interpretation by the tax authorities.

From 1 January 2011 amendments into Russian tax legislation related to VAT treatment of transportation and related services (in particular, application of the 0% VAT rate) came into force. The VAT law was further changed with effect from 1 October 2011. However, certain ambiguity as to VAT treatment of some transportation and related services still remain and the new rules have not yet been sufficiently tested in courts. Therefore, the interpretations of the new law by the Russian tax authorities and by the customers of the Group could differ from that taken by the Group and the effect on these consolidated financial statements if the resulting disputes are not resolved in favour of the Group could be material.

Often, different interpretations exist amongst numerous Russian taxation authorities and jurisdictions. Taxes are subject to review and investigation by a number of authorities, who are able by law to impose severe fines, penalties and interest charges. The tax authorities are increasingly taking a more assertive position in their interpretation and enforcement of tax legislation.

These facts may create tax risks in Russia substantially more significant than in other countries. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

(b) Business environment

Part of the Group's operations is located in the Russian Federation and Ukraine. Consequently, the Group is exposed to the economic and financial markets of the Russian Federation and Ukraine which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in the Russian Federation and Ukraine. The consolidated financial statements reflect management's assessment of the impact of the Russian and Ukrainian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

FAR-EASTERN SHIPPING COMPANY PLC.
and its subsidiaries

Notes to the Consolidated Interim Condensed Financial Statements
For the six-month period ended 30 June 2012

32. Related Party Transactions

For the purposes of these financial statements, parties are considered to be related if both parties are under common control or one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

During the period seven individuals were considered to be the Group's key management and directors (2011 – ten individuals). Their remuneration during the period was as follows:

	Six-month period ended 30 June	
	2012	2011
	'000 USD	
Salaries	918	1,046
Bonuses	-	1,611
Board of directors	873	626
	1,791	3,283
Share options expense	1,781	2,839
	3,572	6,122

During the period the share option liability increased resulting in an expense of USD 1.8 million recognized in profit and loss.

Statement of financial position	30 June 2012	31 December 2011	Nature of balances
	'000 USD		
Non-consolidated subsidiaries	59	23	Trade receivables
Non-consolidated subsidiaries	(43)	(141)	Trade payables
Associates	(117)	1,550	Agency and other service
Associates	519	-	Trade receivables
Joint Venture Company	(1,678)	(2,169)	Trade payables
Joint Venture Company	365	2,475	Trade receivables
Joint Venture Company	-	(12,702)	Loan payable
Related through management	304	143	Loan issued
Joint Venture Company	1,404	1,800	Loan issued
			Cash and cash
Related through common shareholder	53,453	72,157	equivalents
Joint Venture Company	7,743	8,638	Finance lease receivable
Associates	6,795	-	Dividends receivable

**FAR-EASTERN SHIPPING COMPANY PLC.
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Income Statement	30 June 2012	30 June 2011	Nature of transactions
	'000 USD		
Non-consolidated subsidiary purchases	(69)	(293)	Agency Services
Non-consolidated subsidiary sales	92	56	Agency Services
Associates purchases	(737)	(1,012)	Agency services, rent and security expenses
Joint Venture Company purchases	(4,072)	(2,577)	Agency ,transportation and stevedoring services
Joint Venture Company sales	2,250	2,592	Transportation services
Joint Venture Company Related through common shareholder	604	731	Finance lease and interest income
	2,098	3,196	Interest income

33. Events Subsequent to the Reporting Date

M/v Kapitan Man and m/v Igarka were sold in second half 2012 to a third party for total cash consideration of USD 8.6 million. The result of disposal was USD 2.9 million losses.

2.6% of shares and Global Depository Receipts (GDR) of OJSC TransContainer were delivered to the Group in July 2012 making a Group an effective owner of 23.7% of shares and GDR's of OJSC TransContainer.