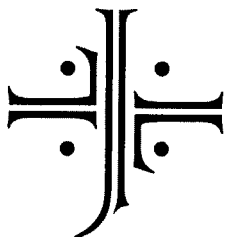


AKCINĖ BENDROVĖ  
"LIETUVOS JŪRŲ LAIVININKYSTĖ"



PUBLIC COMPANY  
"LITHUANIAN SHIPPING COMPANY"

To: Lithuanian Securities commission  
Konstitucijos pr.23,  
LT-08105 Vilnius,  
Lithuania

2008-11-26 Nr. 101-5-435  
Klaipėda

I \_\_\_\_\_ Nr. \_\_\_\_\_

CONFIRMATION BY THE RESPONSIBLE PERSONS OF PUBLIC COMPANY  
"LITHUANIAN SHIPPING COMPANY"

With reference to the Law on Securities of the Republic of Lithuania ,Article 22 ,and the Rules of the Securities Commission of the Republic of Lithuania on preparation and submission of the periodical and further information , we, Vytautas Petras Vismantas , General Director and Arvydas Stropus , Chief Accountant of the Public Company " Lithuanian Shipping Company" hereby confirm that to the extent of our knowledge the enclosed financial statement of the Public Company "Lithuanian Shipping Company" of the 30 September 2008, made in accordance with the International Financial Reporting Standards, corresponds to the facts and properly demonstrates the assets, liabilities, financial state, profit or loss of Public Company "Lithuanian Shipping Company".

Attach:

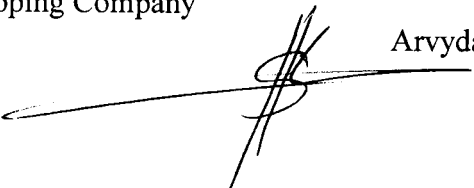
Financial statement of Public Company " Lithuanian Shipping Company " 30 September 2008.

Public Company "Lithuanian Shipping Company"  
General Director



  
Vytautas Petras Vismantas

Public Company "Lithuanian Shipping Company"  
Chief Accountant

  
Arvydas Stropus

**“LITHUANIAN SHIPPING COMPANY”  
(PUBLIC COMPANY)**

**FINANCIAL STATEMENT OF THE 30 SEPTEMBER 2008**

**Financial statements of AB "Lietuvos Jūrų Laivininkystė" 30 September 2008  
(in thousands LTL, if not stated otherwise)**

**EXPLANATORY NOTES**

**General Information**

AB "Lietuvos jūrų laivininkystė" (LJL) is a joint-stock company established after reorganizing AB "Lietuvos jūrų laivininkystė" (LISCO) by way of division. LJL was registered in the Registry of Legal Entities, certificate No. 027245. LJL registration date is 27 June 2001, its company code is 110865039. The address of LJL is Malunininku str. 3, Klaipėda. Main activities of the Company are cargo carrying by sea transport and lease of ships.

The Company's management bodies are general meeting of shareholders, supervisory board, board of directors and head of management.

On 30 September 2008 the Company had 475 employees, of which 56 in coast divisions and 419 on board.

On 30 September 2008 the Company's shareholders were:

	2008-09-30	
	Number of shares	Ownership percent
State Property Fund (VĮ Valstybės turto fondas)	16.669.791	8,3%
Ministry of Transport and Communication	113.833.000	56,66%
„Hansabank clients“	16.289.741	8,1
DFDS TOR LINE A/S	11.108.420	5,5%
Other small shareholders	43.000.344	21,44%

**II. Accounting Policy**

Main principles of accounting, which are the basis of preparation of these financial statements, are set out below. These principles were applied consistently in all presented periods, unless stated otherwise.

In the process of preparing financial statements in accordance with International Financial Reporting Standards, the Company's management have to make estimates and assumptions, which have an effect on the carrying amounts of assets and liabilities as well as on required disclosures

**Financial statements of AB "Lietuvos Jūrų Laivininkystė" 30 September 2008  
(in thousands LTL, if not stated otherwise)**

on the reporting date and on amounts of income and expenses recognised during the reporting period. These estimates may vary from the actual results.

**( a ) Basis of Preparation**

The Company's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The financial statements are prepared in accordance with the accrual and going concern principles. Following the accrual principle, transactions and other events are recognised and recorded in the accounts when they occur, and are presented in the financial statements of such periods.

The financial statements are prepared assuming that AB "Lietuvos jūrų laivininkystė" (LJL) does not have any intentions or requirements to be liquidated or reduce significantly the scope of its operations.

During the reporting period the Company has started to apply all new and revised Standards and Interpretations approved by the International Accounting Standards Board (IASB) or the International Financial Reporting Interpretations Committee (IFRIC), which are relevant to the Company's operations and become effective from the reporting periods beginning on 1 January 2007.

Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 4 "Insurance Contracts" related to "Financial Guarantee Contracts" have to be applied in the reporting periods of the Company starting on or after 1 January 2007. The purpose of these amendments is to ensure that the issuers of financial guarantee contracts account for liabilities related to such contracts in their balance sheets. As the Company does not have any transactions of such nature, the application of this Standard did not have any significant effect on the Company's financial statements.

Amendment to IAS 19 related to "Actuarial Gains or Losses, Group's Plans and Disclosures". This amendment is not relevant to the Company;

Amendment to IAS 39 related to "Fair Value Option". This amendment is not relevant to the Company;

Amendment to IAS 21 related to "Net Investment in a Foreign Operation". This amendment is not relevant to the Company;

Amendment to IAS 39 related to "Cash Flow Hedges of Forecast Intragroup Transactions". This amendment is not relevant to the Company;

IFRS 6 "Exploration for and Evaluation of Mineral Resources". This Standard is not relevant to the Company;

**Financial statements of AB "Lietuvos Jūrų Laivininkystė" 30 September 2008  
(in thousands LTL, if not stated otherwise)**

IFRIC 4 "Determining Whether an Arrangement Contains a Lease". The Company reviewed its agreements and determined they are not affected by this Interpretation;

IFRIC 5 "Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds". This Interpretation is not relevant to the Company;

IFRIC 6 "Liabilities Arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment". This Interpretation is not relevant to the Company;

Amendment to IFRS "First-time Adoption of International Financial Reporting Standards" and IFRS 6 "Exploration for and Evaluation of Mineral Resources". This amendment is not relevant to the Company;

IFRIC 7 "Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies". The management believe this Interpretation is not relevant to the Company;

IFRIC 8 "Scope of IFRS 2". The management believe this Interpretation is not relevant to the Company;

IFRIC 9 "Reassessment of Embedded Derivatives". The management believe this Interpretation is not relevant to the Company;

IFRIC 11 "IFRS 2: Group and Treasury Share Transactions". The management believe this Interpretation is not relevant to the Company;

IFRIC 12 "Service Concession Arrangements". The management believe this Interpretation is not relevant to the Company.

**( b ) Non-current Assets**

In the financial statements all economic resources controlled by the Company are recognised as assets if the Company can reasonably expect to obtain future economic benefits from using the resources and they have a value which can be measured reliably.

Non-current assets presented in the financial statements are stated at the acquisition or production cost of the assets less their accumulated depreciation and impairment value. In accordance with the procedure for non-currents assets accounting approved on 18 July 2001 by the board of directors, LJL recognises assets as non-current tangible assets if their acquisition value is at least LTL 1000 and they are going to be used for more than one year. Residual value of non-current assets is LTL 1, except for "Akville", "Asta", "Audre" and "Daina" ships (residual value 9-9,5% of acquisition value), "Alka", "Deltuva" (Clipper Eagle) and "Clipper Falcone", "Venta" ships (10% of acquisition value), "Romuva" (2%), "Voruta", "Svilas" and "Staris" (9,5%) and administrative building (6,3%).

**Financial statements of AB "Lietuvos Jūrų Laivininkystė" 30 September 2008  
(in thousands LTL, if not stated otherwise)**

Depreciation is calculated from the first day of the next month having started using a non-current tangible asset; it is discontinued from the first day of the next month after its write-off, sale or when all value of a non-current asset in use (less the residual value) is transferred into the cost of goods or services. The assets are depreciated on the basis of the straight-line method.

The management determines the useful life of an asset at the moment of acquisition, later it is reviewed every year. Useful life of assets is determined on the basis of past experience related to similar items as well as expected future events, which may affect the useful life.

If repairs of a non-current tangible asset do not upgrade its useful features (nor will these repairs lead to future income), the value of such works is recognised as expenses of the reporting period when they are carried out.

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there are indications of impairment. If such indications are noticed, the recoverable amounts of such assets are determined. A recoverable amount is the higher of an asset's expected net realisable value and its value in use. An impairment loss is recognised if the carrying amount of an asset is higher than its recoverable amount. All losses related to impairment are presented in the income statement.

In accordance with the requirements of classification companies the ships are repaired periodically: every five years the class of ship is confirmed after repairs (SS); three years after SS repairs dock repair works are carried out. LJJ writes off repair expenses related to class-certification within 3 years, dock repairs – within 2 years.

Non-current intangible assets are amortised within the period of 3 years.

**( c ) Inventories**

Inventories are accounted for at the lower of cost of purchase and expected net realisable value. In order to determine the cost of inventories sold FIFO method is applied. Net realisable value is estimated as expected selling price less expenses related to the sale.

When inventories are purchased from third parties, their cost of purchase is their purchase price combined with all purchase-related taxes (custom duties, etc.), transportation, preparation for use and other costs directly attributable to the purchase of the inventories, less received discounts and rebates. Insignificant (or stable for several reporting periods) amounts of inventories transportation and preparation for use costs are written off to operating expenses rather than included into the cost of purchase.

**( d ) Amounts Receivable**

On recognition amounts receivable are measured at their fair value. Thereinafter, current amounts receivable are measured taking into account their impairment, non-current amounts receivable are measured at a discounted value less any impairment loss in value.

**( e ) Cash And Cash Equivalents**

**Financial statements of AB "Lietuvos Jūrų Laivininkystė" 30 September 2008  
(in thousands LTL, if not stated otherwise)**

Cash comprises cash in hand and in bank accounts. Cash equivalents are liquid investments readily convertible into a known cash amount. The term of these investments is up to three months and they are subject to insignificant risk of changes in value.

In the cash flow statement cash and cash equivalents comprise cash in hand, cash at current accounts, other short-term liquid investments.

**( f ) Liabilities**

Borrowing expenses are written off when they are incurred. At the initial recognition, liabilities are stated at the fair value of received funds less the cost of transaction. Thereinafter, they are accounted for at amortised cost, and the difference between the funds received and amount payable within the period of loan is included into the profit or loss for the period. Liabilities are recognised as non-current if a financing agreement made by the date of the financial statements' approval confirms that they are long-term in substance.

**( g ) Provisions**

Provisions are recognised when and only when the Company has a legal obligation or irrevocable commitment as a result of past events; and it is probable that an outflow of resources embodying economic benefits will be required to settle it; and the amount of obligation can be measured reliably. Provisions are reviewed at each balance sheet date and adjusted to reflect the most accurate current estimates. When the time effect on the value of money is significant, the amount of provision is equal to the present value of outflows, which are expected to be required for the settlement of obligation. When discounting is used, an increase in provision reflecting the past period is recorded as interest expenses.

**( h ) Income Tax**

Computation of corporate income tax is based on a yearly profit and is made in accordance with the requirements of the tax laws of the Republic of Lithuania. Deferred income tax is calculated on the basis of temporary differences in the carrying amounts of assets and liabilities in the financial statements and their tax bases. An amount of deferred income tax depends on expected useful lives of assets and future repayments of liabilities and expected tax rates of the corresponding periods. A standard rate of corporate income tax for Lithuanian entities is 15%, however, in 2007 the Company chose to pay a tonnage tax and computes corporate income tax on the basis of ships' payload capacity. Deferred income tax and assets are no longer computed.

In accordance with the amendment of 3 May 2007 of the Law on Corporate Income Tax of the Republic of Lithuania, AB "Lietuvos Jūrų Laivininkystė" chose to calculate a fixed rate corporate income tax for the tax period beginning with 2007 and subsequent tax periods. The base of the fixed rate corporate income tax is calculated for each 100 payload capacity units (CU) of a sea-going vessel by applying a fixed daily amount and multiplying the resulting amount by the number of days in a tax period of a shipping entity.

**( I ) Revaluation of Currency**

**Financial statements of AB "Lietuvos Jūrų Laivininkystė" 30 September 2008  
(in thousands LTL, if not stated otherwise)**

In the accounting records transactions in foreign currencies are stated in the national currency, litas (LTL), in accordance with the official exchange rate of litas and foreign currency announced by the Bank of Lithuania at the transaction date, except for accumulated income and expenses, which are stated based on the official exchange rate of litas and foreign currency announced by the Bank of Lithuania on the last day of the reporting period.

In the balance sheet currency entries are stated in accordance with the official exchange rate of litas and foreign currency announced by the Bank of Lithuania at the date of the financial statements. The Company's owned cash in foreign currencies as well as all amounts receivable and payable in foreign currencies are considered to be currency entries.

Changes in currency entries, which occurred due to changes in the exchange rate of litas and foreign currency announced by the Bank of Lithuania and arose when performing currency transactions or revaluating currency entries registered earlier, are recognised as income or expenses from financial activities of the related reporting period.

**( j ) Income Recognition**

The moment of rendering services is recognised as the moment of earning income. Service provision is completed when the buyer pays for services at once or takes on an obligation to pay for them later without any significant additional conditions (when both parties sign a corresponding document: invoice, delivery note, etc.). Cash received as prepayment is recorded in accounts as an increase in the Company's liabilities to clients. In this case, income is recognised when the services are rendered.

**( k ) Expenses Recognition**

The cost of rendered services is always connected with the services rendered during the reporting period. It comprises a portion of costs incurred during the reporting period in order to render the services sold. When it is impossible to relate directly the costs of the reporting period with earning some specific income and they are not going to earn income in the coming periods, such costs are recognised as expenses of the period when they are incurred.

**( l ) Use of Estimates in Preparation of Financial Statements**

When they prepare the financial statements, the management have to make certain assumptions and estimates, which influence the presented amounts of assets, liabilities, income and expenses and disclosures of contingencies. Significant accounts of these financial statements, which are influenced by estimates, include depreciation, impairment and provisions. Future events may influence the assumptions used to make estimates. The results of such changes in estimates will be presented in the financial statements when they are uncovered.

**( m ) Contingencies**



**Financial statements of AB "Lietuvos Jūrų Laivininkystė" 30 September 2008  
(in thousands LTL, if not stated otherwise)**

Contingent liabilities are not recognised in the financial statements. They are disclosed in the financial statements, except for the cases when it is hardly probable that the outflow of economic resources will be required.

**( n ) Managing Financial Risks**

The Company's transactions are made on international markets in euros and US dollars, therefore, the risk related to fluctuations and changes in foreign currency exchange rates is unavoidable. Credit risk or risk related to the failure of partners to fulfil their obligations is controlled through applying credit terms and control of procedures. The Company does not face a significant credit risk related to any of its partners or partner groups. The Company avoids liquidity risk by keeping a sufficient flow of cash and cash equivalents or receiving financing in a credit form, by planning its cash flows in advance. The Company does not use any financial instruments to mitigate its financial risks.

**( o ) Events After the Balance Sheet Date**

Events after the balance sheet date, which provide additional information about the Company's position at the balance sheet date (events leading to adjustment), are reflected in the financial statements. Post balance sheet events not leading to adjustment are disclosed in the notes if they are significant.

Financial statements of AB "Lietuvos Jūrų Laivininkystė" 30 September 2008  
(in thousands LTL, if not stated otherwise)

III. Explanatory Notes to Accounts

1. *Non-current Intangible Assets*

Indicators	Computer software
<b>Acquisition cost</b>	
<b>31 December 2005</b>	<b>288,2</b>
Acquisitions	11,2
Write-offs	
Transfers to other accounts	
<b>31 December 2006</b>	<b>299,4</b>
Acquisitions	3,3
Write-offs	1,5
<b>31 December 2007</b>	<b>301,2</b>
Acquisitions	59,6
Write-offs	
<b>30 September 2008</b>	<b>360,8</b>
<b>Accumulated amortisation</b>	
<b>31 December 2005</b>	<b>275,1</b>
Calculated during the period	13,5
Write-offs	
Transfers to other accounts	
<b>31 December 2006</b>	<b>288,6</b>
Calculated during the period	6,8
Write-offs	1,5
Transfers to other accounts	
<b>31 December 2007</b>	<b>293,9</b>
<b>Calculated during the period</b>	<b>3,5</b>
<b>30 September 2008</b>	<b>297,4</b>
<b>Carrying amount</b>	
<b>31 December 2005</b>	<b>13,1</b>
<b>31 December 2006</b>	<b>10,8</b>
<b>31 December 2007</b>	<b>7,3</b>
<b>30 September 2008</b>	<b>63,4</b>

Intangible assets of 2008 year have increased after purchase of MS Windows and Office licenses in September

Financial statements of AB "Lietuvos Jūrų Laivininkystė" 30 September 2008  
(in thousands LTL, if not stated otherwise)

2. Non-current Tangible Assets, in thousand LTL

Indicators	Buildings and construction	Machinery	Ships	Other vehicles	Repairs	Other tangible assets	Total
<b>Acquisition cost</b>							
<b>31 December 2005</b>	<b>3.737,4</b>	<b>4.631,6</b>	<b>346.32750</b>	<b>726,4</b>	<b>9.402,4</b>	<b>579,2</b>	<b>365.404,5</b>
Acquisitions		1.461,0	43.348,0		1.766,0	36,0	46.611,0
Write-offs		681,0	9.981,0		5.733,0	138,0	16.533,0
Transfers to other accounts							
<b>31 December 2006</b>	<b>3.737,4</b>	<b>5.411,6</b>	<b>379.694,5</b>	<b>726,0</b>	<b>5.435,4</b>	<b>477,2</b>	<b>395.482,5</b>
Acquisitions		1.860,7	66.609,4	75,4	2.310,2	175,7	71.032,9
Write-offs		-1.827,4	-26.549,8		4.236,9	-92,3	-32.706,4
Transfers to other accounts							
<b>31 December 2007</b>	<b>3.737,4</b>	<b>5.444,9</b>	<b>419.754,1</b>	<b>801,8</b>	<b>3.510,2</b>	<b>560,6</b>	<b>433.809,0</b>
Acquisitions		1.342,1	77.222,2		3.502,5	51,1	82.117,9
Write-offs	64,9	486,6	10.970,5		1.476,3	55,4	13.321,7
<b>30 September 2008</b>	<b>3.672,5</b>	<b>6.302,4</b>	<b>486.005,8</b>	<b>801,8</b>	<b>5.266,4</b>	<b>556,3</b>	<b>502.605,2</b>
<b>Revaluation /impairment</b>							
<b>31 December 2005</b>			<b>-36.886,0</b>				
Revalued (+), impaired (-) Depreciated during the period							
<b>31 December 2006</b>			<b>-36.886,0</b>				
Revalued (+), impaired (-) Depreciated during the period							
<b>31 December 2007</b>			<b>-36.886,0</b>				
<b>30 September 2008</b>			<b>-36.886,0</b>				
<b>Accumulated depreciation</b>							
<b>31 December 2005</b>	<b>233,0</b>	<b>2.773,0</b>	<b>84.554,0</b>	<b>184,0</b>		<b>348,5</b>	<b>88.092,5</b>
Calculated during the period	57,0	526,0	24.395,0	158,0		52,0	25.188,0
Write-offs		430,0	6.183,0			102,0	6.715,0
Transfers to other accounts							
<b>31 December 2006</b>	<b>290,0</b>	<b>2.869,0</b>	<b>102.766,0</b>	<b>342,0</b>		<b>298,5</b>	<b>106.565,5</b>
Calculated during the period	57,1	786,7	26.522,2	158,9		60,2	27.585,1
Write-offs		-1.216,4	-20.601,4			-51,9	-21.869,7
Transfers to other accounts							

**Financial statements of AB "Lietuvos Jūrų Laivininkystė" 30 September 2008  
(in thousands LTL, if not stated otherwise)**

accounts							
<b>31 December 2007</b>	<b>347,1</b>	<b>2.439,3</b>	<b>108.686,8</b>	<b>501,1</b>		<b>306,8</b>	<b>112.280,9</b>
Calculated during the period	39,5	584,6	20.147,2	124,8		46,2	20.942,3
Write-offs	43,8	364,8	9.840,1			25,3	10.273,5
<b>30 September 2008</b>	<b>342,8</b>	<b>2.659,1</b>	<b>118.993,8</b>	<b>625,9</b>		<b>327,7</b>	<b>122.949,3</b>
<b>Carrying amount</b>							
<b>31 December 2005</b>	<b>3.504,4</b>	<b>1.858,6</b>	<b>224.887,5</b>	<b>542,4</b>	<b>9.402,4</b>	<b>230,7</b>	<b>240.426,0</b>
<b>31 December 2006</b>	<b>3.447,4</b>	<b>2.542,6</b>	<b>240.042,5</b>	<b>384,4</b>	<b>5.435,4</b>	<b>178,7</b>	<b>252.031,0</b>
<b>31 December 2007</b>	<b>3.390,3</b>	<b>3.005,6</b>	<b>274.181,3</b>	<b>300,9</b>	<b>3.510,2</b>	<b>253,8</b>	<b>284.642,1</b>
<b>30 September 2008</b>	<b>3.329,7</b>	<b>3.643,3</b>	<b>330.126,0</b>	<b>175,9</b>	<b>5.266,4</b>	<b>228,6</b>	<b>342.769,9</b>

### **Ships**

At the end of the financial year the non-current tangible assets of LJJ included 14 ships, and administrative building, vehicles and equipment.

Within the reporting period of 2008 year the vessels – Kapitonas Stulpinas and Kapitonas Serafinas were sold. The m/v Venta was purchased ( about 24,000 t dwd).

8 ships are mortgaged for loans received from SEB Vilniaus bankas (No 12 note)

### **3. Ship Repairs**

Ship repairs recognised as assets – LTL 5266,4 thousand  
of which planned write-offs to expenses in:

2008 m.	-	LTL 512,9 thousand
2009 m.	-	LTL 3391,5 thousand
2010 m.	-	LTL 1.226,3 thousand
2011 m.	-	LTL 135,7 thousand

### **4. Inventories and Prepayments**

	2008-09-30	2007-12-31
Spare parts	884,4	2.193,1
Food provision on ships	107,3	136,4
Prepayments	7.193,6	8.926,1
<b>Total:</b>	<b>8.185,3</b>	<b>11.255,6</b>

### **5. Amounts Receivable**

	2008-09-30	2007-12-31
Trade debtors	207,6	81,1
Foreign trade debtors	451,8	503,8
Amounts receivable from State budget	24,8	39,8
Prepayments to ships	180,6	164,3
Outstanding invoices	447,5	-

**Financial statements of AB "Lietuvos Jūrų Laivininkystė" 30 September 2008  
(in thousands LTL, if not stated otherwise)**

Other amounts receivable	157,0	172,3
Total:	1.469,3	961,3

In 2008-09-30 the foreign trade debtors included the amount of LTL 327,5 thousand related to the damage of cargo of the motor ship "Skalva" (at the beginning of 2006). This amount is covered by insurance, so insurance companies were examining the circumstances of the cargo damage and the amount should be repaid to the Company.

**6. Other Current Assets**

	2008-09-30	2007-12-31
Fixed-time deposits	10.367,5	21955,0
Other current assets	262,1	-
Total:	10.629,6	21955,0

Fixed time deposit reduced due to purchase of the m/v Venta in May 2008. The purchase was partly secured by cash payment from the LJJ funds.

**7. Cash and Cash Equivalents**

	2008-09-30	2007-12-31
Cash in national currency	65,9	122,0
Cash in banks in foreign currencies	1.986,6	864,3
LJJ's cash in hand in national currency	13,5	9,9
LJJ's cash in hand in foreign currencies	14,0	38,3
Total:	2080,0	1034,6

**8. Capital**

	Authorised capital	Share premiums	Total
31 December 2007	200901,3	-	200901,3
New emission of shares	-	-	-
Acquisition of own shares	-	-	-
30 September 2008	200901,3	-	200901,3

On 30 September 2008 the Company's authorised capital consisted of 200 901 296 ordinary registered shares. A nominal value of each share in LTL 1.

**9. Reserves**

	2008-09-30	2007-12-31
Compulsory legal reserves	20090,1	10467,3
Reserve for acquisition of ships	29594,0	9599,5
Reserve for employees' bonuses	150,0	150,0
Reserve for social and cultural activities	50,9	30
Total:	49885,0	20246,9

**Financial statements of AB "Lietuvos Jūrų Laivininkystė" 30 September 2008  
(in thousands LTL, if not stated otherwise)**

When the reserve for employees' bonuses is used, it is cancelled by the decision of the shareholders by increasing the retained earnings. Bonuses paid to employees are included into the income statement. In 2008 the new reserves will be confirmed by the shareholder's meeting.

**10. Retained Earnings (Losses)**

	2008-09-30	2007-12-31
Balance at the beginning of the year	30137,1	11314,8
From reserves	9779,5	-
Net profit (loss) for the year	29806,7	30137,1
Allocated to dividends (transferred to amounts payable)	-499,0	-1149,5
Allocated to other reserves	-29794,8	-9779,5
Cancelled reserves	-	180
Allocated to compulsory legal reserve	-9622,8	-565,7
Balance at 30 September 2008	18396,0	30137,2

**11. Financial Liabilities (to credit institutions)**

	2008-09-30	2007-12-31
Payable after one year	82248,0	44345,9
Payable within one year	3506,6	16689,9
<b>total</b>	<b>85754,5</b>	<b>61035,8</b>
Balance of loans at the beginning of the year	61035,8	39514,2
Loans received	51775,3	48540,3
Loans repaid	-29336,1	-21732,9
Effect of exchange rates	-2279,5	-5285,8
Balance of loans at 30 September 2008	85754,5	61035,8

All financial liabilities of LJJ to banks are secured by assets. 8 ships with the carrying amount of LTL 221667,6 thousand are mortgaged. The increase in loans in 2008 was caused by the acquisition of ships "Venta" in May. The loan for the acquisition of these ships was received from AB SEB bankas. Loan repayment term is set till -2015.

**12. Income Tax Liabilities**

	2008-09-30	2007-12-31
Corporate income tax payable at the beginning of the year	91,3	2.067,3
Calculated corporate income tax		91,3
Paid corporate income tax		-2.067,3
Corporate income tax payable at the	-	91,3

**Financial statements of AB "Lietuvos Jūrų Laivininkystė" 30 September 2008  
(in thousands LTL, if not stated otherwise)**

end of the year

**13. Liabilities Related to Employment Relations**

	2008-09-30	2007-12-31
Provision for annual leaves (salaries)	1498,9	1377,7
Provision for annual leaves (social insurance)	464,4	426,8
Payable salaries	853,7	
Payable social insurance contributions	380,1	354,2
Amount payable to guarantee fund	1,1	2,2
<b>Total</b>	<b>3198,2</b>	<b>2160,9</b>

**14. Provisions**

	2008-09-30	2007-12-31
Provisions for not received invoices	565,0	896,6

**15. Other Amounts Payable**

	2008-09-30	2007-12-31
Debts to agents	-	152,6
Debts to suppliers	2062,0	1236,4
Prepayments from clients	3828,2	2519
Dividends payable	108,0	103,2
Liabilities related to freight	352,4	167,4
Accrued expenses	128,9	191,6
Other liabilities	18,0	16
<b>Total</b>	<b>6497,5</b>	<b>4386,2</b>

On 30 September 2008 other unpaid amounts (amounts payable to suppliers) increase has resulted from agents and suppliers invoices received for services provided (including technical supply, classification societies services, change of crews –1388,2 thousand LTL). The above invoices will be settled within next reporting period.

**Financial statements of AB "Lietuvos Jūrų Laivininkystė" 30 September 2008  
(in thousands LTL, if not stated otherwise)**

**16. Sales**

Sales revenue, LTL thousand	2008-09-30	2007-09-30	%
Time charter income	66422,1	69208,6	96,0
Other time charter income	-	1,9	-
Freight income from short-term agreements	-	358,2	-
Total:	66422,1	69568,7	95,5

Time charter income decreased due to a lower number of ships, as well as due to the decrease in the exchange rate of the dollar. In 2008 all ships operated on the basis of time charter agreements.

**17. Financing and Investing Activities**

	2008-09-30	2007-09-30	%
Received interest	657,3	404,3	162,6
Positive effect of changes in exchange rates		2905,8	-
Paid interest	(2439,2)	(2891,0)	84,4
Negative effect of changes in exchange rates	(3169,5)		
Total:	(4951,4)	419,1	-

**18. Profit (Earnings) per Share**

Profit per share is calculated by dividing the net profit of the period belonging to the owners of the shares LTL 747828 by the number of ordinary shares at the end of the period – 200901296.

**19. Related Party Transactions**

The Company regards the members of the board of directors, Director General, ship park management director, technical director, director of finance, chief accountant and members of their families as related parties.

**20. Statement of Changes in Equity**

On 2008-09-30 the Company's equity was of 269182,3 thousand LTL. The company equity increased by 17897,0 thousand LTL as compared with the beginning of the reported year because of higher legal and other reserves.

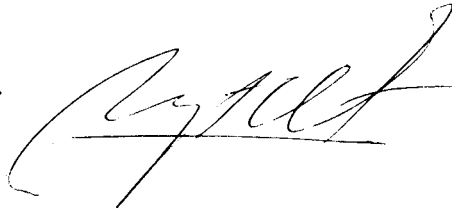


**Financial statements of AB "Lietuvos Jūrų Laivininkystė" 30 September 2008  
(in thousands LTL, if not stated otherwise)**

**21. Cash Flow Statement**

On 30 September 2008 cash flow decreased by 10542,2 thousand LTL because of the m/v Venta purchase in May that was partly paid from the Company own funds and partly repayment in advance the bank loans provided for vessels purchase.

General Director

A handwritten signature in black ink, appearing to read 'Vytautas Vismantas', written over a horizontal line.

Vytautas Vismantas

AB "Lietuvos jūrų laivininkystė"

(enterprise name)

110865039, Malūnininkų g.3, LT-92264 Klaipėda

(enterprise identification number, address, other information)

**APPROVED**

by General meeting of shareholders

Minutes No.....

of .... , 200..

**PROFIT(LOSS) STATEMENT as of 30 September, 2008**

2008. 01.01 - 2008.09.30

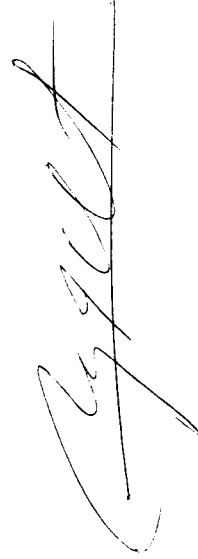
(reporting period)

LTL

(currency of financial statement)

No.	Items	Note No	30 September, 2008	30 September, 2007	01 July to 30 September, 2008	01 July to 30 September, 2007
I.	<b>SALES REVENUE</b>	<b>16</b>	<b>66.461.898</b>	<b>69.648.126</b>	<b>23.753.393</b>	<b>22.349.130</b>
II.	<b>EXPENSES</b>					
II.1.	Personnel expenses		23.697.154	22.514.006	7.569.454	7.457.345
II.2.	Ship maintenance expenses		19.019.142	20.887.038	8.417.530	8.361.290
II.3.	Ship repair expenses		11.918.848	8.901.202	5.275.406	3.114.292
II.4.	Other administrative and selling expenses		876.069	1.199.136	174.090	593.854
	<b>Total expenses</b>		<b>55.511.213</b>	<b>53.501.382</b>	<b>21.436.480</b>	<b>19.526.781</b>
	<b>Profit (earnings) before depreciation (EBITDA)</b>		<b>10.950.685</b>	<b>16.146.744</b>	<b>2.316.913</b>	<b>2.822.349</b>
III.	Profit from sales of ships		33.343.567	28.833.935	0	17.877.114
IV.1.	Depreciation of ships		20.710.237	20.559.933	7.363.122	7.077.836
IV.2.	Depreciation of other assets		235.654	264.133	81.733	76.353
	<b>Profit (earnings) before interest (EBIT)</b>		<b>23.348.361</b>	<b>24.156.613</b>	<b>-5.127.942</b>	<b>13.545.274</b>
V.1.	Effect of changes in exchange rates (profit)	<b>17</b>	-3.169.535	2.905.835	-5.526.058	1.697.224
V.2.	Net interest expenses	<b>17</b>	1.781.945	2.486.706	755.853	909.357
	<b>Profit before tax</b>		<b>18.396.881</b>	<b>24.575.742</b>	<b>-11.409.853</b>	<b>14.333.141</b>
VI.	Income tax		876	1.682.769	876	-2.904
	<b>NET PROFIT</b>		<b>18.396.005</b>	<b>22.892.973</b>	<b>-11.410.729</b>	<b>14.336.045</b>
	<b>Profit (earnings) per share, LTL</b>	<b>18</b>	<b>0,0916</b>	<b>0,1140</b>	<b>-0,0568</b>	<b>0,0714</b>

General Director



Vytautas Vismantas

**AB "Lietuvos jūrų laivininkystė"**

(enterprise name)

110865039, Malūnininkų g.3, LT-92264 Klaipėda

(enterprise identification number, address, other information)

**APPROVED**

by General meeting of shareholders

Minutes No.....

of .... .., 200..

**BALANCE SHEET as of 30 September 2008**

(date of formation of financial statements)

2008.01.01 - 2008.09.30

(reporting date)

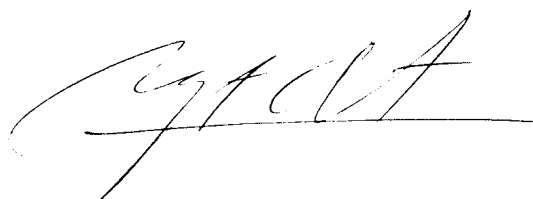
**LTL**

(currency of financial statement)

	<b>ASSETS</b>	Note, No	<b>30 September 2008</b>	<b>31 December 2007</b>
<b>A.</b>	<b>NON-CURRENT ASSETS</b>		<b>342.833.332</b>	<b>284.649.428</b>
<b>I.</b>	<b>INTANGIBLE ASSETS</b>			
I.1.	Development work	1.	63.449	7.321
I.2.	Goodwill			
I.3.	Licenses and patents			
I.4.	Computer software	1.	63.449	7.321
I.5.	Other intangible assets			
<b>II.</b>	<b>TANGIBLE ASSETS</b>	2.	<b>342.769.883</b>	<b>284.642.107</b>
II.1.	Land			
II.2.	Buildings and constructions		3.329.652	3.390.316
II.3.	Machinery		3.643.346	3.005.585
II.4.	Vehicles and other transport means		175.870	300.703
II.5.	Ships		330.126.025	274.181.522
II.6.	Repairs	3.	5.266.381	3.510.224
II.7.	Other tangible assets		228.609	253.757
<b>III.</b>	<b>FINANCIAL ASSETS</b>			
III.1.	Investments in subsidiaries and associates			
III.2.	Loans to subsidiaries and associates			
III.3.	Amounts receivable after one year			
III.4.	Other financial assets			
<b>IV.</b>	<b>ASSETS OF DEFERRED INCOME TAX</b>			<b>0</b>
<b>B.</b>	<b>CURRENT ASSETS</b>		<b>22.364.203</b>	<b>35.206.567</b>
<b>I.</b>	<b>INVENTORIES PREPAYMENTS and CONTRACTS IN PROGRESS</b>	4.	<b>8.185.326</b>	<b>11.255.591</b>
I.1.	Inventories			
I.1.1.	Raw materials and components		991.745	2.329.470
I.1.2.	Work in progress		991.745	2.329.470
I.1.3.	Finished goods			
I.1.4.	Goods for resale			
I.2.	Prepayments		7.193.581	8.926.121
I.3.	Contracts in progress			
<b>II.</b>	<b>AMOUNTS RECEIVABLE WITHIN ONE YEAR</b>	5.	<b>1.469.312</b>	<b>961.320</b>
II.1.	Trade amounts receivable		1.223.867	591.313
II.2.	Receivable from subsidiaries and associates			
II.3.	Other amounts receivable		245.445	370.007
<b>III.</b>	<b>OTHER CURRENT ASSETS</b>	6.	<b>10.629.605</b>	<b>21.955.027</b>
III.1.	Current investments			0
III.2.	Time deposits		10.367.500	21.955.027
III.3.	Other current assets		262.105	
<b>IV.</b>	<b>CASH and CASH EQUIVALENTS</b>	7.	<b>2.079.960</b>	<b>1.034.629</b>
	<b>TOTAL ASSETS :</b>		<b>365.197.535</b>	<b>319.855.995</b>

	<b>EQUITY AND LIABILITIES</b>	Note No	<b>30 September 2008</b>	<b>31 December 2007</b>
<b>C.</b>	<b>EQUITY</b>		<b>269.182.296</b>	<b>251.285.249</b>
<b>I.</b>	<b>CAPITAL</b>	<b>8.</b>	<b>200.901.296</b>	<b>200.901.296</b>
I.1.	Authorised (subscribed)		200.901.296	200.901.296
I.2.	Subscribed uncalled share capital (-)			
I.3.	Share premium			
I.4.	Own shares (-)			
<b>II.</b>	<b>REVALUATION RESERVE (RESULTS)</b>			
<b>III.</b>	<b>REZERVES</b>	<b>9.</b>	<b>49.884.995</b>	<b>20.246.868</b>
III.1.	Legal reserve		20.090.130	10.467.329
III.2.	Reserve for acquiring own shares			
III.3.	Other reserves		29.794.865	9.779.539
<b>IV.</b>	<b>RETAINED PROFIT (LOSSES)</b>	<b>10.</b>	<b>18.396.005</b>	<b>30.137.085</b>
IV.1.	Profit (loss) of the reporting year		18.396.005	30.137.085
IV.2.	Profit (loss) of the previous year			
<b>D.</b>	<b>GRANTS and SUBSIDIES</b>			
<b>E.</b>	<b>AMOUNTS PAYABLE and LIABILITIES</b>		<b>96.015.239</b>	<b>68.570.746</b>
<b>I.</b>	<b>NON - CURRENT AMOUNTS PAYABLE AND LIABILITIES</b>		<b>82.247.960</b>	<b>44.345.861</b>
I.1.	Financial debts	<b>11.</b>	<b>82.247.960</b>	<b>44.345.861</b>
I.1.1.	Leases and similar obligations			
I.1.1.1.	To credit institutions	<b>11.</b>	82.247.960	44.345.861
I.1.1.2.	Other financial debts			
I.2.	Trade amounts payable			
I.3.	Amounts received in advance			
I.4.	Provisions			
I.4.1.	For covering liabilities and demands			
I.4.2.	For pensions and similar obligations			
I.4.3.	Other provisions			
I.5.	Deferred taxes			0
I.6.	Other amounts payable and non-current liabilities			
<b>II.</b>	<b>CURRENT AMOUNTS AND LIABILITIES</b>		<b>13.767.279</b>	<b>24.224.885</b>
II.1	Current portion of non-current debts			
II.2.	Financial debts	<b>11.</b>	3.506.584	16.689.873
II.2.1.	To credit institutions	<b>11.</b>	3.506.584	16.689.873
II.2.2.	Other debts			
II.3.	Trade amounts payable		2.062.042	1.388.989
II.4.	Amounts received in advance		3.828.162	2.518.960
II.5.	Profit tax liabilities	<b>12.</b>		91.309
II.6.	Liabilities related to employment relations	<b>13.</b>	3.198.190	2.160.948
II.7.	Provisions	<b>14.</b>	565.000	896.573
II.8.	Other amounts payable and current liabilities	<b>15.</b>	607.301	478.233
	<b>TOTAL EQUITY AND LIABILITIES :</b>		<b>365.197.535</b>	<b>319.855.995</b>

General Director



Vytautas Vismantas

## AB "Lietuvos jūrų laivininkystė"

(enterprise name )

110865039, Malūnininkų g.3, LT-92264 Klaipėda

( enterprise identification number, address, other information )

### CASH FLOW STATEMENT as of 30 September, 2008

2008.01.01 - 2008.09.30

(reporting period)

### APPROVED

by General meeting of shareholders

Minutes No.....

of .... .., 200...

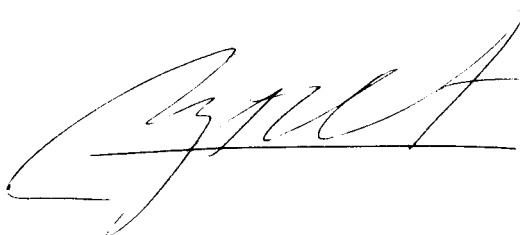
LTL

(currency of financial statement)

No.	Items	Note No	30 September, 2008	30 September, 2007
<b>I.</b>	<b>Cash flows from operating activities</b>			
I.1.	Net profit (loss)		18.396.005	22.892.973
I.2.	Depreciation and amortisation expenses		20.945.892	20.824.066
I.3.	Decrease (increase) in amounts receivable after one year			
I.4.	Decrease (increase) in inventories		1.337.725	-84.021
I.5.	Decrease (increase) in advance payments received		1.732.540	-3.665.535
I.6.	Decrease (increase) in contracts in progress			
I.7.	Decrease (increase) in trade receivables		-632.554	-682.908
I.8.	Decrease (increase) in amounts receivable from subsidiaries and associates			
I.9.	Decrease (increase) in other amounts receivable		124.562	-74.163
I.10.	Decrease (increase) in other current assets		-262.105	-144.000
I.11.	Increase (decrease) in non-current payables to suppliers and advance payments received			
I.12.	Increase (decrease) in payables to suppliers and advance payments received		1.982.255	3.119.649
I.13.	Increase (decrease) in payable profit tax		0	-1.982.849
I.14.	Increase (decrease) in liabilities to employees		1.037.242	367.057
I.15.	Increase (decrease) in provision		-331.573	2.143.065
I.16.	Increase (decrease) in other amounts payable and liabilities		37.761	372.161
I.17.	Elimination of results of financing and investing activities		-494.117	1.120.046
	<b>Net cash flows from operating activities</b>		<b>43.873.633</b>	<b>44.205.541</b>
<b>II.</b>	<b>Cash flows from investing activities</b>			
II.1.	Acquisition of non-current assets (excluding investment)		-78.675.044	-68.504.617
II.2.	Transfer of non-current assets (excluding investment)		-454.751	6.048.878
II.3.	Acquisition of long-term investments			
II.4.	Transfer of long-term investments			
II.5.	Loans granted			
II.6.	Loans recovered			
II.7.	Dividends and interest received			
II.8.	Other increase in cash flows from investing activities			
II.9.	Other decrease in cash flows from investing activities			
	<b>Net cash flows from investing activities</b>		<b>-79.129.795</b>	<b>-62.455.739</b>
<b>III.</b>	<b>Cash flows from financing activities</b>			
III.1.	Cash flows related to the owners of enterprise:			
III.1.1.	Issue of shares		494.117	-1.120.046
III.1.2.	Owner's contributions to cover losses			
III.1.3.	Purchase of own shares			
III.1.4.	Dividends paid		494.117	-1.120.046

No.	Items	Note No	30 September, 2008	30 September, 2007
III.2.	Cash flows related to other financing sources		24.718.809	27.209.936
III.2.1.	Increase in financial debts		51.775.300	48.540.300
III.2.1.1	Loans received		51.775.300	48.540.300
III.2.1.2	Issue of bonds			
III.2.2.	Decrease in financial debts		-27.056.491	-21.330.364
III.2.2.1	Loans received		-29.336.054	-17.526.449
III.2.2.2	Issue of bonds		2.279.563	-3.803.915
III.2.2.3	Interest paid			
III.2.2.4	Payments of lease (financial lease) liabilities			
III.2.3.	Increase in other enterprise liabilities			
III.2.4.	Decrease in other enterprise liabilities			
III.3.	Other increase in cash flows from financial activities			1.756.360
III.4.	Other decrease in cash flows from financial activities		-3.668.495	
	<b>Net cash flows from financing activities</b>		<b>21.544.431</b>	<b>27.846.250</b>
IV.	<b>Cash flows from extraordinary items</b>		0	0
IV.1.	Increase in cash flows from extraordinary items			
IV.2.	Decrease in cash flows from extraordinary items			
V.	<b>The effects of changes in foreign exchange rates on the balance of cash and cash equivalents</b>		<b>3.169.535</b>	<b>-2.905.835</b>
VI.	<b>Net increase (decrease) in cash flows</b>		<b>-10.542.196</b>	<b>6.690.217</b>
VII.	<b>Cash and cash equivalents at the beginning of period</b>		<b>22.989.656</b>	<b>13.614.257</b>
VIII.	<b>Cash and cash equivalents at the end of period</b>		<b>12.447.460</b>	<b>20.304.474</b>

General Director



Vytautas Vismantas

AB"LIETUVOS JŪRŲ LAIVININKYSTĖ"

(enterprise name)

110865039, Malūnininkų 3 LT-92264, Klaipėda

(enterprise identification number, address, other information)

**STATEMENT OF CHANGES IN EQUITY AS OF 30 SEPTEMBER 2008**

2008.01.01 -2008.09.30  
(reporting date)

LTL

	Share capital	Reserves provided by the law		Other reserves	Retained earnings (losses)	Total
		Legal	Acquisition of own shares			
Balance as of December 31, 2006	200,901,296	9,901,591		180,000	11,314,752	222,297,639
Net profit (loss) of the accounting period					22,892,973	22,892,973
Dividends					-1,149,475	-1,149,475
Formed reserves		565,738		9,779,539	-10,345,277	
Used reserves				-180,000	180,000	
Balance as of September 30, 2007	200,901,296	10,467,329		9,779,539	22,892,973	244,041,137
Blance as of December 31, 2007	200,901,296	10,467,329		9,779,539	30,137,085	251,285,249
Net profit (loss) of the accounting period					18,396,005	18,396,005
Dividends					-498,958	-498,958
Formed reserves		9,622,801		29,794,865	-39,417,666	
Balance as of September 30, 2008	200,901,296	20,090,130		39,574,404	8,616,466	269,182,296

General Director

Vytautas Vismantas

