

AKCINĖ BENDROVĖ
"LIETUVOS JŪRŲ LAIVININKYSTĖ"



PUBLIC COMPANY
"LITHUANIAN SHIPPING COMPANY"

To: The Bank of Lithuania
Žirmūnų str. 151,
LT-09128 Vilnius,
Lithuania

2013-05-15

Nr.

(01)-5-186

Klaipėda

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Nr.

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

Following the Rules of Preparation and Submission of Periodic and Supplemental of the Securities Commission of the Republic of Lithuania as well as the Law on Securities of the Republic of Lithuania, Item 22, we hereby confirm that, to the best of our knowledge Financial statements for the three month 2013, drawn in accordance with the International Financial Reporting Standards, corresponds to the reality and properly reflects the assets, liabilities, financial state, profit or loss and cash flows of Public Company "Lithuanian Shipping Company".

Public Company "Lithuanian Shipping Company"
General Director

Audronis Lubys

Public Company "Lithuanian Shipping Company"
Chief Accountant

Arvydas Stropus



Public Company Lithuanian Shipping Company

**Unaudited interim financial statements for the three months
2013**

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IMO 9074729

Contents

Company details	1
Statement of financial position	2
Statement of comprehensive income	3
Cash flow statement	4
Statement of changes in equity	5
Notes to the financial statements	6

Company details

Public Company Lithuanian Shipping Company

Telephone: +370 46 393105
Telefax: +370 46 393119
Company code: 110865039
Address: Malūnininkų g. 3, Klaipėda

Supervisory Council

Tomas Karpavičius (Chairman)
Ona Barauskienė
Evaldas Zacharevičius
Laimutė Tinglum
Gytis Kaminskas

Board

Saulius Girdauskas
Andrius Šniuolis
Egle Vyšniauskaitė
Mindaugas Utkevičius
Stepas Telešius
Auditor
KPMG Baltics, UAB

Banks

AB SEB Bankas
AB DNB Bankas
Danske bank A/S Lithuanian branch

Public Company Lithuanian Shipping Company

Company code: 110865039, address: Malūnininkų g. 3, LT-92264 Klaipėda

Financial statements for the ended 31 March 2013

(thousands of litas, if not indicated otherwise)

STATEMENT OF FINANCIAL POSITION
31 March, 2013

	Notes No.	31-03-2013	31-12-2012
Intangible assets	2	6	8
Tangible assets	1	194.606	195.780
<i>Total non-current assets</i>		<i>194.612</i>	<i>195.788</i>
Inventories	3	4.582	5.135
Prepayments	3	2.276	867
Trade receivables	4	2.628	2.385
Other receivables	4	814	163
Cash and cash equivalents	5	33	369
<i>Total current assets</i>		<i>10.333</i>	<i>8.919</i>
<i>Total assets</i>		<i>204.945</i>	<i>204.707</i>
Share capital	6	200.901	200.901
Legal reserve		-	-
Other reserves		-	-
Retained profit (loss)		(84.293)	(79.087)
<i>Total equity</i>	17	<i>116.608</i>	<i>121.814</i>
Payables to credit institutions	7	28.607	38.286
Non-current employee benefits		305	305
<i>Total non-current liabilities</i>		<i>28.912</i>	<i>38.591</i>
Payables to credit institutions	7	29.791	18.112
Trade payables	9	20.578	16.560
Received prepayments	9	4.366	5.174
Employment related payables	8	4.379	3.496
Profit tax liabilities		66	66
Other payables	9	245	894
<i>Total current liabilities</i>		<i>59.425</i>	<i>44.607</i>
<i>Total shareholders' equity and liabilities</i>		<i>59.425</i>	<i>204.707</i>

The notes set out on pages 6-16 form an integral part of these financial statements.

General Director



Audronis Lubys

Chief Accountant



Arvydas Stropus

Public Company Lithuanian Shipping Company

Company code: 110865039, address: Malūnininkų g. 3, LT-92264 Klaipėda

Financial statements for the ended 31 March, 2013

(thousands of litas, if not indicated otherwise)

STATEMENT OF COMPREHENSIVE INCOME
31 March, 2013

	Notes		
	No.	31-03- 2013	31-03-2012
Sales	10	25.645	18.072
Cost of sales	11	(26.944)	(19.229)
Gross result		(1.299)	(1.157)
Administrative expenses	12	(1.016)	(1.169)
Impairment loss of vessels	12	-	-
Distribution expenses		-	(1)
Other operating income	13	3	43
Other operating expenses	13	(2)	(1)
Operating result		(2.314)	(2.285)
Financial income	14	-	1.791
Financial expenses	14	(2.892)	(525)
Net financial expenses	14	(2.892)	(1.266)
Profit (loss) before tax		(5.206)	(1.019)
Income tax expenses		-	-
Profit (loss) for the year		(5.206)	(1.019)
Other comprehensive income , net of income tax		-	-
Total comprehensive income		(5.206)	(1.019)
Basic and diluted earnings (loss) per share (in Litass)	15	(0,026)	(0,005)

The notes set out on pages 6-16 form an integral part of these financial statements.

General Director



Audronis Lubys

Chief Accountant



Arvydas Stropus

CASH FLOWS STATEMENT
31 March, 2013

Articles	Notes No.	31-03-2013	31-03-2012
Cash flows from operating activity			
Profit (loss) for the period		(5.206)	(1.019)
Adjustments for:			
Depreciation and amortization	1,2	4.206	3.981
Effects of exchange rate changes on loans	7	2.000	(1.989)
Gain (loss) on disposal of property, plant and equipment		1	-
Impairment loss of vessels		-	-
Interest expenses, net	14	484	525
Income tax expense		-	-
Operating cash flows before changes in working capital		1.485	1.498
Decrease (increase) in receivables	4	(2.303)	(2.241)
Increase (decrease) in payables	8,9	3.444	4.449
Decrease (increase) in inventories	3	553	(1.100)
Cash flows generated from operating activities		3.179	2.606
Income tax paid		-	-
Net cash flows from operating activities		3.179	2.606
Cash flows from investing activities			
Acquisitions of non-current assets	1,2	(3.031)	(3.152)
Disposals of non-current assets		-	-
Received dividends and interests		-	-
Net cash flows from investing activities		(3.031)	(3.152)
Cash flows from financing activities			
Interest paid	14	(484)	(525)
Dividends paid to shareholders		-	-
Repayments of loans	7	-	(641)
Net cash flow from financing activities		(484)	(1.166)
Change in cash and cash equivalents		(336)	(1.712)
Cash and cash equivalents at 1 January		369	1.793
Cash and cash equivalents at 31 December	5	33	81

The notes set out on pages 6-16 form an integral part of these financial statements.

General Director

Audronis Lubys

Chief Accountant

Arvydas Stropus

Public Company Lithuanian Shipping Company

Company code: 110865039, address: Malūnininkų g. 3, LT-92264 Klaipėda

Financial statements for the ended 31 March, 2013

(thousands of litas, if not indicated otherwise)

STATEMENT OF CHANGES IN EQUITY
31 March 2013

	Share capital	Legal Reserve	Other reserves	Retained profit (loss)	Total
<i>Balance as at 31.12.2011 (recalculated)</i>	200.901			(62.320)	138.581
Comprehensive income for the period				(1.019)	(1.019)
Used reserves					
<i>Balance as at 31.03.2012</i>	200.901			(63.339)	127.562
Comprehensive income for the period				(16.767)	(16.767)
Used reserves					
Balance as at 31.12.2012	200.901			(79.087)	121.814
Comprehensive income for the period				(5.206)	(5.206)
<i>Balance as at 31.03.2013</i>	200.901			(84.293)	116.608

The notes set out on pages 6-16 form an integral part of these financial statements.

General Director



Audronis Lubys

Chief Accountant



Arvydas Stropus

Notes to the financial statements ended of the 31 March 2013

I. Reporting entity

Public Company Lithuanian Shipping Company (LJL) is a joint-stock company established after reorganizing Public Company Lithuanian Shipping Company (LISCO). LJL was registered in the Registry of Legal Entities, certificate No. 027245. LJL registration date is 27 June, 2001, company code is 110865039. The address of LJL is Malūnininkų g. 3, Klaipėda. Main activities of the Company are cargo carrying by sea transport and lease of ships.

Management bodies of the Company are general meeting of shareholders, supervisory board, board and Chief Executive Officer.

At the ended of the 31 March 2013 327 employees were employed in the Company, 30 of them worked in management divisions and 297 as seafarers.

The shareholders of the Company were on 31 March, 2013:

	31-03- 2013		31-03- 2012	
	Number of shares	Ownership percent	Number of shares	Ownership percent
Ministry of Transport and Communication of the Republic of Lithuania	113.833.000	56,66	113.833.000	56,66
Swedbank AS (Estonia)	10.540.063	5,25	11.437.444	5,65
DFDS TOR LINE A/S	11.108.420	5,53	11.108.420	5,53
Other small shareholders	65.419.813	32,56	64.552.432	32,12
Total:	200.901.296		200.901.296	

II. Significant accounting policies

(a) Statement of compliance

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

The figures in financial statements are presented in litas which is the official currency of the Republic of Lithuania and the functional currency of the Company. The major part of income of the Company is received in USD, however a significant proportion of costs are in litas and euro which is related to litas at a fixed rate. All reports to shareholders, board, management, state institutions (State Tax Inspectorate, Sodra and Department of Statistics) must be provided in national currency. Therefore, litas is the functional currency of the Company currently.

Transactions in foreign currencies are evaluated in litas on the basis of the official foreign currency exchange rates established by the Bank of Lithuania at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are evaluated in litas regarding exchange rates at the end of year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are converted into litas at the exchange rate at the date that the fair value was determined. At the end of current year all operations denominated in Euros were converted applying the fixed exchange rate announced by the Bank of Lithuania (1 EUR = 3,4528 LTL) and the amounts in US dollars were converted applying the exchange rate where 1 USD = 2,6984 LTL.

Foreign exchange differences generated due to change of currency rate between litas and foreign currency determined by the Bank of Lithuania and appeared when executing currency operations or by

Public Company Lithuanian Shipping Company

Company code: 110865039, address: Malūnininkų g. 3, LT-92264 Klaipėda

Financial statements for the ended 31 March, 2013

(thousands of litas, if not indicated otherwise)

revaluation of previously registered currency items are recognized as incomes or expenses of financial activity in the accounting period in which they appeared.

III. Explanatory notes to accounts**1. Non-current tangible asset**

Rodikliai tūkst. LTL	Buildings and constructions	Machines and equipment	Vessels (recalculated)	Others vehicles	Capitalised expenses in vessels inspections and overhours	Other tangible assets	Not finished capitalised expenses in inspections and overhours	Total
Acquisition costs								
Balance at 31 December 2011	3.672	807	453.676	297	22.131	538	751	481.872
Acquisitions		59	47		10.677	7		10.790
Disposals (-)		(72)	(4)		(9.754)			(9.830)
Reclassifications		(52)	52		751		(751)	
Balance at 31 December 2012	3.672	742	453.771	297	23.805	545		482.832
Acquisitions		6			3.025			3.031
Disposals(-)			(5)			(5)		(10)
Balance at 31 March 2013	3.672	748	453.766	297	26.830	540		485.853
Impairment/revaluation								
Balance at 31 December 2011			(93.557)					(93.557)
Impairment			5.750					5.750
Balance at 31 December 2012			(99.307)					(99.307)
Balance at 31 March 2013			(99.307)					(99.307)
Accumulated depreciation								
Balance at 31 December 2011	508	756	157.260	116	18.856	442		177.937
Charged for the period	196	38	14.258	40	5.061	45		19.638
Disposals (-)		(72)	(4)		(9.754)			(9.830)
Reclassifications		(51)	51					
Balance at 31 December 2012	704	671	171.565	156	14.163	487		187.745
Charged for the period	49	10	2.640	11	1.484	10		4.204
Disposals (-)			(4)			(5)		(9)
Balance at 31 March 2013	753	681	174.201	167	15.646	493		191.940
Carrying amounts								
Balance at 31 December 2011	3.164	51	202.860	181	3.275	96	751	210.378
Balance at 31 December 2012	2.969	71	182.899	141	9.642	58		195.780
Balance at 31 March 2013	2.920	67	180.258	130	11.184	47		194.606

1. Non-current tangible asset (continued)

The Company's non-current tangible assets at the end of 31 March, 2013 comprised 11 vessels, administration building, vehicles, machinery and equipment. The depreciation of vessels, equipment and machinery and other tangible assets in vessels was recognized in cost of sales. The depreciation of buildings, vehicles, equipment and machinery and other tangible assets on office was recognized in administrative expenses.

Public Company Lithuanian Shipping Company

Company code: 110865039, address: Malūnininkų g. 3, LT-92264 Klaipėda

Financial statements for the ended 31 March, 2013

(thousands of litas, if not indicated otherwise)

In thousands LTL	31-03-2013	31-03-2012
Depreciation (with capitalised expenses of vessels inspections and overhous) recognized under cost of sales	4.135	3.945
Depreciation recognized under administrative expenses	69	33
Amortization of intangible asset recognized in administrative expenses	2	2
Total:	4.206	3.980

The vessels are pledged for loans received from SEB Bank (see note 7).

2. Non-current intangible asset

Indicators In thousand LTL	Software
Acquisition value	
At 31 December, 2011	387
Acquisitions	3
Disposals	-
At 31 December 2012	390
At 31 March 2013	390
Amortization	
At 31 December, 2011	372
Amortization for the period	10
At 31 December, 2012	382
Amortization for the period	2
At 31 March 2013	384
Carrying amounts	
At 31 December, 2011	15
At 31 December, 2012	8
At 31 March 2013	6

Intangible asset is amortized over 3 years.

Amortization of intangible asset is recorded in the administrative expenses of comprehensive income.

3. Inventories and prepayments

In thousand LTL	31-03-2013	31-12-2012
Fuel	3.999	4.796
Spare parts, materials	437	166
Food stocks in vessels	146	173
<i>Total of inventories:</i>	<i>4.582</i>	<i>5.135</i>
Prepayments	2.276	867
Total:	6.858	6.002

The 3.999 thousand LTL amount of fuel at 31-03-2013 increased since all ships which worked under voyage-charter contracts, this type of inventories is left like a main part of short terms assets. Prepayment amount of 2.276 thousand LTL at 31-03-2013 consist: 251 thousand LTL of advance payments (for spare parts, supply, repairs), 1.924 thousand LTL – other advances (for insurance, subscriptions, etc.) and 101 thousand LTL – advances to vessel agents.

4. Trade receivables and other receivables

In thousand LTL	31-03-2013	31-12-2012
Trade Receivables	2.628	2.385
Net trade receivables	2.628	2.055
Receivables from State Budget	102	59
Prepayments to fleet	120	95
Other receivables	592	9
<i>Total receivables</i>	<i>814</i>	<i>163</i>
Total:	3.442	2.218

In the trade receivables –2.628 thousand LTL, is current trade receivable for vessel services. The trade receivables past due an impairment allowance on which is not recognized, the amounts are to be recovered at the accounted value.

In thousand LTL	Total	Trade and other receivables not past due an impairment allowance on which is not recognized	Trade receivables past due an impairment allowance on which is not recognized			
			Less than 30 days	31 - 60 days	61 - 90 days	More than 91 days
31-12-2012	2.385	1.721	282	51	70	261
31-03-2013	2.628	1.874	184	19	14	537

5. Cash and cash equivalents

In thousand LTL	31-03-2013	31-12-2012
Cash in bank in LTL	8	30
Cash in bank in foreign currencies	12	329
Cash in hand in LTL	3	5
Cash in hand in foreign currencies	10	5
Total:	33	369

Under the conditions of credit agreement with SEB Bank 100 percent of banking turnover must be carried out through accounts opened in this credit office. In addition, all existing and future funds in all currencies in these accounts are pledged to the bank by signing the contract of bank account pledging.

6. Share capital

In thousand LTL	Share capital	Share premiums	Total
31-12-2012	200.901	-	200.901
The new issue of shares	-	-	-
Purchased own shares	-	-	-
31-03-2013	200.901	-	200.901

The authorized capital of the Company at 31-03-2013 comprised 200.901.296 ordinary shares. Nominal value of one share is equal to 1 LTL. All shares are fully paid. Holders of ordinary shares have one vote per share at the general meeting of shareholders of the Company and are entitled to receive dividends when they are declared and the right to return the capital in case of capital reduction. The shares of the Company are quoted by PC NASDAQ OMX Vilnius.

7. Payables to credit institutions

In thousand LTL	31-03-2013	31-12-2012
Non-current payables	28.607	38.286
Current payables	29.791	18.112
Total:	56.398	56.398
Balance of loans at the beginning of the year	56.398	66.603
Received loans	-	-
Repaid loans	-	(8.829)
Influence of currency exchange rate	2000	(1.376)
Total:	56.398	56.398

All loans of the Company to bank are secured by assets. 11 vessels are pledged with the carrying amount of 180.258 thousand LTL. At 31-03-2013 the total loans amount was 58.398 thousand LTL. Loan repayment term 2015-02-27.

The interest rate of loans is variable because is related to 3-months LIBOR (USD). The effective interest rate ranged from 3,31% to 3,59% in three months 2013. Due to fallen shipping market company liquidity situation have reduced in 2013 first quarter repayments of a credit to the bank was hold over.

8. Employment related payables

In thousand LTL	31-03-2013	31-12-2012
Wages payable	1.661	1.311
Vacation reserve (wages)	1.721	1.538
Vacation reserve (social security part)	606	429
Payable social security contributions	349	369
Other payables	42	2
Total:	4.379	3.496

9. Other payables

In thousand LTL	31-03-2013	31-12-2012
Trade payables	20.578	16.560
Received prepayments	4.366	5.174
Payable dividends	95	95
Accrued expenses	82	58
Other payables	134	741
Total:	25.255	22.628

Trade payables total 20.578 thousand LTL, including debts for repairs and technical provision – 8.756 thousand LTL, for lubricants – 617 thousand LTL, debts to the agents for vessel services – 773 thousand LTL, debt for fuel -5,900 thousand LTL, debt Class society -667 thousand LTL, debt insurance services for the future -2.499 thousand LTL, for various vessel services and coastal units - 1.365 thousand LTL. Prepayments received –4.366 thousand LTL is income, received for voyages, which are over of the accounting period.

10. Sales

In thousand LTL	31-03-2013	31-03-2012
Time-charter sales	2.233	12.258
Voyage-charter sales	23.079	5.793
Other Time – charter income	-	-
Other sales	333	21
Total:	25.645	18.072

In 2013 year during the reporting period increased by voyage- charter sales compared with last year reporting period, because all ships operated company itself.

11. Cost of Sales

In thousand LTL	31-03-2013	31-03-2012
Depreciation	(4.135)	(3.941)
Crew costs	(5.123)	(5.130)
Fuel	(9.967)	(3.288)
Port dues	(3.654)	(333)
Spare parts	(255)	(571)
Insurance	(1.236)	(1.025)
Repair of vessels	-	(1.713)
Commissions	(923)	(627)
Vessel's functional expenses	(852)	(699)
Lubricants	(338)	(755)
Other vessel costs	(461)	(1.147)
Total:	(26.944)	(19.229)

Public Company Lithuanian Shipping Company

Company code: 110865039, address: Malūnininkų g. 3, LT-92264 Klaipėda

Financial statements for the ended 31 March, 2013

(thousands of litas, if not indicated otherwise)

In January- March 2013 the crew's, fuel and port costs increase due to that at the end of reporting period almost all vessels work under voyage - charters contracts.

12. Administrative expenses

In thousand LTL	31-03-2013	31-03-2012
Employee expenses	(672)	(835)
Amortization and depreciation	(71)	(35)
Consultation and legal services	(63)	(18)
Business maintenance expenses	(30)	(42)
Impairment loss of trade receivables	-	-
Bank services	(33)	(33)
Communication services	(19)	(31)
Transport expenses	(25)	(30)
Maintenance of premises	(32)	(40)
Other expenses	(70)	(106)
Total:	(1.015)	(1.170)

Employee expenses decreased due to lower number of employees at the end 31 March of the 2013 year compared with first quarter 2012. Depreciation has increased for the first quarter 2013 by administrative building depreciation period it was found that in the residual value of the building will be depreciation over 15 years.

13. Other operating income/expenses

In thousand LTL	31-03-2013	31-03-2012
Gain on disposal of non-current assets	-	-
Other income	3	43
<i>Total other operating income:</i>	3	43
Loss on disposal of non-currents assets	(1)	-
Other expenses	(1)	(1)
<i>Total other activity expenses:</i>	(2)	(1)
Total:	1	42

14. Financial income/expenses

In thousand LTL	31-03-2013	31-03-2012
Interest income	-	-
Gain of currency exchange rate	-	1.791
<i>Total financial activity income:</i>	-	1.791
Interest expenses	(484)	(525)
Loss of currency exchange rate	(2.408)	-
<i>Total financial activity expenses:</i>	(2.892)	(525)
Total:	(2.892)	(1.266)

15. Basic and diluted earnings (loss) per share

Basic earnings per share is calculated by dividing net profit attributable to ordinary equity holders by the weighted average number of ordinary shares. As there are no instruments that dilute equity, the basic and diluted earnings per share do not differ.

Loss / reduced loss per share was- 0.026 LTL in 31-03- 2013 and in 31-03- 2012 – 0.005 LTL.
The Company does not have any convertible or potentially convertible shares.

16. Cash flows statement

Cash at the end of the reporting period amounted to 33 thousand LTL and has decreased to 336 thousand LTL from the beginning of the year. During the reporting period , long- term investments (repairs of vessels) was 3,0 milion LTL.

17. Statement of changes in equity

Owner's equity for the ended 31-03-2013 totaled 116.608 thousand LTL. To a large of part influenced by reduction of the negative currency exchange rate – 2,4 million LTL.

18. Related parties

Members of the board, general director, director for chartering, technical director, director for finance, chief accountant and their family members are considered as Company's related parties. The wages totaling 119,9 thousand LTL were calculated for these persons in I quarter 2013, in 2012 -151,3 thousand LTL. There were no other transactions with related natural or legal persons.

19. Segments

The Company operates in one business segment.

Company's main activity markets are:

- Atlantic ocean market, where the steel and nonferrous metals, alloys, fertilizer cargo are being carried from Europe, to USA, Latin and South America. Cargo for return trips consists of grain, coal, alumina and fluorspar.
- Northern European-North African market, where the rough sawn timber, paper cargo are being carried from Northern Europe and Scandinavia to the Mediterranean coast. Cargo for return trips consists of fertilizes, ore, steel coils and minerals.
- Caribbean market, where various cargo are being carried between USA and the Caribbean and Central American countres.

Public Company Lithuanian Shipping Company

Company code: 110865039, address: Malūnininkų g. 3, LT-92264 Klaipėda

Financial statements for the ended 31 March, 2013

(thousands of litas, if not indicated otherwise)

As identified based on the vessel tonnage, there are three segments in the Company: "Asta" type vessels ("Asta", "Audre", "Akville", "Daina", with the deadweight up to 6.000 tons), "Alka" type vessels ("Alka", "Skalva", with the deadweight up to 10.000 tons), "Raguva" type vessels ("Raguva", "Deltuva", "Romuva", "Voruta", "Venta", with the deadweight up to 25.000 tons).

31-03-2013, thousand LTL	„Asta „	„Alka „	„Raguva „	Not attributed	Total
Voyage income	4.662	4.924	16.059	-	25.645
Voyage costs	(2.356)	(3.164)	(9.262)	-	(14.782)
Voyage result	2.306	1.760	6.797	-	10.863
Current expenses	(1.983)	(1.460)	(4.583)	-	(8.026)
Operating expenses	-	-	-	(945)	(945)
Impairment of vessels	-	-	-	-	-
Operating result before depreciation, EBITDA	323	300	2.214	(945)	1.892
Depreciation	(948)	(562)	(2.625)	(71)	(4.206)
Operating result, EBIT	(625)	(262)	(411)	(1.016)	(2.314)
Other activity result	-	-	-	1	1
Interest expenses	-	-	(484)	-	(484)
Result of currency exchange differences	-	-	(2.409)	-	(2.409)
Net result	(625)	(262)	(3.304)	(1.015)	(5.206)
Non – current assets of segments	38.654	13.149	128.455	-	180.258
Loan payable by segments	-	-	58.398	-	58.398
Acquisition of non-current assets	-	-	-	-	-

Voyage expenses include: fuel, port dues, commissions, loading services.

Current expenses of vessels include: salaries, taxes, daily allowances, vessel repair and maintenance, insurance, communication and other expenses.

Public Company Lithuanian Shipping Company

Company code: 110865039, address: Malūnininkų g. 3, LT-92264 Klaipėda

Financial statements for the ended 31 March, 2013

(thousands of litas, if not indicated otherwise)

31-03-2012, thousand LTL	„Asta „	„Alka „	„Raguva „	Not attributed	Total
Voyage income	2.542	3.612	11.918	-	18.072
Voyage costs	(90)	(1.585)	(3.344)	-	(5.019)
Voyage result	2.452	2.027	8.574	-	13.053
Current expenses	(2.960)	(1.772)	(5.533)	-	(10.265)
Operating expenses	-	-	-	(1.134)	(1.134)
Impairment of vessels	-	-	-	-	-
Operating result before depreciation, EBITDA	(508)	255	3.041	(1.134)	1.654
Depreciation	(914)	(462)	(2.569)	(35)	(3.980)
Operating result, EBIT	(1.422)	(207)	472	(1.169)	(2.326)
Other activity result	-	-	-	41	41
Interest expenses	-	-	(525)	-	(525)
Result of currency exchange differences	-	-	(1.791)	-	(1.791)
Net result	(1.422)	(207)	1.738	(1.128)	(1.019)
Non – current assets of segments	43.514	14.885	138.318	-	196.717
Loan payable by segments	-	-	63.972	-	63.972
Acquisition of non-current assets	-	2	33	-	35

Voyage expenses include: fuel, port dues, commissions, loading services.

Current expenses of vessels include: salaries, taxes, daily allowances, vessel repair and maintenance, insurance, communication and other expenses.

20. Capital management policy

The Company uses variety of ways to manage and maintain the capital structure - adjusts amount of dividends and other payments to shareholders, may sell the assets to reduce debts.

Debts – equity ratio

In thousand LTL	31-03-2013	31-12-2012
<i>Total liabilities:</i>	88.337	82.893
minus cash and equivalents	33	369
<i>Net amount of liabilities:</i>	88.304	82.524
<i>Total equity capital:</i>	116.608	121.814
Plus subordinated debt instruments	-	-
minus change in fair value of the recognized hedging instrument in equity	-	-
<i>Corrected equity capital</i>	116.608	121.814
debts – equity ratio	0.76	0.68

Public Company Lithuanian Shipping Company

Company code: 110865039, address: Malūnininkų g. 3, LT-92264 Klaipėda

Financial statements for the ended 31 March, 2013

(thousands of litas, if not indicated otherwise)

21. Financial ratios

	Calculation	31.03.2013	31.03.2012
Gross debt ratio	$\frac{\text{Total liabilities}}{\text{total asset}}$	0,43	0,37
Gross solvency ratio	$\frac{\text{Total equity}}{\text{Total liabilities}}$	1,32	1,67
Gross profitability	$\frac{\text{Gross profit}}{\text{Sales and services}}$	-0,05	-0,06
Current ratio	$\frac{\text{Current asset}}{\text{Current liabilities}}$	0,17	0,37
Receivables turnover	$\frac{\text{Sales and services}}{\text{Accounts receivable}}$	9,76	6,30

The maximum income risk is made from the risk of the receivable amounts. The income policy was established that customers pay in advance for ship services by making contracts.

22. Contingent assets and liabilities

The Company has not granted any guarantees and warranties for other persons.

The management of the Company is not aware of any circumstances in which the Company may be charged significant additional tax liabilities.

23. Going concern

As at 31 March 2013 the current liabilities, reflected in the Company financial statements, exceed the current assets by 49,1million LTL.

The management believes that improving shipping market in the second half of 2013 will have a positive effect on the Company stability and continuity.

General Director



Audronis Lubys

Chief accountant



Arvydas Stropus