

To: The Bank of Lithuania

Žirmūnų str. 151,

LT-09128 Vilnius,

Lithuania

2013-08-14

Nr.

Klaipėda

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

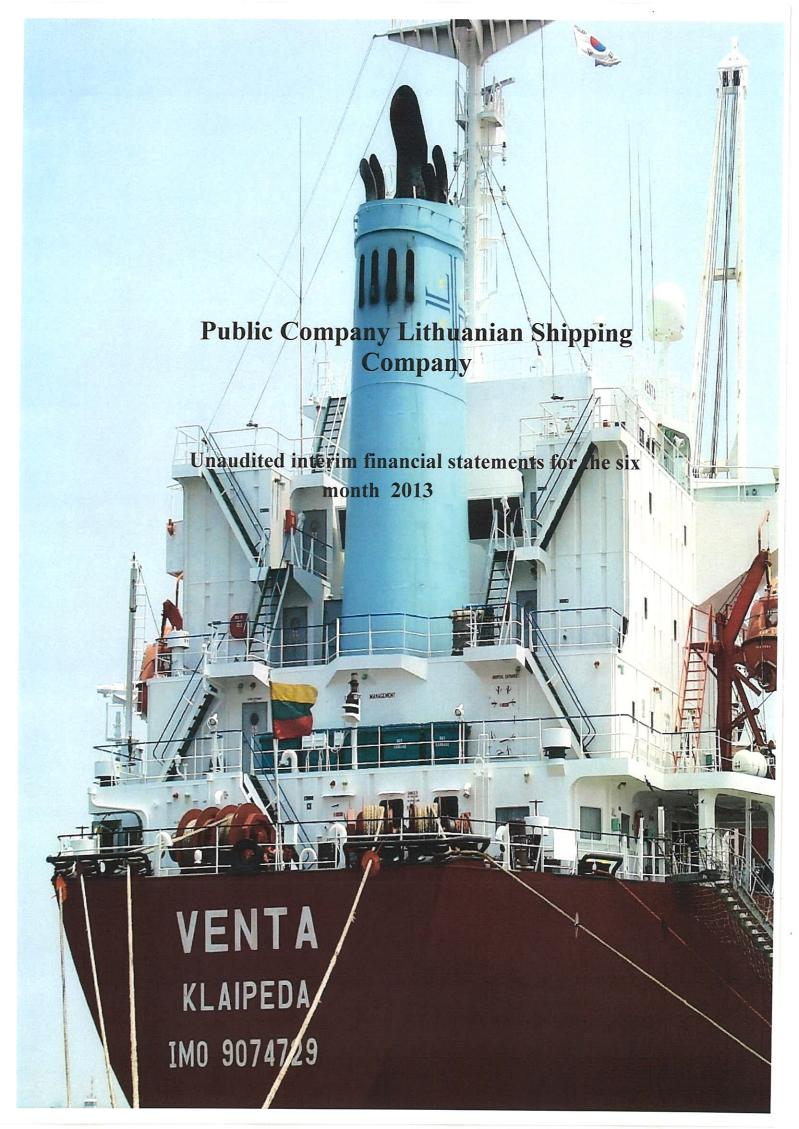
Following the Rules of Preparation and Submission of Periodic and Supplemental of the Securities Commission of the Republic of Lithuania as well as the Law on Securities of the Republic of Lithuania, Item 22, we hereby confirm that, to the best of our knowledge Financial statements for the year ended 30 June 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".

We hereby also confirm that, to the best of our knowledge, the report on business development and activities, Company's state and the description of the main risks and uncertainties encountered by the Company, as provided in the enclosed Interim Report for the six months 2013, is correct.

Public Company "Lithuanian Shipping Company" General Director

Audronis Lubys

Public Company "Lithuanian Shipping Company" Chief Accountant



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Company details

Public Company Lithuanian Shipping Company

Telephone:

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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

Financial statements for the ended 30 June 2013 (thousands of litas, if not indicated otherwise)

STATEMENT OF FINANCIAL POSITION 30 June, 2013

	Notes No.	2013-06-30	2012-12-31	2012-06-30
Intangible assets	2	4	8	13
Tangible assets	1	191.738	195.780	206.220
Total non-current assets		191.742	195.788	206.233
Inventories	3	5.291	5.135	1.690
Prepayments	3	1.959	867	1.326
Trade receivables	4	2.925	2.385	1.311
Other receivables	4	775	163	1.154
Cash and cash equivalents	5	9	369	162
Total current assets		10.959	8.919	5.643
Total assets		202.701	204.707.	211.876.
Share capital	6	200.901	200.901	200.901
Legal reserve		-	-3	
Other reserves		-		_
Retained profit (loss)		(88.889)	(79.087)	(70.574)
Total equity	17	112.012	121.814	130.327
Payables to credit institutions	7	27.480	38.286	61.716
Non-current employee benefits		305	305	-
Total non-current liabilities		27.785	38.591	61.716
Payables to credit institutions	7	29.862	18.112	4.212
Trade payables	9	21.987	16.560	7.722
Received prepayments	9	5.369	5.174	3.037
Employment related payables	8	5.457	3.496	3.543
Profit tax liabilities		66	66	66
Other payables	9	163	894	1.252
Total current liabilities		62.904	44.302	19.833
Total shareholders equity and liabilities		202.701	204.707	211.876

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

General Director

Audronis Lubys

Chief Accountant

Financial statements for the ended 30 June, 2013 (thousands of litas, if not indicated otherwise)

STATEMENT OF COMPREHENSIVE INCOME 30 June, 2013

	Notes No.	2013 April - June	2012 April - June	2013 January - June	2012 January - June
Sales	10	22.155	19.528	47.800	37.600
Cost of sales	11	(26.360)	(20.925)	(53.304)	(40.154)
Gross result		(4.205)	(1.397)	(5.504)	(2.554)
Administrative exspenses	12	(1.094)	(1.059)	(2.109)	(2.228)
Impairment loss of vessels				: ::	-
Distribution expenses		-	-	(1)	(1)
Other operating income	13	2	63	5	106
Other operating expenses	13	(2)	-	(4)	(1)
Operating result		(5.300)	(2.393)	(7.613)	(4.678)
Financial income	14	1.226	-9		-
Financial expenses	14	(523)	(4.842)	(2.189)	(3.576)
Net financial expenses	14	703	(4.842)	(2.189)	(3.576)
Profit (loss) before tax		(4.596)	(7.235)	(9.802)	(8.254)
Income tax expenses		-	-	-	-
Profit (loss) for the year		(4.596)	(7.235)	(9.802)	(8.254)
Other comprehensive income, net of income tax		-	=	-	-
Total comprehensive income		(4.596)	(7.235)	(9.802)	(8.254)
Basic and dilutaed earrnings (loss) per share (in Litas)	15	(0,02)	(0,04)	(0,05)	(0.04)

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General Director

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Chief Accountant

Financial statements for the ended 30 June, 2013 (thousands of litas, if not indicated otherwise)

CASH FLOWS STATEMENT 30 June, 2013

Articles	Notes		
	No.	30-06-2013	30-06-2012
Cash flows from operating activity			
Profit (loss) for the period		(9.802)	(8.254)
Adjustments for:		()	(0.231)
Depreciation and amortization	1,2	8.797	9.712
Effects of exchange rate changes on loans	7	944	2.212
Gain (loss) on disposal of property, plant and equipment	13	4	2.212
Impairment loss of vessels	10.01		· ·
Interest expenses, net	14	1.007	1.104
Income tax expense		1.007	1.104
Operating cash flows before changes in working capital		950	4,774
Decrease (increase) in receivables	4	(2.244)	(1.419)
Increase (decrease) in payables	8,9	6.851	3.810
Decrease (increase) in inventories	3	(156)	746
Cash flows generated from operating activities	-	5.401	7.911
Income tax paid		5.401	7.911
Net cash flows from operating activities		5.401	7.911
Cash flows from investing activities		3.701	7.711
Acquisitions of non-current assets	1,2	(4.754)	(5.551)
Disposals of non-current assets	-,-	(11.751)	(3.331)
Received dividends and interests		_	-
Net cash flows from investing activities		(4.754)	(E EE1)
Cash flows from financing activities		(4.754)	(5.551)
Interst paid	14	(1.007)	(1.104)
Dividends paid to shareholders		(1.007)	(1.104)
Repayments of loans	7		(2.887)
Net cash flow from financing activities	<i>.</i>	(1.007)	(3.991)
Change in cash and cash equivalents		(360)	(3.991)
		(===)	(5.771)
Cash and cash equivalents at 1 January		369	1.793
Cash and cash equivalents at 31December	5	9	162

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

General Director

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Financial statements for the ended 30 June, 2013 (thousands of litas, if not indicated otherwise)

STATEMENT OF CHANGES IN EQUITY 30 June 2013

	Share capital	Legal Reserve	Other reserves	Retained profit (loss)	Total
Balance as at					
31.12.2011	••••				
(recalculated)	200.901			(62.320)	138.581
Comprehensive income for the period Used reserves				(8.254)	(8.254)
Balance as at					
30.06.2012	200.901			(70.574)	130.327
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				(9.802)	(9.802)
Balance as at 30.06.2013	200.901			(88.889)	112.012

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

General Director

Audronis Lubys

Chief Accountant

Notes to the financial statements ended of the 30 June 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 30 June 2013 348 employees were employed in the Company, 30 of them worked in management divisions and 318 as seafarers.

The shareholders of the Company were on 30 June, 2013:

	30-06- 2013		30-06- 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	5,69
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. Perfomance rewiev

The income during January-June, 2013 was LTL 47.8 million (EUR 13.8 million) and, if compared to the same months of 2012 income of LTL 37.6 million (EUR 10.9 million), has increased by 27%.

EBITDA during January-June, 2013 was LTL 1.2 million (EUR 0.3 million), EBITDA during the first six months of 2012 was LTL 4.9 million (EUR 1.4 million).

The loss during January-June, 2013 was LTL 9.8 million (EUR 2.8 million), of which LTL 1.2 million (EUR 0.3 million) is related to negative impact of currency exchange. The loss of the same months of 2012 was LTL 8.3 million (EUR 2.4 million).

LSC long-term investments (ships' repairs) during January-June, 2013 were LTL 4.7 million (EUR 1.4 million). Long-term investments during the same months of 2012 were LTL 5.6 million (EUR 1.6 million).

Due to protracted economic hardship in the global shipping market the interim results for the six months of 2013 did not meet management's expectations. Considering that during the period January-June, 2013 all planned ship's repairs for the year 2013 were fully performed LSC expects to stable and more cost-effective performance in the second half of 2013.

III. Explanatory notes to accounts

1. Non-current tangible asset

1. Non-current tangible asset							***	
Rodikliai tūkst. LTL	Buildings and constructions	Machines and equipment	Vessels (recalculated)	Others vehicles	Capitalised expenses in vessels inspections and overhouls	Other tangible assets	Not finished capitalised expenses in inspections and overhouls	Total
Acquisition costs								
Balance at 31 December 2011 Acquisitions	3.672	807 59	453.676 47	297	22.131	538	751	481.872
Disposals (-)		(72)	(4)		10.677	7		10.790
Reclassifications		(52)	52		(9.754) 751		(751)	(9.830)
Balance at 31 December 2012	3.672	742	453.771	297	23.805	545	(751)	482.832
Acquisitions		6	3	271	4.739	2		4.754
Disposals(-)			(11)		1.737	(6)		(17)
Reclassifications		(4)	4			(0)		(17)
Balance at 30 June 2013	3.672	748	453.767	297	26.544	541		487.569
Impairment/revaluation				271	20.544	341		407.309
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 30 June 2013			(99.307)					(99.307)
Accumulated depreciation			(1710 01)					(99.307)
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)	73		(9.830)
Reclassifications		(51)	51		(5.751)			(9.030)
Balance at 31 December 2012	704	671	171.565	156	14.163	487		187.745
Charged for the period	98	19	5.279	20	3.357	19		8.792
Disposals (-)			(8)	20	3.337	(5)		(13)
Balance at 30 June 2013	801	687	176.839	176	17.520	501		196.523
Carrying amounts			170.007	170	17.520	301		190.323
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	9.492	58		195.780
Balance at 30 June 2013	2.871	61	177.621	121	11.024	40		191.738

1. Non-current tangible asset (continued)

The Company's non-current tangible assets at the end of 30 June, 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 30 June, 2013 (thousands of litas, if not indicated otherwise)

In thousands LTL	30-06-2013	30-06-2012
Depreciation (with capitalised expenses of vessels inspections and overhouls) recognized under cost of sales	8.655	9.641
Depreciation recognized under administrative expenses	137	66
Amortization of intangible asset recognized in administrative expenses	5	5
Total:	8.797	9.712

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	207
Acquisitions	387
Disposals	-
At 31 December 2012	390
At 30 June 2013	390
Amortization	
At 31 December, 2011	372
Amortization for the period	10
At 31 December, 2012	382
Amortization for the period	4
At 30 June 2013	386
Carrying amounts	
At 31 December, 2011	15
At 31 December, 2012	8
At 30 June 2013	4

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	30-06-2013	31-12-2012
Fuel	4.651	4.796
Spare parts, materials	427	166
Food stocks in vessels	213	173
Total of inventories:	5.291	5.135
Prepayments	1.959	867
Total:	7.250	6.002

The 4.651 thousand LTL amount of fuel at 30-06-2013 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 1.959 thousand LTL at 30-06-2013 consist: 36 thousand LTL of advance payments (for spare parts, supply, repairs), 1.767 thousand LTL – other advances for insurance, 156 thousand LTL – advances to vessel agents.

4. Trade receivables and other receivables

In thousand LTL	30-06-2013	31-12-2012
Trade Receivables	2.925	2.385
Net trade receivables	2.925	2.055
Receivables from State Budget	171	59
Prepayments to fleet	128	95
Other receivables	476	9
Total receivables	775	163
Total:	3.700	2.218

. In the trade receivables -2.925 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.

				lue an impa s not recogn	impairment ecognized		
In thousand LTL	Total	Trade and other receivables not 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	
30-06-2013	2.925	1.317	1.158	119	167	164	

Financial statements for the ended 30 June, 2013 (thousands of litas, if not indicated otherwise)

5. Cash and cash equivalents

In thousand LTL	30-06-2013	31-12-2012
Cash in bank in LTL	3	30
Cash in bank in foreign currencies	6	329
Cash in hand in LTL	_	5
Cash in hand in foreign currencies	-	5
Total:	9	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

	Share capital	Share	Total
In thousand LTL		premiums	
31-12-2012	200.901	-	200.901
The new issue of shares	-	-	_
Purchased own shares	-		_
30-06-2013	200.901	-	200.901

The authorized capital of the Company at 30-06-2013 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

Total:	57.342	56.398
Influence of currency exchange rate	944	(1.376)
Repaid loans	-	(8.829)
Received loans	-	-
Balance of loans at the beginning of the year	56.398	66.603
Total:	57.342	56.398
Current payables	29.862	18.112
Non-current payables	27.480	38.286
In thousand LTL	30-06-2013	31-12-2012

All loans of the Company to bank are secured by assets. 11 vessels are pledged with the carrying amount of 177.621 thousand LTL. At 30-06- 2013 the total loans amount was 57.342 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 3,93% in six months 2013. Due to fallen shipping market compny liquidity stuation have reduced in first half of 2013 repayments of a credit to the bank was hold over.

8. Employment related payables

558 122	369 2
558	369
7.70	2.00
467	429
1.508	1.538
2.801	1.311
30-06-2013	31-12-2012
	2.801 1.508 467

9. Other payables

In thousand LTL	30-06-2013	31-12-2012
Trade payables	21.987	16.788
Received prepayments	5.369	5.174
Payable dividends	95	95
Accrued expenses	46	58
Other payables	21	77
Total:	27.518	22.192

Trade payables total 21.987 thousand LTL, including debts for repairs and technical provision -8.604 thousand LTL, for lubricants -802 thousand LTL, debts to the agents for vessel services -693 thousand LTL, debt for fuel -7.096 thousand LTL, debt Class society -613 thousand LTL, debt insurance services for the future -2.034 thousand LTL, for various vessel services and coastal units -2.085 thousand LTL. Prepayments received -5.369 thousand LTL is income, received for voyages, which are over of the accounting period.

10. Sales

In thousand LTL	30-06-2013	30-06-2012
Time-charter sales	7.225	22.918
Voyage-charter sales	39.318	13.651
Other sales	1.257	1.031
Total:	47.800	37.600

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

Total:	(53.304)	(40.154)
Other vessel costs	(2.073)	(2.460)
Lubricants	(868)	(1.548)
Vessel's functional expenses	(1.510)	(1.605)
Commissions	(1.749)	(1.275)
Repair of vessels	(624)	(2.174)
Insurance	(2.435)	(2.177)
Spare parts	(417)	(862)
Port dues	(6.828)	(943)
Fuel	(17.588)	(7.298)
Crew costs	(10.557)	(10.171)
Depreciation	(8.655)	(9.641)
In thousand LTL	30-06-2013	30-06-2012
of Suites		

Financial statements for the ended 30 June, 2013 (thousands of litas, if not indicated otherwise)

In January- June 2013 the 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

Business maintenance expenses Impairment loss of trade receivables	(97)	(113)
Bank services	(68)	(71)
Communication services	(46)	(58)
Transport expenses	(61)	(55)
Maintenance of premises	(61)	(59)
		, ,
Other expenses	(170)	(163)

Employee expenses decreased due to lower number of employes at the end 30 June of the 2013 year campared with first half 2012. Depreciation has increased for the first half of 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	30-06-2013	30-06-2012
Gain on disposal of non-current assets	=	-
Other income	5	106
Total other operating income:	5	106
Loss on disposal of non-currents assets	-	_
Other expenses	(4)	(1)
Total other activity expenses:	(4)	(1)
Total:	1	105

14. Financial income/expenses

In thousand LTL	30-06-2013	30-06-2012
Interest income	-	-
Gain of currency exchange rate	- 3	-
Total financial activity income:	-	-
Interest expenses	(1.007)	(1.104)
Loss of currency exchange rate	(1.182)	(2.472)
Total financial activity expenses:	(2.189)	(3.576)
Total:	(2.189)	(3.576)

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Financial statements for the ended 30 June, 2013 (thousands of litas, if not indicated otherwise)

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- 0.05 LTL in 30-06-2013 and in 30-06-2012 - 0.04 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 9 thousand LTL and has decreased to 360 thousand LTL from the beginning of the year. During the reporting period, long-term investments (repairs of vessels) was 4,7 milion LTL.

17. Statement of changes in equity

Owner's equity for the ended 30-06-2013 totaled 112.012 thousand LTL. The decrease is mainly related to negative impact of currency exchange and loss during six months.

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 231,7 thousand LTL were calculated for these persons in first half 2013, in 2012 -277,2 thousand LTL. There were no other transactions with related natural or legal persons in 2013 and in 2012.

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

As identified based on the vessel tonnage ,there are three segments in the Company: "Asta "type vessels ("Asta", "Audre", "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).

30-06-2013,thousand LTL	"Asta "	"Alka "	"Raguva "	Not attributed To	otal
Voyage income	8.443	8.673	30.684	- 47.8	300
Voyage costs	(3.731)	(5.634)	(18.182)	- (27.5	47)
Voyage result	4.712	3.039	12.502	- 20.2	,
Current expenses	(4.520)	(2.917)	(9.665)	- (17.1	02)
Operating expenses	-	_	=	(1.968)	(1.968)
Impairment of vessels	-	~	=	-	-
Operating result before depreciation, EBITDA	192	122	2.837	(1.968)	1.183
Depreciation	(1.845)	(1.114	(5.696)) (142)	(8.797)
Operating result, EBIT	(1.653)	(992)	(2.859)	(2.110)	(7.614)
Other activity result	-	-	-	1	1
Interest expenses	: -	-	(1.007)) -	(1.007)
Result of currency exchange differences	-	_	(1.182)	-	(1.182)
Net result	(1.653)	(992)	(2.859	9) (4.298)	(9.802)
Non – current assets of segments	38.106	12.955	126.56	. ,	177.621

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.

30-06-2012,thousand LTL	"Asta "	"Alka "	"Raguva "No	ot attributed T	otal
Voyage income	6.431	8.410	22.759	- 37.0	500
Voyage costs	(278)	(4.109)	(6.713)	- (11.1	00)
Voyage result	6.153	4.301	16.046	- 2	26.500
Current expenses	(8.522)	(3.116)	(7.775)	- (19.4	13)
Operating expenses	-	-	-	(2.158)	(2.158)
Impairment of vessels	~	-	-		-
Operating result before depreciation, EBITDA	(2.369)	1.185	8.271	(2.158)	4.929
Depreciation	(1.829)	(1.432)	(6.380)	(71)	(9.712)
Operating result, EBIT	(4.198)	(247)	1.891	(2.229)	(4.783)
Other activity result	-	11.5	-	105	105
Interest expenses	-	-	(1.104)	_	(1.104)
Result of currency exchange differences	-	-	(2.472)	_	(2.472)
Net result	(4.198)	(247)	1.891	(5.700)	(8.254)
Non – current assets of segments	42.755	14.835	138.155	-	195.745

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

It is planned to sell few unprofitably working assets in order to maintain the optimal capital structure

Debts - equity ratio

In thousand LTL	30-06-2013	31-12-2012
Total liabilities:	90.688	82.893
minus cash and equivalents	9	369
Net amount of liabilities:	90.679	82.524
Total equity capital:	112.012	121.814
Plus subordinated debt instruments	-	
minus change in fair value of the		
recognized hedging instrument in equity	-	-
Corrected equity capital	112.012	121.814
debts - equity ratio	0.81	0.68

21. Financial ratios

	Calculation	30.06.2013	30.06.2012
Gross debt ratio	<u>Total liabilities</u> total asset	0,45	0,38
Gross solvency ratio	<u>Total equity</u> Total liabilities	1,242	1,60
Gross profitability	Gross profit Sales and services	-0,12	-0,07
Current ratio	<u>Current asset</u> Current liabilities	0,17	0,28
Receivables turnover	Sales and services Accounts receivable	16,34	15,76

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.

Financial statements for the ended 30 June, 2013 (thousands of litas, if not indicated otherwise)

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

Due to protracted economic hardship in the global shipping market the interim results for the six months of 2013 did not meet management's expectations. Considering that during the period January-June, 2013 all planned ship's repairs for the year 2013 were fully performed LSC expects to stable and more cost-effective performance in the second half of 2013.

General Director

Audronis Lubys

Chief accountant



PUBLIC COMPANY LITHUANIAN SHIPPING COMPANY

SEMI - ANNUAL INTERIM REPORT 2013

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I. GENERAL INFORMATION ABOUT THE COMPANY

1.1.Accounting Period of Interim Report

The Semi-Annual Report was prepared for January through June 2013. In addition to the Semi-Annual Report, the Company prepared a Set of Financial Statements for the first half of 2013, which includes the Statement of Financial Status, the Statement of Comprehensive Income, the Cash Flow Statement, the Statement of Changes in Equity and Notes to the Financial Statements (Explanatory Notes). Herein, the Public Company Lithuanian Shipping Company may also be referred to as the Enterprise, the Company, the Issuer, Lithuanian Shipping Company

1.2. Company Contact Information

Name	Akcinėbendrovė "Lietuvosjūrųlaivininkystė" (English: Public		
	Company Lithuanian Shipping Company)		
Legal form	Public Company		
Date and place of	27 June 2001, Klaipėda		
incorporation			
Company code	110865039, former company code 1086503		
Head office address	Malūnininkų g. 3, Klaipėda		
Phone number	+ 370 46 393 105		
Fax number	+ 370 46 393 119		
E-mail address info@ljl.lt			
Website	te www.ljl.lt		

1.3. Company Shareholders

As of 19 April 2013 there were 2202 shareholders in the company. The shareholders that own or hold over 5 percent of the authorized capital of the company are as follows:

Name	Code	Address	Number of shares	Portion of ownership (%)
MINISTRY OF TRANSPORT AND COMMUNICATIONS OF THE REPUBLIC OF LITHUANIA	188620589	GEDIMINO PR. 17, VILNIUS	113,833,000	56.66
SWEDBANK AS (ESTONIA)	10060701	LIIVALAIA 8, 15040 TALLINN, ESTONIA, TALLINN	10,540,063	5.25
DFDS TOR LINE A/S	LJL1419471	Sundkrogsgade 11, DK-2100 Copenhagen	11,108,420	5.53

The shares of the company grant equal rights to the owners thereof (shareholders). The competence of the General Meeting of Shareholders, property and non-property rights of the shareholders, as well as realization thereof, is provided in the Articles of Association of the company and the Law of the Republic of Lithuania on Companies.

The state owns 56.66 percent of shares which are held by the Ministry of Transport and Communications of the Republic of Lithuania.

1.4.Information on Agreements with Agents of Public Circulation of Securities

On 1 November 2002, Public Company Lithuanian Shipping Company signed an Agreement on Handling Securities with UAB FMĮ Jūsųtarpininkas (later - AB FMĮ SNORAS - Jūsųtarpininkas, A. Mickevičiaus g. 29-3, 44245 Kaunas). After AB FMĮ SNORAS – Jūsųtarpininkaswas reorganized by merge, on 31 March 2010 AB FMĮ Finasta (code 122570630, address: Maironiog. 11, Vilnius, phone.: 1813, e-mail: info@finasta.com) took under the rights and obligations of AB FMĮ SNORAS - Jūsųtarpininkas, which continues to fulfill contractual commitments and handles Public Company Lithuanian Shipping Company securities accounting.

1.5. Data Related to Trading of Securities on Regulated Markets

Since 9 July 2001, 200,901,296 ordinary registered shares of Public Company "Lithuanian Shipping Company" with nominal value of one Litas have been quoted in Vilnius Stock Exchange (former National Stock Exchange) in the current sales list. Following the approval of the amendments to the trading rules of Vilnius Stock Exchange (VSE) by VSE Board on 18 May 2007, the current list of securities was changed to the Secondary List. The new name of the exchange market is AB NASDAQ OMX Vilnius.

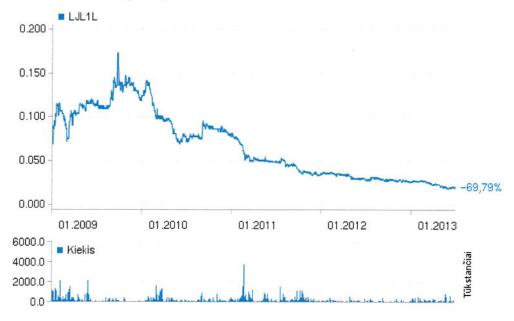
After the new regulations of Vilnius Stock Exchange came into effect on 30 May 2005, the direct deals are calculated as automatically handled deals, together with the other deals of central market.

Trading the issuer's securities on the other exchange markets or the other organized markets is not carried out.

None of the third parties submitted an official offer to acquire the issuer's securities.

The issuer has not submitted an official offer to acquire securities issued by a third party.

Dynamics of the company's share price and turnover on NASDAQ OMX Vilnius exchange market over the last per 5 years:



Information on trading LJL shares on NASDAQ OMX Vilnius securities exchange market:

Index	2009	2010	2011	2012	2013
Opening price	0.070	0.125	0.080	0.034	0.026
Maximum price	0.180	0.142	0.080	0.038	0.030
Minimum price	0.064	0.070	0.032	0.025	0.018
Last price	0.125	0.082	0.036	0.026	0.019
Turnover, units	39,035,460	30,267,181	48,850,672	10,606,876	11,072,533
Turnover, million	€ 4.20	€ 2.86	€ 2.41	€ 0.34	€ 0.26
Capitalisation, million	€ 25.02	€ 16.47	€ 7.23	€ 5.22	€ 3.82

1.6. Structure of Authorized Capital

The amount of the authorized capital is equivalent to the sum of par value of all shares, subscribed by the company.

The authorized capital of the company is equivalent to 200,901,296 Litas.

The authorized capital of the company is divided into 200,901,296 Litas par value shares.

All the shares of the company are of one class – ordinary registered shares.

ISIN code - LT0000125999.

The method for issuance of securities to the public securities is reorganization.

1.7.Information on Restrictions of Transfer of Securities

There are no restrictions on the transfer of securities.

1.8.Information on Restrictions on the Voting Rights

There are no restrictions on the voting right.

II. INFORMATION ON COMPANY'S ACTIVITIES

2.1. Company's Mission, Operating Strategy, and Purposes

The Company's mission is to provide high-quality safe cargo shipping and ship management services that meet the property interests of the shareholders and partners.

The Company's operating strategy is to become a leader on the market of cargo transportation by dry-cargo vessels in the Baltic Sea region.

2.2. Company's Activities and Services Rendered

The main activity of the company is sea and coastal water transport. As of 30 June 2012, the company owned 11 vessels:

Item No.	Vessel	Year built	DWT
1	Asta	1996	5.820
2	Audrė	1997	5.820
3	Akvilė	1997	5.820
4	Daina	1998	5.820
5	Alka	1994	7.346
6	Skalva	1985	9.498
7	Raguva	1995	16.883
8	Deltuva	1994	16.906
9	Romuva	1998	17.504
10	Voruta	1998	17.504
11	Venta	1995	24.202

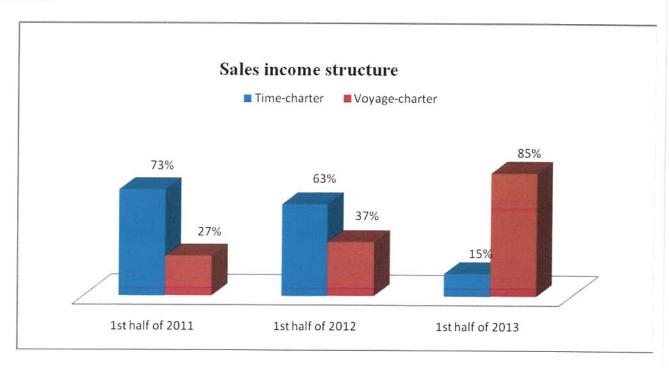
Asta-type vessel group. The group includes such motor vessels as Asta, Audrė, Akvilė, and Daina. Most frequently, these vessels are employed under time-charter contracts.

Motor vessel Alkais designed for wood cargo transportation.

Motor vessel Skalvais a vessel of optimal structural features for partial cargo transportation.

Motor vessels Raguva, Deltuva, Romuvaand Venta form the main group of LJL vessels which the company sees as its main target for the future.

At the end of the 1st half of 2013, 5 (at the end of 2012 - 8) of company's vessels were employed under time-charter contracts. The remaining fleet was employed under voyage charter contracts:

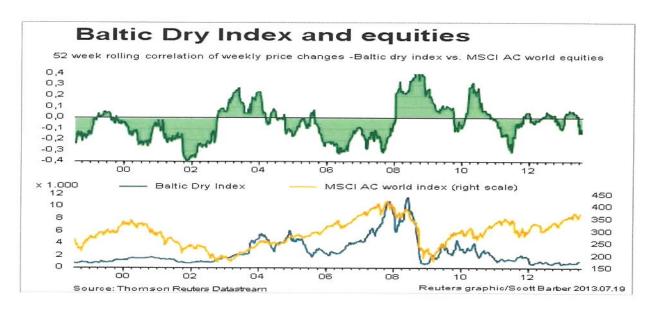


2.3 Company's Operating Markets and Competitors

The company's vessels can transport about 65 percent of all types of global cargos, i.e. general cargoes, grain, coal, iron ore, chemical products. The largest part of cargo flows consists of bulky goods (about 75 percent). LJL mainly operates on the following markets:

- 1. Trans-Atlantic market, where steel and nonferrous metals, ferroalloys, and fertilizers are carried from Europe to the USA, Latin, and South America. The cargo flow on the return voyage consists of grain, coil, aluminum, and stones.
- 2. North Europe-North America market, where wood in the rough, sawn wood and paper cargo is carried from North Europe and Scandinavian countries to the countries of the Mediterranean seacoast. The cargo flow on the return voyage consists of fertilizers, ore, steel coils, and minerals.
- 3. The Caribbean market, where such goods as steel, fertilizers, sugar, rice are carried from the USA and the Caribbean Sea as well as the countries of Central America.

The global shipping market keeps going through a rough patch, whereas *Baltic Dry Index*, which reflects the changes in the market, demonstrates historically lowest values:



The advantage of LJL vessels segment is that there are no large companies controlling a major part of the market. On the markets where a company transports cargos, it usually operates 4 - 7 vessels of the dimensions similar to those of Lithuanian Shipping Company that allow naming the competition existing on such markets as a "perfectly competitive". The main company's competitors, that have vessels of similar type and age, are the following (data processed according to the brokers' information and the World Ship Registry):

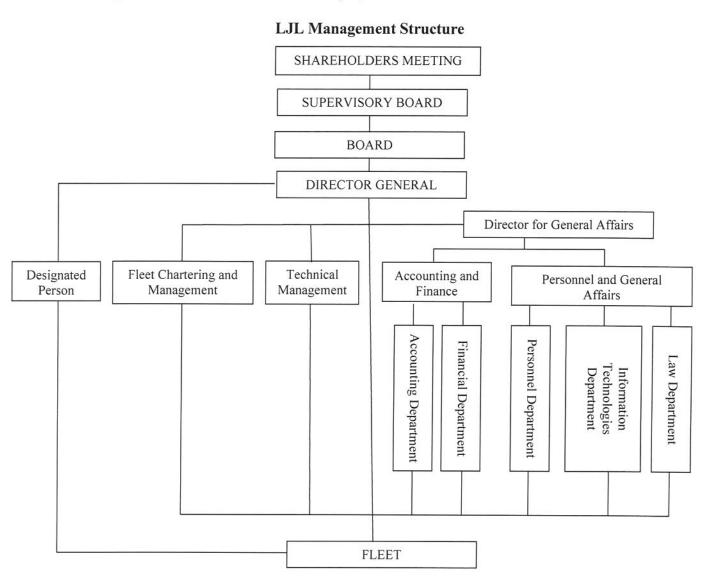
- 1. Wagenborg Shipping B.V., Netherlands, operates 15000-20000 DWT MPP expensive and specially equipped vessels that can carry containers and non standard cargo;
- 1. BBC Chartering, Germany, operates 15000-25000 DWT MPP vessels that can carry non-standard, large gauge, and heavy weight cargo;
- 2. Spliethoff B.V., Netherlands, operates 15000-20000 DWT MPP vessels that can carry containers, non standard, and semi-heavy loads;
- 3. HANSA Heavy Lift GmbH, Germany, operates 15000-17000 DWT MPP vessels that can carry cargo of non standard size and weight cargo.
- 4. Hellas Marine Services Ltd., Greece, operates 18000 DWT vessels that are very similar to the company's owned vessels.

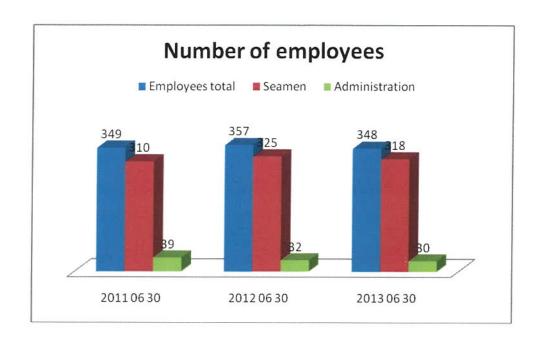
2.4. Company's Customers and Their Main Groups

In the first six months of 2013 the company had not customers that would account for a considerable part of income according to time charter contracts or voyage charter contracts. LJL income is not dependent on several main customers.

2.5. Information Related to Personnel Matters

LJL management structure and number of employees as of 30 June 2013:





No significant changes were noted in the number of employees for the accounting period of 2013 having no changes in the size of LJL fleet.

Structure of personnel of the company according to education

	Percentage of employees				
Education	30 June 2011	30 June 2012 0	30 June 2013		
University education	33	34	34		
College education	3	2	2		
Secondary education	27	27	28		
Maritime academy	9	9	8		
Post-secondary education	28	28	28		

According to average registered number of employees and average wages

Group of employees	Average conditional number of employees		Average earnings per month, LT			
	30 June 2011	30 June 2012	30 June 2013	30 June 2011	30 June 2012	30 June 2013
Executives	5	4	5	8.300	8.364	8.215
Specialists	155	155	149	2.972	3.220	3.584
Workers	152	151	147	1.820	1.945	2.116

2.6. Information Related to Environmental Issues

In the 1st half of 2013, the planned inspections of one of the company's vessels were carried out by the inspectors of Lithuanian Safe Navigation Control Service in accordance with the ISM code requirements. The Vessel Safety Management Certificate was renewed for the vessel, while the company was issued with a new annual Compliance Document.

During the reporting period the company's vessels have not experienced any environmental incidents, the environment has not been polluted, and the vessel use is performed in accordance with MARPOL convention requirements No. 73/78. No remarks in foreign seaports were made by port control inspectors regarding environmental security.

2.7. Analysis of Financial and Nonfinancial Operating Results and Plans

Income for the period January through June 2013 has made 47.8 million LTL (13.8 million EUR) and, comparing with income for the first half of 2012, i.e. 37.6 million LTL (10.9 million EUR), increased by 27 percent.

EBITDA for the period January through June 2013 has made 1.2 million LTL (0.3 million EUR), whereas EBITDA for the first half of 2012 made 4.9 million LTL (1.4 million EUR).

Loss for the period January through June 2013 has made 9.8 million LTL (2.8 million EUR), including 1.2 million LTL (0.3 million EUR) of negative currency exchange impact. Loss for the first half of 2012 made 8.3 million LTL (2.4 million EUR).

LJL long-term investment (overhaul repair of vessels) during the first half of 2013 has made 4.7 million LTL (1.4 million EUR). Long-term investment for the same period in 2012 made 5.6 million LTL (1.6 million EUR).

Due to an ongoing economic hardship on the global shipping market, LJL results for the first half of 2013 failed to meet the management's expectations. Having evaluated that during the period January through June 2013 all overhaul repairs of the vessels planned for this year were completed in full, during the second half of 2013 LJL estimates to achieve more stable and cost-effective operating results.

	Main Financial Indexes	30 June 2011	30 June 2012	30 June 2013
LTL	Income	36,061	37,600	47,800
d L	Administrative expenses	-2,243	-2,228	-2,109
	EBITDA	7,993	4,928	1,184
usan	EBITDA mark-up	22%	13%	2%
Tho	Net profit	-1,254	-8,254	-9,802
E	Cash flows from operating activities	5,912	6,807	5,401
	Investment	1,750	5,551	4,754
	Redemption of loans	5,617	2,888	-
	Cash	611	162	9
	Total of assets	236,878	211,876	202,701
	Value of vessels	222,483	202,761	188,645
	Debts to credit institutions	64,404	65,928	54,341
	Owners' equity	161,797	130,327	112,012

To improve liquidity of the company, during the seconds half of 2013 it is planned to sell two of the vessels belonging to the company.

2.12. Financial Risk Management Measures

The company has insured its civil liability as a ship owner (*Protection & Indemnity Insurance*) with Skuld Company, whereas all of the company's owned vessels were insured by Hull & Machinery insurance at Insurance Joint Stock Company Allianz. All of the companies providing marine insurance must meet the requirement of having at least B+ A. M. Best company rate or at least BBB STANDARD & POOR'S company rate or other similar rate.

2.13. Branch Establishments and Representative Offices

The company does not have any branch establishments or representative offices.

2.14. Important Events since the End of Previous Financial Year

Information about significant events since the end of the previous financial year, which are not a commercial secret of the company and which are purposeful to announce, has been provided in the Explanatory Document of the Financial Reports.

2.15. Company's R&D Activities

The company did not perform any R&D activities during the accounting period.

2.16. Company's Social Initiatives and Policy

One of the main fields of social policy of the company is social partnership. Social partnership is a system of relationships among Lithuanian Shipping Company's employees and their partners, which is used to align the interests of individuals in labor relations.

The parties of social partnerships (social partners) are trade unions and company's representatives.

2.17. Information on Compliance with Provisions of Transparency Policy

The Company acts and complies with the Transparency policy provisions which have been approved by decision No. 1052, dated 14.07.2010 of the Government of the Republic of Lithuania "Regarding the approval of transparent activity of the state-regulated companies' description guidelines and the allocation of coordinating institution":

- 1. The Company acts in accordance with the provisions of the corporate governance code regarding the announcement of information.
- 2. The Company publicly announces the objectives, tasks, financial and other results of activity, current number of employees, annual wages fund, wages of the managers of the state-regulated company and those of their deputies, acquisitions and investments that were made, are being made and those planned during the financial year.
- 3. The information announced by the company, including the annual reports prepared, activity statements, and semi-annual activity statements objectively reflect the nature of state company's activity, current and future activity directions, tasks and objectives, results of the activity and advances.
- 4. The information about the company is accessible to the public (it is announced on the company's website).
- 5. Company's accounting is in line with international accounting standards.
- 6. Company prepares interim (3, 6, 9 and 12 months) sets of Financial Statements.
- 7. The audit for the set of annual financial statements is in line with international audit standards.
- 8. All of the information on the website is published in accordance with the Transparency

III. INFORMATION ON COMPANY'S SHARES AND SHAREHOLDERS

3.1. Company Shareholders' Rights

The shares of the company grant equal rights to the owners thereof (shareholders). The competence of the general meeting of shareholders, property and non-property rights of the shareholders, as well as implementation thereof, is provided in the Articles of Association of the company and the Law of the Republic of Lithuania on Companies.

Property rights of shareholders of the Company:

- 1. to receive a part of the company's profit (dividend);
- 2. to receive the company's funds when the authorized capital of the company is reduced with a view to paying out the company's funds to the shareholders;
- 3. to receive shares without payment if the authorized capital is increased with the company funds, except in cases specified in the Law of the Republic of Lithuania on Companies;
- 4. to have the pre-emption right in acquiring the shares or convertible debentures issued by the company, except in the case when the general meeting of shareholders decides to withdraw the pre-emption right for all the shareholders according to the procedure specified by the Law of the Republic of Lithuania on Companies;
- 5. to lend to the company in the manner prescribed by law; however, when borrowing from its shareholders, the company may not pledge its assets to the shareholders. When the company borrows from a shareholder, the interest may not be higher than the average interest rate offered by commercial banks of the locality where the lender has his place of residence or business, which was in effect on the day of conclusion of the loan agreement. In such a case, the company and shareholders shall be prohibited from negotiating a higher interest rate;
- 6. to receive a part of assets of the company in liquidation;
- 7. other property rights established by the Law on Companies and other laws of the Republic of Lithuania.

Non-property rights of shareholders of the Company:

- 1. to attend the General Meetings of Shareholders;
- 2. to submit to the company in advance the issues relevant to the issues on the agenda of the General Meeting of Shareholders;
- 3. to vote at the General Meetings of Shareholders according to voting rights as per their shares;
- 4. to receive information on the company in the manner specified in the Articles of Association of the company;
- 5. to file a claim with the court for reparation of damage resulting from nonfeasance or malfeasance by the manager of the company and board members of their duties prescribed by the Law on Companies and other laws of the Republic of Lithuania and the Articles of Association of the company as well as in other cases laid down by laws;
- 6. other non-property rights established by the Law on Companies and other laws of the Republic of Lithuania.

One ordinary registered share of the Company with nominal value of 1 Litas grants one vote the General Meeting of Shareholders. The right to vote at the General Meeting of Shareholders is granted only by entirely paid-in shares. The right to vote at the General Meeting of Shareholders may be forbidden or limited under the cases determined in the Laws of the Republic of Lithuania on

Companies and other laws or in case where the property right to a share is challenged. There are no shareholders with special control rights.

3.2. Agreements between Shareholders

Mutual agreements between the shareholders that the issuer is aware of and which may be subject to restriction of transfer of securities and (or) voting rights – none.

3.3. Purchase of Own Shares

During the 2013 accounting year the company did not acquire, did not transfer, and did not hold own shares. No authorizations for the issue or purchase of issuer's shares on behalf of issuer's managing bodies were given.

The General Meeting of Shareholders has the exclusive right to the issue and purchase of own shares.

The company does not have any information of directly or indirectly controlled Lithuanian Shipping Company portfolios; no notifications of the same have been received.

3.4. Dividend Policy

The company did not pay any dividends during the financial years of 2011 and 2012.

IV. INFORMATION ON COMPANY'S MANAGEMENT BODIES

4.1. Supervisory Board

Item No.	Full name	Lithuanian Shipping Company	Term of office	Field of activities
		shares		
1	Tomas Karpavičius (Chairman)	None	Since 28 November 2011 Chairman since 22 December 2011	Employee of the Ministry of Transport and Communications of the Republic of Lithuania
2	OnaBarauskienė	None	Since 19 November 2009	Employee of the Ministry of Transport and Communications of the Republic of Lithuania
3	EvaldasZacharevičius	21081 = 0.01% of vote	Since 19 November 2009	Employee of Lithuanian Maritime Safety Administration
4	GytisKaminskas	None	Since 27 April 2012	Partner of the Professional Law Partnership Baltic Legal Solutions Lietuva, advocate
5	LaimutėTinglum	None	Since 27 April 2012	Partner of UAB Skandinavian Accounting and Consulting, director and auditor.

The supervisory board is a collegial body of the company supervising the company's activities. The supervisory board shall be elected by the general meeting of shareholders for a term

of 4 years and shall consist of 5 members. The number of the terms of office of a member of the supervisory board shall not be limited. Its chairman, who is elected by the supervisory board from the members thereof, shall manage the supervisory board. The supervisory board shall:

- 1. elect the members of the board and remove them from office. If the company is operating at a loss, the supervisory board must consider the pertinence of the board members;
- 2. supervise the activities of the board and the manager of the company;
- 3. submit its comments and proposals to the general meeting of shareholders on the company's operating strategy, set of annual financial statements, draft of profit/loss appropriation and the annual report of the company as well as the activities of the board and the manager of the company;
- 4. submit proposals to the board and the manager of the company to revoke their decisions which are in conflict with laws and other legal acts, the Articles of Association of the company or the decisions of the general meeting of shareholders;
- 5. address other issues assigned to the scope of powers of the supervisory board by the decisions of the general meeting of shareholders regarding the supervision of the activities of the company and its management bodies.
- 6. the supervisory board shall not be entitled to assign or delegate the functions assigned to the scope of its powers by the Law of the Republic of Lithuania on Companies and the Articles of Association of the company to other bodies of the company.
- 7. the supervisory board shall be entitled to ask the board of the company and the manager of the company to submit the documents related to the activities of the company.

Members of the supervisory board must keep the commercial (industrial) secrets and confidential information of the company, which they obtained while holding the office of members of the supervisory board.

4.2. Board

Item No.	Full name	Lithuanian Shipping Company shares	Term of office	Field of activities
1	SauliusGirdauskas (Chairman)	None	Since 15 February 2013 Chairman since 27 February 2013	Employee of the Ministry of Transport and Communications of the Republic of Lithuania
2	AndriusŠniuolis	None	Since 13 September 2012	Employee of the Ministry of Transport and Communications of the Republic of Lithuania
3	EglėVyšniauskaitė	None	Since 13 September 2012	Employee of the Ministry of Transport and Communications of the Republic of Lithuania
4	StepasTelešius	None	Since 7 June 2012	Co-owner of ACME group of companies, director, member of boards
5	Mindaugas Utkevičius	None	Since 7 June 2012	Partner of AS LHV Capital

The company's board is a collegial body of management made of 5 members. The supervisory board elects members of the board for a term of four years. The board elects a chairman of the board from the members thereof.

Only a natural person may be elected as the Chairman of the Board. Those who cannot be elected as the Chairman of the Board are the following: member of company's supervisory board and a person, who cannot accept this office according to the Laws of the Republic of Lithuania.

The number of the terms of office of the members and the chairman of the board shall not be limited.

The board discusses and approves:

- 1. the operating strategy of the company;
- 2. the annual report of the company;
- 3. the management structure of the company and the positions of the employees;
- 4. the positions to which employees are recruited through competition;
- 5. regulations of branches and representative offices of the company;
- 6. the procedure of procurement of goods, works, and services.

The board elects and removes from the office the manager of the company, sets his/her salary as well as the other terms of the employment contract, approves the job description, and provides incentives for and imposes penalties against him/her.

The board determines which information is considered to be the company's commercial (industrial) secret and confidential information. Any information, which must be publicly available under the Law on Companies and other laws of the Republic of Lithuania, may not be considered to be commercial (industrial) secret and confidential information.

The Board shall take the following decisions:

- 1. decisions for the company to become an incorporator or a member of other legal entities;
- 2. decisions on the opening of branches and representative offices of the company;
- 3. decisions on the investment, assignment or rent of the fixed assets the book value whereof exceeds 10 million Litas (calculated individually for every type of transaction):
- 4. decisions on the pledge or mortgage of the fixed assets the book value whereof exceeds 10 million Litas (calculated for the total amount of transactions):
- 5. decisions on offering of warrantee or guarantee for the discharge of obligations of third parties the amount whereof exceeds 10 million Litas;
- 6. decisions on the acquisition of the fixed assets the price whereof exceeds 10 million Litas;
- 7. decisions on restructuring of the company in the cases laid down by the Law on Restructuring of Enterprises;
- 8. decisions to allow the manager of the company to conclude transactions (except for the transactions of financial derivatives, purchase-sale of currency, insurance of vessels, as well as maritime risk insurance of vessels), the value of which is over 2,000,000 LTL (excluding tax) and transactions of procurement of the works, the value of which is over 3,000,000 LTL (excluding tax).
- 9. other decisions assigned to the scope of powers of the board by the decisions of the general meeting of shareholders.

The board shall analyze and evaluate the information submitted by the manager of the company on:

- 1. the implementation of the operating strategy of the company;
- 2. the organization of the activities of the company:
- 3. the financial status of the company;
- 4. the results of business activities, income and expenditure estimates, the stocktaking and other accounting data of changes in the assets.

The board analyzes and assesses a set of the company's annual financial statements and draft of profit/loss appropriation and submits them to the supervisory board and to the General Meeting of Shareholders together with the annual report of the company.

The board is responsible for the convening and organization of the General Meetings of Shareholders in due time.

Members of the board must keep commercial (industrial) secrets of the company and confidential information that they obtained while holding the office of members of the board.

The board must organize the general meetings of shareholders in due time and ensure due organization thereof.

The Articles of Association shall be amended by the general meeting of shareholders by a qualified majority of votes, which shall not be less than 2/3 of votes, granted by the shares of all shareholders attending the meeting. Following the decision by the general meeting of shareholders to amend the Articles of Association of the company, the full text of the amended Articles of Association shall be drawn up and signed by the person authorized by the general meeting of shareholders.

In cases, specified by the Law on Companies, the Articles of Association of the company shall be amended by the board of the company. In this case, the chair of the board shall sign the Articles of Association of the company as amended.

The latest version of the Articles of Association of Public Company "Lithuanian Shipping Company" has been approved on the Public Company "Lithuanian Shipping Company" General Meeting of Shareholder which took place 30 April 2010.

4.3. Management

Full name	LithuanianShipping Company shares	Term of office	Field of activities	
Audronis Lubys	None	Since 24 May 2010	Chief Executive Officer	
Arvydas Stropus	None	Since 27 June 2001	Chief Accountant	

The information about the amounts calculated over the accounting period at Lithuanian Shipping Company for the members of the management bodies (5):

Amounts payable for the 1st half of 2012

	Amount ofpayable money, LTL	Sold assets, LTL	Provided guarantees
Administration	231,657	-	-
Members of the Board	-	-	-

The other members, who are not employed by the company and with whom the company did not sign any work contracts, have not received any other payments, bonuses from the company; no assets have been transferred and no guarantees have been provided.

No agreements that provide large compensations exist.

4.4. Other Information on Management Bodies

- 1. On 21 July 2011, the Audit Committee of Lithuanian Shipping Company was formed on the basis of Supervisory Board Meeting Minutes No. 3, which includes three persons:
 - 1. Jonas Nazarovas, AB DFDS Seaways Managing Director;
 - 2. LigitaMikienė, Deputy Director of Economy and Finance of Klaipėda Stevedoring Company a company of UAB Concern Achema Group;
 - 3. Dana Cemnolonskienė, Head at interim of Internal Audit Department of the State Property Fund.

No other committees are established in the Company.

- 2. AB SEB bankas is entitled to unilaterally terminate the credit contract in case, if the main shareholder of the company Republic of Lithuania, holding 56.66 percent of shares of the company by the title of ownership, transfers, without the consent of AB SEB bankas, any number of shares of the credit receiver and / or revokes its written obligation to not transfer such shares.
- 3. There are no significant agreements between Lithuanian Shipping Company and its managing bodies, Lithuanian Shipping Company managers, employees that provide a compensation in case of recovery from office or dismissal without a valid reason, or if their work would be terminated due to changes in Lithuanian Shipping Company control.
- 4. There are no transactions between related parties.

4.5. Procedure for Amending Company's Articles of Association

The Articles of Association shall be amended by the General Meeting of Shareholders by the qualified majority of votes, which shall not be less than 2/3 of votes, granted by the shares of all shareholders attending the meeting. Following the decision by the General Meeting of Shareholders to amend the Articles of Association of the company, the full text of the amended Articles of Association shall be drawn up and signed by the person authorized by the General Meeting of Shareholders.

In cases, specified by the Law on Companies, the Articles of Association of the company shall be amended by the board of the company. In this case, the Chairman of the board shall sign the Articles of Association of the company as amended.

V. OTHER COMPANY INFORMATION

5.1. Information on Detrimental Transactions Concluded on Issuer's Behalf over Accounting Period

During the accounting period, no adverse transactions on behalf of Lithuanian Shipping Company, that had or would have negative influence on the activities and (or) results of activities of Lithuanian Shipping Company were made. No transactions were made in presence of conflict between the managers of Lithuanian Shipping Company, who control shareholders' or other related parties' office in Lithuanian Shipping Company, and their private interests and (or) other offices.

5.2. Data on Publicly Published Information

An issuer, fulfilling his liabilities, according to the legal acts regulating the stock market and being applied to it, has publicly announced the following information in the 1st half of 2013:

- 1. Election of the chairman of the board of Public Company Lithuanian Shipping Company.
- 2. Interim information for 12 months for the year 2012 of Public Company Lithuanian Shipping Company.

- 3. Ordinary General Meeting of Shareholders of Public Company Lithuanian Shipping Company.
- 4. Draft resolutions of Ordinary General Meeting of Shareholders of Public Company Lithuanian Shipping Company dating 26 April 2013.
- 5. Supplemented agenda of Ordinary General Meeting of Shareholders of Public Company Lithuanian Shipping Company dating 26 April 2013.
- 6. Resolutions of Ordinary General Meeting of Shareholders of Public Company Lithuanian Shipping Company dating 26 April 2013.
- 7. Annual information of Public Company Lithuanian Shipping Company for 2012.
- 8. Activity results of Public Company Lithuanian Shipping Company http://www.nasdaqomxbaltic.com/market/and interim information for three months of the year 2012.
- 9. Announcement of Public Company Lithuanian Shipping Company on deprivation of voting rights.
- 10. Adjusted announcement of Public Company Lithuanian Shipping Company on deprivation of voting rights.

The information is published on Public Company Lithuanian Shipping Company's websitehttp://www.ljl.lt/lt/for investors/financial reports/

Here

Chief Executive Officer

Audronis Lubys