



**PUBLIC COMPANY
LITHUANIAN SHIPPING COMPANY**



SEMI-ANNUAL INTERIM REPORT 2015

Content

I. GENERAL INFORMATION ABOUT THE COMPANY	3
1.1. Accounting Period of Report	3
1.2. Company Contact Information	3
1.3. Company Shareholders	3
1.4. Information on Agreements with Agents of Public Circulation of Securities	4
1.5. Data Related to Trading of Securities on Regulated Markets	4
1.6. Structure of Authorized Capital.....	4
1.7. Information on Restrictions of Transfer of Securities.....	5
1.8. Information on Restrictions on the Voting Rights.....	5
II. INFORMATION ON COMPANY'S ACTIVITIES	5
2.1. Company's Mission, Vision, Operating Strategy, and Purposes.....	5
2.2. Company's Activities and Services Rendered.....	5
2.3. Company's Operating Markets and Competitors	6
2.4. Company's Customers and Their Main Groups	7
2.5. Information Related to Personnel Matters.....	7
2.6. Main Factors Influencing the Company's Operation.....	9
2.7. Investing into Long-Term Assets during the Accounting Year.....	9
2.8. Analysis of Financial and Nonfinancial Operating Results and Plans	9
2.9. Financial Risk Management Measures.....	10
2.10. Branch Establishments and Representative Offices.....	10
2.11. Important Events since the End of Previous Financial Year.....	10
2.12. Company's R&D Activities.....	10
2.13. Company's Social Initiatives and Policy.....	10
2.14. Information on Compliance with Provisions of Transparency Policy	10
III. INFORMATION ON COMPANY'S SHARES AND SHAREHOLDERS	11
3.1. Company Shareholders' Rights	11
3.2. Agreements between Shareholders.....	12
3.3. Purchase of Own Shares	12
3.4. Dividend Policy	12
IV. INFORMATION ON COMPANY'S MANAGEMENT BODIES	13
4.1. Supervisory Board.....	13
4.2. Board.....	14
4.3. Management.....	15

4.4. Other Information on Management Bodies 16
4.5. Procedure for Amending Company’s Articles of Association 16

V. OTHER COMPANY INFORMATION 16
5.1. Information on Detrimental Transactions Concluded on Issuer’s Behalf over Accounting Period 16
5.2. Data on Publicly Published Information 17



I. GENERAL INFORMATION ABOUT THE COMPANY

1.1. Accounting Period of Report

The Semi-Annual Report was prepared for January – June 2015. In addition to the Semi- Annual Report, the Company prepared a Set of Financial Statements for the first half of 2015, which includes the Statement of Financial position, the Statement of Comprehensive Income, the Cash Flow Statement, the Statement of Changes in Equity and Notes to the Financial Statements (Explanatory Notes). Herein, 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	Akcinė bendrovė "Lietuvos jūrų laivininkystė" (English: Public Company "Lithuanian Shipping Company")
Legal form	Public Company
Date and place of incorporation	27 June 2001, Klaipėda
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	www.ljl.lt

1.3. Company Shareholders

As of 12 Juny 2015 there were 1997 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 OF THE REPUBLIC OF LITHUANIA	188620589	Gedimino pr. 17, Vilnius	46.953.515	56.66
DFDS TOR LINE A/S	14194711	Sundkrogsgade 11, DK-2100 Copenhagen	4.581.970	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 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 Jūsų tarpininkas, UAB FMĮ (later - SNORAS - Jūsų tarpininkas, AB FMĮ, A. Mickevičiaus g. 29-3, 44245 Kaunas). After SNORAS - Jūsų tarpininkas, AB FMĮ was reorganized by merge, on 31 March 2010 Finasta, AB FMĮ (code 122570630, address: Maironio g. 11, Vilnius, phone.: 1813, e-mail: info@finasta.com) took under the rights and obligations of SNORAS - Jūsų tarpininkas, AB FMĮ, 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.

On 30 September 2014 the Company’s authorized capital was reduced by the decision of the ordinary General Meeting of Shareholders of 25 April 2014 (method of reducing the authorized capital – annulment of the shares). The shares were annulled for all the Company’s shareholders in proportion to the nominal value of the shares they own through the ownership right. Amount of the emission after the change is 82,867,200 ordinary registered shares of Public Company “Lithuanian Shipping Company” with nominal value of one litas (from 2015-01-01 shares nominal value -0,29 EUR).

After the new regulations of Vilnius Stock Exchange come into effect on 30 May 2005, the direct deals will be 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 5 years are as follows.

Information on trading LJI shares on NASDAQ OMX Vilnius securities exchange market is as follows:

Index	2011	2012	2013	2014	2015
Opening price	0.080	0.034	0.026	0.015	0,020
Maximum price	0.080	0.038	0.030	0.028	0,019
Minimum price	0.032	0.025	0.012	0.010	0,001
Last price	0.036	0.026	0.015	0.020	0,009
Turnover, units	48,850,672	10,606,876	28,613,333	22,910,682	19 409 672
Turnover, million	€ 2.41	€ 0.34	€ 0.53	€ 0.35	€ 0,21
Capitalization, million	€ 7.23	€ 5.22	€ 3.01	€ 1.66	€ 0,75

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 24.031.488 EUR.

The authorized capital of the company is divided into 82,867,200 (0,29 EUR 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, Vision, Operating Strategy, and Purposes

Mission is to provide a high-quality, world-class ship management and service which fulfils the expectations of stakeholders and partners.

Vision is to be a profitable company on the market of cargo transportation by dry-cargo vessels (in 17 to 25 thousand DWT segment), having a fleet complying with strict technological requirements flying Lithuanian flag.

Strategic goals of the company:

- Creation of stable structure of the Company' equity:
 - Increase of effectiveness of services' sale;
 - Increase of costs management effectiveness;
 - Optimization of costs;
 - Restructuring of bank loan;
 - Effective company's liquidity management.
- Increase of operating effectiveness:
 - Search for new services sales channels;
 - Orientation towards fleet development in the segment of mini Handysize;
 - Diversification of vessel chartering (time charter, voyage charter) seeking for prompt reaction to market changes;
 - Optimization of duration of dock repair.

2.2. Company's Activities and Services Rendered

The main activity of the company is freight transportation by sea and vessel hire. As of 30 Juny 2015, the company owned 5 vessels, which data is as follows.

Item No.	Vessel	Year built	DWT
1	Raguva	1995	16.883
2	Deltuva	1994	16.906
3	Romuva	1998	17.504
4	Voruta	1998	17.504
5	Venta	1995	24.202

Currently, the company's fleet according to deadweight is divided into two vessel segments :

Asta-type vessel group (deadweight up to 6,000 tons) *Audré* (was sold 19-05-2015) and *Akvilė* (was sold 20-06-2015). These vessels are employed under time-charter contracts.

Raguva-type vessel group (deadweight up to 25,000 tons) – *Raguva*, *Deltuva*, *Romuva*, *Voruta* and *Venta*. This is the main vessel group of LJL, on which the company intends to focus in the future. Most frequently, these vessels are employed under voyage charter contracts.

At the first half of 2014, 2 of the company's vessels were employed under time-charter contracts. The remaining fleet was employed under voyage charter contracts. Structure of the company's income in 2012 – 2015 is compared according to charter type below:

Income by charter (thousand EUR)				
	2012-06-30	2013-06-30	2014-06-30	2015-06-30
Voyage charter	4.039	11.703	7.022	5.391
Time charter	6.845	2.141	3.633	1.961
Iš viso	10.884	13.844	10.655	7.353

2.3. Company's Operating Markets and Competitors

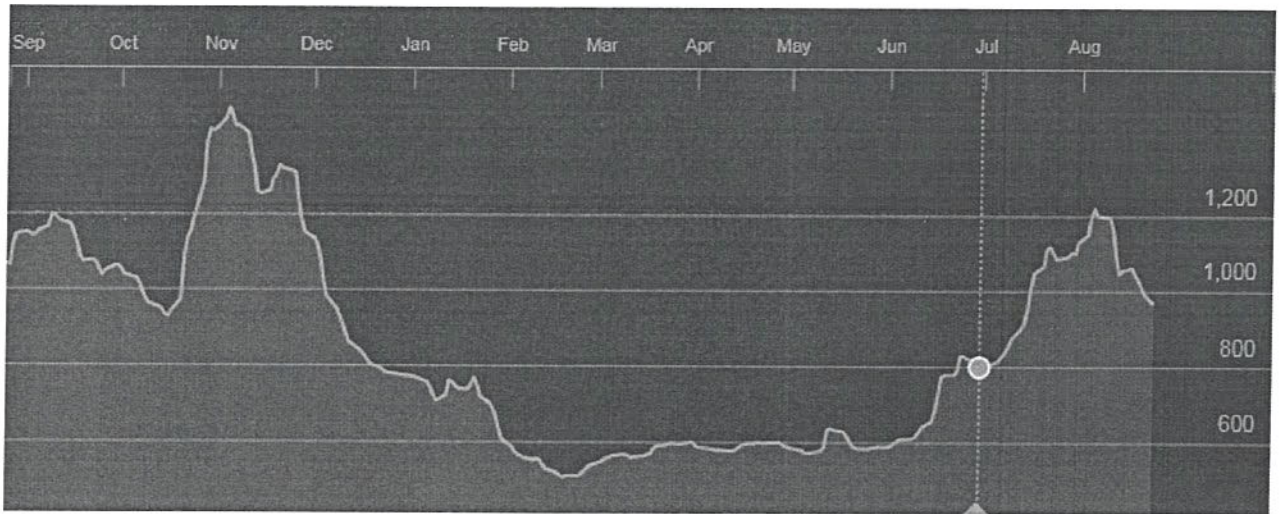
The company's vessels can transport about 65 percent of all types of global cargoes, i.e. general cargoes, grain, coal, iron ore, chemical products. The largest part of cargo flows consists of bulky goods (about 75 percent). LJL mainly operates on the following markets:

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 company is operating on the international shipping market, in the segment of 5-25 thousand DWT dry-cargo vessels, where there are no monopolies that distort competitive conditions on the market. Use of 'cheap' flags allows the ship owners reducing some of the ships operating costs (mainly related to wages) and provides certain competitive advantages, however, the position of international seafarers' trade unions and other organizations which becomes increasingly strict reduces advantage of these flags.

LJL is operating in a very competitive environment, which lately, just as the entire global shipping market, is unfavorable for ship owners as ship offer markedly exceeds ship demand. Although analysts have predicted the recovery in the global shipping market ,but in the first half of 2015 of shipping market situation was worse than in 2014. Baltic Dry Index which shows the dry-cargo ships freight rates in the world, during the first half of 2015 reached historical lows: 2 January index was 771, 23 February fell to 512, 30 June was 800

These changes are reflected in the tendencies of changes Baltic Dry Index :



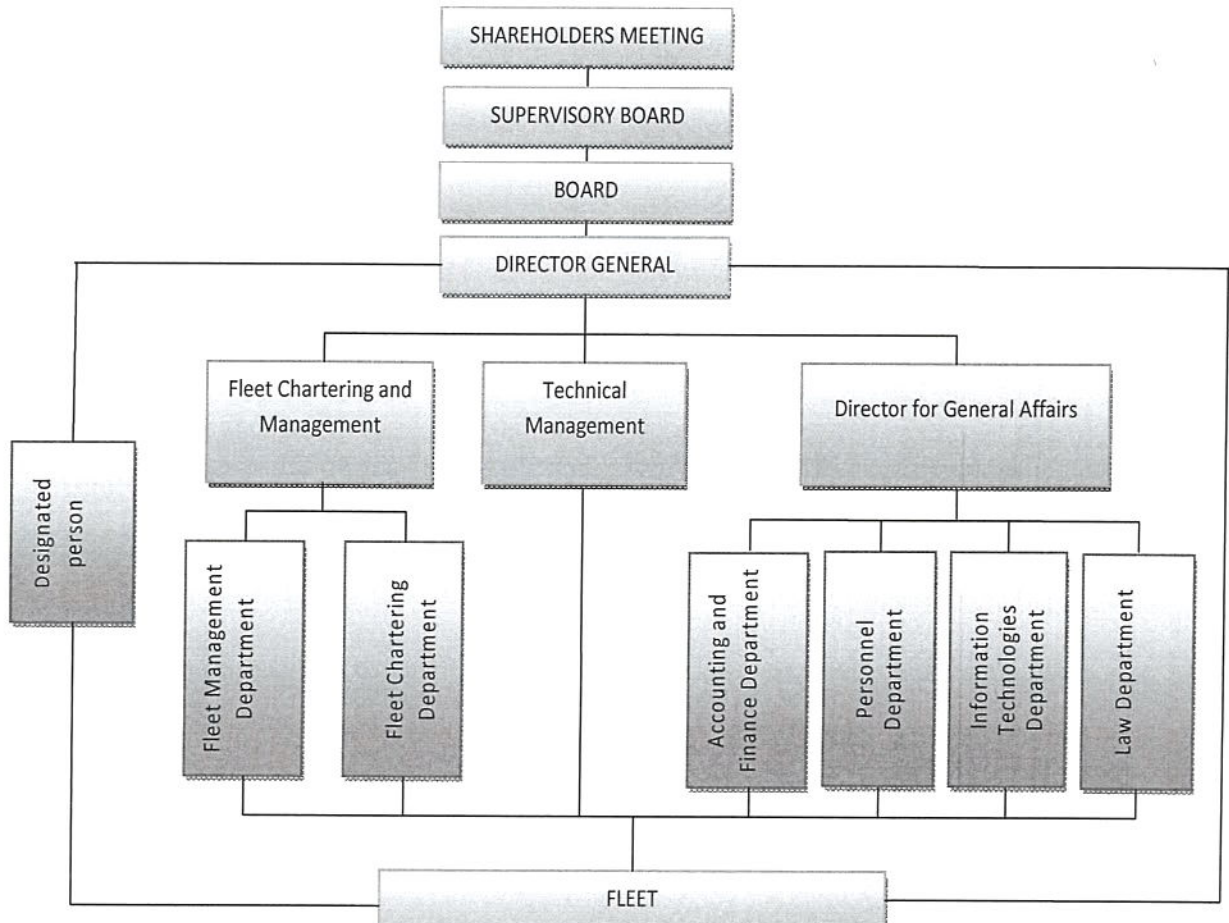
Source : Bloomberg Baltic Dry Index

2.4. Company's Customers and Their Main Groups

In the first half of 2014 the company had no customers that would account for a considerable part of income according to time charter contracts or voyage charter contracts. Currently, LJL income is not dependent on several main customers.

2.5. Information Related to Personnel Matters

Company's management structure as of the end of 30 Juny 2015 is as follows:



As of 30 June 2015, 226 employees (208 seamen and 18 administration workers) were working in the company, which make 23 per cent or 69 employees less than on 30 June 2014. Such a marked reduction in the number of employees in the company is related to decrease in the number of vessels from 8 down to 5. Moreover, with reduction of the number of vessels the number of administration workers is being optimized as well. This number of reduced from 32 employees on 30 June 2012 to 18 employees on 30 June 2015. The employee number tendency for the period 2012 to 2015 is as follows:

Number of employees

	2012-06-30	2013-06-30	2014-06-30	2015-06-30
Administration	32	30	28	18
Seamen	325	318	267	208
Total :	357	348	295	226

Classification of employees

Structure of personnel of the company according to education:

Education	Percentage of employees		
	30 June 2013	30 June 2014	30 June 2015
University education	34	36	35
College education	2	2	2
Secondary education	28	28	26
Maritime academy	8	9	12
Post-secondary education	28	25	24

A share of employees with university education makes the third part of all the employees and showed no essential change during the period investigated.

According to average registered number of employees and average wages:

Group of employees	Average conditional number of employees			Average earnings per month, EUR		
	30 June 2013	30 June 2014	30 June 2015	30 June 2013	30 June 2014	30 June 2015
Executives	5	4	4	2.379	2.510	2.541
Specialists	149	128	95	1.038	1.036	1.162
Workers	147	141	114	613	580	639
Total	301	273	213			

The company is facing the lack of skills employees as there are no opportunities to increase seamen's salary up to a competitive level. Consistent increase of salaries is the only way to keep the available workforce to compete with 'cheap' flag ship owners.

Information Related to Environmental Issues

The company operates internationally in a regulated sphere of environmental protection; therefore, the Company and / or its vessels must comply with a number of international conventions or local legislation. For example, MARPOL, SOLAS, Bunker, Ballast Water Conventions, ISM and ISPS Codes, and the US Oil Pollution Act. Compliance with such requirements in the future may require the purchase of new equipment or changes in ship management. For instance, due to requirements of MARPOL Annex VI, "Regulations for the Prevention of Air Pollution from Ships", which comes into force in 2015, the company's vessels

operating costs will increase as it will be possible to use only low-sulphur fuel, which is much more expensive than commonly used fuel oil, in the Baltic and the North Sea and the North American region. The same is true for the projected changes in ballast water management since 2016. As the requirements for navigation are frequently reviewed and there are no final decisions yet (and the technology to achieve them) in regards of the above-mentioned issues, the company currently cannot yet predict the costs that will be incurred to comply with changing environmental requirements.

2.6. Main Factors Influencing the Company's Operation

The reduction in transport costs in recent years has led to the decrease in orders for new ship building and increase in number of vessels cut to scrap metal. Deadweight decrease in mini Handysize segment, where LJL is operating, has been observed for a number of years in a row, thus, it is likely that this segment has good preconditions for growth in transport prices for the coming year.

2015 was sold motor vessel *Audrė* and motor vessel *Akvilė*, the company operates five vessels, which is 6 ships less than in 2011-2013 period and 3 vessels less than in 2014. It will therefore be particularly important to create and maintain a sustainable equity structure of the company as an unplanned breakdown or downtime of one vessel, in view of such a small number of vessels, could have a material impact on the Company's financial results and its liquidity.

2.7. Investing into Long-Term Assets during the Reporting period

In 2015, motor vessel *Raguva* repair was performed, costing 458 thousand EUR.

2.8. Analysis of Financial and Nonfinancial Operating Results and Plans

Financial ratio analysis

Main Financial Indexes (thousand EUR)	30 June 2013	30 June 2014	30 June 2015
Income	13.844	10.655	7.353
Administrative expenses	-610	-641	-609
EBITDA	343	820	-1.043
EBITDA mark - up	2%	8%	-14%
Net profit	-2.839	- 1.620	-4.211
Cash flows from operating activities			
and vessel sale	1.564	2.342	1.982
Investment	1.377	3	458
Return of loans	-	2.289	1.886
Cash	3	217	85
Total of assets	58.706	42.004	33.023
Value of vessels	54.635	38.375	23.711
Debts to credit institutions	16.607	13.132	12.580
Debts to suppliers	6.368	4.056	4.215
Owners' equity	32.441	22.077	13.203

While reorienting the company's fleet towards Handysize segment and, at the same time, to improve liquidity of the company, in first half was sold mv "Audre" and mv "Akville" according to the approved strategic plan of company for 2015-2018.

2.9. Financial Risk Management Measures

The main vessel insurance costs of the Company consist of H & M (hull and machinery) along with Loss of Hire (unearned income) and P & I (ship manager civil liability insurance) insurance. H & M and P & I insurance is an absolute condition for engaging in the shipping business. Insurance is also required because the vessels are mortgaged to the bank and, in accordance with the Civil Code of the Republic of Lithuania, mortgaged property must be insured.

However, the need in vessel insurance is not conditioned by mere legal requirements. It is a certain form of risk management and a commercial and operational necessity. Ships are facing various maritime risks - collisions, pollution, claims for goods. Ship collisions and, in particular, pollution can cause enormous claims that the Company would not be able to cover itself. Since all ships are owned by one company, big incident of one of the ships, in case of no insurance coverage, could paralyze operations of the entire company. Charterers always require vessels to be insured in a trusted P & I insurance club. P & I insurance policy is the grounds of receiving certain vessel documents, without which the ship cannot be navigated (e.g. liability for bunker pollution certificate). Without P & I insurance, vessel could not be navigated to one of the most important markets of the companies, i.e. the United States.

2.10. Branch Establishments and Representative Offices

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

2.11. Important Events since the End of Previous Reporting period

Information about significant events since the end of the previous Reporting period, which are not a commercial secret of the company and which are purposeful to announce, has been provided in the Explanatory notes of the Financial statements.

2.12. Company's R&D Activities

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

2.13. Company's Social Initiatives and Policy

Success of the company's business is inseparable from the ability to employ and retain highly skilled professionals; however, currently the lack of specialists is noticeable, which is greatly affected by the scope of emigration. Although the educational institutions prepare professionals and there is no decline in their number is anticipated in the future, most of them choose to work in other countries' fleets because of competitive salary.

In 2013, Lithuania has ratified the Maritime Labor Convention, 2006. Its implementation in the Company's vessels may have a positive social and psychological result for the mariners to stay with the ships flying Lithuanian flag because it will ensure compliance with seafarers' rights, labor safety requirements, etc. provided for in the Convention.

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

2.14. 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 of 14 July 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 and semi-annual interim 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. The Company's accounting is in line with international accounting standards.
6. The 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 description procedures and terms.

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 0,29 EUR 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 2015 Reporting period 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 2015 .

IV. INFORMATION ON COMPANY'S MANAGEMENT BODIES

4.1. Supervisory Board

No.	Full name	Lithuanian Shipping Company shares	Term of office	Field of activities
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	Ona Barauskienė	None	Since 19 November 2009	Employee of the Ministry of Transport and Communications of the Republic of Lithuania
3	Saulius Kerza	None	Since 26 September 2014	Employee of the Ministry of Transport and Communications of the Republic of Lithuania
4	Gytis Kaminskas	None	Since 27 April 2012	Partner of the Professional Law Partnership Baltic Legal Solutions Lietuva, advocate
5	Laimutė Tinglum	None	Since 27 April 2012	Partner of Skandinavian Accounting and Consulting, UAB, 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

No.	Full name	Lithuanian Shipping Company shares	Term of office	Field of activities
1	Saulius Girdauskas (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	Andrius Šniuolis	None	Since 13 September 2012	Employee of the Ministry of Transport and Communications of the Republic of Lithuania
3	Eglė Vyšniauskaitė	None	Since 13 September 2012	Employee of the Ministry of Transport and Communications of the Republic of Lithuania
4	Stepas Telešius	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 interim report of the company ;
4. the management structure of the company and the positions of the employees;
5. the positions to which employees are recruited through competition;
6. regulations of branches and representative offices of the company;

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 2 million litas (0,6 mln. EUR) (calculated individually for every type of transaction);
4. decisions on the pledge or mortgage of the fixed assets the book value whereof exceeds 2 million litas (0,6 mln. EUR) (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 2 million litas (0,6 mln. EUR) ;
6. decisions on the acquisition of the fixed assets the price whereof exceeds 2 million litas (0,6 mln. EUR);
7. decisions on restructuring of the company in the cases laid down by the Law of the Republic of Lithuania on Restructuring of Enterprises;
8. decisions concerning consent for the Company' s director to settle transactions (except typical ships' employment (rent), ships' repair, insurance agreements for ships and ships' marine risk and for transactions concerning sale and purchase of the currency), which value is over LTL 2 million (0,6 mln. EUR) (no 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 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 25 April 2014.

4.3. Management

Full name	Lithuanian Shipping Company shares	Term of office	Field of activities
Audronis Lubys	None	Since 1 August 2012 till 26 June 2015	General Director
Sigitas Dobilinskas	None	Since 6 August 2015	General Director
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 (6):

Amounts payable for the year 2015:

	Amount of payable money, EUR	Sold assets, EUR	Provided guarantees
Administration	102,0	-	-
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

On 7 December 2014, the composition of the Audit Committee of Lithuanian Shipping Company was changed on the basis of Supervisory Board Meeting Minutes No. 4. Currently, the Committee consists of the following persons:

1. Laimutė Kazlauskienė, lecturer at Mykolas Romeris University, Faculty of Economics and Finance Management, Department of Finance and Taxes;
2. Birutė Stankevičienė, Director of Įmonių auditas, UAB;
3. Nijolė Zibalienė, auditor/controller of the Audit and Accounting Service (founded and owned by the Ministry of Finance of the Republic of Lithuania).

No other committees are established in the Company.

SEB bankas, AB 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 SEB bankas, AB, any number of shares of the credit receiver and / or revokes its written obligation to not transfer such shares.

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.

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 Reporting 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

The 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 first half of 2015:

1. Interim information for 12 months for the year 2014 of Public Company Lithuanian Shipping Company.
2. The General Meeting of Shareholders of Public Company Lithuanian Shipping Company.
3. Resolutions of the General Meeting of Shareholders of Public Company Lithuanian Shipping Company dating 17 April 2015.
4. Annual information of Public Company Lithuanian Shipping Company for the year 2014.
5. Public Company Lithuanian shipping company sale of motor vessel "Audre".
6. Public Company Lithuanian shipping company sale of motor vessel "Akvile".
7. Public Company Lithuanian shipping company interim information for the three months 2015.
8. The Extraordinary General Meeting of Shareholders of Public Company Lithuanian shipping company.
9. Public Company Lithuanian shipping company the resolutions of the extraordinary general meeting of shareholders held on 19.06.2015.
10. Public Company Lithuanian shipping company General Director appointment.

The information is published on Public Company Lithuanian Shipping Company's website <http://www.ljl.lt/lt/akcininkams/esiminiai-ivykiai/>

General Director



Sigitas Dobilinskas