

**PUBLIC COMPANY**  
**“LIETUVOS JŪRŲ LAIVININKYSTĖ”**



**Intermediate information of the first half of the year 2007**

**KAUNAS, 2007**

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## GENERAL INFORMATION

### 1. REPORTING CYCLE OF THE PREPARED INTERMEDIATE PROCEEDING REPORT OF THE FIRST HALF OF THE YEAR 2007

Prospectus of the public company "Lietuvos jūrų laivininkystė" – report of the first half of the year 2007, including the period from the 1<sup>st</sup> of January, 2007 till the 30<sup>th</sup> of June, 2007.

### 2. BASIC DATA ABOUT THE ISSUER

Title of the issuer: in Lithuanian language - Akcinė bendrovė "Lietuvos jūrų laivininkystė", in English - Public company "Lithuanian shipping company".

Authorized capital:	200.901.296 LTL.
Address:	Malūnininkų str. 3, LT-92264 Klaipėda, Republic of Lithuania.
Telephone:	+ 370 (46) 393 105.
Fax:	+ 370 (46) 393 119.
E-mail:	gd@ljl.lt.
Legal status:	legal entity-public company.

Registration data in company register:

Registration date:	the 27 <sup>th</sup> of June, 2001.
Registration manager:	Public company centre of the registers
Companies register No.:	BJ 01 – 128
Company code:	110865039
Previous company code:	1086503
Webpage:	<a href="http://www.ljl.lt">http://www.ljl.lt</a>

### 3. THE COMPLEXION OF THE ISSUER'S FUNDAMENTAL ACTIVITIES

Branch of the economy – maritime transport.

Object of the company's proceeding. There are 23 different types of activities predicted in the company's statute, the basic predicted activity is:

61.10. Sea and cost water transport.

### 4. INFORMATION ABOUT PLACE AND TIME WHERE ONE CAN GET FAMILIAR WITH THE REPORTS AND DOCUMENTS, WHICH WERE USED DURING THE ARRANGEMENT (FINANCIAL REPORTS, AUDITOR CONCLUSIONS, ETC.) AND THE TITLES OF THE MEDIA

Electronic versions of the company's reports are in webpage of Securities Commission of the Republic of Lithuania: <http://www.vpk.lt/lt/index.php?fuseaction=registry.view&id=435> and VVPB market information webpage: <http://www.baltic.omxgroup.com/market/?pg=mainlist>

The media of the company: Lithuania's daily paper "Respublika", and Klaipėda district newspaper "Klaipėda".

**Table 4.1****Places where you can find information about the issuer**

<b>Title of the company or institution, address</b>	<b>Telephone No.</b>
Public company "Lietuvos jūrų laivininkystė", Malūnininkų str. 3, Klaipėda	(8 46) 39 31 26
LR Securities Commission's reading-room, Konstitucijos av. 23, Vilnius	(8 5) 271 49 45
Vilnius stock market Listing department, Konstitucijos av. 7, 15 floor, Vilnius	(8 5) 272 17 05 (8 5) 272 14 06

**5. PERSONS RESPONSIBLE FOR THE INFORMATION INCLUDED IN THE REPORT**

This report is prepared on August, 2007, in the financial brokers company "Jūsų tarpininkas", A. Mickevičiaus str. 29-3, 44245 Kaunas. UAB FBC "Jūsų tarpininkas" signifies, that the report is prepared according to public company's "Lietuvos jūrų laivininkystė" provided information. Public company "Lietuvos jūrų laivininkystė" is responsible for the correctness of the data.

**5.1. Issuer's members of the government organs, employees and the director of administration responsible for the report:****Table 5.1.1****Public company "Lietuvos jūrų laivininkystė"**

<b>Function</b>	<b>Name, surname</b>	<b>Telephone No.</b>	<b>Fax.</b>
General director	Vytautas Petras Vismantas	+ 370 (46) 39 31 05	+ 370 (46) 39 31 19
Financial Director	Sigutė Noreikaitė	+ 370 (46) 39 31 95	+ 370 (46) 39 31 33
Chief accountant	Arvydas Stropus	+ 370 (46) 39 31 26	+ 370 (46) 39 31 33

**5.2. Financial broker Marius Dubnikovas tel. + 370 (37) 32 29 95, fax. + 370 (37) 32 23 73, from UAB FBC "Jūsų tarpininkas" is responsible for this intermediary proceeding report's appropriate formation and accordance to legal information requirements.**

## INFORMATION ABOUT THE ISSUER'S AUTHORIZED CAPITAL AND PUBLISHED STOCKS

## 6. ISSUER'S AUTHORIZED CAPITAL

### 6.1. Authorized capital registered in the docket of the companies.

Table 6.1.1

Data of the registered authorized capital

Entitlement of stocks	NS quantity in units	NS nominal value, LTL	Total nominal value, LTL	Part in the authorized capital, pc.
Nominal stocks (NS)	200.901.296	1	200.901.296	100

All company stocks are fully paid and have a right to vote.

### 6.2. Enlargement of the authorized capital by converting or changing stocks to credit or derivative securities.

## 7. STOCKHOLDERS

Total number of stockholders in the company on the 30<sup>th</sup> of June, 2007 (at the end of the reporting cycle) – 1742.

Table 7.1

Stockholder having as ownership or ruling more than 5 pc. of the issuer's authorized capital at the end of reporting cycle (the 30<sup>th</sup> of June, 2007).

Stockholders	Quantity of nominal stocks in units		The part of the authorized capital and votes in percent		
	In total	stockholder is the ownership	In total	Votes according to nominal stocks, whose ownership is the stockholder	Together with partners, pc.
<b>Ministry of Transport and Communications of the Republic of Lithuania*</b>	113.833.000	113.833.000	56,66	56,66	-
<b>Hansabank Clients**</b>	19.709.438	19.709.438	9,81	9,81	-
<b>National institution "Valstybės turto fondas" ***</b>	16.750.323	16.750.323	8,33	8,33	-
<b>DFDS A/S****</b>	11.108.420	11.108.420	5,53	5,53	-

\* - Ministry of Transport and Communications of the Republic of Lithuania, company code 188620589, address Gedimino av. 17, Vilnius.

\*\* - Hansabank Clients company code 14066488, address Liivalaia, Talinas

\*\*\* - National institution "Valstybės turto fondas", company code 110073154, address Vilniaus str. 16, Vilnius.

\*\*\*\* - DFDS A/S company code 14194711, address Sundkrogsgade 11, Kopenhaga, Danija.  
Small stockholder owned 19,67 percent of company's stocks.

## 8. STOCKS, EXCEPT ARREARS STOCKS, WHICH ARE NOT A PART OF THE AUTHORIZED CAPITAL, BUT WHOSE CIRCULATION IS REGULATED BY THE LAWS OF SECURITIES COMMISSION

### INFORMATION ABOUT THE SECONDARY CIRCULATION OF THE ISSUER'S PUBLISHED STOCKS

#### 9. STOCKS INCLUDED INTO STOCK-MARKET'S LISTS

200.901.296 nominal one Litas value public company's "Lietuvos jūrų laivininkystė" stocks (total nominal value 200.901.296 LTL) are quoted in the current trade list in Vilnius Stock Market (previous National Stock Market) since the 9<sup>th</sup> of July, 2001.

Table 9.1

#### Issuer's stocks trading alongside outside the market

Last financial year		Price		Circulation in units
From	Till	Max.	Min.	
2007 01 01	2007 03 30	0,53	0,26	16 017 561

9.2 lentelė

Period	2006 I – II q.	2007 I - II q.
<b>Payment in money</b>		
Circulation, LTL	-	5 529 484,28
Circulation, units	-	16 017 561
Lowest price, LTL	-	0,26
Highest price, LTL	-	0,53
<b>Payment not in money</b>		
Circulation in units	-	985 231

\*Prepared according to information published by [www.csdl.lt](http://www.csdl.lt) about the transactions not in the market during first half of the year 2007.

#### 10. CONTRACTS WITH STOCKS' PUBLIC CIRCULATION BROKERS

On the 1<sup>st</sup> of November, 2002, public company "Lietuvos jūrų laivininkystė" signed stock service contract with UAB FBC "Jūsų tarpininkas", A. Mickevičiaus str. 29-3, 44245 Kaunas, tel.: + 370 (37) 322 995, fax.: + 370 (37) 322 373.

### INFORMATION ABOUT THE ISSUER'S ACTIVITIES

## 11. EMPLOYEES

On the 30<sup>th</sup> of June, 2007, there were 528 employees in the company, 61 of them worked on cost departments and 467 in fleet (accordingly on the 30<sup>th</sup> of June in 2006, there were 533 employees, 66 of them worked on cost departments and 467 in fleet, while on the 31<sup>st</sup> of December in 2006, there were 533 employees, 64 of them worked on cost departments and 469 in fleet).

During 6 months of the year 2007 54 persons were dismissed, from them – 2 third captain assistants, 2 chief captain assistants, 4 second captain assistants, 1 chief engineer, 3 second engineers, 2 third engineers, 1 electro mechanic, 17 sailors, 3 captains, 6 manipulators, 1 grinder, 2 bosons, 2 watchers, 2 cooks, 1 supply specialist, 1 keeper, 1 maritime trainee, 1 quartermaster, 1 accountant, 1 bus driver.

Employees dismissal reasons:

LR DK 125 art. (agreement between parts) – 7 employees; LR DK 126 art. (term is finished) – 21 employees; LR DK 127 art. 1 p. (employee's application) – 24 employees; seamanship ended – 1 employee.; LR DK 124 art. 3 p. (employee dies)-1 employee.

During 6 months of the year 2007 45 persons were employed, from them 3 chief captain assistants, 6 third captain assistants, 2 third engineers, 1 chief engineer, 1 electro mechanic, 1 waking engineer, 18 sailors, 7 manipulators, 1 watcher, 3 cooks, 1 welder, 1 trainee.

Despite employees dismissed according to article LR DK 126 (term is finished) and when practice is over (in total 22), employees variation is less than 10 %, although company still has some certain labour force problems. The reasons are – lack of professionals or particular workers in the labour market, limited preparation, employee departure to foreign fleets, great number of elder, almost pension age employees left after the privatization, hard working conditions comparing with job on the coast, ports, less payment than in fleet registered under more comfortable countries' flags, etc.

The preparation system of sailors is not oriented to jobs in National Lithuanian shipping companies, although education institutions are kept from Lithuania's budget.

**Table 11.1**

### Average employee number and salary in the list

Employee group	Average number of employees				Average payment per month, LTL			
	2004	2005	2006	2007 1 <sup>st</sup> half	2004	2005	2006	2007 1 <sup>st</sup> half
Supervising	10	10	10	10	6,607	7,421	6,989*	6,938**
Specialists	295	267	272	280	2,257	2,489	2,523	2,390
Workers	257	277	257	234	1,362	1,456	1,543	1,548
<b>In total:</b>	<b>562</b>	<b>554</b>	<b>539</b>	<b>524</b>	<b>1,925</b>	<b>2,061</b>	<b>2,142</b>	<b>2,101</b>

\* Profit from them 1754.77 Lt.

\*\* Profit from them 1693.57Lt

**Table 11.2**

### Grouping of employees according to education

Education	The number of employees			
	2004	2005	2006	2007 1 <sup>st</sup> half
Higher education	181	198	201	183

Further education	179	198	184	177
Comprehensive education	202	158	231	222

## 12. PROCESSES OF THE COURT AND ARBITRAGE

Pretensions which were known to insurance and pretension department during the reporting cycle:

### I. Concerning the cargo transit.

There were 14 pretensions and 5 notifications about pretensions in 2006/01/01. 6 pretensions, in total value of 223 122,00 USA dollars, were revised and rejected. One pretension was closed because of the terms and one was paid. 2 pretensions, in total value of 2 181,00 USA dollars, were declared in 2006, those were rejected. 6 notifications about pretensions were received. 11 pretensions, in total value of 1 438 164,60 USA dollars, left in 2007/01/01 and 6 notifications about pretensions. Three pretensions are quit large:

1. Motor-ship "Algirdas", port of Djendjen on the 12<sup>th</sup> of August, 1999, bank guarantee of 400 000,00 USA dollars from the insurance club "NEPIA".

2. Motor-ship "Kapitonas Lučka", on the 4<sup>th</sup> of April, 2003, pretension's value – 413 621,58 USA dollar.

3. Motor-ship "Kapitonas Lučka", port of Moerdijk on the 30<sup>th</sup> of October, 2004, pretension value's – 225 000,00 EUROS.

### II. Other pretensions.

There were 27 pretensions in 2006/01/01, in 2006/12/31 left 22. During the reporting cycle were rejected the following pretensions/lawsuits for large amounts:

1. Motor-ship "Kapitonas Stulpinas", fine for violation of Canada's custom regulations, which were violated by third captain's assistant A. Adomkevičius. Pretension's value – 3 200,00 Canada dollars.

2. Motor-ship "Daina", bothered tanker "Tricolore" in the port of Amsterdam on the 19<sup>th</sup> of July, 2005, pretension's value – 12 271,60 EUROS.

4 pretensions rejected or determined because of the limit or small amounts of money. New pretensions for large amounts of money received in 2006:

1. Motor-ship "Skalva", the port of Gaspé on the 4<sup>th</sup> of January, 2006, damaged cargo because of the fire in the hold, pretension's value – 1 052 112,00 USA dollars.

2. Motor-ship "Skalva", the port of Gaspé on the 4<sup>th</sup> of January, 2006, general accident, pretension's value – 120 000,00 USA dollars.

Public company's "Lietuvos jūrų laivininkystė" responsibility for fleet and cargo and other pretensions is insured in the insurance companies and clubs of mutual insurance.

### III. Coast pretensions:

1. In Klaipėda district court, on the 5<sup>th</sup> of June, 2007, inspected civil case No. 2-518-538/2007, according to lawsuit by Tatjana Žgunova concerning immediate return to job, adjudge compensation for forced absenteeism time, continuous experience rehabilitation, adjudge of redundancy pay, return of annual and free vacations, change of dismiss date, allowance for pay because of adjudged annual vacations, payment for additional work, compensation for property and non-property harm. Case is continued in Lithuania's Appeal court.

2. In Lithuania's Appeal court, on the 13<sup>th</sup> of March, 2007, inspected civil case No. 2A-85/2007, according to appeal by Danish company "Trident Marine Aps". Lithuania's Appeal court changed court (2006/07/19) decision part by Vilnius district court, where public company "Lietuvos jūrų laivininkystė" were adjudged 31 605,33 LTL litigation expenses from "Trident Marine Aps", expenses were reduced to 8 105,33 LTL.

3. An application proposed to M. Trijonienė and L. Uniokaitė bailiff bureau on the 10<sup>th</sup> of January, 2007, concerning public company's "Lietuvos jūrų laivininkystė" stocks arrest, which belong to Danish company "Trident Marine Aps" and are in UAB FBC "Suprema" record. According to



Public company's "Lietuvos jūrų laivininkystė" report of the proceeding (intermediate information) of the first half of the year 2007 9

Lithuania's Appeal Court issued executive writing under c.c. NO. 2A-83/2007, in 2007-03-13.  
4. On the 11<sup>th</sup> of June, 2007, the case finished concerning the ownership of the scrap-iron kept in LJJL warehouse since the 8<sup>th</sup> of May, 1992. Application rejected.

## FINANCIAL STATUS

### 13. FINANCIAL STATEMENTS OF PUBLIC COMPANY "LITHUANIAN SHIPPING COMPANY"

#### 13.1 BALANCE SHEET OF THE ACCOUNTING PERIOD OF THE 1<sup>ST</sup> HALF-YEAR OF 2006 – THE 1<sup>ST</sup> HALF-YEAR OF 2007

Table 13.1.1

	ASSETS	Note No.	June 30, 2007	December 31, 2006
<b>A.</b>	<b>CAPITAL ASSET</b>		<b>299.660.485</b>	<b>257.258.660</b>
<b>I.</b>	<b>INTANGIBLE ASSETS</b>	<b>B.1.</b>	<b>10.097</b>	<b>10.838</b>
I.1.	Development work			
I.2.	Goodwill			
I.3.	Patents and licenses			
I.4.	Computer software		10.097	10.838
I.5.	Other intangible assets			
<b>II.</b>	<b>TANGIBLE ASSETS</b>		<b>299.650.388</b>	<b>252.031.734</b>
II.1.	Land			
II.2.	Buildings and constructions		3.418.851	3.447.386
II.3.	Machinery and equipment		3.332.056	2.542.614
II.4.	Other transport means		305.285	384.242
II.5.	Ships	<b>B.2.</b>	288.361.208	240.042.755
II.6.	Repairs	<b>B.3.</b>	3.986.632	5.436.101
II.7.	Other tangible assets		246.356	178.636
<b>III.</b>	<b>FINANCIAL ASSETS</b>			
III.1.	Investments in subsidiaries and associates			
III.2.	Loans to subsidiaries and associates			
III.3.	Amounts receivable after one year			
III.4.	Other financial assets			
<b>IV.</b>	<b>ASSETS OF DEFERRED INCOME TAX</b>	<b>B.4.</b>	<b>0</b>	<b>5.216.088</b>
<b>B.</b>	<b>CURRENT ASSETS</b>		<b>18.373.736</b>	<b>16.008.690</b>
<b>I.</b>	<b>INVENTORIES, PREPAYMENTS, AND CONTRACTS IN PROGRESS</b>		<b>3.343.355</b>	<b>1.649.229</b>
I.1.	Inventories	<b>B.5.</b>	1.195.473	813.198
I.1.1.	Raw materials and components		1.195.473	813.198
I.1.2.	Production in progress			
I.1.3.	Finished goods			
I.1.4.	Goods for resale			
I.2.	Prepayments	<b>B.6.</b>	2.147.882	836.031
I.3.	Contracts in progress			

<b>II.</b>	<b>AMOUNTS RECEIVABLE WITHIN ONE YEAR</b>		<b>916.295</b>	<b>745.204</b>
II.1.	Trade amounts receivable		690.515	545.201
II.2.	Receivables from subsidiaries and associates			
II.3.	Other amounts receivable		225.780	200.003
<b>III.</b>	<b>OTHER CURRENT ASSETS</b>	<b>B.7.</b>	<b>13.907.721</b>	<b>13.299.968</b>
III.1.	Current investments		0	350
III.2.	Time deposits		13.228.654	13.299.618
III.3.	Other current assets		679.067	
<b>IV.</b>	<b>CASH AND CASH EQUIVALENTS</b>	<b>B.8.</b>	<b>206.365</b>	<b>314.289</b>
	<b>TOTAL ASSETS:</b>		<b>318.034.221</b>	<b>273.267.350</b>
	<b>EQUITY AND LIABILITIES</b>	<b>Note No.</b>	<b>June 30, 2007</b>	<b>December 31, 2006</b>
<b>C.</b>	<b>EQUITY</b>		<b>229.705.091</b>	<b>222.297.639</b>
<b>I.</b>	<b>CAPITAL</b>		<b>200.901.296</b>	<b>200.901.296</b>
I.1.	Authorized (subscribed)		200.901.296	200.901.296
I.2.	Subscribed uncalled share capital (-)			
I.3.	Share premium			
I.4.	Own shares (-)			
<b>II.</b>	<b>REVALUATION RESERVE (RESULTS)</b>			
<b>III.</b>	<b>RESERVES</b>		<b>20.246.868</b>	<b>10.081.591</b>
III.1.	Legal		10.467.329	9.901.591
III.2.	For acquiring own shares			
III.3.	Other reserves		9.779.539	180.000
<b>IV.</b>	<b>RETAINED PROFIT (LOSSES)</b>		<b>8.556.927</b>	<b>11.314.752</b>
IV.1.	Profit (loss) of the reporting year		8.556.927	11.314.752
IV.2.	Profit (loss) of the previous year			
<b>D.</b>	<b>GRANTS AND SUBSIDIES</b>			
<b>E.</b>	<b>AMOUNTS PAYABLE AND LIABILITIES</b>		<b>88.329.130</b>	<b>50.969.711</b>
<b>I.</b>	<b>NON-CURRENT AMOUNTS PAYABLE AFTER ONE YEAR AND LONG TERM LIABILITIES</b>		<b>64.640.590</b>	<b>33.603.164</b>
I.1.	Financial debts	<b>B.9.</b>	<b>64.640.590</b>	<b>30.020.006</b>
I.1.1.	Leasing (financial lease) and similar obligations			
I.1.2.	To credit institutions		64.640.590	30.020.006
I.1.3.	Other financial debts			
I.2.	Trade amounts payable			
I.3.	Amounts receivable in advance			
I.4.	Provisions			
I.4.1.	For covering liabilities and demands			
I.4.2.	For pensions and similar obligations			
I.4.3.	Other provisions			
I.5.	Deferred taxes	<b>B.4.</b>	0	3.583.158
I.6.	Other amounts payable and long term liabilities			

<b>II.</b>	<b>AMOUNTS PAYABLE WITHIN ONE YEAR AND CURRENT LIABILITIES</b>		<b>23.688.540</b>	<b>17.366.547</b>
II.1	Current portion of non-current debts			
II.2.	Financial debts	<b>B.9.</b>	12.654.047	9.494.232
II.2.1.	To credit institutions		12.654.047	9.494.232
II.2.2.	Other debts			
II.3.	Trade amounts payable		1.123.638	1.261.002
II.4.	Amounts received in advance		2.375.417	988.110
II.5.	Corporation tax liabilities		2.120.046	2.067.302
II.6.	Liabilities related to employment relations		3.268.701	2.340.749
II.7.	Provisions		1.564.887	755.109
II.8.	Other amounts payable and current liabilities		581.804	460.043
	<b>TOTAL EQUITY AND LIABILITIES:</b>		<b>318.034.221</b>	<b>273.267.350</b>

### 13.2 PROFIT (LOSS) STATEMENT OF THE ACCOUNTING PERIOD OF THE 1<sup>ST</sup> HALF-YEAR OF 2006 – THE 1<sup>ST</sup> HALF-YEAR OF 2007

Table 13.2.1

No.	Items	Note No.	Financial year	June 30, 2006
<b>I.</b>	<b>SALES REVENUE</b>	<b>P.10.</b>	47.257.633	53.807.636
<b>II.</b>	<b>COST OF SALES</b>	<b>P.11.</b>	44.732.927	42.109.708
<b>III.</b>	<b>GROSS PROFIT (LOSS)</b>		<b>2.524.706</b>	<b>11.697.928</b>
<b>IV.</b>	<b>OPERATING COSTS</b>	<b>P.12.</b>	<b>2.937.997</b>	<b>3.435.784</b>
IV.1.	Sales		9.133	19.879
IV.2.	General and administrative		2.928.864	3.415.905
<b>V.</b>	<b>OPERATING PROFIT (LOSS)</b>		<b>-413.291</b>	<b>8.262.144</b>
<b>VI.</b>	<b>OTHER ACTIVITIES</b>		<b>11.024.628</b>	<b>7.780.107</b>
VI.1.	Income	<b>P.13.</b>	11.029.897	7.849.639
VI.2.	Expenses		5.269	69.532
<b>VII.</b>	<b>FINANCIAL AND INVESTING ACTIVITIES</b>		<b>-368.737</b>	<b>-501.835</b>
VII.1.	Income		1.499.890	461.185
VII.2.	Expenses	<b>P.14.</b>	1.868.627	963.020
<b>VIII.</b>	<b>PROFIT (LOSS) FROM ORDINARY ACTIVITIES</b>		<b>10.242.600</b>	<b>15.540.416</b>
<b>IX.</b>	<b>EXTRAORDINARY GAIN</b>			
<b>X.</b>	<b>EXTRAORDINARY LOSSES</b>			
<b>XI.</b>	<b>PROFIT (LOSS) BEFORE TAXATION</b>		<b>10.242.600</b>	<b>15.540.416</b>
<b>XII.</b>	<b>CORPORATION TAX</b>		1.685.673	2.207.457
<b>XIII.</b>	<b>NET PROFIT (LOSS)</b>		<b>8.556.927</b>	<b>13.332.959</b>
<b>XIV.</b>	<b>Profit per share (LTL)</b>	<b>P.15.</b>	<b>0,043</b>	<b>0,066</b>

### 13.3. CASH FLOW STATEMENT OF THE ACCOUNTING PERIOD OF THE 1<sup>ST</sup> HALF-YEAR OF 2006 – THE 1<sup>ST</sup> HALF-YEAR OF 2007

Table 13.3.1

No.	Items	Note No.	June 30, 2007	June 30, 2006
<b>I.</b>	<b>Cash flows from operating activities</b>			
I.1.	Net profit (loss)		8.556.927	12.604.626
I.2.	Depreciation and amortization expenses		13.669.878	12.347.675
I.3.	Decrease (increase) in amounts receivable after one year			
I.4.	Decrease (increase) in inventories		-382.275	-224.806
I.5.	Decrease (increase) in advance payments received		-1.311.851	-743.616
I.6.	Decrease (increase) in contracts in progress			
I.7.	Decrease (increase) in trade receivables		-145.314	-406.595
I.8.	Decrease (increase) in amounts receivable from subsidiaries and associates			
I.9.	Decrease (increase) in other amounts receivable		-25.776	-28.134
I.10.	Decrease (increase) in other current assets		-679.067	-627.108
I.11.	Increase (decrease) in non-current payables to suppliers and advance payments received			
I.12.	Increase (decrease) in current payables to suppliers and advance payments received		1.249.943	-152.325
I.13.	Increase (decrease) in payable corporation tax		52.744	3.307.483
I.14.	Increase (decrease) in liabilities to employees		927.951	1.956.934
I.15.	Increase (decrease) in provision		2.442.707	-178.694
I.16.	Increase (decrease) in other amounts payable and liabilities		121.763	-17.100
I.17.	Elimination of results of financial and investing activities		1.112.313	4.240
	<u>Net cash flows from operating activities</u>		<b>25.589.943</b>	<b>27.842.580</b>
<b>II.</b>	<b>Cash flows from investing activities</b>			
II.1.	Acquisition of capital asset (excluding investment)		-64.965.571	-43.591.399
II.2.	Transfer of capital asset (excluding investment)		3.677.780	6.317.937
II.3.	Acquisition of long-term investments			
II.4.	Transfer of long-term investments			
II.5.	Loans granted			
II.6.	Loans recovered			
II.7.	Dividends and interests received			
II.8.	Other increase in cash flows from investing activities			
II.9.	Other decrease in cash flows from investing activities			
	<u>Net cash flows from investing activities</u>		<b>-61.287.791</b>	<b>-37.273.462</b>
<b>III.</b>	<b>Cash flows from financial activities</b>			
III.1.	Cash flows related to the owners of enterprise		-1.112.313	-4.240
III.1.1.	Issue of shares			
III.1.2.	Owners' contributions to cover losses			
III.1.3.	Purchase of own shares			
III.1.4.	Dividends paid		-1.112.313	-4.240
III.2.	Cash flows related to other financing sources		37.780.397	9.206.095

III.2.1.	Increase in financial debts		48.540.300	17.954.560
III.2.1.1.	Loans received		48.540.300	17.954.560
III.2.1.2.	Influence of the rate differences on the loans			
III.2.2.	Decrease in financial debts		-10.759.903	-8.748.465
III.2.2.1.	Repayment of the loans		-9.281.050	-7.639.157
III.2.2.2.	Influence of the rate differences on the loans		-1.478.853	-1.109.308
III.2.2.3.	Interest paid			
III.2.2.4.	Payments of leasing (financial lease) liabilities			
III.2.3.	Increase in other enterprise liabilities			
III.2.4.	Decrease in other enterprise liabilities			
III.3.	Other increase in cash flows from financial activities		59.137	292.500
III.4.	Other decrease in cash flows from financial activities			
	<b>Net cash flows from financial activities</b>		<b>36.727.221</b>	<b>9.494.355</b>
IV.	<b>Cash flows from extraordinary items</b>		0	0
IV.1.	Increase in cash flows from extraordinary items			
IV.2.	Decrease in cash flows from extraordinary items			
V.	<b>Influence of changes in exchange rates on the balance of cash and cash equivalents</b>		<b>-1.208.611</b>	<b>-292.503</b>
VI.	<b>Net increase (decrease) in cash flows</b>		<b>-179.238</b>	<b>-229.030</b>
VII.	<b>Cash and cash equivalents at the beginning of the period</b>		<b>13.614.257</b>	<b>9.235.550</b>
VIII.	<b>Cash and cash equivalents at the end of period</b>		<b>13.435.019</b>	<b>9.006.522</b>

#### 13.4. STATEMENT OF CHANGES IN EQUITY OF THE ACCOUNTING PERIOD OF THE 1<sup>ST</sup> HALF-YEAR OF 2006 – THE 1<sup>ST</sup> HALF-YEAR OF 2007

Table 13.4.1

	Share capital	Reserves provided by the law		Other reserves	Retained earnings (losses)	Total
		Legal	Acquisition of own shares			
<b>Balance as of December 31, 2005</b>	200.901.296	25.947.313		510.000	-16.375.722	210.982.887
Fundamental mistake correction result						
Net profit (loss) of the accounting period					11.314.752	11.314.752
Dividends						
Formed reserves				180.000	-180.000	
Used reserves		-		-510.000	16.555.722	

		16.045.722				
<b>Balance as of December 31, 2006</b>	200.901.296	9.901.591		180.000	11.314.752	222.297.639
Net profit (loss) of the accounting period					8.556.927	8.556.927
Dividends					-1.149.475	-1.149.475
Formed reserves		565.738		9.779.539	-10.345.277	
Used reserves				-180.000	180.000	
<b>Balance as of June 30, 2007</b>	200.901.296	10.467.329		9.779.539	8.556.927	229.705.091

#### 14. COMMENTS ON THE FINANCIAL REPORTS

##### Public Company "Lithuanian Shipping Company" Financial statements of June 30, 2007

##### Explanatory notes

#### 1. Accounting policy

##### (a) Basis of Accounting

The Company's financial statements are prepared following the IAS regulations, which came into force on January 1, 2007.

The financial statements are prepared following accrual and going-concern principles of accounting. According to the accrual principle, the effect of transactions and other events is recognized when it appears, registered in accounting entries, and presented in the financial statements of the related periods.

The financial statements are prepared assuming that Public Company "Lithuanian Shipping Company" do not have any intentions or requirements to liquidate or reduce significantly the scope of their operations.

##### (b) Capital asset and depreciation

In the financial statements all economic resources that are at the disposal of the Company are recognized as assets, if the Company expect to get a benefit from using the resources in the future and if they have value, which can be fairly evaluated.

In the financial statements capital asset are stated at the actual acquisition value less accumulated depreciation. According to the accounting policy, approved by the Board of Directors on July 18, 2001, all objects, the acquisition value of which is not less than 1000 LTL and which are going to be used longer than one year, are attributed to capital tangible assets of Lithuanian Shipping Company. The liquidation value of the capital tangible assets is 1 LTL, except ships "Akvilė", "Asta", "Audrė", and "Daina" (liquidation value 9-

9,5%), "Alka", "Skalva", "Clipper Eagle", "Clipper Falcon" (10%), "Romuva", "Voruta" (2%), "Svilas", "Staris" (9,5%), and administrative building (6,3%).

Depreciation is calculated starting from the first day of the next month as of transfer of the capital asset for use and is not calculated from the month, when the assets are written off or sold and when the whole value of the used capital asset (less liquidation value) is transferred into the cost of production (work, services). Depreciation is calculated on a straight-line basis

The value of repairs of capital tangible assets, which do not improve useful features of assets for a few years (and these costs of repair will not earn revenue in the future), is included into expenses of that reporting period, in which they were implemented.

The values of the assets are reviewed at each balance sheet date in order to estimate their impairment. If there indications of impairment, a recoverable amount is calculated. A recoverable amount is the higher of the asset's expected net realizable value and its value in use. Loss from impairment of assets is registered, when the book value of the asset is higher than the recoverable amount. All impairment losses are registered in profit (loss) statement.

The ships are repaired periodically according to requirements of the classificatory companies: the class of the ship is confirmed every 5 years (SS) after repair, when 3 years pass after SS repair, the dock repair is exercised. Lithuanian Shipping Company writes off to expenses the charges of repairs to confirm the class of the ship during 3 years and the charges of dock repairs during 2 years.

#### (c) Stocks

Stocks are recorded at their actual purchase cost or their production cost and stated in the financial statements at the lower of cost and net realizable value.

When buying stocks from other persons, their purchase cost is determined by adding all taxes related to purchase (customs duties, etc.), transportation, preparation, and other direct expenses related to stocks purchase to acquisition price and subtracting discounts and other price reductions. Non significant amounts (or if they are constant for a few periods) of above mentioned expenses can be recognized as expenses of the period, when they are incurred

#### (d) Cash and cash equivalents

Cash includes cash on hand and in bank. Cash equivalents comprise short-term (up to three months) liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

In the cash flow statement, cash and cash equivalents include cash on hand, in bank, and other short-term liquid investments.

#### (e) Provisions

Provisions are recognized only if the Company has a legal obligation or irrevocable undertaking as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required for discharging a legal obligation or irrevocable undertaking and a reliable estimate can be made of the amount of obligation.



Provisions should be revised on each balance sheet date adjusting their value having regard to new events and circumstances. If the amount of provisions is materially affected by changes in the value of money, provisions should be discounted to their current value. When the discounting is used, the increase of the provision is accounted as interest expenses.

(f) Foreign currency

Transactions in foreign currency are registered in accounting in the national currency, Litas, on the basis of the official rate of Litas and the corresponding foreign currency, announced by the Bank of Lithuania at the date of transaction, except for accrued income and expenses, which are registered at the official rate of Litas and the corresponding foreign currency, announced by the Bank of Lithuania at the last date of the accounting period.

Foreign currency entries of the balance sheet are stated on the basis of the official rate of Litas and the corresponding foreign currency, announced by the Bank of Lithuania at the date of the financial statements. Foreign currency entries include cash in foreign currency as well as all amounts receivable and payable in foreign currency.

Changes in currency entries, which are due to changes in the rate of Litas and the corresponding foreign currency, announced by the Bank of Lithuania and arise because of performed transactions in foreign currency or revaluation of previously registered foreign currency entries, are recognized as income or expenses of the accounting period, to which they are related.

(g) Recognition of income

The moment of providing services is recognized as the moment of earning income. Services are considered to be rendered, if a buyer pays for them at once or without significant additional conditions takes on the responsibility to pay later (when both parties of the transaction sign the appropriate document: invoice, waybill, etc.). Money received as advance payment for services in accounting records are shown as an increase in the Company's liabilities to the buyers. In such case, income is recognized only after rendering the services.

Income from other activities includes income from profit of sold capital assets and other income.

(h) Recognition of expenses

An indicator of cost of services provided is always related to services rendered in the accounting period. This indicator includes only those charges, which were made for providing services in the accounting period. In cases, when it is impossible to relate charges of the reporting period to particular income and those charges will not earn income in the future, they are recognized as expenses of the period, when they are incurred.

## **2. Organizational structure and main activity**

Public Company "Lithuanian Shipping Company" is a public company, founded after restructuring Public Company "Lithuanian Shipping Company" (LISCO).

Lithuanian Shipping Company was registered in the Company Register, the certificate No. 027245. The date of registration is 27 June 2001. The Company's code is 110865039. The address is Malūnininkų g.3, Klaipėda.

The Company's management bodies are the general meeting of shareholders, the council of members, the board of directors and the general director.

The main Company's activity is shipping and lease of ships.

At the end of the reporting period 528 employees (61 on shore and 467 on board) were working in the Company.

## **Balance sheet**

### ***B.1. Capital intangible assets, thousands LTL***

	Acquisition cost	Amortization	Residual value
January 1, 2007	299,4	288,6	10,8
Acquisitions	3,3	-	-
Amortization		4,1	
June 30, 2007	302,7	292,7	10,0

In March 2007 capital intangible assets increased by 3,3 thousands LTL as a result of purchase of the software for server service.

### ***B.2. Ships, thousands LTL***

	Acquisition cost	Amortization	Residual value
January 1, 2007	342808,6	102765,8	240048,8
Acquisitions	63518,8		
Amortization		13142,0	
Sold and written of assets (-)	-2304,8	-6246,4	-
June 30, 2007	398022,6	109661,4	288361,2

In March 2007 the motor vessel "Clipper Eagle" and "Clipper Falcon" were purchased. The motor vessel "Kapitonas Simkus" was sold in February and the motor vessel "Kapitonas A. Lucka" was sold in April.

### **B.3. Repairs of vessels**

Vessel repair expenses, recognized as the assets for the accounting period ended, amount to 3986,6 thousand LTL and will be transferred to expenditure in 2007 – 2009.

### **B.4. Assets of deferred income tax**

In 2007 the Company started applying a fixed corporation tax (and for the next ten years period). As a result corporation tax basis has been changed. The deferred tax assets of 5216,1 thousand LTL (31/12/2006) and deferred tax of 3583,2 thousand LTL (31/12/2007) and the difference between them that was written into deferred tax expenses will be not used for the future reporting periods.

**B.5. Inventories, thousands LTL**

	30/06/2007	30/06/2006
Inventories	1195,5	687,5

The increase in the inventories was determined by the amount of the spare parts of 1092,0 thousand LTL, as the delivery time of the spare parts has been stretched significantly.

**B.6. Prepayments, thousands Lt**

	30/06/2007	30/06/2006
Prepayments	2147,9	2336,1

The main part of advance payments until 30/06/2007 is payments for technical supplies and services of 1402,8 thousand LTL, including 863,2 thousand LTL for the repairs.

**B.7. Other current assets, thousands LTL**

	30/06/2007	30/06/2006
Current investments	-	0,7
Time deposits	13228,6	8864,5
Advance of corporation and social taxes	679,1	627,1
Total :	13907,7	9492,3

**B.8. Cash and cash equivalents on June 30, 2007 was 206,4 thousand LTL, whereof:**

Cash in national currency in the bank	69,8
Cash in foreign currency in the bank	67,1
Cash in till in national currency	9,8
Cash in till in foreign currency	59,7
Total:	206,4

**B.9. Financial debts, thousands LTL**

	30/06/2007	30/06/2006
Financial debts payable after one year	64640,6	40137,3
Financial debts payable within one year	126540,0	3074,7
Total:	77294,6	43212,0

Until 30/06/2007 financial debts increased because of the bank loans received in March for purchases of the motor vessels "Clipper Eagle" and "Clipper Falcon". The bank loans were provided by AB SEB "Vilniaus bankas".

**Profit (loss) statement****P.10. Income, thousands LTL**

	30/06/2007	30/06/2006
Sales revenue (thousands LTL)	47257,6	53807,6

The income decreased in 2007 due to the following reasons:

- decreased working days of vessels on hire,
- decreased hire rate equivalent per day,
- equivalent for the day as well as USD currency exchange rate for the half-year less than that in 2006 (50 % of the Company's income was earned in USD currency).

For the half-year of 2007 all vessels were employed under long term time charter parties.

**P.11. Cost of sales, thousands LTL**

	30/06/2007	30/06/2006
Depreciation	13482,1	12149,1
Salaries and social insurance	7274,8	7759,6
Day allowance and food for sailors	4947,6	4972,7
Repair expenses	3114,7	3843,6
Broker and address committee	1298,5	1564,9
Insurance	2441,2	2561,3
Various port charges and taxes	31,7	93,1
Spare parts and materials	2969,4	3458,9
Journeys (changing crew) and transport	52,9	251,8
Diesel and fuel oil	1411,3	1188,4
Lubricants (various)	572,7	504,5
Working expenses	3903,5	1845,7
Other	3232,5	1916,1
Total :	44732,9	42109,7

The increase of depreciation in the first part of 2007 (as compared with 2006) was caused by the purchase of two high-priced vessels in March 2007.

**P.12. Operational expenses, thousands LTL**

	30/06/2007	30/06/2006
Salaries and social insurance	1879,2	2295,7
Business trips expenses	207,6	254,8
Depreciation	187,8	198,6
Premise maintenance	31,4	41,6
Insurance	37,5	37,3
Transportation expenses	34,6	40,2

Business maintenance expenses	76,4	72,1
Repair	7,2	3,3
Connection	104,7	97,4
Advertising and selling expenses	9,1	19,9
Bank services	96,1	74,0
Taxes	37,1	25,9
Consultations, legal and audit services	75,2	19,3
Other	154,1	255,7
Total :	2938,0	3435,8

### **P.13. Other activities**

**On 30/06/2007 other activities income was of 11029,9 thousand LTL including income for two sold vessels – 10956,8 thousand LTL. On 30/06/2006 other activities income was of 7849,6 thousand LTL including income for two sold vessels – 7699,4 thousand LTL.**

### **P. 14. Financial and investing activities expenses**

Until 30/06/2007 the financial and investing activities expenses were 1868,6 thousand LTL of bank interest paid under the bank loan agreements for purchase of vessels. On 30/06/2006 the financial and investing expenses were 963,0 thousand LTL including 963,0 thousand LTL of bank interest paid under the bank loan agreements.

### **P.15. Profit per share, thousands LTL**

Profit per share was calculated dividing the profit which belonged to the shareholders 8556,9 thousands LTL by the amount of ordinary shares at the end of the period 200 901 296 shares.

### **Cash flow statement**

On 30/06/2007 cash flows decreased by 179,0 thousand LTL as compared with beginning of the reported year. Insignificant decrease has been caused by the difference between the purchases of two vessels in March and the money received for the two sold vessels. The purchased vessels were partly paid from the Company own funds.

### **Statement of changes in equity**

On 30/06/2007 the Company's equity was of 229705,1 thousand LTL. The company equity creased by 2400,0 thousand LTL as compared with the beginning of the reported year because of received cash profit.

### **Fixed corporation tax**

Following the changes and supplements of May 3, 2007 in the Republic of Lithuania law on tax Public Company "Lithuanian Shipping Company" have chosen to apply fixed corporation tax when reporting about the current and next periods of profits that are subject to tax. The basis of fixed corporation tax is calculated per each 100 NT of a sea vessel applying fixed amount per a day and the

result is multiplying by number of days of the Public Company "Lithuanian Shipping Company" tax period.

## **15. INFORMATION ON THE AUDIT (item 19)**

The audit of the interim statement has not been performed.

## **INFORMATION ABOUT ISSUER'S BODY AND STATUTE**

### **16. ORDER OF THE CHANGES OF THE ISSUER'S STATUTE (12.3.8 p.)**

According to public company's „Lietuvos jūrų laivininkystė“ statute edit, confirmed in public company's „Lietuvos jūrų laivininkystė“ general stockholders' meeting on 15<sup>th</sup> of December, 2006, the procedure of the statute changes is the following:

The statute of the company is changed by the qualified majority of votes in general stockholders' meeting, it must be not less than 2/3 of all stockholders present in the meeting. When the general stockholders' meeting decide to change the statute of the company, all changed statute text is written and is signed by the stockholders' accredited person.

According to determined by public companies' laws company's statute can be changed by company's board. In this case, company's statute is signed by chairman of the board.

### **17. BODY OF THE ISSUER (THEIR COMMISSION, THE ORDER OF APPOINTMENT AND REPLACEMENT OF THE BODY MEMBERS) (12.3.9 p.)**

Company's body consists of:

1. general stockholders' meeting;
2. the council of observers;
3. the board;
4. director of the company.

**General stockholders' meeting** is the supreme organ of the company.

General stockholders' meeting has the prerogative to:

1. change statute of the company, despite the exceptions stated in public companies' laws of the Republic of Lithuania;
2. appoint members to council of observers;
3. cancel council of observers and its members;
4. choose and cancel the audit company, determine the payment conditions for audit;
5. determine company's published stock class, amount, nominal value, and minimal emission price;
6. confirm annual financial accountability;
7. enact decision concerning profit (loss) distribution;
8. enact decision concerning reserves, their usage, reduction and removal;
9. enact decision to publish convertible obligations;
10. enact decision to cancel the primary privilege for all stockholders to get the certain emission company stocks or convertible obligations;
11. enact decision to increase authorized capital;
12. enact decision to reduce authorized capital, despite exceptions stated in public companies' laws of the Republic of Lithuania;

13. enact decision to buy company's own stocks;
14. enact decision concerning company's reorganization or detachment and confirm the conditions of reorganization or detachment;
15. enact decision to reform the company;
16. enact decision to restructure the company;
17. enact decision to liquidate the company, cancel company's liquidation, despite exceptions stated in public companies' laws of the Republic of Lithuania;
18. choose and cancel the liquidator of the company, despite exceptions stated in public companies' laws of the Republic of Lithuania.

The general stockholders' meeting can solve other questions, if according to public companies' laws of the Republic of Lithuania they are not attached to competence of other organs of the company, and if it is not the functions of governmental organs concerning the essence.

**The council of observers** is collegial organ responsible for monitoring of the company's proceeding.

The council of observers contains 5 members for 4 years, which are chosen by the general stockholders' meeting. The tenure of the member of the council of observers is not limited. The chairman is in charge in the council of observers. The chairman is chosen from the members of the council of observers.

The council of observers:

1. chooses the members of the board and cancel them from their positions. If the company makes loss, the council of observers consider whether the members of the board are suitable for their positions;
2. monitors the board's and directors activities;
3. suggests to general stockholders' meeting responses and offers concerning the company's strategy, annual financial reporting, profit distribution project and company's annual notification, including the board and director's activities;
4. suggests to the board and director to cancel their decisions, which contradict to laws and other legal acts, company's statute or decisions of general stockholders' meeting;
5. solve other competitive company's and its governmental organs monitoring questions ascribed by the general stockholders' meeting.

**The board** is a collegial organ consisting of 5 members.

The members of the board are chosen by the council of observers for 4 years. The board chooses the chairman from their members. The tenure of the board members and its chairman is not limited.

The board consider and confirm:

1. Company's strategy;
  - 1.1. annual report of the company;
  - 1.2. governmental structure and employees' obligations in the company;
  - 1.3. job positions to which employees are recruited according to contest method;
  - 1.4. the statutes of the company's branches and agencies;
  - 1.5. the buying order of goods, works and services.
2. The board enacts:
  - 2.1. decisions, when the company becomes the founder, participant of other legal entities;
  - 2.2. decisions to found the branches and agencies of the company;
  - 2.3. decisions concerning long-term property, which balanced value is more than 1/20 of the company's authorized capital, investment, transfer, rent (counted separately for each transaction sort);
  - 2.4. decisions concerning long-term property, which balanced value is more than 1/20 of the company's authorized capital, mortgage or hypothec (counted total sum of the transactions);
  - 2.5. decisions concerning obligations of other persons, which value is more than 1/20 of the company's authorized capital, accomplished sponsorship or reassurance;

2.6. decisions to purchase long-term property for price bigger than 1/20 of the company's authorized capital;

2.7. in cases determined by restructuring laws by the Republic of Lithuania – decision to restructure the company;

2.8. decisions to allow the director to accomplish transactions (except the derivative financial means, currency buying-selling, fleet and fleet maritime insurance transactions), which value is more than 2 000 000 LTL (without taxes) and work buying transactions valued more than 3 000 000 LTL (without taxes).

2.9. other decisions accredited to the board's competence by general stockholders' meeting.

3. The board, before enacting to invest finances or other property to other legal entity, must inform creditors, with which the company is not accounted over the set terms, if the total debt sum for creditors is more than 1/20 company's authorized capital.

4. The board analyzes and estimates material provided by the director about:

4.1. the realization of the company's strategy;

4.2. organization of the company's activities;

4.3. financial company's status;

economical activities results, sums of the income and expenses, the data about the stocktaking and other changes of property.

5. The board analyzes, estimates company's annual financial accountability project and distribution project of profit (loss), and together with company's annual report render them to the council of observers and general stockholders' meeting. The board sets counting methods of the deterioration of material property and amortization of non-material property in the company.

6. The board is responsible for general stockholders' meeting's calling and arrangement on time.

7. The members of the board must keep the company's commercial (manufacturing) secrets, which they learned while being members of the board.

8. the board must ensure that general stockholders' meetings were on time and that they were properly organized.

**Director of the company** – the general director is a one-man governmental organ in the company.

1. The general director organizes daily activities of the company, issue procurations, commissions, employ and dismiss employees, make and determine job contracts, encourages them and gives penalties.

2. 64. The general director determines company's property deterioration counting norms.

3. The general director represents the Company and has the privilege to make contracts. According to item 51 in this statute, the chief executive can make contracts, when there is a decision from company's board to sign them.

4. The general director is responsible for:

4.1. organization and precise realization of the company's activities;

4.2. preparation of annual financial accountability and report;

4.3. making contract with audit company;

4.4. introduction of information and documents to general stockholders' meeting, the council of observers, and the board as is stated by the law or on their application;

4.5. submission of documents and data to legal entity register's manager;

4.6. submission of the company's documents to Securities Commission and Lithuania's central securities depositors;

4.7. publication of the information defined by laws in the newspaper indicated in the statute.

4.8. submission of the information to the stockholders;



4.9. prosecution of obligations appointed in other laws or legal acts, statute and company's director's (chief executive) official appointments.

**18. MEMBERS OF THE COLLEGIAL ORGANS, DIRECTOR OF THE COMPANY, CHIEF ACCOUNTANT (NAMES AND SURNAMES, DATA ABOUT THE PARTICIPATION IN THE ISSUER'S AUTHORIZED CAPITAL, TIME OF THE TENURE, INFORMATION ABOUT ISSUER'S COUNTED AMOUNTS OF MONEY DURING THE REPORTING CYCLE, OTHER DISPOSED PROPERTY AND GUARANTEES FOR THOSE PERSONS IN GENERAL, AND AVERAGE AMOUNTS OF MONEY WHICH RECEIVE MEMBERS OF THE COLLEGIAL ORGANS, DIRECTORS OF THE COMPANY, HEAD ACCOUNTANT) (12.3.10 p.)**

**Table 18.1**

Members of the council of observers, whose tenure lasts from 2005, are:

Name, surname, personal code, position	Tenure started	Public company's "Lietuvos jūrų laivininkystė" nominal stocks quantity	Participation in activities of other companies (title of the company or organization and position)	Participation in the capital of other companies (title of the company or organization, share of the capital and votes in percent)
Liudmila Zumerienė Chairman	2005/09/30	-	Public company's "Lietuvos geležinkeliai"-the chairman of the board; Public institution International Vilnius airport - the chairman of the board; Public institution Air Navigation - the chairman of the board; Public company "Smiltynės perkėla" the chairman of the council of observers.	-
Evaldas Zacharevičius Member	2005/09/30	21081 units	Does not participate	-
Ona Barauskienė Member	2005/09/30	-	Public company "Smiltynės perkėla"-the member of the board; Public institution "Vaikų poilsis"- the member of the	-

			board.	
Helena Rogoža Member	2005/09/30	-	Does not participate	-
Kazimieras Gimbutis Member	2005/09/30	2000 units	Private company "Varitecha" commercial director	Private company "Varitecha" more than 5 pc.

Members of the board, whose tenure lasts from 2005, are:

**Table 18.2**

Name, surname, personal code, position	Tenure started	Public company's "Lietuvos jūrų laivininkystė" nominal stocks quantity	Participation in activities of other companies (title of the company or organization and position)	Participation in the capital of other companies (title of the company or organization, share of the capital and votes in percent)
Arvydas Vaitkus Chairman	2005/10/21	-	Public institution "Klaipėdos valstybinio jūrų uosto direkcija" - the chairman of the board  Public company "Smiltynės perkėla" - the chairman of the board  Public company "Lietuvos geležinkeliai" - the member of the board.	-
Vytautas Petras Vismantas Member	2005/10/21	16400 units	Does not participate	-
Jelena Antonevič Member	2005/10/21	-	Does not participate	-
Livita Kretkovskienė Member	2005/10/21	-	-	-
Vida Šarkienė	2005/10/21	-	Public company "Detonas"- the	-

Member			member of the board;  Public institution "Vaikų poilsis"- the member of the board	
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Administration:

**Table 18.3**

Name, surname, personal code, position	Tenure started	Public company's "Lietuvos jūrų laivininkystė" nominal stocks quantity	Participation in activities of other companies (title of the company or organization and position)	Participation in the capital of other companies (title of the company or organization, share of the capital and votes in percent)
Vytautas Petras Vismantas General director	2001/06/27	16400 units	Does not participate	-
Arvydas Stropus Chief accountant	2001/06/27	-	Does not participate	-
Viktoras Čepys Technical director	2001/06/27	12093 units	Does not participate	-
Ivan Šalajev Fleet commanding director	2001/06/27	-	Does not participate	-
Sigutė Noreikaite Financial direktor	2001/09/03	-	Does not participate	-

Members of the governmental organs were never judged and do not have present conviction.

**Table 18.4**

**Money amounts counted to General director and Chief accountant during the first half of the year 2007 (12.3.10 p.):**

	Wage	Average monthly wage
General director and Chief accountant	126003	10501

The company do not have sums counted to the company's council of observers and other members of the board (not employed in the company).

**19. ALL IMPORTANT AGREEMENTS, WHICH INCLUDE ISSUER AS A PART AND WHICH WILL BE INURED, CHANGED OR DETERMINED IF THE ISSUER'S CONTROL WOULD BE CHANGED, ALSO THEIR INFLUENCE, EXCEPT CASES, WHEN ISSUER WOULD SUFFER GREAT HARM IF THE NATURE OF THE AGREEMENT WERE REVEALED (12.3.11 p.)**

**20. ALL AGREEMENTS BETWEEN THE ISSUER AND MEMBERS OF ITS ORGANS OR EMPLOYEES, PREDICTING COMPENSATIONS IN CASE THEY RESIGN OR BE DISMISSED WITHOUT RATIONAL REASON, OR THEIR JOB WOULD BE FINISHED BECAUSE OF THE CHANGES IN ISSUER'S CONTROL (12.3.12 p.)**

**21. INFORMATION ABOUT BIGGER CONTRACTS OF THE INVOLVED PARTS (23.5.1 p. ir 23.5.2 p.)**

The biggest transactions during first six months of the financial 2007 year, which influenced the financial results are indicated in the explanatory writing and its items B.2. and B.9.

**FUNDAMENTAL EVENTS IN THE ISSUER'S ACTIVITIES**

**22. FUNDAMENTAL EVENTS IN THE ISSUER'S ACTIVITIES**

**Table 22.1**

<b>Date of the fundamental event</b>	<b>Description of the fundamental event</b>
2007/04/27	Public company's "Lietuvos jūrų laivininkystė" first quarter's of the year 2007 proceeding result.  Public company's "Lietuvos jūrų laivininkystė" not audited profit before taxes at the first quarter of the year 2007 is - 3093834 LTL (896036 EUR);

	Net profit - 2400012 LTL (695092 EUR); Sale income - 23617740 LTL (6840170 EUR);																		
2007/04/26  Ordinary general Public company's "Lietuvos jūrų laivininkystė" stockholders' meeting	<p><u>Public company's "Lietuvos jūrų laivininkystė" decisions from ordinary stockholders' meeting:</u></p> <p>2007/04/26 decisions from ordinary general Public company's "Lietuvos jūrų laivininkystė" stockholders' meeting:</p> <ol style="list-style-type: none"> <li>1. "Heard Public company's "Lietuvos jūrų laivininkystė" annual report for the year 2006."</li> <li>2. "Heard audit's conclusion for the year 2006."</li> <li>3. "Approved company's financial accountability documents for the year 2006."</li> <li>4. "In the year 2006 from the reserve of 180000 LTL (52 131 EUR) used 161526 LTL (46781 EUR) repeal and such amount increase unappropriated balance. Rest of the sum 18474 LTL (5 350 EUR) transfer for distribution from reserves.</li> <li>5. Approved company's distribution of profit (loss) (LTL):</li> </ol> <table border="1"> <tr> <td>Unappropriated balance (loss) of the previous financial year at the end of the financial reporting year</td><td>-</td></tr> <tr> <td>Net profit (loss) of the reporting financial year</td><td>11 314 752 (3276979 EUR)</td></tr> <tr> <td>Transfers from the reserves</td><td>180 000 (52131 EUR)</td></tr> <tr> <td>Distributable profit (loss) in total</td><td>11494 752 (3329110 EUROS)</td></tr> <tr> <td>Part of the profit – to compulsory reserve</td><td>565 738 (163849 EUR)</td></tr> <tr> <td>Part of the profit – for investments (purchasing ships)</td><td>9599 539 (2780219 EUR)</td></tr> <tr> <td>Part of the profit – for dividends</td><td>1 149 475 (332911 EUR)</td></tr> <tr> <td>Part of the profit – for social-cultural needs</td><td>30 000 (8688 EUR)</td></tr> <tr> <td>Part of the profit – for bonuses to employees</td><td>150 000 (43443 EUR)</td></tr> </table> <p>Dividends for one stock: 0,00572 LTL (0,00165 EUR )</p>	Unappropriated balance (loss) of the previous financial year at the end of the financial reporting year	-	Net profit (loss) of the reporting financial year	11 314 752 (3276979 EUR)	Transfers from the reserves	180 000 (52131 EUR)	Distributable profit (loss) in total	11494 752 (3329110 EUROS)	Part of the profit – to compulsory reserve	565 738 (163849 EUR)	Part of the profit – for investments (purchasing ships)	9599 539 (2780219 EUR)	Part of the profit – for dividends	1 149 475 (332911 EUR)	Part of the profit – for social-cultural needs	30 000 (8688 EUR)	Part of the profit – for bonuses to employees	150 000 (43443 EUR)
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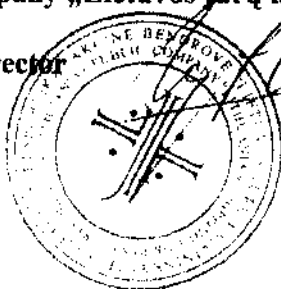
### 23. INFORMATION ABOUT MAIN RISKS AND CONTINGENCIES DURING THE FOLLOWING 6 MONTHS (23.4 p.)

The company works in the dollar market, and more than 50 percent of income is received in USA dollars. In case USA dollar's course falls according to Litas course, the income from purchase and main activities will be reduced.

**THE CONFIRMATION FROM PERSONS OF THE ISSUER'S MEMBERS OF THE GOVERNMENTAL ORGANS, EMPLOYEES AND DIRECTOR OF ADMINISTRATION WHO ARE RESPONSIBLE FOR PREPARATION OF THE INTERMEDIATE PROCEEDING REPORT, THAT THE INFORMATION IN THE REPORT IS REAL AND THERE ARE NO CONCEALED FACTS, WHICH CAN INFLUENCE THE INVESTORS' DECISIONS TO BUY OR SELL ISSUER'S SECURITIES, THE PRICE OF THOSE SECURITIES IN THE MARKET AND THEIR EVALUATION.**

Public company „Lietuvos jūrų laivininkystė“:

General director



Vytautas Petras Vismantas

Chief accountant

A handwritten signature in black ink, appearing to be "Arvydas Stropus".

Arvydas Stropus

Private company FBC „Jūsų tarpininkas“:



Financial broker

A handwritten signature in black ink, appearing to be "Marius Dubnikovas".

Marius Dubnikovas

The report is signed – on the 29 of August, 2007.

Public company's „Lietuvos jūrų laivininkystė“ intermediate proceeding report consists of 29 pages and one separate sheet with the signatures of the responsible persons.