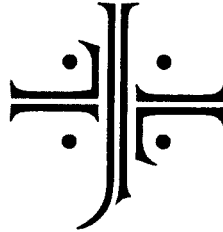


AKCINĖ BENDROVĖ
"LIETUVOS JŪRŲ LAIVININKYSTĖ"



PUBLIC COMPANY
"LITHUANIAN SHIPPING COMPANY"

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

2009-02-27

Nr.

(05)-5-172

Klaipėda

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Nr.

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

Following the Rules of Preparation and Submission of Periodic and Supplemental of the Securities Commission of the Republic of Lithuania as well as the Law on Securities of the Republic of Lithuania, Item 22, we hereby confirm that, to the best of our knowledge upondited Financial statement for the year ended 31 December 2008 , drawn in accordance with the International Financial Reporting Standards, corresponds to the reality and properly reflects the assets, liabilities, financial state, profit or loss of Public Company "Lithuanian Shipping Company".


Attach:

1. Financial statement of Public Company "Lithuanian Shipping Company" of the year ended 31 December 2008, prepared in accordance with the International Financial Reporting Standards.

Public Company "Lithuanian Shipping Company"
General Director


Vytautas Petras Vismantas

Public Company "Lithuanian Shipping Company"
Chief Accountant


Arvydas Stropus

AB „Lietuvos jūrų laivininkystė“

Company code 110865039, address Malūnininkų str. 3, LT – 92264 Klaipėda

Financial statements for the period ended on 31 December 2008

(in thousands of Litas, if not specified otherwise)

Approved by general meeting of shareholders
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BALANCE SHEET

ASSETS	Notes No.	31.12.2008	31.12.2007
NON-CURRENT ASSETS		313.968	292.640
INTANGIBLE ASSETS		57	7
TANGIBLE ASSETS			
Buildings and constructions	2,3	313.911	284.642
Plant and machinery	2	3.317	3.390
Vehicles and transport means	2	3.570	3.006
Ships	2	136	301
Repair	2,3	298.416	274.182
Other tangible assets	2,3	8.246	3.510
OTHER NON-CURRENT ASSETS	2	226	254
Prepayments for non-current assets		---	7.991
	4	---	7.991
CURRENT ASSETS		9.613	27.216
Inventories			
Prepayments	4	1.012	2.329
Trade amounts receivable	4	1.994	935
Other amounts receivable	5	1.066	591
Time deposits	5	163	370
Other current assets	8	4.006	21.955
CASH AND CASH EQUIVALENTS		144	---
	9	1.228	1.035
TOTAL ASSETS:		323.581	319.856

AB „Lietuvos jūrų laivininkystė“

Company code 110865039, address Malūnininkų str. 3, LT – 92264 Klaipėda

Financial statements for the period ended on 31 December 2008

(in thousands of Litas, if not specified otherwise)

EQUITY AND LIABILITIES	Notes No.	31.12.2008	31.12.2007
EQUITY			
CAPITAL		231.059	251.285
Authorised (subscribed)		200.901	200.901
RESERVES	8	200.901	200.901
Legal reserve		49.885	20.247
Other reserves	9	20.090	10.467
RETAINED PROFIT (LOSSES)	9	29.795	9.780
	10	(19.727)	30.137
AMOUNTS PAYABLE AND LIABILITIES		92.522	68.571
AMOUNTS PAYABLE AFTER ONE YEAR AND NON-CURRENT LIABILITIES		67.607	44.346
To credit institutions			
Other financial debts	11	67.607	44.346
AMOUNTS PAYABLE WITHIN A YEAR AND CURRENT LIABILITIES		24.915	24.225
To credit institutions			
Trade amounts payable	11	16.162	16.690
Amounts received in advance	15	1.082	1.389
Income tax liabilities	15	3.690	2.519
Liabilities related to employment relations	12 13	---	91
Provisions	13	2.741	2.161
Other amounts payable and current liabilities	14 15	959	897
TOTAL EQUITY AND LIABILITIES:		323.581	319.856

General Director



Vytautas Vismantas

AB "Lietuvos jūrų laivinkystė"
 (enterprise name)
 110865039, Malūninkų g.3, LT-92264 Klaipėda
 (enterprise identification number, address, other information)

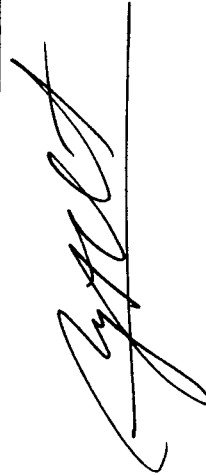
APPROVED
 by General meeting of shareholders
 Minutes No.....
 of , 200..

PROFIT(LOSS) STATEMENT as of 31 December, 2008

2008.01.01 - 2008.12.31
 (reporting period)

No.	Items	Note No	31 December, 2008	31 December, 2007	01 October to 31 December, 2008	01 October to 31 December, 2007
I.	SALES REVENUE	16	87,617	91,701	21,155	22,053
II.	EXPENSES					
II.1.	Personnel expenses	17	31,293	29,741	7,596	7,227
II.2.	Ship maintenance expenses	18	33,154	28,876	14,135	7,989
II.3.	Ship repair expenses		15,077	14,695	3,158	5,794
II.4.	Other administrative and selling expenses	19	1,095	1,674	219	475
	Total expenses		80,619	74,987	25,107	21,486
	Profit (earnings) before depreciation (EBITDA)		6,998	16,714	-3,952	567
III	Profit from sales of ships		33,344	41,740	0	12,906
IV.1	Depreciation of ships		28,103	27,250	7,393	6,690
IV.2	Depreciation of other assets		328	343	92	78
IV.3	Ship impairment		-24,521		-24,521	
	Profit (earnings) before interest (EBIT)		-12,610	30,863	-35,958	6,706
V.1	Effect of changes in exchange rates (profit)	20	-4,431	4,168	-1,261	1,262
V.2	Net interest expenses	20	2,590	3,179	808	692
	Profit before tax		-19,630	31,852	-38,027	7,276
VI.	Income tax		97	1,715	96	32
	NET PROFIT		-19,727	30,137	-38,123	7,244
	Profit (earnings) per share, LTL	21	-0.0982	0.1500	-0.1898	0.0361

General Director



Vytautas Vismantas

AB „Lietuvos jūrų laivininkystė“

Company code 110865039, address Malūnininkų str. 3, LT – 92264 Klaipėda

Financial statements for the period ended on 31 December 2008

(in thousands of Litas, if not specified otherwise)

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STATEMENT OF CHANGES IN EQUITY

	Paid share capital	Compulsory	Other reserves	Retained profit (loss)	Total
Balance as of 31 December 2006	200.901	9.902	180	11.315	222.298
Net profit / loss of the reporting period	0	0	0	30.137	30.137
Dividends	0	0	0	-1.149	-1.149
Other payments	0	0	0	0	0
Formed reserves	0	566	9.780	-10.345	0
Used reserves	0	0	-180	180	0
Balance as of 31 December 2007	200.901	10.467	9.780	30.137	251.285
Net profit / loss of the reporting period	0	0	0	-19.727	-19.727
Dividends	0	0	0	-499	-499
Other payments	0	0	0	0	0
Formed reserves	0	9.623	29.795	-39.418	0
Used reserves	0	0	-9.780	9.780	0
Balance as of 31 December 2008	200.901	20.090	29.795	-19.727	231.059

General Director



Vytautas Vismantas

AB „Lietuvos jūrų laivininkystė“

Company code 110865039, address Malūninkų str. 3, LT – 92264 Klaipėda

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CASH FLOW STATEMENT

	Notes No.	2008	2007
Cash flows from operating activities			
Net profit (loss)		(19.727)	30.137
Depreciation and amortisation expenses		28.431	27.592
Asset value reduction		24.521	-
Decrease (increase) in inventories		1.317	(1.516)
Decrease (increase) in advance payments received		6.932	(8.090)
Decrease (increase) in trade receivables		(474)	(46)
Decrease (increase) in other amounts receivable		207	(170)
Decrease (increase) in other current assets		(224)	-
Increase (decrease) in current payables to suppliers and advance payments received		864	1.659
Increase (decrease) in payable income tax		---	(2.067)
Increase (decrease) in liabilities to employees		580	(180)
Increase (decrease) in provisions		62	1.774
Increase (decrease) in other amounts payable and liabilities		(208)	109
<i>Elimination of results from transferring non-current tangible and intangible assets</i>		499	1.124
<i>Elimination of results of financing and investing activities</i>		---	-
<i>Elimination of other non-monetary items</i>		---	-
Net cash flows from operating activities		42.780	50.326
Cash flows from investing activities			
Acquisition of non-current assets (excluding investments)		(78.837)	(68.725)
Transfer of non-current assets (excluding investments)		(3.434)	8.526

AB „Lietuvos jūrų laivininkystė“

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(in thousands of Litas, if not specified otherwise)

<u>Net cash flows from investing activities</u>	<u>(82.270)</u>	<u>(60.199)</u>
Cash flows from financing activities	---	--
Cash flows related to the owners of enterprise:	<u>(499)</u>	<u>(1.124)</u>
Dividends paid	(499)	(1.124)
Cash flows related to other financing sources	<u>22,733</u>	<u>21,521</u>
Increase in financial debts	<u>51.775</u>	<u>48.540</u>
Loans received	51.775	48.540
Issue of bonds	---	--
Decrease in financial debts	<u>(29.042)</u>	<u>(27.019)</u>
Loans returned	(33.073)	(21.733)
Effect of currency differences on loans	4.031	(5.286)
Other increase in cash flows from financial activities	---	3.019
Other decrease in cash flows from financial activities	(4.930)	-
<u>Net cash flows from financing activities</u>	<u>17.804</u>	<u>23,416</u>
The effects of changes in foreign exchange rates on the balance of cash and cash equivalents	4.431	(4.168)
Net increase (decrease) in cash flows	<u>(17.756)</u>	<u>9.375</u>
Cash and cash equivalents at the beginning of period	22990	13.614
Cash and cash equivalents at the end of period	5234	22.990

General Director



Vytautas Vismantas

AB „Lietuvos jūrų laivininkystė“

Company code 110865039, address Malūnininkų str. 3, LT – 92264 Klaipėda

Financial statements for the period ended on 31 December 2008

(in thousands of Litas, if not specified otherwise)

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EXPLANATORY NOTES

General Information

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

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

On 31 December 2008 the Company had 454 employees, of which 54 in coast divisions and 400 on board.

On 31 December 2008 the Company's shareholders were:

	2008-12-31		2007-12-31	
	Number of shares	Ownership percent	Number of shares	Ownership percent
State Property Fund (VĮ Valstybės turto fondas)	16.669.791	8,30%	16.689.155	8,3%
Ministry of Transport and Communication	113.833.000	56,66%	113.833.000	56,66%
„Hansabank clients“	5.929.741	2,95%	16.849.753	8,4
DFDS TOR LINE A/S	10.414.449	5,18%	11.108.420	5,5%
JNG Luxemburg S.A.	10.360.000	5,16%	-	-
Other small shareholders	43.694.315	21,75%	42.420.968	21,14%

II. Accounting Policy

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

In the process of preparing financial statements in accordance with International Financial Reporting Standards, the Company's management have to make estimates and assumptions, which have an effect on the carrying amounts of assets and liabilities as well as on required disclosures on the reporting date and on amounts of income and expenses recognised during the reporting period. These estimates may vary from the actual results.

AB „Lietuvos jūrų laivininkystė“

Company code 110865039, address Malūnininkų str. 3, LT – 92264 Klaipėda

Financial statements for the period ended on 31 December 2008

(in thousands of Litas, if not specified otherwise)

(a) Basis of Preparation

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), confirmed for application within the European Union.

The Company applied EU provisions due to IFRS/IAS, which were confirmed according to the EU Commission regulation (EC) No.1126/2008 on 3 November 2008 and embrace certain international accounting standards according to the European Parliament and Council regulation (EC) No. 1606/2002.

Also applied Commission regulation (EC) No. 1274/2008 as of 17 December 2008, which partially changes regulation (EC) No.1126/2008, embracing certain international accounting standards according to the European Parliament and Council regulation (EC) No. 1606/2002, as much as it refers to IAS 1.

Also applied Commission regulation (EC) No. 1263/2008 as of 16 December 2008, which partially changes regulation (EC) No.1126/2008, embracing certain international accounting standards according to the European Parliament and Council regulation (EC) No. 1606/2002, as much as it refers to International Financial Reporting Interpretation Committee's (IFRIC) interpretation 14.

Also applied Commission regulation (EC) No. 1261/2008 as of 16 December 2008, which partially changes regulation (EC) No.1126/2008, embracing certain international accounting standards according to the European Parliament and Council regulation (EC) No. 1606/2002, as much as it refers to IFRS 2.

Also applied Commission regulation (EC) No. 1262/2008 as of 16 December 2008, which partially changes regulation (EC) No.1126/2008, embracing certain international accounting standards according to the European Parliament and Council regulation (EC) No. 1606/2002, as much as it refers to International Financial Reporting Interpretation Committee's (IFRIC) interpretation 13.

When preparing financial statements in accordance with International Financial Reporting Standards, confirmed for application within the European Union, certain accounting evaluations of significant meaning should be considered. Management should also decide upon application of Company's accounting principles. Areas, which require difficult decisions to be made or areas, where assumptions and accounting evaluations are significant to the financial statements, are disclosed in the explanatory notes. Though these evaluations by management are based on the knowledge of current status and activity, actual result might eventually differ from the evaluations.

Standards, standard adjustments and interpretations valid in 2008, but not applicable to the Company

The below stated standards, standard adjustments and interpretations, which are due to apply on the reporting periods starting on (or after) the 1st of January 2008, but not applicable to the activity of the Company:

IAS 11 Construction contracts
IAS 19 Employee benefits
IAS 20 Accounting for government grants and disclosure of government assistance
IAS 28 Investments in associates
IAS 29 Financial reporting in hyperinflationary economies
IAS 31 Interests in joint ventures
IAS 41 Agriculture
IFRS 2 Share-based payment
IFRS 3 Business combinations
IFRS 4 Insurance contracts
IFRS 6 Exploration for and evaluation of mineral resources
IFRIC 2 Member's shares in co-operative entities and similar instruments

AB „Lietuvos jūrų laivininkystė“

Company code 110865039, address Malūnininkų str. 3, LT – 92264 Klaipėda

Financial statements for the period ended on 31 December 2008

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IFRIC 5 Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
IFRIC 6 Liabilities arising from participating in a specific market – waste electrical and electronic equipment
IFRIC 7 Applying the Restatement Approach under IAS 29 Financial reporting in hyperinflationary economies
IFRIC 8 Scope of IFRS 2
IFRIC 9 Reassessment of embedded derivatives
SIC 7 Introduction of the euro
SIC 10 Government assistance – no specific relation to operating activities
SIC 12 Consolidation – special purpose entities
SIC 29 Disclosure – service concession arrangements

Standards, standard adjustments and interpretations, which are not yet valid and Company did not apply them before time

Below stated standards, standard adjustments and interpretations, which are due to be applicable on the Company's reporting periods starting on or after the 1st of January 2009 or any later periods, but which Company did not apply before time:

IFRIC 15 "Agreements for the Construction of Real Estate" will not be applicable to the Company and will not have significant influence on financial statements.

IAS 23 (adjustment) "Borrowing costs" (valid since 1 January 2009). This standard requires company to capitalise the borrowing costs directly attributable to criteria-matching asset (the one which takes a significant amount of time to prepare for use or sell) acquisition, construction or production, as a part of the asset acquisition cost. Possibility to immediately recognise these borrowing costs as expenses will be eliminated. The Company will start applying IAS 23 (adjusted) on 1 January 2009.

IFRS 8 "Operating segments" (valid since 1 January 2009). IFRS 8 changed IFRS 14 and the information on segment presentation was matched with USA standard SFAS 131 "Disclosures about Segments of an Enterprise and related information" requirements. The new standard requires to apply "management method", according to which information on segments is presented in the same way as the one used for the inner accounting purposes.

SIC 13 Jointly controlled entities – non-monetary contributions by ventures

SIC 15 Operating leases – incentives

IAS 1 "Presentation of financial statements": adjustment, valid after 1 January 2009, changes the order of information presentation in the statement of changes in equity. The Company will start applying it on 1 January 2009.

IFRS 2 "Share-based payment" adjustment valid since 1 January 2009 and explains the indications of share-based payments and share-provision conditions, when shares become services. This standard will not be applicable to the activity of the Company.

IAS 32 "Financial instruments: presentation" related to financial instruments and obligations of sales, which arise when liquidating. This standard will not be applicable to the Company.

IAS 27 "Consolidated and separate financial statements", IFRS 1 "First-time adoption of international financial reporting standards", IFRS 28 "Investments in associates", IFRS 29 "Financial reporting in hyperinflationary economies", IFRS 31 "Interests in joint ventures", IAS 38 "Intangible assets", IAS 40 "Investment property", IAS 41 "Agriculture", IAS 20 "Accounting for government grants and disclosure of government assistance", IAS 16 "Property, plant and equipment", IAS 7 "Cash-flow statements", IFRS 7 "Financial instruments: disclosures", IAS 39 "Financial instruments: recognition and measurement", IAS 19 "Employee benefits", IAS 36 "Impairment of assets", IFRS 5 "Non-current assets held for sale and discontinued operations", IAS 27 "Consolidated and separate financial statements (reviewed)", IFRS 3 "Business combinations (reviewed)" adjustments, valid since 1 January 2009 and will be applied by the Company from 1 January 2009.

AB „Lietuvos jūrų laivininkystė“

Company code 110865039, address Malūnininkų str. 3, LT – 92264 Klaipėda

Financial statements for the period ended on 31 December 2008

(in thousands of Litas, if not specified otherwise)

(b) Non-current Assets

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

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

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

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

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

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

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

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

(c) Inventories

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

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

