

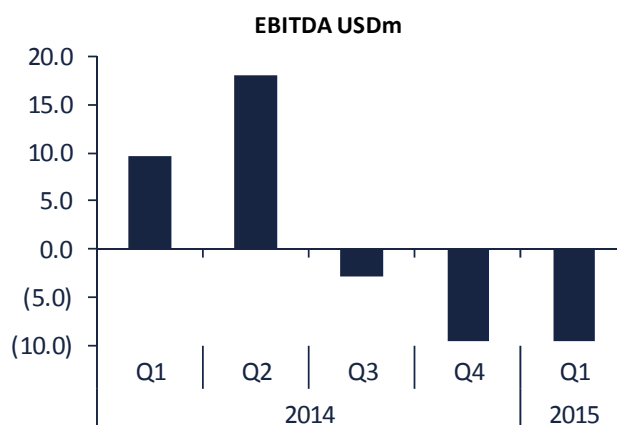
## Interim financial report – first quarter 2015

### Record low dry cargo markets

“The dry cargo markets in Q1 turned out to be weakest for the last 30 years and substantially weaker than expected at the beginning of the year. Less demand growth than projected at the end of 2014 amplifying the already known oversupply of carrying capacity have lead to a downward revision of our earnings forecast for the full year. We see significant uncertainties associated with the dry-market at least for the remainder of 2015. Our gas carriers performed as expected”, says Jan Kastrup-Nielsen, President and CEO.

EBITDA for the first three months amounted to USD (9.5)m, down USD 19.1m on same period last year. EBITDA was lower than expected due to the very weak dry cargo markets, whereas EBITDA from our gas carrier operations was in line with expectations.

Net result for the period amounted to USD (27.0)m against USD 1.9m in Q1 2014.



At period end, cash and undrawn credit facilities amounted to USD 256m, down from USD 284m at year-end 2014. Net interest bearing debt (NIBD) was USD 282m against USD 268m at year-end 2014. Solvency ratio was 43% compared to 47% at year-end 2014.

Full year EBITDA is expected to be in the range of USD (50)-0m, down on the earlier reported range of USD (20) to USD 30m whereas the net result is estimated in the range of USD (100)-(50)m, down on earlier reported USD (70)-(20)m.

### EBITDA by business segment

EBITDA before special items			
USDm	2015 1st quarter	2014 1st quarter	2014 Full year
Lauritzen Bulkers	(13.3)	5.1	6.4
Lauritzen Kosan	5.8	6.3	17.9
Other/Unallocated	(2.0)	(1.8)	(8.9)
<b>EBITDA before special items from continuing operations</b>	<b>(9.5)</b>	<b>9.6</b>	<b>15.3</b>

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### Lauritzen Bulkers

Average number of vessels reached 100 compared to 112 in the first three months of 2014 and 107 on average in 2014.

EBITDA for Q1 was disappointing at USD (13.3)m and lower than expected and down USD (18.4)m from USD 5.1m in Q1 2014 primarily due to substantially weaker dry cargo markets than expected, mainly in the handysize segment.

Our dry bulk spot trading activities performed as expected.

### Lauritzen Kosan

Average number of vessels reached 36 compared to 41 in the first three months of 2014 and 39 on average in 2014.

EBITDA for Q1 amounted to USD 5.8m compared to USD 6.3m in 2014 and in line with expectations.

## Operating income

In Q1 operating income before special items was USD (20.3)m compared to USD 1.8m in same period in 2014.

Operating income before special items			
USDm	2015 1st quarter	2014 1st quarter	2014 Full year
Lauritzen Bulkers	(17.7)	2.4	(13.6)
Lauritzen Kosan	(0.3)	0.4	(7.3)
Unallocated	(2.3)	(1.0)	(7.3)
Operating income before special items from continuing operations	(20.3)	1.8	(28.2)

JL's share of profit in joint ventures amounted to USD 0.9m in Q1 against USD 0.8m in same period 2014.

## Special items

Special items amounted to USD 6.7m against nil in the same period last year. For further information on special items, please see note 3.

## Net financial and cash position

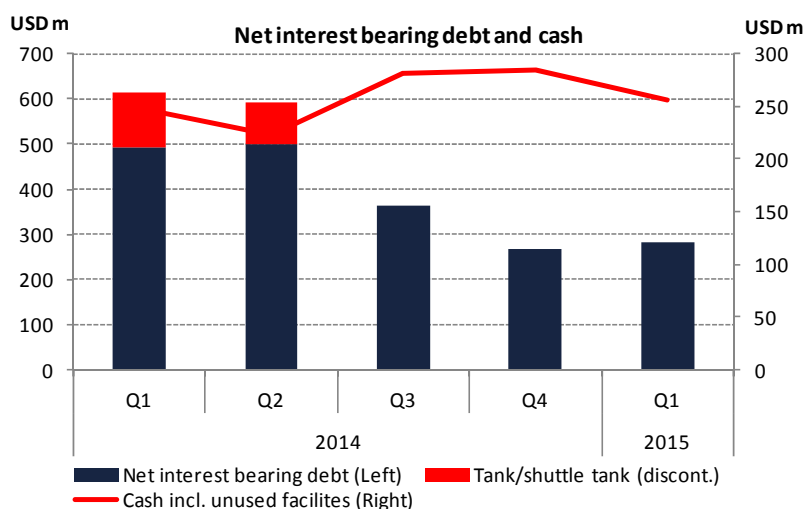
Net financial items for the first quarter amounted to USD (13.4)m compared to USD (10.6)m in same period last year primarily due to unrealised losses on securities.

Cash and undrawn credit facilities amounted to USD 256m, down from USD 284m at year-end 2014.

Net interest bearing debt (NIBD) amounted to USD 282m against USD 268m at year-end 2014.

**Assets**

Total assets amounted to USD 1,267m, up USD 59m on year-end 2014 mainly due to increased cash availability in preparation of the repayment of bond JLA01 in May 2015 (net USD 68m).



At period end, solvency ratio amounted 43% against 47% at year-end 2014.

Key figures	2015	2014	2014
	1st quarter	1st quarter	Full year
Solvency ratio	43%	45%	47%
Return on equity	(19.3)%	1.0%	(25.3)%
Return on invested capital *)	(6.6)%	0.6%	(14.3)%

\*) Continuing operations only

At period end, outstanding deliveries of wholly-owned and part-owned newbuildings amounted to ten for delivery in 2016-18. Financing of the wholly-owned newbuilding program has been in place since November 2014. Outstanding deliveries of long-term time-chartered vessels amount to 12, of which 10 with purchase options for delivery in 2015-17. Total commitments related to long-term time-chartered vessels appear in note 6.

**Outlook for 2015**

The very depressed market conditions for bulk carriers encountered in Q1 is expected to continue and we see significant uncertainties associated with the dry-market at least for the remainder of 2015 negatively impacting our full-year earnings, whereas our gas carrier activities are expected to perform as planned.

EBITDA for 2015 is expected to be in the range of USD (50)-0m, down on the earlier reported range of USD (20) to USD 30m.

The net result for 2015 is estimated to be in the range of USD (100)-(50)m, down on earlier reported USD (70)-(20)m.

Currency and interest rate fluctuations as well as effects from sale of assets, if any, may impact the result.

**Forward-looking statements**

The interim financial report contains forward-looking statements. Such statements are subject to risks and uncertainties as various factors, many of which are beyond the control of JL, may cause actual developments and actual results to differ materially from expectations contained in the interim financial report.

**Management statement**

The Board of Directors and Executive Management have today discussed and approved the interim report of J. Lauritzen A/S (the Group) for the period 1 January to 31 March 2015.

The interim report has been prepared in accordance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports for listed companies. The interim report has not been audited or reviewed by the company's independent auditors.

In our opinion the interim report gives a true and fair view of the Group's assets, liabilities and financial position at 31 March 2015 and of the results of the Group's operations and cash flows for the period 1 January 2015 to 31 March 2015.

Further, in our opinion, the Management's review (page 1-5) gives a fair review of the development in the Group's operations and financial position as a whole and describes the significant risks and uncertainties affecting the Group.

Copenhagen, 11 May 2015.

**Executive Management:**

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Jan Kastrup-Nielsen  
President & CEO

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Birgit Aagaard-Svendsen  
Exec. Vice President & CFO

**Board of Directors:**

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Bent Østergaard  
Chairman

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Ingar Skaug  
Vice Chairman

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Peter Poul Lauritzen Bay

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Niels Heering

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Jesper T. Lok

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Marianne Wiinholt

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Søren Berg\*

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Ulrik Danstrøm\*

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Søren Roschmann\*

\*) Elected by the employees

## Financial statements – JL Group

<b>INCOME STATEMENT - CONDENSED</b>		<b>2015</b>	2014	2014
USD '000	Note	<b>1st quarter</b>	1st quarter	<b>Full year</b>
Revenue	2	89,586	126,260	443,295
Voyage related costs		(18,296)	(32,929)	(92,222)
Time-charter equivalent income		71,289	93,330	351,073
Other operating income		1,916	2,119	8,550
Hire of chartered vessels		(50,584)	(51,026)	(201,434)
Operating costs of vessels		(20,813)	(23,802)	(94,587)
Administrative costs		(11,301)	(10,990)	(48,292)
Operating income before depreciation (EBITDA) and special items		(9,493)	9,632	15,310
Profit/(loss) on sale of vessels and other assets		42	5,557	13,594
Depreciation		(11,709)	(14,155)	(56,018)
Share of profit in joint ventures		852	756	(949)
Operating income (EBIT) before special items		(20,308)	1,789	(28,063)
Special items, net	3	6,678	-	(118,908)
Financial items, net		(13,405)	(10,581)	(40,433)
Profit/(loss) from continuing operations before tax		(27,034)	(8,792)	(187,404)
Income tax		(9)	59	2,919
Profit/(loss) from continuing operations		(27,043)	(8,733)	(184,485)
Profit/(loss) from discontinued operations	4	64	10,628	18,743
Profit/(loss) for the year		(26,979)	1,895	(165,742)
Attributable to:				
<b>The J. Lauritzen Group</b>		<b>(26,979)</b>	<b>1,895</b>	<b>(165,742)</b>
Non-controlling interests		-	-	-
		(26,979)	1,895	(165,742)

<b>STATEMENT OF COMPREHENSIVE INCOME</b>		<b>2015</b>	2014	2014
USD '000		<b>1st quarter</b>	1st quarter	<b>Full year</b>
Profit/(loss) for the period		(26,979)	1,895	(165,742)
<i>Items that can be reclassified subsequently to profit or loss:</i>				
<i>Other comprehensive income:</i>				
Exchange differences on translating foreign operations		(840)	2	(1,466)
Fair value adjustment of hedging instruments		(2,332)	(747)	(7,172)
Deferred gains/(loss) on hedging instr. transfer to Financial items, net		2,401	2,152	9,760
Fair value adjustment of shares available for sale		(377)	564	(2,587)
Other comprehensive income net of tax		(1,148)	1,970	(1,465)
Total comprehensive income for the period		(28,127)	3,865	(167,207)
Attributable to:				
The J. Lauritzen Group		(28,127)	3,865	(167,207)
Non-controlling interests		-	-	-
		(28,127)	3,865	(167,207)

<b>FINANCIAL POSITION</b>		<b>2015</b>	2014	2014
USD '000	Note	<b>31-mar</b>	31-mar	31-dec
<b>ASSETS</b>				
Vessels, property and equipment	5	797,879	1,031,621	808,215
Investment in joint ventures		84,252	101,942	89,158
Deferred tax assets		3,600	297	3,600
Shares available for sale	7	40,462	43,991	40,840
Receivable from joint ventures		8,825	9,989	9,343
Other receivables		477	-	541
<b>Non-current assets</b>		<b>935,495</b>	<b>1,187,840</b>	<b>951,697</b>
Bunkers		10,391	10,805	9,683
Trade receivables		15,040	13,696	16,817
Other receivables		19,584	26,137	16,668
Prepayments		8,314	5,720	7,641
Current tax receivables		801	-	-
Derivative financial instruments		16,382	4,169	11,435
Securities		5,352	10,063	9,711
Cash at hand and in bank		255,827	217,244	184,388
		331,691	287,833	256,342
Assets held for sale		0	179,220	-
<b>Current assets</b>		<b>331,691</b>	<b>467,053</b>	<b>256,342</b>
<b>Total assets</b>		<b>1,267,186</b>	<b>1,654,893</b>	<b>1,208,040</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital		62,356	62,356	62,356
Retained earnings		483,160	676,807	510,139
Reserves		(867)	3,716	281
J. Lauritzen's share of equity		544,649	742,878	572,776
Non-controlling interests		-	1,652	-
<b>Equity</b>		<b>544,649</b>	<b>744,530</b>	<b>572,776</b>
Long-term provisions		27,270	-	33,343
Non-current derivative financial instruments		37,855	17,646	31,782
Long-term borrowings		446,761	660,107	359,209
<b>Non-current liabilities</b>		<b>511,886</b>	<b>677,754</b>	<b>424,334</b>
Current portion of long-term borrowings		95,990	59,761	102,648
Trade payables		10,931	10,162	10,969
Other payables		25,454	24,190	23,065
Provisions		26,109	(0)	26,713
Prepayments		200	107	200
Derivative financial instruments		51,969	15,252	46,105
Current tax payables		0	1,937	1,229
		210,653	111,409	210,930
Liabilities related to assets held for sale		-	121,200	-
<b>Current liabilities</b>		<b>210,653</b>	<b>232,609</b>	<b>210,930</b>
<b>Total liabilities</b>		<b>722,537</b>	<b>910,363</b>	<b>635,264</b>
<b>Total equity and liabilities</b>		<b>1,267,186</b>	<b>1,654,893</b>	<b>1,208,040</b>

**EQUITY STATEMENT**

USD '000	Share capital	Hedging instruments	Shares available for sale	Translation gain/loss	Reserves	Retained earnings	Total	Non-controlling interests	Total
Equity 1/1 2015	62,356	(15,434)	20,919	(5,204)	281	510,139	572,776	-	572,776
Profit/(loss) for the period	-	-	-	-	-	(26,979)	(26,979)	-	(26,979)
Other compr. Income	-	69	(377)	(840)	(1,148)	-	(1,148)	-	(1,148)
Total compr. income	-	69	(377)	(840)	(1,148)	(26,979)	(28,127)	-	(28,127)
<b>Equity 31/3 2015</b>	<b>62,356</b>	<b>(15,366)</b>	<b>20,542</b>	<b>(6,044)</b>	<b>(867)</b>	<b>483,160</b>	<b>544,649</b>	-	<b>544,649</b>
Equity 1/1 2014	62,356	(18,022)	23,507	(3,738)	1,746	675,881	739,983	668	740,651
Adjustment to opening *)	-	-	-	-	-	(969)	(969)	969	-
Profit/(loss) for the period	-	-	-	-	-	1,895	1,895	14	1,909
Other compr. Income	-	1,404	564	2	1,970	-	1,970	-	1,970
Total compr. income	-	1,404	564	2	1,970	1,895	3,865	14	3,879
<i>Transaction with owners:</i>									
Paid dividend	-	-	-	-	-	-	-	-	-
<b>Equity 31/3 2014</b>	<b>62,356</b>	<b>(16,618)</b>	<b>24,070</b>	<b>(3,736)</b>	<b>3,716</b>	<b>676,807</b>	<b>742,878</b>	<b>1,652</b>	<b>744,530</b>

\*) Reallocation between non-controlling interests and retained earnings related to prior years.

**CASH FLOW STATEMENT - CONDENSED**

USD '000	2015 1st quarter	2014 1st quarter
Cash flow from:		
Operations before financial items	(2,368)	37,127
Ordinary operations before tax	(4,352)	26,630
Operating activities	(6,314)	26,613
Investment activities	(4,830)	262,479
Financing activities	89,210	(225,988)
Changes for the period in cash and cash equivalents	78,066	63,104
Cash and cash equivalents at beginning of the period	184,388	154,145
Currency adjustments on cash and cash equivalents	(6,628)	4
Cash and cash equivalents at the end of the period	255,827	217,253
Undrawn committed credit facilities at end of period *)	-	30,400
Financial resources at the end of the period	255,827	247,653

\*) In addition J. Lauritzen has an unsecured overdraft facility of DKK 100m for multi-currency short-term financing needs.



## 1. Accounting policies

### *Basis for consolidation*

The interim report comprises the condensed consolidated financial statements of J. Lauritzen A/S.

### *Accounting policies*

The present unaudited interim financial report has been prepared in accordance with IAS 34 'Interim Financial Reporting', and additional Danish disclosure requirements for interim reports of listed companies.

J. Lauritzen A/S has adopted the accounting standards and interpretations that became effective in EU from 2015. None of these have affected recognition and measurement.

Apart from adoption of new, amended or revised accounting standards, accounting policies are unchanged from those applied in the Annual Report 2014 of J. Lauritzen A/S.

## 2. Operating segments

USDm	Lauritzen Bulkers	Lauritzen Kosan	Lauritzen Offshore (discontinued operation)	Lauritzen Tankers (discontinued operation)	Total reportable segments	Other/ Unallocated	Total Group	Total Group Continuing Operations
<b>1st quarter 2015</b>								
Revenue	61.7	27.9	0.0	0.5	90.0	0.0	90.0	89.6
EBITDA before special items	(13.3)	5.8	(0.0)	(0.0)	(7.5)	(2.0)	(9.5)	(9.5)
Operating income before special items	(17.6)	(0.3)	(0.0)	(0.0)	(18.0)	(2.4)	(20.3)	(20.3)
Operating income after special items	(11.0)	(0.3)	(0.0)	(0.0)	(11.3)	(2.4)	(13.6)	(13.6)
<b>1st quarter 2014</b>								
Revenue	83.9	42.3	9.0	10.1	145.3	0.0	145.3	126.3
EBITDA before special items	5.1	6.3	6.8	5.1	23.4	(1.8)	21.6	9.6
Operating income before special items	2.4	0.4	6.8	5.2	14.8	(1.0)	13.8	1.8
Operating income after special items	2.4	0.4	6.8	5.2	14.8	(1.0)	13.8	1.8

The revenue reported represents revenue from external customers. There is no inter-segment revenue.

### 3. Special items

Special items include significant one-off income and expenses, such as revenue from sale of claims and claim settlements, sale of assets as a consequence of counterparty default or strategic initiatives, impairment losses on vessels and on investments in joint ventures as well as provisions for onerous contracts and the use and reversals hereof.

	2015 1st quarter	2014 1st quarter	2014 Full year
One-off revenue from sale of claims and claim settlements	-	-	31,680
Sale of vessels as a consequence of counterparty defaults or strategic initiatives	-	-	10,391
Impairment losses on vessels and vessels under construction	-	-	(85,132)
Provisions and reversal of provisions for onerous contracts	6,678	-	(60,057)
Impairment losses on vessels owned by joint ventures	-	-	(15,790)
Special items, net	6,678	-	(118,908)

### 4. Discontinued operations

Discontinued operations were phased out during 2014 and Q1 2015 consists only of final transactions related to the unwind.

For additional information, please see our Annual report 2014.

## 5. Vessels, property and equipment

USD '000	Vessels	Vessels under construction	Land and Buildings	Machinery, tools and equipment	Total
<b>2015</b>					
Cost as at 1 January	1,262,005	28,960	2,927	10,138	1,304,031
Exchange rate adjustments	(961)	-	(152)	(29)	(1,143)
Additions	2,200	5	-	4	2,208
Disposals	(2,335)	-	-	-	(2,335)
Cost as at 31 March	1,260,910	28,965	2,775	10,112	1,302,762
Depr. and impairment losses as at 1 January	(489,025)	-	(628)	(6,163)	(495,816)
Exchange rate adjustments	247	-	31	29	308
Depreciation	(11,462)	-	(21)	(226)	(11,709)
Disposals	2,335	-	-	-	2,335
Depr. and impairment losses as at 31 March	(497,906)	-	(618)	(6,359)	(504,883)
Balance as at 31 March	763,004	28,965	2,157	3,753	797,879
<b>2014</b>					
Cost as at 1 January	1,513,895	(0)	3,074	17,970	1,534,938
Exchange rate adjustments	3	-	-	(1)	2
Additions	5,463	11,667	-	-	17,131
Transfer from vessels under constr.	-	-	-	-	-
Disposals	(1,200)	(16)	-	(7,807)	(9,023)
Cost as at 31 March	1,518,161	11,651	3,074	10,162	1,543,048
Depr. and impairment losses as at 1 January	(492,768)	-	(570)	(11,267)	(504,605)
Exchange rate adjustments	(2)	-	-	0	(2)
Depreciation	(13,809)	-	(22)	(334)	(14,165)
Disposals	1,240	-	-	6,106	7,346
Depr. and impairment losses as at 31 March	(505,340)	-	(592)	(5,495)	(511,427)
Balance as at 31 March	1,012,821	11,651	2,481	4,668	1,031,621

## 6. Lease obligations

At the balance sheet date, J. Lauritzen has the following operational lease obligations from time-charter and bareboat contracts:

	Bulkers		Kosan		Total continuing business	
	USDm committed obligation	No. of vessels, full year equivalents	USDm committed obligation	No. of vessels, full year equivalents	USDm committed obligation	No. of vessels, full year equivalents
<b>2015</b>						
2nd - 4th quarter 2015	109.2	24.1	9.0	4.5	118.2	28.6
1 - 2 Year	118.9	26.0	7.7	4.3	126.6	30.3
2 - 3 Year	102.4	23.0	3.7	2.1	106.1	25.1
3 - 4 Year	93.5	21.4	-	-	93.5	21.4
4 - 5 Year	69.0	16.0	-	-	69.0	16.0
> 5 Year	219.5	49.9	-	-	219.5	49.9
Total	712.5	-	20.4	-	732.9	-
<b>2014</b>						
2nd - 4th quarter 2014	114.5	23.3	26.9	10.1	141.4	33.4
1 - 2 Year	111.3	22.9	29.2	10.0	140.5	32.9
2 - 3 Year	106.9	23.0	7.1	4.1	114.0	27.1
3 - 4 Year	82.1	18.5	4.0	2.3	86.1	20.8
4 - 5 Year	77.0	17.4	-	-	77.0	17.4
> 5 Year	220.3	49.4	-	-	220.3	49.4
Total	712.1	-	67.2	-	779.3	-

At end of March 2015 JL had purchase option on 21 bulk carriers (End of March 2014: 19 bulk carriers).

## 7. Fair value measurement of financial instruments

The techniques used for calculation of fair values in this interim report are consistent with the Annual Report of 2014 to which reference is made.

Carrying amount of financial instruments recognized in the statement of financial position at amortized cost does not differ materially from their fair value with the exception of issued corporate bonds. At March 31 2015, fair value of issued bonds amounted to USD 107.5m, whereas the carrying amount totalled USD 106.4m.

### *Fair value hierarchy*

With the exception of shares available for sale of USD 40.5m (Level 3), all financial instruments at fair value are stated on the basis of observable market prices (Level 2), directly as prices or indirectly derived from prices.

Financial instruments categorized at Level 3 have developed as follows:

	2015 31-mar	2014 31-mar	2014 31-dec
USD '000			
Book value at 1 January	40,840	43,427	43,427
Fair value adjustment of shares available for sale recognised on other comprehensive income	(377)	564	(2,587)
Book value end of period	40,462	43,990	40,840