

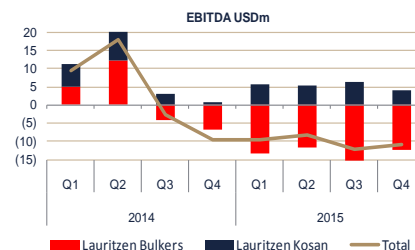
Financial report for 2015

Weathering the storm

“We are impacted by a dry cargo market which even in a 30-year time frame is all-time low and has led to negative EBITDA and impairment losses” says Jan Kastrup-Nielsen, President and CEO, and continues “J. Lauritzen, however, has in 2015 managed to keep a robust balance sheet and maintained strong relations with our core customers while redeeming USD 71m of bond debt. Our gas carrier activities continued to perform well and in line with expectations, and initiatives, which will be executed during Q1 2016, will assist us in weathering the current storm in the dry cargo segment”.

In Q4 2015, EBITDA amounted to USD (11.0)m, compared to USD (12.2)m in Q3 and USD (9.5)m in Q4 2014. Full-year EBITDA was USD (41.1)m within our estimates since our Q1 report.

At year-end 2015, the Baltic Dry Index (BDI) stood at 478 compared to 782 at year-end 2014 and 2,277 at year-end 2013. The BDI currently hovers at 300.



J. Lauritzen's net results for 2015 were USD (313.4)m compared to USD (165.7)m in 2014. Results were unsatisfactory and were heavily impacted by special items totalling USD (207.2)m, composed of USD (281.9)m from impairment losses and provisions and further USD 74.7m from compensation relating to termination of contracts, sale of claims etc.

For comparison, results for 2014 were negatively affected by special items totalling USD (118.9)m related to impairment losses and revenue from sale of claims and other settlements.

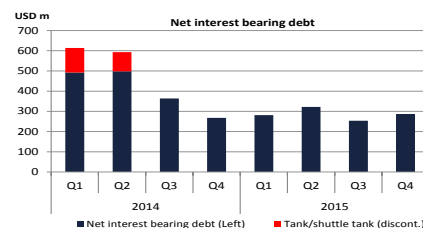
On a comparable basis, excluding special items and profits from discontinued operations, net results were USD (106.8)m compared to USD (65.6)m in 2014.

Main initiatives and events:

- Sale of two capesize bulk carriers completing the capesize segment exit strategy.
- Reduction in dry bulk exposure through sale of further 9 owned and 5 part-owned vessels.
- Entry into gas fleet of two 10,000 cbm ethylene carriers by late 2015 and early 2016.
- Redemption of USD 71m bond JLA01.

J. Lauritzen's net interest bearing debt has since year-end 2012 been reduced by USD 824m.

At year-end 2015, the solvency ratio amounted to 31.5% (2014: 47.4%) and cash stood at USD 116m (2013: USD 184m). Net interest bearing debt amounted to USD 284m equal to 57% of broker values (in 2014 USD 268m and 37%, respectively).



Contacts:

Jan Kastrup-Nielsen, President & CEO, phone + 45 33 96 82 00 or + 45 23 23 87 51

Birgit Agaard-Svendsen, Executive Vice President & CFO, phone + 45 33 96 84 10 or + 45 40 14 73 52

For further information, please refer to JL's Annual Report 2015 and report on Corporate Responsibility available at www.j-l.com

After year-end events

In order to strengthen our balance sheet and improve our cash position, an agreement was reached with Lauritzen Fonden, our sole shareholder to inject new capital of approx. USD 19m and to transfer a number of non-strategic assets and obligations to LF Investment ApS, wholly-owned by Lauritzen Fonden. The transactions provide J. Lauritzen with additional cash of USD 125m during 2016. The assets have a combined book value of USD 105.9m. The transaction will include transfer of the shareholding in Axis Offshore Pte. Ltd.

In line with a planned generation change, Chairman of the Board of directors Bent Østergaard and Vice Chairman Ingar Skaug have decided not to stand for re-election. Jesper T. Lok will be elected as Chairman and Niels Heering as Vice Chairman of the Board of Directors.

Birgit Aagaard-Svendsen, CFO since 1998, has called her option to resign at the age of 60 to pursue opportunities outside JL. She will vacate her position end of August at the latest.

Outlook for 2016

Global economic activity is expected to grow slightly faster in 2016 than in 2015 however uncertainty relates in particular to the Chinese economy and its potential repercussions on many emerging markets. We see a risk for a further decline in Chinese import growth rates for raw materials which will continue to influence our dry activities.

In spite of anticipations of a high level of scrapping, dry bulk shipping markets are generally expected to continue to suffer from an oversupply of vessels. With only modest demand growth, we expect dry bulk freight rates to remain subdued during 2016. For our gas carriers a minor improvement in the market balance is expected with demand growth projected to be slightly higher than supply growth.

EBITDA for 2016 is expected to be at levels similar to 2015, offset by special items contributing positively due to the use of provisions. Depreciation will be reduced due to the sale of assets and finance net is expected to improve following the significant deleveraging of our balance sheet and sale of financial assets.

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

Forward-looking statements

The Annual 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 Annual Report.

Financial statements – JL Group

INCOME STATEMENT - CONDENSED USD '000	2015	2014	2015	2014
	4th quarter	4th quarter	Full year	Full year
Revenue	84,369	72,169	349,078	443,295
Voyage related costs	(21,059)	6,678	(80,746)	(92,222)
Time-charter equivalent income	63,310	78,848	268,332	351,073
Other operating income	1,626	1,588	6,897	8,550
Hire of chartered vessels	(46,074)	(53,114)	(191,054)	(201,434)
Operating costs of vessels	(18,320)	(22,853)	(81,529)	(94,587)
Administrative costs	(11,560)	(14,005)	(43,699)	(48,292)
Operating income before depreciation (EBITDA) and special items	(11,017)	(9,536)	(41,053)	15,310
Profit/(loss) on sale of vessels and other assets	(121)	291	52	13,594
Depreciation	(9,040)	(13,714)	(41,678)	(56,018)
Share of profit in joint ventures	1,624	(3,013)	4,047	(949)
Operating income (EBIT) before special items	(18,553)	(25,971)	(78,633)	(28,063)
Special items, net	(130,652)	(150,588)	(207,192)	(118,908)
Financial items, net	(2,583)	(8,282)	(26,859)	(40,433)
Profit/(loss) from continuing operations before tax	(151,788)	(184,841)	(312,683)	(187,404)
Income tax	(1,200)	2,888	(1,322)	2,919
Profit/(loss) from continuing operations	(152,987)	(181,953)	(314,006)	(184,485)
Profit/(loss) from discontinued operations	218	(92)	560	18,743
Profit/(loss) for the year	(152,769)	(182,045)	(313,446)	(165,742)
Attributable to: The J. Lauritzen Group	(152,769)	(182,045)	(313,446)	(165,742)

STATEMENT OF COMPREHENSIVE INCOME USD '000	2015	2014	2015	2014
	4th quarter	4th quarter	Full year	Full year
Profit/(loss) for the year	(152,769)	(182,045)	(313,446)	(165,742)
<i>Items that can be reclassified subsequently to profit or loss:</i>				
Other comprehensive income net of tax:				
Exchange differences on translating foreign operations	(159)	(2,948)	(772)	(1,466)
Fair value adjustment of hedging instruments	2,365	(2,884)	(2,547)	(7,172)
Deferred gains/(loss) on hedging instr. transfer to Financial items, net	1,659	2,366	8,252	9,760
Fair value adjustment of shares available for sale	5,516	(842)	6,152	(2,587)
Other comprehensive income net of tax	9,380	(4,308)	11,085	(1,465)
Total comprehensive income for the year	(143,389)	(186,352)	(302,361)	(167,207)
Attributable to: The J. Lauritzen Group	(143,389)	(186,352)	(302,361)	(167,207)

FINANCIAL POSITION	2015	2014
USD '000	31-dec	31-dec
ASSETS		
Vessels, property and equipment	464,531	808,215
Investment in joint ventures	77,286	89,158
Deferred tax assets	2,700	3,600
Shares available for sale	46,982	40,840
Receivable from joint ventures	1,238	9,343
Other receivables	21,735	541
Non-current assets	614,472	951,697
Bunkers	7,152	9,683
Trade receivables	10,906	16,817
Other receivables	54,058	16,668
Prepayments	8,007	7,641
Current tax receivables	651	-
Derivative financial instruments	1,625	11,435
Securities	10,000	9,711
Cash at hand and in bank	115,570	184,388
	207,968	256,342
Assets held for sale	36,162	-
Current assets	244,130	256,342
Total assets	858,603	1,208,040
EQUITY AND LIABILITIES		
Share capital	62,356	62,356
Retained earnings	196,693	510,139
Reserves	11,366	281
Equity	270,415	572,776
Long-term provisions	31,842	33,343
Non-current derivative financial instruments	34,979	31,782
Long-term borrowings	310,953	359,209
Non-current liabilities	377,774	424,334
Current portion of long-term borrowings	98,251	102,648
Trade payables	7,481	10,969
Other current liabilities	21,169	23,065
Provisions	66,118	26,713
Prepayments	812	200
Derivative financial instruments	16,584	46,105
Current tax payables	-	1,229
Current liabilities	210,414	210,930
Total liabilities	588,188	635,264
Total equity and liabilities	858,603	1,208,040