

Press release

Odense Steel Shipyard sells Lithuanian subsidiaries

Odense Steel Shipyard Ltd. A/S has entered into an agreement on the sale of AB "BALTIJOS" LAIVŲ STATYKLA and UAB "BALTIC ENGINEERING CENTRE" (Baltija Shipyard and BEC) to BLRT Grupp AS. Odense Steel Shipyard is disposing of their subsidiaries as a consequence of the decision from August 2009 to close their shipbuilding activities.

"We are very pleased with this sale to BLRT, which is highly regarded in the business community and we are certain the company will be a good owner for the future development of Baltija and BEC. We are also pleased that yet another step in our strategy of discontinuing our shipbuilding activities with the least impact to our sub-contractors and local communities has succeeded," says Peter Jann Nielsen, managing director of Odense Steel Shipyard.

"The Odense Steel Shipyard has been our long-term partner for more than 15 years. We are happy that the new capacities enlarge BLRT's technical and logistical levels in developing shipbuilding in Lithuania and Estonia at the highest level," says Fjodor Berman, the CEO of BLRT Grupp.

Since Odense Steel Shipyard took over the Baltija Shipyard in 1997, significant investments in technology and streamlining of the production capacity have been made and the successful sale is a testament to skill of the employees and the high efficiency at the yard. Today, Baltija Shipyard and BEC employs approx. 1.200 staff, and has among others supplied deck houses and steel sections to Lindø Shipyard and other European yard groups, as well as building complete hulls and tug boats. It is the intention of the new owner that Baltija Shipyard and BEC will enter into a co-operation with the other companies in the BLRT Grupp.

Lindø Shipyard's orders at Baltija Shipyard will be delivered according to the original plan.

The transaction will be covered by Lithuanian competition law and is conditional on obtaining approval by the relevant authorities. The transaction is expected to be complete by the end of September 2010.

The parties do not wish to disclose the sales price.

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