Independent Auditor's Report and Audit Report on AB „Kauno tiekimas" financial statements 2006

List of documents

INDEPENDENT AUDITOR'S REPORT

ADDRESSED TO AB "KAUNO TIEKIMAS" SHAREHOLDERS

We have audited the accompanying balance sheet of AB "KAUNO TIEKIMAS", a public company registered in the Republic of Lithuania (hereinafter the Company), as of December 31, 2006 and the associated profit/loss statement, the statements for change in equity and cash flows for the year then ended as well as the explanatory letter thereto.

These financial statements to be prepared in compliance with the International Accounting Standards are the responsibility of the Company management. The statements cover the following: development, implementation and maintenance of internal control system designed for the preparation and correct presentation of financial statements to be free of any material inconsistencies or misstatements; proper selection and application of accounting principles; and the selection of adequate and justified assessments.

Our responsibility is to express an opinion on these statements based on our audit. We conducted the audit in accordance with the International Standards on Auditing established by the International Federation of Accountants. Those Standards require that we observe the code of professional ethics as well as plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material inconsistencies or misstatements. The audit includes the procedures on collecting the evidence supporting the amounts and disclosures in the financial statements.

The audit includes the procedures on collecting the evidence supporting the amounts and disclosures in the financial statements. The selection of procedures depends on the professional judgment of the auditor and the assessment of risk related to the presence in the financial statements of any major inconsistencies or misstatements. While assessing the risk, the auditor takes into account the existing internal controls for the preparation and presentation of the Company financial statements and seeks to select the appropriate auditing procedures but does not aim at expressing opinion about the effectiveness of the Company internal controls. The audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of (or present fairly, in all material respects) the financial position of the Company as of December 31, 2006, and of its financial performance and its cash flows for the year then ended in accordance with the International Accounting Standards.

We have examined AB "KAUNO TIEKIMAS" annual report for the accounting year 2006 attached to the audited financial statements 2006. The annual report as well as activity plans and estimates are within the responsibility of Company management. Our responsibility is to assess, based on our examination whether the data presented in the annual report are consistent with the data as per financial statements.

Our work with respect to the annual report was limited to examining its consistency with the data presented in the financial statements and did not cover the examination of management estimates, plans of activities or projections.

The examination of AB “Kauno tiekimas“ annual report 2006 did not reveal the existence of any material inconsistencies with the audited financial statements.

March 22, 2007
Vilnius

UAB “Auditorių biuras”
Audit company certificate No.000535

Director, Auditor Roma Račienė
Auditor‘s certificate No. 000221

AKCINĖ BENDROVĖ “KAUNO TIEKIMAS”
Įmonės kodas 1335 23653, PVM mokėtojo kodas LT 335236515
Palemono g. 171, 52501, Kaunas, telefonas/faksas 473744, el.paštas tiekimas@kaunas.balt.net
A.s. Nr. LT 637011700026467129 AB “Ūkio bankas” banko kodas 70117
Juridinių asmenų registras, tvarkytojas: VĮ Registrų centras

Management Certification **22 March 2007**

This Certification was issued in relation to the submission of AB Kauno Tiekimas annual data of 31 December 2006.

We hereby certify that to the best of our knowledge and belief:

- the financial statements have been prepared in pursuance of the International Accounting Standards;
- the financial statements reveal the true situation and fairly reflect the assets, liabilities, financial standing, profit or losses of the company;
- the annual report provides a fair overview of the business development and performance, the standing of the issuer and a description of the main risks and contingencies faced thereby.

Irena Keblerienė
General Director

Danutė Skučienė
Chief Accountant

AB Kauno Tiekimas

ANNUAL REPORT

2006

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SCHEDULES

OBJECTIVE OVERVIEW OF THE COMPANY STANDING, BUSINESS AND DEVELOPMENT

Company background

AB Kauno Tiekimas is a limited civil liability private legal person. The seat of the company is located at Palemono g.171, Kaunas, Republic of Lithuania.

The bodies of the company include the general meeting, the board, and the head of the company. The supervisory board is not formed.

The authorised capital amounts to LTL10,180,884.

The authorised capital of the company is divided into 10,180,884 ordinary registered shares with the par value of LTL1.00.

Shareholders whose participation in AB Kauno Tiekimas authorised capital and the number of votes held thereby exceed 5% as of 31-12-2006:

Shareholder	Company Register No	Seat address	No of shares		Share of authorised capital (%)		Share of votes (%)	
			Total	Under the property right	Total	Under the property right	Total	Under the property right
AB Ūkio Bankas FMD	112020136	Maironio g. 25, Kaunas	2000000	2000000	19.64	19.64	19.64	19.64
UAB Ūkio Banko Investicinė Grupė	135201099	K.Donelaičio g. 60, Kaunas	3597376	1827783	35.33	17.95	35.33	17.95
UAB FMĮ Finbaltus	122020469	Konstitucijos pr.23-660, Vilnius	3597376	1769593	35.33	17.38	35.33	17.38
InCompleks LLC	CP00193203	101 South Spring Street, Suite 2, Little Rock, Arkanzasas 72201, JAV	1502461	1502461	14.76	14.76	14.76	14.76
UAB Energolinija	135647258	Palemono g. 171, Kaunas	1232000	1232000	12.10	12.10	12.10	12.10

Business activities

The main activity of AB Kauno Tiekimas is a company operating over 3 decades, whose main activity is wholesale trade with Lithuanian and foreign companies. Since 2002 the company has been successfully trading in alumina, which is the main raw material in aluminium production, and in raw materials required for alumina production. After AB Kauno Tiekimas started trading in alumina, it entered the alumina market, which is currently enjoying a big growth. In order to strengthen its positions in this market, in November 2002 AB Kauno Tiekimas opened a branch of the company which was entrusted all the activities in alumina and the raw materials trade. The branch of AB Kauno Tiekimas is cooperating with Birač alumina factory, which is a strategic and one of the three largest companies in Srpska Republic, Bosnia and Herzegovina. Birač alumina factory does not buy raw materials or sell alumina by itself. This function is delegated to the trade representative of the company Balkal A.D., Bosnia. The branch of AB Kauno Tiekimas and Balkal A.D. have signed an agreement, under which AB Kauno Tiekimas branch undertakes the supply of raw material, i.e. hydrate of sodium and bauxites. Balkal A.D., in its turn, sells the branch of AB Kauno Tiekimas the production of Birač factory: alumina, alumina hydrate, zeolite. After AB Kauno Tiekimas started the new activity, it significantly increased the production volumes and to improve its performance results correspondingly. In 2005 business year, the turnover of the company amounted to LTL639.6m and increased by 104.3% in comparison to 2004. In 2006 business year, the sales revenue of the company amounted to LTL648m and increased by 1.31% in comparison to year 2005. The increase of the revenue was mainly related to the development of alumina trading activities.

In view of the price fall in the global alumina market, which has been experienced since 2006, it is anticipated that in 2007 Birač factory will use 83% of its production capacity and will not increase it in order to minimise the losses. It is expected that the alumina market prices will stabilise in the first half of 2007 and the global alumina demand will grow, which will lead to the growth of production volumes. This should also result in the increase in AB Kauno Tiekimas business volumes and performance results.

Other business activities of the company include the lease of the company's property and related services. There is a customs post, warehouses, and a terminal on the territory of the company.

AB Kauno Tiekimas is located on the highway Vilnius-Klaipėda. The distance from the company headquarters to the centre of Kaunas is 12 km. The area of the company occupies 10.825 ha and it is fenced and guarded 24 hours. The company has 7 buildings of individual warehouses. 7 railway tracks are connected to the warehouses equipped with loading docks. The total area of multi-purpose warehouses owned by AB Kauno Tiekimas amounts to 13,860 m^2. Railway and truck scales are used for weighing the goods. Also there is a gantry crane with a lifting capacity of 10 tons. The company has a cement elevator with the capacity of 120 thousand tons per year. Since 2000, the cement elevator is leased to UAB Kauno Tiekimas Prekybos Centras. The loading and unloading works in the company are fully mechanised. Electrical and truck loaders are used for this purpose. The company owns 8 electrical and 2 truck loaders. Loose products are loaded with a wheel excavator, the volume whereof is $0.15m^3$. The company has two shunting locomotives. Bonded free warehouses with the total area of 4,172 m^2 have been operating in the company since 1993. An export-import terminal with the total area of 3,390 m^2 has been operating in the company since 1996. All the work places at the customs office are computerised.

The long-term real estate of the company was constructed long ago and it needs repairs in order to ensure its condition generating economic benefit. The repair of long-term assets is expensive and it requires a significant amount of additional funds.

Apart from the routine operations, the company is engaged in financial and investment activities. Successful investment into securities and the revenue earned from their sales lead to the profitable result of the company in 2006.

INFORMATION ON THE MANAGEMENT BODIES

In pursuance of Part 3 Article 21 of the Law on Securities of the Republic of Lithuania, Par 20.5 of the Trading Rules issued by AB Vilniaus Vertybinių Popierių Birža (Engl. Vilnius Stock Exchange), and the Governance Code of the companies whose securities are traded on Vilnius Stock Exchange, we hereby provide information on the members of the company’s collegial body.

The supervisory board is not formed.

Board members:

1. Igor Gončaruk: Employed by the company since 1992. Open-ended employment contract; job position: CEO. Holds 65,994 shares or 0.65% of AB Kauno Tiekimas authorised capital. University education. Does not have any positions in other companies. Elected a Board Member and the chairman of the Board since 1999. Has relevant professional experience and qualifications to discharge his duties. Takes part in various refresher programs related to the work in the collegiate body and the direct functions.

2. Irena Keblerienė: General Director. Employed by the company since 1993. Open-ended employment contract. University education. Has no shareholding in the Company. Does not have any positions in other companies or any shareholdings of other companies exceeding 5 percent. Elected a Board Member since 1999. Has relevant work experience, qualifications,

and professional qualities to discharge her duties in both the collegial body and the position of the head of the company. Regularly takes part in various refresher programs, does a lot of self study.

3. Nijolė Varanavičienė: not employed by the company. Has no shareholding in the Company. Has received no reimbursements from the company. University education. Elected a Board Member since 1999. Well acquainted with the particulars of the company activities. Has relevant experience and qualifications. Professionally discharges her duties of a Board Member.

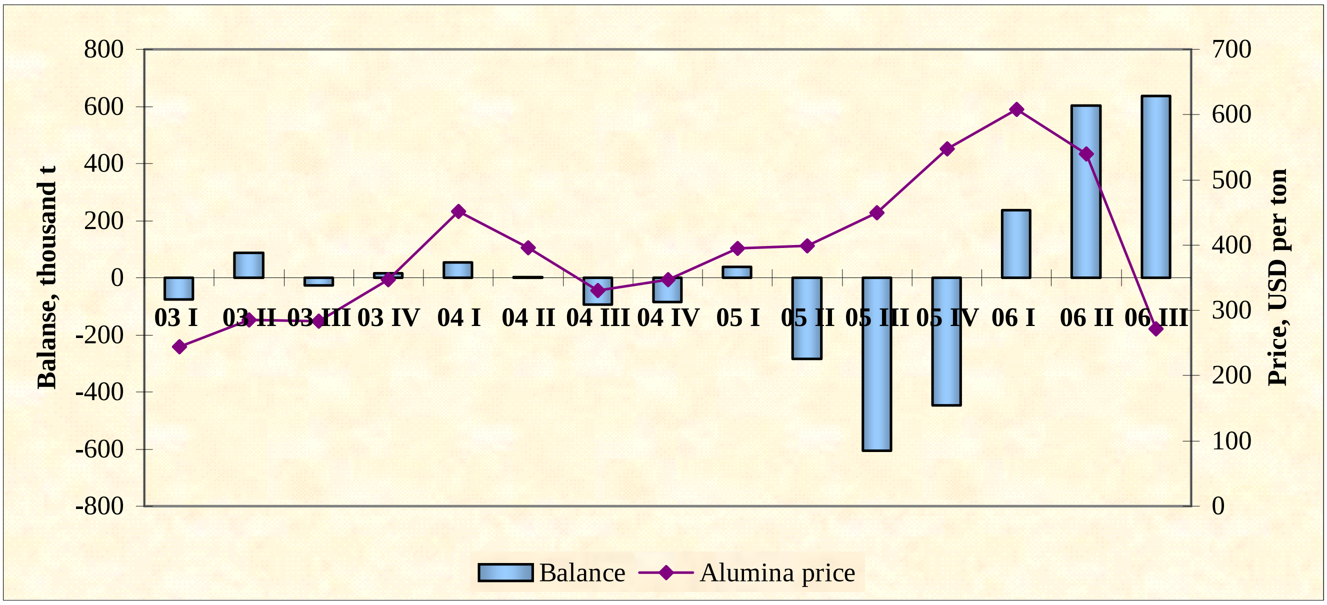
All the Board members are responsible for the strategic management of the company and other key functions of corporate governance. The number of the Board members satisfies the present scope and the main fields of the company activities.

DESCRIPTION OF THE KEY RISK TYPES AND CONTINGENCIES FACED BY THE COMPANY

Alumina is the main raw material in aluminium production. Therefore its supply and demand on the market depends on the aluminium production volumes. The global alumina prices depend on the supply and demand of the alumina exporting and importing countries. The alumina price fluctuations have a direct effect on the performance of the company. Figure 1 provides information on the relation of the alumina market price to its global supply and demand balance.

Figure 1

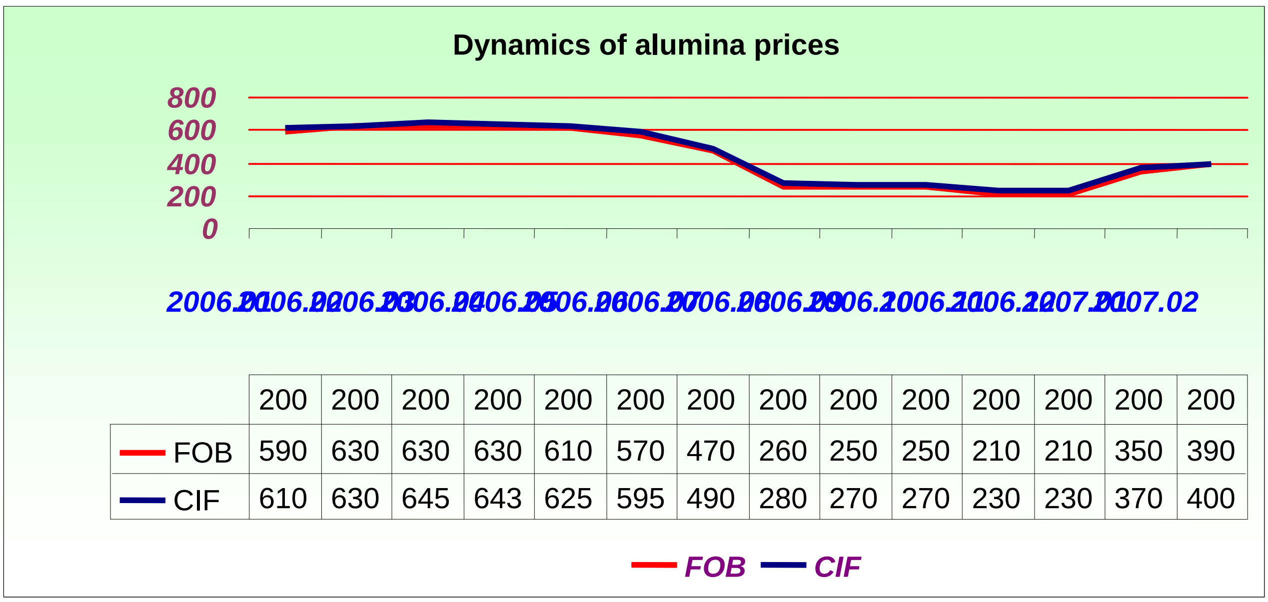
Relation of the alumina market price and its global supply and demand balance 2003 through 2006, by quarters



Source: CRU Monitor Alumina/ www.crumonitor.com

The largest alumina prices were observed at the beginning of 2006, whereas in the second quarter of 2006 they began to fall. According to the forecasts, this fall is temporary, since the alumina raw material prices did not change and therefore the alumina prices should stabilise. Figure 2 provides information on the fluctuations in the alumina market in 2006 and the beginning of 2007. The price is given in USD per ton on FOB and CIF terms.

Figure 2



	200	200	200	200	200	200	200	200	200	200	200	200	200	200
FOB	590	630	630	630	610	570	470	260	250	250	210	210	350	390
CIF	610	630	645	643	625	595	490	280	270	270	230	230	370	400

Source: CRU Monitor Alumina/ www.crumonitor.com

In its activities, the company is using credit lines. The variable tax rate of the credit lines depends on the VILIBOR (Vilnius Inter Bank Offering Rate) and LIBOR (London Inter Bank Offering Rate) fluctuations. An increase in the credit source price would have a negative impact on the company business.

The currency used for payments with business partners in Europe is EUR (Euro), in Asia and other continents it is USD (USA dollar). The fluctuations in the USD exchange rate may affect the result of the company.

ANNOUNCEMENT ON THE COMPLIANCE WITH THE GOVERNANCE CODE APPROVED BY THE STOCK EXCHANGE

In pursuance of the provisions of the EU directives, on 22 June 2006 the Seimas of the Republic of Lithuania adopted the Law on the Amendment of Articles 2, 6, 7, 13, 14, 17, 18, 19, 19_1, 40, 45, 52, and 61 of the Law on the Securities Market, Amendment of the Law by Adding Article 3, and Amendment of the Annex to the Law No X-714 (Official Gazette, 2006, No 77-2963), which inter alia prescribes the requirement for annual report of the companies, whose securities are traded on the stock exchange, to provide information on the compliance of the company with the Governance Code approved by the Stock Exchange.

AB Kauno Tiekimas securities are listed in Lithuania. Therefore, with respect of the provisions of the Law on Securities Market, Schedule 1 provides information on the compliance with the Governance Code of the companies, whose securities are traded on the Stock Exchange, approved by Vilnius Stock Exchange. We hope that the provided information will help the investors and other users of the reporting submitted by the company to obtain all the necessary information on our company.

Our company does not enjoy significant experience in complying with the Governance Code since the Governance Code was approved only in the second half of 2006. In this light, in the forthcoming business year we are going to make decisions which will make the corporate governance and performance transparency understandable to the investors and the corporate governance is deemed progressive.

ANALYSIS OF FINANCIAL AND NON-FINANCIAL BUSINESS RESULTS

The analysis of key financial indices is provided in the Schedules.

Schedule 2 Horizontal analysis of Balance Sheet indices

The largest AB Kauno Tiekimas assets volumes were recorded in 2005. In 2006, the total value of assets decreased by LTL251.2m. The non-current assets shrank by LTL9.21m. The decrease was mainly caused by the sales of non-current financial assets and the depreciation of the tangible non-current assets owned by the company.

The current assets reduced by LTL242.0m. The decrease was mainly caused by the decrease in amounts receivable within one year, inventories, and other non-current assets.

In 2006, the decrease in the liabilities of the company resulted from the fall in trade creditors by LTL308.4m.

In 2006 the shareholders' equity increased by 2.9% and amounted to LTL16.4m.

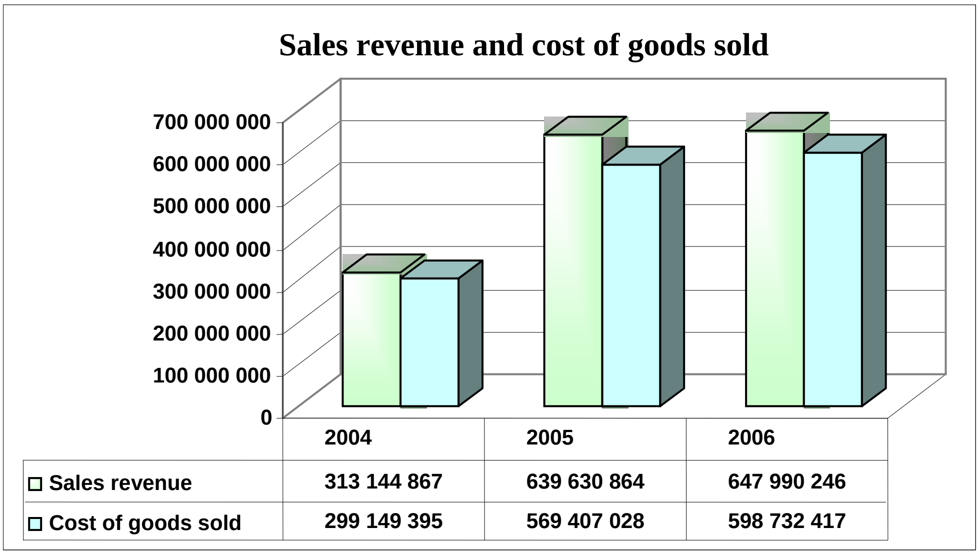
Schedule 3 Vertical analysis of Balance Sheet indices

Over the last 3 years the assets structure did not experience significant changes. In 2006 the current and non-current assets accounted for 95.7% and 4.3% of total assets respectively. 92.9% of all assets were acquired with borrowed funds and 7.1% was acquired for the company's own money.

Schedule 4 Analysis of Profit and Loss Account

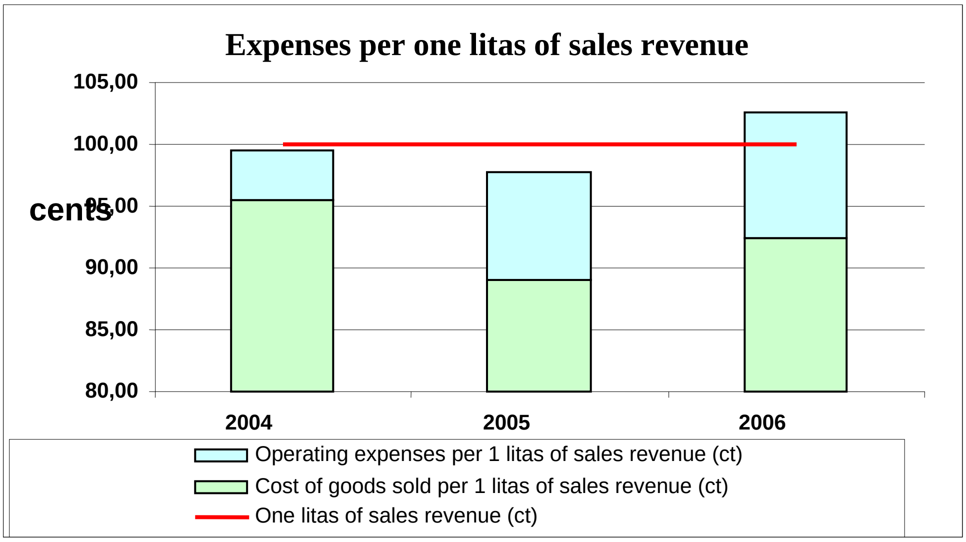
In 2006 the sales revenue increased by LTL8.4m or 1.3%. The cost of goods sold increased by LTL29.3m or 5%. Due to higher energy resource prices and significantly lower alumina market prices in Quarter 4 2006, the gross profit of the company shrank by LTL30m in comparison to 2005.

Figure 3



In 2006 the operating expenses increased by LTL10.8m or 19.5%. The dynamics of expenses per one litas of sales revenue is reflected in figure 4.

Figure 4



Other operating revenue decreased by LTL8.9m. The revenue from financial and investing activities increased by LTL16.5m.

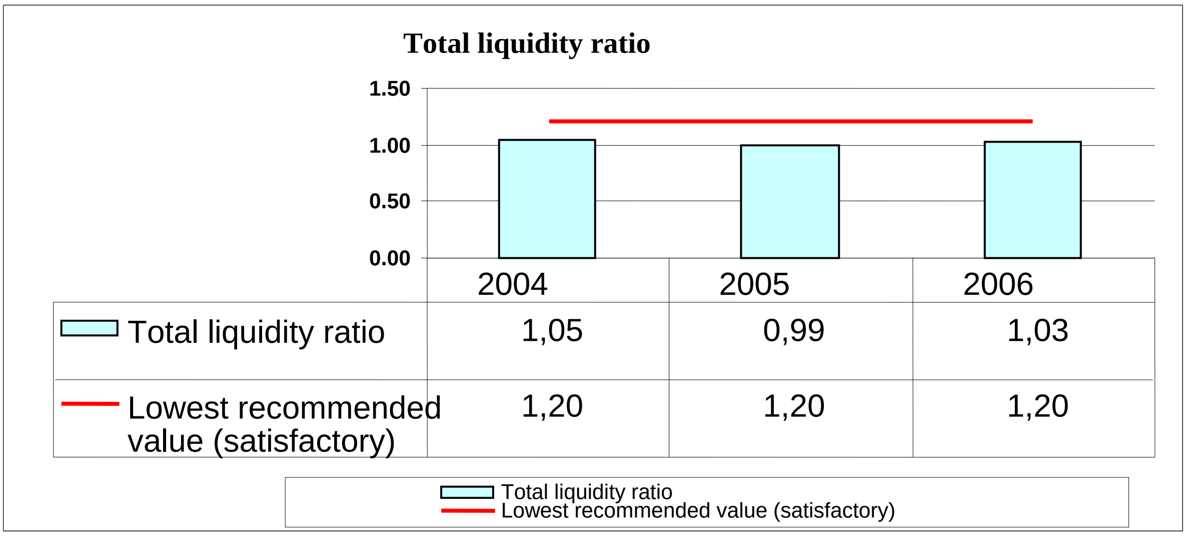
Compared to 2005, the net profit in 2006 decreased by LTL4.5m and accounted for LTL472,066.

<u>Schedule 5</u> Summary of liquidity ratio calculations

The liquidity ratio of the company shows the degree to which the current assets cover the current liabilities.

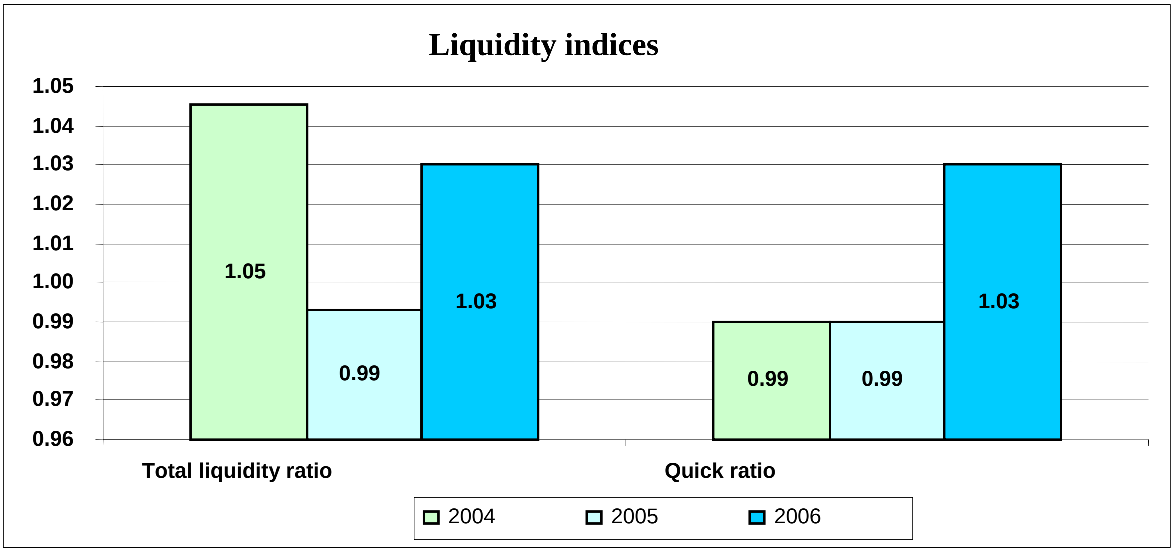
The total liquidity ratio increased by 0.04 points as a result of reduced current assets and amounts payable within one year. The index value is higher than 1, which means that the company is able to pay its current liabilities from current assets.

Figure 5



The comparison of the total liquidity ratio to the quick ratio shows the same growth rates (as compared between 2005 and 2006); the growth of this index indicates improvement in the inventory management policy.

Figure 6

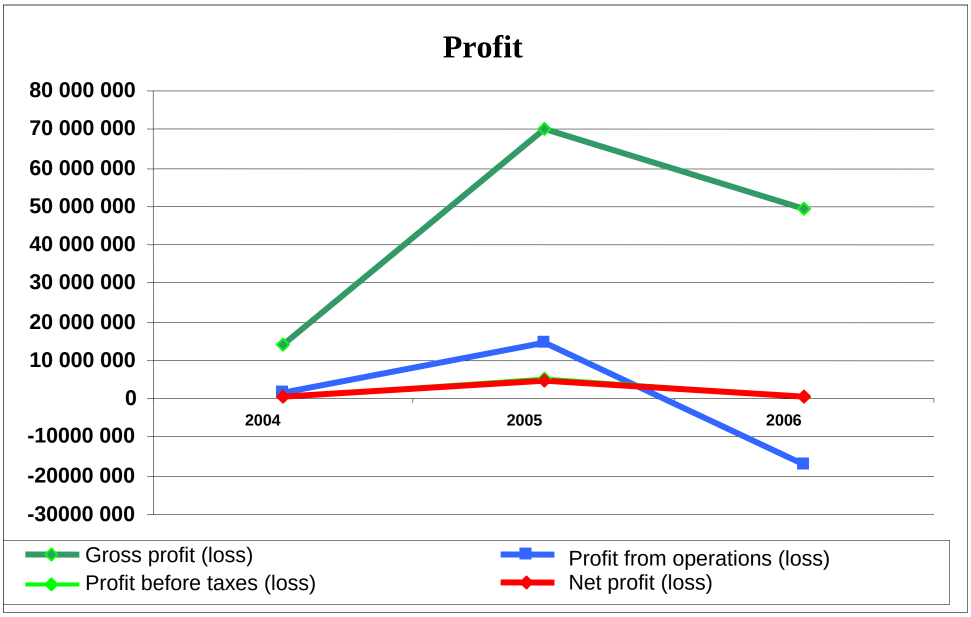


The net working capital is defined as current assets minus current liabilities. At the end of 2005 this value was negative. In 2006 it became positive and amounted to LTL6,433,986.

Schedule 6 Summary of profitability ratio calculations

The profitability indices showed a tendency of decrease:

Figure 7



Schedule 7 Summary of financial leverage ratio calculations

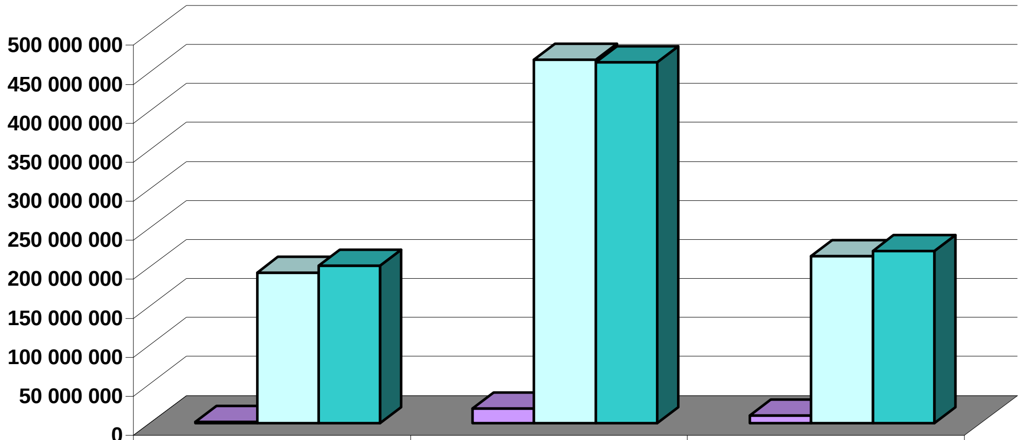
The debt ratio tells how much the company relies on debt to finance assets. Over the last 3 years this ratio was fluctuating and at the end of 2006 it was 0.93.

The debt-to-equity ratio indicates the relative proportion of equity and debt. At the end of 2006 it was 13.04.

Figure 8 compares non-current and current liabilities with non-current and current assets and Figure 9 provides the ratio of the company liabilities and assets.

Figure 8

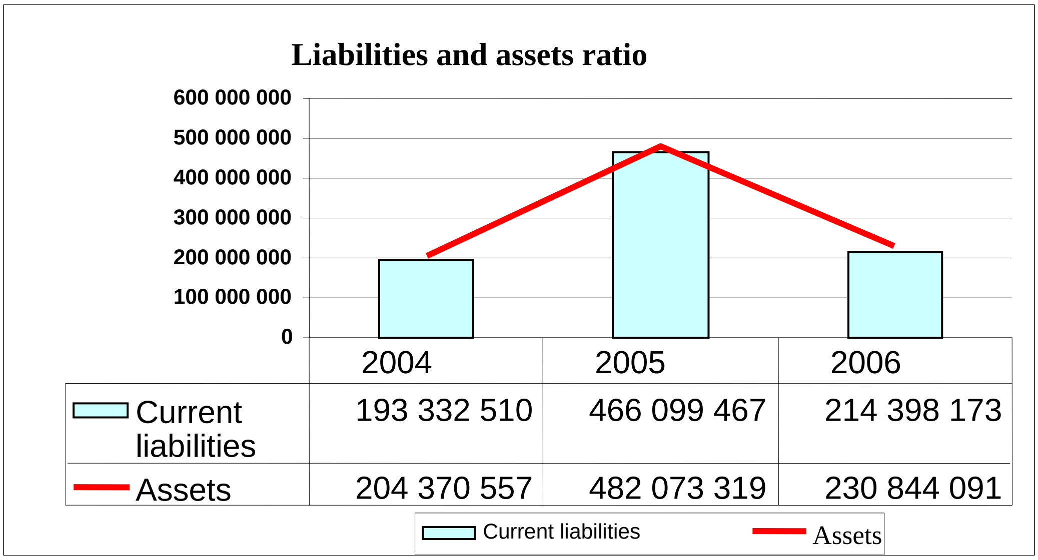
Comparison of current liabilities with non-current and current assets



	2004 metai	2005 metai	2006 metai
Ilgalaikis turtas	2 218 349	19 225 971	10 011 932
Trumpalaikiai įsipareigojimai	193 332 510	466 099 467	214 398 173
Trumpalaikis turtas	202 152 208	462 847 348	220 832 159

Ilgalaikis turtas   Trumpalaikiai įsipareigojimai   Trumpalaikis turtas

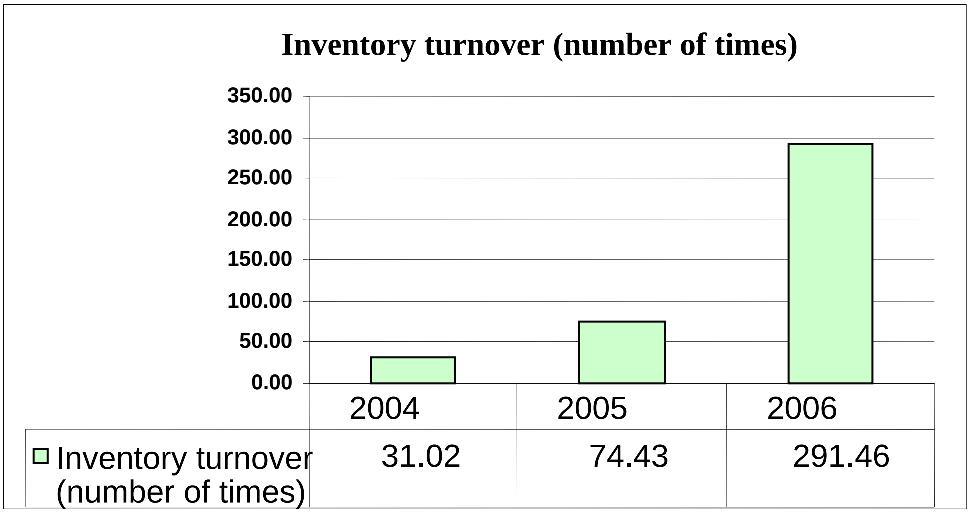
Figure 9



Schedule 8 **Summary of assets turnover ratio calculations**

The schedule provides analysis of inventory turnover, receivables turnover, net working capital turnover, non-current assets turnover, and assets turnover. The inventory turnover enjoyed the largest growth.

Figure 10



INFORMATION RELATED TO ENVIRONMENT AND STAFF ISSUES

The company leases out its cement elevator where the wholesale trade and packing of cement is performed. The company uses vehicles, tractors and railway transport and therefore it pays pollution taxes for discharge from stationary pollution sources.

The company employed 65 persons at the beginning of the previous financial year and 59 at the end of the financial year.

At the company, the pay to the employees includes a fixed and variable portion. The variable portion depends on the business results of the company, efficiency of the employee, performance of urgent and complicated tasks, disciplinary punishments, qualification, and other factors.

There is no pension funding in the company.

REFERENCES AND FURTHER EXPLANATIONS ON THE DATA PROVIDED IN THE ANNUAL FINANCIAL STATEMENTS

The data provided in the annual statements are detailed in the Explanatory Notes.

INFORMATION ON THE ACQUIRED SHARES AND COMPANY'S SHARES HELD BY THE COMPANY

Over the previous periods and the reporting period the company has not purchased its own shares, has made no payments for its own shares, and it is not planning to purchase its own shares.

INFORMATION ON THE COMPANY BRANCHES AND REPRESENTATIVE OFFICES

The company has one branch. AB Kauno Tiekimas branch was registered on 8 November 2002. The code of the branch is 235944730. The branch is a structural unit of the company which is not a legal person. The activities of the branch are regulated by its Statute. The Director shall organize the work of the branch, direct the economic activities of the branch, manage the property, issues orders, and approve/sign the documents. AB Kauno Tiekimas branch specialises in sale of alumina and other aluminium industry products and it sells the products produced by Birač factory operating in Bosnia and Herzegovina.

MATERIAL EVENTS SINCE THE END OF THE LAST FINANCIAL YEAR

In 2007, AB Kauno Tiekimas became a prize-winner of the fast-growing SMEs competition Gazelle, which is organised by daily Verslo Žinios, and was nominated Gazelle of the Year. We believe that this award will be beneficial for the business. This competition is known in Europe and all over the world according to the rules of the competition, the Gazelle of the Year is allowed to use the logo of the competition on its stationary and in its advertisements for a period of three years.

COMPANY'S BUSINESS PLANS AND FORECASTS, INFORMATION ON THE RESEARCH AND DEVELOPMENT ACTIVITIES IN THE COMPANY

The further perspectives of the company activities are related to the trade in alumina and other products of aluminium industry. Therefore the company puts emphasis on the market research and prospective business planning. Brief overviews of the feasibility study and business plan are provided below.

Feasibility study on the development of aluminium sector and electricity economy in Bosnia and Herzegovina

The constant growth of the aluminium demand and production in the global market produces a respective increase in the demand for the main raw material in aluminium production, i.e. alumina. Despite the development of the closely related markets in the recent years, the international competition may significantly increase in the future, which will bring about changes in the positions of all market players. China and Australia enjoy especially large alumina and aluminium production potential and there is a risk of those countries setting up new alumina and aluminium plants, which will present tough competition to the European producers.

Currently the company is selling products produced by Birač factory, Bosnia and Herzegovina.

Over the recent years the volumes of AB Kauno Tiekimas sales of alumosilicate chemicals were growing and presently they constitute the main business activity of the company generating the largest revenue and profit. Based on the assessment of the market situation, the company predicts a likely risk of the alumina prices falling dramatically in the future, which would result in loss-making performance of Birač factory. Under such circumstances, Birač factory would endeavour to minimise the losses and to reduce the production volumes. If the market situation becomes very unfavourable, the factory might even suspend their production. In such event the performance results of the company would also decline: the sales and profit margins would decrease.

The company is seeking to diversify the business risks and considering the possibilities of expanding its business volumes by taking advantage of its extensive experience in the aluminium market, i.e. taking up trade in aluminium, which enjoys larger profit margin in comparison to alumina and consequently less distressful market price fluctuations. Currently the company sees the greatest aluminium production perspectives in Bosnia and Herzegovina, which has the required infrastructure for aluminium production: an alumina refinery and bauxite mines. Furthermore, the economy and social sector of Bosnia and Herzegovina are closely related to aluminium industry and therefore it is likely that the government will grant various incentives to the aluminium factory in order to ensure further development of this sector.

At the present moment the company does not have possibilities of making independent investments into the construction of the new aluminium line and therefore it is planning to look for partners who would be interested in making such investments. The feasibility study was made to assess the attractiveness of the planned investments and the potential business results of the company.

The feasibility study analyses the aluminium production line with the capacity of 125,000 t/year. However this line requires continuous supply of large volumes of electric power: 1,690 GWh is required to produce the aforesaid annual volumes of aluminium. Therefore apart from the benefits derived by the investors from aluminium production line and the potential business results of the company, the study also analyses the power economy of Bosnia and Herzegovina since electric power represents one of the key energy resources in aluminium production, which affects the overall success of the business. According to the calculations and recommendations provided by energy experts, it is necessary to install 350-400 MW generators to produce the required electric power volumes. In that respect, the feasibility study analyses the possibility of investing into the electric power station located in Bosnia and Herzegovina or building one or two new electric power stations.

The performed analysis of the power economy of Bosnia and Herzegovina shows that the country has favourable conditions for investing into the production of different types of energy: hydro, thermal, and gas. The study also provides calculations which provide 6 scenarios of the return on investment into the aluminium production line. They reflect different potential alumina and aluminium market situations. Such large number of different market situation scenarios show that the investment risk is quite big since it is rather complicated to forecast the alumina and aluminium markets for a period exceeding 1 year.

Business plan

The business plan, which was drawn up in November 2006, surveys the alumina raw material, alumina, and aluminium market. It provides detailed descriptions of the business organisation schemes and financial forecasts. Subject to a favourable market situation, the alumina sales volumes are expected to grow in 2007 and the estimated annual sales are approximately 500 thousand tons of alumina.

USE OF FINANCIAL INSTRUMENTS

To develop its business, the company needs additional working capital. In order to secure a sufficient level of working capital, the company is using credit resources. An agreement on credit line has been made with AB Ūkio Bankas.

The factoring agreement with AB Ūkio Bankas provided the company with a possibility to get funds required for payments without pledging its assets. The factoring agreement reduced the risk of debts related to insolvency of the customers.

AB Kauno Tiekimas did not use derivative financial instruments.

Irena Keblerienė
General Director

Schedule 1

AB Kauno Tiekimas announcement on the compliance with the Governance Code of the companies whose securities are traded on a regulated market

In pursuance of Part 3 Article 21 of the Law on Securities of the Republic of Lithuania and item 20.5 of the Trading Rules of the Vilnius Stock Exchange, AB Kauno Tiekimas hereby discloses its compliance with the Governance Code, approved by the VSE for the companies listed on the regulated market, and its specific provisions.

PRINCIPLES/ RECOMMENDATIONS	YES/NO /NOT APPLICABLE	COMMENTARY
Principle I: Basic Provisions **The overriding objective of a company should be to operate in common interests of all the shareholders by optimizing over time shareholder value.**		
1.1. A company should adopt and make public the company's development strategy and objectives by clearly declaring how the company intends to meet the interests of its shareholders and optimize shareholder value.	Yes	The Company's development strategy and objectives are disclosed in the annual Prospectus-Report and published on the website of the Securities Commission of the Republic of Lithuania www.vpk.lt
1.2. All management bodies of a company should act in furtherance of the declared strategic objectives in view of the need to optimize shareholder value.	Yes	In pursuance of the provisions of the Articles of Association, the bodies of the Company are acting in furtherance of the declared strategic objectives in view of the need to increase the shareholders' equity.
1.3. A company's supervisory and management bodies should act in close co-operation in order to attain maximum benefit for the company and its shareholders.	Yes	In the Company, this recommendation is implemented by the Board and the Head of the Company, who is a Board Member. The Chairman of the Board is responsible for convening the meetings in a proper manner, informing all the members of the convened meeting, and for the agenda of the meeting. The Board Meetings are convened at least once monthly or, if required, more frequently. The Board Members are informed of the convened meeting and its agenda in advance, which ensures that the decisions are properly made in the interest of the Company and its shareholders.
1.4. A company's supervisory and management bodies should ensure that the rights and interests of persons other than the company's shareholders (e.g. employees, creditors, suppliers, clients, local community), participating in or connected with the company's operation, are duly respected.	Yes	The Company management system ensures that the rights and interests of all the persons participating in the Company activities (employees, creditors, suppliers, and customers) are duly respected. When making decisions important to the Company, representatives of the Company employees are invited to participate at the Board Meetings. Some of the employees are shareholders of the Company. Relations with the creditors, suppliers, and customers are governed by contractual obligations that are fully observed. Support to the local community is provided in the fields of sports, art, and education.

Principle II: The corporate governance framework **The corporate governance framework should ensure the strategic guidance of the company, the effective oversight of the company's management bodies, an appropriate balance and distribution of functions between the company's bodies, protection of the shareholders' interests.**		
2.1. Besides obligatory bodies provided for in the Law on Companies of the Republic of Lithuania – a general shareholders' meeting and the chief executive officer, it is recommended that a company should set up both a collegial supervisory body and a collegial management body. The setting up of collegial bodies for supervision and management facilitates clear separation of management and supervisory functions in the company, accountability and control on the part of the chief executive officer, which, in its turn, facilitate a more efficient and transparent management process.	No	Currently a supervisory board is not set up in the Company. In their performance, the Head of the Company observes the laws, other legislation, the Articles of Association of the Company, the resolutions and decisions of the General Meeting and the Board, and the work regulations. The Head of the Company reports to the Board and the Board controls their performance.
2.2. A collegial management body is responsible for the strategic management of the company and performs other key functions of corporate governance. A collegial supervisory body is responsible for the effective supervision of the company's management bodies.	Yes	The Board of the Company is responsible for the strategic management of the Company and performs other key functions of corporate governance.
2.3. Where a company chooses to form only one collegial body, it is recommended that it should be a supervisory body, i.e. the supervisory board. In such a case, the supervisory board is responsible for the effective monitoring of the functions performed by the company's chief executive officer.	No	The Company has formed only one collegial body, i.e. the Board.
2.4. The collegial supervisory body to be elected by the general shareholders' meeting should be set up and should act in the manner defined in Principles III and IV. Where a company should decide not to set up a collegial supervisory body but rather a collegial management body, i.e. the board, Principles III and IV should apply to the board as long as that does not contradict the essence and purpose of this body.	Yes	The Company has one collegial body, i.e. the Board, which is responsible for the supervision of the Head of the Company. Principles III and IV apply to the Board as long as that does not contradict the essence and purpose of this body.
2.5. Company's management and supervisory bodies should comprise such number of board (executive directors) and supervisory (non-executive directors) board members that no individual or small group of individuals can dominate decision-making on the part of these bodies.	Yes	The Board of the Company comprises of 3 members. This number was decided by the General Meeting. The number of the Board Members satisfies the present scope and the main fields of the Company activities.
2.6. Non-executive directors or members of the supervisory board should be appointed for specified terms subject to individual re-election, at maximum intervals provided for in the Lithuanian legislation with a view to ensuring necessary development of professional experience and sufficiently frequent reconfirmation of their status. A possibility to remove them should also be stipulated however this procedure should not be easier than the removal procedure for an executive director or a member of the management board.	No	Currently the supervisory board is not formed in the company.
2.7. Chairman of the collegial body elected by the general shareholders' meeting may be a person whose current or past office constitutes no obstacle	Yes	The Chairman of the Board does not serve as the Head of the Company and has never occupied this position.

to conduct independent and impartial supervision. Where a company should decide not to set up a supervisory board but rather the board, it is recommended that the chairman of the board and chief executive officer of the company should be a different person. Former company's chief executive officer should not be immediately nominated as the chairman of the collegial body elected by the general shareholders' meeting. When a company chooses to departure from these recommendations, it should furnish information on the measures it has taken to ensure impartiality of the supervision.		
Principle III: The order of the formation of a collegial body to be elected by a general shareholders' meeting **The order of the formation a collegial body to be elected by a general shareholders' meeting should ensure representation of minority shareholders, accountability of this body to the shareholders and objective monitoring of the company's operation and its management bodies.**		
3.1. The mechanism of the formation of a collegial body to be elected by a general shareholders' meeting (hereinafter in this Principle referred to as the 'collegial body') should ensure objective and fair monitoring of the company's management bodies as well as representation of minority shareholders.	Yes	From time to time, the Board of the Company checks the qualification of the Head of the Company related to the discharge of their direct functions. Information on the Head of the Company is revealed in the annual Prospectus-Report.
3.2. Names and surnames of the candidates to become members of a collegial body, information about their education, qualification, professional background, positions taken and potential conflicts of interest should be disclosed early enough before the general shareholders' meeting so that the shareholders would have sufficient time to make an informed voting decision. All factors affecting the candidate's independence, the sample list of which is set out in Recommendation 3.7, should be also disclosed. The collegial body should also be informed on any subsequent changes in the provided information. The collegial body should, on yearly basis, collect data provided in this item on its members and disclose this in the company's annual report.	Yes	At least 10 days before the General Meeting the shareholders are revealed all the information on the candidates to become members of a collegial body.
3.3. Should a person be nominated for members of a collegial body, such nomination should be followed by the disclosure of information on candidate's particular competences relevant to his/her service on the collegial body. In order shareholders and investors are able to ascertain whether member's competence is further relevant, the collegial body should, in its annual report, disclose the information on its composition and particular competences of individual members which are relevant to their service on the collegial body.	Yes	Each person nominated for members of a collegial body provide the Board of the Company with information on the candidate's particular competences, education, and refresher courses taken thereby. Every year, information on the Board composition has been disclosed in the Annual Reports. This code recommendation is also observed in the Annual Report for 2006.
3.4. In order to maintain a proper balance in terms of the current qualifications possessed by its members, the collegial body should determine its desired composition with regard to the company's structure and activities, and have this periodically evaluated. The collegial body should ensure that it is composed of members who, as a whole, have the required	Yes	The Board Members have the required diversity of knowledge, judgment and experience to complete their tasks properly. The audit committee is not formed in the Company.

diversity of knowledge, judgment and experience to complete their tasks properly. The members of the audit committee, collectively, should have a recent knowledge and relevant experience in the fields of finance, accounting and/or audit for the stock exchange listed companies.		
3.5. All new members of the collegial body should be offered a tailored program focused on introducing a member with his/her duties, corporate organization and activities. The collegial body should conduct an annual review to identify fields where its members need to update their skills and knowledge.	Yes	With respect of the Company structure and the nature of its activities, the Board Members, as a whole, have the required diversity of knowledge, judgment and experience to complete their tasks properly. They participate at seminars and take courses where they get information on material changes in legislation governing the activities of the Company that may influence the performance of the Company.
3.6. In order to ensure that all material conflicts of interest related with a member of the collegial body are resolved properly, the collegial body should comprise a sufficient number of independent members.	No	Until now the independency of the Board Members has not been taken into account in the practice of the Company. The prospective plans of the Company include the consideration of the number of independent members and the search of prospective candidates.
3.7. A member of the collegial body should be considered to be independent only if he is free of any business, family or other relationship with the company, its controlling shareholder or the management of either, that creates a conflict of interest such as to impair his judgment. Since all cases when member of the collegial body is likely to become dependant are impossible to list, moreover, relationships and circumstances associated with the determination of independence may vary amongst companies and the best practices of solving this problem are yet to evolve in the course of time, assessment of independence of a member of the collegial body should be based on the contents of the relationship and circumstances rather than their form. The key criteria for identifying whether a member of the collegial body can be considered to be independent are the following: 1) He/she is not an executive director or member of the board (if a collegial body elected by the general shareholders' meeting is the supervisory board) of the company or any associated company and has not been such during the last five years; 2) He/she is not an employee of the company or some any company and has not been such during the last three years, except for cases when a member of the collegial body does not belong to the senior management and was elected to the collegial body as a representative of the employees; 3) He/she is not receiving or has been not receiving significant additional remuneration from the company or associated company other than remuneration for the office in the collegial body. Such additional remuneration includes participation in share options or some other performance based pay systems; it does not include compensation	No	Until now the independency of the Board Members has not been taken into account in the practice of the Company. The prospective plans of the Company include the consideration of the number of independent members and the search of prospective candidates.

payments for the previous office in the company (provided that such payment is no way related with later position) as per pension plans (inclusive of deferred compensations); 4) He/she is not a controlling shareholder or representative of such shareholder (control as defined in the Council Directive 83/349/EEC Article 1 Part 1); 5) He/she does not have and did not have any material business relations with the company or associated company within the past year directly or as a partner, shareholder, director or superior employee of the subject having such relationship. A subject is considered to have business relations when it is a major supplier or service provider (inclusive of financial, legal, counseling and consulting services), major client or organization receiving significant payments from the company or its group; 6) He/she is not and has not been, during the last three years, partner or employee of the current or former external audit company of the company or associated company; 7) He/she is not an executive director or member of the board in some other company where executive director of the company or member of the board (if a collegial body elected by the general shareholders' meeting is the supervisory board) is non-executive director or member of the supervisory board, he/she may not also have any other material relationships with executive directors of the company that arise from their participation in activities of other companies or bodies; 8) He/she has not been in the position of a member of the collegial body for over than 12 years; 9) He/she is not a close relative to an executive director or member of the board (if a collegial body elected by the general shareholders' meeting is the supervisory board) or to any person listed in above items 1 to 8. Close relative is considered to be a spouse (common-law spouse), children and parents.		

3.8. The determination of what constitutes independence is fundamentally an issue for the collegial body itself to determine. The collegial body may decide that, despite a particular member meets all the criteria of independence laid down in this Code, he cannot be considered independent due to special personal or company-related circumstances.	Yes	Despite a particular member meeting all the criteria of independence laid down in the Code, the Company Board may consider the member not to be independent due to special personal or company-related circumstances.
3.9. . Necessary information on conclusions the collegial body has come to in its determination of whether a particular member of the body should be considered to be independent should be disclosed. When a person is nominated to become a member of the collegial body, the company should disclose whether it considers the person to be independent. When a particular member of the collegial body does not meet one or more criteria of independence set out in this Code, the company should disclose its reasons for nevertheless considering the member to be independent. In addition, the company should annually disclose which members of the collegial body it considers to be independent.	No	Until now the Company did not practice the disclosure of the independency of the Board Members since the legislation regulating the Annual Report and the Governance Code took effect only in 2006.
3.10. When one or more criteria of independence set out in this Code has not been met throughout the year, the company should disclose its reasons for considering a particular member of the collegial body to be independent. To ensure accuracy of the information disclosed in relation with the independence of the members of the collegial body, the company should require independent members to have their independence periodically re-confirmed.	No	The Company Board has no independent members; up to now, information on their independence has not been disclosed.
3.11. In order to remunerate members of a collegial body for their work and participation in the meetings of the collegial body, they may be remunerated from the company's funds.. The general shareholders' meeting should approve the amount of such remuneration.	N/A	The Board Members are not remunerated from the Company's funds.
Principle IV: The duties and liabilities of a collegial body elected by the general shareholders' meeting **The corporate governance framework should ensure proper and effective functioning of the collegial body elected by the general shareholders' meeting, and the powers granted to the collegial body should ensure effective monitoring of the company's management bodies and protection of interests of all the company's shareholders.**		
4.1. The collegial body elected by the general shareholders' meeting (hereinafter in this Principle referred to as the 'collegial body') should ensure integrity and transparency of the company's financial statements and the control system. The collegial body should issue recommendations to the company's management bodies and monitor and control the company's management performance.	Yes	The Board of the Company issues recommendations to the General Meeting on the annual financial statements, draft distribution of profit, performance of the Head of the Company, and ensures the integrity and transparency of the Company's financial statements and the control system.
4.2. Members of the collegial body should act in good faith, with care and responsibility for the benefit and in the interests of the company and its shareholders with due regard to the interests of employees and public welfare. Independent members of the collegial body should (a) under all circumstances maintain independence of their analysis, decision-making and actions (b) do not seek	Yes	The Company Board Members act bona fide, with care and responsibility for the benefit and in the interests of the Company and its shareholders and with due regard to the interests of employees and public welfare. The Company Board Members act in good faith in the best interest of the Company rather than in their own interests or those of third persons. They prudently make all the decisions, consult experts, lawyers, and relevant employees on the validity, legitimacy, and expedience

and accept any unjustified privileges that might compromise their independence, and (c) clearly express their objections should a member consider that decision of the collegial body is against the interests of the company. Should a collegial body have passed decisions independent member has serious doubts about, the member should make adequate conclusions. Should an independent member resign from his office, he should explain the reasons in a letter addressed to the collegial body or audit committee and, if necessary, respective company-not-pertaining body (institution).		of taken actions.
4.3. Each member should devote sufficient time and attention to perform his duties as a member of the collegial body. Each member of the collegial body should limit other professional obligations of his (in particular any directorships held in other companies) in such a manner they do not interfere with proper performance of duties of a member of the collegial body. In the event a member of the collegial body should be present in less than a half of the meetings of the collegial body throughout the financial year of the company, shareholders of the company should be notified.	Yes	The Board Members are properly performing the functions assigned thereto and take active participation in all the meetings. Absence from the meeting is only allowed if the Board Member is taken ill.
4.4. Where decisions of a collegial body may have a different effect on the company's shareholders, the collegial body should treat all shareholders impartially and fairly. It should ensure that shareholders are properly informed on the company's affairs, strategies, risk management and resolution of conflicts of interest. The company should have a clearly established role of members of the collegial body when communicating with and committing to shareholders.	Yes	The Company management system ensures that all the shareholders' rights are protected, irrespective of the number of shares held thereby or of the fact whether a shareholder is a citizen of the Republic of Lithuania or a foreign entity. The Board Members treat all the shareholders impartially and fairly in pursuance of the Law on Companies of the Republic of Lithuania and the provisions of the Board regulations.
4.5. It is recommended that transactions (except insignificant ones due to their low value or concluded when carrying out routine operations in the company under usual conditions), concluded between the company and its shareholders, members of the supervisory or managing bodies or other natural or legal persons that exert or may exert influence on the company's management should be subject to approval of the collegial body. The decision concerning approval of such transactions should be deemed adopted only provided the majority of the independent members of the collegial body voted for such a decision.	Yes	All transactions (except insignificant ones due to their low value or concluded when carrying out routine operations in the Company under usual conditions), which are concluded between the Company and its shareholders or other natural or legal persons that exert or may exert influence on the Company's management are approved by the Board. The decision is adopted by a majority vote of the Board Members. This procedure is prescribed by the Board work regulations.
4.6. The collegial body should be independent in passing decisions that are significant for the company's operations and strategy. Taken separately, the collegial body should be independent of the company's management bodies. Members of the collegial body should act and pass decisions without an outside influence from the persons who have elected it. Companies should ensure that the collegial	Yes	In view of the provisions of Par 3.7. of the Code, the Company Board Members may not be considered independent. The Board is independent in passing decisions that are significant for the Company's operations and strategy. The Board is independent of the Head of the Company. The Board is provided with sufficient resources to discharge their duties.

body and its committees are provided with sufficient administrative and financial resources to discharge their duties, including the right to obtain, in particular from employees of the company, all the necessary information or to seek independent legal, accounting or any other advice on issues pertaining to the competence of the collegial body and its committees.		
4.7. Activities of the collegial body should be organized in a manner that independent members of the collegial body could have major influence in relevant areas where chances of occurrence of conflicts of interest are very high. Such areas to be considered as highly relevant are issues of nomination of company's directors, determination of directors' remuneration and control and assessment of company's audit. Therefore when the mentioned issues are attributable to the competence of the collegial body, it is recommended that the collegial body should establish nomination, remuneration, and audit committees. Companies should ensure that the functions attributable to the nomination, remuneration, and audit committees are carried out. However they may decide to merge these functions and set up less than three committees. In such case a company should explain in detail reasons behind the selection of alternative approach and how the selected approach complies with the objectives set forth for the three different committees. Should the collegial body of the company comprise small number of members, the functions assigned to the three committees may be performed by the collegial body itself, provided that it meets composition requirements advocated for the committees and that adequate information is provided in this respect. In such case provisions of this Code relating to the committees of the collegial body (in particular with respect to their role, operation, and transparency) should apply, where relevant, to the collegial body as a whole.	No	Issues of nomination of the Company Director and determination of the Director's remuneration are addressed by the Company Board. The audit is performed by an independent auditor elected at the General Meeting. In view of the structure, size, and activities of the Company, the committees prescribed in Par 4.7. of the Code have not been formed and their functions are going to be delegated to the collegiate body itself.
4.8. The key objective of the committees is to increase efficiency of the activities of the collegial body by ensuring that decisions are based on due consideration, and to help organize its work with a view to ensuring that the decisions it takes are free of material conflicts of interest. Committees should present the collegial body with recommendations concerning the decisions of the collegial body. Nevertheless the final decision shall be adopted by the collegial body. The recommendation on creation of committees is not intended, in principle, to constrict the competence of the collegial body or to remove the matters considered from the purview of the collegial body itself, which remains fully responsible for the decisions taken in its field of	No	In view of the structure, size, and activities of the Company, the collegiate body committees have not been formed. The Company Board remains fully responsible for the decisions taken in the field of its competence.

competence.		
4.9. Committees established by the collegial body should normally be composed of at least three members. In companies with small number of members of the collegial body, they could exceptionally be composed of two members. Majority of the members of each committee should be constituted from independent members of the collegial body. In cases when the company chooses not to set up a supervisory board, remuneration and audit committees should be entirely comprised of non-executive directors. Chairmanship and membership of the committees should be decided with due regard to the need to ensure that committee membership is refreshed and that undue reliance is not placed on particular individuals.	No	The Company Board is composed of three members, who may not be considered independent in pursuance of the provisions of Par. 3.7. of the Code. The audit is performed by an independent auditor. Currently it is not possible to form nomination, remuneration, and audit committees, where the majority of members would be independent members of a collegiate body.
4.10. Authority of each of the committees should be determined by the collegial body. Committees should perform their duties in line with authority delegated to them and inform the collegial body on their activities and performance on regular basis. Authority of every committee stipulating the role and rights and duties of the committee should be made public at least once a year (as part of the information disclosed by the company annually on its corporate governance structures and practices). Companies should also make public annually a statement by existing committees on their composition, number of meetings and attendance over the year, and their main activities. Audit committee should confirm that it is satisfied with the independence of the audit process and describe briefly the actions it has taken to reach this conclusion.	No	The committees prescribed by the Code are not formed in the Company.
4.11. In order to ensure independence and impartiality of the committees, members of the collegial body that are not members of the committee should commonly have a right to participate in the meetings of the committee only if invited by the committee. A committee may invite or demand participation in the meeting of particular officers or experts. Chairman of each of the committees should have a possibility to maintain direct communication with the shareholders. Events when such are to be performed should be specified in the regulations for committee activities.	No	The committees prescribed by the Code are not formed in the Company.
4.12. Nomination Committee. 4.12.1. Key functions of the nomination committee should be the following: • Identify and recommend, for the approval of the collegial body, candidates to fill board vacancies. The nomination committee should evaluate the balance of skills, knowledge and experience on the management body, prepare a description of the roles and capabilities required to assume a particular office, and assess the time commitment expected. Nomination committee can also consider candidates to members of the collegial body delegated by the	No	The nomination committee is not formed in the Company.

shareholders of the company; • Assess on regular basis the structure, size, composition and performance of the supervisory and management bodies, and make recommendations to the collegial body regarding the means of achieving necessary changes; • Assess on regular basis the skills, knowledge and experience of individual directors and report on this to the collegial body; • Properly consider issues related to succession planning; • Review the policy of the management bodies for selection and appointment of senior management. 4.12.2. Nomination committee should consider proposals by other parties, including management and shareholders. When dealing with issues related to executive directors or members of the board (if a collegial body elected by the general shareholders' meeting is the supervisory board) and senior management, chief executive officer of the company should be consulted by, and entitled to submit proposals to the nomination committee.		
4.13. Remuneration Committee. 4.13.1. Key functions of the remuneration committee should be the following: • Make proposals, for the approval of the collegial body, on the remuneration policy for members of management bodies and executive directors. Such policy should address all forms of compensation, including the fixed remuneration, performance-based remuneration schemes, pension arrangements, and termination payments. Proposals considering performance-based remuneration schemes should be accompanied with recommendations on the related objectives and evaluation criteria, with a view to properly aligning the pay of executive director and members of the management bodies with the long-term interests of the shareholders and the objectives set by the collegial body; • Make proposals to the collegial body on the individual remuneration for executive directors and member of management bodies in order their remunerations are consistent with company's remuneration policy and the evaluation of the performance of these persons concerned. In doing so, the committee should be properly informed on the total compensation obtained by executive directors and members of the management bodies from the affiliated companies; • Make proposals to the collegial body on suitable forms of contracts for executive directors and members of the management bodies; • Assist the collegial body in overseeing how the company complies with applicable provisions regarding the remuneration-related information disclosure (in particular the remuneration policy applied and individual remuneration of directors); • Make general recommendations to the executive directors and members of the management bodies on the level and structure of remuneration for senior management (as defined by the collegial body) with regard to the respective information provided by the executive directors and members of the management bodies. 4.13.2. With respect to stock options and other share-based incentives which may be granted to directors	No	The remuneration committee is not formed in the Company.

or other employees, the committee should: • Consider general policy regarding the granting of the above mentioned schemes, in particular stock options, and make any related proposals to the collegial body; • Examine the related information that is given in the company's annual report and documents intended for the use during the shareholders meeting; • Make proposals to the collegial body regarding the choice between granting options to subscribe shares or granting options to purchase shares, specifying the reasons for its choice as well as the consequences that this choice has. 4.13.3. Upon resolution of the issues attributable to the competence of the remuneration committee, the committee should at least address the chairman of the collegial body and/or chief executive officer of the company for their opinion on the remuneration of other executive directors or members of the management bodies.		
4.14. Audit Committee. 4.14.1. Key functions of the audit committee should be the following: • Observe the integrity of the financial information provided by the company, in particular by reviewing the relevance and consistency of the accounting methods used by the company and its group (including the criteria for the consolidation of the accounts of companies in the group); • At least once a year review the systems of internal control and risk management to ensure that the key risks (inclusive of the risks in relation with compliance with existing laws and regulations) are properly identified, managed and reflected in the information provided; • Ensure the efficiency of the internal audit function, among other things, by making recommendations on the selection, appointment, reappointment and removal of the head of the internal audit department and on the budget of the department, and by monitoring the responsiveness of the management to its findings and recommendations. Should there be no internal audit authority in the company, the need for one should be reviewed at least annually; • Make recommendations to the collegial body related with selection, appointment, reappointment and removal of the external auditor (to be done by the general shareholders' meeting) and with the terms and conditions of his engagement. The committee should investigate situations that lead to a resignation of the audit company or auditor and make recommendations on required actions in such situations; • Monitor independence and impartiality of the external auditor, in particular by reviewing the audit company's compliance with applicable guidance relating to the rotation of audit partners, the level of fees paid by the company, and similar issues. In order to prevent occurrence of material conflicts of interest, the committee, based on the auditor's disclosed inter alia data on all remunerations paid by the company to the auditor and network, should at all times monitor nature and extent of the non-audit services. Having regard to the principals and guidelines established in the 16 May 2002 Commission Recommendation 2002/590/EC, the committee should determine and apply a formal	No	The audit committee is not formed in the Company.

policy establishing types of non-audit services that are (a) excluded, (b) permissible only after review by the committee, and (c) permissible without referral to the committee; • Review efficiency of the external audit process and responsiveness of management to recommendations made in the external auditor's management letter. 4.14.2. All members of the committee should be furnished with complete information on particulars of accounting, financial and other operations of the company. Company's management should inform the audit committee of the methods used to account for significant and unusual transactions where the accounting treatment may be open to different approaches. In such case a special consideration should be given to company's operations in offshore centers and/or activities carried out through special purpose vehicles (organizations) and justification of such operations. 4.14.3. The audit committee should decide whether participation of the chairman of the collegial body, chief executive officer of the company, chief financial officer (or superior employees in charge of finances, treasury and accounting), or internal and external auditors in the meetings of the committee is required (if required, when). The committee should be entitled, when needed, to meet with any relevant person without executive directors and members of the management bodies present. 4.14.4. Internal and external auditors should be secured with not only effective working relationship with management, but also with free access to the collegial body. For this purpose the audit committee should act as the principal contact person for the internal and external auditors. 4.14.5. The audit committee should be informed of the internal auditor's work program, and should be furnished with internal audit's reports or periodic summaries. The audit committee should also be informed of the work program of the external auditor and should be furnished with report disclosing all relationships between the independent auditor and the company and its group. The committee should be timely furnished information on all issues arising from the audit. 4.14.6. The audit committee should examine whether the company is following applicable provisions regarding the possibility for employees to report alleged significant irregularities in the company, by way of complaints or through anonymous submissions (normally to an independent member of the collegial body), and should ensure that there is a procedure established for proportionate and independent investigation of these issues and for appropriate follow-up action. 4.14.7. The audit committee should report on its activities to the collegial body at least once in every six months, at the time the yearly and half-yearly statements are approved.		
4.15. Every year the collegial body should conduct the assessment of its activities. The assessment should include evaluation of collegial body's	No	Since the Governance Code took effect in August 2006 the Company did not observe this Code provision. From 2007 the Company Board will conduct the assessment of its activities in

structure, work organization and ability to act as a group, evaluation of each of the collegial body member's and committee's competence and work efficiency and assessment whether the collegial body has achieved its objectives. The collegial body should, at least once a year, make public (as part of the information the company annually discloses on its management structures and practices) respective information on its internal organization and working procedures, and specify what material changes were made as a result of the assessment of the collegial body of its own activities.		pursuance of the Code provisions.
Principle V: The working procedure of the company's collegial bodies **The working procedure of supervisory and management bodies established in the company should ensure efficient operation of these bodies and decision-making and encourage active co-operation between the company's bodies.**		
5.1. The company's supervisory and management bodies (hereinafter in this Principle the concept 'collegial bodies' covers both the collegial bodies of supervision and the collegial bodies of management) should be chaired by chairpersons of these bodies. The chairperson of a collegial body is responsible for proper convocation of the collegial body meetings. The chairperson should ensure that information about the meeting being convened and its agenda are communicated to all members of the body. The chairperson of a collegial body should ensure appropriate conducting of the meetings of the collegial body. The chairperson should ensure order and working atmosphere during the meeting.	Yes	The Company Board is chaired by the Chairperson. One of the key and major responsibilities of the Chairperson is the proper convocation of the Board Meetings. The Chairperson ensures that information on the meeting being convened and its agenda are communicated to all the Board Members. The Chairperson ensures appropriate conducting of the Board Meetings. Usually the Chairperson chairs the Board Meeting. The Chairperson is entitled to require the Head of the Company to provide all information on economic and financial activities of the Company, which is necessary to organise the Board work and to make decisions.
5.2. It is recommended that meetings of the company's collegial bodies should be carried out according to the schedule approved in advance at certain intervals of time. Each company is free to decide how often to convene meetings of the collegial bodies, but it is recommended that these meetings should be convened at such intervals, which would guarantee an interrupted resolution of the essential corporate governance issues. Meetings of the company's supervisory board should be convened at least once in a quarter, and the company's board should meet at least once a month.	Yes	The Board work regulations prescribe the meetings to be convened at least once monthly or, if required, more frequently, i.e. at such intervals, which would guarantee a continuous resolution of the essential corporate governance issues.
5.3. Members of a collegial body should be notified about the meeting being convened in advance in order to allow sufficient time for proper preparation for the issues on the agenda of the meeting and to ensure fruitful discussion and adoption of appropriate decisions. Alongside with the notice about the meeting being convened, all the documents relevant to the issues on the agenda of the meeting should be submitted to the members of the collegial body. The agenda of the meeting should not be changed or supplemented during the meeting, unless all members of the collegial body are present or certain issues of great importance to the company require	Yes	The Board work regulations prescribe the meetings to be convened at least once monthly or, if required, more frequently, i.e. at such intervals, which would guarantee a continuous resolution of the essential corporate governance issues.

immediate resolution.		
5.4. In order to co-ordinate operation of the company's collegial bodies and ensure effective decision-making process, chairpersons of the company's collegial bodies of supervision and management should closely co-operate by co-coordinating dates of the meetings, their agendas and resolving other issues of corporate governance. Members of the company's board should be free to attend meetings of the company's supervisory board, especially where issues concerning removal of the board members, their liability or remuneration are discussed.	No	The supervisory board is not formed in the Company. The Head of the Company attends the Board Meetings because the Head of the Company is a Board Member. The Head of the Company presents the annual financial statements, the draft distribution of profit, the Annual Report of the Company, and other documents relative to the activities of the Company for the Board approval. The Board is entitled to require that certain decisions of the Head of the Company, which are in conflict with the law, the Articles of Association of the Company or the resolutions of the General Meeting, are cancelled.
Principle VI: The equitable treatment of shareholders and shareholder rights **The corporate governance framework should ensure the equitable treatment of all shareholders, including minority and foreign shareholders. The corporate governance framework should protect the rights of the shareholders.**		
6.1. It is recommended that the company's capital should consist only of the shares that grant the same rights to voting, ownership, dividend and other rights to all their holders.	Yes	The Company's capital consists of ordinary registered shares which grant equal rights to all their holders in pursuance of the Law on Companies of the Republic of Lithuania.
6.2. It is recommended that investors should have access to the information concerning the rights attached to the shares of the new issue or those issued earlier in advance, i.e. before they purchase shares.	Yes	The investors are informed of newly issued shares in the manner prescribed by the law of the Republic of Lithuania, i.e. through the information systems of the Securities Commission and Vilnius Stock Exchange. All the issue terms and conditions are contained in the Share Subscription Agreements.
6.3. Transactions that are important to the company and its shareholders, such as transfer, investment, and pledge of the company's assets or any other type of encumbrance should be subject to approval of the general shareholders' meeting. All shareholders should be furnished with equal opportunity to familiarize with and participate in the decision-making process when significant corporate issues, including approval of transactions referred to above, are discussed.	Yes	Since 2004 when the amendments to the Law on Companies and the Articles of Association of the company came into effect, transactions that are important to the Company and its shareholders, such as transfer, investment, pledge, rent, and acquisition of the Company's assets, are approved under the Board decision. The competencies of the General Meeting and the Board prescribed by the Articles of Association are concurrent with the provisions of the Law on Companies of the Republic of Lithuania.
6.4. Procedures of convening and conducting a general shareholders' meeting should ensure equal opportunities for the shareholders to effectively participate at the meetings and should not prejudice the rights and interests of the shareholders. The venue, date, and time of the shareholders' meeting should not hinder wide attendance of the shareholders. Prior to the shareholders' meeting, the company's supervisory and management bodies should enable the shareholders to lodge questions on issues on the agenda of the general shareholders' meeting and receive answers to them.	Yes	The General Meeting is convened in strict pursuance of the procedure prescribed by the Law on Companies of the Republic of Lithuania. The procedures related to the General Meeting prescribed by the Articles of Association are concurrent with the provisions of the Law on Companies of the Republic of Lithuania. In pursuance of the provisions and deadlines prescribed by the Law on Companies, prior to the General Meeting all the shareholders are provided equal opportunities to get information on the convened Meeting and its agenda.
6.5. It is recommended that documents on the course of the general shareholders' meeting, including draft resolutions of the meeting, should be placed on the publicly accessible website of the company in advance. It is recommended that the minutes of the general shareholders' meeting after signing them	Yes	In pursuance of the general procedure prescribed in the Law on Companies of the Republic of Lithuania, the shareholders are publicly informed on the convening of the General Meeting and at least 10 days before the Meeting they are provided a possibility to access the draft resolutions which are published on the Vilnius Stock Exchange website in Lithuanian and

and/or adopted resolutions should be also placed on the publicly accessible website of the company. Seeking to ensure the right of foreigners to familiarize with the information, whenever feasible, documents referred to in this recommendation should be published in English and/or other foreign languages. Documents referred to in this recommendation may be published on the publicly accessible website of the company to the extent that publishing of these documents is not detrimental to the company or the company's commercial secrets are not revealed.		English. The signed minutes of the General Meeting and the passed resolutions are placed in publicly accessible media and submitted to the Registrar of Legal Persons in the manner prescribed by the Law on Companies of the Republic of Lithuania to the extent that publishing of these documents is not detrimental to the Company or the Company's commercial secrets are not revealed.
6.6. Shareholders should be furnished with the opportunity to vote in the general shareholders' meeting in person and in absentia. Shareholders should not be prevented from voting in writing in advance by completing the general voting ballot.	Yes	The shareholders of the Company enjoy unrestricted voting rights and they may exercise the right in person or through their proxies. When the voting right is implemented through the proxy, the later submits a proxy or an agreement on the transfer of the voting right is made therewith. The proxy of a shareholder who is a natural person must be notarised, whereas the proxy of a shareholder who is a legal person must be signed by the Head of the Company and bear the company seal. At least 10 days before the General Meeting the Company sends the general ballots by registered mail or hand them in personally against signature to the shareholders if the shareholders entitled to vote so request in writing.
6.7. With a view to increasing the shareholders' opportunities to participate effectively at shareholders' meetings, the companies are recommended to expand use of modern technologies in voting processes by allowing the shareholders to vote in general meetings via terminal equipment of telecommunications. In such cases security of telecommunication equipment, text protection and a possibility to identify the signature of the voting person should be guaranteed. Moreover, companies could furnish its shareholders, especially foreigners, with the opportunity to watch shareholder meetings by means of modern technologies.	N/A	Up to now the Company did not have the need of implementing this recommendation; the shareholders take part in the General Meetings in person or through their proxies where they vote to express their opinion.
Principle VII: The avoidance of conflicts of interest and their disclosure **The corporate governance framework should encourage members of the corporate bodies to avoid conflicts of interest and assure transparent and effective mechanism of disclosure of conflicts of interest regarding members of the corporate bodies.**		
7.1. Any member of the company's supervisory and management body should avoid a situation, in which his/her personal interests are in conflict or may be in conflict with the company's interests. In case such a situation did occur, a member of the company's supervisory and management body should, within reasonable time, inform other members of the same collegial body or the company's body that has elected him/her, or to the company's shareholders about a situation of a conflict of interest, indicate the nature of the conflict and value, where possible.	Yes	The principle of avoiding any conflict of interests means the duty of the Company Board Members to be loyal and to act in the best interest of the Company and its shareholders. The personal interests of the Board Members are not in conflict with their obligations related to their position in the Company and their loyalty to the Company.
7.2. Any member of the company's supervisory and management body may not mix the company's	Yes	The Company Board Members do not use the property of the Company unless such use is allowed and agreed upon by the

assets, the use of which has not been mutually agreed upon, with his/her personal assets or use them or the information which he/she learns by virtue of his/her position as a member of a corporate body for his/her personal benefit or for the benefit of any third person without a prior agreement of the general shareholders' meeting or any other corporate body authorized by the meeting.		Board. The Company Board Members do not disclose confidential information or any other information that might cause damage to the Company or give the recipient of such information advantages with respect of the Company. The Company Board Members and executives have signed commercial secret non-disclosure agreements.
7.3. Any member of the company's supervisory and management body may conclude a transaction with the company, a member of a corporate body of which he/she is. Such a transaction (except insignificant ones due to their low value or concluded when carrying out routine operations in the company under usual conditions) must be immediately reported in writing or orally, by recording this in the minutes of the meeting, to other members of the same corporate body or to the corporate body that has elected him/her or to the company's shareholders. Transactions specified in this recommendation are also subject to recommendation 4.5.	Yes	The Company Board Members have not concluded any transactions with the Company. Such transaction should be immediately reported to the Board Members or the shareholders in writing or orally.
7.4. Any member of the company's supervisory and management body should abstain from voting when decisions concerning transactions or other issues of personal or business interest are voted on.	Yes	The Company Board Members are acquainted with these provisions and under the said circumstances, would implement this recommendation in practice.
Principle VIII: Company's remuneration policy **Remuneration policy and procedure for approval, revision and disclosure of directors' remuneration established in the company should prevent potential conflicts of interest and abuse in determining remuneration of directors, in addition it should ensure publicity and transparency both of company's remuneration policy and remuneration of directors.**		
8.1. A company should make a public statement of the company's remuneration policy (hereinafter the remuneration statement). This statement should be part of the company's annual accounts. Remuneration statement should also be posted on the company's website.	No	Since the Governance Code took effect in August 2006, the Company will not make a public statement of the Company's remuneration policy in pursuance of the requirements prescribed in Principle VIII of the Code.
8.2. Remuneration statement should mainly focus on directors' remuneration policy for the following year and, if appropriate, the subsequent years. The statement should contain a summary of the implementation of the remuneration policy in the previous financial year. Special attention should be given to any significant changes in company's remuneration policy as compared to the previous financial year.	No	The public statement of the Company's remuneration policy in pursuance of the requirements prescribed in Principle VIII will be publicly announced at the end of the coming financial year.

8.3. Remuneration statement should leastwise include the following information: • Explanation of the relative importance of the variable and non-variable components of directors' remuneration; • Sufficient information on performance criteria that entitles directors to share options, shares or variable components of remuneration; • Sufficient information on the linkage between the remuneration and performance; • The main parameters and rationale for any annual bonus scheme and any other non-cash benefits; • A description of the main characteristics of supplementary pension or early retirement schemes for directors.		See comments to Pars 8.1.– 8.2.
8.4. Remuneration statement should also summarize and explain company's policy regarding the terms of the contracts executed with executive directors and members of the management bodies. It should include, inter alia, information on the duration of contracts with executive directors and members of the management bodies, the applicable notice periods and details of provisions for termination payments linked to early termination under contracts for executive directors and members of the management bodies.		”
8.5. The information on preparatory and decision-making processes, during which a policy of remuneration of directors is being established, should also be disclosed. Information should include data, if applicable, on authorities and composition of the remuneration committee, names and surnames of external consultants whose services have been used in determination of the remuneration policy as well as the role of shareholders' annual general meeting.		”
8.6. Without prejudice to the role and organization of the relevant bodies responsible for setting directors' remunerations, the remuneration policy or any other significant change in remuneration policy should be included into the agenda of the shareholders' annual general meeting. Remuneration statement should be put for voting in shareholders' annual general meeting. The vote may be either mandatory or advisory.		”
8.7. Remuneration statement should also contain detailed information on the entire amount of remuneration, inclusive of other benefits, that was paid to individual directors over the relevant financial year. This document should list at least the information set out in items 8.7.1 to 8.7.4 for each person who has served as a director of the company at any time during the relevant financial year. 8.7.1. The following remuneration and/or emoluments-related information should be disclosed: • The total amount of remuneration paid or due to the director for services performed during the relevant financial year, inclusive of, where relevant, attendance fees fixed by the annual general		”

shareholders meeting; • The remuneration and advantages received from any undertaking belonging to the same group; • The remuneration paid in the form of profit sharing and/or bonus payments and the reasons why such bonus payments and/or profit sharing were granted; • If permissible by the law, any significant additional remuneration paid to directors for special services outside the scope of the usual functions of a director; • Compensation receivable or paid to each former executive director or member of the management body as a result of his resignation from the office during the previous financial year; • Total estimated value of non-cash benefits considered as remuneration, other than the items covered in the above points. 8.7.2. As regards shares and/or rights to acquire share options and/or all other share-incentive schemes, the following information should be disclosed: • The number of share options offered or shares granted by the company during the relevant financial year and their conditions of application; • The number of shares options exercised during the relevant financial year and, for each of them, the number of shares involved and the exercise price or the value of the interest in the share incentive scheme at the end of the financial year; • The number of share options unexercised at the end of the financial year; their exercise price, the exercise date and the main conditions for the exercise of the rights; • All changes in the terms and conditions of existing share options occurring during the financial year. 8.7.3. The following supplementary pension schemes-related information should be disclosed: • When the pension scheme is a defined-benefit scheme, changes in the directors' accrued benefits under that scheme during the relevant financial year; • When the pension scheme is defined-contribution scheme, detailed information on contributions paid or payable by the company in respect of that director during the relevant financial year. 8.7.4. The statement should also state amounts that the company or any subsidiary company or entity included in the consolidated annual financial statements of the company has paid to each person who has served as a director in the company at any time during the relevant financial year in the form of loans, advance payments or guarantees, including the amount outstanding and the interest rate.		
8.8. Schemes anticipating remuneration of directors in shares, share options or any other right to purchase shares or be remunerated on the basis of share price movements should be subject to the prior approval of shareholders' annual general meeting by way of a resolution prior to their adoption. The approval of scheme should be related with the scheme itself and not to the grant of such share-based benefits under that scheme to individual directors. All significant changes in scheme provisions should also be subject to shareholders' approval prior to their adoption; the approval decision should be made in shareholders' annual general meeting. In such case shareholders should be notified on all terms of suggested changes	No	The Company does not use schemes anticipating remuneration of directors in shares, since there have been no such cases in the Company. If there was such a possibility, such issues would be considered by the General Meeting, which would pass relevant resolutions.

and get an explanation on the impact of the suggested changes.		
8.9. The following issues should be subject to approval by the shareholders' annual general meeting: • Grant of share-based schemes, including share options, to directors; • Determination of maximum number of shares and main conditions of share granting; • The term within which options can be exercised; • The conditions for any subsequent change in the exercise of the options, if permissible by law; • All other long-term incentive schemes for which directors are eligible and which are not available to other employees of the company under similar terms. Annual general meeting should also set the deadline within which the body responsible for remuneration of directors may award compensations listed in this article to individual directors.		See comment to Par 8.8.
8.10. Should national law or company's Articles of Association allow, any discounted option arrangement under which any rights are granted to subscribe to shares at a price lower than the market value of the share prevailing on the day of the price determination, or the average of the market values over a number of days preceding the date when the exercise price is determined, should also be subject to the shareholders' approval. 8.11. Provisions of Articles 8.8 and 8.9 should not be applicable to schemes allowing for participation under similar conditions to company's employees or employees of any subsidiary company whose employees are eligible to participate in the scheme and which has been approved in the shareholders' annual general meeting.		”
8.12. Prior to the annual general meeting that is intended to consider decision stipulated in Article 8.8, the shareholders must be provided an opportunity to familiarize with draft resolution and project-related notice (the documents should be posted on the company's website). The notice should contain the full text of the share-based remuneration schemes or a description of their key terms, as well as full names of the participants in the schemes. Notice should also specify the relationship of the schemes and the overall remuneration policy of the directors. Draft resolution must have a clear reference to the scheme itself or to the summary of its key terms. Shareholders must also be presented with information on how the company intends to provide for the shares required to meet its obligations under incentive schemes. It should be clearly stated whether the company intends to buy shares in the market, hold the shares in reserve or issue new ones.		”

There should also be a summary on scheme-related expenses the company will suffer due to the anticipated application of the scheme. All information given in this article must be posted on the company's website.		
8.1. A company should make a public statement of the company's remuneration policy (hereinafter the remuneration statement). This statement should be part of the company's annual accounts. Remuneration statement should also be posted on the company's website.		”
Principle IX: The role of stakeholders in corporate governance **The corporate governance framework should recognize the rights of stakeholders as established by law and encourage active co-operation between companies and stakeholders in creating the company value, jobs and financial sustainability. For the purposes of this Principle, the concept "stakeholders" includes investors, employees, creditors, suppliers, clients, local community and other persons having certain interest in the company concerned.**		
9.1. The corporate governance framework should assure that the rights of stakeholders that are protected by law are respected.	Yes	The corporate governance framework assures that the rights of stakeholders that are protected by law are respected. For instance, the rights of the Company employees are prescribed by the Labour Code and such rights are not violated by the Company. Other internal agreements, agreements with the suppliers, customers, and creditors are comprehensively implemented, which, in its own turn, adds to the long-term success and good performance results of the Company.
9.2. The corporate governance framework should create conditions for the stakeholders to participate in corporate governance in the manner prescribed by law. Examples of mechanisms of stakeholder participation in corporate governance include: employee participation in adoption of certain key decisions for the company; consulting the employees on corporate governance and other important issues; employee participation in the company's share capital; creditor involvement in governance in the context of the company's insolvency, etc.	Yes	The conditions for the stakeholders to participate in corporate governance are created in the manner prescribed by the law.
9.3. Where stakeholders participate in the corporate governance process, they should have access to relevant information.	Yes	The stakeholders have access to relevant information unless that is in breach of the law and the rules on commercial secret disclosure.
Principle X: Information disclosure and transparency **The corporate governance framework should ensure that timely and accurate disclosure is made on all material information regarding the company, including the financial situation, performance and governance of the company.**		

10.1. . The company should disclose information on: • The financial and operating results of the company; • Company objectives; • Persons holding by the right of ownership or in control of a block of shares in the company; • Members of the company's supervisory and management bodies, chief executive officer of the company and their remuneration; • Material foreseeable risk factors; • Transactions between the company and connected persons, as well as transactions concluded outside the course of the company's regular operations; • Material issues regarding employees and other stakeholders; • Governance structures and strategy. This list should be deemed as a minimum recommendation, while the companies are encouraged not to limit themselves to disclosure of the information specified in this list.	Yes	Information on the Company is disclosed in the annual Prospectus-Report, the Explanatory Notes to the Financial Statements, the Report on the Company Activities, and in the Annual report as of 2007.
10.2. It is recommended that consolidated results of the whole group to which the company belongs should be disclosed when information specified in item 1 of Recommendation 10.1 is under disclosure.	No	The company does not belong to a consolidated company group.
10.3. It is recommended that information on the professional background, qualifications of the members of supervisory and management bodies, chief executive officer of the company should be disclosed as well as potential conflicts of interest that may have an effect on their decisions when information specified in item 4 of Recommendation 10.1 about the members of the company's supervisory and management bodies is under disclosure. It is also recommended that information about the amount of remuneration received from the company and other income should be disclosed with regard to members of the company's supervisory and management bodies and chief executive officer as per Principle VIII.	Yes	The information is provided in the Annual Report.
10.4. It is recommended that information about the links between the company and its stakeholders, including employees, creditors, suppliers, local community, as well as the company's policy with regard to human resources, employee participation schemes in the company's share capital, etc. should be disclosed when information specified in item 7 of Recommendation 10.1 is under disclosure.	Yes	The corporate governance framework assures that the rights of the employees and other stakeholders are respected. The requirements of the Labour Code with respect of the employees are strictly observed; they are offered favourable working conditions, e.g. life insurance policies are provided to the employees at the Company expense. The relations with the suppliers and customers are defined by contractual obligations which are not breached by the Company. Support to the local community is provided in the fields of sports, art, and education. Some of the employees are sahareholders of the Company.
10.5. Information should be disclosed in such a way that neither shareholders nor investors are discriminated with regard to the manner or scope of access to information. Information should be disclosed to all simultaneously. It is recommended that notices about material events should be announced before or after a trading session on the Vilnius Stock Exchange, so that all the company's shareholders and investors should have equal access to the information and make informed investing decisions.	Yes	As much as possible the Company provides information trough the Vilnius Stock Exchange information disclosure system in Lithuanian and English simultaneously. The submitted information is published by the Stock Exchange on its website and the trading system, which ensures simultaneous disclosure of information to everybody. The company publishes the information before or after the Vilnius Stock Exchange trading session. The Company does not disclose any information that is likely to affect the price of securities issued thereby either in the comments, at an interview or otherwise until such information

		is made public through the Stock Exchange information disclosure system..
10.6. Channels for disseminating information should provide for fair, timely and cost-efficient access to relevant information by users. It is recommended that information technologies should be employed for wider dissemination of information, for instance, by placing the information on the company's website. It is recommended that information should be published and placed on the company's website not only in Lithuanian, but also in English, and, whenever possible and necessary, in other languages as well.	No	Before 2007 the Company did not have a website. Currently the Company is considering creating a website.
10.7. It is recommended that the company's annual reports and other periodical accounts prepared by the company should be placed on the company's website. It is recommended that the company should announce information about material events and changes in the price of the company's shares on the Stock Exchange on the company's website too.	No	After the Code came into effect in the Quarter 2 of 2006, it is supposed that this information may be disclosed in 2007.
Principle XI: The selection of the company's auditor **The mechanism of the selection of the company's auditor should ensure independence of the firm of auditor's conclusion and opinion.**		
11.1. An annual audit of the company's financial statements and report should be conducted by an independent firm of auditors in order to provide an external and objective opinion on the company's financial statements.	No	An independent audit of the interim financial statements is not conducted at the Company, since such audit is not mandatory under the law of the Republic of Lithuania.
11.2. It is recommended that the company's supervisory board and, where it is not set up, the company's board should propose a candidate firm of auditors to the general shareholders' meeting.	Yes	The Company Board proposes a candidate firm of auditors to the General Meeting.
11.3. It is recommended that the company should disclose to its shareholders the level of fees paid to the firm of auditors for non-audit services rendered to the company. This information should be also known to the company's supervisory board and, where it is not formed, the company's board upon their consideration which firm of auditors to propose for the general shareholders' meeting.	N/A	The audit firm has not provided non-audit services to the Company and the Company has paid no fees related to such services to the audit firm.

AB "KAUNO TIEKIMAS"

HORIZONTAL ANALYSIS OF BALANCE SHEET INDICES

No	**ITEMS**	*2004 12 31*	*2005 12 31*	*2006 12 31*	*Change (+, -) in 2005 compared to 2004*		*Change (+, -) in 2006 compared to 2005*	
					LTL	*%*	*LTL*	*%*
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*
A.	***NON-CURRENT ASSETS***	**2 218 349**	**19 225 971**	**10 011 932**	**17 007 622**	**766,68**	**-9214 039**	**-47,92**
I.	Intangible assets	2 148	4 375	2 270	2 227	103,68	-2 105	-48,11
II.	Tangible assets	2 216 201	1 663 942	1 649 203	-552 259	-24,92	-14 739	-0,89
III.	Financial assets	0	17 557 654	8 360 459	17 557 654	0	-9197 195	-52,38
IV.	Other non-current assets	0	0	0	0	0	0	0
B.	***CURRENT ASSETS***	**202 152 208**	**462 847 348**	**220 832 159**	**260 695 140**	**128,96**	**-242015 189**	**-52,29**
I.	Inventories, prepayments, and contracts in progress	127 910 980	232 740 396	489 798	104 829 416	81,95	-232250 598	-99,79
I.1.	Inventories	11 658 501	3 640 943	467 567	-8017 558	-68,77	-3173 376	-87,16
I.2.	Prepayments	116 252 479	229 099 453	22 231	112 846 974	97,07	-229077 222	-99,99
I.3.	Contracts in progress	0	0	0	0	0	0	0
II.	Amounts receivable within one year	63 790 588	229 339 445	200 522 165	165 548 857	259,52	-28817 280	-12,57
III.	Other current assets	10 074 007	122 050	19 123 360	-9951 957	-98,79	19 001 310	15568,46
IV.	Cash and cash equivalents	376 633	645 457	696 836	268 824	71,38	51 379	7,96
	TOTAL ASSETS	**204 370 557**	**482 073 319**	**230 844 091**	**277 702 762**	**135,88**	**-251229 228**	**-52,11**

C.	***EQUITY***	**11 038 047**	**15 973 852**	**16 445 918**	**4 935 805**	**44,72**	**472 066**	**2,96**
I.	Capital	10 180 884	10 180 884	10 180 884	0	0,00	0	0,00
II.	Revaluation reserve (results)	0	0	0	0	0	0	0
III.	Reserves	201 864	480 879	721 406	279 015	138,22	240 527	50,02
IV.	Retained earnings (losses)	655 299	5 312 089	5 543 628	4 656 790	710,64	231 539	4,36
D.	**GRANTS AND SUBSIDIES**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
E.	**AMOUNTS PAYABLE AND LIABILITIES**	**193 332 510**	**466 099 467**	**214 398 173**	**272 766 957**	**141,09**	**-251701 294**	**-54,00**
I.	Amounts payable after one year and non-current liabilities	0	0	0	0	0	0	0
I.1.	Financial debts	0	0	0	0	0	0	0
I.2.	Trade amounts payable	0	0	0	0	0	0	0
I.3.	Amounts received in advance	0	0	0	0	0	0	0
I.4.	Provisions	0	0	0	0	0	0	0
I.5.	Deferred tax liabilities	0	0	0	0	0	0	0
I.6.	Other amounts payable and non-current liabilities	0	0	0	0	0	0	0
II.	Amounts payable within one year and current liabilities	193 332 510	466 099 467	214 398 173	272 766 957	141,09	-251701 294	-54,00
II.1.	Current portion of non-current debts	1 365	0	0	-1 365	-100,00	0	0
II.2.	Financial debts	13 197 802	20 822 844	52 950 317	7 625 042	57,78	32 127 473	154,29
II.3.	Trade amounts payable	166 966 468	431 702 887	123 327 383	264 736 419	158,56	-308375 504	-71,43
II.4.	Amounts received in advance	229 382	263 581	238 674	34 199	14,91	-24 907	-9,45
II.5.	Profit tax liabilities	142 684	119 263	44 897	-23 421	-16,41	-74 366	-62,35
II.6.	Liabilities related to labour relations	93 009	217 528	239 608	124 519	133,88	22 080	10,15
II.7.	Provisions	0	0	0	0	0	0	0
II.8.	Other amounts payable and current liabilities	12 701 800	12 973 364	37 597 294	271 564	2,14	24 623 930	189,80
	TOTAL EQUITY AND LIABILITIES	**204 370 557**	**482 073 319**	**230 844 091**	**277 702 762**	**135,88**	**-251229 228**	**-52,11**

Schedule 3

AB "KAUNO TIEKIMAS"

VERTICAL ANALYSIS OF BALANCE SHEET INDICES

No	ITEMS	*2004 12 31*	*2005 12 31*	*2006 12 31*	*Relative weight, %*		
					2004 12 31	*2005 12 31*	*2006 12 31*
1	2	*3*	*4*	*5*	*6*	*7*	*8*
A.	***NON-CURRENT ASSETS***	**2 218 349**	**19 225 971**	**10 011 932**	**1,09**	**3,99**	**4,34**
I.	Intangible assets	2 148	4 375	2 270	0,00	0,00	0,00
II.	Tangible assets	2 216 201	1 663 942	1 649 203	1,08	0,35	0,71
III.	Financial assets	0	17 557 654	8 360 459	0,00	3,64	3,62
IV.	Other non-current assets	0	0	0	0,00	0,00	0,00
B.	***CURRENT ASSETS***	**202 152 208**	**462 847 348**	**220 832 159**	**98,91**	**96,01**	**95,66**
I.	Inventories, prepayments, and contracts in progress	127 910 980	232 740 396	489 798	62,59	48,28	0,21
I.1.	Inventories	11 658 501	3 640 943	467 567	5,70	0,76	0,20
I.2.	Prepayments	116 252 479	229 099 453	22 231	56,88	47,52	0,01
I.3.	Contracts in progress	0	0	0	0,00	0,00	0,00
II.	Amounts receivable within one year	63 790 588	229 339 445	200 522 165	31,21	47,57	86,86
III.	Other current assets	10 074 007	122 050	19 123 360	4,93	0,03	8,28
IV.	Cash and cash equivalents	376 633	645 457	696 836	0,18	0,13	0,30
	TOTAL ASSETS	**204 370 557**	**482 073 319**	**230 844 091**	**100,00**	**100,00**	**100,00**
C.	***EQUITY***	**11 038 047**	**15 973 852**	**16 445 918**	**5,40**	**3,31**	**7,12**
I.	Capital	10 180 884	10 180 884	10 180 884	4,98	2,11	4,41
II.	Revaluation reserve (results)	0	0	0	0,00	0,00	0,00
III.	Reserves	201 864	480 879	721 406	0,10	0,10	0,31
IV.	Retained earnings (losses)	655 299	5 312 089	5 543 628	0,32	1,10	2,40
D.	**GRANTS AND SUBSIDIES**	**0**	**0**	**0**	**0,00**	**0,00**	**0,00**
E.	**AMOUNTS PAYABLE AND LIABILITIES**	**193 332 510**	**466 099 467**	**214 398 173**	**94,60**	**96,69**	**92,88**
I.	Amounts payable after one year and non-current liabilities	0	0	0	0,00	0,00	0,00
I.1.	Financial debts	0	0	0	0,00	0,00	0,00
I.2.	Trade amounts payable	0	0	0	0,00	0,00	0,00
I.3.	Amounts received in advance	0	0	0	0,00	0,00	0,00
I.4.	Provisions	0	0	0	0,00	0,00	0,00
I.5.	Deferred tax liabilities	0	0	0	0,00	0,00	0,00
I.6.	Other amounts payable and non-current liabilities	0	0	0	0,00	0,00	0,00
II.	Amounts payable within one year and current liabilities	193 332 510	466 099 467	214 398 173	94,60	96,69	92,88
II.1.	Current portion of non-current debts	1 365	0	0	0,00	0,00	0,00
II.2.	Financial debts	13 197 802	20 822 844	52 950 317	6,46	4,32	22,94
II.3.	Trade amounts payable	166 966 468	431 702 887	123 327 383	81,70	89,55	53,42
II.4.	Amounts received in advance	229 382	263 581	238 674	0,11	0,05	0,10
II.5.	Profit tax liabilities	142 684	119 263	44 897	0,07	0,02	0,02
II.6.	Liabilities related to labour relations	93 009	217 528	239 608	0,05	0,05	0,10
II.7.	Provisions	0	0	0	0,00	0,00	0,00
II.8.	Other amounts payable and current liabilities	12 701 800	12 973 364	37 597 294	6,22	2,69	16,29
	TOTAL EQUITY AND LIABILITIES	**204 370 557**	**482 073 319**	**230 844 091**	**100,00**	**100,00**	**100,00**

Schedule 4

AB "KAUNO TIEKIMAS"

ANALYSIS OF PROFIT AND LOSS ACCOUNT INDICES

No	ITEMS	2004 12 31	2005 12 31	2006 12 31	Change (+, -) in 2005 compared to 2004		Change (+, -) in 2006 compared to 2005	
					LTL	%	LTL	%
1	2	3	4	5	6	7	8	9
I.	SALES REVENUE	313 144 867	639 630 864	647 990 246	326 485 997	104,26	8 359 382	1,31
II.	COST OF SALES	299 149 395	569 407 028	598 732 417	270 257 633	90,34	29 325 389	5,15
III.	**GROSS PROFIT (LOSS)**	**13 995 472**	**70 223 836**	**49 257 829**	**56 228 364**	**401,76**	**-20 966 007**	**-29,86**
IV.	OPERATING EXPENSES	12 428 016	55 425 579	66 243 594	42 997 563	345,97	10 818 015	19,52
V.	**OPERATING PROFIT (LOSS)**	**1 567 456**	**14 798 257**	**-16 985 765**	**13 230 801**	**844,09**	**-31 784 022**	**-214,78**
VI.	OTHER ACTIVITIES	15 897	9 268 578	399 270	9 252 681	58203,94	-8 869 308	-95,69
VII.	FINANCIAL AND INVESTING ACTIVITIES	- 785 275	-18 937 223	17 330 338	-18 151 948	2311,54	36 267 561	-191,51
VII.1	*Revenue*	1 268 019	7 322 636	23 854 690	6 054 617	477,49	16 532 054	225,77
VII.2	*Expenses*	2 053 294	26 259 859	6 524 352	24 206 565	1178,91	-19 735 507	-75,15
VIII.	**PROFIT (LOSS) FROM NORMAL ACTIVITIES**	**798 078**	**5 129 612**	**743 843**	**4 331 534**	**542,75**	**-4 385 769**	**-85,50**
IX.	GAIN	0	0	0	0	0	0	0
X.	LOSSES	0	0	0	0	0	0	0
XI.	**PROFIT (LOSS) BEFORE TAX**	**798 078**	**5 129 612**	**743 843**	**4 331 534**	**542,75**	**-4 385 769**	**-85,50**
XII.	PROFIT TAX	168 995	193 807	271 777	24 812	14,68	77 970	40,23
XIII.	**NET PROFIT (LOSS)**	**629 083**	**4 935 805**	**472 066**	**4 306 722**	**684,60**	**-4 463 739**	**-90,44**

AB "KAUNO TIEKIMAS"

SUMMARY OF LIQUIDITY RATIO CALCULATIONS*

No	Index code K	Index	Balance Sheet item line No	Index numeral value			Notes
				2004	**2005**	**2006**	
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**
1	-	Current assets	B	202 152 208	462 847 348	220 832 159	
2	-	Amounts payable within one year and current liabilities	E.II.	193 332 510	466 099 467	214 398 173	
3	-	Inventory	B.I.1.	11 658 501	3 640 943	467 567	
4	-	Cash and cash equivalents	B.IV .	376 633	645 457	696 836	

No	Index code K	Index	Index calculation	Index value			Index economic value
				2004	**2005**	**2006**	
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**
5	K1	Current ratio	1 : 2	1,05	0,99	1,03	The current ratio measures the extent to which current assets are available to meet current liabilities. Where the index value is lower than one, it shows that the business is not able to meet its current liabilities. If the current ratio significantly increases, whereas the quick ratio remains almost the same, it evidences that the inventory has increased.
6	K2	Acid test (Quick) ratio	(1 - 3) :2	0,99	0,99	1,03	The quick ratio gives a more realistic picture of the business liquidity since it assumes that the inventory is not liquid. If the current assets exceed the current liabilities, then that company is considered to have good liquidity ratio. In general the quick ratio should equal to at least 1, however a specific ratio is established with respect of specific business sector.
7	K3	Cash ratio	4 : 2	0,00	0,00	0,00	The cash ratio is the most conservative liquidity ratio since it assumes that the amounts receivable may also be non-liquid. Thus the cash ratio measures the actual amount of cash which can be used to cover the short-term liabilities.
8	K4	Net working capital	1 - 2	8 819 698	-3252 119 Lt	6 433 986	The net working capital of a business is its current assets less its current liabilities. The value of this index should be positive. A negative value of the net working capital indicates that the business is not able to meet its current liabilities. The higher the net working capital, the higher is the liquidity level of the business. The net working capital serves as the liquid reserve available to satisfy contingencies and uncertainties. A high working capital balance is mandated if the entity is unable to borrow on short notice.

Schedule 6

AB "KAUNO TIEKIMAS"

SUMMARY OF PROFITABILITY RATIO CALCULATIONS*

No	Index	Balance Sheet item line No	Profit and Loss Account line No	Index numeral value			Notes
				2004	2005	2006	
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**
1	Net profit (losses)	-	XIII.	629 083	4 935 805	472 066	
2	Sales revenue	-	I.	313 144 867	639 630 864	647 990 246	
3	Average assets			140 204 114	343 221 938	356 458 705	
4	Average equity			10 723 506	13 505 950	16 209 885	
5	Gross profit (losses)	-	III.	13 995 472	70 223 836	49 257 829	

No	Index code K	Index	Index calculation	Index value			Index economic value
				2004	2005	2006	
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**
6	K5	Net profit margin	(1 : 2)*100 %	0%	1%	0%	Net profit margin shows the percentage of net profit from one litas of sales, i.e. it indicates how effective the company is. The higher the net profit margin is, the more profitable the company is.
7	K6	Gross profit margin	(5 : 2)*100 %	4%	11%	8%	Gross profit margin shows the ability of the company to earn profit from its main activities. The higher is the profit margin ratio, the more efficient the company is.
8	K7	Return on average assets, ROA	(1 : 3)*100 %	0%	1%	0%	Return on assets shows how much profit the company generated for each litas of assets. It reflects the efficiency of use of all company's assets. The higher the value of the index, the more efficiently the assets are used
9	K8	Return on average equity, ROE	(1 : 4)*100 %	6%	37%	3%	Return on equity shows how much profit the company generated for each litas of equity. This index is very important for the shareholders to assess the profitability of the company

Schedule 7

AB "KAUNO TIEKIMAS"

SUMMA+A3RY OF FINANCIAL LEVERAGE RATIO CALCULATIONS*

No	Index code	Index	Balance Sheet item line No	Index numeral value			Notes
				2004	2005	2006	
1	2	3	4	5	6	7	8
1	-	Equity	C.	11 038 047	15 973 852	16 445 918	
2	-	Amounts payable and liabilities	E.	193 332 510	466 099 467	214 398 173	
3	-	Amounts payable after one year and non-current liabilities	E.I.	0	0	0	
4	-	Total assets	Total assets	204 370 557	482 073 319	230 844 091	

Eil. Nr.	Rod. kodas	Index	Calculation	Index value			Index economic value
				2004	2005	2006	
1	2	3	4	5	6	7	8
5	K9	Total debt ratio	2 : 4	0,95	0,97	0,93	The total debt ratio shows how much the company relies on debt to finance assets. It is important for creditors as it shows how much their funds are protected against risks. The lower the index is, the lower their protection level.
6	K10	Debt-equity ratio	2 : 1	17,52	29,18	13,04	The debt to equity ratio shows the debt of the company per one litas of equity. When the performance of a company is analysed, a high ratio may indicate higher risks since the company may face problems in repaying interests and debts and getting sufficient funds for further financing. The acceptable debt to equity ratio depends on a large number of factors, including the peculiarities of the sector, the ability of the copmpany to get a loan, and the consistency of income.

Schedule 8

AB "KAUNO TIEKIMAS"

SUMMARY OF ASSETS TURNOVER RATIO CALCULATIONS*

No	Index code	Index	Balance Sheet item line No	Profit and Loss Account line No	Index numeral value			Notes
					2004	2005	2006	
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
1	-	Sales revenue	-	I.	313 144 867	639 630 864	647 990 246	
2	-	Cost of goods sold	-	II.	299 149 395	569 407 028	598 732 417	
3	-	Average amounts receivable within one year			129 479 926	329 715 989	340 248 820	
4	-	Average net working capital			8 515 857	2 783 790	1 590 934	
5	-	Non-current assets	A		2 218 349	19 225 971	10 011 932	
6	-	Average annual inventory			9 643 883	7 649 722	2 054 255	
7	-	Total assets	Total assets	-	204 370 557	482 073 319	230 844 091	

No	Index code	Index	Index calculation	Index value			Index economic value
				2004	2005	2006	
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**
8	K12	Inventory turnover (number of times)	2 : 6	31,02	74,43	291,46	The inventory turnover rate measures the number of times the company turns their inventory during the year. It shows the possibilities of selling inventory and the efficiency of inventory management.
9	K13	Accounts receivables turnover (number of times)	1 : 3	2,42	1,94	1,90	The receivables turnover shows the number of times accounts receivable are paid and reestablished during the year. It also shows how quickly the company collects its accounts receivables. The higher the turnover, the more efficient the business is. However a high ratio can indicate that the credit extending policy is too strict and the company fails to use all the profitability potential by limiting the credits for goods and services sold to risky customers.
10	K14	Net working capital turnover	1 : 4	36,77	229,77	407,30	The net working capital turnover measures the number of times the working capital turns over annually. A low or declining rate may mean approaching shortage in working capital.
11	K15	Long term asset turnover	1 : 5	141,16	33,27	64,72	Long term asset turnover shows how much revenue is generated by one litas of assets. The higher the ratio, the the higher the efficiency level of the company is.
12	K16	Total asset turnover	1 : 7	1,53	1,33	2,81	Total assets turnover shows how much revenue is generated by one litas of long term assets. The higher the ratio, the the higher the efficiency level of the company is.

Kauno tiekimas AB

(enterprise name)

Ident.number 133523653, Palemono st.171,Kaunas

(enterprise identification number, address, other information)

APPROVED
Minutes No ________
25 April 2007

BALANCE SHEET

31 December 2006

2006				in litas
(reporting period)				To specify - in litas or thousands of litas

	ASSETS	Note No.	Financial year 31-12-2006	Previous financial year 31 12 2005
A.	**NON-CURRENT ASSETS**		**10.011.932**	**19.225.971**
I.	INTANGIBLE ASSETS	3,1	2.270	4.375
I.1.	Development works			
I.2.	Goodwill			
I.3.	Licences and patents			
I.4.	Computer software		2.270	4.375
I.5.	Other intangible assets			
II.	TANGIBLE ASSETS	3,2	1.649.203	1.663.942
II.1.	Land			
II.2.	Buildings and constructions		1.277.569	1.385.521
II.3.	Plant and equipment		2	1.521
II.4.	Vehicles		276.998	159.822
II.5.	Other property, plant and equipment		92.474	117.078
II.6.	Construction in progress		2.160	
II.7.	Other tangible assets			
III.	FINANCIAL ASSETS	3,3	8.360.459	17.557.654
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		8.360.459	17.557.654
B.	**CURRENT ASSETS**		**220.832.159**	**462.847.348**
I.	INVENTORIES, PREPAYMENTS AND CONTRACTS IN PROGRESS		489.798	232.740.396
I.1.	Inventories	3,4	467.567	3.640.943
I.1.1.	Raw materials and completing products		7.476	3.461
I.1.2.	Work in progress			
I.1.3.	Finished products			
I.1.4.	Goods for resale		460.091	3.637.482
I.2.	Prepayments		22.231	229.099.453
I.3.	Contracts in progress			
II.	AMOUNTS RECEIVABLE WITHIN ONE YEAR	3,5	200.522.165	229.339.445
II.1.	Trade amounts receivable		149.595.072	123.087.557
II.2.	Receivables from subsidiaries and associates			
II.3.	Other amounts receivable		50.927.093	106.251.888
III.	OTHER CURRENTS ASSETS	3,6	19.123.360	122.050
III.1.	Current investments		19.123.360	122.050
III.2.	Time deposits			
III.3.	Other currents assets			
IV.	CASH AND CASH EQUIVALENTS		**696.836**	**645.457**
	TOTAL ASSETS:		**230.844.091**	**482.073.319**

	EQUITY AND LIABILITIES	Note No.	Financial year	Previous financial year

C.	**EQUITY**		**16.445.918**	**15.973.852**
I.	CAPITAL		10.180.884	10.180.884
I.1.	Authorised (subscribed)	3,7	10.180.884	10.180.884
I.2.	Subscribed uncalled share capital (-)			
I.3.	Share premium			
I.4.	Own Shares (-)			
II.	REVALUATION RESERVE (RESULTS)			
III.	RESERVES	3,9	721.406	480.879
III.1.	Legal reserve		346.023	99.233
III.2.	Reserve for acquiring own shares			
III.3.	Other reserves		375.383	381.646
IV.	RETAINED EARNINGS (LOSSES)	3,8	5.543.628	5.312.089
IV.1.	Profit (loss) of the reporting year		472.066	4.935.805
IV.2.	Profit (loss) of the previous year		5.071.562	376.284
D.	**GRANTS AND SUBSIDIES**			
E.	**AMOUNTS PAYABLE AND LIABILITIES**		**214.398.173**	**466.099.467**
I.	NON-CURRENT AMOUNTS PAYABLE AND LIABILITIES			0
I.1.	Financial debts			0
I.1.1.	Leases and similar obligations			
I.1.2.	To credit institutions			
I.1.3.	Other financial debts			
I.2.	Trade amounts payable			
I.3.	Amounts received in advance			
I.4.	Provisions			0
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			
I.6.	Other amounts payable and non-current liabilities			
II.	CURRENT AMOUNTS PAYABLE AND LIABILITIES	3,11	**214.398.173**	**466.099.467**
II.1.	Current portion of non-current debts			
II.2.	Financial debts		52.950.317	20.822.844
II.2.1.	To credit institutions		52.950.317	20.822.844
II.2.2.	Other debts			
II.3.	Trade amounts payable		123.327.383	431.702.887
II.4.	Amounts received in advance		238.674	263.581
II.5.	Profit tax liabilities		44.897	119.263
II.6.	Liabilities related with labour relations		239.608	217.528
II.7.	Provisions			
II.8.	Other amounts payable and current liabilities		37.597.294	12.973.364
	TOTAL EQUITY AND LIABILITIES:		**230.844.091**	**482.073.319**

Director General — __________________ — Irena Keblerienė

title of the head of enterprise administration — (signature) — (full name)

Complete Form of Income Statement

Kauno tiekimas AB

(enterprise name)

Ident.number 133523653, Palemono st.171, Kaunas

(enterprise identification number, address, other information)

APPROVED
Minutes No ________
25 April 2007

INCOME STATEMENT

31 December 2006

2006
reporting period

in litas
to specify – in litas or thousands of litas

No.	ITEMS	Note No.	Financial year	Previous financial year
I.	SALES INCOME	3,15	647.990.246	639.630.864
II.	COST OF SALES		598.732.417	569.407.028
III.	**GROSS PROFIT (LOSS)**		**49.257.829**	**70.223.836**
IV.	OPERATING COSTS		66.243.594	55.425.579
IV.1	Sales	3,14	61.074.219	49.239.769
IV.2	General and administrative	3,16	5.169.375	6.185.810
V.	**OPERATING PROFIT (LOSS)**	3,15	**-16.985.765**	**14.798.257**
VI.	OTHER ACTIVITIES		399.270	9.268.578
VI.1.	Income		402.321	9.271.980
VI.2.	Expenses		3.051	3.402
VII.	FINANCING AND INVESTING ACTIVITIES	3,12	17.330.338	-18.937.223
VII.1.	Income		23.854.690	7.322.636
VII.2.	Expenses		6.524.352	26.259.859
VIII.	**PROFIT (LOSS) FROM NORMAL ACTIVITIES**		**743.843**	**5.129.612**
IX.	GAIN			
X.	LOSSES			
XI.	**PROFIT (LOSS) BEFORE TAX**		**743.843**	**5.129.612**
XII.	PROFIT TAX	3,18	271.777	193.807
XIII.	**NET PROFIT (LOSS)**		**472.066**	**4.935.805**

Director General ______________ Irena Keblerienė

title of the head of enterprise administration (signature) (full name)

Form of the Statement of Changes in Equity

Kauno tiekimas AB

(enterprise name)

Palemono str.171, Kaunas idn.No.133523653

(enterprise identification number, address, other information)

APPROVED

Minutes No ________

25 April 2007

STATEMENT OF CHANGES IN EQUITY

2006 (reporting period) 31 December 2006 in litas (Indicate – litas or thousands of litas)

	Paid up authorised capital	Share premium	Own shares (-)	Revaluation reserve (results)		Legal reserves		Other reserves		Retained earnings (losses)	Total
				of non-current tangible assets	of financial assets	compulsory	Acquisition of own shares				
	1	2	3	4	5	6	7	8	9	10	11
1. Balance at the beginning of previous financial year (31 12 2004)	**10.180.884**					**66.218**		**50.868**	**84.778**	**655.299**	**11.038.047**
2. Result of change in accounting policies											0
3. Result of correcting essential errors											0
4. Recalculated balance at the beginning of previous financial year	**10.180.884**	**0**	**0**	**0**	**0**	**66.218**	**0**	**50.868**	**84.778**	**655.299**	**11.038.047**
5. Increase / decrease in non-current tangible assets value											0
6. Increase / decrease in financial assets value											0
7. Acquisition / sales of own shares											0
8. Profit / loss, excluded from Income Statement											0
9. Net profit / loss of the reporting period										4.935.805	4.935.805

	1	2	3	4	5	6	7	8	9	10	11
10. Dividends											0
11. Other payments											0
12. Formed reserves						33.015			251.000	-284.015	0
13. Used reserves									-5.000	5.000	0
14. Increase / reduction of authorised capital											0
15. Balance at the end of previous financial year (31 12 2005)	**10.180.884**	**0**	**0**	**0**	**0**	**99.233**	**0**	**50.868**	**330.778**	**5.312.089**	**15.973.852**
16. Increase / decrease in non-current tangible assets value											0
17. Increase / decrease in financial assets value											0
18. Acquisition of own shares											0
19. Profit / loss, excluded from Income Statement											0
20. Net profit / loss of the reporting period										472.066	472.066
21. Dividends											0
22. Other payments											0
23. Formed reserves						246.790			125.000	-371.790	0
24. Used reserves									-131.263	131.263	0
25. Increase / reduction of authorised capital											0
26. Balance at the end of reporting period (30 09 2006)	**10.180.884**	**0**	**0**	**0**	**0**	**346.023**	**0**	**50.868**	**324.515**	**5.543.628**	**16.445.918**

Director General
(title of the head of enterprise administration)

(signature)

Irena Keblerienė
(full name)

Complete Standard Form of the Cash Flow Statement
Prepared according to the Indirect Method

Kauno tiekimas AB

(enterprise name)

Registr.number 133523653, Palemono st. 171, Kaunas

(enterprise registration number, address, other information)

APPROVED
Minutes No _______
25 April 2007

CASH FLOW STATEMENT

2006
reporting period

in litas
to specify – in litas or thousands of litas

No.	ITEMS	Note No.	Financial Year	Previous financial year
I.	**Cash flows from operating activities**			
I.1.	Net profit (loss)		472.066	4.935.805
I.2.	Depreciation and amortization costs		212.321	200.787
I.3.	Decrease (increase) in amounts receivable after one year			
I.4.	Decrease (increase) in inventory		3.173.376	8.017.558
I.5.	Decrease (increase) in advances received		229.077.222	-112.846.974
I.6.	Decrease (increase) in contracts in progress			
I.7.	Decrease (increase) in trade receivables		-26.507.515	-71.613.428
I.8.	Decrease (increase) in amounts receivable from subsidiaries and associates			
I.9.	Decrease (increase) in other amounts receivable		42.821.701	-40.584.201
I.10.	Decrease (increase) in other current assets			3.924
I.11.	Increase (decrease) in non-current payables to suppliers and advances received			
I.12.	Increase (decrease) in current payables to suppliers and advances received		-308.400.411	264.770.618
I.13.	Increase (decrease) in profit tax liability		-74.366	-23.421
I.14.	Increase (decrease) in liabilities connected with labour relations		22.080	124.519
I.15.	Increase (decrease) in provisions			
I.16.	Increase (decrease) in other amounts payable and liabilities		**24.623.930**	**-6.903.287**
I.17.	Elimination of financing and investing activity results		-20.658.849	-2.231.416
	Net cash flows from operating activities		**-55.238.445**	**43.850.484**
II.	**Cash flows from investing activities**			
II.1.	Acquisition of non-current assets (excluding investments)		-206.066	-168.995
II.2.	Transfer of non-current assets (excluding investments)		11.345	1.641
II.3.	Acquisition of long-term investments		-1.270.500	-3.150.485
II.4.	Transfer of long-term investments		15.820.945	
II.5.	Loans granted			-66.860.327
II.6.	Loans recovered		12.503.094	13.509.099
II.7.	Dividends and interest received		2.464.815	2.829.408
II.8.	Other increase in cash flows from investing activities		8.329.124	
II.9.	Other decrease in cash flows from investing activities		-8.135.523	
	Net cash flows from investing activities		**29.517.234**	**-53.839.659**
III.	**Cash flows from financing activities**			
III.1.	Cash flows related to enterprise owners:		0	0

No.	ITEMS	Note No.	Financial Year	Previous financial year
III.1.1.	Emission of shares			
III.1.2.	Owners' contributions against losses			
III.1.3.	Purchase of own shares			
III.1.4.	Dividends paid			
III.2.	Cash flows arising from other financing sources		25.779.322	10.257.999
III.2.1.	Increase in financial debts		285.429.393	105.299.832
III.2.1.1.	Loans received		285.429.393	105.299.832
III.2.1.2.	Issue of bonds			
III.2.2.	Decrease in financial debts		-258.914.326	-93.849.872
III.2.2.1.	Loans repaid		-253.301.920	-90.501.305
III.2.2.2.	Purchase of bonds			
III.2.2.3.	Interest paid		-5.612.406	-3.348.567
III.2.2.4.	Payments of lease (finance lease) liabilities			
III.2.3.	Increase in other enterprise liabilities			
III.2.4.	Decrease in other enterprise liabilities			
III.2.5.	Other increase in cash flows from financial activities		176.201	
III.2.6.	Other decrease in cash flows from financial items		-911.946	-1.191.961
	Net cash flows from financing activities		**25.779.322**	**10.257.999**
IV.	**Cash flows from extraordinary items**		**0**	**0**
IV.1.	Increase in cash flows from extraordinary items			
IV.2.	Decrease in cash flows from extraordinary items			
V.	**The effects of changes in foreign exchange rates on cash and cash equivalents balance**		**-6.732**	
VI.	**Net increase (decrease) in cash flows**		**51.379**	**268.824**
VII.	**Cash and cash equivalents at the beginning of period**		**645.457**	**376.633**
VIII.	**Cash and cash equivalents at the end of period**		**696.836**	**645.457**

Director General — __________ — Irena Keblerienė

title of the head of enterprise administration — (signature) — (full name)

AB Kauno Tiekimas
Company code: 133523653; address: Palemono g.171, Kaunas

APPROVED
25 April 2007
Minutes No ____

EXPLANATORY NOTES
TO FINANCIAL STATEMENTS 2006

I. GENERAL PROVISIONS

1. Registration date

The company is a limited liability company. AB Kauno Tiekimas is a legal person which has commercial, production and economic, financial, organisational, and legal independence. Address: Palemono g.171, Kaunas, LT-52501. Administrator’s telephone number: (8 37) 37 35 50, General Director’s telephone number: (8 37) 47 37 44, telephone/fax: (8 37) 47 37 44. e-mail: tiekimas@kaunas.balt.net. Legal form: public limited company. AB Kauno Tiekimas was registered on 26 November 1992, register No 92-1072 Company code: 133523653. The Company has no website.

2. Financial year

The financial year of the company starts on 1 January and ends on 31 December.

3. Information on branches and representative offices of the company

The company has one branch. The branch was registered on 8 November 2002. The code of the branch is 235944730. The branch is a structural unit of the company which is not a legal person. The activities of the branch are regulated by its Statute. The Director shall organize the work of the branch, direct the economic activities of the branch, manage the property of the branch, issues orders, and approve/sign the documents. AB Kauno Tiekimas branch specialises in the selling of alumina and other aluminium industry products and sells the products produced by Birač factory operating in Bosnia and Herzegovina.

4. Information on subsidiaries of the company

The company has no subsidiaries.

5. Information on associates

The company has no associates.

6. Activities of the company

The main activities include commercial activities and services. Commercial activities: wholesale and retail. Services: customs and terminal services, rent of premises. The wholesale is performed outside Lithuania. The branch of the company is engaged in alumina wholesale. The retail and services are provided in Lithuania. Apart from ordinary activities, the company is involved in financial and investment activities. Successful investment into securities and the revenue earned from their sales lead to the profitable result of the company in 2006.

7. Material conditions under which the company is operating and which are likely to influence the development of the company

A customs post, warehouses, and an IE terminal are located on the territory of the company. The company has been granted the status of a customs guarantor. Wholesale trade of materials for alumina production is likely to be expanded.

7.1. Strategic products

The branch of the company is supplying hydrate of sodium and bauxites for the alumina factory in Bosnia and sells alumina produced in the said factory.

7.2. Economic environment

Since 2002, the company has been successfully trading in alumina, which is the main raw material in aluminium production, and the main materials required for alumina production. In 2006, the alumina price on the international markets fell 2.2 times which had a negative effect on the results of the company. In the first half of 2007, the alumina market prices are expected to stabilise and the global demand for alumina is expected to grow, therefore the business volumes and results of AB Kauno Tiekimas should increase.

7.3. Social environment

During the reporting year the natural person income tax was reduced and it increased the wages of the company employees. The wages at the company include a fixed and variable portion. The variable portion depends on the business results of the company, efficiency of the employee, performance of urgent and complicated tasks, disciplinary punishments, qualification, and other factors.

There is no pension funding in the company.

7.4. Technical and technological factors

The long—term real estate owned by the company was constructed long ago; thus it needs to be repaired in order to preserve its condition that would bring about economic benefits.

7.5. Environmental factors

The company is renting out the cement elevator owned thereby, where wholesale trade and packaging of cement is taking place. Due to this operation, the company is paying the environmental tax for pollution from stationary pollution sources. The company also pays the environmental tax for pollution from mobile pollution sources, i.e. the cars, tractors, and railway vehicles owned by the company.

8. Changes in the authorised capital

There have been no changes in the authorised capital over the reporting year.

9. Number of employees

At the beginning and the end of the reporting year the company employed 55 and 59 persons, respectively.

2. SHARES AND ACCOUNTING FOR SHARES

The authorised capital of LTL10,180,884 is registered with the Register of Companies. The Company has issued 10,180,884 ordinary registered shares with the nominal value of LTL1 each; the total nominal value of the shares amounts to LTL10,180,884. All the shares are paid up in full. The authorised capital is not intended to be increased by converting or exchanging the issued debt securities or derivatives for shares.

Shareholders whose participation in AB Kauno Tiekimas authorised capital and the number of votes held thereby exceed 5% as of 31-12-2006.

Shareholder	Company Register No	Seat address	No of shares		Participation in the authorised capital, %	
			Total	Under the property right		
UAB Ūkio Banko Investicinė Grupė	135201099	K.Donelaičio g. 60, Kaunas	3597376	1827783	35.33	17.95
UAB FMĮ Finbaltus	122020469	Konstitucijos pr. 23-660, Vilnius	3597376	1769593	35.33	17.38
AB Ūkio bankas FMD	112020136	Maironio g. 25, Kaunas	2000000	2000000	19.64	19.64
InCompleks LLC	CP00193203	101 South Spring Street, Suite 220 Little Rock, Arkanzasas 72201, JAV	1502461	1502461	14.76	14.76

Group of related persons:

Company	Seat address of the company	Company code	No of shares and votes
UAB Ūkio Banko Investicinė Grupė	K.Donelaičio g.60, Kaunas	135201099	1 827 783
UAB FMĮ Finbaltus	Konstitucijos pr.23-660, Vilnius	122020469	1 769 593

Since 31/03/2003, AB Kauno Tiekimas securities have been included to the Vilnius Stock Exchange Current List. Securities code: LT0000104879.

Reporting period		Central market and block trading					
from	to	Price (LTL)			Last session date	Total turnover	
		Max	Min.	Units		Vnt.	Lt.
2006-01-01	2006-03-01	1.54	1.18	1.25	2006-03-10	89 208	119,068
2006-04-01	2006-06-30	1.36	0.90	1.05	2006-06-29	24 000	28,126
2006-07-01	2006-09-30	1.14	0.93	1.11	2006-09-22	73 998	74,105
2006-10-01	2006-12-31	1.92	1.12	1.87	2006-12-29	330 736	531,286

The Company has entered into a contract for managing securities accounts with UAB FMĮ Finbaltus, Konstitucijos pr.23-660, Vi.

3. MEMBERS OF MANAGING BODIES

The Supervisory Board is not formed.

Board members:

Chairman of the Board Igor Gončaruk holds 65,994 shares or 0.65% of AB Kauno Tiekimas authorised capital, 8,600 UAB Agrobiznis shares (100%), 95 UAB Optimalus Turto Valdymas shares (9.5%), and 64,200 UAB Businessline shares (5.53%). Igor Gončaruk does not have any positions in other companies.

Board member Irena Keblerienė has no shareholdings in the Company. Irena Keblerienė does not have any positions in other companies or any shareholdings of other companies exceeding 5 percent.

Board member Nijolė Varanavičienė UAB Energolinija Board member, does not have any position in the Company or shares of the Company. Nijolė Varanavičienė does not have any shareholdings of other companies exceeding 5 percent.

The term of the Board members' office started on from 9 April 2003 and it will continue until April 2007.

Administration:

Irena Keblerienė, General Director, has no shareholdings in the Company.

Igor Gončaruk, CEO, holds 65,994 shares of the Company or 0.65% of the authorised capital.
Danutė Skučienė, Chief Financial Officer has no shareholdings in the Company, does not have any positions in other companies or any shareholdings of other companies exceeding 5 percent.

Gediminas Antanas Baranauskas, AB Kauno Tiekimas Branch Director has no shareholdings in the Company, does not have any positions in other companies, holds 8 UAB Pilega shares representing 13.33 percent of the authorised capital.

Nadežda Belozerskich, Branch Accountant has no shareholdings in the Company, holds 320,000 UAB Korelita shares representing 9.78 percent of the authorised capital.

II. ACCOUNTING POLICY

1. Legal framework used as basis for preparing the financial accountability

The company maintains the accounting and prepares the financial statements in pursuance of the following legal acts governing the financial accountability:

- international accounting standards;
- the Accounting Law of the Republic of Lithuania;
- the Law on Financial Statement of Entities of the Republic of Lithuania;
- other legislation of the Republic of Lithuania.

2. Asset and equity item valuation methods applied for the purpose of preparing financial statements:

In AB Kauno Tiekimas Balance Sheet of 31 December 2006, the assets are evaluated as follows:

- intangible assets: at the acquisition cost less accumulated amortization;
- non-current tangible assets: at the acquisition (production) cost less accumulated depreciation;
- other financial assets: at the fair value on 30-12-2006
- other inventories: at the acquisition value;
- goods for resale: at the acquisition value or net realisable value, whichever is smaller;
- amounts receivable: at the fair value less bad debts;

- other items on the Balance Sheet are valued at the acquisition cost.

3. Tangible and intangible non-current assets

3.1. Intangible assets

In the Balance Sheet, the intangible assets are stated at their residual value (the accumulated amortization and the impairment value are deducted from the acquisition cost).

Non-pecuniary identifiable assets without a material form that are held in the company's disposition and that are used by the company in anticipation to get direct and indirect economic benefits are classified in the category of Intangible Assets.

The directly proportional (linear) method is used to calculate amortization. The quick sale value is LTL1.

The amortization costs are classified as the operating costs of the company. The running costs of intangible assets as well as other subsequent costs are attributed to the costs of the reporting period when they were incurred.

Software is accounted in Intangible Assets. Its period of amortization is 3 years.

After the transfer of intangible assets, the Profit and Loss Account, under Other Operations, reflects the result of the transaction: profit or loss.

3.2. Tangible assets

Assets are classified as tangible, if: they are held and controlled by the company, the company expects them to bring economic benefits in the future periods, they will be used for a period longer than one year, their acquisition (production) cost can be reasonably established, and their value is larger than the minimum value established for that group. The minimum value established for all groups of non-current tangible assets is LTL1,000.

The directly proportional (linear) method is used to calculate the depreciation of non-current tangible assets. The quick sale value is LTL1. The depreciation costs are classified in the category of the operating costs of the company.

The following average life has been established for assets groups:

No	**Non-current tangible asset group**	**Useful life (years)**
1	Buildings and constructions	6 - 85
2	Plant and equipment	15
3	Vehicles	3 - 11
4	Other property, plant and equipment	3 - 18

At the moment of acquisition the non-current tangible assets are recognized in the accounting at the acquisition (production) cost. In the Balance Sheet, the tangible assets are stated at the acquisition cost less accumulated depreciation.

Useful life is extended and the serviceability is improved	The asset acquisition cost is increased by the value of works and the useful life period is revised
Serviceability is improved	The asset acquisition cost is increased by the value of works
Useful life is extended	The asset acquisition cost is increased by the value of works and the useful life period is revised
Serviceability is not improved nor useful life is extended; just the relevant operation condition is maintained	The cost of works is recognized as the operating costs of the reporting period

3.3. Non-current asset depreciation accounting

The non-current asset depreciation accounting methods have not been applied in the company.

4. Financial asset accounting

When the company first recognizes financial assets, their value is set at the acquisition cost, i.e. the value of the consideration paid. The value of the paid consideration is determined with respect of the total amount paid for the financial assets or the value of other transferred assets. The value of consideration is usually determined based on the transaction price. The following non-current and current assets are attributed to the financial assets of the company: securities of other companies. The assets the value whereof is set at the initial stage at the acquisition cost, is subject to re-valuation at a later stage in order to obtain more precise information. The revaluation result is reflected in the Profit and Loss Account. The quoted price in an active market on 29 December 2006 represents a proof of the fair value.

5. Inventories accounting policy

Current assets of the company that are consumed for generating revenue within one year are classified as Inventories. In the accounting and financial statements, inventories are grouped into:

- raw materials and completion goods;
- goods purchased for resale.

In the financial statements, the inventories are stated with respect of the acquisition (production) costs or the net realisable value, whichever is less.

FIFO method is used to assign the acquisition cost of inventories.

The acquisition cost of the goods purchased for resale, raw materials, and completion goods includes the purchase price less discounts on the purchase, purchase related taxes and levies (except for those that will be recovered at a later stage), significant delivery costs, and the costs of preparing the inventories for use.

The cost of goods purchased in foreign currency is calculated at the official exchange rate of the currency of the Republic of Lithuania on the purchase date irrespective of the payment date. The purchase date is defined according to the contract terms in pursuance of INCOTERMS.

The net realisable value of inventories is calculated in accordance with the quantified inventories sales price on the financial statement date less the quantified inventories sales costs. At the end of the reporting year, the value of goods stored in the warehouse of the company in Lithuania is set at the realizable value. The balance value of these goods is LTL546,718. The impairment value of the goods amounts to LTL112,818.

6. Receivables

When the receivables are registered in the accounting, they are stated at the value of the receivable consideration. When the annual financial statements are being prepared, the receivables are stated at the net value, i.e. after the doubtful debts are deducted. The doubtful debt expense is carried at the Profit and Loss Account for the reporting period.

7. Revenue and expense recognition methods

The sales revenue is recognised on accumulation basis, i.e. it is registered in the accounting when it is earned irrespective of the receipt of revenue. Only the increase of the economic benefits of the company is considered income. The value added tax is not recognised as revenue. The revenue size is agreed by the company and the customer. That represents the fair value of the goods and services considering the offered and prospective discounts, the return of sold goods, and price-off.

The goods are considered sold when the following conditions are met: the company transfers the risk, which is related to the sold goods, to the customer; the company no longer possesses or controls the sold goods; the economic benefits related to the sales transaction are likely to be received and its size can be reliably quantified; the expenses related to the sales transaction can be reliably quantified.

In 2006, no AB Kauno Tiekimas merchandises were sold by extending a trade credit longer than one year.

The revenue from the company’s financial and investment activities include: received dividends, positive influence of exchange rate differences, interest and late charges, revenue from financial assets revaluation.

The expense is recognised on the accumulation and comparison basis in the reporting period when the revenue related thereto is earned irrespective of the time when the money is spent.

Sales, general and administrative expenses are classified in the category of Operating Costs.

The result of the transfer of the used non-current tangible and intangible assets is classified as Other Activities excluding financial and investment activities.

The financial and investment activities include: interests, fines, late charges, result of exchange rate differences, and other revenue and expense of the financial and investment activities.

Fines and late charges are recognised on accumulation basis.

7. Methods of accounting for borrowing and other similar expenses

Interests charged on received loans and on property acquired on lease (financial lease) terms as well as other borrowing related expenses are recognised as expense in the periods when they emerge.

The company is using a credit line and factoring. In 2006, the interest and commission fees for using the credit line and factoring amounted to LTL5,612,406. The variable tax rate of the credit lines depends on the VILIBOR (Vilnius Inter Bank Offering Rate) and LIBOR (London Inter Bank Offering Rate) fluctuations. An increase in the credit source price would have a negative impact on the company business result.

8. Description of accounting methods applied to taxes, foreign currency transactions, and offsetting

8.1. Taxes

The major taxes paid by the company include the property tax, the tax on land rent, the VAT, the profits tax, the social tax, and the pollution tax. The company withholds the income tax of individuals from the employees' salaries/wages and pays the same into the state budget. The company also pays the social insurance contributions.

8.2 Foreign currency transactions

At initial recognition, a foreign currency transaction is stated in the currency of the financial statement at the exchange rate on the transaction day. The Balance Sheet currency items are stated in the currency of the financial statement at the exchange rate on the Balance Sheet date.

Business trip related expenses in foreign currency are reflected in the currency of the financial statement at the exchange rate on the day of leaving on business.

The Balance Sheet currency items are stated in the currency of the financial statement at the exchange rate on the Balance Sheet date.

The differences that emerge when the amounts stated in the currency items are paid at an exchange rate which is different from that at initial recognition or on the last day of the financial accounting (where the currency items have been recognised in the previous financial year) are recognized as revenue and expense of the reporting period.

The Profit and Loss Account, under Financial and Investment Activities, carries only the result of the currency rate differences. The currency used for payments with business partners in Europe is EUR (Euro), in Asia and other continents it is USD (USA dollar). The fluctuations in the USD exchange rate may affect the result of the company.

8.3. Circumstances when only the net result of a business transaction is reflected in the financial statements

The financial statements show only the net result of a business transaction upon the transfer of non-current assets and the receipt of insurance refund for incurred losses.

9. Definition of cash and cash equivalents

The Cash and Cash Equivalents item reflects cash at bank and in hand. The company holds no current highly liquid debt securities.

10. Definition of business and geographical segments

AB Kauno Tiekimas is developing two major business segment groups: sales of goods and rendering services.

The sales of goods include the sales of alumina, hydrate of sodium, etc. The services include the lease of the property owned by the company and other services to the lessees, e.g. loading services, etc.

The company is supplying hydrate of sodium and bauxites for the alumina factory in Bosnia and sells alumina produced in the said factory. In 2006, the foreign sales of the company amounted to LTL646,417,348. The trade of alumina is performed outside Lithuania and its geography is very broad, including European and Asian countries, Australia, and the USA.

11. Provision formation principles

No provisions are formed in AB Kauno Tiekimas annual financial statements for 2006. The reserve of vacation pay and the related social insurance contribution for the next year are attributed to the current liabilities of the company and are stated on the Balance Sheet under Employment Related Liabilities.

12. Company policies and programmes in the fields of environmental protection, energy saving, use of ecological materials and waste utilisation, water pollution and reduction of emissions

The environmental policy of the company aims at reducing the atmospheric air, surface, and ground water pollution. For this purpose, an action plan for 2004-2006 on the reduction of atmospheric pollution has been drafted. Since continuous flows of cargo trucks are going on the territory of the company, the company keeps cleaning and maintaining the territory to prevent the pollution of the surface and ground water. To monitor the pollution, water analysis is performed every three months.

13. Accounting error correction policy

Errors in the Revenue and Expense items exceeding 0.5% of the revenue stated in the financial statements are consider material errors.

The following methods of correcting the accounting errors for the previous periods are used by the company:

1. Material mistakes are corrected retrospectively by adjusting the data for the previous financial years/periods that have been distorted due to the error. When the effect of the material error on the financial accounting of the previous periods can

not be accurately assessed, the error is corrected prospectively by adjusting only the data of the reporting period.

2. Immaterial errors are corrected prospectively, i.e. they are corrected in the financial statements of the reporting period.

III. COMMENTS PRESENTED IN THE EXPLANATORY NOTES

The comments to AB Kauno Tiekimas Explanatory Notes comprise tables explaining material items of financial statements. The textual part provides concise further information.

3.1. Non-current intangible assets

Information on the changes in non-current intangible assets over the reporting year is provided in Table 3.1-1 *Non-current intangible assets.*

Table 3.1-1. **Non-current intangible assets**

Indices	**Software, LTL**
Residual value at the end of the previous financial year	4,375
a) Non-current intangible assets at acquisition cost	
At the end of the previous financial year	6,920
Changes of the financial year: - purchase of assets	
At the end of the financial year	6,920
b) Amortization	
At the end of the previous financial year	2,545
Changes of the financial year: - amortization of the financial year	2,105
At the end of the financial year	4,650
d) Residual value at the end of the financial year (a) – (b) – (c)	2,270

Table 3.1-2 **Useful life of intangible assets**

Groups of intangible assets	**Average useful life (in years)**
Development works	
Goodwill	
Patents, licences, etc.	
Software	Three
Other intangible assets	

3.2 Non-current tangible assets

Revaluation methods have not been applied for AB Kauno Tiekimas non-current assets. The company has pledged its assets to a credit institution as a security for using the credit line. Information on the movement of the non-current tangible assets in the reporting year is given in Table 3.2.-1.

Table 3.2-1 **Non-current tangible assets**

Indices	**Buildings and structures**	**Plant and equipment**	**Vehicles**	**Other property**	**Construction in progress**	**Total**
1	2	3	4	5	6	7
Residual value at the end of the previous financial year	1,385,521	1,521	159,822	117,078		1,663,942
a) Purchasing cost At the end of the previous financial year Changes of the financial year: - purchase of assets - assets assigned and written down (-)	3,893,451	59,501	264,505 179,028 -56,199	398,178 24,879	 2,160	4,615,635 206,067 -56,199
At the end of the financial year	3,893,451	59,501	387,334	423,057	2,160	4,765,503
b) Revaluation At the end of the previous financial year Changes of the financial year: - value increase (impairment) +/(-) - assets assigned to other persons and written down (-)						
At the end of the financial year						
c) Depreciation At the end of the previous financial y\ear Changes of the financial year - depreciation of the financial year - depreciation of assets assigned to other persons and written down (-)	2,507,930 107,952	57,980 1,519	104,683 51,263 -45610	281,100 49,483		2,951,693 210,217 -45,610
At the end of the financial year	2,615,882	59,499	110,336	330,583		3,116,300
d) Impairment value At the end of the previous financial year Changes of the financial year: - impairment value of the financial year - of assets assigned to other persons and written down (-)						
At the end of the financial year						
e) Residual value at the end of the financial year (a) + (b) - (c) - (d)	1,277,569	2	276,998	92,474	2,160	1,649,203

Table 3.2.-2 **Pledged non-current tangible assets**

No	**Pledged asset and its address**	**Residual balance value on 31-12-2006, LTL**	**Land (plot area, value, ownership)**
1	2	4	5
1.	Administrative:- Customs Office No 1B2p-746.75 m^2 Year of construction: 1964 Heated area: 618.25 m^2	88972	10,885 ha LTL1,678,308; Rent for 99 years
2.	Administrative: Canteen Inv. No 2B2p-728.09 m^2 Year of construction: 1964 Heated area: 501.76 m^2	30,668	
3.	Warehouse Inv. No 3F1p – 1268.56 m^2 Year of construction: 1964 Heated area: 48.49 m^2	24,880	
4.	Warehouse Inv. No 4F1p-1254.97 m^2 Year of construction: 1964 Heated area: 24.05 m^2	24,871	
5.	Warehouse Inv. No 5F1p-1583.69 m^2 Year of construction: 1964 Heated area: 42.16 m^2	194,725	
6.	Warehouse Inv. No 6F2p – 1806.61 m^2 Year of construction: 1964 Heated area: 1806,61 m^2	42,834	
7.	Warehouse Inv. No 7F1p – 1583.5 m^2 Year of construction: 1964 Heated area: 39.98 m^2	24,904	
8.	Warehouse Inv. No 8F1p – 1593.76 m^2 Year of construction: 1964 Heated area: 48.66 m^2	25,562	
9.	Warehouse Inv. No 11F1g – 935.24 m^2 Year of construction: 1981 Unheated	1.0	
10.	Vehicle scales Inv. No 12H1p – 93.01 m^2 Year of construction: 1964		
11.	Wagon scales Inv. No 13H1p – 15.02 m^2 Year of construction: 1964	1.0	
12.	Warehouse Inv. No 14F1g – 2605.74 m^2 Year of construction: 1981 Heated area: 39.36 m^2	331,218	
13.	Mechanical workshops including:	31,415	
	Warehouse Inv. No 15F1g – 409.03 m^2 Year of construction: 1984 Unheated		
	Water metering unit Inv. No 34H1p – 22.70 m^2 Year of construction: 1990		
	Battery charging facilities Inv. No 35G1p - 21 m^2		

	Year of construction: 1982		
	Boiler house Inv. No 36H1p – 39.86 m^2 Year of construction: 1976		
	Electric lift truck charging station Inv. No 37G1p – 126.18 m^2 Year of construction: 1982		
	Electric fork lift repair shop Inv. No 38G1p – 93.89 m^2 Year of construction: 1984 Heated area: 78.79 m^2		
	Warehouse Inv. No 40F1p – 34.22 m^2 Year of construction: 1974 Unheated		
	Garage Inv. No 41G1p – 24.92 m^2 Year of construction: 1982 Unheated		
14.	Cement elevator including:	42,887	
	Pump house Inv. No 19H1p – 16.73 m^2 Year of construction: 1967		
	Compressor room Inv. No 20H1p – 70.73 m^2 Year of construction: 1966		
	Cement elevator Inv. No 21H1p – 181.72 m^2 Year of construction: 1966		
15	Administration building Inv. No 22B4bp – 1392.81 m^2 Year of construction: 1990 Heated area: 1384.17 m^2	186,481	
16,	Transformer house Inv. No 23H1p - 35,72 m^2 Year of construction: 1966	1.0	
17.	Locomotive depot Inv. No 39G1p – 89.5 m^2 Year of construction: 1974 Unheated	12,376	
18.	Bomb shelter 4210b; built-up area 144m^2; volume 461m^3; construction completed in 1975		
19.	Fax machine B160 Bubble fax/copy	1	
20.	Computer Intel Cel 2.4GHz(79569	550	
21.	Computer Intel Celeron	583	
22.	Computer INTEL-CELERON 2.4 GHz	1,734	
23.	Computer PC 031212/1	1	
24.	Computer Vector SK-AK03 C1700/20	1,622	
25.	Computer Vector SK-AK03 C1700/25	1	
26.	Computer VECTOR SK-AK04	294	
27.	Metal filing cabinet Sbm 212	501	
28.	Metal cabinet DS P-04	770	
29.	Metal cabinet DS-2	230	
30.	Metal cabinet DS-2	230	
31.	Metal cabinet Sbm 213	575	
32.	Mobile telephone Nokia 6610	1	

33.	Monitor 755 DFX17	1	
34.	Monitor 755 DFX17“85 KHz 0.25m	43	
35.	Monitor 755 DFX17/2	1	
36.	Monitor Samsung SM755 DFx17	1	
37.	Monitor SM172x17“SLIM design	597	
38.	Notebook computer S200N P-M 1GHz	775	
39.	Notebook computer S200N P-M 1GHz	1	
40.	Notebook computer ThinkPad	1	
41.	Notebook computer OMNIBOOK XE4400	1	
42.	Notebook computer AMILO M7405	1,352	
43.	Notebook computer HP COMPAQ	1	
44.	Notebook computer HP NX8220	1,960	
45.	Notebook computer IBM R40E	972	
46.	Notebook computer mVector	298	
47.	Scanner ScanMaker 48 bit	70	
48.	Printer HP LJ1300 18 ppm	1,215	
49.	Steel-plated safe DS-B1	645	
50.	Telephone Nokia 6100	74	
51.	Monitor SM172x17“SLIM design	1,091	
52.	Monitor SM172x17“SLIM design	1,121	
53.	Monitor SM172x17“SLIM design	1,121	
	Total:	1,080,230	

Table 3.2-3 **Useful life of tangible assets**

Groups of non-current tangible assets	**Average useful life (in years)**
Buildings and structures	6 – 85
Plant and equipment	15
Vehicles	3 – 11
Other plant, equipment, tools, and fixtures	2 – 18
Other tangible assets	

Table 3.2-4 **Depreciated non-current tangible assets still in use**

Asset group	**Acquisition cost (LTL)**
Buildings and structures	957,752
Vehicles	10,508
Other equipment and tools	200,771
Machines and equipment	59,501
Total:	**1,228,532**

3.3. Non—current financial assets

At the beginning of 2006, the company had non-current financial assets in the amount of LTL17,557,654. Over the year the company sold non-current financial assets for the amount of LTL15,820,9465. The acquisition value of the sold non-current financial assets accounts for LTL10,467,695. The profit from the transfer of the non-current financial assets amounts to LTL5,353,250. The movement of non-current financial assets is reflected in table 3.3.1.

Table 3.3.1 **Financial assets**

Indices	Subsidiaries	Amounts receivable after one year	Interests to subsidiaries	Other financial assets	Total
Balance at the beginning of the financial year				17,557,654	17,557,654
a) acquisitions				1,270,500	1,270,500
b) sales				-10,467,695	-10,467,695
c) Balance at the end of the financial year				8,360,459	8,360,459

3.4. Inventories

The total inventories value, balance value, and the write-down to net realisable value are shown in table 3.4 – 1 *Inventories***.**

Table 3.4 – 1 **Inventories**

Indices	Raw materials and completion goods	Goods purchased for resale	Total
a) Inventories acquisition cost At the end of the previous financial year	3,461	3,770,529	3,773,990
At the end of the financial year	7,476	572,909	580,385
b) Write-down to net realisable value (reversal) At the end of the previous financial year		133,047	133,047
At the end of the financial year		112,818	112,818
c) Net realisable value at the end of the financial year (a) - (b)	7,476	460,091	467,567
Differences in cost methods where LIFO formula was applied			0
Value of pledged inventories			0
Inventories held by third persons			0

The amount of write down to the net realisable value at the end of the financial year declined by LTL20,229. The goods impairment costs were reversed. The decrease resulted from the retail sales of goods over the reporting period.

3.5. Receivables

The debts of the suppliers to the company that are related to the operations of the company and the trade debts incurred for the sold goods and provided services are reflected.

The information is provided in Table 3.5- 1 *Receivables*

Table 3.5-1 **Receivables**

Groups of major receivables	Balance value (LTL)
Trade debtors	149,595,072
Other amounts receivable	50,927,093

Over the reporting year, the company was paid back loans in the amount of LTL12,503,094. The interest generated on the granted loans was LTL2,408,725.

3.6. Other current assets

This part of the Balance Sheet reflects the current financial assets. At the beginning of the financial year the company owned current financial assets in the amount of LTL122,050. In 2006, the acquired current financial assets amounted to LTL20,638,617; the acquisition cost of the sold current financial assets came up to LTL5388,791. The profit from the sales of the current assets amounted to LTL2,940,333.

Indices	Short term investments
Balance at the beginning of the financial year	122,050
a) acquisition	20,638,617
b) transfer	5,388,791
c) revaluation	3,751,484
Balance at the end of the financial year	19,123,3602

3.7. Capital

The structure of the authorised capital is shown in Table 3.7-1 *Structure of authorised capital*

Table 3.7-1 **Structure of authorised capital**

Indices	Number of shares	Amount (LTL)
Share capital structure at the end of the financial year		
1. By types of shares		
1.1. Ordinary shares	10,180,884	10,180,884
1.2. Preference shares		
1.3. Employee shares		
1.4. Special shares		
1.5. Other shares		
TOTAL:	10,180,884	10,180,884
2. State or municipal capital		
Own shares held by the enterprise itself		
Shares held by subsidiaries		

3.8. Draft Distribution of Profit

AB Kauno Tiekimas profit is distributed in the manner prescribed by the Law on Companies. The financial statements are accompanied by the draft distribution of profit for 2006. The general meeting approves the annual financial statements of the company and the draft distribution of profit.

Table 3.8-1 **Draft Distribution of Profit**

Items	Amount (LTL)
1. Undistributed result – profit (loss) of the previous financing year at the beginning of the reporting financial year	5,071,562
2. Net result of the reporting financial year – profit (loss)	472,066
Including unrealized gain	3,751,484
3. The profit (loss) of the reporting financial year non-recognised in the Profit and Loss Account	
4. Transfers from reserves	90,922
including bonuses, benefits	40,054
undistributable result	50,868
5. Shareholders' contributions for covering losses	
6. Total distributable profit (loss):	**5,634,550**
Including unrealized gain	3,751,484
7. Profit share distributed to statutory reserves	23,603
8. Profit share distributed to reserve for the acquisition of owns shares	
9. Profit share distributed to other reserves	400,000
including the planed warehouse renovation	400,000
10. Profit share for paying out dividends	
11. Profit share for annual bonuses for the board members, employee bonuses and other purposes	94,000
12. Undistributed profit (loss) at the end of the reporting financial year brought forward to the following financial year	**5,116,947**

3.9. Reserve formation purposes and restrictions of their use

The annual deductions to the legal reserve are established by the general meeting. The deductions to the legal reserve may not be less than 1/20 of the net profit and they shall be made until the legal reserve amounts to 1/10 of the authorised capital. Other reserves are formed and cancelled under the resolution of AB Kauno Tiekimas general meeting in the manner prescribed by the law.

3.10. Description of the principles of accounting for grants (subsidies) and assets received gratis

In 2006, the company received no grants or gratis assets.

3.11. Debts due, liabilities

Total liabilities of the company come up to LTL214,398,173, including debts to suppliers in the amount of LTL123,327,383. Information on the financial debts of the company is provided in Table 3.10 – 1 *Condition of company liabilities*.

Table 3.11-1 **Condition of company liabilities**

Indices	**Due debts or parts thereof**		
Classification of amounts due by type	**Within one financial year**	**Classification of amounts due by type**	**Within one financial year**
Financial debts: **(Including debts to subsidiaries and associates)** 1. Lease (financial lease) or similar liabilities 2. To credit institutions 3. Other financial debts	 52,950,317		
Other debts Including debts to suppliers	161,447,856 123,327,383		
profits tax liabilities	44,897		
liabilities linked with employment relations	239,608		
other debts	37,835,968		
TOTAL	214,398,173		

In 2006, the company was making payments in cash (bank transfers) as well as by way of offsetting: in its financial accounting the company was registering the settled commensurate counterclaims. The company has evidences that in the future it will not have to settle the liabilities by using its economic resources or loans (written agreements signed by the heads of the companies). In 2006, the total value of offsets amounted to LTL12,645,260.

3.12. Financial and investing activities revenue and expenses by material amounts

The financial and investing activities revenue and expenses by material amounts are shown in Table 3.12 – 1.

Table 3.12 - 1 **Results of financial and investing activities**

Indices	**Financial year**	**Previous financial year**
a) REVENUE FROM FINANCIAL AND INVESTING ACTIVITIES	23,854,690	7,322,636
Description of material amounts:		
Positive influence of exchange rate differences	9,168,606	
Other financial revenue	14,686,084	7,322,636
Including received dividends	50,740	42,500
profit from share transfer	8,293,584	
investment revaluation revenue	3,751,484	4,493,228
interests	2,414,075	2,070,091
late charges	174,937	716,817
other	1,264	
b) EXPENSES FOR FINANCIAL AND INVESTING ACTIVITIES	6,524,352	26,259,859
Negative influence of exchange rate differences		21,719,331
Interests	5,612,406	3,348,567

Other financial expenses	635,563	1,191,961
Penalties	276,383	
c) FINANSINĖS IR INVESTICINĖS VEIKLOS REZULTATAS (a – b)	17,330,338	-18,937,223

3.13. Amounts of revenue from exchange of goods or services

In 2006, the company did not execute any exchange of non-current tangible or financial assets, goods or services.

3.14. Sales expenses

In the reporting financial year as compared to 2005, the sales expenses increased by LTL11,834,450 or 24.03 percent. This increase mainly resulted from higher product (alumina) transportation costs, and especially sea freightage and port handling costs.

3.15. Information on business and geographic segments

AB Kauno Tiekimas renders services and carries out retail business in Lithuania, whereas the wholesale business is done outside Lithuania, in Bosnia. A customs post, warehouses, and an IE terminal are located on the territory of the company. The services rendered in Lithuania include the lease of the property owned by the company and the related services. The wholesale trade is taken up by the branch of the company, which supplies hydrate of sodium and bauxites for the alumina factory in Bosnia and sells alumina produced in the said factory.

In the reporting year the ordinary activities of the company generated a loss which accounted for LTL16,985,765, whereas in 2005 the result from ordinary activities was a profit of LTL14,798,257. The decrease in the profit indices for 2006 was directly influenced by the results of the main operating activities of the company, i.e. the wholesale trade in alumina, which were affected by the fall in the price of alumina, the main raw material in the production of aluminium. Compared to 2005, the price in the international markets shrank 2.2 times. A significant impact was also made by the constant growth of the energy prices in international markets.

Although the company was facing great difficulties in the international business market, we managed to achieve profitable annual results, to maintain our positions in the global market, and to continue our business in this field.

The information on the business and geographical segments is disclosed in Tables 3.15-1 and 3.15–2

Table 3.15 – 1 **Information on business segments**

Indices	**Segments (types of products, goods activities)**				**All enterprises**	
	Services		**Trade**			
	2006	**2005**	**2006**	**2005**	**2006**	**2005**
Revenue	1,553,468	1,425,717	646,436,778	638,205,147	647,990,246	639,630,864
Expense	1,629,016	1,480,827	663,346,995	623,351,780	664,976,011	624,832,607
Operating profit	-75,548	-55,110	-16,910,217	14,853,367	-16,985,765	14,798,257

In the reporting year, there were slight changes in the customer geography. Compares to 2005, the sales to Polish buyers increased 6.2 times. In 2006, the sales to Romanian customers were 1.93 higher than in 2005. The company has new customers from India, Australia, Slovenia, and Germany. The sales to the Bosnian, Czech, and Chinese customers slightly declined (0.71, 0.66, and 0.61 times respectively).

The sales and purchase geography expanded as a result of the company employees' participation at various international seminars and conferences which provide a possibility of meeting longstanding business partners and establishing relations with new raw material suppliers and customers from all over the world. This makes a significant impact on the results, image, and competitiveness of the company.

Table 3.15 – 2 **Information on geographical segments**

Year 2006

Indices	Segments (regions)													All enterprises
	Lithuania	Poland	Romania	Bosnia	India	Turkey	Czech	China	Australia	USA	Slovenia	Switzerland	Other	
Revenue	1,572,898	79,198,560	,11,758,696	63,511,855	145,254,827	888,156	5,439,190	230,688,369	85,462,015	17,966,520	5,148,289		1,100,871	647,990,246
Expense	1,670,421	81,267,694	12,065,902	65,171,160	149,049,742	911,360	5,581,294	236,715,313	87,694,788	18,435,912	5,282,793		1,129,632	664,976,011
Operating result	-97,523	-2,069,134	-307,206	-1,659,305	-3,794,915	-23,204	-142,104	-6,026,944	-2,232,773	-469,392	-,134,504		-28,764	-16,985,765

Year 2005

Indices	Segments (regions)													All enterprises
	Lithuania	Poland	Romania	Bosnia	India	Turkey	Czech	China	Australia	USA	Slovenia	Switzerland	Other	
Revenue	1,468,633	13,175,653	6,100,190	89,899,516		614,313	8,298,715	375,909,654		68,345,615		59,103,836	16,714,739	639,630,864
Expense	1,531,468	10,339,278	5,085,964	91,475,677		481,829	7,408,197	360,871,992		50,834,308		56,536,144	40,267,750	624,832,607
Operating result	-62,835	2,836,375	1,014,226	-1,576,161		132,484	890,518	15,037,662		17,511,307		2,567,692	-23,553,011	14,798,257

3.16. General administrative expenses

Compared to 2005 the general administrative expenses decreased by LTL1,016,435, however some individual expenses went up. The increased ecppenses are reflected in the table.

	Type of expenses	**Increase of expenses in LTL**
2005	Repair of premises and installation	46,779
	Social insurance on vacation reserve and accumulation of vacation pay	39,700
	Salaries/wages and social insurance	536,351
	Social insurance	165,793
	Sponsorship	133,500
	Insurance costs	82,020
	Securities accounting	12,202

3.17. Extraordinary gain and losses

No extraordinary gain or losses were registered in business year 2006.

3.18. Profits tax

In 2006, the company paid the budget advance profits tax in the amount of LTL175,199 and advance social insurance in the amount of LTL51,681. The profits tax amount calculated for 2006 was LTL214,561 and social tax LTL57,216. The expenses related to those taxes and levies increased by LTL77,970 in comparison to 2005.

3.19. All material amounts recorded in off-balance sheet accounts

In 2006, there have been no material amounts of third persons' assets being kept, processed or used otherwise.

3.20. Amounts calculated to managers and related persons, other transferred assets and guarantees

The managers of the company include: the general director of the parent company, the CEO, the branch director and the deputy director.

Indices	**Financial year**	**Previous financial year**	**Closing balance of the financial year**
1	2	3	4
A. Amounts calculated during a year linked with employment relations to: 1. Managers	248,098 -	175,136 -	

Other connected persons			
B. Loans granted by the company to: 1. Managers 2. Other connected persons	- -	- -	
C. Loans obtained from: 1. Managers 2. Other connected persons	- -	- -	
D. Assets transferred gratis and presents to: 1. Managers 2. Other connected persons	-	-	
E. Miscellaneous guarantees issued on behalf of the company to: 1. Managers 2. Other connected persons	-	-	
F. Other material amounts calculated during a year to: 1. Managers 2. Other connected persons	- -	- -	
G. Other liabilities material to the company of: 1. Managers 2. Other connected persons	-	-	
H. Assets sold to: 1. Managers 2. Other connected persons	-	-	
Average number of management personnel during the year	4	4	

Information on transactions with related legal persons (in LTL) is provided in the table below:

Indices	**2006**	**2005**	**Receivable amount or balance 31-12-2006**	**Receivable amount or balance 31-12-2006**
A. Total sales of goods or services, including:				
1. Key shareholders (corporate)				
2. Other enterprises	69,420	22,586		2,202
B. Total purchase of goods or services, including:				
1. Key shareholders (corporate)				
2. Other enterprises	75,541	60,539		
C. Total sales of non-				

current assets, including:				
1. Key shareholders (corporate)				
2. Other enterprises				
D. Total purchase of non-current assets, including:				
1. Key shareholders (corporate)				
2. Other enterprises				
E. Total granted loans, including:		12,503,094		
1. Key shareholders (corporate)		12,503,094		
2. Other enterprises				
F. Total received loans, including:				
1. Key shareholders (corporate)				
2. Other enterprises				
H. Total granted guarantees, including:				
1. Key shareholders (corporate)				
2. Other enterprises				
I. Total other material transactions, including	12,625,144			22,050
1. Key shareholders (corporate)	12,503,094			
2. Other enterprises	122,050			122,050

3.21. Nature of corrected errors, amounts of corrections and comparative data

When financial statements are made, an error is considered material when it comes up to 0.5 percent of the sales revenue stated in the financial accounting. When the financial statements of 31-12-2006 were made, the corrected errors and amounts of corrections did not exceed the established limit.

3.22. Annual inventory

The annual inventory supporting the data of the financial statements of 31-12-2006 was completed as follows:

as per 31-10-2006: materials and fuel;

as per 30-11-2006: non-current assets;

as per 31-12-2006: goods for resale, non-current assets, receivables and payable debts;

as per 31-12-2006: cash;

as per 31-12-2006: receivable and payable amounts;

as per 31-12-2006: holyday reserve.

3.23. Brief description of material events after the balance sheet date

There have been no material events after the balance sheet date.

3.24 Profit per share

The profit per share in the reporting year accounted for LTL0.046, while in 2005 the profit per share was LTL0.484.

Irena Keblerienė
General Director

Kaunas
7 March 2007