

AB KAUNO TIEKIMAS

**Interim information
for the first half-year of 2009
(unaudited)**



AKCIN BENDROV "KAUNO TIEKIMAS"

mon s kodas 1335 23653, PVM mok tojo kodas LT 335236515

Palemono g. 171, 52501, Kaunas, telefonas/faksas 473744, el.paštas tiekimas@kaunas.balt.net

A.s. Nr. LT 637011700026467129 AB " kio bankas" banko kodas 70117

Juridini asmen registras, tvarkytojas: V Registr centras

26-08-2009

CONFIRMATION OF RESPONSIBLE PERSONS

We hereby confirm that interim financial statements for the first half - year of 2009 prepared in accordance with International Accounting Standards are true and fairly reflect the assets, liabilities, financial position, profit or loss of the company.

Irena Keblerien
General Director

Danut Sku ien
Chief Accountant

**AB KAUNO TIEKIMAS
INTERIM REPORT FOR 6 MONTHS
2009**

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I. GENERAL PROVISIONS

1. Reporting period for which the report has been prepared.

The Interim has been produced for the first half of the year 2009.

2. Main data about the Issuer.

AB Kauno Tiekimas. The authorised capital amounts to LTL 10,180,884. The company is a limited civil 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 under Decree No 2088 of the Board of the City of Kaunas, register No AB-1072, Company code: 133523653. The website – www.kaunotiekimas.lt

3. Information on the place and manner of the access to the report and the documents, which serves as the basis for the report; the name of the means of mass media.

The Interim Report and other documents that were used to draft the Interim Report are available at the accounts department of AB "Kauno Tiekimas, telephone number: (8 37) 37 35 70, telephone/fax: (8 37) 47 37 44, the Vilnius Exchange Stock and AB Kauno Tiekimas website. Material information is published in the daily *Lietuvos Rytas*.

4. Persons responsible for the accuracy of information in the Report:

Persons responsible for the information provided in the Report include:

Irena Keblerien , General Director, telephone/fax: (8 37) 47 37 44 , and

Danut Sku ien , Chief Financial Officer, telephone: (8 37) 37 35 70.

The management of the Company hereby declare that the information contained in the Report conforms to the facts and the Report contains no omissions that are likely to have an effect on the investors' decisions related to the purchase or sales of the Issuer's securities or on the market price and valuation of such securities.

5. Declaration by the Head of the Administration and the issuer's consultants that the information contained in the Report in accordance with the facts and that the Report contains no omissions likely to have an effect on the investors' decision concerning purchase or sale of the issuer's securities or on the market price or valuation of these securities:

AB Kauno Tiekimas hereby declare that the information contained in the Report conforms to the facts and the Report contains no omissions that are likely to have a material effect on the investors' decisions.

General Directos

Irena Keblerien

Chief Financial Officer

Danut Sku ien

Report signed in August 2009 in Kaunas.

II. OBJECTIVE OVERVIEW OF THE COMPANY STANDING, BUSINESS AND DEVELOPMENT

6. Company background.

AB Kauno Tiekimas is a limited civil liability private legal person.

The Company has one branch. AB Kauno Tiekimas branch was registered on 8 November 2002. The Branch code 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 Branch Director organizes the work of the Branch, directs the economic activities of the Branch, manages 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 Bira factory operating in Bosnia and Herzegovina.

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 LTL 10,180,884.

The authorised capital of the Company is divided into 10,180,884 ordinary registered shares with the nominal value of LTL 1 each.

7. Shareholders.

Shareholders whose participation in AB Kauno Tiekimas authorised capital and the number votes held thereby exceed 5% as of 30 June 2009:

Shareholder	Company Register No	Seat address	No of shares		Participation in the authorised capital, %	
			Total	Under the property right	Total	Under the property right
UAB " kio banko investicin grup "	135201099	K.Donelai io g. 60, Kaunas	1015376	507783	9,98	4,99
UAB FM "Finbaltus"	122020469	Konstitucijos pr.23-660, Vilnius	1015376	507593	9,98	4,99
AB kio bankas FMD	112020136	Maironio 25, Kaunas	2000000	2000000	19,64	19,64
InCompleks LLC	CP00193203	101 South Spring Street, Suite 2, Little Rock, Arkanzasas 72201, JAV	993461	993461	9,76	9,76
UAB "Energolinija"	135647258	Palemono 171, Kaunas	1232000	1232000	12,10	12,10
UAB „ATTENTUS“	135654594	K.Donelai io g. 60, Kaunas	2545058	2545058	25,00	25,00
UAB "Sinvita"	234396170	Pramon s pr.4, Kaunas	509000	509000	5,00	5,00

Group of related persons:

Company name	Seat address of the Company	Company code	No of shares and votes
UAB " kio banko investicin grup "	K.Donelai io 60, Kaunas	135201099	507783
UAB FM "Finbaltus"	Konstitucijos pr. 23 – 660, Vilnius	122020469	507593

On 18 June 2009 the total number of shareholders was 300.

8. Business activities.

Established more than 3 decades ago, AB Kauno Tiekimas is mainly involved in wholesale trading 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 the main materials required for alumina production. After AB Kauno Tiekimas started trading in alumina, the Company entered the constantly growing alumina market. 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. AB Kauno Tiekimas Branch is cooperating with Bira alumina factory, which is a strategic and one of the three largest companies in Srpska Respublic, Bosnia and Herzegovina. Bira 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. AB Kauno Tiekimas Branch 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 bauxities. Balkal A.D., in its turn, sells the Branch of AB Kauno Tiekimas the production of Bira factory: alumina, alumina hydrate, zeolite.

In the business year 2006, the turnover of the Company amounted to LTL 648m and increased by 1,31% in comparison to 2005. In the business year 2007, the sales revenue of the Company came up to LTL 417.4 m and shrank by 35,6% as compared to 2006. The decrease was determined by the decline of the global alumina market prices, which was observed since the second half of 2006, and a significant increase in the prices of energy resources and transportation costs. In the first six months of 2008, the sales revenue of the Company accounted for LTL 218.3 m, and increased by 14,3% as compared to LTL 191 m in the first half of the previous financial year. The increase in the sales revenue was determined by a slight growth of the alumina price in the global market.

In the first six months of 2009, the sales revenue of the Company accounted for LTL 95.5 m , and decreased LTL 122.8 m or 56,2% as compared to LTL 218.3 m in the first half of the previous financial year.

Other business activities of the Company include the lease of the Company's property and related services. On the territory of the Company there is a customs post and warehouses.

Apart from the ordinary operations, the Company is engaged in financial and investment activities.

III. INFORMATION ON THE ISSUER'S AUTHORISED CAPITAL, ISSUED SECURITIES, AND THE MANAGEMENT BODIES

9. Authorised capital of the Issuer:

9.1. Authorised capital registered with the Register of Companies

The authorized capital of LTL 10,180,884 is registered with the Register of Companies. The capital consists of 10,180,884 ordinary registered shares with the nominal value of LTL 1 (one litas) each. The shares of the above type comprise 100% of the authorized capital. All the authorized capital is paid up in full.

10. Securities non – representing participation in the capital, the trading whereof is governed by the Law on Securities Market of the Republic of Lithuania.

The Company has not issued securities non – representing participation in the authorized capital.

11. Secondary trading in Issuers's securities.

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

Reporting period		Central market and negotiated deals					
From	To	Price (LTL)			Last session date	Total turnover	
		Max.	Min.	Last session		Units	LTL
2009-01-01	2009-03-31	0,26	0,20	0,23	2009-03-28	287174	50 640,09
2009-04-01	2009-06-30	0,26	0,24	0,26	2009-06-30	334453	78 315,99

12. Agreements with intermediaries of public trading in securities.

The Company has entered into a service agreement with UAB FM Finbaltus, Konstitucijos pr. 23-660, Vilnius, LT-08105.

13. Members of the managing bodies.

The supervisory Board is not formed.

Board members:

Chairman of the Board Igor Gon aruk. Holds 65,994 shares or 0.65% of AB Kauno Tiekimas authorised capital, 14 190 UAB Agrobiznis shares (100%), 4,800 UAB Kauno tiekimo prekybos centras shares (40%). Does not have any positions in other companies. During the reporting period, Igor Gon aruk was paid salaries in the total amount of LTL 33.330.

Board member Irena Keblerien . Has no shareholdings in the Company. Does not have any positions in other companies and does not hold over 5% of other companies' shares. During the reporting period, Irena Keblerien was paid salaries in the total amount of LTL 31.473.

Board member Nijol Varanavi ien . Board member of UAB Eneergolinija; not employed by the Company; has no shareholding in the Company. Does not hold over 5% of other companies' shares.

The office term of the Board members started on 25 April 2007; the office term will end in April 2011.

Administration:

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

Igor Gon aruk, CEO, holds 65.994 shares of the Company or 0.65% of the authorised capital.

Danut Sku ien , Chief Financial Officer has no shareholdings in the Company. Does not have any positions in other companies and does not hold over 5% of other companies' shares. During the reporting period, Danut Sku ien was paid salaries in the amount of LTL 25.568.

Vaclovas Macijauskas, AB Kauno Tiekimas Branch Director, has no shareholdings in the Company. Does not have any positions in other companies. Holds 327,100 shares in UAB Korelita,

i.e.9,99% of the authorised capital. During the reporting period, Vaclovas Macijauskas was paid salaries in the amount of LTL 36.676.

Gediminas Antanas Baranauskas, AB Kauno Tiekimas Branch Chief Financial Officer. 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. During the reporting period, Gediminas Antanas Baranauskas was paid salaries in the amount of LTL 43,195.

14. Information on audit.

The accounting and financial statements of AB Kauno Tiekimas for the first half of the financial/business year have not been audited.

IV. MATERIAL EVENTS IN THE ISSUER'S ACTIVITIES

15. Material events in the Issuer's activities

30.06.2009 – 09:45 (VLN)	KTK: Intention to announce a mandatory tender offer
26.06.2009 – 13:29 (VLN)	KTK: Resolutions of Extraordinary meeting
15.06.2009 – 09:31 (VLN)	KTK: Draft resolutions extraordinary meeting
21.05.2009 – 09:31 (VLN)	KTK: Notice of Extraordinary meeting, notice on the intent to have the company shares removed
20.05.2009 – 13:35 (VLN)	KTK: Interim information for the first quarter of 2009
20.05.2009 – 13:13 (VLN)	KTK: Interim results for the first three months of 2009
29.04.2009 – 10:31 (VLN)	KTK: Resolutions of the General Meeting
16.04.2009 – 10:42 (VLN)	KTK: Draft resolutions of general meeting
16.04.2009 - 09:58(VLN)	KTK: Audited information for the year ended 31-12-2008
20.03.2009 - 09:14(VLN)	KTK: Notice of the General Meeting
27.02.2009 - 09:23(VLN)	KTK: The results of activities for the IV quarter and financial year of 2008 and interim information for this year

Notices on material events have been submitted to the State Securities Commission, Stock Exchange AB "NASDAQ OMX Vilnius", the daily *Lietuvos Rytas*.

16. Court and arbitration proceedings.

During the reporting period, there have been no court or arbitration proceedings that might have affected the financial stading of the Company.

**VI. SIGNIFICANT EVENTS OF THE REPORTING PERIOD THAT
HAVE EXERCISED IMPACT UPON THE PERFORMANCE OF THE
COMPANY**

VII.

Over the first six months of the year there have been no material events which could influence the business activities of the Company.

Kauno tiekimas AB
BALANCE SHEET

First half - year of 2009

In litas

(reporting period)

(reporting currency and level of its accuracy)

	ASSETS	Note No.	Financial year	Previous financial year
A.	NON-CURRENT ASSETS		12.569.625	10.453.162
I.	INTANGIBLE ASSETS		588	754
I.1.	Development works			
I.2.	Goodwill			
I.3.	Licences and patents			
I.4.	Computer software		588	754
I.5.	Other intangible assets			
II.	TANGIBLE ASSETS		4.532.945	2.416.316
II.1.	Land			
II.2.	Buildings and constructions		2.060.096	2.158.885
II.3.	Plant and equipment		37.778	44.528
II.4.	Vehicles		151.785	148.664
II.5.	Other property, plant and equipment		47.827	64.239
II.6.	Construction in progress			
II.7.	Other tangible assets			
II.8.	Investment assets		2.235.459	0
II.8.1	Land			
II.8.2	Buildings			
III.	FINANCIAL ASSETS		8.036.092	8.036.092
III.1.	Investments in subsidiaries and associates			
III.2.	Loans to subsidiaries and associates			
III.3.	Amounts receivable after one year		10.121	10.121
III.4.	Other financial assets		8.025.971	8.025.971
IV.	OTHER NON-CURRENT ASSETS		0	0
IV.1.	Deferred tax assets			
IV.2.	Other non-current assets			
B.	CURRENT ASSETS		138.510.909	130.511.177
I.	INVENTORIES, PREPAYMENTS AND CONTRACTS IN PROGRESS		24.119.950	16.898.619
I.1.	Inventories		269.147	1.685.286
I.1.1.	Raw materials and components		4.439	11.896
I.1.2.	Work in progress			
I.1.3.	Finished products			
I.1.4.	Goods for resale		264.708	1.673.390
I.2.	Prepayments		23.840.758	15.213.333
I.3.	Contracts in progress		10.045	
II.	AMOUNTS RECEIVABLE WITHIN ONE YEAR		99.306.482	99.497.542
II.1.	Trade amounts receivable		65.945.328	67.285.425
II.2.	Receivables from subsidiaries and associates			
II.3.	Other amounts receivable		33.361.154	32.212.117
III.	OTHER CURRENT ASSETS		14.312.571	14.051.497
III.1.	Current investments		14.132.494	13.901.420
III.2.	Time deposits			
III.3.	Other current assets		180.077	150.077
IV.	CASH AND CASH EQUIVALENTS		771.906	63.519
	TOTAL ASSETS:		151.080.534	140.964.339

	EQUITY AND LIABILITIES	Note No.	Financial year	Previous financial year
C.	EQUITY		11.446.990	11.350.904
I.	CAPITAL		10.180.884	10.180.884
I.1.	Authorised (subscribed)		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		644.820	1.306.570
III.1.	Legal reserve		388.508	388.508
III.2.	Reserve for acquiring own shares			
III.3.	Other reserves		256.312	918.062
IV.	RETAINED EARNINGS (LOSSES)		621.286	-136.550
IV.1.	Profit (loss) of the reporting year		96.086	-5.472.646
IV.2.	Profit (loss) of the previous year		525.200	5.336.096
D.	GRANTS AND SUBSIDIES			
E.	AMOUNTS PAYABLE AND LIABILITIES		139.633.544	129.613.435
I.	NON-CURRENT AMOUNTS PAYABLE AND LIABILITIES		10.754.363	10.754.363
I.1.	Financial debts		10.754.363	10.754.363
I.1.1.	Leases and similar obligations			
I.1.2.	To credit institutions		10.754.363	10.754.363
I.1.3.	Other financial debts			
I.2.	Trade amounts payable			
I.3.	Amounts received in advance			
I.4.	Provisions		0	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 tax liabilities			
I.6.	Other amounts payable and non-current liabilities			
II.	CURRENT AMOUNTS PAYABLE AND LIABILITIES		128.879.181	118.859.072
II.1.	Current portion of non-current debts		1.204.028	1.330.436
II.2.	Financial debts		114.796.303	113.770.561
II.2.1	To credit institutions		112.747.225	111.328.760
II.2.2	Other debts		2.049.078	2.441.801
II.3.	Trade amounts payable		10.276.457	1.906.234
II.4.	Amounts received in advance		30.397	234.866
II.5.	Profit tax liabilities			
II.6.	Liabilities related with labour relations		429.075	369.921
II.7.	Provisions			
II.8.	Other amounts payable and current liabilities		2.142.921	1.247.054
	TOTAL EQUITY AND LIABILITIES:		151.080.534	140.964.339

Director General
title of the head of enterprise
administration

(signature)

Irena Keblerien
(full name)

KAUNO TIEKIMAS AB

(enterprise name)

Ident.number 133523653, Palemono str.171, Kaunas

(enterprise identification number, address, other information)

INCOME STATEMENT

First Half-year of 2009

(reporting period)

in litas

to specify – in litas or thousands of litas

No.	ITEMS	Note No.	Second quarter of 2009	Second quarter of 2008	First half year of 2009	First half year of 2008
I.	SALES INCOME		39.387.341	110.723.817	95.504.325	218.297.526
II.	COST OF SALES		32.260.843	102.621.402	82.518.852	198.740.895
III.	GROSS PROFIT (LOSS)		7.126.498	8.102.415	12.985.473	19.556.631
IV.	OPERATING COSTS		2.352.084	5.963.349	8.841.726	13.892.519
IV.1.	Sales		1.202.820	4.631.787	6.536.605	11.028.854
IV.2.	General and administrative		1.149.264	1.331.562	2.305.121	2.863.665
V.	OPERATING PROFIT (LOSS)		4.774.414	2.139.066	4.143.747	5.664.112
VI.	OTHER ACTIVITIES		0	-761	132	61.866
VI.1.	Income			1	132	63.391
VI.2.	Expenses			762		1.525
VII.	FINANCING AND INVESTING ACTIVITIES		-1.481.975	-2.004.579	-4.047.793	-5.487.381
VII.1.	Income		768.221	552.758	1.637.148	1.100.057
VII.2.	Expenses		2.250.196	2.557.337	5.684.941	6.587.438
VIII.	PROFIT (LOSS) BEFORE TAX		3.292.439	133.726	96.086	238.597
IX.	PROFIT TAX				0	
X.	NET PROFIT (LOSS)		3.292.439	133.726	96.086	238.597

Director General

Irena Keblerien

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											-5.711.243	-5.711.243
21. Dividends												0
22. Other payments												0
23. Formed reserves												0
24. Used reserves												0
25. Increase / reduction of authorised capital												0
26. Balance at the end of previous financial year (31 12 2008)	10.180.884	0	0	0	0	388.508	0	0	918.062	-136.550	11.350.904	
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											96.086	96.086
21. Dividends												0
22. Other payments												0
23. Formed reserves												0
24. Used reserves									-661.750	661.750		0
25. Increase / reduction of authorised capital												0
26. Balance at the end of reporting period (30 06 2009)	10.180.884	0	0	0	0	388.508	0	0	256.312	621.286	11.446.990	

Director General

(title of the head of enterprise administration)

(signature)

Irena Keblerien

(full name)

Kauno tiekimas AB

(enterprise name)

Registr.number 133523653, Palemono st. 171, Kaunas

(enterprise registration number, address, other information)

CASH FLOW STATEMENT**First half - year of 2009**

in litas

reporting period

to specify – in litas or thousands of litas

No.	ITEMS	Note No.	First half year of 2009	First half year of 2008
I.	Cash flows from operating activities			
I.1.	Net profit (loss)		96.086	238.597
I.2.	Depreciation and amortization costs		174.036	154.213
I.3.	Decrease (increase) in amounts receivable after one year			
I.4.	Decrease (increase) in inventory		1.416.139	-7.159.330
I.5.	Decrease (increase) in advances received		-8.627.425	75.045
I.6.	Decrease (increase) in contracts in progress		-10.045	-29.352
I.7.	Decrease (increase) in trade receivables		1.340.097	43.047.845
I.8.	Decrease (increase) in amounts receivable from subsidiaries and associates			
I.9.	Decrease (increase) in other amounts receivable		-1.149.037	-325.066
I.10.	Decrease (increase) in other current assets		-30.000	-30.096
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		8.165.754	-60.574.764
I.13.	Increase (decrease) in profit tax liability			8.816
I.14.	Increase (decrease) in liabilities connected with labour relations		11.387	43.607
I.15.	Increase (decrease) in provisions			
I.16.	Increase (decrease) in other amounts payable and liabilities		943.634	-180.972
I.17.	Elimination of financing and investing activity results		3.636.252	4.531.646
	Net cash flows from operating activities		5.966.878	-20.199.811
II.	Cash flows from investing activities			
II.1.	Acquisition of non-current assets (excluding investments)		-30.000	-10.645
II.2.	Transfer of non-current assets (excluding investments)			70.000
II.3.	Acquisition of long-term investments		-2.260.498	
II.4.	Transfer of long-term investments			
II.5.	Loans granted			
II.6.	Loans recovered			
II.7.	Dividends and interest received		1.027.705	1.100.057
II.8.	Other increase in cash flows from investing activities			
II.9.	Other decrease in cash flows from investing activities			
	Net cash flows from investing activities		-1.262.793	1.159.412
III.	Cash flows from financing activities			
III.1.	Cash flows related to enterprise owners:		0	0
III.1.1.	Emission of shares			

No.	ITEMS	Note No.	First half year of 2009	First half year of 2008
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		-3.995.698	18.822.120
III.2.1.	Increase in financial debts		68.268.043	198.689.414
III.2.1.1.	Loans received		68.268.043	198.689.414
III.2.1.2.	Issue of bonds			
III.2.2.	Decrease in financial debts		-72.303.790	-182.486.865
III.2.2.1.	Loans repaid		-67.518.349	-178.681.983
III.2.2.2.	Purchase of bonds			
III.2.2.3.	Interest paid		-4.785.441	-3.804.882
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		542.806	2.884.700
III.2.6.	Other decrease in cash flows from financial items		-502.757	-265.129
	<u>Net cash flows from financing activities</u>		-3.995.698	18.822.120
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			
VI.	Net increase (decrease) in cash flows		708.387	-218.279
VII.	Cash and cash equivalents at the beginning of period		63.519	309.676
VIII.	Cash and cash equivalents at the end of period		771.906	91.397

Director General
title of the head of enterprise
administration

(signature)

Irena Keblerien
(full name)

EXPLANATORY NOTES
to Financial Statements for the first half - year of 2009

1. General provisions

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 liability company. AB Kauno Tiekimas was registered on 26 November 1992, register No 007496, Company code 133523653. The Company website address www.kaunotiekimas.lt.

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

The main activities include commercial activities and services. Commercial activities: wholesale and retail. Services: customs, rent of premises.

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 percent as of 30-06-2009.

Shareholder	Company Register No	Seat address	No of shares		Participation in the authorised capital, %	
			Total	Under the property right	Total	Under the property right
UAB "Kio Banko Investicin Grup"	135201099	K.Donelai io g.60, Kaunas	1.015.376	507.783	9,98	4,99
UAB FM Finbaltus	122020469	Konstitucijos pr.23-660, Vilnius	1.015.376	507.593	9,98	4,99
AB "Kio bankas"	112020136	Maironio g.25, Kaunas	2.000.000	2.000.000	19,64	19,64
InCompleks LLC	CP00193203	101 South Spring Street, Suite 220 Little Rock, Arkansas 72201, JAV	993.461	993.461	9,76	9,76
UAB Energolinija	135201099	Palemono g. 171, Kaunas	1.232.000	1.232.000	12,10	12,10
UAB "ATTENUS"	135654594	K.Donelai io g.60, Kaunas	2.545.058	2.545.058	25,00	25,00
UAB "Sinvita"	234396170	Pramon s pr.4, Kaunas	509.000	509.000	5,0	5,0

Group of related persons:

Company	Seat address of the company	Company code	No of shares and votes
UAB kio Banko Investicin Grup	K.Donelai io g.60, Kaunas	135201099	507.783
UAB FM Finbaltus	Konstitucijos pr.23-660, Vilnius	122020469	507.593

Since 30/06/2009, AB Kauno Tiekimas securities have been included to the NASDAQ OMX Vilnius Current List. Securities code: LT0000104879.

Reporting period		Central market and block trading					
From	To	Price LTL			Last session date	Total turnover	
		Max	Min	Last session		Units	LTL
01-01-2009	31-03-2009	0,26	0,20	0,23	2009-03-27	227.174	50.640,09
01-04-2009	30-06-2009	0,26	0,24	0,26	30-06-2009	334.453	78.315,99

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

2. Accounting policy

The accounting policy of the Company has been consistently applied in the financial statements for the first half - year of 2009. The interim financial statements have been drawn up in pursuance of the International Financial Accounting Standard on Interim Financial Reporting.

The assets, liabilities, revenue, and expenses valuation methods in the financial statements for the first half - year of 2009 remained the same.

This interim financial information for the first half - year period ended 30 June 2009 has been prepared in accordance with IAS 34, "Interim financial reporting". The interim financial report should be read in conjunction with the annual financial statements for the year ended 31 December 2008.

3. Non-current tangible assets

On 8 January 2009 the company board passed a resolution on purchasing real property in Balkan region. In February of 2009 company got investment assets for LTL2,3m.

4. Financial assets

kio bankas increased authorized capital from company`s resource and our company got free the shares of the new issue in proportion to the nominal value of shares held by proprietary right at the end of the rights accounting day of kio bankas general meeting of shareholders.

At the end of the reporting period the value of the company`s shares quoted at the Stock Exchange is reflected in the Balance Sheet at the fair market value. In the reporting period the share revolution revenue amounted to LTL 609 thous. and the costs amounted to LTL 377,9 thous. At the end of the reporting period the company had current and noncurrent financial assets for LTL22.2m.

5. 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.

The sales revenue during the first half - year of 2009 decreased in comparison with the same period in 2008 LTL 122,8m or 56,2 percents. Services revenue during the first half - year, in comparison with first half - year in 2008, decreased 16.3 percents. Trade revenue during the first half - year of 2009, in comparison with same period of 2008, decreased 50,2 percents.

In the reporting period, there were slight changes in the customer geography. In comparison with first half - year of 2008, the sales increased to buyers from Poland, Italy and Hungary. The company has new customers from India, Spain and Croatia.

The revenue and results of the business and geographic segments are provided in Tables:

- No 1 Income statement by business segments for the second quarter of 2009;
- No 2 Income statement y business segments for the first half - year of 2009;
- No 3 Balance Sheet by business segments;
- No 4 Information on geographical segments for the second quarter of 2009;
- No 5 Information on geographical segments for the firs half - year of 2009;

Table No1. **Income statement by business segments for the second quarter of 2009**

No	Items	Services		Trade		Total	
		Second quarter of 2009	Second quarter of 2008	Second quarter of 2009	Second quarter of 2008	Second quarter of 2009	Second quarter of 2008
1	2	3	4	5	6	7	8
I.	SALES INCOME	498.855	527.151	38.888.486	110.196.666	39.387.341	110.723.817
II.	COST OF SALES			32.260.843	93.072.019	32.260.843	102.621.402
III.	GROSS PROFIT (LOSS)	498.855	527.151	6.627.643	10.589.916	7.126.498	8.102.415
IV.	OPERATING COSTS	481.512	586.821	1.870.572	10.644.452	2.352.084	5.963.349
V.	OPERATING PROFIT (LOSS)	17.343	-59.670	4.757.071	-54.536	4.774.414	2.139.066
VI.	OTHER ACTIVITIES		1		138		-761
VI.1	Income		1		1.066		1
VI.2	Expenses		-		928		762
VII.	FINANCING AND INVESTING ACTIVITIES	-1.452.488	-1.101.653	-12.144	-827.773	-1.481.975	-2.004.579
VII.1	Income	305.482	32.124	514.077	841.323	819.559	552.758
VII.2	Expenses	1.775.313	1.133.777	526.221	1.669.096	2.301.534	2.557.337
IX.	PROFIT (LOSS) BEFORE TAX	-1.452.488	-1.161.322	4.744.927	-882.171	3.292.439	133.726
X.	PROFIT TAX						
XI.	NET PROFIT (LOSS)	-1.452.488	-1.161.322	4.474.927	-882.171	3.292.439	133.726

Table No2. Income statement by business segments for the first half - year of 2009

No	Items	Services		Trade		Total	
		First half - year of 2009	First half - year of 2008	First half - year of 2009	First half - year of 2008	First half - year of 2009	First half - year of 2008
1	2	3	4	5	6	7	8
I.	SALES INCOME	860 841	1 028 894	94 643 484	190.154.752	95.504.325	218.297.526
II.	COST OF SALES			82 518 852	198.740.898	82 518 852	198.740.895
III.	GROSS PROFIT (LOSS)	860 841	1 028 894	12 124 632	18 527 737	12 985 473	19.556.631
IV.	OPERATING COSTS	995 228	1 111 885	7 846 498	12 780 634	8 841 726	13.892.519
V.	OPERATING PROFIT (LOSS)	-134 387	-82 991	4 278 134	5 747 103	4 143 747	5.664.112
VI.	OTHER ACTIVITIES		63 389	132	-1 523	132	61.866
VI.1	Income		63 389	132	2	132	63.391
VI.2	Expenses				1 525		1.525
VII.	FINANCING AND INVESTING ACTIVITIES	-2559 939	-1 595 307	-1 487 854	-3 892 074	-4 047 793	-5.487.381
VII.1	Income	609 463	32 151	1 027 685	1 067 906	1 637 148	1.100.057
VII.2	Expenses	3 169 402	1 627 458	2 515 539	4 959 980	5 684 941	6.587.438
IX.	PROFIT (LOSS) BEFORE TAX	-2.694.326	-1 614 909	2 790 412	1 853 506	96 086	238.597
X.	PROFIT TAX						
XI.	NET PROFIT (LOSS)	-2.694.326	-1 614 909	2 790 412	1 853 506	96 086	238.597

Table No3. Balance Sheet by business segments

No	Items	Services		Trade		Total	
		Firs half - year of 2009	2008	Firs half - year of 2009	2008	First half - year of 2009	2008
I.	ASSETS	27 535 440	24 980 079	123 545 094	115 984 260	151 080 534	140 964 339
I.I	NON-CURRENT	12 471 309	10 359 727	98 316	93 435	12 569 625	10 453 162
I.I.1	Intangible	585	751	3	3	588	754
I.I.2	Tangible	4 434 632	2 322 884	98 313	93 432	4 532 945	2 416 316
I.I.3	Financial	8 036 092	8 036 092			8 036 092	8 036 092
I.I.4	Other						
I.2	CURRENT	15 064 131	14 620 352	123 446 778	115 890 825	138 510 909	130 511 177
II.	LIABILITIES	2 531 096	302 672	137 102 448	129 310 763	139 633 544	129 613 435
II.1	LOMG-TERM LIABILITIES			10 754 363	10 754 363	10 754 363	10 754 363
II.2	SHORT-TERM LIABILITIES	2 531 096	302 672	126 348 085	118 556 400	128 879 181	118 859 072

Table No4. Information on geographic segments for second quarter of 2009

Segments (regions)	Second quarter of 2009			Second quarter of 2008		
	Revenue	Expenses	Result of operations	Revenue	Expenses	Result of operations
1	2	3	4	5	6	7
Lithuania	499.632	482.325	17.307	527.90	591.440	-63.540
Poland	6.999.917	5.932.676	1.067.241	3.102.872	3.040.852	62.020

1	2	3	4	5	6	7
Switzerland				47.435.342	46.487.200	948.142
Bosnia	14.688.011	13.300.077	1.387.934	13.094.398	12.832.666	261.732
British Virgin Islands	6.137.791	6.115.271	22.520			
Romania	48.730	39.898	8.832	23.203.699	22.739.902	463.797
Slovenia	709.715	645.962	63.753	827.125	810.592	16.533
Check	424.378	342.912	81.466	826.332	809.815	16.517
Spain	1.975.685	1.714.270	261.416			
Croatia	1.358.677	981.195	377.482			
USA				17.508.612	17.158.648	349.964
Turkey	720.985	596.319	124.666	697.096	683.163	13.933
Germany	28.979	24.081	4.898			
Austria	2.640.229	2.175.015	465.214	3.020.118	2.959.751	60.367
Hungary	1.554.552	1.216.955	337.596	323.220	316.760	6.460
Italy	1.374.285	886.245	488.040	137.655	134.903	2.752
Other	225.775	159.726	66.049	19.448	19.059	389
All enterprises	39.387.341	34.612.927	4.774.414	110.723.817	108.584.751	2.139.066

Table No5. Information on geographic segments for first half - year of 2009

Segments (regions)	First half - year of 2009			First half - year of 2008		
	Revenue	Expenses	Result of operations	Revenue	Expenses	Result of operations
1	2	3	4	5	6	7
Lithuania	861,944	996,341	-134,397	1,030,423	1,121,975	-91,552
Poland	12,302,338	10,317,330	1,985,008	4,105,015	3,996,268	108,747
Switzerland				121,173,767	117,963,730	3,210,037
Bosnia	19,981,077	18,661,548	1,319,529	24,682,614	24,028,742	653,872
India	14,197,676	17,149,931	-2,952,255			
Romania	73,841	60,202	13,639	37,568,241	36,573,014	995,227
Slovenia	1,046,625	923,730	122,896	4,513,811	4,394,235	119,576
Check	740,121	594,129	145,992	1,717,718	1,672,214	45,504
Spain	3,117,586	2,697,461	420,125			
Croatia	2,253,399	1,610,549	642,850			
USA	20,914,488	21,623,307	-708,819	17,508,612	17,044,788	463,84
Turkey	1,427,828	1,224,704	203,124	1,092,964	1,064,010	28,954
Germany	552,735	519,072	33,662			
Austria	5,393,371	4,385,288	1,008,083	4,280,425	4,167,031	113,394
Hungary	2,939,243	2,228,123	711,120	323,220	314,658	8,562
British Virgin Islands	6,137,791	6,115,271	22,520			
Italy	3,325,440	2,081,140	1,244,300	281,267	273,816	7,451
Other	238,822	172,452	66,370	19,449	18,933	516
All enterprises	95,504,325	91,360,578	4,143,747	218,297,526	212,633,414	5,664,112

6. Employees

At the end of the previous financial year the Company employed 56 persons. At the end of the first half - year of 2009 the Company employed 52 persons.

7. Related legal persons

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

Indices	First half - year of 2009	First half - year of 2008	Receivable amount or balance 30-06-2009	Payable amount or balance 30-06-2009
A. Total sales of goods or services, including:	177.577	111.085	37.714	
1. Key shareholders (corporate)				
2. Other enterprises	177.577	111.085	37.714	
B. Total purchase of goods or services, including:	74.548	220.509		18.843
1. Key shareholders (corporate)				
2. Other enterprises	74.548	220.509		18.843
C. Total received loans, including:	68.268.043	181.560.005		112.747.225
1. Key shareholders (corporate)				
2. Other enterprises	68.268.043	181.560.005		112.747.225

8. Financial debts

The company is using a credit line, factoring secured by a bank and long-term loan. At the end of the reporting period the company owed the bank LTL126.7m. To secure the long-term loan, credit line and factoring the company has pledged its non-current assets, all the present and future monetary means of the company with the banks, the shares of other companies held by the company, without the right of claim under contracts.

The loan interest rate was established in line with the market interest rate, which is reviewed every three months and therefore the accounting value of the loans corresponds to its fair value. There were no capitalized borrowing expenses during the accounting period.

9. Basic earnings per share

Basic earnings per share are calculated as follows:

	First half - <u>year of 2009</u>	First half - <u>year of 2008</u>
Profit (loss) LTL	96.086	238.597
Number of shares (units)	10,180,884	10,180,884
Profit (loss) per share	0,009	0,023

Company has no dilutive potential shares or convertibles. The diluted earnings per share are the same as the basic earnings per share.

Irena Keblerien
General Director