

LIETUVOS ENERGIJA AB

OPERATIONS REPORT H1 2006

VILNIUS 2006

I. GENERAL PROVISIONS

1. Reported period covered by the Report

The Report covers a six - month period of the fiscal year 2006.

2. Key data about the Issuer

Name: Lietuvos Energija AB;
Authorised capital: LTL 689 515 435;
Registered address: Žvejų g. 14, LT-09310 Vilnius, Republic of Lithuania;
Phone: + 370 5 278 20 82;
Fax: + 370 5 212 67 36;
E- mail: info@lietuvosenergija.lt
Website: www.lietuvosenergija.lt
Legal – organisational form: a joint stock company.
The company was registered on December 4, 1995;
The company was reregistered on April 13, 1999, December 31, 2001 and January 14, 2005;
The Register Keeper – State Enterprise *Centre of Registers*;
The company’s registration No BĮ 99-74, company code 220551550.

3. Information regarding access to the Operations Report, documents used for its preparation, media info sources

The Operations Report as well as other documents of the company are available at the Head Office of the company, Žvejų g. 14, LT-09310 Vilnius, on week-days, 7.30- 1.30 a.m., and 12.30- 4.30 p.m.

The company’s notices are published in the newspapers *Lietuvos rytas* and *Respublika*.

4. Persons responsible for information provided in the Operations Report

Rimantas Šukys – Finance Director (Žvejų g. 14, LT-09310 Vilnius, phone + 370 5 278 23 15, fax + 370 5 212 67 36).

Ona Garnienė – Leading Economist, Finance Department (Žvejų g. 14, LT-09310 Vilnius, phone + 370 5 278 24 57, fax + 370 5 212 67 36).

5. Approval by the Issuer’s members of management bodies, employees, Chief Executive Officer and consultants responsible for preparation of the Report. Venue of signing and preparation of the Report

The undersigned which are held responsible for the preparation of the Operations Report hereby confirm that the information contained herein is true, there are no suppressed facts which may have essential impact on the investors’ decision to sell or to acquire the Issuer’s securities or on their market value and evaluation thereof.

The Operations Report was prepared in August 2006 in the Head Office of Lietuvos Energija AB, Žvejų g. 14, LT-09310 Vilnius.

Rimantas Šukys

Finance Director

Ona Garnienė

**Leading Economist,
Finance Department**

II. INFORMATION ABOUT THE ISSUER'S SHARE CAPITAL, ISSUED SECURITIES AND MEMBERS OF THE MANAGEMENT BODIES

6. The Issuer's Authorised Capital

On February 21, 2002 the authorized capital of Lietuvos Energija AB totalling LTL689 515 435 was registered in the Companies Register. It has been divided into 689 515 435 common nominal shares of LTL1 face value.

Increase of the authorized capital by conversion or change of issued debt securities or derivatives into shares is not expected.

7. Shareholders

On June 30, 2006 the number of shareholders totalled 4 960. The shareholders, which on the last day of the reported period (June 30, 2006) owned more than 5 per cent of Lietuvos Energija AB authorized capital (689 515 435):

Name	Type of shares	Number of shares	Percentage of authorized capital	Percentage of votes granted by authorized capital
The State, represented by the Ministry of Economy of the Republic of Lithuania, company code 188621919, Gedimino pr.38/2, 2600 Vilnius	Common nominal shares	666 027 503	96.59	96.59

8. Securities, which do not certify the participation in the authorized capital, but with the circulation regulated by the Law on Securities Market

Type of Debenture Bonds (DB)	Nominal bonds
Number of issued bonds	75 000
Par value of the issue	7 500 000 EUR
Par value of 1 Debenture Bond	100 EUR
Issuance price of 1 Debenture Bond	100 EUR
Annual interest rate on Debenture Bonds	2.60 %
Circulation period of the issued bonds	September 12 -26, 2005
Date of coming into effect	September 27, 2005
Duration of the issue	367 days
Maturity date of the issue	September 29, 2006
Buyout price of 1 bond	102,6142 EUR
Value of DB coupon bond	2,6142 EUR
Currency of the issue	EUR
Credit risks	Issuer's risks without additional hedging
Method of distribution of the issue	Public offering
DB secondary turnover	Debenture Bonds are listed in the VVPB debt securities li

All owners of the bonds are granted equal rights as it is set forth in the Company Law on the Republic of Lithuania, other Laws of the Republic of Lithuania, legal acts and the company's Articles of Association. The bonds issued by the company grant a right to the fixed annual interest.

There are no restrictions on the transfer of bonds. The bonds are not convertible into shares. The owners of the bonds are granted the same rights as other creditors of the company.

The owners of the bonds have the following rights:

- Commencing from the maturity date of the bonds, to receive from the company the amount of money equivalent to the par value of the bonds held by them as well as the interest at the set rate;
- To sell or to otherwise transfer all or a part of the bonds owned by them;
- When the owner of the bonds is a natural person, to bequeath all or a part of the bonds to one or several inheritors;
- Other rights granted by law including, without limitations, the rights which are held by other creditors of the company with respect to the company's assets, for whom the company's obligations are not secured by pledging the assets.

The right of buyout of the issued bonds prior to their maturity is granted neither to the company nor the investors.

The buyout of the Debenture Bonds was not arranged during the reported period.

9. Secondary turnover of the Issuer's securities

Lietuvos Energija AB shares are traded at Vilnius Stock Exchange (VVPB). Issued company shares are included into the Current VVPB Trading List, issued bonds – in the List of Debt Securities. The company has issued 689 515 435 common nominal shares of LTL1 face value. During the first half-year of 2006, the prices and traded volumes of Lietuvos Energija AB common nominal shares were as follows:

- the highest exchange trade session price – LTL 2.39 for one share;
- the lowest exchange trade session price – LTL 1.76 for one share;
- the final exchange trade session price – LTL 2.10 for one share;
- highest turnover – LTL 405 230;
- lowest turnover – LTL0;
- the final exchange trade session turnover – LTL 0.

During the first half-year of 2006, the prices and traded volumes of Lietuvos Energija AB nominal bonds were as follows:

- the highest exchange trade session price – LTL 0 for one share;
- the lowest exchange trade session price – LTL 0 for one share;
- the final exchange trade session price – LTL 0 for one share;
- highest turnover - 150 000 units;
- lowest turnover - 0 LTL;
- the final exchange trade session turnover - 0 LTL.

10. Contracts with intermediaries of public offering

On December 2004, the bank AB Hansabankas (Savanorių pr.19, Vilnius) was awarded a contract for the service of account management of the Issuer's securities and personal securities for the period of 2005-2006. The contract was signed on December 30, 2004.

On July 29, 2005, Lietuvos Energija AB and AB SEB Vilniaus Bankas entered into the agreement on distribution of debenture bonds (arrangement of the issue) regarding the company's nominal debenture coupon bonds with buyout after one year and 2.6 % annual interest rate.

11. Members of the Management Bodies

Members of the company's management bodies and their participation in the share capital as of 30 06 2006:

Name , surname	Position	Number of held shares	Capital share, %	Vote share, %
SUPERVISORY COUNCIL				
Anicetas Ignotas 2002-01-30 – 2008-04-29	Chairman	0	0	0
Saulius Spėčius 2001-10-01 – 2008-04-29	Member	0	0	0
Nijolė Bujauskienė 2004-04-29 – 2008-04-29	Member	0	0	0
Genovaitė Geleževičienė 2004-04-29 – 2008-04-29	Member	0	0	0
Petras Urbonas 2004-04-29 – 2008-04-29	Member	0	0	0
BOARD				
Jurgis Vilemas 2000-02-14 – 2009-05-31	Chairman	0	0	0
Rymantas Juozaitis 2002-02-07 – 2009-05-31	Member	196 509	0,0285	0,0285
Algimantas Zaremba 2001-10-09 – 2009-05-31	Member	0	0	0
Dominikas Pečiulis 2004-11-08 – 2009-05-31	Member	0	0	0
Marijus Franckevičius 2004-11-08 – 2009-05-31	Member	0	0	0
Vida Dzermeikienė 2002-08-06 – 2009-05-31	Member	0	0	0
EXECUTIVE BOARD				
Rymantas Juozaitis	General Director	196 509	0,0285	0,0285
Sigitas Baranauskas	Chief Accountant	0	0	0

Members of the company's management bodies and their participation in the share capital and business of other companies (more than 5 per cent of capital or votes):

Name, Surname	Position	Participation in business of other companies (company name, position)	Participation in share capital of other companies (company name, owned capital and votes percentage)
SUPERVISORY COUNCIL			
Anicetas Ignotas	Chairman	Undersecretary of Ministry of Economy of the Republic of Lithuania; Chairman of Supervisory Council of Rytų Skirstomieji Tinklai AB.	-
Saulius Spėčius	Member	Adviser to the Prime Minister of the Republic of Lithuania; Board Member of Klaipėdos Nafta AB; Member of Supervisory Council of Rytų Skirstomieji Tinklai AB.	-
Nijolė Bujauskienė	Member	Senior Officer of State Privatization and Management Division, Enterprise Economics and Management Department of the Ministry of Economy; Member of Supervisory Councils of Rytų Skirstomieji Tinklai AB and Lietuvos Elektrinė AB.	-
Genovaitė Geleževičienė	Member	Head of Analysis and Prognosis Division, Department of Strategy, Ministry of Economy; Chairman of Supervisory Council of Alytaus Tekstilė AB; Member of Supervisory Councils of Mažeikių Nafta AB and Toksila UAB; Board Member of state enterprise Ignalinos Atominė Elektrinė; Member of the council of the public training institution Development Agency of Small- scale and Medium Business of Lithuania.	-
Petras Urbonas	Member	Senior Officer of Electricity and Heat Division of Energy Department, Ministry of Economy.	-
BOARD			
Jurgis Vilemas	Chairman	Senior Scientific Officer of Lithuanian Energy Institute, Academician.	-
Rymantas Juozaitis	Member	General Director of Lietuvos Energija AB, Board Member of Kauno Energija AB.	-
Algimantas Zaremba	Member	Director of Energy Department, Ministry of Economy; Board Member, Rytų Skirstomieji Tinklai AB.	-
Dominikas Pečiulis	Member	Head of State Property Privatization and Management Division, Enterprise Economics and Management Department, Ministry of Economy; Chairman of Supervisory Council of Klaipėdos Nafta AB; Board Member of Lietuvos Elektrinė AB, State Enterprise Ignalinos Atominė Elektrinė, Alytaus Tekstilė AB; Supervisory Council Member of the exhibition centre LITEXPO.	-
Marijus Franckevičius	Member	Director, State Enterprise Energetikos Agentūra.	-
Vida	Member	Head of Electricity and Heat Division, Energy	-

Dzermeikienė		Department, Ministry of Economy; Board Member of Lietuvos Elektrinė AB.	
EXECUTIVE BOARD			
Rymantas Juozaitis	General Director	Board Member of Kauno Energija AB	-
Sigitas Baranauskas	Chief Accountant	-	-

III. FINANCIAL STATUS

Note: Financial data as of December 31, 2005 are audited, as of June 30, 2005 – revised (an independent audit and revision was performed by Ernst & Young Baltic), as of June 30, 2006 – not revised.

12. Balance Sheets (LTL)

	2006 06 30	2005 12 31	2005 06 30
NON-CURRENT ASSETS			
INTANGIBLE ASSETS			
Patents and licenses	1.588.304	858.009	403.876
Software	4.226.436	5.109.988	3.739.381
Other intangible assets	1	1	37.260
	5.814.741	5.967.998	4.180.517
PROPERTY, PLANT AND EQUIPMENT			
Land			
Buildings and structures	2.104.753.296	2.123.028.84	2.138.273.052
Machinery and equipment	230.735.289	234.498.139	231.322.875
Vehicles	8.925.893	10.075.278	8.783.278
Other equipment, tools and devices	68.805.611	74.846.271	67.946.525
Construction in progress	80.722.453	76.717.828	70.644.029
Other property, plant and equipment	22.704.847	17.479.728	11.464.725
	2.516.647.389	2.536.646.08	2.528.434.484
FINANCIAL ASSETS			
Investments in subsidiaries	31.754.561	31.754.561	20.938.097
Investments in associates	23.301.991	24.117.313	0
Accounts receivable after one year and other financial	9.811.243	9.470.142	1.299.550
	64.867.795	65.342.016	22.405.877
	2.587.329.925	2.607.956.10	2.554.852.648
CURRENT ASSETS			
INVENTORIES AND PREPAYMENTS			
Inventories	7.583.982	5.879.748	8.000.284
Work in progress	-	-	-
Finished goods	-	-	-
Raw materials and spare parts	7.536.456	5.819.336	7.906.295
Goods for resale	47.526	60.412	93.989
Prepayments	1.449.220	1.112.084	1.273.331
	9.033.202	6.991.832	9.273.615
ACCOUNTS RECEIVABLE WITHIN ONE YEAR			
Trade receivables	72.676.327	103.879.430	79.770.588
Accounts receivable from related companies	52.659	30.453	43.778
Other accounts receivable	7.893.944	10.990.496	4.971.432
	80.622.930	114.900.379	84.785.798
OTHER CURRENT ASSETS			
Current investments	46.174	46.174	35.177.294
Other current assets	-	-	-
	46.174	46.174	35.177.294
CASH AND CASH EQUIVALENTS			
	2.435.998	2.948.778	4.395.859
TOTAL CURRENT ASSETS	92.138.304	124.887.163	133.632.566

TOTAL ASSETS	2.679.468.229	2.732.843.264	2.688.485.214
EQUITY			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
CAPITAL			
Share capital	689.515.435	689.515.435	689.515.435
Share premium	2.744	2.744	2.744
	689.518.179	689.518.179	689.518.179
RESERVES			
Legal reserve	68.951.544	68.951.544	68.951.544
Other reserves	1.392.451.606	100.384.281	100.387.299
	1.461.403.150	169.335.825	169.338.843
RETAINED EARNINGS			
Net profit for the current year	25.316.743	10.132.413	14.941.102
Profit unrecognised in the profit (loss) statements	1.510		
Net profit for the previous years		1.290.036.422	1.289.125.874
	25.318.253	1.300.168.835	1.304.066.97
FOREIGN CURRENCY TRANSLATION			
	2.176.239.582	2.159.022.839	2.161.666.689
MINORITY INTEREST			
		-	-
TOTAL EQUITY	2.176.239.582	2.159.022.839	2.161.666.689
AMOUNTS PAYABLE AND LIABILITIES			
AMOUNTS PAYABLE AFTER ONE YEAR AND LONG-TERM LIABILITIES			
Borrowings	69.449.325	101.637.409	103.643.912
Provisions	2.209.194	2.209.194	2.820.337
Grants (deferred revenue)	25.340.751	23.456.592	16.190.559
Deferred taxes	227.032.172	235.157.680	235.802.932
	324.031.442	362.460.875	358.457.740
AMOUNTS PAYABLE WITHIN ONE YEAR AND SHORT-TERM LIABILITIES			
Current portion of non-current borrowings	52.519.321	46.908.522	31.370.922
Current borrowings	-	2.155.490	17.779.254
From credit institutions	-	2.066.025	17.264.000
Other borrowings	-	89.465	515.254
Trade payables	108.061.901	145.436.423	97.812.694
Advances received	1.369.429	3.197.504	2.157.476
Income tax liability	4.735.378	395.528	5.494.019
Labour related liabilities	2.170.385	1.084.122	2.424.705
Other amounts payable and current liabilities	10.340.791	12.181.961	10.064.406
	179.197.205	211.359.550	167.103.476
TOTAL LIABILITIES	503.228.647	573.820.425	525.561.216
TOTAL EQUITY AND LIABILITIES	2.679.468.229	2.732.843.264	2.688.485.214

13. Profit (loss) statements (LTL)

	2006 06 30	2005 06 30
SALES	432.937.708	425.054.893
COST OF OPERATIONS	398.292.488	409.176.300
PROFIT FROM OPERATIONS	34.645.220	15.878.593
OTHER INCOME AND EXPENSES		
Income	9.745.802	9.994.531
Expenses	10.524.333	9.843.022
	(778.531)	151.509
FINANCIAL AND INVESTMENT ACTIVITIES		
Income	1.251.562	736.018
Expenses	3.531.242	3.857.266
	(2.279.680)	(3.121.248)
¹ Share of profit (loss) of associates	-	-
PROFIT BEFORE TAX	31.587.009	12.908.854
PROFIT TAX	6.270.266	(2.032.248)
NET PROFIT	25.316.743	14.941.102
ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE PARENT	25.316.743	14.941.102
MINORITY	25.316.743	14.941.102
Basic and diluted earnings per share	0,04	0,02

13.1 Cash flows statement

	2006 06 30	2005 06 30
Cash flows from operating activities		
Net profit	25.316.743	14.941.102
Adjustments for non-cash items and other adjustments:		
Depreciation and amortisation	79.428.729	77.087.874
Change in deferred tax liabilities	(8.125.508)	(9.959.963)
(Decrease) in provisions	-	(785.703)
Increase (decrease) in impairment of assets	5.436.371	1.058.991
Income tax, social insurance tax expenses	14.395.774	7.927.715
Income from grants and subsidies	(437.199)	(269.795)
(Profit) loss from disposal of non-current assets (except financial assets)	260.336	(205.776)
Elimination of financial and investment activity results:		
-Dividend (income)	(208.085)	(320.619)
-(Positive) negative effect of foreign currency exchange, net	65.359	(391.742)
-Interest expenses	2.532.808	2.669.238
-Interest (income)	(329.652)	(9.702)
-Other (income) expenses from financial activity	-	298.317
Changes in working capital		
(Increase) decrease in inventories	(2.082.487)	(1.339.160)
(Increase) decrease in prepayments	(337.136)	(268.215)
(Increase) decrease in trade receivables	26.854.813	58.686.381
Decrease (increase) in other receivables	2.720.563	13.220.877
(Increase) decrease in other current assets	-	-
Income tax paid	(10.055.924)	(8.542.224)
(Decrease) increase in trade payables and advances received	(39.202.597)	(87.819.565)
Increase (decrease) in labour related liabilities	1.086.263	1.501.473
(Decrease) in other accounts payable	(1.891.308)	(2.034.163)
Net cash flows from operating activities	95.427.863	65.445.341
Cash flows (to) investing activities		
(Acquisition) of non-current assets (except financial investments)	(57.293.223)	(35.980.375)
Proceeds from sales of non-current assets (except financial investments)	133.641	613.491
Repaid loans	-	30.096
Long-term loans (granted)	-	-
Proceeds from sales of investments	-	-
(Acquisition) of investments	-	(18.931.446)
Dividends received	208.085	320.619
Interest received	329.652	23.657
Other cash flows from investment activities	(387.275)	-
Net cash flows (to) investing activities	(57.009.120)	(53.923.958)
Cash flows (to) financing activities		
Proceeds from loans	41.545.809	135.751.528
(Repayment) of loans	(70.189.119)	(128.070.028)
Dividends (paid)	(8.073.743)	(12.000.071)
Interest (paid)	(2.214.470)	(2.897.956)
Net cash flows (to) financing activities	(38.931.523)	(7.216.527)
Net increase (decrease) in cash and cash equivalents	(512.780)	4.304.856
Cash and cash equivalents at the beginning of the year	2.948.778	91.003
Cash and cash equivalents at the end of the year	2.435.998	4.395.859

13-2 Statements of changes in equity (LTL)

	Share capital	Share premium	Legal reserve	Other reserves	Retained earnings	Total
Balance as of December 31, 2004	689.515.435	2.744	68.951.544	34.634.120	1.367.875.379	2.160.979.222
Dividends	-	-	-	-	(12.088.796)	(12.088.796)
Transfer to reserves	-	-	-	68.503.179	(68.503.179)	-
Transfer from reserves	-	-	-	(2.750.000)	2.750.000	-
Net profit for the reported period	-	-	-	-	14.941.102	14.941.102
Balance as of June 30, 2005	689.515.435	2.744	68.951.544	100.387.299	1.304.974.506	2.163.831.528
Net profit for the reported period	-	-	-	-	(4.808.689)	(4.808.689)
Transfer from reserves	-	-	-	(3.018)	3.018	-
Balance as of December 31, 2005	689.515.435	2.744	68.951.544	100.384.281	1.300.168.835	2.159.022.839
Dividends	-	-	-	-	(8.100.000)	(8.100.000)
Transfer to reserves	-	-	-	1.295.568.835	(1.295.568.835)	-
Transfer from reserves	-	-	-	(3.501.510)	3.501.510	-
Net profit for the reported period	-	-	-	-	25.316.743	25.316.743
Balance as of June 30, 2006	689.515.435	2.744	68.951.544	1.392.451.606	25.318.253	2.176.239.582

14. Notes to the Financial Statements

The company's Financial Statements have been prepared abiding by the International Financial Reporting standards (IFRS) valid in the European Union, as effective on June 30, 2006.

The company compiles not only its own Financial Statements as a patronising company, but the Consolidated Financial Statements for the entire group as well. These interim Financial Statements represent only separate Financial Statements of the patronising company Lietuvos Energija AB, because no additional important information has been provided in the reports which have not been included therein.

In 2006 the company carried out the activities of the transmission system operator, market operator, electricity exporter as well as some other non-core activities. As a transmission system operator, the company transmitted 4.8 TWh of electricity to cover the domestic demand, an increase of 6.9 % as compared to the respective period of 2005.

Operating income in H1 2006 equalled LTL 433m, an increase of LTL 8m, as compared to H1 2005. Increased operating income can be basically accounted for by a 6.9% increase in electricity transmission and growing capacity demand. Lower electricity export caused by lower generated output resulted in LTL 15.3m reduction in revenues from electricity export.

From total amount of revenues, LTL 172.3m were earned from electricity transmission and capacity reservation services, LTL 174m - from sales of auction electricity and electricity complying with public service obligations, LTL 84.7m – from electricity exports; earnings from other sales and services were LTL 1.9m.

In H1 2006 the company's operating expenses were LTL 398.3m, a decrease of LTL 10.9m as compared to the respective period of 2005. The company purchased smaller quantity of electricity complying with public service obligations, thus the respective expenses decreased by LTL 23.6m. Smaller quantities of electricity purchased for exports reduced export expenses by LTL 14.4m.

Profit from operations in H1 2006 equalled LTL 34.6m, an increase by LTL 18.8m as compared to H1 2005. In H1 2006 the company earned LTL 31.6m in pre-tax profit, which was by LTL 18.9m higher than during the respective period of 2005. Earnings before interest, taxes, depreciation and amortisation (EBITDA) were LTL 113.8m, by LTL 20.7m higher than in H1 2005.

The company's investments in H1 2006 totalled LTL 57.04m (by LTL 20.6m more than in the respective period of 2005). From this amount, LTL 20.22m were invested in construction and rehabilitation of transformer substations of the transmission grid.

Liabilities to credit institutions

In H1 2006 the Company borrowed LTL 41.5m and repaid LTL 68.1m of loans. To balance its current demand for cash –flows, the company used LTL 201m and repaid LTL 203m. Total financial liabilities of the company were LTL 122m. In the period from 30/06/2006 to 30/06/2007 the company will have to repay LTL 52 519 321 of long-term borrowings.

Long-term borrowings (as of 30/06/2006)

Credit institution	Contractual amount of loan in foreign currency	Currency	Amount of used but not repaid loan in original currency	Amount of used but not repaid loan in LTL
Zurcher Kantonalbank	8 012 768	EUR	4 392 352	15 165 912
AB SEB Vilniaus bankas	15 000 000	EUR	2 000 000	6 905 600
AB bankas Hansabankas	11 584 800	EUR	1 307 210	4 513 535
Nordea Bank Finland Plc Lietuvos branch	15 000 000	EUR	7 125 000	24 601 200
Bayerische Hypo-und Vereinsbank AG Vilnius branch	15 000 000	EUR	13 000 000	44 886 400
One-year bonds	7 500 000	EUR	7 500 000	25 896 000
Total non-current financial liabilities:				121 968 647

Short-term borrowings and other current liabilities (as of 30/06/2006)

Credit institution	Contractual amount of loan in foreign currency	Currency	Amount of used but not repaid loan in original currency	Amount of used but not repaid loan in LTL
AB bankas Hansabankas (overdraft)	3 185 000	EUR	-	-
AB bankas Hansabankas (overdraft)	9 000 000	Lt	-	-
AB SEB Vilniaus bankas (overdraft)	10 358 000	Lt	-	-
Total current financial liabilities:				-

In 2005, according to guarantee agreements, the Lietuvos Energija guaranteed 25% of AS Nordic Energy Link liabilities to Nordic Investment Bank (LTL50.3m) and AB SEB Esti

Uhispank (LTL29.4m). The guarantees will expire after full repayment of debts by associate to relevant banks, i.e. on December 15, 2014 and June 15, 2014 respectively.

15. Information about the audit

The independent audit of Lietuvos Energija AB's Financial Statements for 2005 was conducted by Ernst&Young Baltic UAB. The audit was completed in March 29, 2006.

Deloitte Lietuva UAB performs the overview of the Financial Statements of the company for H1 2006 in accordance with the International Financial Reporting Standards, and the auditor's report on the said Financial Statements will be submitted by September 15, 2006.

IV. MATERIAL EVENTS IN THE ISSUER'S ACTIVITY

16. Material events in the Issuer's activity

Lietuvos Energija AB material events in 2006 are as follows:

[Lietuvos Energija AB: Other Information](#)

Dates of publication Lietuvos Energija AB preliminary results of operations in 2006.
2006-01-04 10:11 Symbol: LEN

[Lietuvos Energija AB: Result of Operations of 2005](#)

The preliminary unconsolidated Lietuvos Energija AB result of operations of 2005 – unaudited pre-tax profit of LTL 16.8m.
2006-02-06 09:00 Symbol: LEN

[Lietuvos Energija AB: General shareholders meeting to be conveyed](#)

On March 10, 2006 the Board decided to convey an ordinary general shareholders meeting on April 20, 2006.
2006-03-14 13:22 Symbol: LEN

[Lietuvos Energija AB: Other information](#)

Lietuvos Energija AB revised the date of publication of the preliminary results of operations in 2006.
2006-03-30 11:26 Symbol: LEN

[Lietuvos Energija AB: Audited results of operations for 2005](#)

In accordance with the audited Financial Statements of Lietuvos Energija AB of 2005, income from sales equalled 930 033 thousand LTL, net profit -10 132 thousand LTL.
2006-04-06 08:15 Symbol: LEN

[Lietuvos Energija AB: Draft Resolutions of the Shareholders Meeting](#)

The Shareholders will be provided with the following draft resolutions: approval of the company's Operations Report of 2005, Financial Statements, profit distribution, selection of the auditor.
2006-04-07 15:36 Symbol: LEN

[Lietuvos Energija AB: the general shareholders meeting conveyed on April 20, 2006](#)

At the meeting it was decided to approve the company's Operations Report of 2005, Financial Statements, profit distribution and to hire UAB Deloitte Lietuva for auditing the Financial Statements.
2006-04-20 14:35 Symbol: LEN

[Lietuvos Energija AB: Q1 2006 Operations Result](#)

Lietuvos Energija AB preliminary Q1 2006 result of operations – unaudited pre-tax profit of LTL 23.1m.

2006-04-25 09:31 Symbol: LEN

[Lietuvos Energija AB: Information](#)

Information about Lietuvos Energija AB Annual Report

2006-05-23 08:30 Symbol: LEN

[Lietuvos Energija: H1 2006 Operations Result](#)

Lietuvos Energija AB preliminary H1 2006 operations result – unaudited pre-tax profit equals LTL 32.1m.

2006-07-28 08:10 Symbol: LEN

The company's information notices are published in the newspapers *Lietuvos rytas* and *Respublika*.

17. Lawsuits and third party (arbitration) proceedings

On May 25, 2006 the bankruptcy action was brought against Ekranas AB. Lietuvos Energija AB provided the bankruptcy administrator of Ekranas AB with the claim of payment the debt of LTL 9 612 390.55. The court has not approved the claims of the creditors yet, including the said claim of the company.