

**PUBLIC COMPANY PRAMPROJEKTAS**  
**ANNUAL REPORT**  
*for the year 2006*

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## ***1. COMPANY'S CONDITION, ACTIVITIES AND DEVELOPMENT***

### ***1.1. GENERAL***

Pramprojektas, a public company, was registered with the Kaunas City Board by oRDER No. 531 on 6 December 1993. Company's registration No. AB 93-1051, identification number – 3387335. The Company was reregistered on 22 of December 2004, new registration No 133873358. The Articles of Association of the Company were registered by Kaunas City Board Register Manager's Order No. 531 on 6 December 1993. Amendments to the Articles of Association were registered by Order No. 640 of 27 October 1994 and Order No. 162 of 10 March 1995, and on 4 March 1996, 27 March 1997, 6 January 1998, 7 April 1999, Order No. 223; on 25 April 2002, Decree No. 335, and 24 May 2004.

The public company's address:

K.Donelaičio Str.60, Kaunas,

Republic of Lithuania

AB Pramprojektas has no subsidiaries, branches or representative offices.

On 1 January 2006, the Company's authorized capital amounted to LTL 5,970,972, and private share capital accounted for 100 % of the authorized capital.

The Company's main activities include preparation of documents containing technical considerations of the building to be built by the builder, i.e. a design intended for the validation and performance of the building's construction operations, the composition of which is approved by building technical regulations.

In 2006, the priority fields of Company's activities included designing of industrial, energy and other economic activity buildings, engineering networks, communication networks, and hydraulic engineering facilities.

Reorganization and restructuring of the national energy, marine and railway transport systems and industrial potential in 2006 preconditioned changes in planning work scopes and structure. In 2006, Decommissioning Plan of Ignalina Nuclear Power Plant raised the need for specific planning works.

The year 2006 witnessed an increase in design work scopes in the fields of marine and railway transport and stevedoring terminals as well as nuclear power facilities.

In 2006, the Company prepared project documentation, which serves as the basis for current or future construction of nationally important facilities.

The main projects prepared in the year 2006:

<i>No.</i>	<i>Project title</i>	<i>Stage</i>	<i>Characteristics (production capacities, area, length etc)</i>
1.	Transport corridor B IXB connection to Klaipėda Seaport – Klaipėda unit development	GS	Railways length – 113.5 km
2.	Ignalina Nuclear Power Plant's Spent Fuel Storage Facility B 1	TP	Storage capacity – 201 spent fuel casks or 1800 heat radiating assemblies
3.	Ignalina Nuclear Power Plant's Solid Radioactive Waste Management Facility B 3, 4	TP	Cask storage capacity: - 1200 short-term casks - 876 long-term casks
4.	Extension of Kaunas Wastewater Treatment Plant with Biological Treatment	TP	Biological treatment capacity – – 81.890 m <sup>3</sup> /d
5.	Gas mains branch to Mažeikiai with gas metering station	TP	15.000 nm <sup>3</sup> /h 5,5 MPa
6.	Southern industrial territory of Jonava Town, Rukla subdistrict	SP	320 ha area
7.	Quays 90 – 100 of the Klaipėda State Seaport	TP	Length – 880 m depth – 12.0 m
8.	UAB Litagros chemija central storage facilities for agricultural chemical products in Kėdainiai	TP	2380 tons 2500 m <sup>2</sup>
9.	UAB Litagros chemija Grain Elevator in Kėdainiai	TP	20,000 tons
10.	Quays No. 105 – 106 of the Klaipėda State Seaport	TP	Length – 400 m Depth – 10.0 m

Markings:

- GS - Feasibility study  
 SP - Special plan  
 TP - Technical design

In the year 2006, the Company's annual planning volumes amounted to LTL 8.66million, including LTL 7.26 million of works by performed by the Company's own forces.

In order to deal with product quality and environmental problems in a complex manner, in 2006 we maintained and improved an integrated quality and environment management system that meets the requirements of the international ISO 9001:2000 and ISO 14001:2004 standards.

Unconditional observance of laws, set rates and other legislation is the essential element of the Company's activities.

We have set the aim to remain among the national leaders in the field of planning industrial, energy, transport and other economic activity facilities. Since Lithuania has become member of Euro Atlantic structures the Company adapted itself to the changing business conditions.

We prioritize the satisfaction of customers' present and future demands. Our objective is to achieve that adopted design considerations have positive influence on eco-friendliness of construction works.

In the reporting period the Board was working following AB Pramprojekta Articles of association and Work Regulations of the Board.

The annual report presents the evaluation of the Company's condition, activities and development as well as the analysis of financial and non-financial activities results.

**1.3. THE STRUCTURE OF DESIGN WORK VOLUME**  
**2006**

<i>No.</i>	<i>Field</i>	<i>Total</i>		<i>By Company's own forces</i>	
		<i>LTL million</i>	<i>%</i>	<i>LTL million</i>	<i>%</i>
1.	Industry	0.810	9.4	0.746	10.3
2.	Energy	2.224	25.7	2.026	27.9
3.	Communication-transport	1.758	20.3	1.235	17.0
4.	Environment protection	1.728	19.9	1.614	22.2
5.	Stevedoring terminals	1.752	20.2	1.265	17.4
6.	Other facilities	0.388	4.5	0.374	5.2
	<b>TOTAL:</b>	<b>8.66</b>	<b>100</b>	<b>7.26</b>	<b>100</b>

The annual number of contracts for design works totals 132.

## 1.4. TECHNICAL AND ECONOMIC INDICATORS OF THE COMPANY

### 1.4.1. MAIN INDICATORS

No.	Indicator description	Unit	Indicator			
			2006			
			Amount	Comparative weight %	Amount	Comparative weight %
1.	Annual amount of contracts	pcs.	132		151	
2.	Annual scope of planning works					
2.1.	Total	mln. LTL	8.66		7.38	
2.2.	By Company's own forces	mln. LTL	7.26		6.27	
3.	Staff number at the end of the year including:	persons	141	100	150	100
3.1.	Industrial sector	persons	105	74.5	106	70.7
3.2.	Auxiliary and servicing staff	persons	36	25.5	44	29.3
4.	Average number of listed employees	persons	145		148	
5.	Average conditional number of employees	persons	125		133	
6.	Area					
6.1.	Total /own/	m <sup>2</sup>	3054.35		3054.5	
6.2.	Used for planning works	m <sup>2</sup>	3002.35		3002.35	
7.	Revenue from ordinary activities including:	mln. LTL	8.708	100	7.422	100
7.1.	Planning works and copying services	mln. LTL	8.663	99.5	7.376	99.4
7.2.	Holiday home Aisetas	mln. LTL	0.033	0.4	0.022	0.3
7.3.	Other activities	mln. LTL	0.012	0,1	0.024	0.3
8.	Expenses for ordinary activities including:	mln. LTL	8.617	100	7,184	100
8.1.	Planning works	mln. LTL	8.596	99.8	7.164	99.7
8.2.	Holiday home	mln. LTL	0.021	0,2	0.020	0.3
8.3.	Other activities	thou. Lt	-		-	-
9.	Profit tax	thou. Lt	162.4		47.10	
10.	Profit from planning activities	thou. Lt	66.9		212.2	
11.	Average monthly salary:	LTL	2,745		2,199	
11.1	Industrial sector staff	LTL	2,900		2,237	
11.2	Auxiliary and servicing staff	LTL	2,260		1,614	



**1.4.2. DYNAMICS OF TECHNICAL AND ECONOMIC INDICATORS**

No.	Indicator description	Unit	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1.	Scope of design works														
1.1.	- total	mln.LTL	6.88	8.56	7.92	6.15	6.70	5.29	4.45	4.06	4.92	5.47	8.30	7.38	8.66
1.2.	- by Company's own forces	mln.LTL	5.38	6.81	6.66	5.63	6.03	4.59	3.97	3,64	4.18	4.56	6.29	6.27	7.26
2.	Annual amount of contracts	pcs.	177	176	189	193	250	184	170	160	173	161	147	151	132
3.	Staff number (average)	persons	279	265	250	229	213	186	179	151	139	138	141	148	145
4.	Net profit	mln.LTL	890.0	580.0	930.0	460.0	28.0	250.0	230.8	14.3	18.6	26.6	268.19	253.70	717.8
5.	Work scopes per employee	LTL	19,283	25,698	26,640	24,585	28,310	24,677	22,179	24,086	30,108	33,043	44,631	42,358	48,852
6.	Average monthly salary	LTL	787	1,025	1,133	1,113	1,331	1,333	1,180	1,340	1,509	1,731	1,869	2,199	2,745
6.1.	of: industrial sector staff	LTL	960	1,180	1,246	1,310	1,450	1,440	1,220	1,313	1,564	1,769	1,973	2,237	2,900
6.2.	auxiliary and servicing staff	LTL	580	695	875	800	1,048	1,050	1,070	1,413	1,377	1,628	1,609	1,614	2,260

### ***1.5. STAFF AMOUNT AND STRUCTURE***

Total average number of employees in the Company – 145 persons, including:

- |  |   |             |
|--|---|-------------|
| 1. employees directly working in production sector | - | 105 persons |
| 2. servicing-auxiliary employees                   | - | 40 persons  |

60 certified specialists are working in industrial sector, including:

- |                     |   |            |
|---------------------|---|------------|
| 1. Project managers | - | 11 persons |
| 2. Sector heads     | - | 49 persons |

### ***1.6. MAIN TYPES OF RISK***

In its activities the Company encounters the following types of risks:

1. Errors in prepared project documentation.
2. Accidents on construction site.

The designer shall be liable for collapse of a construction works or the defects established during a warranty period in accordance with the procedure established by the Civil Code (Article 36, Law on Construction of the Republic of Lithuania).

Seeking to avoid financial damage that might result from errors in project documentation to the maximum extent, the Company insured the total annual scope of planning works. In the year 2006, civil liability of the construction works planner is insured for the amount of LTL 1,000,000 i.e, the amount of insurance benefits for in case of all insurance events. The insurance policy – SPCA No. 100034.

When contractors perform construction and installation of construction works according to the project documentation prepared in the Company, the Company's specialists perform the supervision of project implementation on a construction site. All Company's specialists performing the supervision of project implementation are insured against accidents. The total annual amount of insure totalled LTL 730,000.

## ***1.7. THE MOST IMPORTANT EVENTS IN THE COMPANY***

***2006***

1. Structural and organizational changes creating possibilities for the improvement of project documentation preparation quality and expeditious coordination of considerations among separate project parts.

2. Acquisition procedures of Certificate that grants the right to provide design services in the field of buildings and installations of extraordinary importance at Ignalina NPP. The Certificate was obtained on 10 January 2006 and expires on 10 January 2009.

3. Implementation of computer network covering all industrial and servicing divisions of the Company.

4. Adaptation and training of young specialists for independent work and reception of qualification certificates. 4 specialists acquired qualification certificates granting the right to take the position of heads of separate project parts.

**1.8. DYNAMICS OF AUTHORIZED CAPITAL**

<i>No.</i>	<i>Description</i>	<i>06 12 94 (01 01 94) public company registration</i>	<i>01 07 94 Capital increase</i>	<i>31 10 94 Value adjustment</i>	<i>31 03 95 Capital increase</i>	<i>31 07 95 Capital increase</i>	<i>04 03 96/ 31 12 96 31 12 97 Capital increase</i>	<i>31 12 98 31 12 99 31 12 00 31 12 01</i>	<i>31 12 02 31 12 03 31 12 04 31 12 05 31 12 06</i>
1.	Authorized capital:	<u>333,070</u> 100 %	<u>1,333,070</u> 100 %	<u>2,665,350</u> 100 %	<u>3,665,350</u> 100 %	<u>4,665,350</u> 100 %	<u>5,970,972</u> 100 %	<u>5,970,972</u> 100 %	<u>5,970,972</u> 100 %
1.1.	including: State-owned capital	<u>163,206</u> 49 %	<u>163,206</u> 12 %	<u>816,030</u> 30,6 %	<u>816,030</u> 22,3 %	<u>816,030</u> 17,5 %	<u>816,030</u> 13,7 %	<u>816,030</u> 13,7 %	-
1.2.	Share capital	<u>169,864</u> 51 %	<u>1,169,864</u> 88 %	<u>1,849,320</u> 69,4 %	<u>2,849,320</u> 77,7 %	<u>3,849,320</u> 82,5 %	<u>5,154,942</u> 86,3 %	<u>5,154,942</u> 86,3 %	<u>5,970,972</u> 100 %

**1.9. INFORMATION ON SHARES AND SHAREHOLDERS**

**1.9.1. COMPANY'S SHARES AND SHAREHOLDERS IN 2006**

Authorized capital  $2985486 \times 2 =$  LTL 5,970,972

<b>No.</b>	<b>Shareholder's surname and name/company's name,</b>	<b>Number of shares</b>	<b>% of shares in the authorized capital</b>
1	YORK Well Business Corp.	722,810	24.21
2	Attentus UAB	424,528	14.22
3	UniLine LLC	283,120	9.48
4	Finbaltus UAB FMI	232,936	7.80
5	Romanov Vladimir	179,395	6.01
6	Romanov Roman	179,390	6.01
7	Gončaruk Olga	173,500	5.81
8	Other legal and natural persons	789,807	26.46
	<b>TOTAL:</b>	<b>2,985,486</b>	<b>100.00</b>

**1.9.2. SHARES HELD BY THE COMPANY IN OTHER COMPANIES****31 12 2006**

<b>No.</b>	<b>Name</b>	<b>The number of shares held, pcs.</b>	<b>Portion in Company's authorized capital, %</b>
1.	DP International	4,000	40.0
2.	UAB Attentus	7,073	28.30
3.	UAB Bankinės konsultacijos	12,984	18.55
4.	UAB Asocijuoto turto valdymas	5,899,584	11.9
5.	UAB Aloja	354	2.21

### 1.9.3. SHARES ACQUIRED OVER THE REPORTING YEARS

<i>No.</i>	<i>Companies whose shares are purchased</i>	<i>Amount</i>	<i>The sum of par values of shares, LTL</i>
1.	UAB Aloja	354	481,710.00
2.	Asocijuoto turto valdymas	5,899,584	6,681,150.00
3.	UAB Bankinės konsultacijos	12,984	124,906.08
4.	UAB Finansinio ir nekilnojamo turto valdymas	151,500	15,698,430.00
5.	AB Ūkio bankas	1,684,519	2,849,576.25
	<b>TOTAL:</b>	<b>7,748,941</b>	<b>25,835,772.33</b>

### 1.9.4. SHARES TRANSFERRED OVER THE REPORTING YEAR

<i>No.</i>	<i>What shares transferred</i>	<i>Amount</i>	<i>The sum of par values of shares, LTL</i>
1.	UAB Businessline	35,000	35,000.00
2.	UAB Energolinija	85,580	855,800.00
3.	UAB Finansinio ir nekilnojamo turto valdymas	151,500	15,698,430.00
4.	UAB Nidos Pušynas	90,031	360,124.00
5.	UAB Trade Project	937,680	937,680.00
6.	ŪBIG	265,000	265,000.00
7.	AB Ūkio bankas	5,905,159	7,106,902.51
	<b>TOTAL:</b>	<b>7,469,950</b>	<b>25,258,936.51</b>

## ***1.10. COMPANY'S ACTIVITY PLANS AND FORECASTS***

### ***1.10.1. Company's structure***

The evaluation of design work specificity at industrial, energy, communications, water and waste management as well as Ignalina NPP decommissioning facilities shows that in the nearest future it is rational to maintain the structure of specialized industrial divisions, which ensures:

1. High quality of projects.
2. Rapid working out of separate designs of the project.
3. High labor efficiency.
4. Possibility of working with significant loading fluctuations.
5. Minimum losses upon the change of design work scopes and structure.
6. Possibility of training highly skilled specialists in specialized fields.

With the aim to implement the provisions laid down in the Lithuanian Republic Law on Amendment to the Law on Construction and STR 1.05.06:2005 concerning the duties, rights and responsibility of project sector heads, to speed up working out of project documentation and seeking the reduction of administrative costs, it is necessary to improve the Company's structural composition.

### ***1.10.2. Payment for work***

The fund of wages and salaries of the public company PRAMPROJEKTAS is formed by annual income and expense estimate and estimates for every quarter of the year.

Monthly fund of wages and salaries for separate structural divisions is set based on actual scopes of works and wage and salary rates.

Where the fund of wages and salaries exceeds the amount of official salaries of the structural division, an extra pay to salary is paid and it is set taking into consideration a particular contribution of each employee in quality and timely preparation of project documentation as well as the proposal given by project manager and project sector head.

The maximum amount of monthly salary is not limited.



### ***1.10.3. The Main Improvement Trends of Company's Activities***

1. Implementation and improvement of the Company's standard "Rules of Design Work Organization" (registered with the Ministry of the Environment on 23 January 2002, Order No. 27).
2. Regular supervision and improvement of the integrated quality and environment management system according to international quality ISO 9001:2000 and environmental ISO 14001:2004 standards.
3. Gradual implementation of European Union standard requirements in the preparation of project documentation.
4. Improvement of the Company's structural composition.
5. Search for specialists for separate project designs, their adaptation and training.
6. Setting of optimum contractual prices of design works by evaluating summary increase in expenses, growth of wages and salaries and conditions in the design work market.
7. Extension and modernization of design work computerization.
8. Modernization of project documentation archives.
9. Maximum dependence of work payment on performance results.
10. Implementation of internal financing system in Company's divisions.

### ***1.10.4 Short-term plans, i.e. plans and forecasts for the year 2007***

1. To increase the scope of annual design works carried out by Company's own forces up to LTL 8,000 thousand.
2. To increase the fund of wages and salaries for industrial staff at least by 15 %.
3. To increase expenses for the adaptation and training of young specialists by 1.5 times.
4. To implement information technologies in the process of preparation and archiving of project documentation.

## 2.The analysis of financial and non-financial activity results

### 2.1 The main indicators

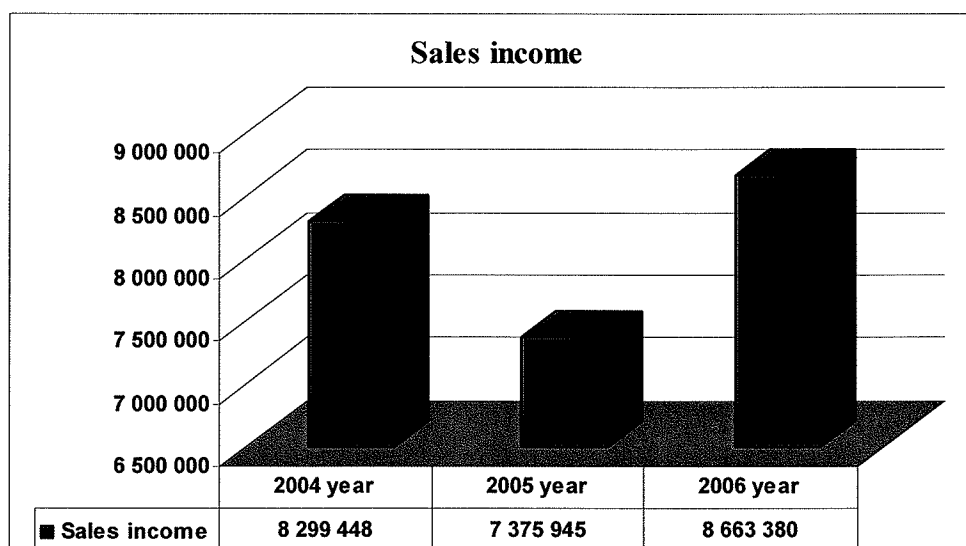
The year 2006 was successful to AB Pramprojektas. The volume of design operations performed by own forces exceeded the target by over LTL 814 thousand. The Company earned LTL 717,847 in net profit. The Company's main audited indicators are presented in the table below:

Item	Indicators		Growth	
	2006	2005	LTL	%
Total income	12,718,975	10,731,407	1,987,568	118.5
Income from design works	8,663,380	7,375,945	1,287,435	117.5
Including income from design works by own forces	7,283,582	6,268,704	1,014,878	116.2
Profit before the profit tax	880,261	3,473,870	-2593609	25.3*
Profit tax	162,414	47,096	115,318	344.9
Net profit per share	0.24	1.14		21.05*
Equity from total capital and liabilities (percent)	87.6	86.9		

\* 25.3 % represent the level of 2005 or decrease by 3.95

\*\* 21.05 % represent the level of 2005 or decrease by 4.75

### 2.2 Sales income



In 2002, 2,985,486 ordinary shares of AB Pramprojektas were included in the List of Non-listed Securities of the Vilnius Stock Exchange. The total par value of shares is LTL 5,970,972. On 31 March 2003 the Company's securities were admitted to the Current List of the Vilnius Stock Exchange. In the year 2006, the price of the Company's shares went up by 2.86 times up to LTL 5.72.

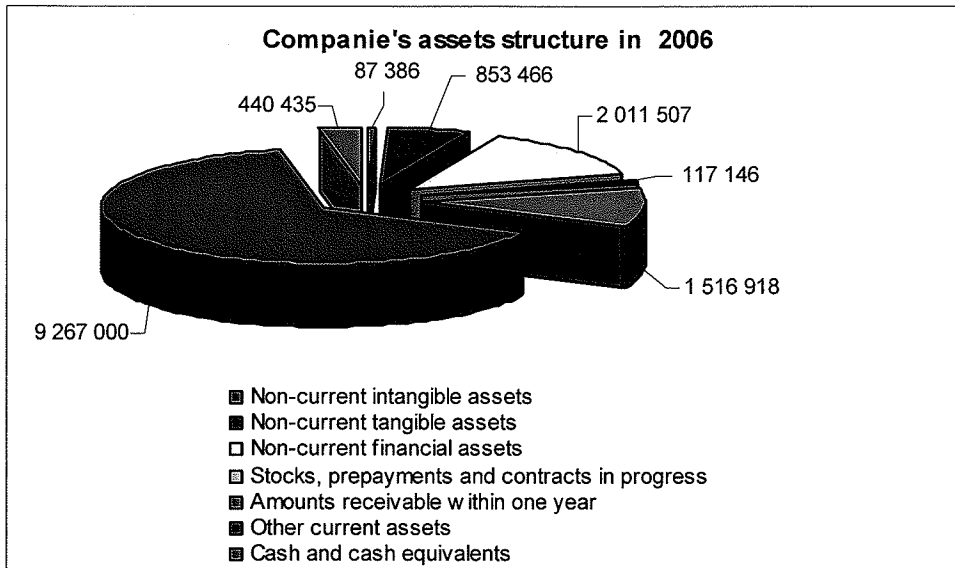
### 2.3 Change in AB Pramprojektas assets structure

During the year 2006 the Company's assets grew by LTL 719,812 or 5.3 percent. The major part assets (58.7percent) is comprised of other current assets. These are shares in other companies intended for sales. With increase in sales income from design works, buyers' debt increased by 21.8 percent and amounted to LTL 1,516,918 on 31 December 2006. That of non-current assets – 2.87 times. Stocks, prepayments and contracts in progress total LTL 117,146.

Change in Company's capital structure by years:

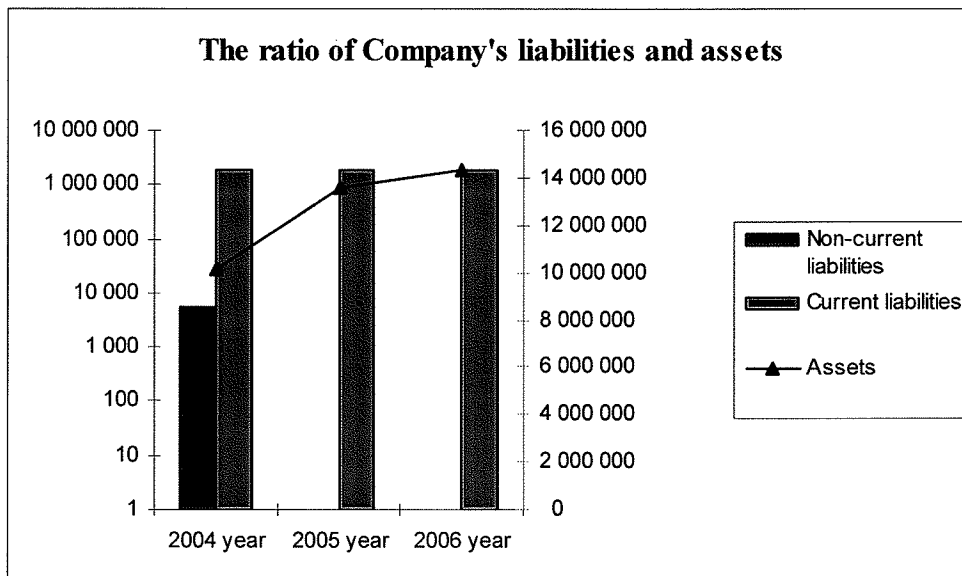
BALANCE-SHEET ITEMS	2004	2005	2006
Non-current intangible assets	96,584	86,488	87,386
Non-current tangible assets	961,803	899,179	853,466
Non-current financial assets	6,403,412	8,305,726	2,011,507
Stocks, prepayments and contracts in progress	248,786	80,793	117,146
Amounts receivable in one year	1,480,702	1,245,042	1,516,918
Other current assets	627,554	2,653,604	9,267,000
Cash and cash equivalents	332,923	303,214	440,435

Company's assets structure in 2006



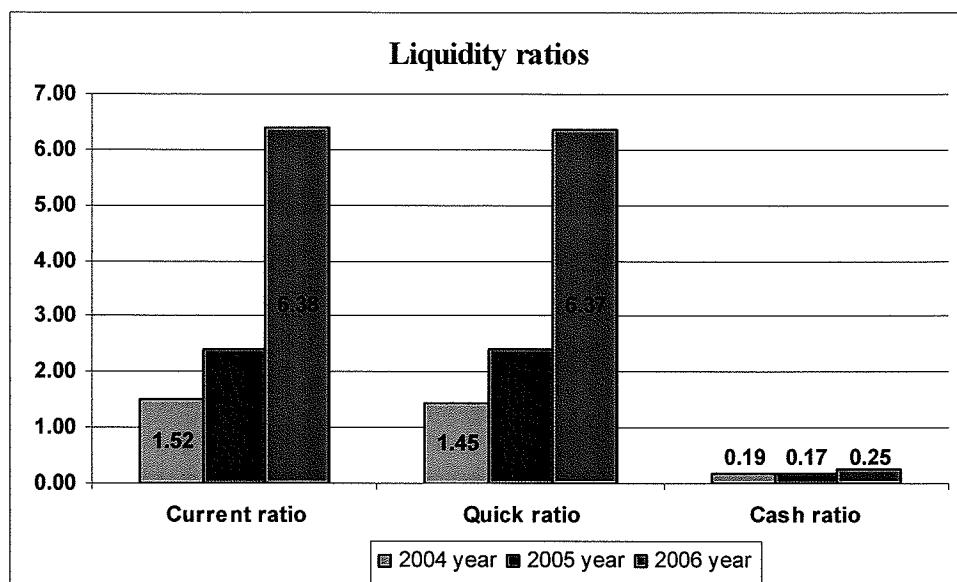
2.4 The ratio of Company's liabilities and assets

The Company has good possibility to cover current liabilities by using current assets.



The current ratio is 6.38. The quick ratio is 6.37.

The cash ratio is 0.25.



**The comparison of the Company's non-current liabilities and non-current and current assets in the period of three years**

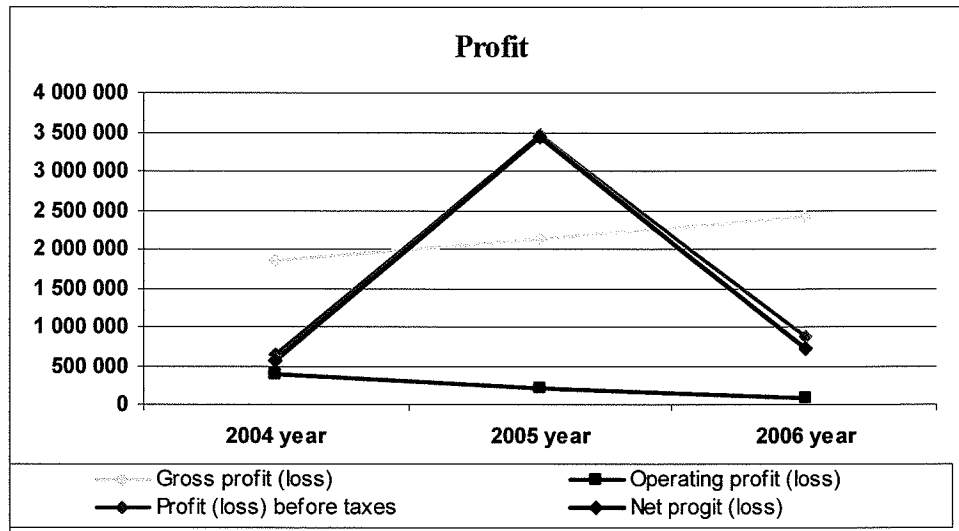
BALANCE-SHEET ITEMS	2004	2005	2006
Non-current liabilities	5,623	0	0
Non-current assets	7,461,799	9,291,393	2,952,359
Current liabilities	1,774,825	1,775,956	1,777,921
Current assets	2,689,965	4,282,653	11,341,499

The Company has no non-current liabilities. The current liabilities are dominated by liabilities to suppliers and liabilities related to labour relations. The creditors' funds are secured since the Company's debt ratio is 0.12. The debt/equity ratio is 0.14.

### 2.5 Company's profit by years:

INCOME STATEMENT ITEMS	2004	2005	2006
Gross profit (loss)	1,843,309	2,117,880	2,403,389
Operating profit (loss)	372,466	212,157	66,977
Profit (loss) before taxes	631,620	3,473,870	880,261
Net profit (loss)	573,700	3,426,774	717,847

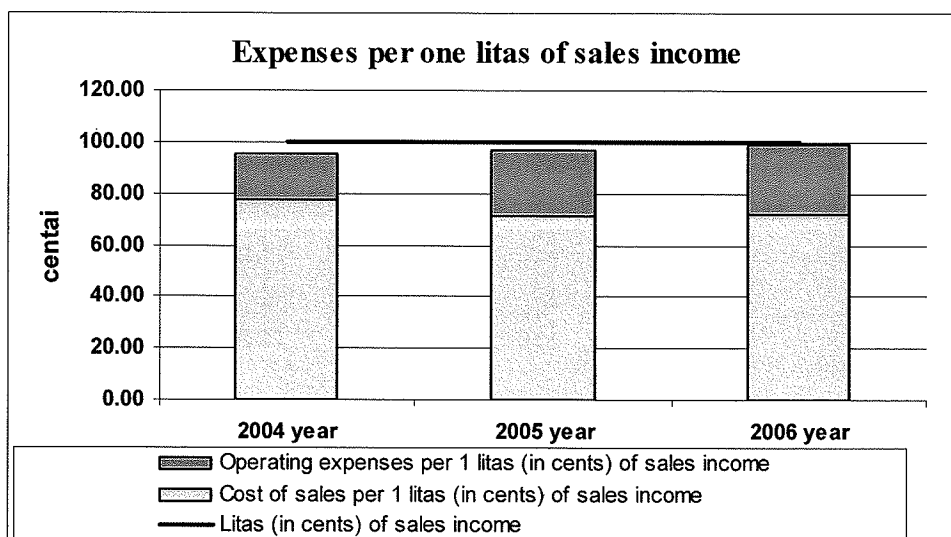
Net profitability – 8%. Total profitability – 28 %. Average return on assets – 4%. Average return on equity – 5 %.



## 2.6 Cost of sales

In 2006, the cost of sales per one litas (cents) of sales income increased by LTL 0.97 and amounted to 72.26 ct. Operating expenses per one litas (cents) of sales income increased by LTL 1.13 or 4.4%. The increase of expenses was predetermined by the increase in salary expenses as well as increased prices of fuel and heat energy.

INDICATOR	2004	2005	2006
Cost of sales per 1 litas (in cents) of sales income	77.79	71.29	72.26
Operating expenses per 1 litas (in cents) of sales income	17.72	25.84	26.97
Litas (in cents) of sales income	100.00	100.00	100.00



### 3. References and explanation about the data given in the annual Financial Statements

All the financial data presented in this annual report are calculated according to the International financial reporting standards and are audited, if not otherwise specified.

### 4. Information on acquired and held shares.

The Company did not acquire own shares either before the financial year 2006 or during the financial year 2006.

### 5. Information on financial instruments used by the Company

No financial instruments were used in the year 2006.

### 6. Information on payment for own shares

There was no payment for own shares.

### 7. Information on the causes of acquisition of the Company's own shares

The Company did not acquire own shares.

### 8. Information on the Company's branches and representative offices

There were no Company's branches or representative offices

### 9. Important events having occurred from the end of the last financial year.

The most important event having occurred from the end of the last financial year was the acquisition of the Certificate granting the right to provide design services in the field of buildings and installations of extraordinary importance at Ignalina Nuclear Power Plant.

### 10. Company's activity plans and forecast

The Company plans to increase the annual volume of design operations to be performed by own forces up to LTL 8 million, increase the industrial staff's salary fund by at least 15 percent, increase expenses for young specialists' training and adaptation 1.5 times, and implement information technologies in the process of project documentation preparation and archiving.

#### **11. Information on Company's research and development activities**

Regulat supervision and improvement of the integrated quality and environmental management system according to the international quality ISO 9001:2000 and environmental ISO 14001:2004 standards.

Gradual implementation of EU regulatory requirements when preparing project documentation.

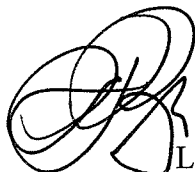
#### **12. Information on financial instruments used by the Company**

The Company does not use any financial instruments.

#### **13. Information on the compliance with the Vilnius Stock Exchange's Corporate Governance Code.**

Information concerning the compliance with the Governance Code for the companies listed on the Vilnius Stock Exchange is given in Appendix No. 1 to the annual report

Chairman of the Board



Leonas Rimantas Butkus



## AB Pramprojektas official information on the compliance with the Governance Code for the companies listed on the Vilnius Stock Exchange

The public company Pramprojektas following Article 21 paragraph 3 of the Law on Securities of the Republic of Lithuania and item 20.5 of the Trading Rules of the Vilnius Stock Exchange, discloses its compliance with the Governance Code, approved by the Vilnius Stock Exchange for the companies listed on the regulated market, and its specific provisions.

PRINCIPLES/ RECOMMENDATIONS	YES /NO /IRRELEVANT	COMMENTARY
<b>Principle I: Basic Provisions</b>		
<b>The overriding objective of a company should be to operate in common interests of all the shareholders by optimizing over time shareholder value.</b>		
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 to the shareholders in the annual report, and some information is placed on the Company's website and publicly announced on the website of Stock Commission of the LR.
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	The Company's Supervisory Council, the Board and Chief Executive Officers make every effort to implement strategic objectives and at the same time to increase shareholder value. With this aim in view, the Company increases its production capabilities and invests in shares of different companies to attain maximum benefit.
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	The Company's Supervisory Council acts in close cooperation with the Company's Board as it helps implement the key and strategic issues, approves activity plans and supervises all the activities of Board and the Company's administration. The Company's Chief Executive Officers submit reports on implemented plans and future works to the Board.

<p>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.</p>	<p>Yes</p>	<p>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.</p>
<p><b>Principle II: The corporate governance framework</b></p> <p><b>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.</b></p>		
<p>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.</p>	<p>Yes</p>	<p>Company's Supervisory Council and the Board are formed and Managing Officer, Managing Director elected.</p> <p>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.</p>
<p>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.</p>	<p>Yes</p>	<p>The Board, a collegial management body, performs the functions of the management, and the Supervisory Council, a collegial supervisory body, supervises the activities of the Board and how efficiently the Board performs its functions.</p>
<p>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.</p>	<p>Irrelevant</p>	<p>The Company has set up both the Supervisory Council and the Board.</p>
<p>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.</p>	<p>No</p>	<p>At the time of electing the present Supervisory Council the Corporate Governance Code was not adopted, therefore the Supervisory Council was set up in the manner prescribed by the Company Law.</p> <p>Members of the Supervisory Council are elected by the shareholders from the candidates nominated by the shareholders therefore the</p>

		procedure of setting up the Supervisory Council ensures the representation of interests of the minority shareholders.
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 Company's Supervisory Council comprises 3 (three) members and 3 (three) members of the Board. Based on the practice and opinion of the Company's management, such number of the Board's and Supervisory Council's members is sufficient to rationally adopt decisions.
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.	Yes	The Company's Supervisory Council is elected for the period of 4 years and the number of terms of office of the Supervisory Council's member is not limited. Pursuant to the currently applicable Articles of Association, the re-election of the same members of the Supervisory Council for the next term of office is not prohibited.
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 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 depart from these recommendations, it should furnish information on the measures it has taken to ensure impartiality of the supervision.	Yes	The Chairman of the Company's Supervisory Council can conduct independent and impartial supervision since he did not take and presently does not take the office of the Chief Executive Officer of the Company.

**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.**

<p>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.</p>	<p>Yes</p>	<p>The mechanism of the formation of the Supervisory Council ensures objective and fair monitoring of the company's management bodies. The minority shareholders' right and possibility to have their representative in a collegial body is not restricted.</p>
<p>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.</p>	<p>No</p>	<p>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.</p> <p>The shareholders are furnished with full information about the candidates and during the elections possibilities are created for them to ask questions and receive desired information from the candidates. The shareholders can also receive extensive information about the members of the collegial body at the Human Resource Department.</p> <p>All circumstances provided for in the Corporate Governance Code, that could affect the candidate's independence, have not been disclosed or examined yet, since the Code came into effect in August 2006. This will be done starting with the year 2007.</p>
<p>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.</p>	<p>Yes</p>	<p>The members of the Company's Supervisory Council and Board present information on the qualification advancement programs related to their work in a collegial body they participated in.</p>

<p>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 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.</p>	<p>Yes</p>	<p>The Supervisory and Management Boards Members have the required diversity of knowledge, judgment and experience to complete their tasks properly. The audit committee is not formed in the Company.</p>
<p>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.</p>	<p>Yes</p>	<p>With respect of the Company structure and the nature of its activities, the Collegiate Body 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.</p>
<p>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.</p>	<p>No</p>	<p>The consideration and discussion of the issue of independent members and the sufficient number thereof in the collegial body will be started from this year. Attempts will be made to find a rational solution to ensure the observance of the Code's recommendations and shareholders' interests</p>

<p>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:</p> <ol style="list-style-type: none"> <li>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;</li> <li>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;</li> <li>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 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);</li> <li>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);</li> <li>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;</li> <li>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;</li> <li>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;</li> <li>8) He/she has not been in the position of a member of the collegial body for over than 12 years;</li> <li>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.</li> </ol>	No	<p>Until now the independency of the the Collegiate Body 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.</p>
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<p>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.</p>	<p>Yes</p>	<p>The right of the Company's Supervisory Council to fundamentally determine of what constitutes independence is not restricted. The Supervisory Council may decide that, despite a particular member meets all the criteria of independence laid down in this Code, he/she cannot be considered independent due to special personal or company-related circumstances</p>
<p>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.</p>	<p>No</p>	<p>The members of the Company's collegial bodies adopt decisions relying on their independent opinion and seeking the maximum result for the company. Taking into consideration the fact that so far, the issue of the independence of bodies' members has not been so widely emphasized and discussed, in the nearest future the collection of information on the independence of the collegial bodies' members will be started following the independence criteria set out in the Corporate Governance Code.</p>
<p>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.</p>	<p>No</p>	<p>Since the Corporate Governance Code was approved only in August 2006, the full year for evaluating the independence has not passed yet. The independent members of the Company's collegial body will confirm their independence and the Company will announce the reasons for considering a particular member to be independent when the members of the bodies will not meet the criteria of independence throughout the year</p>
<p>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.</p>	<p>No</p>	<p>Taking into consideration the fact that at present the form of remunerating the members of the company's Supervisory Council and/or Board for their permanent work in these bodies is still not finally clear, the Company does not pay such remuneration and does not plan to approve its size at the general shareholders' meeting of the company.</p>

**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.**

<p>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.</p>	<p>Yes</p>	<p>The Supervisory Council elected at the Company issues responses and recommendations concerning the company's annual Financial Statements, draft of profit distribution, the company's annual report and activities of the Board and the Company's management to the general shareholders' meeting, and performs other functions of supervising the activities of the Company and its management bodies ascribed to the competence of the Supervisory Council.</p>
<p>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 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).</p>	<p>Yes</p>	<p>According to the data possessed by the Company all the Supervisory Council's members act in good faith with regard to the Company, and observe the interests of the Company but not their own or third parties' interests, and endeavour to maintain independence when adopting decisions.</p>
<p>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.</p>	<p>Yes</p>	<p>The members of the collegial bodies properly perform their functions, i.e. they actively participate in the meetings of the collegial body and devote sufficient time to perform their duties as collegial members.</p>



<p>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.</p>	<p>Yes</p>	<p>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.</p> <p>The Company's collegial body always treats all shareholders impartially and fairly.</p>
<p>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.</p>	<p>Yes</p>	<p>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.</p>
<p>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 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.</p>	<p>Yes</p>	<p>The Company's collegial body is independent in passing decisions that are significant for the Company's operations and strategy. Members of the collegial body act and pass decisions without an outside influence from the persons who have elected them. The Supervisory Council is independent of the Board. All the Company's employees provide required information to the members of the Company's Supervisory Council in order they could properly execute their functions and deal with the issues pertaining to their competence.</p>

<p>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.</p>	<p>No</p>	<p>Issues of nomination of the Company General 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.</p>
<p>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 competence.</p>	<p>No</p>	<p>In view of the structure, size, and activities of the Company, the collegiate body committees have not been formed. The Company's Supervisory Board remains fully responsible for the decisions taken in the field of its competence.</p>

<p>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.</p>	<p>No</p>	<p>The issue concerning the establishment of committees provided for in the Code will be dealt with after evaluating the influence of the Code's requirements on the present structure of the Company and after analyzing the experience of other issuers and the market as well as financial expenses and other related factors.</p>
<p>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.</p>	<p>No</p>	<p>The committees prescribed by the Code are not formed in the Company.</p>
<p>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.</p>	<p>No</p>	<p>The committees prescribed by the Code are not formed in the Company.</p>

<p>4.12. Nomination Committee.</p> <p>4.12.1. Key functions of the nomination committee should be the following:</p> <ol style="list-style-type: none"> <li>1) 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 shareholders of the company;</li> <li>2) 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;</li> <li>3) Assess on regular basis the skills, knowledge and experience of individual directors and report on this to the collegial body;</li> <li>4) Properly consider issues related to succession planning;</li> <li>5) Review the policy of the management bodies for selection and appointment of senior management.</li> </ol> <p>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..</p>	<p>No</p>	<p>The Nomination Committee is not formed in the Company.</p>
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<p>4.13. Remuneration Committee.</p> <p>4.13.1. Key functions of the remuneration committee should be the following:</p> <ol style="list-style-type: none"> <li>1) 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;</li> <li>2) 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;</li> <li>3) Make proposals to the collegial body on suitable forms of contracts for executive directors and members of the management bodies;</li> <li>4) 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);</li> <li>5) 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.</li> </ol> <p>4.13.2. With respect to stock options and other share-based incentives which may be granted to directors or other employees, the committee should:</p> <ol style="list-style-type: none"> <li>1) Consider general policy regarding the granting of the above mentioned schemes, in particular stock options, and make any related proposals to the collegial body;</li> <li>2) Examine the related information that is given in the company's annual report and documents intended for the use during the shareholders meeting;</li> <li>3) 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.</li> </ol> <p>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.</p>	No	The Remuneration Committee is not formed in the Company.
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<p>4.14. Audit Committee.</p> <p>4.14.1. Key functions of the audit committee should be the following:</p> <ol style="list-style-type: none"> <li>1) 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);</li> <li>2) 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;</li> <li>3) 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;</li> <li>4) 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;</li> <li>5) 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 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;</li> <li>6) Review efficiency of the external audit process and responsiveness of management to recommendations made in the external auditor's management letter.</li> </ol> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>Yes</p>	<p>The Audit Committee is not formed in the Company.</p>
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<p>4.15. Every year the collegial body should conduct the assessment of its activities. The assessment should include evaluation of collegial body's 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.</p>	<p>No</p>	<p>Since the Governance Code took effect in August 2006 the Company did not observe this Code provision. From 2007 the Supervision Board will conduct the assessment of its activities in pursuance of the Code provisions.</p>
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**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.**

<p>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.</p>	<p>Yes</p>	<p>The Council meetings shall be convened by the Council chairman. The meetings may also be convened by the decision passed by not less than 2/3 of the Council members. When notifying of the meetings the required material prepared for the meeting has also to be presented</p>
<p>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.</p>	<p>Yes</p>	<p>The Council's meetings shall be convened at least once a quarter. Members shall be notified of the Council's meetings being convened in writing or orally not later than 3 (three) days in advance. The Company Board meetings shall be convened at least once a month.</p>

<p>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 immediate resolution.</p>	<p>Yes</p>	<p>When notifying of the meetings the required material prepared for the meeting has also to be presented (theses of reports, draft resolutions, certificates, explanations and other necessary documents). The Council's meetings shall be convened at least once a quarter. Members shall be notified about the meeting being convened in writing or orally not later than 3 (three) days in advance. In separate cases, upon having consent of all members of the Council, meetings may be convened within a shorter term.</p>
<p>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.</p>	<p>Yes</p>	<p>The Company Board's members and other Company's managers or employees may be invited to participate in the Supervision Boards meetings with a deliberative vote. If the invited persons cannot participate in the meeting they must inform the Board's chairman or his/her deputy by stating the reason of absence."</p>
<p><b>Principle VI: The equitable treatment of shareholders and shareholder rights</b></p> <p><b>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.</b></p>		
<p>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.</p>	<p>Yes</p>	<p>Ordinary registered shares comprising the Company's capital grant equal rights to all holders of the Company's shares.</p>
<p>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.</p>	<p>Yes</p>	<p>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.</p>



<p>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.</p>	<p>Yes</p>	<p>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.</p>
<p>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.</p>	<p>Yes</p>	<p>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.</p>
<p>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 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.</p>	<p>No</p>	<p>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 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.</p>

<p>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.</p>	<p>Yes</p>	<p>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.</p>
<p>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.</p>	<p>Irrelevant</p>	<p>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.</p>

**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.**

<p>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.</p>	<p>Yes</p>	<p>The Company follows these recommendations since the members of the Company's Supervisory Council and Board must observe the provisions laid down in these recommendations.</p>
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7.2. Any member of the company's supervisory and management body may not mix the company's 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.	Yes	
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	
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 Supervisory Council and Board Members are acquainted with these provisions and under the said circumstances, would implement this recommendation in practice.
<p><b>Principle VIII: Company's remuneration policy</b></p> <p><b>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.</b></p>		
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.

<p>8.3. Remuneration statement should leastwise include the following information:</p> <ol style="list-style-type: none"> <li>1) Explanation of the relative importance of the variable and non-variable components of directors' remuneration;</li> <li>2) Sufficient information on performance criteria that entitles directors to share options, shares or variable components of remuneration;</li> <li>3) Sufficient information on the linkage between the remuneration and performance;</li> <li>4) The main parameters and rationale for any annual bonus scheme and any other non-cash benefits;</li> <li>5) A description of the main characteristics of supplementary pension or early retirement schemes for directors.</li> </ol>	No	See commentary on the recommendation 8.1-8.2.
<p>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.</p>	No	See commentary on the recommendation 8.1-8.2.
<p>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.</p>	No	See commentary on the recommendation 8.1-8.2.
<p>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.</p>	No	See commentary on the recommendation 8.1-8.2.

<p>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.</p> <p>8.7.1. The following remuneration and/or emoluments-related information should be disclosed:</p> <ol style="list-style-type: none"> <li>1) 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;</li> <li>2) The remuneration and advantages received from any undertaking belonging to the same group;</li> <li>3) 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;</li> <li>4) 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;</li> <li>5) 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;</li> <li>6) Total estimated value of non-cash benefits considered as remuneration, other than the items covered in the above points.</li> </ol> <p>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:</p> <ol style="list-style-type: none"> <li>1) The number of share options offered or shares granted by the company during the relevant financial year and their conditions of application;</li> <li>2) 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;</li> <li>3) 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;</li> <li>4) All changes in the terms and conditions of existing share options occurring during the financial year.</li> </ol> <p>8.7.3. The following supplementary pension schemes-related information should be disclosed:</p> <ol style="list-style-type: none"> <li>1) When the pension scheme is a defined-benefit scheme, changes in the directors' accrued benefits under that scheme during the relevant financial year;</li> <li>2) 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.</li> </ol> <p>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</p>	<p>No</p>	<p>See commentary on the recommendation 8.1-8.2.</p>
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<p>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 and get an explanation on the impact of the suggested changes.</p>	<p>No</p>	<p>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.</p>
<p>8.9. The following issues should be subject to approval by the shareholders' annual general meeting:</p> <ol style="list-style-type: none"> <li>1) Grant of share-based schemes, including share options, to directors;</li> <li>2) Determination of maximum number of shares and main conditions of share granting;</li> <li>3) The term within which options can be exercised;</li> <li>4) The conditions for any subsequent change in the exercise of the options, if permissible by law;</li> <li>5) 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.</li> </ol> <p>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.</p>		<p>See commentary on the recommendation 8.8.</p>
<p>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.</p>		<p>See commentary on the recommendation 8.8.</p>
<p>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.</p>		<p>See commentary on the recommendation 8.8.</p>

<p>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..</p>		<p>See commentary on the recommendation 8.8.</p>
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**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.

<p>9.1. The corporate governance framework should assure that the rights of stakeholders that are protected by law are respected..</p>	<p>Yes</p>	<p>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.</p>
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<p>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.</p>	<p>Yes</p>	<p>The conditions for the stakeholders to participate in corporate governance are created in the manner prescribed by the law. Labour laws grant the right to the representatives of employees to submit proposals to the Company concerning work organization, in adoption of key decisions.</p>
<p>9.3. Where stakeholders participate in the corporate governance process, they should have access to relevant information.</p>	<p>Yes</p>	<p>The stakeholders have access to relevant information unless that is in breach of the law and the rules on commercial secret disclosure.</p>

**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.**



<p>10.1. The company should disclose information on:</p> <ol style="list-style-type: none"> <li>1) The financial and operating results of the company;</li> <li>2) Company objectives;</li> <li>3) Persons holding by the right of ownership or in control of a block of shares in the company;</li> <li>4) Members of the company's supervisory and management bodies, chief executive officer of the company and their remuneration;</li> <li>5) Material foreseeable risk factors;</li> <li>6) Transactions between the company and connected persons, as well as transactions concluded outside the course of the company's regular operations;</li> <li>7) Material issues regarding employees and other stakeholders;</li> <li>8) Governance structures and strategy.</li> </ol> <p>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..</p>	<p>Yes</p>	<p>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.</p>
<p>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.</p>	<p>Yes</p>	<p>The company does not belong to a consolidated company group.</p>
<p>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.</p>	<p>Yes</p>	<p>The information is provided in the Annual Report.</p>
<p>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</p>	<p>Yes</p>	<p>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. 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 and art. Some of the employees are shareholders of the Company.</p>

<p>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..</p>	<p>Yes</p>	<p>As much as possible the Company provides information through 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..</p>
<p>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.</p>	<p>No</p>	<p>Before 2007 the Company did not have a website. Currently the Company is considering creating a website.</p>
<p>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..</p>	<p>No</p>	<p>After the Code came into effect in the Quarter 2 of 2006, it is supposed that this information may be disclosed in 2007.</p>
<p><b>Principle XI: The selection of the company's auditor</b></p> <p><b>The mechanism of the selection of the company's auditor should ensure independence of the firm of auditor's conclusion and opinion.</b></p>		
<p>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.</p>	<p>Yes</p>	<p>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. An independent audit institution provides audit of annual financial statements.</p>

<p>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.</p>	<p>Yes</p>	<p>The Company follows this recommendation since the candidate company of auditors is proposed to the general shareholders' meeting by the company's Supervisory Council event though it can also be proposed by the shareholders or the Company's Board.</p>
<p>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.</p>	<p>Yes</p>	<p>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.</p>

**INDEPENDENT AUDITOR'S REPORT**  
**ADDRESSED TO AB "PRAMPROJEKTAS" SHAREHOLDERS**

We have audited the accompanying balance sheet of AB "PRAMPROJEKTAS", 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; 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 "PRAMPROJEKTAS" 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 "PRAMPROJEKTAS" annual report 2006 did not reveal the existence of any material inconsistencies with the audited financial statements.

April 2, 2007  
Vilnius

UAB "Auditorių biuras"  
Audit company certificate No.000535

Director, Auditor  
Auditor's certificate No. 000221

Roma Račienė

## **EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR THE YEAR 2006**

### **I. AIM**

The aim of this Explanatory Notes is to present additional information in order to better explain AB PRAMPROJEKTAS Financial Statements for the year 2006.

### **II. GENERAL**

#### **2.1 Date of Registration**

PRAMPROJEKTAS, a public company, was established in Kaunas City in 1940 for the purpose of designing Lithuanian industry, energy and utility facilities. In 1993 it was privatised. On 6 December 1993 the enterprise was registered. On 22 December 2004 it was re-registered with Kaunas Branch of the State Enterprise Centre of Registers. Company's identification number – 133873358, VAT payer's number – LT 338733515. Head-office –K. Donelaičio 60, Kaunas. Website: [www.pramprojektas.lt](http://www.pramprojektas.lt)

#### **2.2 Fiscal Year**

The company's fiscal year starts on 1 January and ends on 31 December.

When drawing up annual and interim financial statements, data for a respective period of the previous year are given in the balance sheet and income statement.

#### **2.3 Information about the Company's Branches and Representative Offices**

The Company does not hold any branches or representative offices.

#### **2.4 Information about Subsidiaries**

The Company does not hold any subsidiaries.

#### **2.5 Information about Associates**

The Company holds shares in the associated company:

UAB ATTENTUS (former name UAB Ortopedijos Paslaugos), registered with the State Enterprise Centre of Registers on 24 August 2000. Registered address: K. Donelaičio 60, Kaunas.

#### **2.6 Company's Activities**

The main Company's activity is design works. Other activities – income received from Aisetas holiday home as well as maintenance income and expenses of the building located on K. Donelaičio Str. 60, Kaunas. Financial activities – occasional transactions with shares held in other companies.

The main design works carried out within the fiscal year 2006 are:

Technical and Detailed Designs of Extension of Kaunas Wastewater Treatment Plant with Biological Treatment; Technical Design of Ignalina Nuclear Power Plant Spent Fuel Storage Facility B1; Technical Design of Ignalina Nuclear Power Plant's Solid Radioactive Waste Management Facility; Detailed Design of Reconstruction of AB Jonavos Grūdai Grain Storage Facility in Ukmergė; Technical and Detailed Designs UAB Lytagros Chemija' Grain Elevator in Kėdainiai.

Contracts signed but still not started to be implemented:

-Design Contract No. 123-03 of 22 12 2003. Customer – Transport Investment Directorate. According to agreement No. 3.1-11 of 21 12 2005 the customer's functions were transferred to the Directorate of Border Crossing Infrastructure.

-Design Contract No. 3.3-9-096-04 of 20 09 2004. Customer – Directorate of Border Crossing Infrastructure.

## **2.7 Authorized Capital**

The Company's authorized capital amounts to LTL5,970,972.

The Company's authorized capital is divided into 2985486 ordinary registered shares. All the shares are fully paid up.

## **2.8 Number of Employees.**

The average number of Company's staff within the reporting period was 145. The average monthly salary amounted to LTL 2745.00. Temporary regulations of payment for work for the year 2006 were approved by Decree No. 126 of 30 December 2005.

# **III. ACCOUNTING POLICY**

## **3.1 Statutory acts on the basis of which Financial Statements were prepared:**

The Company handles its accounting and works out Financial Statements based on the following legislation regulating financial statements in the Republic of Lithuania:

- International Accounting Standards (IAS)
- Lithuanian Republic Law on Accounting;
- Lithuanian Republic Law on Financial Statements of Enterprises;
- Accounting policy, accounting procedure and guidelines of AB PRAMPROJEKTAS.

## **3.2 Influence of Change in the Accounting Policy on the Company's Operation Results**

Since 2005 AB Pramprojektas has draw up Financial Statements according to the International Accounting Standards

## **3.3 Methods Applied for Assets Valuation:**

- intangible assets–the cost of acquisition less accumulated amortization;
- non-current tangible assets – the cost of acquisition less accumulated depreciation;
- non-current financial assets– equity method and market price;

- inventories – at the cost of acquisition or the net possible realization value, whichever is the lower;
- amounts receivable – at the net value less doubtful debts;
- non-current financial assets – at the fair value or the cost of acquisition less devaluation.

Increase in financial assets value is recognized as the income of financing or investing activities. Devaluation of financial assets and impairment in value are recognized as the expenses of financing and investing activities.

### **3.4 Intangible Assets**

AB PRAMPROJEKTAS' intangible asset is recognized when it meets the definition of intangible assets and the criteria of recognition thereof as intangible assets, i.e.: there exists a reasonable probability to receive economic benefit from the asset in the future; the cost of acquisition (production) of the asset can be reliably evaluated and separated from the value of other assets; the company can dispose of the asset, control it or restrict the right of use thereof to the others.

Amortization is calculating by directly proportional (linear) method.

Operating expenses of intangible assets are attributed to the expenditures of that reporting period when they are sustained.

Expenses of intangible asset renewal or improvement, sustained after acquisition thereof, are recognized as expenses of that reporting period when they are incurred.

In AB PRAMPROJEKTAS balance-sheet intangible assets are shown at the residual value (the cost of acquisition less accumulated amortisation).

Intangible assets include software whose amortization rate is 3 years.

### **3.5 Non-current Tangible Assets**

AB PRAMPROJEKTAS' non-current tangible asset is recognised and recorded in the accounting if it meets all the recognition criteria of such assets. The asset, which is disposed of and controlled by the Company, from which it expects to receive economic benefit in the coming periods, which is used for a longer period than one year, and whose acquisition (production) cost can be reliably set and whose value is larger than the established minimum asset value is deemed as non-current tangible asset.

From 1 January 2004 the asset whose minimum acquisition cost amounts to LTL 1,000 is classified as non-current tangible asset.

Non-current tangible asset is accounted for at the cost of acquisition.

Depreciation is not calculated on library stocks.

Recording of non-current tangible asset reconstruction or repair works depends on the result produced by such works, which is established by the Commission on Acceptance of Works.

The result of transfer of non-current tangible assets is classified as other activities.

The depreciation rates of non-current tangible and intangible assets set forth in Appendix No. 1 of the Lithuanian Republic Law on Profit Tax (No.IX-675 of 20 12 2001) are applied for non-current tangible and intangible assets, respectively, from 1 January 2002.

Other tangible asset includes technical-information literature contained in library stocks. In the balance-sheet it is shown in the line of other equipment.

In AB PRAMPROJEKTAS' balance-sheet non-current tangible asset is shown at the residual value (the cost of acquisition less accumulated depreciation).



Following IAS 16, asset depreciation rates and liquidation values are reviewed every year. Over 2006 these rates did not change.

### **3.6 Non-current Financial Assets**

AB PRAMPROJEKTAS has no subsidiaries.

Investments in other companies' shares, which do not exceed 20% of voting rights at the shareholders' meeting of other company and do not grant the right to make significant influence, are recorded in the accounting at the moment of acquisition and reflected at the cost of acquisition in the balance-sheet. Investments in other company shares, which exceed 20% of votes at shareholders' meeting of other company and grant the right to make significant influence, are recorded by acquisition cost method in the accounting at the moment of acquisition and are reflected in the balance-sheet by the equity method. Such investments are accounted for in the manner prescribed by IAS 28 "Accounting of Investments in Associates".

AB Pramprojektas has not made any investments in other company shares, which exceed 51% of the votes at shareholders' meeting of other company and grant the right of control.

The securities owned, whose market price is declared in the active market, are evaluated at the closing day price of the stock exchange applicable at the end of the reporting period.

The securities owned whose real value cannot be set (the market price is not announced in the active market) are evaluated at the cost of acquisition taking into account value impairment, which would be calculated if the balance-sheet value exceeded the amount probable to receive for that asset.

### **3.7 Accounting Methods of Borrowing and Similar Expenses**

Interest on loans received, asset acquired by lease (financial lease) and other expenditures related to borrowing are recognised as expenses during these periods when they are generated. Interest is classified as financial and investment activity expenses.

### **3.8 Assets revaluation Methods**

Assets revaluation methods were not applied in the fiscal year 2006.

### **3.9 Recognition Principles of Income and Expenses**

Sales income is recognized by accumulation principle. Only the increase of the Company's economic benefit is deemed income. The Value Added Tax is not recognized as income.

The result of transfer of used non-current tangible and intangible assets, Company's income from the lease of premises, income received from the holiday home Aisetas are attributed to other operations except for financing and investing activities.

The following items are attributed to financial and investing activities: dividends, interest, penalties and fines for delayed payments, profit or loss from investment accounted for by equity method, result of transfer of financial assets, and result of changes in currency exchange rates.

Forfeit, penalties, fines, interest payments for loss compensation, amounts for improper and overdue performance of contractual obligations are recorded as increase or decrease of operating expenses.

Upon failure to pay taxes to the budget in a timely manner this is classified as financial activity expenses, and payment to the budget for other violations of legislation having accumulated due to delayed payments are classified as activity expenses.

Income and expenses related to design works are recognized according to IAS 11. Expenses and income related to design contracts are recognized as income and expenses of the reporting period when works are actually carried out disregarding the fact that the deed of acceptance and transfer is not signed and the invoice is not issued. However, if the expenses of some project contract exceed the total contract income such excess is immediately recognized as expenses according to paragraph 36, IAS 11.

Expenses are calculated by each project.

Expenses are recognised according to the principles of accumulation and comparison during that reporting period when related income is earned disregarding the time of cash spending. Only that part of expenditures of the previous or reporting period that falls on the income earned over the reporting period is recognised as expenses.

General and administrative expenses of the reporting period relating to typical activities of the Company are attributed to operating expenses. Reporting period expenditures that cannot be directly related to the earning of particular income of the reporting period are classified as operating expenses

Expenses of future periods include insurance, advertising, subscription, and similar. In the balance-sheet they are included in Prepayments item.

AB Pramprojektas operating expenses of the reporting period also include aid granted and various bonuses and allowances paid over the reporting fiscal period.

### **3.10 Inventories Accounting**

Inventories means current assets of the Company consumed to earn income during one year. The inventories are accounted for by constant accounting method. In the accounting the inventories are evaluated at the acquisition cost, while for the purpose of Financial Statements they are disclosed at the lower of the acquisition cost or net realisable value. The amount of inventories write-down to net realizable value is recognized as operating expenses of that period when the write-downs were performed. No inventory write-downs were performed during 2006. The biggest part of inventories includes paper, toners for copying machines and printers and other office supplies.

### **3.11 Amounts Receivable**

Amounts receivable are disclosed in the balance-sheet at fair value, i.e. less estimated bad debts. The amounts of bad debts are recognized as operating expenses of the reporting period.

Accounts payable and accounts receivable by each buyer or supplier is recognised as bad debt by the decision of Commission on Annual Stock-taking.

### **3.12 Accounting of Research and Development Expenses**

In the fiscal year 2006 the Company did not incur research and development expenses.

### **3.13. Investments in Associates**

The value of AB Pramprojektas' investment in associates was set in the manner prescribed by the International Accounting Standard 28 "Accounting of Investment in Associates". Investment in associate is accounted for by equity method, except for the case when the investment is acquired and held exclusively with a view to its resale in twelve months from the date of acquisition, and the management are searching for the buyer.

### **3.14. Cash and Description of Cash Equivalents**

Cash and Cash Equivalents item shows cash at bank and in hand. AB Pramprojektas had no current realizable debt securities.

### **3.15. Cases when Financial Statements Disclose only Net Result of Economic Operation**

Financial Statements disclose only net result of economic operation when transferring non-current assets, receiving compensation for loss sustained and exchanging currency.

### **3.16. Accounting of Operations in Foreign Currency**

At the time of initial recognition, transaction in foreign currency is evaluated in the currency of Financial Statements based on the exchange rate applicable on the date of transaction.

Business trip expenses in foreign currency are evaluated in the currency of Financial Statements by using the exchange rate applicable on the date of going on the business trip.

Currency items in the balance-sheet are evaluated in the currency of Financial Statements by using the exchange rate applicable on the balance-sheet date.

Differences, which occur after paying for the amounts recorded in currency items according to the exchange rate other than that applied during initial recognition, or on the date of the last Financial Statements (if currency items were recognised in the previous fiscal year), are recognised as income or expenses of the reporting period.

Financial and investing activities item of the Income Statement discloses only the result of change in currency exchange rates (profit or loss from change in currency exchange rate).

### **3.17 Principles of Provisions Formation**

No provisions were formed in the Financial Statements for the year 2006. The reserve for holiday pays that should be paid to the Company's staff is attributed to current liabilities of the Company.

### **3.18 Policy of Correcting Accounting Errors**

The errors, which have big influence on the Financial Statements of the last or several previous periods, when the Financial Statements of such period does not correctly reflect the financial condition and performance results of the Company, are considered material.

The significance of error in AB Pramprojektas Financial Statements is determined by calculating the ratio of error amount to the total amount of the account wherein it occurred. According to this indicator:

- the lower limit of error significance – 5 percent from the total item amount;
- the upper one – 10 percent.

Errors exceeding the lower limit of significance, 5 percent from the total item amount, are deemed material.

AB Pramprojektas applies the following methods of correcting accounting errors of previous periods:

Material errors are corrected by a retrospective method by adjusting the data of the previous fiscal year (periods) whose data were distorted by the error. Where it is impossible to exactly evaluate the influence of material error on the Financial Statements of the previous fiscal year, the error is corrected by a perspective method by corrected only the data of the reporting period.

Immaterial errors are corrected by a perspective method, i.e. they are corrected in the Financial Statements of the reporting period.

#### IV. COMMENTS PRESENTED IN THE EXPLANATORY NOTES

The comments of the Explanatory Notes about significant items of Financial Statements are given in explanatory tables. The numbers of comments of the Explanatory Notes are given in Financial Statements near statement items.

##### 4.1 Non-current intangible assets

Information is given in Appendix No.4.1 "Intangible Assets" to the Explanatory Notes"

##### 4.2 Non-current tangible assets

The condition of non-current tangible assets – 3 storeys of the lower 5-storeyed part of the building. The total useful space of the premises amounts to 3054.35sq.m. (Certificate from the Register of Real Estate, dated 11 10 2003). The cost of acquisition – LTL 766,302; Aisetas recreation facility in Paaisetė Village, Molėtai District. Useful space – 787.36 sq.m. The cost of acquisition amounts to LTL70, 832.

The taxing (basic) value of the real estate – premises located on Donelaičio Str. 60, Kaunas, owned by the public limited company Pramprojektas, established by the State Enterprise Centre of Registers by the method of mass valuation amounts to LTL 8,028,048 on 01 01 2006.

By the Letter No. 1.31./1133s-2061 of 31 March 2006, the Centre of Registers decided to approve the adjusted taxing value established after individual valuation, i.e. LTL 4,376,000.

The taxing (basic) value of the recreation facility Aisetas, established by the method of mass valuation, amounts to LTL 87,885.

Facility name	Balance-sheet (residual) value, LTL 31 12 2006	Construction year
Industrial building	53,886	1965
Recreation facilities	28,454	1984
Total	567,340	

Information given in appendices to the Explanatory Notes:

No.4.2 "Non-current Tangible Assets Groups, their Appraisal, and Methods of Depreciation Calculation"

No.4.3 "Non-current Tangible Assets"

No.4.4 "Movement Table of Non-current Tangible Assets"

No.4.5 "Depreciated Non-current Assets Still in Use "

##### 4.3 Non-current financial assets

##### Investments in other companies

No.	Name	Amount of shares held	Portion in the Company's authorized capital, %
1	UAB Attentus	7073	28.3

To ensure the fulfilment of liabilities related to the financial loan received in 2004, a part of UAB Attentus shares was pledged. The pledge was removed in 2006.

Information is given in the following Appendices to the Explanatory Notes:

No.4.6 "Movement of Non-current Financial Assets"

No.4.7 "Pledge of Non-current Financial Assets"

No.4.12 "Associates"

A 5-year recommended period is set for the amortization of goodwill.

#### 4.4 Inventories. Prepayments. Other Current Assets.

The major part of prepayments consists of advance payments of the income tax and prepayments made to subcontractors for design works.

No inventories were written down in 2006.

Other current assets include shares in other companies.

List of shares held in other companies:

No.	Name	Amount of shares held	Portion in the Company's authorized capital, %
1.	DP International	4,000	40.0
2.	UAB Asocijuoto turto valdymas	5,899,584	11.9

Information is given in Appendix No. 4.8 "Inventories" to the Explanatory Notes

#### 4.5 Operating Income, Cost, Results

Information is given in the Appendix

No.4.14 "Information on Geographical Segments" to the Explanatory Notes"

#### 4.6 Liabilities

Information is given in the Appendix

No.4.11 "Condition of Company's Liabilities" to the Explanatory Notes"

#### No.4.7 Result of Other Activities

Information is given in Appendix No.4.9 "Result of Other Activities" to the Explanatory Notes"

#### No.4.8 Result of Financial and Investing Activities

Information is given in Appendix

No.4.10 "Result of Financial and Investing Activities" to the Explanatory Notes

#### No.4.9 Amounts Receivable

The annual stock-taking of Company's debts for the year 2006 was performed.

#### 4.10 Cash and Cash Equivalents

Balances of cash in hand and current accounts meet the balances received from the ledger and bank statements.

#### 4.11 Capital

Company's shareholders:

No.	Shareholder's surname and name, company's name	Company identity number	% of shares held in the authorized capital
1	York Well Business Corp.	1012383	24.21
2	Gončaruk Olga		5.81
3	Romanov Roman		6.01
4	Romanov Vladimir		6.01
5	Finbaltus UAB FMĪ	122020469	7.8
6	UniLine LLC	260802	9.48
7	Attentus UAB	135654594	14.22
7	Natural persons		26.46
	TOTAL		100.00

The Company did not acquire own shares either in the previous year or in the year 2006.

Structure of the authorised capital is presented in the Appendix to the Explanatory Notes

No.4.13 "Structure of Authorised Capital"

No. 4.16 Changes in equity capital are reflected in the Statement on Changes in Equity.

The Company's profit is appropriated in the manner prescribed by the Company law and the Company's Articles of Association. A draft of appropriation of profit (loss) for the fiscal year is presented along with Financial Statements. The Company's shareholders' meeting has to approve Company's Financial Statements and distribute the profit.

#### 4.12 Cash Flow Statement

Cash Flow Statement is prepared by indirect method.

Non-cash items in the Cash Flow Statement: non-current assets depreciation (amortization), doubtful debts written-off, assets not fully depreciated and written-off, decrease in liabilities related to labour relations, difference in the fair and market prices of shares.

Information is given in the Cash Flow Statement.

#### **4.13 Financial Relationships with Company's Managers and Other Connected Persons**

Information is given in Appendix

No.4.15 "Financial Relationships with Company's Managers and Other Connected Persons" to the Explanatory Notes

#### **4.14 Guarantees issued**

No guarantees were issued

#### **4.15 Annual Inventorying**

Financial Statements data are based on the inventorying of the assets disposed of by the Company at the end of the reporting period. Annual inventorying of the main means and current assets was performed on 30 December 2005 by Director's Order No. 102; the inventorying of the recreational facilities 28 September 2006 by Director's Decree No. 85, the inventorying of the recreation facilities – on 28 September 2006, Director's Order No. 102, and in the inventorying of warehouse– 28 December 2006, Decree No. 129.

#### **4.16 Brief Description of Significant After Balance-sheet Events**

Financial Statements of AB PRAMROJEKTAS are adjusted if after balance-sheet events have direct influence on the data of Financial Statements still not approved.

A share sales contract was concluded with DP International.

#### **4.17 Audit of Annual Financial Statements**

On 25 September 2006, an Independent Audit Contract No. 60920-33 was concluded with UAB Auditorių Biuras for the auditing of the Company's accounting and financial statements for the period from 1 January 2006 to 31 December 2006.

28 February 2007

L.R.Butkus,  
Managing Director



N.Čyžienė,  
Chief Financier



Complete Form of the Balance Sheet

**AB PRAMPROJEKTAS**

(enterprise name)

**133873358 , DONELAIČIO 60 KAUNAS**

(enterprise identification number, address, other information)

APPROVED

Minutes No 1

13 April 2007

**BALANCE SHEET**

**31-12-2006**



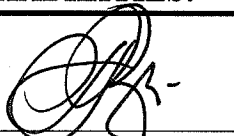
(reporting period)

(reporting currency and level of its accuracy)

	ASSETS	Note No.	Financial year 2006	Previous financial year 2005
<b>A.</b>	<b>NON-CURRENT ASSETS</b>		<b>2952359</b>	<b>9291393</b>
I.	INTANGIBLE ASSETS		87386	86488
I.1.	Development works			
I.2.	Goodwill			
I.3.	Licences and patents			
I.4.	Computer software	4.1	87386	86488
I.5.	Other intangible assets			
II.	TANGIBLE ASSETS	4.2-4.5	<b>853466</b>	<b>899179</b>
II.1.	Land			
II.2.	Buildings and constructions		567340	578690
II.3.	Plant and equipment			
II.4.	Vehicles		58691	83455
II.5.	Other property, plant and equipment		227435	237034
II.6.	Construction in progress			
II.7.	Other tangible assets			
II.8.	Investment assets		0	
II.8.1.	Land			
II.8.2.	Buildings			
III.	FINANCIAL ASSETS	4.6-4.7	<b>2011507</b>	<b>8305726</b>
III.1.	Investments in subsidiaries and associates		1404891	905537
III.2.	Loans to subsidiaries and associates			
III.3.	Amounts receivable after one year			
III.4.	Other financial assets		606616	7400189
IV.	OTHER NON-CURRENT ASSETS		0	
IV.1.	Deferred tax assets			
IV.2.	Other non-current assets			
<b>B.</b>	<b>CURRENT ASSETS</b>		<b>11341499</b>	<b>4282653</b>
I.	INVENTORIES, PREPAYMENTS AND		<b>117146</b>	<b>80793</b>
I.1.	Inventories		14916	11677
I.1.1.	Raw materials and components			
I.1.2.	Work in progress			
I.1.3.	Finished products			
I.1.4.	Materials	4.8	14916	11677
I.2.	Prepayments		102230	69116
I.3.	Contracts in progress			
II.	AMOUNTS RECEIVABLE WITHIN ONE		<b>1516918</b>	<b>1245042</b>
II.1.	Trade amounts receivable		1511533	1203681
II.2.	Receivables from subsidiaries and associates			
II.3.	Other amounts receivable		5385	41361
III.	OTHER CURRENT ASSETS		<b>9267000</b>	<b>2653604</b>
III.1.	Current investments		9267000	2553604
III.2.	Time deposits			100000
III.3.	Other current assets			
IV.	CASH AND CASH EQUIVALENTS		440435	303214
	<b>TOTAL ASSETS:</b>		<b>14293858</b>	<b>13574046</b>

	EQUITY AND LIABILITIES	Note No.	Financial year 2006	Previous financial year 2005
<b>C.</b>	<b>EQUITY</b>		<b>12515937</b>	<b>11798090</b>
I.	CAPITAL	4.13	5970972	5970972
I.1.	Authorised (subscribed)		5970972	5970972
I.2.	Subscribed uncalled share capital (-)			
I.3.	Share premium			
I.4.	Own shares (-)			
II.	REVALUATION RESERVE (RESULTS)			
III.	RESERVES		<b>697097</b>	<b>620848</b>
III.1.	Legal reserve		597097	530848
III.2.	Reserve for acquiring own shares			
III.3.	Other reserves		100000	90000
IV.	RETAINED EARNINGS (LOSSES)	4.16	<b>5847868</b>	<b>5206270</b>
IV.1.	Profit (loss) of the reporting year		717847	3426774
IV.2.	Profit (loss) of the previous year		5130021	1779496
<b>D.</b>	<b>GRANTS AND SUBSIDIES</b>			
<b>E.</b>	<b>AMOUNTS PAYABLE AND LIABILITIES</b>		<b>1777921</b>	<b>1775956</b>
I.	NON-CURRENT AMOUNTS PAYABLE AND LIABILITIES		0	
I.1.	Financial debts			
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 tax liabilities			
I.6.	Other amounts payable and non-current liabilities			
II.	CURRENT AMOUNTS PAYABLE AND LIAB	4.11	<b>1777921</b>	<b>1775956</b>
II.1.	Current portion of non-current debts			
II.2.	Financial debts			650000
II.2.1.	To credit institutions			
II.2.2.	Other debts			650000
II.3.	Trade amounts payable		327296	77914
II.4.	Amounts received in advance		634607	471647
II.5.	Profit tax liabilities		90426	21944
II.6.	Liabilities related with labour relations	4.15	516722	365920
II.7.	Provisions			
II.8.	Other amounts payable and current liabilities		208870	188531
	<b>TOTAL EQUITY AND LIABILITIES:</b>		<b>14293858</b>	<b>13574046</b>

MANAGING DIRECTOR  
title of the head of enterprise  
administration

  
(signature)

LEONAS RIMANTAS BUTKUS  
(full name)

## Complete Form of Income Statement

**AB" PRAMPROJEKTAS"**

(enterprise name)

**133873358 DONELAIČIO 60, KAUNAS**

(enterprise identification number, address, other information)

APPROVED

Minutes No 1

13 April 2007

**INCOME STATEMENT****31-12-2006**

31-12-2006

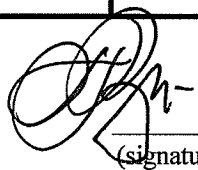
(reporting period)

Litas

to specify – in litas or thousands of litas

No.	ITEMS	Note No.	Litas	
			Financial Year 2006	Previous financial year 2005
I.	SALES INCOME	4.14	8663380	7375945
II.	COST OF SALES		6259991	5258065
<b>III.</b>	<b>GROSS PROFIT (LOSS)</b>		<b>2403389</b>	<b>2117880</b>
IV.	OPERATING COSTS		<b>2336412</b>	<b>1905723</b>
IV.1	Sales			
IV.2	General and administrative	4.9	2336412	1905723
<b>V.</b>	<b>OPERATING PROFIT (LOSS)</b>		<b>66977</b>	<b>212157</b>
VI.	OTHER ACTIVITIES		<b>23366</b>	<b>25388</b>
VI.1.	Income		44625	45739
VI.2.	Expenses		21259	20351
VII.	FINANCING AND INVESTING	4.10	<b>789918</b>	<b>3236325</b>
VII.1.	Income		19020141	136653
VII.2.	Expenses		18230223	73398
VII.3	Result of ownership method application			30207
VII.4	Income of equity value increase			3142863
<b>VIII.</b>	<b>PROFIT (LOSS) FROM NORMAL</b>		<b>880261</b>	<b>3473870</b>
IX.	GAIN			
X.	LOSSES			
<b>XI.</b>	<b>PROFIT (LOSS) BEFORE TAX</b>		<b>880261</b>	<b>3473870</b>
XII.	PROFIT TAX		162414	47096
<b>XIII.</b>	<b>NET PROFIT (LOSS)</b>		<b>717847</b>	<b>3426774</b>

MANAGING DIRECTOR

title of the head of enterprise  
administration

  
(signature)

LEONAS RIMANTAS BUTKUS

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

**AB " PRAMPROJEKTAS"**

(enterprise name)

**133873358, DONELAIČIO 60 KAUNAS**

(enterprise registration number, address, other information)

APPROVED  
Minutes No 1  
13 April 2007

**CASH FLOW STATEMENT**

**31-12-2006**

31-12-2006

in litas


(reporting period)

to specify – in litas or thousands of litas

No.	ITEMS	Note No.	Financial Year 2006	Previous financial year 2005
<b>I.</b>	<b>Cash flows from operating activities</b>			
I.1.	Net profit (loss)	4.10	717847	3426774
I.2.	Depreciation and amortization costs		199885	199073
I.3.	Decrease (increase) in amounts receivable after one year			
I.4.	Decrease (increase) in inventory		-3239	96694
I.5.	Decrease (increase) in advances received		-33114	71299
I.6.	Decrease (increase) in contracts in progress			
I.7.	Decrease (increase) in trade receivables		-307852	167709
I.8.	Decrease (increase) in amounts receivable from subsidiaries and associates			
I.9.	Decrease (increase) in other amounts receivable		35977	67951
I.10.	Decrease (increase) in other current assets		-6713396	
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		412342	47783
I.13.	Increase (decrease) in profit tax liability		68482	-39541
I.14.	Increase (decrease) in liabilities connected with labour relations		150802	15614
I.15.	Increase (decrease) in provisions			
I.16.	Increase (decrease) in other amounts payable and liabilities		20339	-1319
I.17.	Elimination of financing and investing activity results		-789918	-3221631
I.18.	Elimination of other non-cash items		10730684	
	<b><u>Net cash flows from operating activities</u></b>		<b>4488839</b>	<b>830406</b>
<b>II.</b>	<b>Cash flows from investing activities</b>			
II.1.	Acquisition of non-current assets (excluding investments)		-156449	-133852
II.2.	Transfer of non-current assets (excluding investments)			7499
II.3.	Acquisition of long-term investments		-2849576	-984494
II.4.	Transfer of long-term investments		8264399	2238375
II.5.	Loans granted			
II.6.	Loans recovered			

II.7.	Dividends and interest received		40159	45868
II.8.	Other increase in cash flows from investing activities		9123878	269300
II.9.	Other decrease in cash flows from investing activities		-18152034	-2132880
	<b>Net cash flows from investing activities</b>		<b>-3729623</b>	<b>-690184</b>
<b>III.</b>	<b>Cash flows from financing activities</b>			
III.1.	Cash flows related to enterprise owners:			
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		-721995	-12582
III.2.1.	Increase in financial debts		0	0
III.2.1.1.	Loans received			
III.2.1.2.	Issue of bonds			
III.2.2.	Decrease in financial debts		-670230	-57349
III.2.2.1.	Loans repaid		-650000	
III.2.2.2.	Purchase of bonds			
III.2.2.3.	Interest paid		-20230	-30320
III.2.2.4.	Payments of lease (finance lease) liabilities			-27029
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			
III.2.6.	Other decrease in cash flows from financial items		-51765	-12582
	<b>Net cash flows from financing activities</b>		<b>-721995</b>	<b>-12582</b>
<b>IV.</b>	<b>Cash flows from extraordinary items</b>		<b>0</b>	<b>0</b>
IV.1.	Increase in cash flows from extraordinary items			
IV.2.	Decrease in cash flows from extraordinary items			
<b>V.</b>	<b>The effects of changes in foreign exchange rates on cash and cash equivalents balance</b>			
<b>VI.</b>	<b>Net increase (decrease) in cash flows</b>		<b>37221</b>	<b>127640</b>
<b>VII.</b>	<b>Cash and cash equivalents at the beginning of period</b>		<b>403214</b>	<b>332923</b>
<b>VIII.</b>	<b>Cash and cash equivalents at the end of period</b>		<b>440435</b>	<b>403214</b>

MANAGING DIRECTOR  
title of the head of enterprise  
administration

 (signature)

LEONAS RIMANTAS BUTKUS  
(full name)









Intangible assets  
No.4.1

AB PRAMPROJEKTAS  
(company name)

133873358

Donelaičio 60, Kaunas

(company identification number, address, other data)

**INTANGIBLE ASSETS 31-12-2006**

LTL

Specify – in LTL or thousand LTL

Indices	Software	Patents, licenses	Other intangible assets	Total
<b>Residual value at the end of the previous financial year</b>	86488			86488
<b>a) Non-current intangible assets at purchasing costs</b>	227846			227846
At the end of the previous financial year				
Changes of the financial year:				
- purchase of the assets	58082			58082
- assets assigned to other persons and written down (-)	13348			13348
- transfers between items + / (-)				
<b>At the end of the financial year</b>	272580			272580
<b>b) Amortisation</b>				
At the end of the previous financial year	141358			141358
Changes of the financial year:				
- amortisation of the financial year	57180			57180
- reversals (-)				
- amortisation of assets assigned to other persons and written down (-)	13344			13344
- transfers between items + / (-)				
<b>At the end of the financial year</b>	185194			185194
<b>c) Impairment value</b>				
At the end of the previous financial year				
Changes of the financial year:				
- impairment value of the financial year				
- reversals (-)				
- assets assigned to other persons and written down (-)				
- transfers between items + / (-)				
<b>At the end of the financial year</b>				
<b>d) Residual value at the end of the financial year (a) - (b) - (c)</b>	87386			87386

Non-current tangible assets  
No.4.2

AB PRAMPROJEKTAS

(company name)

Donelaičio 60, Kaunas

(company identification number, address, other data)

31-12-2006

**NON-CURRENT TANGIBLE ASSETS GROUPS, THEIR EVALUATION AND DEPRECIATION**

Groups of non-current tangible assets	Evaluation	Method of depreciation calculation	Average actual useful life
buildings	Acquisition cost	Directly proportional (linear)	40 - 80 years
vehicles	Acquisition cost	Directly proportional (linear)	6 - 9 years
Other property, plant and equipment	Acquisition cost	Directly proportional (linear)	3 - 10 years

Non-current tangible assets  
No.4.3

AB PRAMPROJEKTAS  
(company name)

133873358

Donelaičio 60, Kaunas

(company identification number, address, other data )

LTL  
Specify – in LTL or thousand LTL

NON-CURRENT TANGIBLE ASSETS 31 12 2006

Indices	Buildings	Vehicles	Other property, plant and equipment	Library stocks	Total
<b>Residual value at the end of the previous financial year</b>	<b>578690</b>	<b>83455</b>	<b>231145</b>	<b>5889</b>	<b>899179</b>
<b>a) purchasing cost</b>					
At the end of the previous financial year	837134	167967	1019112	5889	2030102
Changes of the financial year:					
- purchase of the assets			98367		98367
- assets assigned and written down (-)			-156722	-1306	-158028
- transfers between items + / (-)					
<b>At the end of the financial year</b>	<b>837134</b>	<b>167967</b>	<b>960757</b>	<b>4583</b>	<b>1970441</b>
<b>b) Revaluation</b>					
At the end of the previous financial year					
Finansinių metų pakeičiamasis:					
- value increase (impairment) + / (-)					
- assets assigned to other persons and written down (-)					
- transfers between items + / (-)					
<b>At the end of the financial year</b>					
<b>c) Depreciation</b>					
At the end of the previous financial year	258444	84512	787967		1130923
Changes of the financial year:					
- depreciation of the financial year	11350	24764	106591		142705
- reversals (-)					
- depreciation of assets assigned to other persons and written down			156652		156652
- transfers between items + / (-)					
<b>At the end of the financial year</b>	<b>269794</b>	<b>109276</b>	<b>737906</b>		<b>1116976</b>
<b>d) Impairment value</b>					
At the end of the previous financial year					
Changes of the financial year:					
- impairment value of the financial year					
- reversals (-)					
- of assets assigned to other persons and written down (-)					
- transfers between items + / (-)					
<b>At the end of the financial year</b>					
<b>e) Residual value at the end of the financial year (a) + (b) - (c) -</b>	<b>567340</b>	<b>58691</b>	<b>222851</b>	<b>4583</b>	<b>853465</b>

**AB PRAMPROJEKTAS**

identification number 133873358 K. Donelaičio 60, Kaunas

**MOVEMENT TABLE OF NON-CURRENT TANGIBLE ASSETS**

<b>Indices</b>	<b>31 12 2006</b>	<b>31 12 2005</b>
Residual value at the end of the previous financial year	899179	961803
Changes of the financial year		
acquisition of assets	98367	104308
assigned to other persons and written down assets	158028	151152
depreciation of assigned to other persons and written down assets	156652	128743
depreciation of the financial year	142705	144523
Residual value at the end of the financial year	<b>853465</b>	<b>899179</b>

movement of non-current tangible assets

**AB PRAMPROJEKTAS**  
(company name)  
  
133873358 Donelaičio 60, Kaunas  
(identification number, address, other data)

**DEPRECIATED NON-CURRENT ASSETS STILL IN USE ON 31 12 2006**

Assets group name	Acquisition cost (LTL)
Vehicles	16036
Other property, plant and equipment	421688
Intangible assets	148183
<b>TOTAL</b>	<b>585907</b>

**AB PRAMPROJEKTAS**

133873358 Donelaičio 60, Kaunas

**MOVEMENT TABLE OF NON-CURRENT FINANCIAL ASSETS**

in LTL

		Balance on 30 12 2005			Acquired	Assigned to other persons	Income because of market price	carried from current assets i tem	Income (-) because of equity method	Balance on 31 12 2006	
		Acquisition cost	Income because of market price	Due to equity method							Total
		4988334	3142863	174529	8305726	2849577	15963170	5713405	606616	499354	2011507

Non-current tangible assets  
No.4.7

**AB PRAMPROJEKTAS**  
(company name)

133873358 Donelaičio 60, Kaunas  
(company identification number, other data)

**PLEDGE OF NON-CURRENT TANGIBLE ASSETS, 31 12 2006**

Title of pledged assets	Balance-sheet value (LTL)	Pledge expiry date
Shares of ATTENTUS UAB Nr.14:17 p.	905337	24 10 2006

**AB PRAMPROJEKTAS**  
(company name)

133873358

Donelaičio 60, Kaunas

(identification number, address, other data)

**INVENTORIES 31 12 2006**

litais

Specify in LTL or thousand LTL

Indices	Raw materials	Work in progress	Total
<b>a) Cost of purchase of inventories</b>	<b>11677</b>		<b>11677</b>
At the end of the previous financial year	11677		11677
<b>At the end of the financial year</b>	<b>14916</b>		<b>14916</b>
<b>b) Write-down to net realisable value (reversal)</b>			
At the end of the previous financial year			
<b>At the end of the financial year</b>			
<b>c) Net realisable value at the end of the financial year (a) - (b)</b>			
Differences in cost methods in case of applying LIFO			
Value of pledged inventories			
Inventories held by third persons			



AB PRAIMPROJEKTAS

company name

133873358

Donelaičio 60, Kaunas

(company identification number, other data)

**RESULT OF OTHER ACTIVITIES, 2006**

LTL

Specify in LTL or thousand LTL

Indices	Financial year 2006	Previous financial year 2005
<b>a) INCOME FROM OTHER ACTIVITIES</b>	<b>44625</b>	<b>45739</b>
Sales of non-current tangible assets		14910
Assets recreation facility	33063	22035
Miscellaneous other income	11562	308
building maintenance		8486
<b>b) OTHER OPERATING EXPENSES</b>	<b>21259</b>	<b>20351</b>
Significant amounts:		
Assets recreation facility	21259	19894
Building maintenance		457
<b>c) RESULT OF OTHER ACTIVITIES (a - b)</b>	<b>23366</b>	<b>25388</b>

**AB PRAMPROJEKTAS**

(company name)

133873358

Donelaičio 60, Kaunas

(identification number, address, other data)

**RESULT OF FINANCIAL AND INVESTING ACTIVITIES ON 2006**

LTL

Specify – in LTL or thousand LTL

Indices	Financial year 2006	Previous financial year 2005
<b>a) REVENUES FROM FINANCIAL AND INVESTING ACTIVITIES</b>	<b>19020142</b>	<b>3309723</b>
Material amounts:		
Late charges received	688	
Received interest on subordinated loans	4122	2364
Equity method result	499354	30207
Increase in securities value due to evaluation at market price	8199255	3142863
dividends obtained	36037	41079
Revenues from transfer of non-current financial assets	1157496	90785
miscellaneous other revenues	2436	2425
Current assets sales income	9120754	
<b>b) EXPENSES FOR FINANCIAL AND INVESTING ACTIVITIES</b>	<b>18230223</b>	<b>73398</b>
Material amounts:		
Payments to the National Stock Exchange	13497	12582
Interest on loan	20230	26000
Sales expenses of current financial assets	18152034	28872
Influence of change in currency exchange rates	6195	1624
Share valuation expenses	14000	
Lease interest		652
Late charges	7754	3588
Miscellaneous other	16513	80
<b>c) RESULT OF FINANCIAL AND INVESTING ACTIVITIES (a - b)</b>	<b>789919</b>	<b>3236325</b>

**AB PRAMPROJEKTAS**  
(company name)

133873358

Donelaičio 60, Kaunas

(identification number, other data)

**CONDITION OF COMPANY'S LIABILITIES, 31 12 2006**

(LTL)

Indicators	Debts or portions thereof, payable		
	Over one fiscal year	After one year but not later than over 5 years	After five years
<b>1. Financial debts:</b>			
1.1. To credit institutions-lease			
1.2. Other financial debts			
<b>2. Debts to suppliers</b>	327296		
<b>3. Prepayments</b>	634607		
<b>4. Income tax liabilities</b>	73008		
<b>5. Salary liabilities</b>	392239		
<b>6. Social insurance contributions</b>	124483		
<b>7. Social tax</b>	17418		
<b>8. Other debts</b>	208870		
<b>Total</b>	<b>1777921</b>		

**AB PRAMPROJEKTAS**

(company name)

133873358

Donelaičio 60, Kaunas

(company identification number, address, other data)

**ASSOCIATES 31 12 2006**

Company name	Address	Interest held (%)	Amount of own capital (LTL)	Net profit (loss) (LTL)
ATTENTUS UAB	Donelaičio 60, Kaunas	28.30%	5156611	499354

**AB PRAMPROJEKTAS**  
(company name)

133873358 Donelaičio 60, Kaunas  
(identification number, address, other data)

**STRUCTURE OF AUTHORISED CAPITAL 31 12 2006**

Indices	Number of shares	Amount (LTL)
<b>Share capital structure at the end of the fiscal year</b>		
1. by kinds of shares		
1.1. Ordinary shares	2985486	5970972
1.2. Preference shares	2985486	5970972
1.3. Employee shares		
1.4. Special shares		
1.5. Other shares		
<b>TOTAL:</b>	<b>2985486</b>	<b>5970972</b>
2. State or municipal capital		
<b>Own shares held by the Company itself</b>		
<b>Shares held by subsidiaries</b>		

AB PRAMPROJEKTAS

company name

No.4.14

Appendix No. 4.14 "Information on Business Segments" to Explanatory Note

Information on geographical segments 31-12-2006

Indices	Segments (types of products, services, activities)												Total of the Company		
	A			B			C			D					
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006				
Revenue	6472542	6806666	1340068	557780	850770							Revenue			7375945
Expenses	6428578	6610450	1346243	542160	821582							Expenses			7163788
<b>Operating profit</b>	<b>43964</b>	<b>196216</b>	<b>-6175</b>	<b>15620</b>	<b>29188</b>							<b>Operating profit</b>			<b>212157</b>
Indices	E			F			G			H					
Revenue	20x5	20x6	20x5	20x6	20x5	20x6	20x5	20x6	20x5	20x6	20x5	20x6	Revenue		8663380
Expenses													Expenses		8596403
<b>Operating profit</b>													<b>Operating profit</b>		<b>66977</b>

\*A similar Table can be completed for geographical segments on the basis of available data.

- A - Lithuania
- B - Germany
- C - Rusija
- D - Czeck Republic

company name

15 "Financial Relationships with Company's Managers and Other Connected Persons" to Explanatory Notes

Financial Relationships with Company's Managers and Other Connected Persons		31 12 2006	Closing balance of the financial year
Indicators	Financial year	Previous financial year	
<b>A. Amounts relating to employment relations calculated over the year:</b>	309420	232138	
1. To managers			
2. To other connected persons			
<b>B. Loans granted by the Company:</b>			
1. To managers			
2. To other connected persons			
<b>C. Loans received:</b>			
1. From managers			
2. From other connected persons			
<b>D. Assets transferred gratis and presents to:</b>			
1. To managers			
2. To other connected persons			
<b>E. Miscellaneous guarantees granted on behalf of the Company:</b>			
1. To managers			
2. To other connected persons			
<b>F. Other material amounts calculated over the year:</b>			
1. To managers			
2. To other associated persons			
<b>G. Other liabilities material to the Company of:</b>			
1. Managers			
2. Other connected persons			
<b>H. Sold assets:</b>			
1. To managers			
2. To other connected persons			
<b>Average annual number of managers</b>	4	4	

AB PRAMPROJEKTAS

company name

No.4.16

Appendix No. 4.16 "Profit Distribution" to Explanatory Notes

**Profit Distribution**

Items	Amount, LTL
Undistributed result – profit (loss) - at the end of the previous financial year	1,685,847
Net result of the financial year – profit (loss)	692,395
Profit (loss) of the reporting financial year not recognized in the Income Statement	25,452
Transfers from reserves	100,000
Shareholders contributions for covering losses	
<b>Distributable result - profit (loss) - at the end of the financial year</b>	<b>2,503,694</b>
Profit distribution:	
– to statutory reserves	
– part of company's profit transferred to reserve for the acquisition of own shares	
– to other reserves	200,000
– for payment of dividends	
part of profit for annual entitlements (tantiemes) to Board and Supervisory Council members, bonuses of employees and other purposes	
Undistributed result – profit (loss) - at the end of the financial year	2,303,694