

Public limited liability company

P r a m p r o j e k t a s

ANNUAL PROSPECTUS-REPORT

for the year 2006

I. GENERAL PROVISIONS

1. Reporting period for which the annual prospectus-report has been prepared – the year 2006

2. Key information on the Issuer.

Name of the issuer: akcinė bendrovė Pramprojektas;

Share capital: LTL 5,970,972;

Head-office address: K.Donelaičio g. 60, Kaunas;

Phone: +370 37 22 33 55, fax +370 37 20 96 96;

E-mail: pramprojekt@kaunas.omnitel.net;

Legal-organizational form: Public limited liability company;

Date and place of registration: 6 December 1993, Kaunas City Board;

Company Register's number: 133873358.

Website: www.pramprojektas.lt.

3. Nature of the Issuer's main activities.

22.22. Printing not elsewhere classified;

22.23. Bookbinding;

22.33. Reproduction of computer media;

55.23.10. Holiday home activities;

65.23. Other financial intermediation not elsewhere classified;

70.20. Letting of own property;

73.10. Research and experimental development on natural sciences and engineering;

74.20. Architectural and engineering activities and related technical consultancy;

74.20.10. Consultations on architecture and civil engineering;

74.20.20. Engineering technological activities;

74.20.30. Design-construction works;

74.20.40. Planning of towns, small towns and landscapes;

74.20.50. Street traffic planning;

74.20.60. Geodetic activities;

74.30.10. Environment control, ecological monitoring;

74.83.30. Translation and interpretation.

The Company carries out licensed otherwise regulated activities only upon having obtained respective permits.

4. Information on where and when one can get acquainted with the report and documents on the basis of which it was prepared (financial statements, auditor's report and similar) and the name of the means of news media.

The Report and the documents that were used as the basis for the preparation of the Report are available for familiarizations at the following address: K.Donelaičio g. 60, Kaunas, from 8:00 to 16:00 on workdays and at the reading-room of the Securities Commission during its open hours. The material information is published in the daily *Kauno diena* and presented to the news agency BNS.

5. Persons responsible for the accuracy of the information presented in the Report.

Persons responsible for the information contained in the Report are:

Leonas Rimantas Butkus, Managing Director, Chairman of the Board, phone +370 37 223355,

Nijolė Čyžienė, Chief Financier, phone +370 37 322282.

The Company's managers declare that the information contained in the 2006 Annual Prospectus-Report is in accordance with the facts and that the Report contains no omissions likely to have an effect on the investors' decision concerning the purchase or sale of the Issuer's securities or on the market price or valuation of these securities.

6. Declaration by the Issuer's management bodies' members, employees and the head of administration responsible for the preparation of the Report as well as the Issuer's consultants.

AB Pramprojektas hereby declares that the information contained in the 2006 Annual Prospectus-Report is in accordance with the facts and that it contains no omissions likely to have an effect on the investors' decision.

Managing Director

Leonas Rimantas Butkus

Chief Financier

Nijolė Čyžienė

The Report was signed in Kaunas in May 2007.

II. INFORMATION ON THE ISSUER'S AUTHORIZED CAPITAL AND SECURITIES ISSUED

7. Issuer's Authorised Capital.

7.1. The authorised capital registered with the Company register amounts to LTL 5,970,972 (five million nine hundred seventy thousand and nine hundred seventy two) litas. The Company's authorised capital is divided into 2,985,486 ordinary registered shares. The par value of one share is 2 (two) litas. The total par value of shares amounts to LTL 5, 970,972 (five million nine hundred seventy thousand and nine hundred seventy two) litas. All the shares are paid up in full.

7.2. It is not planned to increase the authorized capital through the conversion or exchanging into share of debt securities or derivative securities issued.

8. Shareholders.

Shareholders holding more than 5 per cent of the Issuer's registered authorized capital and votes on the accounting date of the general (reporting) meeting (04 04 2007):

Shareholder	Company identity number	Address	The number of shares held, pcs.		Portion in authorized capital, %		Portion in votes, %	
			Total	Property right	Total	Property right	Total	Property right
YorkWell Business Corp.	1012383	P.O.Box 3321, Road Town, Tortola, Virdžinijos salos (Britų)	722810	722810	24,21	24,21	24,21	24,21
UAB FMĮ Finbaltus	122020469	Konstitucijos pr. 23-660	254458	160459	8,52	5,37	8,52	5,37
UAB ATTENTUS	135654594	K.Donelaičio g. 60, Kaunas	424528	424528	14,22	14,22	14,22	14,22
Gončaruk Olga	45412280510	K.Mindaugo pr. 29-8, Kaunas	173500	173500	5,81	5,81	5,81	5,81
UniLine LLC	0260802	704 King Street, Suite 555, Wilmington, Delaware, JAV	283120	283120	9,48	9,48	9,48	9,48
Romanov Roman	37504220481	Trakų g. 5-11, Kaunas	179390	179390	6,01	6,01	6,01	6,01
Romanov Vladimir	34706150299	Trakų g. 5-11, Kaunas	179395	179395	6,01	6,01	6,01	6,01

Other connected persons group:

Company's name	Company's office address	Company identity number	The number of shares and votes held
UAB Ūkio banko investicinė grupė	K.Donelaičio 60, Kaunas	135201099	93999
UAB FMĮ Finbaltus	Konstitucijos pr. 23 – 660, Vilnius	122020469	160459

On the date of the ordinary (reporting) meeting (04 04 2007), the total number of the shareholders was 263.

9. Main characteristics of the shares issued for public trading.

Number of shares (ORS)	Par value, LTL	Total par value, LTL
2,985,486	2	5,970,972.00

10. Information about the shares distributed through private placement.

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11. Information about depository receipts issued on the basis of shares.

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12. The main characteristics of the debt securities issued for public trading.

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13. Data about the debt securities registered for private placement and distributed as such.

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14. Securities not representing capital, the trading whereof is governed by the Law on Securities Market of the Republic of Lithuania, except debt securities.

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III. DATA ABOUT THE SECONDARY TRADING IN SECURITIES ISSUED BY THE ISSUER

15. Securities admitted to the trading lists of the Stock Exchanges.

AB Pramprojektas’ 2,985,486 ordinary registered shares were admitted to the Vilnius Stock Exchange (VSE) I-List in 2002. The total nominal value amounts to LTL 5,970,972. On 31 03 2003 the securities are added to the Current List of the VSE.

16. Dealing in the Issuer’s securities on Stock Exchanges and other organized markets.

Accountability period		Block trading								
		Price (LTL)			Turnover (LTL)			Last session date	Total turnover	
from	to	Max.	min.	Last session	max	min.	Last session		units	LTL
01 01 2005	31 03 2005	2.66	2.20	2.66	1601744	24.20	0	31 03 2005	1653600	3124430
01 04 2005	30 06 2005	3.50	2.38	2.67	128800	29.20	0	30 06 2005	72142	149577
01 07 2005	30 09 2005	9.26	2.67	6.80	1097012	23.25	0	30 09 2005	628924	1462693
01 10 2005	31 12 2005	10.00	6.00	7.00	246240	244.20	0	31 12 2005	218854	525414
01 01 2006	31 03 2006	7.38	5.36	6.83	109569	89.74	0	31 03 2006	23021	156662
01 04 2006	30 06 2006	7.39	4.76	5	1448525,7	168	250000	30 06 2006	1699341	4951630
01 07 2006	30 09 2006	5.75	4.8	4.8	178160	5.75	0	29 09 2006	90534	185708,1
01 10 2006	31 12 2006	5.75	4.8	5.72	374000	143	143	29 12 2006	72187	396736,9

17. Capitalisation of securities.

Accountability period		Capitalisation (LTL)
From	to	
01 01 2005	31 03 2005	7 941 393
01 04 2005	30 06 2005	7 971 248
01 07 2005	30 09 2005	20 301 305
01 10 2005	31 12 2005	20 898 402
01 01 2006	31 03 2006	20 390 869
01 04 2006	30 06 2006	14 927 430
01 07 2006	30 09 2006	14 330 332
01 10 2006	31 12 2006	17 076 980

18. Dealing in the Issuer's securities on the OTC market.

The statistics of AB Pramprojektas share price and turnover on the OTC market during the last 8 quarters.

	2005				2006			
	I	II	III	IV	I	II	III	IV
Minimum price, LTL	-	-	-	-	-	-	-	-
Maximum price, LTL	-	-	-	-	-	-	-	-
Turnover, units	-	-	-	-	-	-	-	-

19. Data about the Issuer's buying up of its shares.

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20. Submission of a tender offer.

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21. The Issuer's paying agents.

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22. Agreements with intermediaries of public trading in securities.

The Company has entered into the securities account service agreement with UAB FMI Finbaltus, Konstitucijos pr. 23-660, Vilnius LT-08105.

IV. DATA ABOUT THE ISSUER'S ACTIVITY

23. Legal basis for the Issuer's activity

In its activities the public limited liability company Pramprojektas follows the Company's Articles of Association, the Company Law and other laws of the Republic of Lithuania and statutory legal acts of the Lithuanian Republic Government.

24. Membership in associated structures.

The Company is not a member of any associated structures.

25. Brief description of the Issuer's background.

The public limited liability company Pramprojektas, one of the largest design firms in the Republic of Lithuania, was established in Kaunas City in 1940 for the designing of Lithuania’s industrial, energy and utilities facilities and engineering networks. From 1959, with the start of a rapid development of large industry in Lithuania, Pramprojektas prepared project documents of nearly all objects of the industrial, energy, transport, utilities and service areas. It set up a branch in Vilnius. For over 30 years Pramprojektas was a territorial design organisation, coordinating investment, design and construction of the industrial, energy, transport and utilities sectors’ objects in Lithuania. The Company prepared 74 layout schemes of urban industrial districts and the long-term development schemes of 20 industrial branches, which served as the basis for designing and construction. In the recent 30 years, Pramprojektas worked out project documentation for the construction of more than 7,000 industrial facilities of different purposes and sizes. In 1993 the Company was privatised. The Company’s authorised capital amounts to LTL 5,970,972. Pramprojektas specialists maintain close contacts with the national and European research and design companies. The Company has accumulated extensivean extensive information base including layout build-up schemes of the country’s industrial districts, technical-economic documentation of constructed buildings, national laws, statutory documents, rules, rules, standards, technical directories, catalogues of equipment made in Russia and Europe as well as other information material governing the construction process.

26. Characteristics of production (services).

The structure of services provided by the Company in 2 recent years by the main types of services and received income is given in the Table below.

No.	Indicator description	Unit	Indicator			
			2006		2005	
			Amount	Compara tive weight %	Amount	Compara tive 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 ²	3054.35		3054.5	
6.2.	Used for planning works	m ²	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

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No.	Indicator description	Unit	Indicator			
			2006		2005	
			Amount	Comparative weight %	Amount	Comparative weight %
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	

The comparative weight of design works in the total volume of provided services

No	Indicator	2004	2005	2006
1	Total service volume, (LTL)	8615864	10731407	12718975
1.1	Volume of design works, (LTL)	8299448	7375945	8663380
2	Comparative weight of design works, (per cent)	96.3	68.7	68,11

Financial indicators:

Indicator	2006		2005		2004	
	value	Change	Value	Change	Value	Change
Net profitability	0.0829	-0.3817	0.4646	0.3955	0.0659	0.073
Return on asset (ROA)	0.0502	-0.2023	0.2525	0.196	0.0532	0.0574
Debt ratio	0.1244	-0.0064	0.1308	-0.0446	0.1779	0.0302
Gearing ratio	0.1421	-0.0084	0.1505	-0.0622	0.2165	0.0432
Gross liquidity ratio	6.3791	3.9676	2.4115	0.8959	1.4896	-0.2212
Turnover of assets	0.6061	0.0627	0.5434	-0.2741	0.8074	0.2089
Book value of a share	1.2294	0.0706	3.9518	1.1478	2.7925	0.1807
Net earnings per share	0.0705	-0.2661	1.1478	0.9556	0.1806	0.1936

27. Sales markets.

The main sales market is the Republic of Lithuania.

In 2004, the Company performed design works in Lithuania for the total of LTL 8,299,448, in 2005 – LTL 7,375,945, 2006 – LTL 8,663,380. All services are provided within Lithuania. Around 95% of services are provided under short-term agreements.

28. Procurements.

The main suppliers of energy resources and raw materials are from Lithuania. The suppliers do not have major influence on the Issuer’s activities. The Company has concluded long-term agreements with utility service suppliers (electricity, communications, water, heat etc.). It has entered into short-term agreements with sub-contractors of design and exploration works (engineering surveys, geology, hydraulic engineering works and other specific operations).

29. Immovable property and other main facilities.

a) The area of the Company’s land plot totals 4,795 sq. m, address - K.Donelaičio g. 60, Kaunas.

Legal basis of using the land plot: state-owned land.

AB Pramprojektas owns 3 storeys of the lower part of the 5-storeyed building. The total useful space of these premises amounts to 3,054.35 sq.m.

b) The holiday home Aisetas by the lake of Aisetas in Molėtai District, which is a 2-storeyed wooden house. The useful space amounts to 787.36 sq. m, . The original value amounts to LTL 70,832.

On 31 12 2006, the Company’s non-current tangible assets at the cost of acquisition amounts to LTL 1,970,441.

The fixed tangible asset acquired during 2006 amounts to LTL 98,367.

On 31 12 2006, the fixed tangible assets held by the Company at the residual value amounts to LTL 853,465.

1. Description of the main buildings.

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	

2. Other fixed tangible fixed assets amount to LTL 286,126.00.

30. Risk factors related to the Issuer’s activity.

Economic: On 1 January 2007, customers’ debts to the Company amounted to LTL 1,511,533, showing the increase of LTL 307,852 compared to January 1 2006.

Social: Salaries are paid in due time in the Company.

Other: 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 (basis – 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 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 insurance totalled LTL 730,000.

31. Termination and reductions of production that have exercised or are exercising material impact upon the performance of the issuer during the last two financial years.

32. Patents, licenses, contracts.

The Issuer holds the Qualification Certificate No. 0758 to prepare construction, reconstruction and repair projects of housings, the objects of public use, industry, economic sector, communication, energy (except nuclear power objects) and water management construction, to perform construction engineering, provide engineering-technical consultations and work out documents of detailed and special territorial planning in the objects of extraordinary importance.

The Issuer holds the Certificate No. SKVT- 1703-40 (4.23), issued by Ignalina Nuclear Power Plant, granting the right to provide design services at the nuclear power plant’s facilities of extraordinary importance.

The Issuer was awarded the quality management system ISO 9001: 2000 and environmental management ISO 14001: 2004 certificates.

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 ³ /d
5.	Gas mains branch to Mažeikiai with gas metering station	TP	15.000 nm ³ /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 ²
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 8.66 million, including LTL 7.26 million of works by performed by the Company’s own forces.

33. Court (arbitration) proceedings

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34. Staff.

Data about the Company’s staff by personnel groups are given in the table below:

	2006	2005	2004

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	Number of employees	Change of employee number	Average salary, LTL	Number of employees	Change of employee number	Average salary, LTL	Number of employees	Change of employee number	Average salary, LTL
Management	13	-	4984	13	0	4034	13	-	3689
Specialists	110	+1	2236	109	+10	1960	99	+1	1941
Workers	22	-4	1422	26	-3	1055	29	+2	820
Total:	145	-3	2745	148	+7	2199	141	+3	1869

Number of employees, persons	Years		
	2006	2005	2004
Higher education	110	106	102
College education	12	13	12
Secondary education	23	29	27
TOTAL	145	148	141

35. Investment policy.

Enterprises wherein the Issuer has invested more than 30 per cent of its authorized capital:

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Enterprises in the authorized capital of which the Issuer's part comprises more than 30 per cent:

1. DP International S.p.A., address Viale Cassiodoro 16, 20145 Milano, Italy.
 2. Type of activities – Textile processing of acetate yarn and trade in them.
 3. Authorised capital – EUR 516,500. The Issuer's part in the authorised capital has been paid up.
 4. Net profit (loss) – the loss of EUR 40,196.06 (LTL 138,788.96),
 5. Total liquidity ratio (current assets/current liabilities) – 1 (7,219,817 € /7,212,631 €),
 6. Total liabilities and total assets ratio – 0.946 (10,030,070€/10,606,352€),
 7. The Issuer holds 4,000 ordinary registered shares which accounts for 40 per cent of the total;
 8. The par value of the shares held is (EUR 206,600 EUR) LTL 713,348.48;
- the par value of one share is (EUR 51.65) LTL 178.34.

36. Competitors.

The main competitors in the domestic market are UAB Lietuvos statybų projektavimo institutas, UAB Ardynas, UAB Kauno Komprojektas, and UAB Ekoprojektas.

37. Dividends paid.

Year	Amount of calculated dividends, LTL	Dividends paid after taxes, LTL	Amount of dividends per share, LTL
2002	-	-	-
2003	-	-	-
2004	-	-	-
2005	-	-	-
2006	-	-	-

FINANCIAL STATUS

38. Financial statements.

Balance-sheet of the financial year (LTL) (audited statements)

Item No	ASSETS	Note No	31 12 2006	31 12 2005	31 12 2004
A.	NON-CURRENT ASSETS		2952359	9291393	7461799
I.	INTANGIBLE ASSETS	4.1	87386	86488	96584
I.1.	Development works				
I.2.	Goodwill				
I.3.	Licences and patents				
I.4.	Computer software		87386	86488	96584
I.5.	Other intangible assets				
II.	TANGIBLE ASSETS	4.2-4.5	853466	899179	961803
II.1.	Land				
II.2.	Buildings and constructions		567340	578690	590040
II.3.	Plant and equipment				
II.4.	Vehicles		58691	83455	108217
II.5.	Other property, plant and equipment		227435	237034	263546
II.6.	Construction in progress				
II.7.	Other tangible assets				
III.	FINANCIAL ASSETS	4.6-4.7	2011507	8305726	6403412
III.1.	Investments in subsidiaries and associates		1404891	905537	1598895
III.2.	Loans to subsidiaries and associates				
III.3.	Amounts receivable after one year				
III.4.	Other financial assets		606616	7400189	4804517
B.	CURRENT ASSETS		11341499	4282653	2689965
I.	INVENTORIES, PREPAYMENTS AND CONTRACTS IN PROGRESS		117146	80793	248786
I.1.	Inventories	4.8	14916	11677	108371
I.1.1.	Raw materials and components				
I.1.2.	Work in progress				76570
I.1.3.	Finished products				
I.1.4.	Materials		14916	11677	31801
I.2.	Prepayments		102230	69116	140415
I.3.	Contracts in progress				
II.	AMOUNTS RECEIVABLE WITHIN ONE YEAR		1516918	1245042	1480702
II.1.	Trade amounts receivable		1511533	1203681	1371390
II.2.	Receivables from subsidiaries and associates				
II.3.	Other amounts receivable		5385	41361	109312
III.	OTHER CURRENT ASSETS		9267000	2653604	627554
III.1.	Current investments		9267000	2653604	627554
III.2.	Time deposits			100000	
III.3.	Other current assets				
IV.	CASH AND CASH EQUIVALENTS		440435	303214	332923
	TOTAL ASSETS:		14293858	13574046	10151764

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Item No	EQUITY AND LIABILITIES	Note No.	31 12 2006	31 12 2005	31 12 2004
C.	EQUITY		12515937	11798090	8371316
I.	CAPITAL	4.13	5970972	5970972	5970972
I.1.	Authorised (subscribed)		5970972	5970972	5970972
I.2.	Subscribed uncalled share capital (-)				
I.3.	Share premium				
I.4.	Own shares (-)				
II.	REVALUATION RESERVE (RESULTS)				
III.	RESERVES		697097	620848	1107210
III.1.	Legal reserve		597097	530848	477210
III.2.	Reserve for acquiring own shares				
III.3.	Other reserves		100000	90000	630000
IV.	RETAINED EARNINGS (LOSSES)	4.16	5847868	5206270	1293134
IV.1.	Profit (loss) of the reporting year		717847	3426774	573700
IV.2.	Profit (loss) of the previous year		5130021	1779496	719434
D.	GRANTS AND SUBSIDIES				
E.	AMOUNTS PAYABLE AND LIABILITIES		1777921	1775956	1780448
I.	NON-CURRENT AMOUNTS PAYABLE AND LIABILITIES				5623
I.1.	Financial debts				5623
I.1.1.	Leases and similar obligations				5623
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				
I.4.1.	For covering liabilities and demands				
I.4.2.	For pensions and similar obligations				
I.4.3.	Other provisions				
I.5.	Deferred tax liabilities				
I.6.	Other amounts payable and non-current liabilities				
II.	CURRENT AMOUNTS PAYABLE AND LIABILITIES	4.11	1777921	1775956	1774825
II.1.	Current portion of non-current debts				21406
II.2.	Financial debts		0	650000	650000
II.2.1.	To credit institutions				
II.2.2.	Other debts			650000	650000
II.3.	Trade amounts payable		327296	77914	212591
II.4.	Amounts received in advance		634607	471647	289187
II.5.	Profit tax liabilities		90426	21944	61485
II.6.	Liabilities related with labour relations	4.15	516722	365920	350306
II.7.	Provisions				
II.8.	Other amounts payable and current liabilities		208870	188531	189850
	TOTAL EQUITY AND LIABILITIES:		14293858	13574046	10151764

Income Statement, LTL (audited statement)

Item No	ITEMS	Note No	31 12 2006	31 12 2005	31 12 2004
I.	SALES INCOME	4.14	8663380	7375945	8299448
II.	COST OF SALES		6259991	5258065	6456139
III.	GROSS PROFIT (LOSS)		2403389	2117880	1843309
IV.	OPERATING COSTS		2336412	1905723	1470843
IV.1	Sales				
IV.2	General and administrative		2336412	1905723	1470843
V.	OPERATING PROFIT (LOSS)		66977	212157	372466
VI.	OTHER ACTIVITIES	4.9	23366	25388	19418
VI.1.	Income		44625	45739	41274
VI.2.	Expenses		21259	20351	21856
VII.	FINANCING AND INVESTING ACTIVITIES	4.10	789918	3236325	239736
VII.1.	Income		19020141	136653	4038
VII.2.	Expenses		18230223	73398	35406
VII.3.	Result of ownership method application			30207	271104
VII.4.	Income of equity value increase			3142863	
VIII.	PROFIT (LOSS) FROM NORMAL ACTIVITIES		880261	3473870	631620
IX.	GAIN				
X.	LOSSES				
XI.	PROFIT (LOSS) BEFORE TAX		880261	3473870	631620
XII.	PROFIT TAX		162414	47096	57920
XIII.	NET PROFIT (LOSS)		717847	3426774	573700

STATEMENT OF CHANGE SIN EQUITY FOR 2006

	Paid up authorised capital	Share premium	Own shares (-)	Revaluation reserve (results)		Legal reserves		Other reserves		Retained earnings (losses)	Total
				of non-current tangible assets	of financial assets	compulsory	Acquisition of own shares	Not available for distrib.	Available for distrib.		
	1	2	3	4	5	6	7	8	9	10	11
1. Balance at the beginning of previous financial year 31.12.2003	5970972					475879			938801	411964	7797616
2. Result of change in accounting policies											
3. Result of correcting essential errors											
4. Recalculated balance at the beginning of previous financial year 01.01.2004	5970972	0	0	0	0	475879	0	0	938801	411964	7797616
5. Increase / decrease in non-current tangible assets value											0
6. Increase / decrease in financial assets value											0
7. Acquisition / sales of own shares											0
8. Profit / loss, excluded from Income Statement										34407	34407
9. Net profit / loss of the reporting period										539293	539293
9. a) Cost of use of reserves available for distribution in 2003											0
9 b) Accumulations for holiday pays on 31 12 2003											0

10. Dividends											0
11. Other payments											0
12. Formed reserves						1331		630000	-631331		0
13. Used reserves								-938801	938801		0
14. Increase / reduction of authorised capital											0
15. Balance at the end of previous financial year 31.12.2004	5970972	0	0	0	477210	0	0	630000	1293134	8371316	
16. Increase / decrease in non-current tangible assets value											0
17. Increase / decrease in financial assets value											0
18. Acquisition of own shares											0
19. Profit / loss, excluded from Income Statement											0
20. Net profit / loss of the reporting period									3426774	3426774	
20. a)) Cost of use of reserves available for distribution in 2004											0
21. Dividends											0
22. Other payments											0
23. Formed reserves						53638		-540000	486362		0
24. Used reserves											0

25. Increase / reduction of authorised capital												0
26. Balance at the end of reporting financial year 31.12.2005	5970972	0	0	0	0	530848	0	0	90000	5206270	11798090	
27. Increase / decrease in non-current tangible assets value												0
28. Increase / decrease in financial assets value												0
29. Acquisition of own shares												0
30. Profit / loss, excluded from Income Statement												0
31. Net profit / loss of the reporting period										717847	717847	
20. a)) Cost of use of reserves available for distribution in 2005												0
32. Dividends												0
33. Other payments												0
34. Formed reserves						66249			100000	-166249		0
35. Used reserves									-90000	90000		0
37. Increase / reduction of authorised capital												0
26. Balance at the end of reporting financial year 31.12.2006	5970972	0	0	0	0	597097	0	0	100000	5847868	12515937	

CASH FLOW STATEMENT

Item No	ITEMS	Note No	31 12 2006	31 12 2005	31 12 2004
I.	Cash flows from operating activities				
I.1	Net profit (loss)		717847	3426774	573700
I.2	Depreciation and amortization costs		199885	199073	175500
I.3	Decrease (increase) in amounts receivable after one year				
I.4	Decrease (increase) in inventory				
I.5	Decrease (increase) in advances received		(3239)	96694	(20407)
I.6	Decrease (increase) in contracts in progress		(33114)	71299	(29299)
I.7	Decrease (increase) in trade receivables				693659
I.8	Decrease (increase) in amounts receivable from subsidiaries and associates		(307852)	167709	(505877)
I.9	Decrease (increase) in other amounts receivable				
I.10	Decrease (increase) in other current assets		35977	67951	(132319)
I.10.1	For property sold				
I.10.2	From accountable persons				
I.11	Decrease (increase) of other current assets		(6713396)		(627554)
I.12	Increase (decrease) of long-term debts to suppliers				5623
I.13	Increase (decrease) of prepayments received				
I.14	Increase (decrease) of short-term debts to suppliers		412342	47783	130448
I.15	Increase (decrease) of prepayments received				
I.16	Increase (decrease) of the corporate income tax liabilities		68482	(39541)	52312
I.17	Increase (decrease) of liabilities related to employment relations		150802	15614	(114475)
I.18	Increase (decrease) of provisions		20339		
I.19	Increase (decrease) of other prepayments received			(1319)	(224779)
I.19.1	Dividends				
I.20	Elimination of financial and investing activity results		(789918)	(3221631)	363029
I.20.1	Difference due to change in currency rate				
I.21	Elimination of other non-cash items		10730684		
	Net cash flows from operating activities		4488839	830406	339561
II.	Cash flows from investing activities				
II.1	Acquisition of non-current assets (excluding investments)		(156449)	(133852)	(206910)
II.2	Transfer of non-current assets (excluding investments)			7499	1149
II.3	Acquisition of long-term investments		(2849576)	(984494)	(926313)
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)	
	Net cash flows from investing activities		(3729623)	(690184)	(1132074)
III.	Cash flows from financing activities				
III.1	Cash flows related to enterprise owners:		-	-	-
III.1.1	Decrease in cash flows (related to the Company's owners)				
III.1.2	Increase in cash flows (related to the Company's owners)				
III.1.3	Dividends paid				
III.2.	Cash flows arising from other financing sources		(721995)	(69931)	610977
III.2.1.	Increase in financial debts		-	-	706000

AB "Pramprojektas" prospectus-report for the year 2006

III.2.1.1.	Loans received				706000
III.2.1.2.	Issue of bonds				
III.2.2.	Decrease in financial debts		(670230)	(57349)	(83961)
III.2.2.1.	Loans repaid		(650000)		(35000)
III.2.2.2.	Purchase of bonds				
III.2.2.3.	Interest paid		(20230)	(30320)	(19990)
III.2.2.4.	Payments of lease (finance lease) liabilities			(27029)	(28971)
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)	(11062)
	<u>Net cash flows from financing activities</u>		(721995)	(69931)	610977
IV.	Cash flows from extraordinary items		-	-	
IV.1.	Increase in cash flows from extraordinary items				
IV.2.	Decrease in cash flows from extraordinary items				
V.	The effects of changes in foreign exchange rates on cash and cash equivalents balance				(11)
VI.	Net increase (decrease) in cash flows		37221	70291	(181547)
VII.	Cash and cash equivalents at the beginning of period		403214	332923	514470
VIII.	Cash and cash equivalents at the end of period		440435	403214	332923

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

I. AIM

The aim of these 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 limited liability 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

2.2 Financial Year

The company's financial 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 Equivalent

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 Inventorizing

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

INTANGIBLE ASSETS

Appendix No.4.1

Indices	Software	Patents, licenses	Other intangible assets	Total
Residual value at the end of the previous financial year	86488			86488
a) Non-current intangible assets at purchasing costs	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 + / (-)				
At the end of the financial year	272580			272580
b) Amortisation				
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 + / (-)				
At the end of the financial year	185194			185194
c) Impairment value				
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 + / (-)				
At the end of the financial year				
d) Residual value at the end of the financial year (a) - (b) - (c)	87386			87386

NON-CURRENT TANGIBLE ASSETS GROUPS, THEIR EVALUATION AND DEPRECIATION CALCULATION METHODS

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 TANGABLE ASSETS

Appendix No.4.3

Indices	Buildings	Vehicles	Other property, plant and equipment	Library stocks	Total
Residual value at the end of the previous financial year	578690	83455	231145	5889	899179
a) Purchasing cost					
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 + / (-)					
At the end of the financial year	837134	167967	960757	4583	1970441
b) Revaluation					
At the end of the previous financial year					
Change of the financial year:					
– value increase (impairment) + / (-)					
– assets assigned to other persons and written down (-)					
– transfers between items + / (-)					
At the end of the financial year					
c) Depreciation					
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 + / (-)					
At the end of the financial year	269794	109276	737906		1116976
d) Impairment value					
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 + / (-)					
At the end of the financial year					
e) Residual value at the end of the financial year (a) + (b) - (c) - (d)	567340	58691	222851	4583	853465

MOVABLE TABLE OF NON-CURRENT TANGABLE ASSETS

Appendix No.4.4

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

DEPRECIATED NON-CURRENT ASSETS STILL IN USE ON

Appendix No. 4.5

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

MOVEMENT TABLE OF NON-CURRENT FINANCIAL ASSETS

Appendix No. 4.6

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

PLEDGE OF NON-CURRENT TANGIBLE ASSETS

Appendix No.4.7

Title of pledged assets	Balance-sheet value (LTL)	Pledge expiry date
Shares of ATTENTUS UAB Nr.1417 p.	905337	24 10 2006

INVENTORIES

Appendix No.4.8

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

RESULT OF OTHER ACTIVITIES

Appendix No.4.9

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

RESULT OF FINANCIAL AND INVESTING ACTIVITIES

Appendix No.4.10

Indices	Financial year	Previous financial year
a) REVENUES FROM FINANCIAL AND INVESTING ACTIVITIES	19020142	3309723
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) EXPENSES FOR FINANCIAL AND INVESTING ACTIVITIES	18230223	73398
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
c) RESULT OF FINANCIAL AND INVESTING ACTIVITIES (a - b)	789919	3236325

CONDITION OF COMPANY'S LIABILITIES

Appendix No 4.11

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

ASSOCIATES

Appendix No 4.12

Company name	Address	Interest held (%)	Amount of own capital (LTL)	Net profit (loss) (LTL)
ATTENTUS UAB	Donelaičio 60, Kaunas	28,30%	5156611	499354

STRUCTURE OF AUTHORISED CAPITAL

Appendix No 4.13

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

INFORMATION ON GEOGRAPHICAL SEGMENTS

Appendix No 4.14

Indices	Segments (types of products, services, activities)								Total of the Company	
	A		B		C		D			
	2006	2005	2006	2005	2006	2005	2006	2005		2005
Revenue	6472542	6806666	1340068	557780	850770			11499	Revenue	7375945
Expenses	6428578	6610450	1346243	542160	821582			11178	Expenses	7163788
Operating profit	43964	196216	-6175	15620	29188			321	Operating profit	212157
Indices	E		F		G		H			
	20x5	20x6	20x5	20x6	20x5	20x6	20x5	20x6		2006
Revenue									Revenue	8663380
Expenses									Expenses	8596403
Operating profit									Operating profit	66977

- A- Lithuania
- B- Germany
- C- Russia
- D- Czech Republic

Financial Relationships with Company's Managers and Other Connected Persons

Appendix No 4.15

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

Profit Distribution for the 2006 year Statement (with unrealised gains)

Appendix No 4.16

Items	Amount (Lt)
Undistributed result – profit (loss) - at the end of the previous financial year	5.130.021
Including: Company's profit	1.685.847
Result from share reappraisal at the market price and application of the equity method	3.444.174
Net result of the financial year – profit (loss)	717.847
Result from share reappraisal at the market price and application of the equity method	25.452
Transfers from reserves	100.000
Shareholders contributions for covering losses	
Distributable result - profit (loss) - at the end of the financial year	5.947.868
Including: Company's profit	2.503.694
Result from share reappraisal at the market price and application of the equity method	3.444.174
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	5.747.868
Including: Company's profit	2.303.694
Result from share reappraisal at the market price and application of the equity method	3.444.174

39. Comments on the financial statements.

Comments on the financial statements are given in the Explanatory Notes.

40. ISSUER'S ANNUAL REPORT

*PUBLIC LIMITED LIABILITY COMPANY PRAMPROJEKTAS
ANNUAL REPORT*

for the year 2006

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pg.1

1. COMPANY’S CONDITION, ACTIVITIES AND DEVELOPMENT

1.1. GENERAL

Pramprojektas, a public limited liability 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>
11.	Transport corridor B IXB connection to Klaipėda Seaport – Klaipėda unit development	GS	Railways length – 113.5 km
12.	Ignalina Nuclear Power Plant’s Spent Fuel Storage Facility B 1	TP	Storage capacity – 201 spent fuel casks or 1800 heat radiating assemblies
13.	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
14.	Extension of Kaunas Wastewater Treatment Plant with Biological Treatment	TP	Biological treatment capacity – – 81.890 m ³ /d
15.	Gas mains branch to Mažeikiai with gas metering station	TP	15.000 nm ³ /h 5,5 MPa
16.	Southern industrial territory of Jonava Town, Rukla subdistrict	SP	320 ha area
17.	Quays 90 – 100 of the Klaipėda State Seaport	TP	Length – 880 m depth – 12.0 m
18.	UAB Litagros chemija central storage facilities for agricultural chemical products in Kėdainiai	TP	2380 tons 2500 m ²
19.	UAB Litagros chemija Grain Elevator in Kėdainiai	TP	20,000 tons
20.	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 Pramprojektas 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.

1.2. THE STRUCTURAL DIAGRAM OF MANAGEMENT

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
	TOTAL:	8.66	100	7.26	100

The annual number of contracts for design works totals 132.

1.4. TECHNICAL AND ECONOMIC INDICATORS OF THE COMPANY

1.4.1. MAIN INDICATORS

<i>No.</i>	<i>Indicator description</i>	<i>Unit</i>	<i>Indicator</i>			
			<i>2006</i>		<i>Amount</i>	<i>Compara tive weight %</i>
			<i>Amount</i>	<i>Compara tive weight %</i>		
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 ²	3054.35		3054.5	
6.2.	Used for planning works	m ²	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.LT L	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.LT L	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.LT L	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 of:	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.	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

No.	Description	06 12 94 (01 01 94) public company registration	01 07 94 Capital increase	31 10 94 Value adjustment	31 03 95 Capital increase	31 07 95 Capital increase	04 03 96/ 31 12 96 31 12 97 Capital increase	31 12 98 31 12 99 31 12 00 31 12 01	31 12 02 31 12 03 31 12 04 31 12 05 31 12 06
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 %
	including:								
1.1.	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 x 2 = LTL 5,970,972

<i>No.</i>	<i>Shareholder's surname and name/company's name,</i>	<i>Number of shares</i>	<i>% of shares in the authorized capital</i>
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 FMĮ	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
	TOTAL:	2,985,486	100.00

1.9.2. SHARES HELD BY THE COMPANY IN OTHER COMPANIES

31 12 2006

<i>No.</i>	<i>Name</i>	<i>The number of shares held, pcs.</i>	<i>Portion in Company's authorized capital, %</i>
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
	TOTAL:	7,748,941	25,835,772.33

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
	TOTAL:	7,469,950	25,258,936.51

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

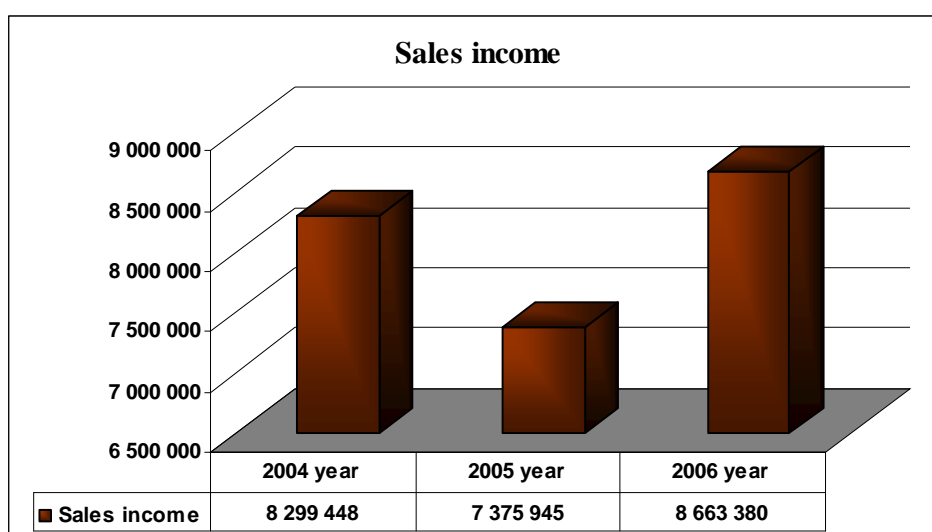
The year 2006 was successful to AB Pramprojektas. The volume of design operations performed by own forces exceeded the target by over LTL 814 thousand. The Company earned LTL 717,847 in net profit. The Company's main audited indicators are presented in the table below:

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.

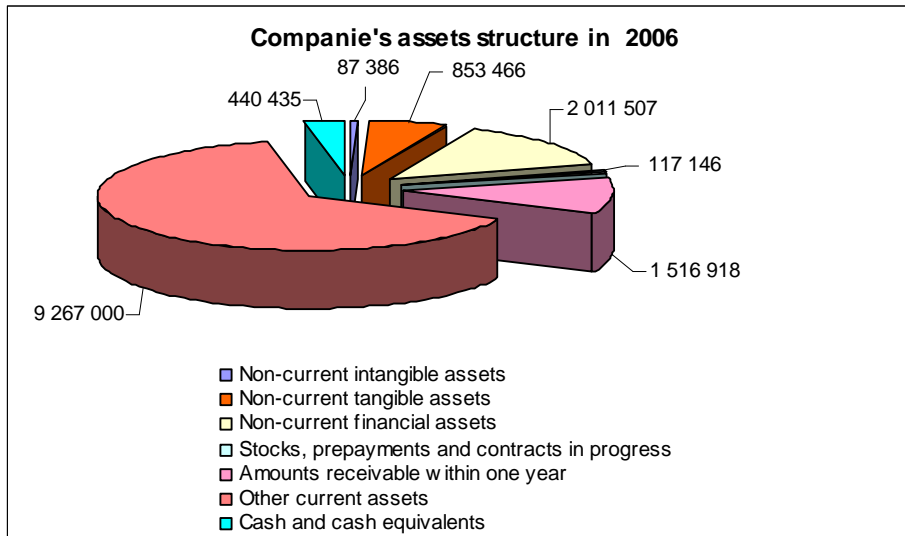
2.3 Change in AB Pramprojektas assets structure

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:

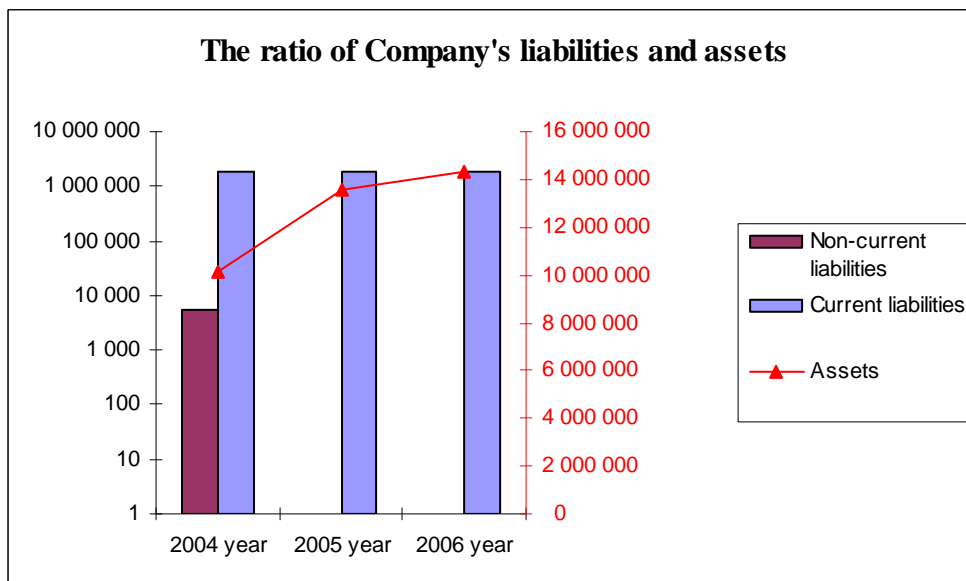
BALANCE-SHEET ITEMS	2004	2005	2006
Non-current intangible assets	96,584	86,488	87,386
Non-current tangible assets	961,803	899,179	853,466
Non-current financial assets	6,403,412	8,305,726	2,011,507
Stocks, prepayments and contracts in progress	248,786	80,793	117,146
Amounts receivable in one year	1,480,702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

Company's assets structure in 2006



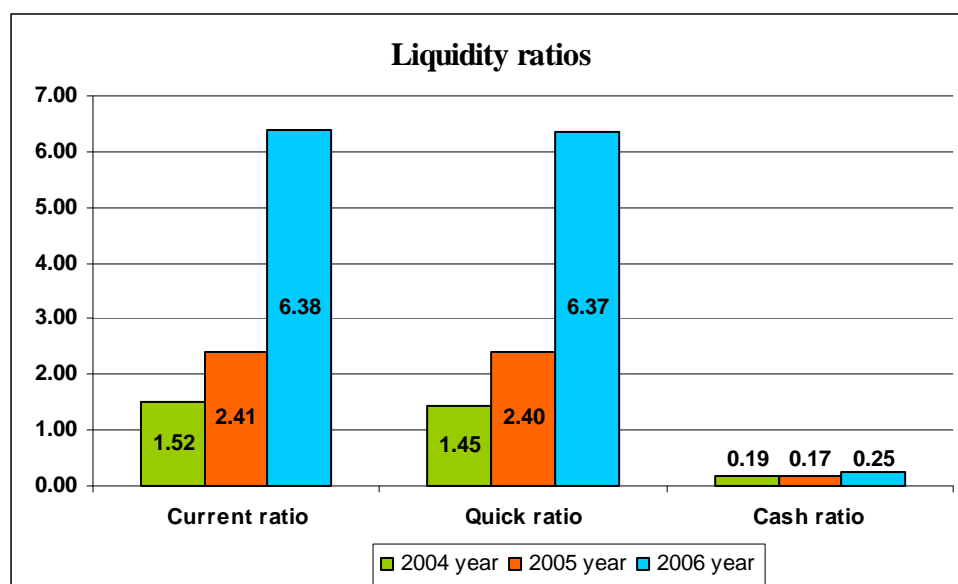
2.4 The ratio of Company's liabilities and assets

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

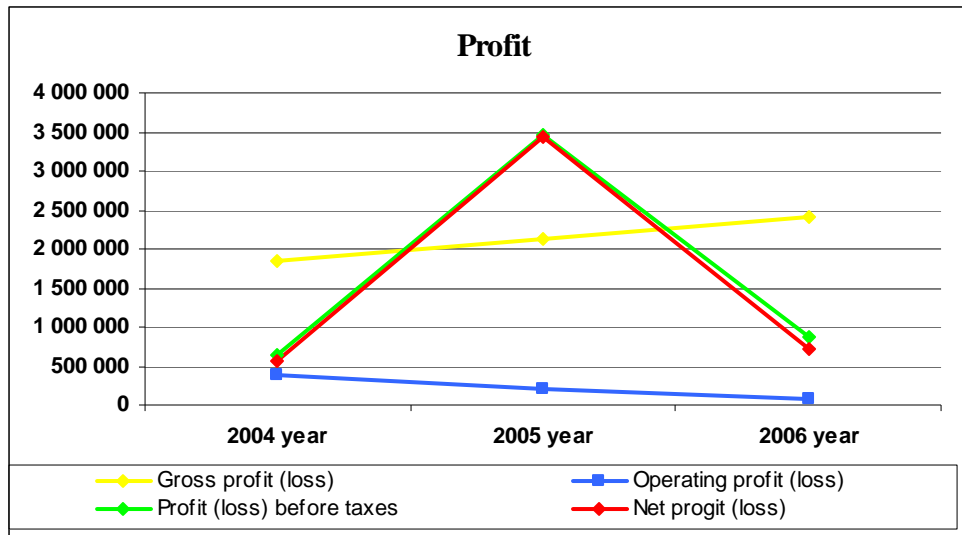
BALANCE-SHEET ITEMS	2004	2005	2006
Non-current liabilities	5,623	0	0
Non-current assets	7,461,799	9,291,393	2,952,359
Current liabilities	1,774,825	1,775,956	1,777,921
Current assets	2,689,965	4,282,653	11,341,499

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

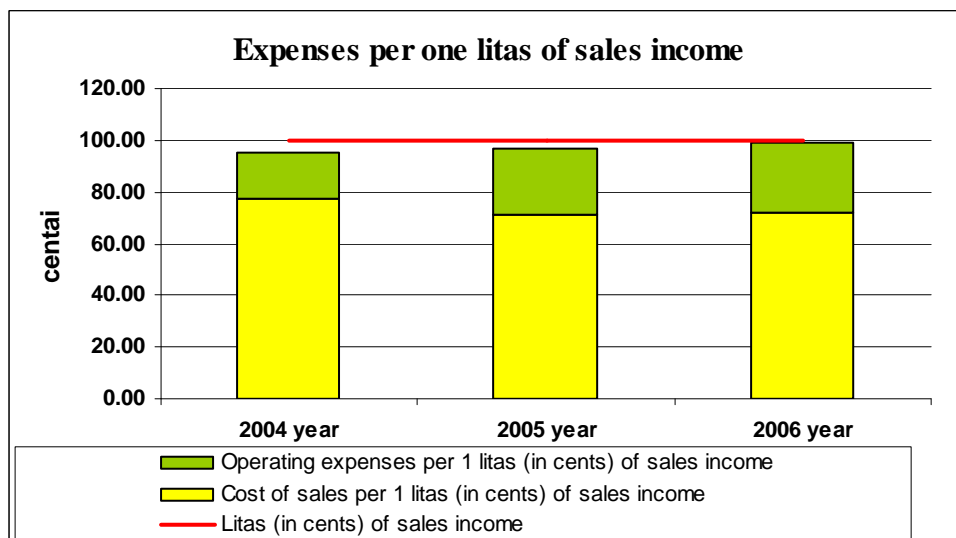
Net profitability – 8%. Total profitability – 28 %. Average return on assets – 4%. Average return on equity – 5 %.



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 140001:2004 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

41. Information about the audit

The audit of the Company’s economic-financial activities for the period of 01 01 2006 - 31 12 2006 was performed by UAB Auditorių biuras auditor Roma Račienė (Auditor’s Certificate No. 000221). The audit was performed on 2 April 2007. The auditor’s opinion is enclosed to the annual Prospectus-report as the Appendix No. 1.

VI. INFORMATION ABOUT THE ISSUER'S MANAGING BODIES

42. Members of the managing bodies.

Members of the Supervisory Council:

1. Eugenijus Verbavičius, personal ID No. 34609040014, member of the Supervisory Council. He does not participate in the activities of other companies. The holder of 89,950 ordinary registered shares (ORS) in UAB Amnis metallicus, i.e. 9.99 per cent; 25,000 ORS in VŠĮ Kaunas County Football Support Fund, i.e. 22.73 per cent. The beginning of the term of office – 12 04 2006, the end – 12 04 2010.

2. Vytautas Žirgūtis, personal ID No. 37803240022, member of the Supervisory Council. He does not hold shares in other companies. Member of UAB Bankinės konsultacijos Board. The beginning of the term of office – 12 04 2006, the end – 12 04 2010. Until 12 04 2006, Valdas Varanavičius, personal ID No. 36108160127, was member of the Supervisory Council.

3. Audronė Vaičiulytė, personal ID No. 46609100923, member of the Supervisory Council. She does not participate in the activities of other companies. Holder of 20 ORS in AB Pramprojektas, i.e. 0.00 per cent; 190 ORS in UAB Apskaita ir verslo projektai, i.e. 19.00 per cent; 18,500 ORS in UAB Vakoil, i.e. 9.20 per cent. The beginning of the term of office – 27 09 2002, the end – 12 04 2010.

Members of the Board:

1. Leonas Rimantas Butkus, personal ID No. 33910240080, chairman of the Board. Member of AB Ūkio bankas Supervisory Council, member of UAB Energolinija Board, Board chairman and managing director of AB Pramprojektas. Presidium member of the Lithuanian Builders' Association. Vice chairman of the Lithuanian republic Central Commission on the Certification of Project Managers. member of the Lithuanian republic Design Association Board. The holder of 1,105 ORS in AB Pramprojektas, which accounts for 0.037 per cent of the authorised capital; 100ORS in UAB Gilaitė, which accounts for 40 per cent of the authorised capital. The beginning of the term of office – 12 04 2006, the end – 12 04 2010.

2. Algimantas Antanas Bartuška, personal ID No. 34302140608, member of the Board. The holder of 185 ORS in AB Pramprojektas, which accounts 0.006 per cent of the authorised capital, 400 ORS in VŠĮ Atlantas Football Club, i.e. 25 per cent. The beginning of the term of office – 12 04 2006, the end – 12 04 2010.

3. Ala Kurauskienė, personal ID No. 46112270159, member of the Board. Member of AB Ūkio bankas Supervisory Council, member of UAB Bankinės konsultacijos Board. Member of UAB Nidos smiltė Board. member of the life insurance company Bonum Publicum Board. The holder of 6,950 ORS/9.93 % in UAB Bankinės konsultacijos; 90 ORS/ 9.00 % in UAB Optimalus turto valdymas; 82,888 shares/ 2.78 % in AB Pramprojektas. The beginning of the term of office – 12 04 2006, the end – 12 04 2010.

Administration:

The head of administration is managing director Leonas Rimantas Butkus, higher education degree holder, speciality – machine building technology. Has been employed with Pramprojektas since 1961. Worked as an engineer, chief specialist, chief project engineer.

Chief Financier – Nijolė Čyžienė, personal ID No. 45501240518, higher education degree holder, economist. She does not participate in the activities of other companies, does not hold more than 5% of shares in other companies. In 10 recent years worked as chief accountant at the trade and construction service companies UAB Rojana, BLRĮ Vilbita, D.Mikelionis' Firm.

43. Information about payments and loans extended to the members of managing bodies.

In the reporting year 2006, the total of LTL 309,420 was calculated as salaries for the members of the issuer's managing bodies:

Category of persons	Number of persons	Average monthly salary
Board members	3	8092
Administration	1	1508

No tantiemes or other payments from profit were paid. No loans were granted to members of the issuer's managing bodies in 2006, and no guarantees and sureties were given with respect to fulfilment of their obligations.

44. Transactions with persons concerned.

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VI. RECENT AND MATERIAL EVENTS IN ISSUER'S ACTIVITY AND PERSPECTIVES

45. Recent events in the Issuer’s activities.

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.

46. Material events in the Issuer’s activities.

Date	Characteristics of material events
30.10.2006	AB Pramprojektas: Preliminary activity result for the 9-month period of 2006
11.10.2006	AB Pramprojektas: On the transfer of high-value non-current assets
31.07.2006	AB Pramprojektas: the H1 2006 preliminary activity result of AB Pramprojektas
21.04.2006	AB Pramprojektas: the Q1 2006 preliminary activity result of AB Pramprojektas
21.04.2006	AB Pramprojektas: Election of the Board’s chairman
13.04.2006	AB Pramprojektas: Election of the Board
13.04.2006	AB Pramprojektas: Decisions of AB Pramprojektas general shareholders’ meeting
31.03.2006	AB Pramprojektas: Draft decision on dividend payment prepared by the Board
31.03.2006	AB Pramprojektas: Draft decisions on of AB Pramprojektas general shareholders’ meeting
09.03.2006	AB Pramprojektas: Calling of AB Pramprojektas general shareholders meeting
28.02.2006	AB Pramprojektas: the 2006 preliminary activity result of AB Pramprojektas

Investors are notified of all material events related to the Company’s activities via the VSE information system (available on the Internet), all the notifications about material events were published in the daily *Kauno diena* and the news agency BNS.

47. Strategy of activity and its prospective changes during coming financial (economic) years

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:

7. High quality of projects.
8. Rapid working out of separate designs of the project.
9. High labor efficiency.
10. Possibility of working with significant loading fluctuations.
11. Minimum losses upon the change of design work scopes and structure.
12. 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.

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.

The Main Improvement Trends of Company’s Activities

14. 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).
15. 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.
16. Gradual implementation of European Union standard requirements in the preparation of project documentation.
17. Improvement of the Company’s structural composition.
18. Search for specialists for separate project designs, their adaptation and training.
19. 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.
20. Extension and modernization of design work computerization.
21. Modernization of project documentation archives.
22. Maximum dependence of work payment on performance results.
23. Implementation of internal financing system in Company’s divisions.

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

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