AB PRAMPROJEKTAS

Independent Auditor's Report,
Financial Statements for the Year 2008,
and Annual Report

Table of Contents

Information about the company

Issuer's name:	Private limited liability company (*akcinė bendrovė*) Pramprojektas
Code in the Register of Enterprises:	133873358
Registered office:	K.Donelaičio g. 60, Kaunas
Telephone:	(8 37) 22 33 55
Fax:	(8 37) 20 96 96
E-mail:	pramprojekt@kaunas.omnitel.net; info@pramprojektas.lt
Website:	www.pramprojektas.lt
Legal and organizational form:	legal person of limited liability, public limited liability company
Date and place of registration:	6 December 1993, Kaunas City Board.

MEMBERS OF THE BOARD
Marius Vaivada
Leonas Rimantas Butkus
Algimantas Antanas Bartuška

MEMBERS OF THE SUPERVISORY COUNCIL
Eugenijus Verbavičius
Audronė Vaičiulytė
Asta Martinaitytė

MEMBERS OF THE MANAGEMENT
Marius Vaivada (Managing Director)
Algimantas Antanas Bartuška (Executive Director)
Nijolė Čyžienė (Chief Financier)

AUDITOR
UAB „ Auditorių biuras"

BANK
AB „ Ūkio bankas"

Annual Report

This declaration is worked out regarding the submission of the AB PRAMPROJEKTAS annual financial information as for 2008.
We hereby declare that according to the information we possess:

- The financial statements were drawn up according to the International Accounting Standards;

- The information contained therein is in accordance with the facts, and present a true view of the Company's assets, liabilities, financial status and profit or losses.

- The annual report provides the true view of the enterprise development and activity survey, description of the Issuer's state in association with major risks and indeterminations that are confronted.

We recommend for the General Shareholders Meeting to approve financial statements.

20th of March 2009, Kaunas

Managing Director Marius Vaivada

Chief Financier Nijolė Čyžienė

INDEPENDENT AUDITOR'S REPORT

For shareholders of AB Pramprojektas

Report on the Financial Statements

We have audited the accompanying financial statements of AB Pramprojektas ("the Company"), Joint Stock company registered in the Republic of Lithuania, which comprise the Balance Sheet as at December 31, 2008 and the Income Statement, Statement of Changes in Equity and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Managements is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's of accounting policies used and reasonableness of accounting of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of AB Pramprojektas as of December 31, 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Report on other legal and Regulatory Requirements

We did not observe any significant mismatches between the information included in the annual report of the Company for the year 2008, and the Company's financial statements for the year 2008.

UAB Auditorių Biuras
Audit company's certificate No. 001340

Director, Auditor
Auditor'scertificate No. 000221

Roma Račienė

3 April 2009
Lithuania

AB" PRAMPROJEKTAS"
Enterprise identification number 133873358, Donelaičio 60, Kaunas
Balance Sheet 2008-12-31

In Litas

	ASSETS	Note No.	Financial year 2008	Previous financial year 2007
A.	***Non-current assets***		**1860027**	**1766733**
I.	**Intangible assets**	**4,1**	**59658**	**62287**
I.1.	Development works			
I.2.	Goodwill			
I.3.	Licences and patents			
I.4.	Computer software		59658	62287
I.5.	Other intangible assets			
II.	**Tangible assets**	**4.2-4.4**	**805389**	**918920**
II.1.	Land			
II.2.	Buildings and constructions		544642	555991
II.3.	Plant and equipment			
II.4.	Vehicles		57027	90034
II.5.	Other property, plant and equipment		203720	272895
II.6.	Construction in progress			
II.7.	Other tangible assets			
III.	**Financial assets**	**4,5**	**994980**	**785526**
III.1.	Investments in subsidiaries and associates			
III.2.	Loans to subsidiaries and associates			
III.3.	Amounts receivable after one year		7494	
III.4.	Other financial assets		987486	785526
B.	***Current assets***		**13814956**	**13998649**
I.	**Inventories, prepayments and contracts in progress**		**95087**	**76501**
I.1.	Inventories		16312	11640
I.1.1.	Raw materials and components			
I.1.2.	Work in progress			
I.1.3.	Finished products			
I.1.4.	Materials		16312	11640
I.2.	Prepayments		78775	64861
I.3.	Contracts in progress			
II.	**Amounts receivable within one year**		**3068889**	**2875109**
II.1.	Trade amounts receivable		3060432	2829526
II.2.	Receivables from subsidiaries and associates			
II.3.	Other amounts receivable		8457	45583
III.	**Other current assets**		**10640855**	**11009760**
III.1.	Current investments		10563894	10963147
III.2.	Time deposits			
III.3.	Other current assets		76961	46613
IV.	**Cash and cash equivalents**		**10125**	**37279**
	TOTAL ASSETS:		**15674983**	**15765382**

	EQUITY AND LIABILITIES	Note No.	Financial year 2008	Previous financial year 2007
C.	***Equity***		**13297075**	**13039273**
I.	**Capital**	**4.10**	**5970972**	**5970972**
I.1.	Authorised (subscribed)		5970972	5970972
I.2.	Subscribed uncalled share capital (-)			
I.3.	Share premium			
I.4.	Own shares (-)			
II.	**Revaluation reserve (results)**			
III.	**Reserves**		**4597097**	**797097**
III.1.	Legal reserve		597097	597097
III.2.	Reserve for acquiring own shares			
III.3.	Other reserves		4000000	200000
IV.	**Retained earnings (losses)**		**2729006**	**6271204**
IV.1.	Profit (loss) of the reporting year		257802	523336
IV.2.	Profit (loss) of the previous year		2471204	5747868
D.	***Grants and subsidies***			
E.	***Amounts payable and liabilities***		**2377908**	**2726109**
I.	**Amounts payable after one year and non-current liabilities**		**0**	
I.1.	Financial debts			
I.1.1.	Leasing (financial lease) and similar obligations			
I.1.2.	To credit institutions			
I.1.3.	Other financial debts			
I.2.	Trade amounts payable			
I.3.	Amounts received in advance			
I.4.	Provisions		0	
I.4.1.	For covering liabilities and demands			
I.4.2.	For pensions and similar obligations			
I.4.3.	Other provisions			
I.5.	Deferred tax liabilities			
I.6.	Other amounts payable and non-current liabilities			
II.	**Amounts payable during one year and current liabilities**	**4.9**	**2377908**	**2726109**
II.1.	Current portion of non-current debts			
II.2.	Financial debts		185240	623550
II.2.1.	To credit institutions		185240	
II.2.2.	Other debts			623550
II.3.	Trade amounts payable		824358	844433
II.4.	Amounts received in advance		332515	450419
II.5.	Profit tax liabilities			
II.6.	Liabilities related with labour relations	4.9,4.12	861144	669642
II.7.	Provisions			
II.8.	Other amounts payable and current liabilities		174651	138065
	TOTAL EQUITY AND LIABILITIES:		**15674983**	**15765382**

Managing Director Marius Vaivada

AB" PRAMPROJEKTAS"
Enterprise identification number 133873358, Donelaičio60, Kaunas

PROFIT (LOSS) STATEMENT
2008

in litas

No.	ITEMS	Note No.	Financial Year 2008	Previous financial year 2007
I.	SALES INCOME	4.11	11488852	10924661
II.	COST OF SALES		8440926	8004054
III.	GROSS PROFIT (LOSS)		3047926	2920607
IV.	OPERATING COSTS		2836383	2260512
IV.1	Sales			
IV.2	General and administrative		2836383	2260512
V.	OPERATING PROFIT (LOSS)		211543	660095
VI.	OTHER ACTIVITIES	4.7	16819	18495
VI.1.	Income		58125	55643
VI.2.	Expenses		41306	37148
VII.	FINANCING AND INVESTING ACTIVITIES	4.8	109386	-127337
VII.1.	Income		351567	289359
VII.2.	Expenses		40971	416696
VIII.	PROFIT (LOSS) FROM NORMAL ACTIVITIES		337748	551253
IX.	PROFIT (LOSS) BEFORE TAX		337748	551253
X.	PROFIT TAX		79946	27917
XI.	NET PROFIT (LOSS)		257802	523336

Managing Director Marius Vaivada

AB" PRAMPROJEKTAS"
Enterprise identification number 133873358, Donelaičio60, Kaunas

STATEMENT OF CHANGES IN EQUITY
(accounting period)
2008

in litas
Indicate – litas or thousands of litas

	Paid up authorised capital	Share premium	Own shares (-)	Revaluation reserve (results)		Legal reserves		Other reserves		Retained earnings (losses)	Total
				of non-current tangible assets	of financial assets	compulsory	Acquisition of own shares				
	1	2	3	4	5	6	7	8	9	10	11
1. Balance at the beginning of previous financial year 31.12.2005	**5970972**	**0**	**0**	**0**	**0**	**530848**	**0**	**0**	**90000**	**5206270**	**11798090**
2. Increase / decrease in non-current tangible assets value											0
3. Increase / decrease in financial assets value											0
4. Acquisition / sales of own shares											0
5. Profit / loss, excluded from Income Statement											0
6. Net profit / loss of the reporting period										717847	717847
6a. Expenses of applied allocated reserve 2005 m.											
7. Dividends											0
8. Other payments											0

	Paid up authorised capital	Share premium	Own shares (-)	Revaluation reserve (results)		Legal reserves		Other reserves		Retained earnings (losses)	Total
				of non-current tangible assets	of financial assets	compulsory	Acquisition of own shares				
	1	2	3	4	5	6	7	8	9	10	11
9. Formed reserves						66249			100000	-166249	0
10. Used reserves									-90000	90000	0
11. Increase / reduction of authorised capital											0
12. Balance at the end of previous financial year 31.12.2006	**5970972**	**0**	**0**	**0**	**0**	**597097**	**0**	**0**	**100000**	**5847868**	**12515937**
13. Increase / decrease in non-current tangible assets value											0
14. Increase / decrease in financial assets value											0
15. Acquisition of own shares											0
16. Profit / loss, excluded from Income Statement											0
17. Net profit / loss of the reporting period										523336	523336
17a. Expenses of applied allocated reserve 2006 m.											
18. Dividends											0
19. Other payments											0
20. Formed reserves									200000	-200000	0
21. Used reserves									-100000	100000	0
22. Increase / reduction of authorised capital											0

	Paid up authorised capital	Share premium	Own shares (-)	Revaluation reserve (results)		Legal reserves		Other reserves		Retained earnings (losses)	Total
				of non-current tangible assets	of financial assets	compulsory	Acquisition of own shares				
	1	2	3	4	5	6	7	8	9	10	11
23. Balance at the end of reporting financial year 31.12.2007	**5970972**	**0**	**0**	**0**	**0**	**597097**	**0**	**0**	**200000**	**6271204**	**13039273**
24. Increase / decrease in non-current tangible assets value											0
25. Increase / decrease in financial assets value											0
26. Acquisition of own shares											0
27. Profit / loss, excluded from Profit (loss) Statement											0
28. Net profit / loss of the reporting period										257802	257802
28a. Expenses of applied allocated reserve 2007 m.											
29. Dividends											0
30. Other payments											0
31. Formed reserves									4000000	-4000000	0
32. Used reserves									-200000	200000	0
33. Increase / reduction of authorised capital											0
34. Balance at the end of reporting financial year 31.12.2008	**5970972**	**0**	**0**	**0**	**0**	**597097**	**0**	**0**	**4000000**	**2729006**	**13297075**

Managing Director Marius Vaivada

AB" PRAMPROJEKTAS"
Enterprise identification number 133873358, Donelaičio60, Kaunas

CASH FLOW STATEMENT
(accounting period)
2008

in litas
to specify – in litas or thousands of litas

No.	ITEMS	Note No.	Financial Year 2008	Previous financial year 2007
I.	**Cash flows from operating activities**			
I.1.	Net profit (loss)		257802	523336
I.2.	Depreciation and amortization costs		191061	201470
I.3.	Decrease (increase) in amounts receivable after one year		-7494	
I.4.	Decrease (increase) in inventory		-4672	3276
I.5.	Decrease (increase) in advances received		-13914	37369
I.6.	Decrease (increase) in contracts in progress			
I.7.	Decrease (increase) in trade receivables		-230906	-1317993
I.8.	Decrease (increase) in amounts receivable from subsidiaries and associates			
I.9.	Decrease (increase) in other amounts receivable		37126	1399
I.10.	Decrease (increase) in other current assets		368905	-88210
I.11.	Increase (decrease) in non-current payables to suppliers and advances received			
I.12.	Increase (decrease) in current payables to suppliers and advances received		-137979	332949
I.13.	Increase (decrease) in profit tax liability			-90426
I.14.	Increase (decrease) in liabilities connected with labour relations		191502	152920
I.15.	Increase (decrease) in provisions			
I.16.	Increase (decrease) in other amounts payable and liabilities		36586	-70805
I.17.	Elimination of non-current and intangible assets transfer results		-251	
I.18.	Elimination of financing and investing activity results		-109386	127337
1.19	Elimination of other non-cash items		-201210	-589
	Net cash flows from operating activities		**377170**	**-187967**
II.	**Cash flows from investing activities**			
II.1.	Acquisition of non-current assets (excluding investments)		-77736	-246587
II.2.	Transfer of non-current assets (excluding investments)		3085	4763
II.3.	Acquisition of long-term investments		-201960	-509000
II.4.	Transfer of long-term investments			1525080
II.5.	Loans granted			
II.6.	Loans recovered			

No.	ITEMS	Note No.	Financial Year 2008	Previous financial year 2007
II.7.	Dividends and interest received		4534	
II.8.	Other increase in cash flows from investing activities		346957	130830
II.9.	Other decrease in cash flows from investing activities			-1748277
	Net cash flows from investing activities		**74880**	**-843191**
III.	**Cash flows from financing activities**			
III.1.	Cash flows related to enterprise owners:			
III.1.1.	Emission of shares			
III.1.2.	Owners' contributions against losses			
III.1.3.	Purchase of own shares			
III.1.4.	Dividends paid			
III.2.	Cash flows arising from other financing sources		-479204	628002
III.2.1.	Increase in financial debts		200000	623550
III.2.1.1.	Loans received		200000	623550
III.2.1.2.	Issue of bonds			
III.2.2.	Decrease in financial debts		-678650	
III.2.2.1.	Loans repaid		-638310	
III.2.2.2.	Purchase of bonds			
III.2.2.3.	Interest paid		-40340	
III.2.2.4.	Payments of lease (finance lease) liabilities			
III.2.3.	Increase in other enterprise liabilities			
III.2.4.	Decrease in other enterprise liabilities			
III.2.5.	Other increase in cash flows from financial activities		77	4910
III.2.6.	Other decrease in cash flows from financial items		-631	-458
	Net cash flows from financing activities		**-479204**	**628002**
IV.	**Cash flows from extraordinary items**		**0**	**0**
IV.1.	Increase in cash flows from extraordinary items			
IV.2.	Decrease in cash flows from extraordinary items			
V.	**The effects of changes in foreign exchange rates on cash and cash equivalents balance**			
VI.	**Net increase (decrease) in cash flows**		**-27154**	**-403156**
VII.	**Cash and cash equivalents at the beginning of period**		**37279**	**440435**
VIII.	**Cash and cash equivalents at the end of period**		**10125**	**37279**

Managing Director Marius Vaivada

Explanatory Note to the Financial Statements for the Year 2008

1. Reporting entity

PRAMPROJEKTAS, a public limited liability company, was established in 1940 in Kaunas City 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.

The Company's authorised capital amounts to LTL – 5,970,972. The shares are fully paid up. (1 IAS 76p.).

Type of shares	Number of shares, pcs	Nominal value	Total nominal value (LTL)	Share in authorised capital (%)
Ordinary personal shares	2 985 486	2	5 970 972	100.00

AB Pramprojektas' 2,985,486 ordinary personal 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 were added to the Current List of the VSE.

No own shares were obtained or disposed during the reporting period (1 IAS)

2. Significant accounting policies

Conformity with the appointed standards

The financial statements have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), as adopted by the European Union.

These financial statements were approved by the Board of the company on 20th of March 2009 (record No 6) and the management was obliged to publish the financial statements till 17th of April 2009 (10 IAS 17-18 p). Shareholders of the company have right to amend the financial statements after issue.

While preparing the financial statements the Company departed following IAS and IFRS:

IFRS 2 Share-based Payment amendments will come into force on 1 of January 2009;

IFRS 3 Business Combinations amendments will come into force on 1 of July 2009;

IFRS 8 Operating Segments amendments will come into force on 1 of January 2009;

IAS 1 Presentation of Financial Statements amendments will come into force on 1 of January 2009;

IAS 23 Borrowing Costs amendments will come into force on 1 of January 2009;

These financial statements were drawn up on the basis of the historical cost approach, except non-current assets, which are accounted for according to the historical cost corrected due to indexation using the coefficients of indexation set by the Government of the Republic of Lithuania.

The basis of the statements preparation

The financial statements are presented in national currency Litas (Filled in whole numbers).

All financial statements belong to one economic operator – public limited liability company Pramprojektas. The financial statements were prepared in line with 1IAS 46p.

Use of estimates and judgements

The preparation of financial statements in conformity with IFRS, as adopted by the European Union, requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which from the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewing an ongoing basis. Revisions of accounting estimate are recognized in the period in which the estimate is revised if the revision affects only that period of the revision, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by the management in the application of IFRS, as adopted by the European Community, that have significant effect on the financial statements and estimates with the significant risk of adjustment in the next year are discussed in the notes 3,4. The accounting policies of the company as set out below have been consistently applied and coincide with those used in the previous year.

Foreign currency

Translation of amounts in foreign currencies into the national currency

Transactions in foreign currency are translated into Litas at the foreign exchange rate ruling the date of the transaction. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated to the functional currency Litas at the foreign exchange rate ruling at that date. Non- monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign exchange differences arising on translation are recognised in the income statement.

Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise trade receivables, cash and cash equivalents, loans and borrowings and other sums payables.

Cash and cash equivalents comprise cash balances and call deposits.

Non- derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Financial instruments are recognized on the day of transaction. Financial assets are derecognised if contractual rights to the cash flows from the financial assets expire or if the company transfers financial asset to another party without retaining control or substantially all risks and rewards of asset. Financial liabilities are derecognised if the obligations of the company specified in the contract expire or are discharged or cancelled.

Loans and receivables are non-derivative financial assets and are not quoted in an active market. They are included into current assets except for maturities greater than 12 months. After initial recognition loans and receivables are subsequently measured at amortised cost using the effective interest rate method, less impairment losses, if any. Short-term receivables are not discounted.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income and expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Non-current assets

Non-current intangible asset

Intangible asset is recognized in the accounting when it complies with the definition of the intangible asset as well as the criteria of its recognition as the intangible asset: economic benefits are reasonably expected from the asset in future periods; the acquisition (production) costs of the asset can be reliably measured and separated from the value of other assets; the company can control and dispose of the asset or restrict others' rights of using it.

Amortisation is calculated using a straight-line (linear method) method.

Expenditures of intangible assets operation are attributed to operating costs of the reporting period when they were incurred.

Upgrading or improvement expenditures of intangible asset, incurred after its acquisition, are recognised as the costs of that period when they were incurred.

Intangible assets in the Company's balance-sheet are reflected at the residual value (the cost of acquisition less accumulated depreciation).

The intangible asset includes software whose norm of amortisation is 3 years.

The Company has not estimated future cash flow with regard to value impairment of the intangible assets (IRS 36, clauses 33-54).

Non-current tangible assets

Recognition and assessment

Non-current tangible asset is recognized and recorded in the accounting when it complies with all the criteria of its recognition. The non-current tangible asset is the asset the Company manages and controls and expects to receive economic benefits from it in future periods, and which is used for a longer period than a year and whose acquisition (production) cost can be reliably measured and whose value is higher than the set minimal value of the assets.

When useful lifetimes of parts of tangible non-current assets differ, they are accounted for as a separate tangible non-current asset.

From 01/01/2004, the asset whose minimum acquisition cost is LTL 1,000 is classified as tangible non-current asset.

Non-current intangible asset is accounted for at the acquisition cost less accumulated depreciation and assessed impairment loss.

Depreciation is not calculated on library stocks.

Subsequent expenses

Expenses incurred after the initial recognition of assets when replacing a component of tangible non-current asset with relation to asset reconstruction are capitalised only in case economic benefits are expected from that asset and the cost of the new component can be reliably assessed. All other incurred expenses are recognised in the Income Statement when they are incurred.

The result of tangible non-current assets transfer is ascribed to other activities.

According to IAS 16, assets depreciation rates and liquidation values are revised every year. During 2008 these rates did not change.

Depreciation

Depreciation is charged to the income statement on a straight – line basis over the estimated useful lives.

The estimated useful lives are as follows:

Buildings	40-80 years
Motor vehicles	6-9 years
Other equipments, tools and devices	3-10 years

Depreciation methods, residual values and useful lives are reassessed annually.

Leased assets

Lease

The lease of assets whereby all the risk related to ownership and benefit granted remains with the lessor shall mean activity lease. The Company does not hold any assets acquired under lease.

Activity lease

Payments according to the activity lease agreement during the lease term shall be directly recognised as expenses except for the case when another systematic basis would clearly show the model of benefit obtained during the period by its user.

Attribution of expenditure on lease payments to expenses is provided for in the Company's accounting policy and depends on the purpose of the assets lease.

Inventories

Inventories are Company's current assets that are used to earn income in one year. The inventories are accounted for by a continuous accounting method. In the accounting inventories are measured at the cost of acquisition, whereas in the financial statements – at the lower of cost of acquisition and net realisable value. The amount of writing inventories down to net realisable value is recognised as expense of the period when write-downs were carried out. There were no write-downs of inventories during 2008 (IAS 2, p. 34). The major part of inventories constitutes paper, toners for printers and copiers as well as other stationery. Inventories write-downs are included in the cost of designing works or activity expense pursuant to the accounting policy approved by the Company. During 2008, inventories used made up LTL 245,740 but there were no inventories pledged to secure liabilities (IAS 2, p. 36).

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Impairment

The carrying amounts of the company's assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indications exists, the assets recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement.

Calculation of recoverable amount

The recoverable amount of the receivables carried at amortized cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at the initial recognition of these financial assets). Receivables of sfort duration are not discounted.

Reversals of impairment

An impairment loss in respect of receivables carried at amortized cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized.

An impairment loss is reversed only to the extent that the asset's carrying amount does nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

Dividends

There were no dividends

Liabilities

Liabilities are recognised at fair value less direct expense related to origination of respective loans or other liabilities. After initial recognition liabilities are accounted for at amortised cost by applying an efficient interest rate method.

The Company is not aware of any preconditions related to the future or any other sources that would require significant corrections of the book values of assets or liabilities in the forthcoming year. (IAS 1, p. 116).

Provisions

Provisions are accounted for as liabilities in the balance-sheet when it is probable that additional funds will be necessary to meet liabilities having occurred due to events in the past.

No provisions were formed in the 2008 Financial Statements. A reserve of holiday pays to be paid to the Company's staff is classified as the Company's current liabilities.

Payments to employees

The Company has not drawn up the plans of established contributions or established payments or schemes of payment in the Company's shares. Liabilities for former Company's employees who are on retirement are discharged by the State.

Income

Recognition of income

Income is recognized when it is probable that the Company receives economic benefit related to the transaction and when it is possible to reliably evaluate the amount of the income. Sales are reported by subtracting VAT and granted trading discounts (if any), directly related to service provision.

The Company receives main income from designing services (IAS 1, p. 86).

Services granted, assets transferred

Designing work income and expense are recognised according to IAS 11. Expenditure and income of the designing contract are recognised as income and expense for that reporting period when the works were actually carried out irrespective of the fact that the statement of acceptance and transfer is not signed and the invoice is not issued. However, if some of the design contract expenditure exceeds the total income of the contract such an excess is immediately recognised as expense according to IAS 11, par 36.

Income from services rendered is recognized in the Income Statement upon having provided the services.

Income from the transferred assets is recognised in the Income Statement when significant risk and benefit, related to the property, are transferred to the buyer.

Income is not recognised in case of considerable doubt as to recovery of the income or related expense or when non-acceptance of service or significant risk is probable and the benefit cannot be considered services provided to the buyer.

Expense

Operating expense

Operating expense consists of expense on administration, management, maintenance of premises etc. (pursuant to the approved accounting policy).

Forfeit, fines, late payment charges, payment for loss compensation, amounts payable for unsuitable or untimely discharge of contractual obligations are recorded as an increase or decrease in operating expenses.

Activity lease payments

Activity lease payments according to activity lease agreements are recognised in the Income Statement by consistently distributing them within the lease period.

Financial income and expense

Financial income consists of income from interest, profit from sales of financial assets and a positive effect of foreign currency rates. Interest income is recognised in the Income Statement when it is accumulated on the basis of the efficient interest rate method.

Financial expense consists of expense on interest measured by the efficient interest rate method, loss from sales of financial assets and effect of change in foreign currency rates.

Income tax

The income tax comprises the current income tax. The income tax is reported in the Income Statement except for the cases when it is related to the items that are directly accounted for in equity.

The current income tax means a tax calculated on the taxable profit of the year by applying the rates that are effective and applicable on the date of drawing up the balance-sheet as well corrections of the income tax of previous years.

Statements of segments

A segment is not an important activity part. Primary statements of the Company's segments were prepared on the basis of geographical segments.

Earnings per share

The Company presents data about earnings per share. The earnings per share are calculated by dividing profit or loss attributable to the Company's shareholders by weighted average number of shares within the period. In 2008, the weighted average number of shares was 2,985,486 units (IAS 33, p. 70).

Contingencies

Contingent liabilities are not recognised in the Financial Statements except for contingent liabilities in business combinations. They are described in the Financial Statements expect for the cases when the probability of losing resources that give economic benefit is very small.

Contingent assets are not recognized in Financial Statements but they are described in the Financial Statements when the reception of income or economic benefit is probable.

Related parties

Parties considered to be related to the group shareholders, employees, members of the Board and their immediate relatives or companies that have direct or indirect control via an intermediary over the Group or one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions.

3. Evaluations and decisions

Evaluations and assumptions undergo regular review and are based on historical experience and other factors reflecting the current situation and reasonably probable events in future.

The Company makes evaluations and assumptions with regard to future events and therefore accounting evaluations will not always meet the actual results according to the definition. Below are discussed evaluations and assumptions having a significant effect on the value of assets and liabilities and due to the change of which these values may significantly change during the next financial year.

Fair value of financial instruments

Fair value is the amount at which the asset could be bought or sold in a current transaction between willing parties, or transferred to an equivalent party, other than in a liquidation sale. Fair values are calculated using the established market prices, models of discounted cash flows and models of option pricing.

The carrying value of trade amounts receivable, amounts payable and short-term lines of credit is close to their fair value. Fair value of non-current debts is measured on the basis the market price of the same or similar debt or interest rate applicable for the debts with the same maturity. Fair value of non-current loans, financial debts and other amounts payable with variable interest is close to their carrying values.

Carrying value of trade amounts receivable, other financial assets, amounts payable and short-term lines of credit is close to their fair value.

Below is presented summing-up of fair and carrying values of financial assets and liabilities (IAS 1) in the balance-sheet:

	2008		2007	
	Carrying value, LTL	Fair value, LTL	Carrying value, LTL	Fair value, LTL
Investment intended for sales	11 551 380	11 551 380	11 748 673	11 748 673
Prepayments	78 775	78 775	64 861	64 861
Trade amounts receivable	3 060 432	3 060 432	2 829 526	2 829 526
Other amounts receivable	8 457	8 457	45 583	45 583
cash	10 125	10 125	37 279	37 279
TOTAL	**14 709 169**	**14 709 169**	**14 735 256**	**14 735 256**

Loans	185 240	185 240	623 550	
Debts to suppliers	824 358	824 358	844 433	844,433
Other amounts payable	1 368 310	1 368 310	1 258 126	1 258 126
TOTAL	**2 377 908**	**2 377 908**	**2 726 109**	**2 726 109**

The Company reviews its amounts receivable estimating value impairment at least once a quarter. Before taking a decision on whether value impairment loss has to be accounted for in the Income Statement, the Company evaluates availability of the data showing cash flow from amounts receivable will significantly decrease before this decrease can be established for each amount receivable individually. The evidence of this may be available data showing negative changes in debtors' payments or national or local economic conditions having effect on the amounts receivable.

The management assesses probable cash flows from the debtors on the basis of the historical loss experience of debtors having a similar credit risk. With the aim to reduce differences between the assessed and actual losses, the methods and assumptions used for the assessment of cash flow amounts and the time of receiving them in future undergo regular review.

4. Management of financial risk

When using financial instruments the Company encounters the following types of risk:

- credit risk,
- liquidity risk,
- market risk.

This Note contains information about each of the above mentioned risk of the Company, and the goals, policy and processes of the Company's risk assessment and management as well as the Company's capital management. These Financial Statements also contain additional quantitative disclosures.

The Board is responsible for the development and supervision of a risk management structure of the Company. The Company's risk management policy targets the determination and analysis of risk encountered by the Company, determination of appropriate risk limits and controls as well as supervision of risk and limit observance. Both the risk management policy and risk management systems undergo regular review in order they should be market conditions and Company activity changes. The Company wants to create a disciplined and constructive management environment with all employees being well aware of their functions and obligations.

Credit risk

Credit risk is the risk that the Company will incur financial loss if the client will not discharge his financial liabilities.

The Company's credit risk is related to the following main companies: Alytus Town Municipality Administration, Nukem Technologies, and UAB Hidrostatyba.

The Company does not provide any guarantees for the liabilities of other parties. Values of the financial assets recorded in the accounting to the maximum extent reflect the credit risk. Therefore, the Company's trade amounts receivable and other current assets less the recognised loss of value impairment on the date of the balance-sheet reflect the maximal risk.

On the date of the Financial Statements the maximal credit risk was as follows:

	Carrying value, LTL	
	2008	2007
Trade amounts receivable	3 060 432	2 829 526
Other amounts receivable	76 961	46 613
Cash and cash equivalents	10 125	37 279
TOTAL	3 147 518	2 913 418

Amounts receivable within a year total LTL 3,068,889. On 31 December 2008, amounts receivable from designing work customers amounted to LTL 2,546,685 accounting for 83.0 percent of the total amounts receivable within one year. Amounts receivable for designing works from major customers:

No	Company	Debt amount, LTL	Percent of the total amounts receivable within a year (balance-sheet item.II.1)
1.	Nukem Technologies	648 090	21.12
2.	Hidrostatyba UAB	620 567	20.22
3.	Lokys UAB	212 400	6.92
4.	Alytus Town Municipality Administration	477 610	15.56
5.	Klaipėda Stevedoring Company	351 404	11.45
6.	Intergas	49 560	1,62
7.	Kruonio HAE statyba	5 900	0.19
	Total from the major customers	2 365 531	77.08

<u>Liquidity risk</u>

Liquidity risk is the risk that the Company will be unable to meet its financial liabilities upon their maturity. The aim of the Company's liquidity management is to ensure the Company's liquidity to the best of its ability allowing the Company to fulfil its liabilities under both ordinary and complicated conditions without incurring loss.

As a rule, the Company endeavours to have enough cash in order it could compensate for activity expense and discharge liabilities in case of necessity.

This does not apply to unpredictable circumstances.

The Company plans to discharge some its financial liabilities at a later date than provided for in contracts. (IFRS 7).

<u>Market risk</u>

Market risk is the risk that change sin market prices will have an effect on the Company's income or value of its financial liabilities.

<u>Interest risk</u>

The Company's loans are subject to variable interest rates linked withLIBOR.

Below are presented 2008 financial liabilities with variable interest rates

	2008		2007	
	Amount, LTL	Interest in %	Amount, LTL	Interest in %
Short-term loan			623 550	8.5
Overdraft	200 000	7.97		
Activity lease	101 132	13.6		

Currency risk

The Company encounters foreign currency translation expense with regard to amounts receivable accounted for in euros. The risk related to transactions in euros is considered to be insignificant.

Capital management

The goals of the Company's capital are to ensure the Company's possibilities to continue its operations with the aim to earn profit for its shareholders and other stakeholders and maintain an optimum structure of the capital by reducing the prime cost of the capital.

The Board's policy envisages to retain a significant portion of equity compared to borrowed funds in order the confidence of investors and creditors is maintained.

4. Notes to the Financial Statements for the Year 2008

4.1. Intangible assets

Indices	Software	Patents, licenses	Other intangible assets	Total
Residual value at the end of the previous financial year	**62287**			**62287**
a) Non-current intangible assets at purchasing costs	**264692**			**264692**
At the end of the previous financial year				
Changes of the financial year:				
– purchase of the assets	41637			**41637**
– assets assigned to other persons and written down (-)	-43196			**-43196**
– transfers between items + / (-)				
At the end of the financial year	**263133**			**263133**
b) Amortisation				
At the end of the previous financial year	202405			**202405**
Changes of the financial year:				
– amortisation of the financial year	41530			**41530**
– reversals (-)				
– amortisation of assets assigned to other persons and written down (-)	-40460			**-40460**
– transfers between items + / (-)				
At the end of the financial year	**203475**			**203475**
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)	**59658**			**59658**

Movement of the non-current intangible assets:

in litas

Indices	2008m.	2007 m.	Increase (+) reduction (-)
Residual value at the end of the previous financial year	62287	87386	
Changes of the financial year:			
- purchase of the assets	41637	28367	
- assets disposed and written down	43196	80313	
transfers between items		-1997	
- depreciation of financial years	41530	51099	
- depreciation of assets disposed and written down	40460	79888	
- depreciation of assets transferred between items		-55	
Residual value at the end of the financial year	59658	62287	

4.2. Tangible assets

Non-current tangible assets groups, their evaluation and depreciation calculation methods 31.12.2008

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

4.3. Tangible assets

Indices	Buildings	Vehicles	Other property, plant and equipment	Library stocks	**Total**
Residual value at the end of the previous financial year	**555991**	**90034**	**268442**	**4453**	**918920**
a) Purchasing cost					
At the end of the previous financial year	837134	206902	1007267	4453	**2055756**
Changes of the financial year:					
– purchase of the assets			36099		**36099**
– assets assigned and written down (-)		-636	-67722	-11	**-68369**
– transfers between items + / (-)					
At the end of the financial year	**837134**	**206266**	**975644**	**4442**	**2023486**
b) Revaluation					
At the end of the previous financial year					
Changes of the financial year:					
– value increase (impairment) + / (-)					
– assets assigned to other persons and written down (-)					
– transfers between items + / (-)					
At the end of the financial year					
c) Depreciation					
At the end of the previous financial year	281143	116868	738825		**1136836**
Changes of the financial year:					
– depreciation of the financial year	11349	33006	105176		**149531**
– reversals (-)					
– depreciation of assets assigned to other persons and written down (-)		-635	-67635		**-68270**
– transfers between items + / (-)					
At the end of the financial year	**292492**	**149239**	**776366**		**1218097**
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)	**544642**	**57027**	**199278**	**4442**	**805389**

Movement of the non-current tangible assets:

Indices	2008	2007	Increase (+) reduction (-)
Residual value at the end of the previous financial year	918 920	853 465	+65 455
Changes of the financial			

year:			
- purchase of the assets	36 099	218 219	-182 120
- assets disposed and written down	68 369	134 901	-66 532
- transfers between items		1 997	-1 997
- depreciation of financial years	149 531	150 370	-839
- depreciation of assets disposed and written down	68 270	130 565	-62 295
- depreciation of assets transferred between items		55	-55
Residual value at the end of the financial year	805 389	918 920	-113 531

4.4. Depreciated non-current assets still in use

Title of asset group	Purchase cost (LTL)
Vehicles	35 753
Other mechanisms, devices, tools and equipments	518 231
Intangible assets	128 617
Total	682 601

4.5. Non-current financial assets:

Item No	Title	Amount of shares on hand (pcs)	Part in the authorised capital of the company %
1	UAB „ Aloja“	770	3.54
2	UAB „ Bankinės konsultacijos“	12 984	18.55

4.5.1 Movement of the non-current financial assets (LTL) :

Balance on 31.12.2007 per acquisition value	– 785 526
Acquired during year 2008	201 960
Income from value increase	0
Balance on 31.12.2008	987 486

4.6. Inventories, advance payments and other current asset

Inventories were not written down during the year 2008 (2IAS 34p). The major part of the inventories consists of paper, toners for printers and copy devices and other office stuff. Inventories are written down in the cost price of design works or in the operating expenses in accordance with the confirmed account politic of the company. The value of inventories used during the year 2008 is 245 740 LTL and there were no pledged inventories to insure obligations. (2IAS 36p).

The major part of the advanced payments consists of advances paid for the subcontractors for the design works.

Current assets of the company consists of: (note 4.6)

Title of asset	year 2008		year 2007	
	Amount, LTL	% from all current assets	Amount, Lt.	% from all current assets
Inventories	16 312	0.1	11 640	0.08
Prepayments	78 775	0.6	64 861	0.5
Customer indebtedness	3 060 432	22.2	2 829 526	20.2
Other amounts receivable	8 457	0.00	45 583	0.33
Short term investment	10 563 894	76.5	10 963 147	78.3
Other current asset	76 961	0.6	46 613	0.33
Cash	10 125	0.00	37 279	0.26
Total	13 814 956	100.00	13 998 649	100.0

Other current assets include shares in other companies.

Item No	Title	Number of owned shares, pcs	Part in the authorised capital of company, %
1.	UAB „Asocijuoto turto valdymas"	5 899 584	7,8661
2.	UAB „Energolinija"	141 877	12,34
3.	DP International	1 900	19,00
4.	AB „Ūkio bankas"	512	0,008

Short-term investments for sale (LTL) were following:

	2008m
Value of shares 31.12.2007	10 963 147
Value of shares purchase during year 2008	120 000
Value of shares sale during year 2008	318 043
Reduction of value during the year	201 210
Total	10 563 894

4.7. Other activities

Indices	2008m	2007m
Income from other activities:		
Sales of non-current tangible assets	251	
Income from recreation facility „ Aisetas“	421 54	38 575
Various other incomes	15 720	17 068
Total incomes	58 125	55 643
Expenses of other activities:		
Expenses of recreation facility „ Aisetas “	41 306	37 148
Total of expenses	41 306	37 148
Result of other activity	16 819	18 495

4.8 Income and expenses of financial activity

	2008m	2007m
Income from financial activity:		
Time deposit interest	4 525	
Penalty charges received		3 300
Result of equity method		153 248
Value increase		370
Dividends received		
Income from disposal of current financial assets	665 000	130 830
Various other incomes	76	1 611
Total incomes	**669 610**	**289 359**
Expenses of financial activity		
Interest for loan	40 340	589
Increase of value at the end of year	201 210	
Expenses from disposal of current financial assets	318 043	52 500
Result of disposal of non-current financial asset		363 149
Penalty charges	463	458
Various other expenses	168	458
Total expenses	**560 224**	**416 696**
result of financial activity	**109 386**	**-127337**

4.9. Liabilities of the company

Itemized liabilities of the company (1IAS 74-76p.)

	year 2008	year 2007
Value-added tax	79 612	15 607
Advances received	332 515	450 419
Salaries	214 144	
Social insurance tax	133 248	158 068
Income tax from salaries	39 199	233
Accumulated leave payments	474 164	510 425
Debts for suppliers	824 358	844 433
Short-term financial debts to Ūkio bankas (overdraft)	185 240	623 550
Other liabilities	95 428	123 374
	2 377 908	2 726 109

Overdraft agreement was made with AB „Ūkio bankas“ on 04 June 2008. Return of account credit limit date is 03 June 2009.

Transaction with related parties

Loan agreement for borrowing 623,550.00 litas was made with UAB Asocijuotas turto valdymas on 20.12.2007. 8.5% annual interest is provided. The loan must be returned till 20.12.2008. On October 2008 the loan to UAB Asocijuotas turto valdymas was returned. (24IAS 17-20p.).

4.9.1 Leasing of non-current tangible assets

Title of leased asset	Leasing tax	Leasing period	Notes
AUDI A6	101 132	16/08/2008 – 15/08/2011	
Computer devices (6 pcs)	15 406	01/10/2008-30/09/2010	

4.9.2 Payments for the leased assets

Title of asset	Payment (Litas)			
	year 2008	year 2009	year 2010	year 2011
AUDI A6	22 703	29 411	29 411	19 607
Computer devices	1 959	7 684	5 763	0

4.9.3 Liabilities warranted by guarantee or suretyship

Character of guarantees or suretyships (except for those granted to subsidiaries, associated and similar companies)	Guarantee or surety amount, LTL 2008	Guarantee or surety amount, LTL 2007
Funds transferred to the buyer's account as a pledge to secure service provider's tender validity in the tender for project preparation announced by AB Lietuvos Geležinkeliai branch Klaipėdos Geležinkelio Infrastruktūra	4 719	
Performance guarantee from AB Ūkio bankas to secure Ignalina Nuclear power Plant Storage Facility B2 project		46 965

4.10 Share capital

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

The Company's authorised capital is divided into 2,985,486 ordinary registered shares. The shares are fully paid up.

The legal reserve prescribed by the Lithuanian law has been formed.

In 2008, neat earnings per share totalled LTL 0.087, in 2007 LTL 0.176.

The Company has not issued securities convertible into shares and therefore earnings per issued share and per convertible share are the same.

4.11 Mortgage of the assets

Overdraft agreement was made with AB Ūkio bankas on 04 June 2008. Return of account credit limit date is 03 June 2009.

AB Pramprojektas releases and mortgages to bank all present and future means to warrant the fulfilment of obligations.

4.12 Annual Inventorying

Financial Statements data are based on the inventorying of the assets disposed of by the Company at the end of the reporting period. Annual inventorying of the main means and current assets was performed at the end of year by Director's Order.

4.13 Brief Description of Significant After Balance-sheet Events

The Board's meeting held on 28 January 2009 satisfied the application for retirement as the managing director submitted by Leonas Rimantas Butkus. The Board appointed Marius Vaivada as the managing director of the Company and chairman of the Board, who previous took the position of deputy managing director.

4.14 Audit of annual financial statements

General meeting, held on 12 April 2008, selected UAB Auditorių biuras for auditing the 2008 Financial Statements. By its Decision No 2K-82 as of 19 March 2008, the Lithuanian Securities

Commission approved UAB Auditorių biuras as the auditor of the Company. The 2008 Financial Statements were audited on 2009-04- 01.

Draft profit (loss) appropriation for 31/12/2008

No	Items	Amount, LTL
I.	Profit (loss) brought forward from the previous financial year at the end of the reporting financial year	2 471 204
II.	Net profit (loss) of the reporting financial year	257 802
III.	Current year profit (loss0 not recognised in the Income Statement	0
IV.	Transfers from reserves	4 000 000
V.	Shareholders contributions against Company's losses	0
VI.	Total profit (loss) to be appropriated	6 729 006
VII.	Appropriation of profit to legal reserve	0
VIII.	Appropriation of profit to reserve for acquiring own shares	0
IX.	Appropriation of profit to other reserves	200 000
X.	Appropriation of profit for paying dividends	0
XI.	Appropriation of profit for annual payments (tantiemes) to members of the Board and Supervisory Council, bionuses of employees and other purposes	0
XII.	Profit (loss) to be carried forward at the end of the current year	6 529 006

PUBLIC LIMITED LIABILITY COMPANY PRAMPROJEKTAS

ANNUAL REPORT

2008

FEBRUARY 2009, KAUNAS

TABLE OF CONTENTS

Accountable period for which the periodical report has been prepared.

The periodical report has been prepared for the year 2007.

1. Main data about the issuer.

Issuer's name: Private limited liability company (*akcinė bendrovė*) Pramprojektas
Code in the Register of Enterprises 133873358.

Authorised capital:	LTL 5,970,972
Registered office:	K.Donelaičio Str. 60, Kaunas
Telephone:	+370 37 223 355
Fax:	+370 37 209 696
E-mail:	pramprojekt@kaunas.omnitel.net
Website:	www.pramprojektas.lt.
Legal and organizational form:	legal person of limited liability, public limited liability company
Date and place of registration:	6 December 1993, Kaunas City Board.

1.2 Legal basis for the issuer's activity

The main legislation governing the issuer's activity:

- the Company Law of the republic of Lithuania
- the Law on Securities of the Republic of Lithuania
- other legal acts of the Republic of Lithuania
- Company's Articles of Association
- the Corporate Governance Code for the Companies Listed on the Vilnius Stock Exchange

1.3 Nature of the issuer's main activities.

The main activity – preparation of a project intended for the validation and performance of the construction of a construction work.

- consultations on architecture and civil engineering;
- engineering technological activities;
- design-construction works;
- planning of towns, small towns and landscapes;
- street traffic planning;
- geodetic activities;
- environment control, ecological monitoring;

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

The Issuer holds the Qualification Certificate No. 0758 that is valid till 29 August 2013. It is granted the right to perform design operations of a construction works and execute technical supervision of construction of a construction works. 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. These certificates are valid until 2010.

1.4 Characteristics of production (services).

Services provided by the Company and income received for them are given in the table below:

No.	Indicator	2008m	2007m	2006m
1	Total volume of services, (LTL thousand)	11899	11680	12720
1.1	Volume of design works, (LTL thousand)	11489	10924	8663
2	Comparative weight of design works, (per cent)	96,56	93,52	68,11

Major project prepared during the year 2008:
-The Detail Plan and the Technincal Design of Mažeikiai magisterial gass supply line to AB Mažeikių nafta.;
- The Detail Design of the Interim Spent Fuel Storage Facility B1 INPP and Solid Waste Management and Storage Facilities B3, B4 ;
- The Technical Design of Landfill Facility for Short-Lived Very Low Level Waste INPP (B19);
- The Detail Design of the Danė river embankment supporting in Klaipėda. ;
- UAB „ Vilniaus duona" Bakery in Vilnius;
- AB „ Klasco storage – refrigerator in Klaipėda.

1.5 Sales markets.

The main sales market if the Republic of Lithuania.

In 2007 the Company performed design works for the total of LTL 10,924,661. All services were provided within the Republic of Lithuania. Roughly 95% are provided under short-term agreements.

1.6 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 providers (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).

1.7 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 were added to the Current List of the VSE.

1.8. Dealing in the Issuer's securities on Stock Exchanges and other organized markets.

Accountability period		On central market and in block trading								
		Price (LTL)			Turnover (LTL)			Last session date	Total turnover	
from	to	Max.	min.	Last session	Max	min.	Last session		units	LTL
2008-10-01	2008-12-31	3,70	2,81	2,81	407820	39,60	0	2008-12-30	327005	954584
2008-07-01	2008-09-30	3,75	3,00	3,70	3200.40	33,75	0	2008-09-30	3943	13671
2008-01-01	2008-03-31	3,30	2,80	2,80	2880	140	472	2008-03-26	2659	8358,19
2008-04-01	2008-06-30	3,09	2,80	3,00	1550	618	1500	2008-05-30	700	2118

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

The dealing in the issuer's ordinary registered shares was performed only on the stock exchange.

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

No own shares were bought up.

1.12 Submission of a tender offer.

Not published.

1.13 The Issuer's paying agents.

Paying agents were not engadged by the Issuer.

1.14 Agreements with intermediaries of public trading in securities.

The Company has concluded a service agreement with UAB FMĮ Finbaltus (Konstitucijos pr. 23-660, Vilnius LT-08105) on the handling of AB Pramprojektas shareholders accounting.

1.4 Membership in associated structures.

The Company belongs to the following associated structures:

Lithuanian Builders' Association, Lithuanian Association of Consulting Companies, Association of Engineering Ecology, Clean Water Association, Kaunas County Employers' Association.

1.15 Informacija apie įmonės tyrimų ir plėtros veiklą.

Bendrovė tyrimų ir plėtros veiklos nevykdė.

2. Information about the Company's branches and representative offices, subsidiaries associates

2.1 Information about the Company's Branches and Representative Offices

The Company does not hold any branches or representative offices.

2.2 Information about subsidiaries.

The Company has no subsidiaries.

2.3 Information about associates.

The Company does not hold shares in the associated companies.

3.Other information about the issuer.

3.1 Issuer's authorised capital.

The authorised capital registered with the Register of Enterprises.

Structure of the authorised capital :

Type of shares	Number of shares, pcs	Nominal value, LTL	Total nominal value, LTL	Specific weight in the authorised capital, percent
Ordinary registered shares	2 985 486	2	5 970 972	100,00

All shares are fully paid.

3.2. Information about the projected increase of the authorized capital in connection with conversion or exchange of debt securities or derivative securities issued into shares.

AB Pramprojektas has not issued debt or derivative securities, therefore no increase of the authorized capital through the conversion or exchanging into shares of debt securities or derivative securities issued is planned.

3.3 Shareholders.

Shareholders who had by the right of ownership or held more than 5 per cent of the Issuer's authorized capital on 31 December 2008 :

Shareholder name	Code in the Register of Enterprises	Registered office	The number of shares held, pcs.		Portion held in the authorized capital, %		Portion of held votes, %	
			Total*	By owner-ship right	Total *	By owner-ship right	Total *	By owner-ship right
UAB "ATTENTUS"	135654594	K.Donelaičio g. 60, Kaunas	424528	424528	14,22	14,22	14,22	14,22
UAB FMĮ "Finbaltus"	122020469	Konstitucijos pr. 23-660	203579	203579	6,82	6,82	6,82	6.82
Gončaruk Olga		K.Mindaugo pr. 29-8, Kaunas	621365	173500	8,79	5,81	8,79	5,81
YorkWell Business Corp. .	1012383	P.O.Box 3321, Road Town, Tortola, Virdžinijos salos (Britų)	722810	722810	24,21	24,21	24,21	24,21
Romanov Roman		Trakų g. 5-11, Kaunas	621365	179390	6,01	6,01	6,01	6,01
Romanov Vladimir		Trakų g. 5-11, Kaunas	621365	179395	6,01	6,01	6,01	6,01

* Directly or indirectly together with connected persons held shares.

3.4 Shareholders with special control rights and description of these rights

There are no such shareholders.

3.5 All restrictions of the voting rights

There are no restrictions.

3.6 Internecine deals between shareholders because of which the transaction of securities and (or) right to vote can be limited

There are no such deals.

3.7 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-

3.8 Information about the shares distributed through private placement.

There are no shares distributed through private placement.

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

There are no depository receipts issued on the basis of shares.

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

There are no debt securities issued for public trading.

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

There are no securities registered for private placement and distributed as such.

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

There are no securities not representing capital, the trading whereof is governed by the Law on Securities.

3.13 Information about significant directly or indirectly controlled block of shares.

There are no such blocks of shares. .

4. Members of the managing bodies, employees

4.1 Members of the managing bodies.

Managing bodies of AB Pramprojektas consist of general meetings of shareholders, supervisory council, and board. Members of the supervisory council are elected by the general meetings of shareholders in line with the Law on Companies of the Republic of Lithuania. Members of the Board are elected by supervisory council. The Board consists of three members. The members of the board elect the chairman and appoints the manager of the company – Managing Director.

4.2 Members of the Supervisory Council:

EUGENIJUS VERBAVIČIUS - member of the Supervisory Council. The beginning of the term of office – 12/04/2006, the end – 12/04/2010.
Participation in the activities of other companies:
He does not participate in the activities of other companies.
The holder of shares of the following companies:
UAB Amnis metallicus – 89 950 ordinary registered shares (ORS), i.e. 9.99 per cent;
VŠĮ Kaunas County Football Support Fund - 25 000 ORS, i.e. 22.73 per cent;
UAB Acia Vera – 1 900 ORS, I.E. 12.67 per cent.
ASTA MARTINAITYTĖ - member of the Supervisory Council. The beginning of the term of office – 12/04/2006, the end – 12/04/2010.
Participation in the activities of other companies:
Member of the Supervisory Council of Fabrica Glinice "Birač" A.D.Zvornik
The holder of shares of the following companies:
VŠĮ "Atlanto" Futbolo klubas - 400 ORS, i.e. 25 per sent.
UAB Balt-Energo - 900 ORS, i.e. 9. per cent.
AUDRONĖ VAIČIULYTĖ - member of the Supervisory Council. The beginning of the term of office – 27/09/2002, the end – 12/04/2010.
Participation in the activities of other companies:
Member of UAB Nidos smiltė Board.
The holder of shares of the following companies:

AB Pramprojektas - 20 ORS, i.e. 0.00 per cent.
UAB Apskaita ir verslo projektai - 190 ORS, i.e. 19.00 per cent.
UAB Korelita – 325 000 ORS, i.e. 9.93 per cent.
UAB Herats Developments – 97 500 ORS, i.e. 9.949 per cent.

4.3 Members of the Board:

LEONAS RIMANTAS BUTKUS - Chairman of AB Pramprojektas Board, managing director of AB Pramprojektas. The beginning of the term – 12 April 2006, the end – 12 April 2010.

Participation in the activities of other companies:
Member of AB Ūkio bankas Supervisory Council,
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 Association of Consulting Companies Board.
The holder of shares of the following companies:
UAB Gilaitė - 10 ORS, i.e. 40 per cent of the authorised capital;
AB Pramprojektas – 1 105 ORS, i.e. 0.037 per cent of the authorised capital.

ALGIMANTAS ANTANAS BARTUŠKA - member of the Board, production director of AB Pramprojektas. The beginning of the term – 12 April 2006, the end – 12 April 2010.

Participation in the activities of other companies:
He does not participate in the activities of other companies.
The holder of shares of the following companies:
AB Pramprojektas - 185 ORS, i.e. accounts 0.006 per cent of the authorised capital;
VŠĮ "Atlanto" Futbolo klubas - 400 ORS, i.e. 25 per sent.
MARIUS VAIVADA - member of the Board, The beginning of the term – 12 April 2008, the end – 12 April 2010.
Participation in the activities of other companies:
Member of UAB Bankinės konsultacijos Board.

VŠĮ Kauno apskrities futbolo rėmimo fondas 45.45 per cent of votes.

4.4 Administration:

The company's administration consists of director of general activities and personnel, finance and economics director and chief financier.

Nijolė Čyžienė – Chief Financier. She does not participate in the activities of other companies, does not hold more than 5% of shares in other companies.

4.5 Staff.

Data about the Company's staff by personnel groups on 31 December 2008 are given in the table below:

	2008m.			2007m.			2006m.		
	Staff number	Change of staff number	Average salary, LTL	Staff number	Change of staff number	Average salary, LTL	Staff number	Change of staff number	Average salary, LTL
Management	14	+1	8169	13		5818	13	0	4984
Specialists	108		3088	108	-2	2834	110	+1	2236
Workers	22		1753	22		1568	22	-4	1422
Total:	144	+1	3907	143	-2	3329	145	-3	2745

	Year		
Staff number, persons.	2008	2007	2006
Higher education	109	108	110
High education	12	12	12
Secondary education	23	23	29
Total:	144	143	145

4.6. Information about the managing body members' criminal records and crimes against property, economic order and finance.

Members of the managing bodies were not convicted of crimes against property, economic order or finance.

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

No loans were extended to members of the issuer's managing bodies and no guarantees and sureties were given with respect to fulfilment of their obligations during the year 2008.

Information about the salary paid to the members of Board and administration is given below:

	Salary paid
Average salary for one Board member *	237011
Total for all Board members	711033
Average salary for one Administration member	46973
Total for all Administration members **	93945

* The Board consists of 3 members
** Administration consists of : Personnel and General Affairs Director, Executive Director, Economic and Finance Affairs Director, Chief financier.

4.8 Significant transactions

There were no significant transactions one side of which was the issuer.

4.9 Transactions of the issuer's managing board members or staff.

There were no significant transactions.

4.10 Transaction with related parties

Loan agreement for borrowing 623,550.00 litas was made with UAB Asocijuotas turto valdymas on 20.12.2007. 8.5% annual interest is provided. The loan must be returned till 20.12.2008. On October 2008 the loan to UAB Asocijuotas turto valdymas was returned. (24IAS 17-20p.).

5. Material events in the issuer's activity:

Date	Characteristics of material events
27/11/2008	PRM: Announcement about Director's transaction regarding the Issuer's securities
06/11/2008	PRM: Periodical first nine months of 2008 report
28/10/2008	PRM: Preliminary non-audited activity result for the first nine months of the year 2008
08/09/2008	PRM: Periodical first six months of 2008 report
28/08/2008	PRM: Periodical first six months of 2008 report
17/07/2008	PRM: Preliminary non-audited activity result for 2008 1st half
30/05/2008	PRM: 1st quarter of 2008 Financial Statements
30/04/2008	PRM: 1st quarter of 2008 preliminary non-audited activity result
11/04/2008	PRM: Electing of Managing Board member
11/04/2008	PRM: Decisions of the ordinary general shareholders meeting.
31/03/2008	PRM: Draft decisions of AB Pramprojektas ordinary general shareholders meeting prepared by Board on 11/04/2008
28/03/2008	PRM: The supplement of agenda of ordinary general shareholders meeting
06/03/2008	PRM: Calling of ordinary general shareholders meeting
29/02/2008	PRM: AB Pramprojektas non-audited interim Financial Statements for the year 2007
29/02/2008	PRM: Preliminary non-audited activity result for the year 2007

6. Analysis of financial and non-financial activity results

The Company's liquidity ratio is very good, 5.81 percent, which is by 0.67 point higher compared to 2007. The net profitability ratio, showing efficiency of Company's activity, fell from 5 percent in 2007 to 2 percent in 2008. The total profitability ratio, showing earnings from the main activities, accounts for 27 percent standing at the same level as in 2007. Debt ratio, which is an important indicator to creditors showing the level of their funds securing, decreased from 0.21 percent in 2007 to 0.18 percent in 2008.

Due to delayed payments of customers in the last quarter of the year the efficiency of collecting amounts receivable worsened. In 2007, amounts receivable made a turnover of 4.97 times compared to 3.87 times in 2008.

Our Company was affected by economic recession in the country very quickly. A number of works were suspended, including extension designing and supervision of construction works project of AB Klasco bulk fertiliser terminal in Klaipėda, preparation of a technical project for storage facility for bulk and general cargos in Klaipėda's Vitė block. The total cost of the suspended works to be carried out under contracts in 2009 amounts to around LTL 2 million.

Considering national economic recession and decreased work volumes in the construction sector, in 2009 the Company plans to perform designing works for around LTL 7 million, which is by 40 percent less than in 2008.

7. Risk factors and uncertainties related to the issuer's activities

7.1. Credit risk scale

The public limited company Pramprojektas has provided designing services to already known customers of the Company that used to effect payments in due time; however, on 31 December 2008 its designing work customers were indebted to the Company in the total amount of LTL 3 3094 682, which is by 9.4 percent more than at the end of 2007. 18.7 percent of customers delay payments from 1 to 90 days. Out of these customers, enterprises financed from the national budget account for 45 percent.

Having regard to delayed payments of the customers, the Company entered into an account overdraft agreement with AB Ūkio bankas under which the annual interest rate is 7.97 percent. During 2008, the Company's expense on the execution of this agreement (fees and interest) totalled LTL 1,990. In a difficult economic situation we expect these expenses to rise up to around LTL 20,000 in 2009 as the annual interest rate has considerably jumped (up to 14-15%). This would be a fair portion in the Company's expense structure. (IAS 7, clause 50).

7.2. Price risk scale

The Company for the most part designs large industrial facilities and participates in public tenders. With economic situation in the country slumped, designers are lacking orders and therefore they endeavour to be awarded public contracts by any means. Sometimes their bids are abnormally low and they do not always follow the reasonableness and economic criteria. A group of experts evaluating tenders should require the justification of the lowest offered price from the tenderer: to prove whether it will be sufficient to pay wages, taxes and receive at least minimum profit.

7.3. Social

The Company pays wages and salaries in a timely manner. The plan is to reduce the staff number by around 15-20 percent because of decreased designing work volumes. Even though 26.40% of the Company's employees are of retirement age they are specialists with extensive experience who help young employees advance professional skills and prepare for obtaining qualification certificates of project part managers.

7.4 Liquidity risk

Liquidity risk is the risk that it will be difficult for the Company to meet its financial liabilities, which arises due to the fact that the Company might have to fulfil its liabilities earlier than it plans to recover debts from its customers who do not meet their liabilities in due time.

7.5 Others

Other main types of risk encountered in the Company's activities are as follows:

1. Mistakes in the prepared project documentation.
2. Accidents in construction.

In the manner prescribed by the Civil Code, a construction works designer shall be liable for a collapse of a construction works or defects determined during a warranty period arising through the fault of a designer (The Law on Construction, Article 36).

With the main to minimise tangible losses due to mistakes in project documentation, the Company has insured the total annual scope of designing works. In 2008, the civil liability of a designer of a construction works was insured for the total amount of LTL 1,000,000, i.e. the amount of insurance benefits covers all insurance events. Insurance policy SPCA No. 100103.

When contractors perform construction and installation operations of a construction works according to the Company's project documentation, the Company's specialists perform supervision of execution of the project on a construction site. All Company's specialists performing supervision of project execution are insured against accidents. The total annual insurance coverage is LTL 1,020,000. Insurance policy NA 0002572.

8. The Company and the society

The Company makes a significant contribution to the social and cultural life of Kaunas and the whole country. In 2008, LTL 4,627,631 in taxes to the budget of the Republic of Lithuania were calculated. Tax distribution:

Tax	LTL
Value added tax	1,241,652
Resident income tax on salaries	1,269,839
Corporate income tax	73,081
3% in social insurance contributions on salaries	60,125
30.98 % in social insurance contributions	1,944,042
Real estate tax	35,272
Pollution tax	491
Tax on state land lease	3,129
TOTAL	4,627,631

8.1 Social responsibility, research and development activities

In its activities the Company observes the key principles of socially responsible business The Company pursues the goals of socially responsible business: to act with responsibility, not to make harm to the environment, community and other businesses, contribute to dealing with the social and environment protection problems, and enlarge cooperation between various sectors inside and outside the State.

In 2008, the Company allotted part of its profit, LTL 135,000, for charity.

During 2008, with the aim to provide its services more efficiently and rapidly, the Company upgraded 11 and established 3 new jobs. It acquired 14 computers and 4 laser printers. The Company also focused on the acquisition and upgrade of the software. It bought 5 new AutoCAD LT 2009 software packages, 14 AutoCAD programmes were upgraded from LT2006 to LT 2009. It has also purchased a 1-year license for environmental air assessment software ADMS 4 as well as Surfer 8 necessary for work with ADMS.

9. Investment policy and other information

We don't hold any company with the issuer's part of over 30 percent in its authorised capital

9.1 Competitors.

The main competitors in the domestic market are UAB Sweco BKG LSPI (former UAB Lietuvos statybų projektavimo institutas), UAB Ardynas, UAB Kauno Komprojektas, and UAB Ekoprojektas.

9.2 Dividends paid.

The Company did not pay dividends in the period of 2002-2008.

9.3 Information on financial instruments used by the Company

It is considered that shares form the financial assets of the Company. During 2008 the agreements on shares sale and purchase were made. The derivative financial instruments were not used by the Company.

9.4 Provisions and additional descriptions on the data provided within the annual financial status report

The financial data enclosed in the herein annual report has been estimated pursuant to the standards of International financial statement and audited where not stated otherwise.
Comments to the financial statement are incorporated within the Explanatory Note.

9.5 Court (arbitration) proceedings.

There were no court or arbitration proceedings that could have or had influence on the Company's financial status within the reporting period.

9.6 Information about audit.

The audit of AB Pramprojektas accounting and financial statements for the financial year 2008 was carried out on 1st of April 2009.

9.7. The most important after balance-sheet events in the issuer's activities

On 6 February 2009, the 2008 preliminary unaudited activity result and change in the Company's management bodies were announced. On 28 January 2009, the Board's meeting adopted a decision to satisfy the application for retirement as the managing director submitted by Leonas Rimantas Butkus to come into effect on 30 January 2009 and for withdrawal from the position of the Board chairman from 12 February 2009 and remaining member of the Board.
Marius Vaivada, a deputy managing director, was appointed as the Company's managing director from 2 February 2009.
Marius Vaivada was elected chairman of the Company's Board on 13 February 2009.
On 27 February 2009, the 2008 12-month and interim unaudited financial statements were announced.

10. The information about the observation of the Company Management Code is given in the Annex 1.

Managing Director Marius Vaivada

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

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

PRINCIPLES/ RECOMMENDATIONS	YES /NO /IRRELEVANT	COMMENTARY
Principle I: Basic Provisions **The overriding objective of a company should be to operate in common interests of all the shareholders by optimizing over time shareholder value.**		
1.1. A company should adopt and make public the company's development strategy and objectives by clearly declaring how the company intends to meet the interests of its shareholders and optimize shareholder value.	Yes	The Company's development strategy and objectives are disclosed to the shareholders in the annual report, and some information is placed on the Company's website and publicly announced on the website of Stock Commission of the LR. The Company updates development plans depending on the market situation.
1.2. All management bodies of a company should act in furtherance of the declared strategic objectives in view of the need to optimize shareholder value.	Yes	The Company's Supervisory Council, the Board and Chief Executive Officers make every effort to implement strategic objectives and at the same time to increase shareholder value. With this aim in view, the Company optimises its production volumes. It invests in shares of different companies to attain maximum benefit.
1.3. A company's supervisory and management bodies should act in close co-operation in order to attain maximum benefit for the company and its shareholders.	Yes	The Company's Supervisory Council acts in close cooperation with the Company's Board as it helps implement the key and strategic issues, approves activity plans and supervises all the activities of Board and the Company's administration. The Company's Chief Executive Officers submit reports on implemented plans and future works to the Board.
1.4. A company's supervisory and management bodies should ensure that the rights and interests of persons other than the company's shareholders (e.g. employees, creditors, suppliers, clients, local community), participating in or connected with the company's operation, are duly respected.	Yes	The Company management system ensures that the rights and interests of all the persons participating in the Company activities (employees, creditors, suppliers, and customers) are duly respected. When making decisions important to the Company, representatives of the Company employees are invited to participate at the Board Meetings. Some of the employees are shareholders of the Company. Relations with the creditors, suppliers, and customers are governed by contractual obligations and the Company endevaours to fully implement them. Support to the local community is provided in the fields of sports, art, and education.
Principle II: The corporate governance framework **The corporate governance framework should ensure the strategic guidance of the company, the effective oversight of the company's management bodies, an appropriate balance and distribution of functions between the company's**		

bodies, protection of the shareholders' interests.		
2.1. Besides obligatory bodies provided for in the Law on Companies of the Republic of Lithuania – a general shareholders' meeting and the chief executive officer, it is recommended that a company should set up both a collegial supervisory body and a collegial management body. The setting up of collegial bodies for supervision and management facilitates clear separation of management and supervisory functions in the company, accountability and control on the part of the chief executive officer, which, in its turn, facilitate a more efficient and transparent management process.	Yes	Company's Supervisory Council and the Board are formed and Managing Officer, Managing Director elected. In their performance, the Head of the Company observes the laws, other legislation, the Articles of Association of the Company, the resolutions and decisions of the General Meeting and the Board, and the work regulations. The Head of the Company reports to the Board and the Board controls their performance.
2.2. A collegial management body is responsible for the strategic management of the company and performs other key functions of corporate governance. A collegial supervisory body is responsible for the effective supervision of the company's management bodies.	Yes	The Board, a collegial management body, performs the functions of the management, and the Supervisory Council, a collegial supervisory body, supervises the activities of the Board and how efficiently the Board performs its functions.
2.3. Where a company chooses to form only one collegial body, it is recommended that it should be a supervisory body, i.e. the supervisory board. In such a case, the supervisory board is responsible for the effective monitoring of the functions performed by the company's chief executive officer.	Irrelevant	The Company has set up both the Supervisory Council and the Board.
2.4. The collegial supervisory body to be elected by the general shareholders' meeting should be set up and should act in the manner defined in Principles III and IV. Where a company should decide not to set up a collegial supervisory body but rather a collegial management body, i.e. the board, Principles III and IV should apply to the board as long as that does not contradict the essence and purpose of this body.	No	Members of the Supervisory Council are elected by the shareholders from the candidates nominated by the shareholders therefore the procedure of setting up the Supervisory Council ensures the representation of interests of the minority shareholders.
2.5. Company's management and supervisory bodies should comprise such number of board (executive directors) and supervisory (non-executive directors) board members that no individual or small group of individuals can dominate decision-making on the part of these bodies.	Yes	The Company's Supervisory Council comprises 3 (three) members and 3 (three) members of the Board. Based on the practice and opinion of the Company's management, such number of the Board's and Supervisory Council's members is sufficient to rationally adopt decisions.
2.6. Non-executive directors or members of the supervisory board should be appointed for specified terms subject to individual re-election, at maximum intervals provided for in the Lithuanian legislation with a view to ensuring necessary development of professional experience and sufficiently frequent reconfirmation of their status. A possibility to remove them should also be stipulated however this procedure should not be easier than the removal procedure for an executive director or a member of the management board.	Yes	The Company's Supervisory Council is elected for the period of 4 years and the number of terms of office of the Supervisory Council's member is not limited. Pursuant to the currently applicable Articles of Association, the re-election of the same members of the Supervisory Council for the next term of office is not prohibited.
2.7. Chairman of the collegial body elected by the	Yes	The Chairman of the Company's Supervisory Council

general shareholders' meeting may be a person whose current or past office constitutes no obstacle to conduct independent and impartial supervision. Where a company should decide not to set up a supervisory board but rather the board, it is recommended that the chairman of the board and chief executive officer of the company should be a different person. Former company's chief executive officer should not be immediately nominated as the chairman of the collegial body elected by the general shareholders' meeting. When a company chooses to departure from these recommendations, it should furnish information on the measures it has taken to ensure impartiality of the supervision.		can conduct independent and impartial supervision since he did not take and presently does not take the office of the Chief Executive Officer of the Company.
Principle III: The order of the formation of a collegial body to be elected by a general shareholders' meeting **The order of the formation a collegial body to be elected by a general shareholders' meeting should ensure representation of minority shareholders, accountability of this body to the shareholders and objective monitoring of the company's operation and its management bodies.**		
3.1. The mechanism of the formation of a collegial body to be elected by a general shareholders' meeting (hereinafter in this Principle referred to as the 'collegial body') should ensure objective and fair monitoring of the company's management bodies as well as representation of minority shareholders.	Yes	The mechanism of the formation of the Supervisory Council ensures objective and fair monitoring of the company's management bodies. The minority shareholders' right and possibility to have their representative in a collegial body is not restricted.
3.2. Names and surnames of the candidates to become members of a collegial body, information about their education, qualification, professional background, positions taken and potential conflicts of interest should be disclosed early enough before the general shareholders' meeting so that the shareholders would have sufficient time to make an informed voting decision. All factors affecting the candidate's independence, the sample list of which is set out in Recommendation 3.7, should be also disclosed. The collegial body should also be informed on any subsequent changes in the provided information. The collegial body should, on yearly basis, collect data provided in this item on its members and disclose this in the company's annual report.	No	At least 10 days before the General Meeting the shareholders are revealed all the information on the candidates to become members of a collegial body. The shareholders are furnished with full information about the candidates and during the elections possibilities are created for them to ask questions and receive desired information from the candidates. The shareholders can also receive extensive information about the members of the collegial body at the Human Resource Department. All circumstances provided for in the Corporate Governance Code, that could affect the candidate's independence, have not been disclosed or examined yet, since the Code came into effect in August 2006. This will be done starting with the year 2007.
3.3. Should a person be nominated for members of a collegial body, such nomination should be followed by the disclosure of information on candidate's particular competences relevant to his/her service on the collegial body. In order shareholders and investors are able to ascertain whether member's competence is further relevant, the collegial body should, in its annual report, disclose the information on its composition and particular competences of individual members which	Yes	The members of the Company's Supervisory Council and the Board present information on the qualification advancement programs related to their work in a collegial body they participated in. The annual report discloses information on the composition of the Board and the Supervisory Council, working activities of its members and their participation in the activities of other companies.

are relevant to their service on the collegial body.		
3.4. In order to maintain a proper balance in terms of the current qualifications possessed by its members, the collegial body should determine its desired composition with regard to the company's structure and activities, and have this periodically evaluated. The collegial body should ensure that it is composed of members who, as a whole, have the required diversity of knowledge, judgment and experience to complete their tasks properly. The members of the audit committee, collectively, should have a recent knowledge and relevant experience in the fields of finance, accounting and/or audit for the stock exchange listed companies.	Yes	Members of the Company's Supervisory Council and the Board have the required diversity of knowledge, judgment and experience to complete their tasks properly. An independent member of the Audit Committee has sufficient knowledge in the fields of finance and accounting (audit) for the stock exchanges listed companies.
3.5. All new members of the collegial body should be offered a tailored program focused on introducing a member with his/her duties, corporate organization and activities. The collegial body should conduct an annual review to identify fields where its members need to update their skills and knowledge.	Yes	With respect of the Company structure and the nature of its activities, the Collegiate Body Members, as a whole, have the required diversity of knowledge, judgment and experience to complete their tasks properly. They participate at seminars and take courses where they get information on material changes in legislation governing the activities of the Company that may influence the performance of the Company.
3.6. In order to ensure that all material conflicts of interest related with a member of the collegial body are resolved properly, the collegial body should comprise a sufficient number of independent members.	Yes	The Company has a sufficient number of independent members of the collegial body. All material conflicts of interest related with a member of the collegial body are resolved properly.
3.7. A member of the collegial body should be considered to be independent only if he is free of any business, family or other relationship with the company, its controlling shareholder or the management of either, that creates a conflict of interest such as to impair his judgment. Since all cases when member of the collegial body is likely to become dependant are impossible to list, moreover, relationships and circumstances associated with the determination of independence may vary amongst companies and the best practices of solving this problem are yet to evolve in the course of time, assessment of independence of a member of the collegial body should be based on the contents of the relationship and circumstances rather than their form. The key criteria for identifying whether a member of the collegial body can be considered to be independent are the following: 1) He/she is not an executive director or member of the board (if a collegial body elected by the general shareholders' meeting is the supervisory board) of the company or any	Yes	The independency of the the Collegial Body Members is assessed according to the recommendations covered in this Code, the content of the relations and conditions of the Company and the Collegial Body member and main recommended criteria.

associated company and has not been such during the last five years; 2) He/she is not an employee of the company or some any company and has not been such during the last three years, except for cases when a member of the collegial body does not belong to the senior management and was elected to the collegial body as a representative of the employees; 3) He/she is not receiving or has been not receiving significant additional remuneration from the company or associated company other than remuneration for the office in the collegial body. Such additional remuneration includes participation in share options or some other performance based pay systems; it does not include compensation payments for the previous office in the company (provided that such payment is no way related with later position) as per pension plans (inclusive of deferred compensations); 4) He/she is not a controlling shareholder or representative of such shareholder (control as defined in the Council Directive 83/349/EEC Article 1 Part 1); 5) He/she does not have and did not have any material business relations with the company or associated company within the past year directly or as a partner, shareholder, director or superior employee of the subject having such relationship. A subject is considered to have business relations when it is a major supplier or service provider (inclusive of financial, legal, counseling and consulting services), major client or organization receiving significant payments from the company or its group; 6) He/she is not and has not been, during the last three years, partner or employee of the current or former external audit company of the company or associated company; 7) He/she is not an executive director or member of the board in some other company where executive director of the company or member of the board (if a collegial body elected by the general shareholders' meeting is the supervisory board) is non-executive director or member of the supervisory board, he/she may not also have any other material relationships with executive directors of the company that arise from their participation in activities of other companies or bodies;		

8) He/she has not been in the position of a member of the collegial body for over than 12 years; 9) He/she is not a close relative to an executive director or member of the board (if a collegial body elected by the general shareholders' meeting is the supervisory board) or to any person listed in above items 1 to 8. Close relative is considered to be a spouse (common-law spouse), children and parents.		
3.8. The determination of what constitutes independence is fundamentally an issue for the collegial body itself to determine. The collegial body may decide that, despite a particular member meets all the criteria of independence laid down in this Code, he cannot be considered independent due to special personal or company-related circumstances.	Yes	The right of the Company's Supervisory Council to fundamentally determine of what constitutes independence is not restricted. The Supervisory Council may decide that, despite a particular member meets all the criteria of independence laid down in this Code, he/she cannot be considered independent due to special personal or company-related circumstances
3.9. Necessary information on conclusions the collegial body has come to in its determination of whether a particular member of the body should be considered to be independent should be disclosed. When a person is nominated to become a member of the collegial body, the company should disclose whether it considers the person to be independent. When a particular member of the collegial body does not meet one or more criteria of independence set out in this Code, the company should disclose its reasons for nevertheless considering the member to be independent. In addition, the company should annually disclose which members of the collegial body it considers to be independent.	Yes	Conclusions about the independence of the members of the Company's collegial bodies: - Eugenijus Verbavičius – chairman of the Supervisory Council and independent member of the collegial body - Audronė Vaičiulytė – member of the Supervisory Council and independent member of the collegial body. Basis: A. Vaičiulytė is Company's employee, position – securities specialist - Asta Martinaitytė – member of the Supervisory Council, independent member of the collegial body After the proposal on the appointment of the collegial body's member is made, the Company will disclose whether it considers him/her to be independent.
3.10. When one or more criteria of independence set out in this Code has not been met throughout the year, the company should disclose its reasons for considering a particular member of the collegial body to be independent. To ensure accuracy of the information disclosed in relation with the independence of the members of the collegial body, the company should require independent members to have their independence periodically re-confirmed.	Yes	The independent members of the Company's collegial body will confirm their independence and the Company will announce the reasons for considering a particular member to be independent when the members of the bodies will not meet the criteria of independence throughout the year
3.11. In order to remunerate members of a collegial body for their work and participation in the meetings of the collegial body, they may be remunerated from the company's funds. The general shareholders' meeting should approve the amount of such remuneration.	No	The general meeting did not allot any remuneration to the members of the Company's collegial bodies from the Company's funds.

Principle IV: The duties and liabilities of a collegial body elected by the general shareholders' meeting The corporate governance framework should ensure proper and effective functioning of the collegial body elected by the general shareholders' meeting, and the powers granted to the collegial body should ensure effective monitoring of the company's management bodies and protection of interests of all the company's shareholders.		
4.1. The collegial body elected by the general shareholders' meeting (hereinafter in this Principle referred to as the 'collegial body') should ensure integrity and transparency of the company's financial statements and the control system. The collegial body should issue recommendations to the company's management bodies and monitor and control the company's management performance.	Yes	The Supervisory Council elected at the Company issues responses and recommendations concerning the company's annual Financial Statements, draft of profit distribution, the company's annual report and activities of the Board and the Company's management to the general shareholders' meeting, and performs other functions of supervising the activities of the Company and its management bodies ascribed to the competence of the Supervisory Council.
4.2. Members of the collegial body should act in good faith, with care and responsibility for the benefit and in the interests of the company and its shareholders with due regard to the interests of employees and public welfare. Independent members of the collegial body should (a) under all circumstances maintain independence of their analysis, decision-making and actions (b) do not seek and accept any unjustified privileges that might compromise their independence, and (c) clearly express their objections should a member consider that decision of the collegial body is against the interests of the company. Should a collegial body have passed decisions independent member has serious doubts about, the member should make adequate conclusions. Should an independent member resign from his office, he should explain the reasons in a letter addressed to the collegial body or audit committee and, if necessary, respective company-not-pertaining body (institution).	Yes	According to the data possessed by the Company all the Supervisory Council's members act in good faith with regard to the Company, and observe the interests of the Company but not their own or third parties' interests, and endeavour to maintain independence when adopting decisions.
4.3. Each member should devote sufficient time and attention to perform his duties as a member of the collegial body. Each member of the collegial body should limit other professional obligations of his (in particular any directorships held in other companies) in such a manner they do not interfere with proper performance of duties of a member of the collegial body. In the event a member of the collegial body should be present in less than a half of the meetings of the collegial body throughout the financial year of the company, shareholders of the company should be notified.	Yes	The members of the collegial bodies properly perform their functions, i.e. they actively participate in the meetings of the collegial body and devote sufficient time to perform their duties as collegial members.
4.4. Where decisions of a collegial body may have a different effect on the company's shareholders, the collegial body should treat all shareholders impartially	Yes	The Company management system ensures that all the shareholders' rights are protected, irrespective of the number of shares held thereby or of the fact

and fairly. It should ensure that shareholders are properly informed on the company's affairs, strategies, risk management and resolution of conflicts of interest. The company should have a clearly established role of members of the collegial body when communicating with and committing to shareholders.		whether a shareholder is a citizen of the Republic of Lithuania or a foreign entity. The Company's collegial body always treats all shareholders impartially and fairly.
4.5. It is recommended that transactions (except insignificant ones due to their low value or concluded when carrying out routine operations in the company under usual conditions), concluded between the company and its shareholders, members of the supervisory or managing bodies or other natural or legal persons that exert or may exert influence on the company's management should be subject to approval of the collegial body. The decision concerning approval of such transactions should be deemed adopted only provided the majority of the independent members of the collegial body voted for such a decision.	Yes	All transactions (except insignificant ones due to their low value or concluded when carrying out routine operations in the Company under usual conditions), which are concluded between the Company and its shareholders or other natural or legal persons that exert or may exert influence on the Company's management are approved by the Board. The decision is adopted by a majority vote of the Board Members. This procedure is prescribed by the Board work regulations. Pursuant to the Company's Bylaws, the Company's Board shall adopt decisions to invest, transfer, lease, pledge or mortgage the tangible long-term assets the book value whereof exceeds 1/20 of the statutory capital of the Company or offer surety or guarantee with this regard, and to adopt decisions to acquire the tangible long-term assets the price whereof exceeds 1/20 of the statutory capital of the Company.
4.6. The collegial body should be independent in passing decisions that are significant for the company's operations and strategy. Taken separately, the collegial body should be independent of the company's management bodies. Members of the collegial body should act and pass decisions without an outside influence from the persons who have elected it. Companies should ensure that the collegial body and its committees are provided with sufficient administrative and financial resources to discharge their duties, including the right to obtain, in particular from employees of the company, all the necessary information or to seek independent legal, accounting or any other advice on issues pertaining to the competence of the collegial body and its committees.	Yes	The Company's collegial body is independent in passing decisions that are significant for the Company's operations and strategy. Members of the collegial body act and pass decisions without an outside influence from the persons who have elected them. The Supervisory Council is independent of the Board. All the Company's employees provide required information to the members of the Company's Supervisory Council in order they could properly execute their functions and deal with the issues pertaining to their competence.
4.7. Activities of the collegial body should be organized in a manner that independent members of the collegial body could have major influence in relevant areas where chances of occurrence of conflicts of interest are very high. Such areas to be considered as highly relevant are issues of nomination of company's directors, determination of directors' remuneration and control and assessment of company's audit. Therefore when the mentioned issues are attributable to the competence of the collegial body, it is recommended that the collegial body should establish nomination, remuneration, and audit committees. Companies should ensure that the functions attributable to the nomination, remuneration, and audit committees are	Yes	Issues of nomination of the Company General Director and determination of the Director's remuneration are addressed by the Company Board. The Company's audit is performed by an independent auditor elected at the General Meeting. In view of the structure, size, and activities of the Company, the Audit Committee was set up pursuant to clause 4.7 of this Code. The Audit Committee assists the Board in exercising its function. The Audit Committee supervises the process of drawing up Company's financial statements, the systems of internal control and financial risk management, the process of audit as well as controls whether the Company observes laws

carried out. However they may decide to merge these functions and set up less than three committees. In such case a company should explain in detail reasons behind the selection of alternative approach and how the selected approach complies with the objectives set forth for the three different committees. Should the collegial body of the company comprise small number of members, the functions assigned to the three committees may be performed by the collegial body itself, provided that it meets composition requirements advocated for the committees and that adequate information is provided in this respect. In such case provisions of this Code relating to the committees of the collegial body (in particular with respect to their role, operation, and transparency) should apply, where relevant, to the collegial body as a whole.		and legal regulations and the internal procedure requirements.
4.8. The key objective of the committees is to increase efficiency of the activities of the collegial body by ensuring that decisions are based on due consideration, and to help organize its work with a view to ensuring that the decisions it takes are free of material conflicts of interest. Committees should present the collegial body with recommendations concerning the decisions of the collegial body. Nevertheless the final decision shall be adopted by the collegial body. The recommendation on creation of committees is not intended, in principle, to constrict the competence of the collegial body or to remove the matters considered from the purview of the collegial body itself, which remains fully responsible for the decisions taken in its field of competence.	Yes	In view of the structure, size, and activities of the Company, the Audit Committee was set up pursuant to Clause 4.7 of this Code. The Company ensures that the Audit Company should receive all required information on the Company's financial state. First, the Audit Committee considers the annual and interim financial statements, which, together with the Committees's conclusions, are presented for the approval to the Board.
4.9. Committees established by the collegial body should normally be composed of at least three members. In companies with small number of members of the collegial body, they could exceptionally be composed of two members. Majority of the members of each committee should be constituted from independent members of the collegial body. In cases when the company chooses not to set up a supervisory board, remuneration and audit committees should be entirely comprised of non-executive directors. Chairmanship and membership of the committees should be decided with due regard to the need to ensure that committee membership is refreshed and that undue reliance is not placed on particular individuals.	Yes	In view of the structure, size, and activities of the Company, the Audit Committee was set up pursuant to Clause 4.7 of this Code. The Committee's rules of procedure, requirements, rights and duties are provided for in the Committee's Regulations, approved at a meeting of the Supervisory Council. The Company's Audit Committee comprises 3 members: 1. Eugenijus Verbavičius – chairman of the Audit Committee and chairman of the Company's Supervisory Council. 2. Asta Martinaitytė – member of the Audit Committee and member of the Company's Supervisory Council 3. Viktorija Zaliapūgienė – independent member of the Audit Committee
4.10. Authority of each of the committees should be determined by the collegial body. Committees should perform their duties in line with authority delegated to them and inform the collegial body on their activities and performance on regular basis. Authority of every committee stipulating the role and rights and duties of the committee should be made public at least once a	Yes	The Committee's rules of procedure, requirements, rights and duties are provided for in the Committee's Regulations, approved at a meeting of the Supervisory Council. Pursuant to the approved Regulations of the Audit Committee, its meetings are held at least once half a

year (as part of the information disclosed by the company annually on its corporate governance structures and practices). Companies should also make public annually a statement by existing committees on their composition, number of meetings and attendance over the year, and their main activities. Audit committee should confirm that it is satisfied with the independence of the audit process and describe briefly the actions it has taken to reach this conclusion.		year. The right of initiative to convoke a meeting of the Audit Committee is vested in every member of the Audit Committee. In 2008, one meeting of the Audit Committee was held where financial results for the year 2008 were considered. All members of the Audit Committee atended the meeting. The Audit Committee chaiman presided over the meeting. The Audit Committee submitted the 2008 financial results for the approval to the Board.
4.11. In order to ensure independence and impartiality of the committees, members of the collegial body that are not members of the committee should commonly have a right to participate in the meetings of the committee only if invited by the committee. A committee may invite or demand participation in the meeting of particular officers or experts. Chairman of each of the committees should have a possibility to maintain direct communication with the shareholders. Events when such are to be performed should be specified in the regulations for committee activities.	Yes	The Company's officers responsible for the activity fields considered by the Committee partivcipate in the Committee's meetings and provide it with all the required information. Chairman of the Audit Committee is also chairman of the Supervisory Council and therefore conditions are created for him to maintain direct communication with the shareholders.
4.12. Nomination Committee. 4.12.1. Key functions of the nomination committee should be the following: 1) Identify and recommend, for the approval of the collegial body, candidates to fill board vacancies. The nomination committee should evaluate the balance of skills, knowledge and experience on the management body, prepare a description of the roles and capabilities required to assume a particular office, and assess the time commitment expected. Nomination committee can also consider candidates to members of the collegial body delegated by the shareholders of the company; 2) Assess on regular basis the structure, size, composition and performance of the supervisory and management bodies, and make recommendations to the collegial body regarding the means of achieving necessary changes; 3) Assess on regular basis the skills, knowledge and experience of individual directors and report on this to the collegial body; 4) Properly consider issues related to succession planning; 5) Review the policy of the management bodies for selection and appointment of senior management. 4.12.2. Nomination committee should consider proposals by other parties, including management and shareholders. When dealing with issues related to executive directors or members of the board (if a collegial body elected by the general shareholders' meeting is the supervisory board) and senior management, chief executive officer of the company	No	The Nomination Committee is not formed in the Company.

should be consulted by, and entitled to submit proposals to the nomination committee..		
4.13. Remuneration Committee. 4.13.1. Key functions of the remuneration committee should be the following: 1) Make proposals, for the approval of the collegial body, on the remuneration policy for members of management bodies and executive directors. Such policy should address all forms of compensation, including the fixed remuneration, performance-based remuneration schemes, pension arrangements, and termination payments. Proposals considering performance-based remuneration schemes should be accompanied with recommendations on the related objectives and evaluation criteria, with a view to properly aligning the pay of executive director and members of the management bodies with the long-term interests of the shareholders and the objectives set by the collegial body; 2) Make proposals to the collegial body on the individual remuneration for executive directors and member of management bodies in order their remunerations are consistent with company's remuneration policy and the evaluation of the performance of these persons concerned. In doing so, the committee should be properly informed on the total compensation obtained by executive directors and members of the management bodies from the affiliated companies; 3) Make proposals to the collegial body on suitable forms of contracts for executive directors and members of the management bodies; 4) Assist the collegial body in overseeing how the company complies with applicable provisions regarding the remuneration-related information disclosure (in particular the remuneration policy applied and individual remuneration of directors); 5) Make general recommendations to the executive directors and members of the management bodies on the level and structure of remuneration for senior management (as defined by the collegial body) with regard to the respective information provided by the executive directors and members of the management bodies. 4.13.2. With respect to stock options and other share-based incentives which may be granted to directors or other employees, the committee should: 1) Consider general policy regarding the granting of the above mentioned schemes, in particular stock options, and make any related proposals to the collegial body; 2) Examine the related information that is given in the	No	The Remuneration Committee is not formed in the Company.

company's annual report and documents intended for the use during the shareholders meeting; 3) Make proposals to the collegial body regarding the choice between granting options to subscribe shares or granting options to purchase shares, specifying the reasons for its choice as well as the consequences that this choice has. 4.13.3. Upon resolution of the issues attributable to the competence of the remuneration committee, the committee should at least address the chairman of the collegial body and/or chief executive officer of the company for their opinion on the remuneration of other executive directors or members of the management bodies.		
4.14. Audit Committee. 4.14.1. Key functions of the audit committee should be the following: 1) Observe the integrity of the financial information provided by the company, in particular by reviewing the relevance and consistency of the accounting methods used by the company and its group (including the criteria for the consolidation of the accounts of companies in the group); 2) At least once a year review the systems of internal control and risk management to ensure that the key risks (inclusive of the risks in relation with compliance with existing laws and regulations) are properly identified, managed and reflected in the information provided; 3) Ensure the efficiency of the internal audit function, among other things, by making recommendations on the selection, appointment, reappointment and removal of the head of the internal audit department and on the budget of the department, and by monitoring the responsiveness of the management to its findings and recommendations. Should there be no internal audit authority in the company, the need for one should be reviewed at least annually; 4) Make recommendations to the collegial body related with selection, appointment, reappointment and removal of the external auditor (to be done by the general shareholders' meeting) and with the terms and conditions of his engagement. The committee should investigate situations that lead to a resignation of the audit company or auditor and make recommendations on required actions in such situations; 5) Monitor independence and impartiality of the external auditor, in particular by reviewing the audit company's compliance with applicable guidance relating to the rotation of audit partners, the level of fees paid by the company, and similar issues. In order to prevent occurrence of material conflicts of interest,	Yes	The Audit Committee's functions are provided for in the Regulations of the Audit Committee.

the committee, based on the auditor's disclosed inter alia data on all remunerations paid by the company to the auditor and network, should at all times monitor nature and extent of the non-audit services. Having regard to the principals and guidelines established in the 16 May 2002 Commission Recommendation 2002/590/EC, the committee should determine and apply a formal policy establishing types of non-audit services that are (a) excluded, (b) permissible only after review by the committee, and (c) permissible without referral to the committee; 6) Review efficiency of the external audit process and responsiveness of management to recommendations made in the external auditor's management letter. 4.14.2. All members of the committee should be furnished with complete information on particulars of accounting, financial and other operations of the company. Company's management should inform the audit committee of the methods used to account for significant and unusual transactions where the accounting treatment may be open to different approaches. In such case a special consideration should be given to company's operations in offshore centers and/or activities carried out through special purpose vehicles (organizations) and justification of such operations. 4.14.3. The audit committee should decide whether participation of the chairman of the collegial body, chief executive officer of the company, chief financial officer (or superior employees in charge of finances, treasury and accounting), or internal and external auditors in the meetings of the committee is required (if required, when). The committee should be entitled, when needed, to meet with any relevant person without executive directors and members of the management bodies present. 4.14.4. Internal and external auditors should be secured with not only effective working relationship with management, but also with free access to the collegial body. For this purpose the audit committee should act as the principal contact person for the internal and external auditors. 4.14.5. The audit committee should be informed of the internal auditor's work program, and should be furnished with internal audit's reports or periodic summaries. The audit committee should also be informed of the work program of the external auditor and should be furnished with report disclosing all relationships between the independent auditor and the company and its group. The committee should be timely furnished information on all issues arising from the audit. 4.14.6. The audit committee should examine whether		

the company is following applicable provisions regarding the possibility for employees to report alleged significant irregularities in the company, by way of complaints or through anonymous submissions (normally to an independent member of the collegial body), and should ensure that there is a procedure established for proportionate and independent investigation of these issues and for appropriate follow-up action. 4.14.7. The audit committee should report on its activities to the collegial body at least once in every six months, at the time the yearly and half-yearly statements are approved.		
4.15. Every year the collegial body should conduct the assessment of its activities. The assessment should include evaluation of collegial body's structure, work organization and ability to act as a group, evaluation of each of the collegial body member's and committee's competence and work efficiency and assessment whether the collegial body has achieved its objectives. The collegial body should, at least once a year, make public (as part of the information the company annually discloses on its management structures and practices) respective information on its internal organization and working procedures, and specify what material changes were made as a result of the assessment of the collegial body of its own activities.	Yes	The Supervision Board conducted the assessment of its activities during 2008. in pursuance of the Code provisions. The activity of the Supervision Board during the assessed period meets the limits of the competency of the collegial body. According to the company's particularity and composition of the Supervision Board (3 members make the Supervision Board), the activity of the collegial body is not stucturalized, The Supervision Board act as a group. The Supervision Board acted in compliance with the rules of procedure issued by the Supervision Board. The Supervision Board assesses the activity as good. This assessment has no influence to any essntial changes.
Principle V: The working procedure of the company's collegial bodies **The working procedure of supervisory and management bodies established in the company should ensure efficient operation of these bodies and decision-making and encourage active co-operation between the company's bodies.**		
5.1. The company's supervisory and management bodies (hereinafter in this Principle the concept 'collegial bodies' covers both the collegial bodies of supervision and the collegial bodies of management) should be chaired by chairpersons of these bodies. The chairperson of a collegial body is responsible for proper convocation of the collegial body meetings. The chairperson should ensure that information about the meeting being convened and its agenda are communicated to all members of the body. The chairperson of a collegial body should ensure appropriate conducting of the meetings of the collegial body. The chairperson should ensure order and working atmosphere during the meeting.	Yes	The Supervisory Council meetings shall be convened by the Council chairman. The meetings may also be convened by the decision passed by not less than 2/3 of the Council members. When notifying of the meetings the required material prepared for the meeting has also to be presented. Meetings of the Audit Committee shall be convened following the procedure approved in the Audit Committee's Regulations. Chairman of the Audit Committee shall be responsible for the convocation of the Audit Committee's meetings.
5.2. It is recommended that meetings of the company's collegial bodies should be carried out according to the schedule approved in advance at certain intervals of time. Each company is free to decide how often to	Yes	The Supervisory Council meetings shall be convened at least once a quarter. Members shall be notified of the Supervisory Council meetings being convened in writing or orally not later than 3 (three) days in advance. The Company Board meetings shall be

convene meetings of the collegial bodies, but it is recommended that these meetings should be convened at such intervals, which would guarantee an interrupted resolution of the essential corporate governance issues. Meetings of the company's supervisory board should be convened at least once in a quarter, and the company's board should meet at least once a month.		convened at least once a month. Meetings of the Audit Committee shall be convened at least once a half-year.
5.3. Members of a collegial body should be notified about the meeting being convened in advance in order to allow sufficient time for proper preparation for the issues on the agenda of the meeting and to ensure fruitful discussion and adoption of appropriate decisions. Alongside with the notice about the meeting being convened, all the documents relevant to the issues on the agenda of the meeting should be submitted to the members of the collegial body. The agenda of the meeting should not be changed or supplemented during the meeting, unless all members of the collegial body are present or certain issues of great importance to the company require immediate resolution.	Yes	When notifying of the meetings the required material prepared for the meeting has also to be presented (theses of reports, draft resolutions, certificates, explanations and other necessary documents). The Council's meetings shall be convened at least once a quarter. Members shall be notified about the meeting being convened in writing or orally not later than 3 (three) days in advance. In separate cases, upon having consent of all members of the Council, meetings may be convened within a shorter term. Meetings of the Audit Committee shall be convened at least once a half-year. Members of the Audit Committee shall be notified of the meeting and its agenda not later than 2 (two) days in advance.
5.4. In order to co-ordinate operation of the company's collegial bodies and ensure effective decision-making process, chairpersons of the company's collegial bodies of supervision and management should closely co-operate by co-coordinating dates of the meetings, their agendas and resolving other issues of corporate governance. Members of the company's board should be free to attend meetings of the company's supervisory board, especially where issues concerning removal of the board members, their liability or remuneration are discussed.	Yes	The Company Board's members and other Company's managers or officers may be invited to participate in the Audit Committee's meetings with a deliberative vote. If the invited persons cannot participate in the meeting they must notify the Council's chairman by stating the reason of absence.
Principle VI: The equitable treatment of shareholders and shareholder rights **The corporate governance framework should ensure the equitable treatment of all shareholders, including minority and foreign shareholders. The corporate governance framework should protect the rights of the shareholders.**		
6.1. It is recommended that the company's capital should consist only of the shares that grant the same rights to voting, ownership, dividend and other rights to all their holders.	Yes	Ordinary registered shares comprising the Company's capital grant equal rights to all holders of the Company's shares.
6.2. It is recommended that investors should have access to the information concerning the rights attached to the shares of the new issue or those issued earlier in advance, i.e. before they purchase shares.	Yes	The investors are informed of newly issued shares in the manner prescribed by the law of the Republic of Lithuania, i.e. through the information systems of the Securities Commission and AB NADAQ OMX Vilnius. All the issue terms and conditions are contained in the Share Subscription Agreements.
6.3. Transactions that are important to the company and its shareholders, such as transfer, investment, and pledge of the company's assets or any other type of	Yes	Since 2004 when the amendments to the Law on Companies and the Articles of Association of the company came into effect, transactions that are

encumbrance should be subject to approval of the general shareholders' meeting. All shareholders should be furnished with equal opportunity to familiarize with and participate in the decision-making process when significant corporate issues, including approval of transactions referred to above, are discussed.		important to the Company and its shareholders, such as transfer, investment, pledge, rent, and acquisition of the Company's assets, are approved under the Board decision. The competencies of the General Meeting and the Board prescribed by the Articles of Association are concurrent with the provisions of the Law on Companies of the Republic of Lithuania.
6.4. Procedures of convening and conducting a general shareholders' meeting should ensure equal opportunities for the shareholders to effectively participate at the meetings and should not prejudice the rights and interests of the shareholders. The venue, date, and time of the shareholders' meeting should not hinder wide attendance of the shareholders. Prior to the shareholders' meeting, the company's supervisory and management bodies should enable the shareholders to lodge questions on issues on the agenda of the general shareholders' meeting and receive answers to them.	Yes	The General Meeting is convened in strict pursuance of the procedure prescribed by the Law on Companies of the Republic of Lithuania. The procedures related to the General Meeting prescribed by the Articles of Association are concurrent with the provisions of the Law on Companies of the Republic of Lithuania. In pursuance of the provisions and deadlines prescribed by the Law on Companies, prior to the General Meeting all the shareholders are provided equal opportunities to get information on the convened Meeting and its agenda.
6.5. It is recommended that documents on the course of the general shareholders' meeting, including draft resolutions of the meeting, should be placed on the publicly accessible website of the company in advance. It is recommended that the minutes of the general shareholders' meeting after signing them and/or adopted resolutions should be also placed on the publicly accessible website of the company. Seeking to ensure the right of foreigners to familiarize with the information, whenever feasible, documents referred to in this recommendation should be published in English and/or other foreign languages. Documents referred to in this recommendation may be published on the publicly accessible website of the company to the extent that publishing of these documents is not detrimental to the company or the company's commercial secrets are not revealed.	Yes	In pursuance of the general procedure prescribed in the Law on Companies of the Republic of Lithuania, the shareholders are publicly informed on the convening of the General Meeting and at least 10 days before the Meeting they are provided a possibility to access the draft resolutions which are published on the website of AB NASDAQ OMX Vilnius in Lithuanian and English. The signed minutes of the General Meeting and the passed resolutions are placed in publicly accessible media and submitted to the Registrar of Legal Persons in the manner prescribed by the Law on Companies of the Republic of Lithuania to the extent that publishing of these documents is not detrimental to the Company or the Company's commercial secrets are not revealed.
6.6. Shareholders should be furnished with the opportunity to vote in the general shareholders' meeting in person and in absentia. Shareholders should not be prevented from voting in writing in advance by completing the general voting ballot.	Yes	The shareholders of the Company enjoy unrestricted voting rights and they may exercise the right in person or through their proxies. When the voting right is implemented through the proxy, the later submits a proxy or an agreement on the transfer of the voting right is made therewith. The proxy of a shareholder who is a natural person must be notarised, whereas the proxy of a shareholder who is a legal person must be signed by the Head of the Company and bear the company seal. At least 10 days before the General Meeting the Company sends the general ballots by registered mail or hand them in personally against signature to the shareholders if the shareholders entitled to vote so request in writing.
6.7. With a view to increasing the shareholders' opportunities to participate effectively at shareholders' meetings, the companies are recommended to expand use of modern technologies in voting processes by	Irrelevant	Up to now the Company did not have the need of implementing this recommendation; the shareholders take part in the General Meetings in person or through their proxies where they vote to express their opinion.

<table>
<tr><td>allowing the shareholders to vote in general meetings via terminal equipment of telecommunications. In such cases security of telecommunication equipment, text protection and a possibility to identify the signature of the voting person should be guaranteed. Moreover, companies could furnish its shareholders, especially foreigners, with the opportunity to watch shareholder meetings by means of modern technologies.</td><td></td><td></td></tr>
<tr><td colspan="3">Principle VII: The avoidance of conflicts of interest and their disclosure

The corporate governance framework should encourage members of the corporate bodies to avoid conflicts of interest and assure transparent and effective mechanism of disclosure of conflicts of interest regarding members of the corporate bodies.</td></tr>
<tr><td>7.1. Any member of the company's supervisory and management body should avoid a situation, in which his/her personal interests are in conflict or may be in conflict with the company's interests. In case such a situation did occur, a member of the company's supervisory and management body should, within reasonable time, inform other members of the same collegial body or the company's body that has elected him/her, or to the company's shareholders about a situation of a conflict of interest, indicate the nature of the conflict and value, where possible.</td><td>Yes</td><td rowspan="3">The Company follows these recommendations since the members of the Company's Supervisory Council and Board must observe the provisions laid down in these recommendations.</td></tr>
<tr><td>7.2. Any member of the company's supervisory and management body may not mix the company's assets, the use of which has not been mutually agreed upon, with his/her personal assets or use them or the information which he/she learns by virtue of his/her position as a member of a corporate body for his/her personal benefit or for the benefit of any third person without a prior agreement of the general shareholders' meeting or any other corporate body authorized by the meeting.</td><td>Yes</td></tr>
<tr><td>7.3. Any member of the company's supervisory and management body may conclude a transaction with the company, a member of a corporate body of which he/she is. Such a transaction (except insignificant ones due to their low value or concluded when carrying out routine operations in the company under usual conditions) must be immediately reported in writing or orally, by recording this in the minutes of the meeting, to other members of the same corporate body or to the corporate body that has elected him/her or to the company's shareholders. Transactions specified in this recommendation are also subject to recommendation 4.5.</td><td>Yes</td></tr>
<tr><td>7.4. Any member of the company's supervisory and management body should abstain from voting when decisions concerning transactions or other issues of personal or business interest are voted on.</td><td>Yes</td><td>The Company Supervisory Council and Board Members are acquainted with these provisions and under the said circumstances, would implement this recommendation in practice.</td></tr>
</table>

Principle VIII: Company's remuneration policy Remuneration policy and procedure for approval, revision and disclosure of directors' remuneration established in the company should prevent potential conflicts of interest and abuse in determining remuneration of directors, in addition it should ensure publicity and transparency both of company's remuneration policy and remuneration of directors.		
8.1. A company should make a public statement of the company's remuneration policy (hereinafter the remuneration statement). This statement should be part of the company's annual accounts. Remuneration statement should also be posted on the company's website.	Yes No	The Company does not make a public statement of the Company's remuneration policy as it is an internal and confidetial document of the Company. General information about average salaries of separate groups of employees and the total amount of remuneration paid to the Company's management is disclosed in the annual report and posted on the Company's website.
8.2. Remuneration statement should mainly focus on directors' remuneration policy for the following year and, if appropriate, the subsequent years. The statement should contain a summary of the implementation of the remuneration policy in the previous financial year. Special attention should be given to any significant changes in company's remuneration policy as compared to the previous financial year.	Yes	The Company's remuneration policy during the last financial year was implemented according to the rules of remuneration for the work. This document shows that the only benefit the Company's managers receives is remuneration according to the working contract. The Company does not plan any significat changes in the company's managers remuneration policy.
8.3. Remuneration statement should leastwise include the following information: 1) Explanation of the relative importance of the variable and non-variable components of directors' remuneration;	Yes	Fixed remuneration part paid to the Managing Director L.R.Butkus accounted for 18.6 percent of the total paid remuneration. Fixed remuneration part paid to the Executive Director A.A.Bartuška accounted for 22.9 percent of the total paid remuneration. Fixed remuneration part paid to the Personnel and General Affairs Director A.Kurauskienė accounted for 34.5 percent of the total paid remuneration.
2) Sufficient information on performance criteria that entitles directors to share options, shares or variable components of remuneration;	No	Right to share options or shares is not provided.
3) Sufficient information on the linkage between the remuneration and performance;	Yes	According to the Remuneration for Work Regulation valid in the Company, the remuneration is not limited and variable part of the remuneration depends on the amount of performed works and is calculated applying the rates of each occupation covered in the Remuneration for Work Regulation.
4) The main parameters and rationale for any annual bonus scheme and any other non-cash benefits;	No	There is no annual bonus scheme or any other non-cash benefits in the Company.
5) A description of the main characteristics of supplementary pension or early retirement schemes for directors.	No	There is no supplementary pension or early retirement schemes in the Company.

8.4. Remuneration statement should also summarize and explain company's policy regarding the terms of the contracts executed with executive directors and members of the management bodies. It should include, inter alia, information on the duration of contracts with executive directors and members of the management bodies, the applicable notice periods and details of provisions for termination payments linked to early termination under contracts for executive directors and members of the management bodies.	Yes	Working contracts are executed with executive directors in the Company. These contracts meet the requirements of the Labour Code and Civil Code of LR and related legislative acts as well as the Company's rules and the collective labour agreement valid in the Company. The contracts executed with the executive directors have no exclusive conditions. The contracts are not executed with members of the management bodies.
8.5. The information on preparatory and decision-making processes, during which a policy of remuneration of directors is being established, should also be disclosed. Information should include data, if applicable, on authorities and composition of the remuneration committee, names and surnames of external consultants whose services have been used in determination of the remuneration policy as well as the role of shareholders' annual general meeting.	No	The Supervision Board appoints the remuneration of the General Manager. The remuneration of the other directors is appointed according to the Remuneration for Work Regulation valid in the Company. The remuneration committee is not formed in the Company. The Company does not engage external consultants whose services have been used in determination of the remuneration policy.
8.6. Without prejudice to the role and organization of the relevant bodies responsible for setting directors' remunerations, the remuneration policy or any other significant change in remuneration policy should be included into the agenda of the shareholders' annual general meeting. Remuneration statement should be put for voting in shareholders' annual general meeting. The vote may be either mandatory or advisory.	Yes	Significant aspects of the remuneration policy are covered in the annual report of the chairman of the board as a part of the report and are confirmed in the annual shareholder's meeting. Significant changes of the remuneration policy are not planed in the Company.

8.7. Remuneration statement should also contain detailed information on the entire amount of remuneration, inclusive of other benefits, that was paid to individual directors over the relevant financial year. This document should list at least the information set out in items 8.7.1 to 8.7.4 for each person who has served as a director of the company at any time during the relevant financial year. 8.7.1. The following remuneration and/or emoluments-related information should be disclosed: 1) The total amount of remuneration paid or due to the director for services performed during the relevant financial year, inclusive of, where relevant, attendance fees fixed by the annual general shareholders meeting;	Yes	The remuneration paid for the directors of the Company during the relevant financial year is calculated according to the normative documents of the Company.
2)The remuneration and advantages received from any undertaking belonging to the same group;	No	The Company has no any undertaking belonging to the same group.
3) The remuneration paid in the form of profit sharing and/or bonus payments and the reasons why such bonus payments and/or profit sharing were granted;	No	No remuneration was paid in the Company in the form of profit.
	No	No additional remuneration paid to directors for special services outside the scope of the usual functions of a director in the Company.

4) If permissible by the law, any significant additional remuneration paid to directors for special services outside the scope of the usual functions of a director; 5) Compensation receivable or paid to each former executive director or member of the management body as a result of his resignation from the office during the previous financial year; 6) Total estimated value of non-cash benefits considered as remuneration, other than the items covered in the above points. 8.7.2. As regards shares and/or rights to acquire share options and/or all other share-incentive schemes, the following information should be disclosed: 1) The number of share options offered or shares granted by the company during the relevant financial year and their conditions of application; 2) The number of shares options exercised during the relevant financial year and, for each of them, the number of shares involved and the exercise price or the value of the interest in the share incentive scheme at the end of the financial year; 3) The number of share options unexercised at the end of the financial year; their exercise price, the exercise date and the main conditions for the exercise of the rights; 4) All changes in the terms and conditions of existing share options occurring during the financial year. 8.7.3. The following supplementary pension schemes-related information should be disclosed: 1) When the pension scheme is a defined-benefit scheme, changes in the directors' accrued benefits under that scheme during the relevant financial year; 2) When the pension scheme is defined-contribution scheme, detailed information on contributions paid or payable by the company in respect of that director during the relevant financial year. 8.7.4. The statement should also state amounts that the company or any subsidiary company or entity included in the consolidated annual financial statements of the company has paid to each person who has served as a director in the company at any time during the relevant financial year in the form of loans, advance payments or guarantees, including the amount outstanding and the interest rate..	No No No No No	There was no Compensation receivable or paid to each former executive director or member of the management body as a result of his resignation from the office during the previous financial year in the Company. There was no non-cash benefits considered as remuneration in the Company. The company's personnel do not receive the remuneration in shares or rights to acquire share options. The supplementary pension schemes are not executed for the company's personnel. The Company has not paid to each person who has served as a director in the company at any time during the relevant financial year in the form of loans, advance payments or guarantees, including the amount outstanding and the interest rate..

8.8. Schemes anticipating remuneration of directors in shares, share options or any other right to purchase shares or be remunerated on the basis of share price movements should be subject to the prior approval of shareholders' annual general meeting by way of a resolution prior to their adoption. The approval of scheme should be related with the scheme itself and not to the grant of such share-based benefits under that scheme to individual directors. All significant changes in scheme provisions should also be subject to shareholders' approval prior to their adoption; the approval decision should be made in shareholders' annual general meeting. In such case shareholders should be notified on all terms of suggested changes and get an explanation on the impact of the suggested changes.	No	The Company does not use schemes anticipating remuneration of directors in shares, since there have been no such cases in the Company. If such a possibility emerges, the issues would be considered by the General Meeting, which would pass relevant resolutions.
8.9. The following issues should be subject to approval by the shareholders' annual general meeting: 1) Grant of share-based schemes, including share options, to directors; 2) Determination of maximum number of shares and main conditions of share granting; 3) The term within which options can be exercised; 4) The conditions for any subsequent change in the exercise of the options, if permissible by law; 5) All other long-term incentive schemes for which directors are eligible and which are not available to other employees of the company under similar terms. Annual general meeting should also set the deadline within which the body responsible for remuneration of directors may award compensations listed in this article to individual directors.		See commentary on the recommendation 8.8.
8.10. Should national law or company's Articles of Association allow, any discounted option arrangement under which any rights are granted to subscribe to shares at a price lower than the market value of the share prevailing on the day of the price determination, or the average of the market values over a number of days preceding the date when the exercise price is determined, should also be subject to the shareholders' approval.		See commentary on the recommendation 8.8.
8.11. Provisions of Articles 8.8 and 8.9 should not be applicable to schemes allowing for participation under similar conditions to company's employees or employees of any subsidiary company whose employees are eligible to participate in the scheme and which has been approved in the shareholders' annual general meeting.		See commentary on the recommendation 8.8.

8.12. Prior to the annual general meeting that is intended to consider decision stipulated in Article 8.8, the shareholders must be provided an opportunity to familiarize with draft resolution and project-related notice (the documents should be posted on the company's website). The notice should contain the full text of the share-based remuneration schemes or a description of their key terms, as well as full names of the participants in the schemes. Notice should also specify the relationship of the schemes and the overall remuneration policy of the directors. Draft resolution must have a clear reference to the scheme itself or to the summary of its key terms. Shareholders must also be presented with information on how the company intends to provide for the shares required to meet its obligations under incentive schemes. It should be clearly stated whether the company intends to buy shares in the market, hold the shares in reserve or issue new ones. There should also be a summary on scheme-related expenses the company will suffer due to the anticipated application of the scheme. All information given in this article must be posted on the company's website..		See commentary on the recommendation 8.8.
Principle IX: The role of stakeholders in corporate governance The corporate governance framework should recognize the rights of stakeholders as established by law and encourage active co-operation between companies and stakeholders in creating the company value, jobs and financial sustainability. For the purposes of this Principle, the concept "stakeholders" includes investors, employees, creditors, suppliers, clients, local community and other persons having certain interest in the company concerned.		
9.1. The corporate governance framework should assure that the rights of stakeholders that are protected by law are respected..	Yes	The corporate governance framework assures that the rights of stakeholders that are protected by law are respected. For instance, the rights of the Company employees are prescribed by the Labour Code and such rights are not violated by the Company. Other internal agreements, agreements with the suppliers, customers, and creditors are comprehensively implemented, which, in its own turn, adds to the long-term success and good performance results of the Company.
9.2. The corporate governance framework should create conditions for the stakeholders to participate in corporate governance in the manner prescribed by law. Examples of mechanisms of stakeholder participation in corporate governance include: employee participation in adoption of certain key decisions for the company; consulting the employees on corporate governance and other important issues; employee participation in the company's share capital; creditor involvement in governance in the context of the company's insolvency, etc.	Yes	The conditions for the stakeholders to participate in corporate governance are created in the manner prescribed by the law. Labour laws grant the right to the representatives of employees to submit proposals to the Company concerning work organization, in adoption of key decisions.

9.3. Where stakeholders participate in the corporate governance process, they should have access to relevant information.	Yes	The stakeholders have access to relevant information unless that is in breach of the law and the rules on commercial secret disclosure.
Principle X: Information disclosure and transparency **The corporate governance framework should ensure that timely and accurate disclosure is made on all material information regarding the company, including the financial situation, performance and governance of the company.**		
10.1. The company should disclose information on: 1) The financial and operating results of the company; 2) Company objectives; 3) Persons holding by the right of ownership or in control of a block of shares in the company; 4) Members of the company's supervisory and management bodies, chief executive officer of the company and their remuneration; 5) Material foreseeable risk factors; 6) Transactions between the company and connected persons, as well as transactions concluded outside the course of the company's regular operations; 7) Material issues regarding employees and other stakeholders; 8) Governance structures and strategy. This list should be deemed as a minimum recommendation, while the companies are encouraged not to limit themselves to disclosure of the information specified in this list..	Yes	Information required by these recommendations, except clause 4, is disclosed in the following sources: Company's annual report, explanatory notes to Financial Statements, and notifications of material events. This information is posted on AB NASDAQ OMX Vilnius website www.nasdaqomx.com. and the Company's website www.pramprojektas.lt.
10.2. It is recommended that consolidated results of the whole group to which the company belongs should be disclosed when information specified in item 1 of Recommendation 10.1 is under disclosure.	Yes	The company does not belong to a consolidated company group.
10.3. It is recommended that information on the professional background, qualifications of the members of supervisory and management bodies, chief executive officer of the company should be disclosed as well as potential conflicts of interest that may have an effect on their decisions when information specified in item 4 of Recommendation 10.1 about the members of the company's supervisory and management bodies is under disclosure. It is also recommended that information about the amount of remuneration received from the company and other income should be disclosed with regard to members of the company's supervisory and management bodies and chief executive officer as per Principle VIII.	Yes	The information is provided in the Annual Report.

10.4. It is recommended that information about the links between the company and its stakeholders, including employees, creditors, suppliers, local community, as well as the company's policy with regard to human resources, employee participation schemes in the company's share capital, etc. should be disclosed when information specified in item 7 of Recommendation 10.1 is under disclosure	Yes	The corporate governance framework assures that the rights of the employees and other stakeholders are respected. The requirements of the Labour Code with respect of the employees are strictly observed; they are offered favourable working conditions. The relations with the suppliers and customers are defined by contractual obligations which are not breached by the Company. Support to the local community is provided in the fields of sports and art. Some of the employees are shareholders of the Company.
10.5. Information should be disclosed in such a way that neither shareholders nor investors are discriminated with regard to the manner or scope of access to information. Information should be disclosed to all simultaneously. It is recommended that notices about material events should be announced before or after a trading session on the Vilnius Stock Exchange, so that all the company's shareholders and investors should have equal access to the information and make informed investing decisions..	Yes	As much as possible the Company provides information through AB NASDAQ OMX Vilnius information disclosure system in Lithuanian and English simultaneously. The submitted information is published by the Stock Exchange on its website and the trading system, which ensures simultaneous disclosure of information to everybody. The company publishes the information before or after AB NASDAQ OMX Vilnius trading session. The Company does not disclose any information that is likely to affect the price of securities issued thereby either in the comments, at an interview or otherwise until such information is made public through the Stock Exchange information disclosure system..
10.6. Channels for disseminating information should provide for fair, timely and cost-efficient access to relevant information by users. It is recommended that information technologies should be employed for wider dissemination of information, for instance, by placing the information on the company's website. It is recommended that information should be published and placed on the company's website not only in Lithuanian, but also in English, and, whenever possible and necessary, in other languages as well.	No	Information about the Company is disclosed in the annual report and submitted to AB NASDAQ OMX Vilnius. This information is available for familiarisation in the Company's head-office and on the Company's website. Information is presented in Lithuanian and English.
10.7. It is recommended that the company's annual reports and other periodical accounts prepared by the company should be placed on the company's website. It is recommended that the company should announce information about material events and changes in the price of the company's shares on the Stock Exchange on the company's website too..	No	All material events of 2008 and the annual and interim reports and financial statements for 2008 are posted on the Company's website.

Principle XI: The selection of the company's auditor

The mechanism of the selection of the company's auditor should ensure independence of the firm of auditor's conclusion and opinion.

11.1. An annual audit of the company's financial statements and report should be conducted by an independent firm of auditors in order to provide an external and objective opinion on the company's financial statements.	Yes	An independent audit of the interim financial statements is conducted at the Company, since such audit is not mandatory under the law of the Republic of Lithuania. An independent audit institution provides audit of annual financial statements.
11.2. It is recommended that the company's supervisory board and, where it is not set up, the company's board should propose a candidate firm of auditors to the general shareholders' meeting.	Yes	The Company follows this recommendation since the candidate company of auditors is proposed to the general shareholders' meeting by the company's Supervisory Council event though it can also be proposed by the shareholders or the Company's Board.
11.3. It is recommended that the company should disclose to its shareholders the level of fees paid to the firm of auditors for non-audit services rendered to the company. This information should be also known to the company's supervisory board and, where it is not formed, the company's board upon their consideration which firm of auditors to propose for the general shareholders' meeting.	Yes	The audit firm has not provided non-audit services to the Company and the Company has paid no fees related to such services to the audit firm.