



**AKCINĖ BENDROVĖ „LIETUVOS DUJOS“
JOINT STOCK COMPANY LIETUVOS DUJOS**

Aguonų g. 24, LT-03212 Vilnius, Lithuania

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To: The Securities Commission
of the Republic of Lithuania

2010-02-26

CONFIRMATION OF RESPONSIBLE PERSONS

Following Art. 22 of the Law on Securities of the Republic of Lithuania and the Rules for the Drawing up and the Submission of Periodic and Additional Information approved by the Securities Commission of the Republic of Lithuania, we, Viktoras Valentukevičius, General Manager and Giedrė Glinskienė, Deputy General Manager – Chief Financial Officer of AB Lietuvos Dujos, hereby confirm that to the best of our knowledge, the attached AB Lietuvos Dujos Consolidated and Parent Company's Condensed Financial Statements for the Twelve Months Ended 31 December 2009 Prepared According to International Financial Reporting Standards as Adopted by the European Union, give a true and fair view of the assets, liabilities, financial position, profit or loss of AB Lietuvos Dujos and the Group.

General Manager

Viktoras Valentukevičius

Deputy General Manager – Chief Financial Officer

Giedrė Glinskienė

AB LIETUVOS DUJOS

CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2009
PREPARED ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EU

Statements of financial position

	Group		Company	
	As of 31 December 2009 (pre-audited)	As of 31 December 2008 (audited)	As of 31 December 2009 (pre-audited)	As of 31 December 2008 (audited)
ASSETS				
A. Non-current assets	2,290,965	2,249,069	2,292,578	2,252,636
I. Intangible assets	3,917	3,765	3,896	3,738
II. Property, plant and equipment	2,287,000	2,245,239	2,277,897	2,238,096
II.1. Land	183	183	183	183
II.2. Buildings and structures	2,046,025	2,050,832	2,039,464	2,044,127
II.2.1. Buildings	84,536	82,994	77,975	76,289
II.2.2. Transmission networks and related installations	1,257,982	1,268,382	1,257,982	1,268,382
II.2.3. Distribution networks and related installations	692,380	689,942	692,380	689,942
II.2.4. Other buildings and structures	11,127	9,514	11,127	9,514
II.3. Machinery and equipment	94,131	84,814	94,131	84,814
II.4. Vehicles	15,001	13,596	14,990	13,577
II.5. Other equipment, tools and devices	30,627	32,897	30,338	32,584
II.6. Other property, plant and equipment	3,892	4,316	3,892	4,316
II.7. Construction in progress	97,141	58,601	94,899	58,495
III. Non-current financial assets	48	65	10,785	10,802
III.1. Investments into subsidiaries	-	-	10,737	10,737
III.2. Non-current accounts receivable	48	65	48	65
	-	-	-	-
B. Current assets	260,217	280,197	257,231	275,840
I. Inventories and prepayments	44,402	58,660	44,391	58,638
I.1. Inventories	44,226	58,174	44,215	58,159
I.1.1. Raw materials, spare parts and other inventories	4,177	2,992	4,176	2,991
I.1.2. Goods for resale (including natural gas)	40,049	55,182	40,039	55,168
I.2. Prepayments	176	486	176	479
II. Accounts receivable	128,029	133,212	127,668	133,207
II.1. Trade receivables	126,757	130,878	126,722	130,882
II.2. Prepaid income tax	-	1,852	-	1,844
II.3. Other receivables	1,272	482	946	481
III. Other current assets	22,958	4,099	21,016	-
IV. Cash and cash equivalents	64,828	84,226	64,156	83,995
Total assets	2,551,182	2,529,266	2,549,809	2,528,476

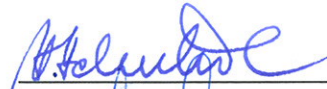
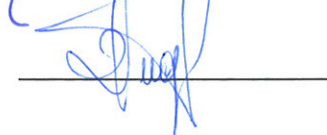
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The accompanying notes are an integral part of these financial statements.

Statements of financial position (cont'd)

	Group		Company	
	As of 31 December 2009	As of 31 December 2008	As of 31 December 2009	As of 31 December 2008
Notes	(pre-audited)	(audited)	(pre-audited)	(audited)
EQUITY AND LIABILITIES				
C. Equity	1,991,184	1,882,305	1,989,996	1,881,045
I. Share capital	469,068	469,068	469,068	469,068
II. Reserves	1,369,370	1,411,775	1,366,977	1,409,678
II.1. Legal reserves	26,372	23,160	26,180	22,983
II.2. Other reserves	1,342,998	1,388,615	1,340,797	1,386,695
III. Retained earnings	6 152,746	1,462	153,951	2,299
D. Liabilities	559,998	646,961	559,813	647,431
I. Non-current liabilities	358,577	415,223	358,964	415,750
I.1. Non-current borrowings	7 6,432	8,576	6,432	8,576
I.2. Grants (deferred revenue)	171,871	164,212	171,871	164,212
I.3. Non-current employee benefits	8 7,283	-	7,283	-
I.4. Deferred tax liability	6 172,991	242,435	173,378	242,962
II. Current liabilities	201,421	231,738	200,849	231,681
II.1. Current portion of non-current borrowings	7 2,144	2,144	2,144	2,144
II.2. Trade payables	9 145,112	180,951	144,592	180,941
II.3. Prepayments received	9,760	10,536	9,755	10,529
II.4. Income tax payable	2,853	-	2,853	-
II.5. Payroll related liabilities	7,273	7,901	7,237	7,861
II.6. Other current liabilities	34,279	30,206	34,268	30,206
Total equity and liabilities	2,551,182	2,529,266	2,549,809	2,528,476

The accompanying notes are an integral part of these financial statements.

General Manager	Viktoras Valentukevičius		26 February 2010
Chief Accountant	Žydrūnas Augutis		26 February 2010

AB LIETUVOS DUJOS, company code 120059523, Aguonų Str. 24, Vilnius, Lithuania
 CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS
 FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2009
 (all amounts are in LTL thousand unless otherwise stated)

Income statements

	Group		Company		Group		Company	
	Twelve months period ended	Twelve months period ended	Twelve months period ended	Twelve months period ended	Three months period ended	Three months period ended	Three months period ended	Three months period ended
	31 December 2009	31 December 2008	31 December 2009	31 December 2008	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Notes	(pre-audited)	(audited, restated)	(pre-audited)	(audited, restated)	(pre-audited)	(pre-audited, restated)	(pre-audited)	(pre-audited, restated)
I. Income	1,270,521	1,561,744	1,269,695	1,560,439	397,954	497,227	397,883	497,062
I.1. Sales	1,264,308	1,555,366	1,263,482	1,554,061	396,598	495,664	396,527	495,499
I.2. Other operating income	6,213	6,378	6,213	6,378	1,356	1,563	1,356	1,563
II. Expenses	(1,153,439)	(1,494,145)	(1,152,346)	(1,492,804)	(357,975)	(514,343)	(357,753)	(514,068)
II.1. Cost of natural gas	(901,078)	(1,242,167)	(901,078)	(1,242,167)	(284,228)	(443,042)	(284,228)	(443,042)
II.2. Other expenses	(252,361)	(251,978)	(251,268)	(250,637)	(73,747)	(71,301)	(73,525)	(71,026)
III. Profit from operations	117,082	67,599	117,349	67,635	39,979	(17,116)	40,130	(17,006)
IV. Financial activities	3,000	5,674	2,664	5,443	640	1,406	573	1,341
IV.1. Income	3,620	6,537	3,284	6,306	781	1,562	714	1,497
IV.2. Expenses	(620)	(863)	(620)	(863)	(141)	(156)	(141)	(156)
V. Profit before tax	120,082	73,273	120,013	73,078	40,619	(15,710)	40,703	(15,665)
VI. Income tax	(25,307)	(9,038)	(25,166)	(9,141)	(10,595)	2,270	(10,485)	2,130
VI.1. Current period income tax	(35,646)	(18,841)	(35,646)	(18,820)	(13,416)	(1,560)	(13,439)	(1,570)
VI.2. Deferred income tax	10,339	9,803	10,480	9,679	2,821	3,830	2,954	3,700
VII. Net profit	94,775	64,235	94,847	63,937	30,024	(13,440)	30,218	(13,535)
Basic and diluted earnings per share (LTL)	10	0.20	0.20	0.14	0.06	(0.03)	0.06	(0.03)

The accompanying notes are an integral part of these financial statements.

General Manager Viktoras Valentukevičius 26 February 2010

Chief Accountant Žydrūnas Augutis 26 February 2010

AB LIETUVOS DUJOS, company code 120059523, Aguonų Str. 24, Vilnius, Lithuania
 CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS
 FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2009
 (all amounts are in LTL thousand unless otherwise stated)

Statements of comprehensive income

	Group		Company		Group		Company	
	Twelve months period ended 31 December 2009 (pre-audited)	Twelve months period ended 31 December 2008 (audited)	Twelve months period ended 31 December 2009 (pre-audited)	Twelve months period ended 31 December 2008 (audited)	Three months period ended 31 December 2009 (pre-audited)	Three months period ended 31 December 2008 (pre-audited)	Three months period ended 31 December 2009 (pre-audited)	Three months period ended 31 December 2008 (pre-audited)
I. Net profit	94,775	64,235	94,847	63,937	30,024	(13,440)	30,218	(13,535)
II. Change in deferred income tax liability due to tax rate change	59,104	(61,717)	59,104	(61,717)	59,104	(61,717)	59,104	(61,717)
III. Total comprehensive income	153,879	2,518	153,951	2,220	89,128	(75,157)	89,322	(75,252)

The accompanying notes are an integral part of these financial statements.

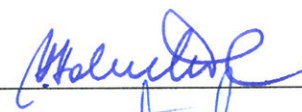
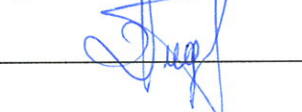
General Manager _____ Viktoras Valentukevičius _____ 26 February 2010

Chief Accountant _____ Žydrūnas Augutis _____ 26 February 2010

Statements of changes in equity

<u>Group</u>	<u>Notes</u>	<u>Share capital</u>	<u>Legal reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>
Balance as of 1 January 2008 (audited)		469,068	17,962	1,339,919	102,838	1,929,787
Transfer to legal reserve		-	5,198	-	(5,198)	-
Transfer to other reserves		-	-	48,696	(48,696)	-
Dividends declared	11	-	-	-	(50,000)	(50,000)
Total comprehensive income		-	-	-	2,518	2,518
<i>Net profit for the year</i>		-	-	-	64,235	64,235
<i>Change in deferred income tax liability due to tax rate change</i>	6	-	-	-	(61,717)	(61,717)
Balance as of 31 December 2008 (audited)		469,068	23,160	1,388,615	1,462	1,882,305
Transfer to legal reserve		-	3,212	-	(3,212)	-
Transfer to other reserves		-	-	16,100	(16,100)	-
Transfer to retained earnings due to shareholder decision		-	-	(61,717)	61,717	-
Dividends declared	11	-	-	-	(45,000)	(45,000)
Total comprehensive income		-	-	-	153,879	153,879
<i>Net profit for the year</i>		-	-	-	94,775	94,775
<i>Change in deferred income tax liability due to tax rate change</i>	6	-	-	-	59,104	59,104
Balance as of 31 December 2009 (pre-audited)		469,068	26,372	1,342,998	152,746	1,991,184

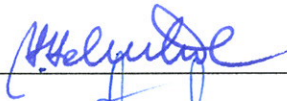
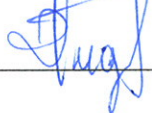
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General Manager	Viktoras Valentukevičius		26 February 2010
Chief Accountant	Žydrūnas Augutis		26 February 2010

Statements of changes in equity (cont'd)

<u>Company</u>	<u>Notes</u>	<u>Share capital</u>	<u>Legal reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>
Balance as of 1 January 2008 (audited)		469,068	17,795	1,338,196	103,766	1,928,825
Transfer to legal reserve		-	5,188	-	(5,188)	-
Transfer to other reserves		-	-	48,499	(48,499)	-
Dividends declared	11	-	-	-	(50,000)	(50,000)
Total comprehensive income		-	-	-	2,220	2,220
<i>Net profit for the year</i>		-	-	-	63,937	63,937
<i>Change in deferred income tax liability due to tax rate change</i>	6	-	-	-	(61,717)	(61,717)
Balance as of 31 December 2008 (audited)		469,068	22,983	1,386,695	2,299	1,881,045
Transfer to legal reserve		-	3,197	-	(3,197)	-
Transfer to other reserves		-	-	15,819	(15,819)	-
Transfer to retained earnings due to shareholder decision		-	-	(61,717)	61,717	-
Dividends declared	11	-	-	-	(45,000)	(45,000)
Total comprehensive income		-	-	-	153,951	153,951
<i>Net profit for the year</i>		-	-	-	94,847	94,847
<i>Change in deferred income tax liability due to tax rate change</i>	6	-	-	-	59,104	59,104
Balance as of 31 December 2009 (pre-audited)		469,068	26,180	1,340,797	153,951	1,989,996

The accompanying notes are an integral part of these financial statements.

General Manager	Viktoras Valentukevičius		26 February 2010
Chief Accountant	Žydrūnas Augutis		26 February 2010

Statements of cash flows

	Group		Company	
	Twelve months period ended 31 December 2009 (pre-audited)	Twelve months period ended 31 December 2008 (audited)	Twelve months period ended 31 December 2009 (pre-audited)	Twelve months period ended 31 December 2008 (audited)
I. Cash flows from (to) operating activities				
I.1. Net profit	94,775	64,235	94,847	63,937
Adjustments of non-cash items and other corrections:				
I.2. Depreciation and amortisation	97,741	94,358	97,491	94,111
I.3. (Gain) on property, plant and equipment, doubtful trade accounts receivable and inventories write-off and disposal	(18)	(161)	(18)	(161)
I.4. Impairment for property, plant and equipment, financial assets, allowance for doubtful trade accounts receivable and inventories	940	1,448	940	1,448
I.5. Income tax expenses	25,307	9,038	25,166	9,141
I.6. Interest (income)	(1,756)	(5,099)	(1,419)	(4,868)
I.7. Interest expenses	619	862	619	862
I.8. (Gain) loss on foreign currency exchange	(1)	1	(1)	1
I.9. Elimination of other financial activity results	-	(122)	-	(122)
I.10. Amortisation of the grants, deferred revenue and other adjustments of non-cash items	1,167	(3,738)	1,167	(3,738)
	218,774	160,822	218,792	160,611
Changes in working capital:				
I.11. Decrease in inventories	13,912	51,028	13,907	51,028
I.12. Decrease (increase) in trade accounts receivable	5,012	(43,020)	5,052	(43,022)
I.13. Decrease (increase) in other accounts receivable and prepayments	(16)	2,332	295	2,288
I.14. Increase (decrease) in trade accounts payable	(46,407)	61,015	(46,415)	61,021
I.15. Increase in other accounts payable and other current liabilities	7,961	29,203	7,957	29,206
I.16. Income tax (paid)	(25,401)	(33,636)	(25,401)	(33,614)
	(44,939)	66,922	(44,605)	66,907
Net cash flows from operating activities	173,835	227,744	174,187	227,518
II. Cash flows from (to) investing activities				
II.1. (Acquisitions) of property, plant and equipment and intangible assets	(128,381)	(122,861)	(126,679)	(122,754)
II.2. Proceeds from sales of property, plant and equipment	139	633	138	633
II.3. (Acquisitions) of held-to-maturity investments	(21,016)	-	(21,016)	-
II.4. Recovery of non-current loans and accounts receivable	17	10	17	10
II.5. Decrease (increase) in term deposits	2,157	(376)	-	-
II.6. Interest received	1,284	5,099	947	4,868
Net cash flows (to) investing activities	(145,800)	(117,495)	(146,593)	(117,243)

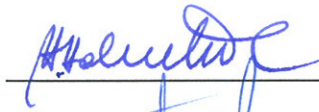

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The accompanying notes are an integral part of these financial statements.

Statements of cash flows (cont'd)

	Group		Company	
	Twelve months period ended 31 December 2009 (pre-audited)	Twelve months period ended 31 December 2008 (audited)	Twelve months period ended 31 December 2009 (pre-audited)	Twelve months period ended 31 December 2008 (audited)
III. Cash flows from (to) financing activities				
III.1. Dividends (paid)	(45,022)	(50,052)	(45,022)	(50,052)
III.2. Loans (repaid)	(2,144)	(10,839)	(2,144)	(10,839)
III.3. Grants received	376	2,185	376	2,185
III.4. Interest (paid)	(643)	(911)	(643)	(911)
Net cash flows (to) financing activities	(47,433)	(59,617)	(47,433)	(59,617)
IV. Net increase (decrease) in cash and cash equivalents	(19,398)	50,632	(19,839)	50,658
V. Cash and cash equivalents at the beginning of the period	84,226	33,594	83,995	33,337
VI. Cash and cash equivalents at the end of the period	64,828	84,226	64,156	83,995

The accompanying notes are an integral part of these financial statements.

General Manager	Viktoras Valentukevičius		26 February 2010
Chief Accountant	Žydrūnas Augutis		26 February 2010

Notes to the financial statements

1 General information

AB Lietuvos Dujos (hereinafter "the Company") and consolidated AB Lietuvos Dujos and UAB Palangos Perlas (hereinafter "the Group") condensed financial statements, including the statements of financial position as of 31 December 2009, income statements, statements of comprehensive income, statements of cash flows and statements of changes in equity for the twelve months ended 31 December 2009 are not audited. The consolidated and the Company's financial statements for the year ended 31 December 2008 are audited and prepared according to International Financial Reporting Standards (IFRS). For better understanding of the information provided in those financial statements, the consolidated and the Company's condensed financial statements must be read together with the consolidated and the Company's annual financial statements of 2008.

The Company's shares are traded on the NASDAQ OMX Vilnius stock exchange on the Main trade list.

2 Accounting principles

The Group's and the Company's condensed financial statements as of 31 December 2009 have been prepared in accordance with International Accounting Standard (hereinafter "IAS") 34 Interim Financial Reporting.

The Group and the Company in preparing the condensed financial statements for the twelve months ended as of 31 December 2009 has adopted the following new and amended IFRS:

Amendment to IAS 1 Presentation of Financial Statements

In the financial statements the Group and the Company introduced a new terminology, revised presentation of equity transactions, presented total comprehensive income in two separate statements: an income statement and a statement of comprehensive income.

IFRS 8 Operating Segments

IFRS 8 replaced IAS 14 Segment Reporting. The Group and the Company concluded, that the operating segments determined in accordance with IFRS 8 are the same as the business segments previously identified under IAS 14. IFRS 8 disclosures are presented in Note 3 including revised comparative information.

Amendment to IAS 23 Borrowing Costs

The Group and the Company capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset acquired on or after 1 January 2009. The sum of the borrowing costs capitalized during the year 2009 was immaterial.

From 1 January 2009 the Group and the Company changed the presentation of expenses in the income statements from expense by function to expense by nature. The change was made in order to provide better presentation of Group's and the Company's expenses. Comparative information was restated accordingly.

The Group and the Company evaluated and presented in the statements the non-current employee benefits agreed according to the collective agreement: post employment benefits for the each employee leaving the Company at the retirement age and the bonuses to Company's employees for the long work experience in the Company. The disclosures of the non-current employee benefits are presented in the Note 8.

Other accounting principles adopted in preparing the condensed financial statements for the twelve months period ended as of 31 December 2009 were the same as these used for preparing the financial statements for 2008 according to the IFRS, as adopted in the European Union.

3 Segment information

The Company's business activities are organised based on the legal requirements for regulated activities. These activities are used to identify operating segments. The accounting principles used for in the segment accounting are the same as for the financial accounting of the Group and the Company.

The Group and the Company have three main operating segments: natural gas transmission, distribution and supply, as well as segment of other activity:

- Transmission of natural gas comprises the transportation of natural gas through the transmission pipelines. The transmission activity also includes transit of natural gas to the district of Kaliningrad of the Russian Federation;
- Distribution of natural gas comprises the transportation of natural gas through the distribution gas pipelines;
- Supply of natural gas comprises the natural gas sales to end users;
- Other activity comprises other activity not related to main business.

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(all amounts are in LTL thousand unless otherwise stated)

3 Segment information (cont'd)

The Group's operating segments are not aggregated, except for Supply of natural gas, which consists of supply to regulated and non-regulated customers. The two groups were aggregated, as they relate to the same product.

Segment information for the periods ended 31 December 2009 and 31 December 2008 is presented below:

Group

2009	Transmission	Distribution	Supply	Other activities	Total
Sales	139,297	169,234	952,933	2,844	1,264,308
Interest income	3	23	1,390	340	1,756
Interest expense	619	-	-	-	619
Profit before tax	35,946	21,409	60,483	2,244	120,082
Profit tax	7,129	5,860	12,034	284	25,307
Assets	1,519,909	785,677	232,649	12,947	2,551,182
Liabilities	223,602	168,203	167,934	259	559,998
Other segment information					
Acquisition of assets	103,451	33,971	93	2,262	139,777
Depreciation and amortization	60,187	35,775	1,320	459	97,741

2008	Transmission	Distribution	Supply	Other activities	Total
Sales	134,103	137,794	1,278,872	4,597	1,555,366
Interest income	6	7	4,850	236	5,099
Interest expense	844	18	-	-	862
Profit before tax	22,401	(8,153)	54,870	4,155	73,273
Profit tax	3,331	(2,868)	8,331	244	9,038
Assets	1,473,084	784,411	259,327	12,444	2,529,266
Liabilities	262,676	174,470	210,223	(408)	646,961
Other segment information					
Acquisition of assets	57,045	65,751	375	111	123,282
Depreciation and amortization	59,052	33,929	946	431	94,358

All the assets of the Group and the Company are allocated in the territory of Lithuania where the Group and the Company are operating.

4 Inventories

	Group		Company	
	31 December 2009 (pre-audited)	31 December 2008 (audited)	31 December 2009 (pre-audited)	31 December 2008 (audited)
Raw materials, spare parts and other inventories	4,281	3,058	4,280	3,057
Goods for resale (including natural gas)	40,049	55,182	40,039	55,168
Inventories, gross	44,330	58,240	44,319	58,225
Less: allowance for inventories	(104)	(66)	(104)	(66)
	44,226	58,174	44,215	58,159

As of 31 December 2009, the Group's and the Company's balances of goods for resale decreased significantly due to the decrease in the natural gas purchase price.

The cost of inventories accounted for at net realizable value amounted to LTL 1,912 thousand as of 31 December 2009 (LTL 1,160 thousand as of 31 December 2008). Changes in the allowance for inventories in the year 2009 and 2008 were included into Other expenses.

5 Other current assets

The Company's other current assets increased due to the acquisitions of the investment units of the DnB NORD Pinigu Rinkos Fondas. The Company's investment units held for trade were equal to LTL 21,016 thousand as of 31 December 2009 (no such investments as of 31 December 2008). The Group's other short term investments consist of deposits and were equal to LTL 1,942 thousand as of 31 December 2009 (LTL 4,099 thousand as of 31 December 2008). The maturity of short term deposits is 3-12 months period.

As of 31 December 2009 weighted average annual interest rate of the short term deposits of the Group were 7.69% (6.42% as of 31 December 2008). Unrealised gain resulting from investment units valuation at fair value is accounted under interest income in the income statement and was not material for 2009.

6 Income tax

The income tax rate applied on the profit for the year 2009 is 20% (for the year 2008: 15%) according to applicable legislation of the Republic of Lithuania. After the amendments of Income Tax Law of Republic of Lithuania had come into force, 15% income tax rate has been established for indefinite period starting from 1 January 2010.

Due to changes of income tax rate the Group and the Company performed the recalculation of deferred income tax liability and presented the result in the statements of comprehensive income. The recalculations of deferred income tax asset due to changes of income tax rate has been presented in the income statements.

7 Borrowings

In the calculations, official currency exchange rates as of 31 December 2009 set by the Bank of Lithuania are applied: EUR/LTL 3.4528.

The borrowings outstanding as of 31 December 2009 were denominated in EUR (100 %).

The Company's borrowings as of 31 December 2009:

Borrowings (pre-audited)	Borrowings and their portions			Total
	Current borrowings	Payable after one year but not later than in five years	Payable after five years	
Borrowings from Lithuanian credit institutions	2,144	6,432	-	8,576
	2,144	6,432	-	8,576

As of 31 December 2009, the weighted average annual interest rate of borrowings outstanding was 5.65 % (5.65% as of 31 December 2008).

8 Non-current employee benefits

As of 31 December 2009 the Company's employee benefits resulting from one-time payments to employees leaving the Company at the retirement age were equal to LTL 6,058 thousand; other non-current employee benefits resulting from bonuses for long work experience in the Company were equal to LTL 1,225 thousand. These amounts are included in the caption of other expenses in the income statements and the caption of non-current employee benefits in the statements of financial position.

The major assumptions made when estimating the Company's liability of non-current employee benefits are the following:

	31 December 2009
Discount rate	7.67 %
Employee turnover rate	4 %
Annual salary increase	2 %

AB LIETUVOS DUJOS, company code 120059523, Abruonų Str. 24, Vilnius, Lithuania
CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2009
(all amounts are in LTL thousand unless otherwise stated)

9 Trade payables

	Group		Company	
	31 December 2009 (pre-audited)	31 December 2008 (audited)	31 December 2009 (pre-audited)	31 December 2008 (audited)
Suppliers of natural gas	129,047	177,729	129,047	177,729
Other	16,065	3,222	15,545	3,212
	<u>145,112</u>	<u>180,951</u>	<u>144,592</u>	<u>180,941</u>

As of 31 December 2009 the Group's and the Company's payables to suppliers of natural gas significantly decreased due to significant decrease in import price of natural gas.

As of 31 December 2009 the Group's and the Company's other trade payables significantly increased due to increased payables for construction works.

10 Earnings per share

Basic earnings per share reflect the Group's net income, divided by the weighted average number of shares. There are no diluting instruments, therefore basic and diluted earnings per share are equal. Calculations of the basic earnings per share are presented below:

	Group	
	31 December 2009 (pre-audited)	31 December 2008 (audited)
Net profit attributable to the shareholders (in LTL thousand)	94,775	64,235
Weighted average number of shares in thousand	469,068	469,068
Basic earnings per share (in LTL)	<u>0.20</u>	<u>0.14</u>

11 Dividends

During the regular general shareholders' meeting on 22 April 2009, when approving the Company's 2008 profit and loss appropriation, the decision was made to pay to shareholders dividends for the year 2008 in the amount of LTL 45 million (LTL 0.096 per ordinary registered share with the par value of LTL 1 per share).

12 Commitments and contingencies

Legal disputes

1. On 29 December 2008 the National Control Commission for Prices and Energy (hereinafter the NCCPE) adopted the Resolution No O3-219 "On the Public Limited Company Lietuvos Dujos Natural Gas Transmission and Distribution Prices and Natural Gas Prices for Household Customers" (hereinafter the Resolution), with which the NCCPE unilaterally set natural gas transmission and distribution prices and natural gas prices for household customers to be applied from 1 January 2009. On 28 January 2009 AB Lietuvos Dujos applied to Vilnius County Administrative Court for annulment of the above Resolution of the NCCPE.

2. AB Lietuvos Dujos is taking part as third interested party in the case in Vilnius County Administrative Court according to the complaint of 29 December 2008 of the National Gas, Electricity and Heat Consumers' Protection League regarding the NCCPE's Resolution No O3-219 "On the Public Limited Company Lietuvos Dujos' Natural Gas Transmission and Distribution Prices and Natural Gas Prices for Household Customers".

12 Commitments and contingencies (cont'd)

The lawsuits referred to in Item 1 and Item 2 were merged into one. On 30 September 2009 the Court issued a ruling to disallow the claims of the claimants AB Lietuvos Dujos and the National Gas, Electricity and Heat Consumers' Protection League as untenable. Both claimants filed appeals.

The outcome of above mentioned claim is uncertain and can not be estimated with reasonable efforts. In addition, based on the management estimates, there is no need to accrue any amounts for any potential future losses in relation to the above – mentioned case. The Company is applying tariffs approved by the NCCPE.

13 Related party transactions

The parties are considered related when one party has the possibility to control the other one or have significant influence over the other party in making financial and operating decisions.

The related parties of the Group and the Company, transaction amounts and debts as of 31 December 2009 and 2008 were as follows:

- E.ON Ruhrgas International AG (one of the major shareholders of the Company);
- OAO Gazprom (one of the major shareholders of the Company);
- State Property Fund (one of the major shareholders of the Company);
- UAB Palangos Perlas (subsidiary of the Company);
- AS Latvijas Gaze (the same shareholders);
- E.ON IS GmbH (same ultimate shareholder);
- DOAO Orgenergogaz (same ultimate shareholder).

2009 m.	Purchases	Sales	Accounts receivable	Accounts payable
OAO Gazprom	885,990	11,674	1,485	129,047
DOAO Orgenergogaz	760	-	-	-
UAB Palangos perlas	54	39	8	-
AS Latvijas Gaze	1,826	-	-	12
E.ON IS GmbH	115	-	-	-
	<u>888,745</u>	<u>11,713</u>	<u>1,493</u>	<u>129,059</u>

2008 m.	Purchases	Sales	Accounts receivable	Accounts payable
OAO Gazprom	1,190,474	10,017	1,130	177,729
UAB Palangos perlas	95	53	11	-
AS Latvijas Gaze	4,585	-	-	12
E.ON IS GmbH	198	-	-	40
	<u>1,195,352</u>	<u>10,070</u>	<u>1,141</u>	<u>177,781</u>

26 February 2010

Unaudited results of AB Lietuvos Dujos for 2009

Consolidated unaudited sales revenue of AB Lietuvos Dujos of 2009 decreased by 18.7% in year-on-year terms and amounted to LTL 1,264.3 million* (2008: LTL 1,555.4 million). The drop in the sales revenue was determined by the decrease in the gas sales prices due to the lower gas import price and the decrease in the natural gas consumption caused by the economic recession prevailing in the country.

AB Lietuvos Dujos consolidated unaudited pre-tax profit of 2009 amounted to LTL 120.1 million (2008: LTL 73.3 million) and the net profit has also increased and amounted to LTL 94.8 million (2008: LTL 64.2 million). The increase in the profit was significantly impacted by the partial compensation received for the loss incurred in 2008 in the activity of natural gas supply to household customers because of the difference between the set by the Pricing Commission and the actual gas imports price.

The EBITDA of 2009 also rose accordingly by LTL 52.8 million and amounted to LTL 214.8 million (2008: LTL 162.0 million).

“Despite the considerable drop in the sales revenues impacted by the economic recession, as a result of the consistent implementation of the saving and cost-cutting programmes and the measures directed towards further improvement of work efficiency and the Organization Chart optimization, AB Lietuvos Dujos has managed to achieve yearly results surpassing the expectations. Since the start of the Company’s privatization in 2002 till the end of 2009, the staff size has been cut by almost 25% and the work efficiency indicators have been considerably improved: the length of gas pipelines operated per employee has increased by 66%, and the number of customers per employee has increased by 39%”, – with an emphasis on the importance of cost-cutting and raising the work efficiency spoke the General Manager of AB Lietuvos Dujos Viktoras Valentukevicius.

“Last year special attention was paid to the improvement of the quality of the customer service. From 1 July 2009, the service of customer information by hotline has been centralized, and by short number 1894 the staff of the Call Centre provides updated information on various gas-related issues that might be of interest to the Company’s customers. We seem to be the first among energy companies that have implemented an automatic voice system, so that even outside the regular office hours and even on days off or holidays our clients can access information on gas tariffs or their balance of payments for gas. Last year we updated the Company website www.dujos.lt and expanded the scope of information available. To our household customers we offered a possibility to settle their accounts by direct debit, and to our non-household customers we offered a possibility to use the widely popular “E-pay” system. In August–September of 2009, the market analysis and survey group UAB RAIT on commission of AB Lietuvos Dujos made a public opinion survey which has revealed that the customers assessment rating of AB Lietuvos Dujos quality of services is on average 8.3 points (10-point max system), and natural gas remains among the most attractive fuels. Natural gas for heating of premises would be the fuel of their choice for 58% of all the respondents, and this rating is of great significance to us”, – said the Deputy General Manager – Director of Commerce Dr Joachim Hockertz.

In 2009, AB Lietuvos Dujos investments totaled LTL 139.8 million. The investments into gas system development amounted to LTL 97.6 million (2008: LTL 84.7 million), and the

allocations for the gas system reconstruction and modernization totaled LTL 42.2 million (2008: LTL 38.6 million).

Among the most important investment projects of 2009 was the Jauniunai Gas Compressor Station Construction Project in Sirvintos District. This Project has been granted the National Energy Strategy project status. In Half 2 of 2009, the lion's share of the technological equipment was delivered to the storage site, the access road construction works, the construction site preparation works, and the communications equipment works were started. The Jauniunai Gas Compressor Station Construction Project is scheduled for completion in 2010. This Project has already cost the Company LTL 74.8 million (2009: LTL 43 million).

In 2009, the Sakiai M&R Station capacity was enhanced, and a Second Line of the gas pipeline was constructed from the Station to the state border with the Russian Federation Kaliningrad Region. The aim of this Project is to secure natural gas supplies safety and reliability to customers of Lithuania and to increase the natural gas transit volumes.

Over the year 2009, the length of gas transmission pipelines operated by the Company increased from 1.8 to 1.9 thousand km, and the length of gas distribution pipelines operated by the Company increased from 7.9 to 8.1 thousand km. Even though the economic growth was on the decline, the number of Company's customers increased by 2.5 thousand new customers, of which approximately 7% are non-household consumers. In 2009, the total number of customers hit 550 thousand.

In 2009, volumes transmitted via the gas transmission system totaled 2,681.4 MCM of natural gas. The transmission volumes dropped by 16.1% year-on-year, mainly due to the drop in the volumes transmitted for AB Achema and other industrial and agricultural customers. Transit volumes to the RF Kaliningrad Region dropped by 4.7% in year-on-year terms and stood at 1,197.3 MCM.

In 2009, the Company's natural gas volume distribution via its distribution system totaled 1,030.9 MCM, which represents a drop of 4.8% in year-on-year terms.

In 2009, AB Lietuvos Dujos supplied to customers 1,150.9 MCM of natural gas (to the non-household customers: 969.5 MCM; to the household customers: 181.4 MCM). In 2008, the volume supplies were by 5.9% higher.

In 2009, the market share of AB Lietuvos Dujos of the natural gas market of Lithuania was approx. 40%. The Company was supplying natural gas to almost 100% of the household customers of Lithuania.

AB Lietuvos Dujos shares are quoted on Main List of the stock exchange NASDAQ OMX Vilnius.

In 2009, the structure of the main shareholders did not change. As of 31 December 2009, E.ON Ruhrgas International AG (Germany) held a stake of 38.9%, OAO Gazprom (Russia) held a stake of 37.1%, the State Enterprise State Property Fund (Lithuania) held a stake of 17.7%, and various small shareholders (various natural and legal persons) held 6.3% of the Company shares.

The consolidated financial results reflect the financial results of the Group comprised of AB Lietuvos Dujos and its subsidiary UAB Palangos Perlas.

* LTL 3.45 = EUR 1