

To Lithuanian Securities Commission  
Konstitucijos ave. 23  
LT-08105 Vilnius

27 02 2009

## CONFIRMATION OF RESPONSIBLE PERSONS

Following Article 22 of the Law on Securities of the Republic of Lithuania and the rules on preparation and submission of periodic and additional information of Lithuanian Securities Commission, we, Rimantas Vaitkus, General Manager of Rytų skirstomieji tinklai AB, and, Arvydas Zakalskis, Director of Finance Department, hereby do confirm that, to the best of our knowledge, the Interim Report for the twelve months of the year 2008 of Rytų skirstomieji tinklai AB, fairly shows the assests, the liabilities, financial status and profit or loss of Rytų skirstomieji tinklai AB and the Group.

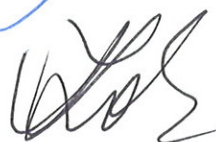
ENCLOSURE: Interim Report for the twelve months of the year 2008 of Rytų skirstomieji tinklai AB (21 page).

General Manager



Rimantas Vaitkus

Director of Finance department



Arvydas Zakalskis

Rytų skirstomieji tinklai AB  
report for the twelve months  
of the year 2008

---

27 February 2009

---

## TABLE OF CONTENTS

<b>General provisions</b> .....	3
<b>Information on the Issuer's authorised capital, securities issued and members of Management Board</b> .....	4
<b>Financial Accountability</b> .....	7
Balance statement .....	7
Income statement .....	8
Statement of changes in equity .....	9
Cash flow statement .....	11
Explanatory note .....	12
<b>Essential events in the Issuer's activities</b> .....	14

## I. GENERAL PROVISIONS

### 1. Reporting period covered by the report

The report covers the year of 2008.

### 2. Key data on the issuer

Company name	Akcinė bendrovė Rytų Skirstomieji Tinklai
Code	1108 70890
Authorised capital	LTL 492 404 653
Address	P. Lukšio str. 5B, LT-08221 Vilnius
Telephone	(8~5) 277 75 24
Fax	(8~5) 277 75 14
E-mail	<a href="mailto:info@rst.lt">info@rst.lt</a>
Website	<a href="http://www.rst.lt">www.rst.lt</a>
Legal and organisational form	Public limited liability company, private legal person with limited civil liability
Date and place of registration	31 December, 2001, Ministry of Economy of the Republic of Lithuania
Register in which data on the company is collected in and stored	Register of Legal Entities
Register manager	Legal Entity Registration Office of the Vilnius branch of Public Enterprise Centre of Registers

### 3. Information on where and when one can get acquainted with the report and documents on the basis of which it has been prepared, and the means of mass media

This report and other documents based on which it has been prepared are available at the company's registered office at P. Lukšio str. 5B, Vilnius, Marketing and Communication department (office No.103) on business days from 8.30 a.m. to 12.30 a.m. and from 13.30 p.m. to 17.30 p.m.

Rytų Skirstomieji Tinklai AB provides information to the public via the following mass media: daily newspapers Lietuvos Rytas and Respublika, Lithuanian telegram agency ELTA and news agency BNS.

### 4. Persons responsible for the information provided in the report

Office	Name, surname	Telephone
General Manager	Rimantas Vaitkus	+370 5 251 26 59
Director of Finance department	Arvydas Zakalskis	+370 5 251 26 52
Head of the Economic and Finance department	Darius Selevičius	+370 5 251 26 70
Head of the Marketing and Communication department	Kristina Mažeikytė	+370 5 255 25 28

Date of signing the report – 27 February 2009

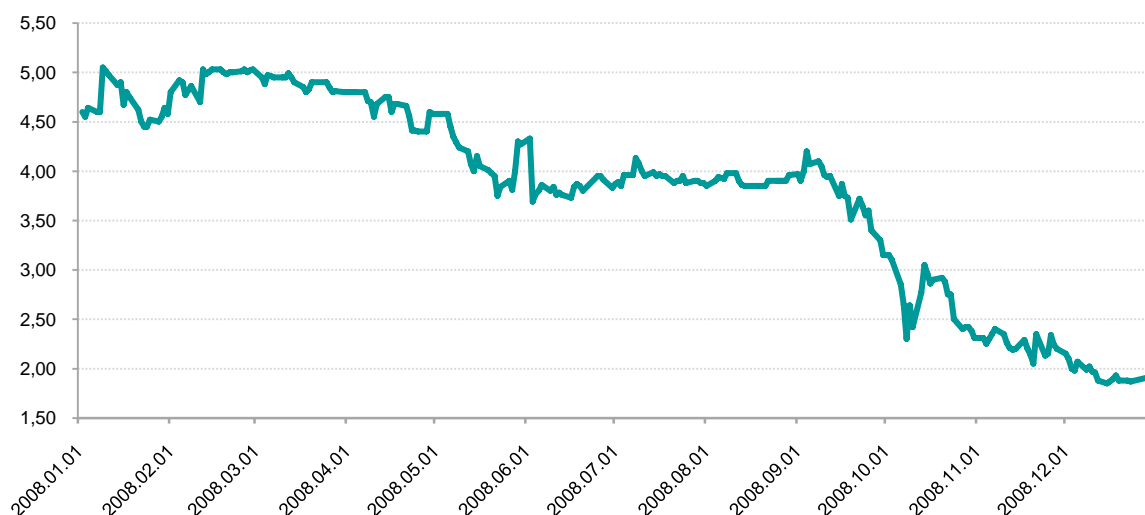
Place of preparation of the report – Rytų Skirstomieji Tinklai AB (P. Lukšio str. 5B, Vilnius)

## II. INFORMATION ON THE ISSUER'S AUTHORISED CAPITAL, SECURITIES ISSUED AND MEMBERS OF MANAGEMENT BODIES

### 5. Shares

Rytų skirstomieji tinklai AB shares (ISIN code LT0000126385) are listed on NASDAQ OMX Vilnius AB Main List from 2 May 2007 (Name – RST1L).

Rytų skirstomieji tinklai AB share price dynamics 2008



An Issuer Services Agreement with a consortium comprised of SEB Bankas AB (company number 112021238, Gedimino pr. 12, LT-01103 Vilnius) and law firm Adamonis, Beržanskienė ir Partneriai SORAINEN LAW OFFICES (company number 9400025, Jogailos g. 4, LT – 01116 Vilnius), represented by the Financial Markets Department of SEB Bank AB, was signed on 10 May 2007.

### 6. Shareholders

On 31 December 2008, the number of shareholders of Rytų Skirstomieji Tinklai AB totalled 6,396.

#### 6.1 Authorised capital structure of Rytų Skirstomieji Tinklai AB.

Type of shares	Number of shares	Nominal value (LTL)	Total nominal value (LTL)	Share in authorised capital (%)
Ordinary registered shares	492 404 653	1	492 404 653	100.00

#### 6.2 Shareholders who owned more than 5% of the issuer's authorised capital on 31 December 2008.

First name, surname of shareholder (company name, type, registered office, address, code)	Number of ordinary registered shares owned by shareholder	Share of authorised capital held (%)	Percentage of votes granted by shares owned	Percentage of votes held in concert with other persons
LEO LT, AB, Žvejų str. 14, LT-09310 Vilnius, company's code 301732248	351 316 161	71.35	71.35	----
E.ON Ruhrgas International AG, Huttropstrasse 60, Essen, Germany HRB No 10974	99 845 392	20.28	20.28	----

## 7. Members of management bodies

### 7.1 Members of management bodies of Rytų Skirstomieji Tinklai AB and their participation in the issuer's authorized capital

Name, surname	Position	Share of authorised capital held, pct	Share of votes, pct
Supervisory Board (elected on 08 07 2008 by the decision the General Meeting of Shareholders)			
Andrius Šimkus*	Chairman	-	-
Mario Nullmeier	Member	-	-
Vidmantas Grušas	Member	-	-
Darius Kašauskas	Member	-	-
Algimantas Zaremba	Member	-	-
Board (elected on 04 12 2008 at the meeting of the Supervisory Board)			
Rimantas Vaitkus	Chairman	-	-
Vytenis Kudinskas	Member	-	-
Laimutė Milašauskienė	Member	-	-
Virgilijus Žukauskas	Member	0,000002	0,000002
General Manager (elected on 04 12 2008 at the meeting of the Board), Chief Financial Officer of the Company			
Rimantas Vaitkus	General Manager	-	-
Veslava Jucevič	Chief Accountant	-	-

\*The Chairman of the Supervisory Board, Andrius Šimkus, resigned as member of the RST Supervisory Board on 19 February 2009.

### 7.2. Data on the participation of the Supervisory Board, the Board, General Manager and the Chief Financial Officer in the activities of other companies, institutions and organisations (name of the company, institution or organisation, position), more than 5% of companies' capital and votes held.

Name, surname	Name of organisation, position	Share of other companies' capital and votes, pct
Supervisory Board		
Andrius Šimkus	till 01 12 2008 LEO LT AB, chief lawyer till 30 09 2008 LitPol Link Sp. z o.o. member of the Supervisory Board	-
Mario Nullmeier	E.ON Ruhrgas International (ERI) AG, Baltic Office Manager	-
Vidmantas Grušas	Lietuvos Energija AB, member of the Board Deputy CEO of Lietuvos Energija AB for the Transmission Network Director of the Transmission Network Department of Lietuvos Energija AB	-
Darius Kašauskas	LEO LT AB, head of control and analysis	-
Algimantas Zaremba	Director of the Energy Department of the Ministry of Economy of the Republic of Lithuania	-
Board		
Rimantas Vaitkus	-	-
Vytenis Kudinskas	RYTRA UAB, Chairman of the Board	UAB „AJ Šokoladas“ 5 pct
Laimutė Milašauskienė	-	-
Virgilijus Žukauskas	-	-
General Manager, Chief Financial Officer of the Company		
Rimantas Vaitkus	-	-
Veslava Jucevič	-	-

The Supervisory Board of Rytų Skirstomieji Tinklai AB was elected at the General Meeting of Shareholders on 8 July 2008. The Supervisory Board was elected for a four-year term.

The Board of the Company was elected for a four-year term at a meeting of the Supervisory Board on 8 July 2008. However, this Board was dismissed on 4 December 2008, with new members of the Board elected by the Supervisory Board to serve the remaining term of office.

## 7.2. Background data of the Board

### Rimantas Vaitkus

**Position:** General Manager, Chairman of the Board

**Holds the position:** Since December 2008

**Education:** In 1979 graduated from the Faculty of Physics of Vilnius University. Later he defended a physical-mathematical sciences candidate's dissertation. In 1989-1991 he was on a traineeship at Tokai University in Japan.

**Professional experience:**

In 1991-1994 he worked as a science researcher for Japan-based Semiconductor Energy Laboratory, CO. Ltd.

Since 1997 he has held managing positions, was the head of the International Relations Office at the Parliament of the Republic of Lithuania, in 1999 he was appointed vice-minister at the Ministry of Economy of the Republic of Lithuania in charge of the nuclear energy sector.

Since 2001 Vaitkus has worked as the general manager of UAB IBM Lietuva.

**Additional activities:**

Rimantas Vaitkus is actively involved in public life, holds various positions in public organisations and is a Board Chairman of Knowledge Economy Forum and a member of Vilnius Old Town Rotary club.

### Vytenis Kudinskas

**Position:** Deputy General Manager, a member of the Board

**Holds the position:** Since July 2008

**Education:** In 1984 graduated from the Automation Faculty of Kaunas Polytechnic Institute, specialising in industrial electronics.

**Professional experience:**

In 1992-2006 he held managing positions in a number of commercial banks of Lithuania (AB Vakarų bankas, AB bankas Hermis, AB SEB Vilniaus bankas) and from 2006 to 2008 worked as the general manager of insurance companies UAB DK PZU Lietuva and UAB DK PZU Lietuva gyvybės draudimas and was a member of the Board of those two companies.

### Virgilijaus Žukauskas

**Position:** Electricity Grid Director, Deputy General Manager, a member of the Board

**Holds the position:** Since November 2008

**Education:** In 1985 he graduated from the Department of Electric Systems of Kaunas Polytechnic Institute, specialising in energy supply to industrial enterprises.

**Professional experience:**

In 1994-2008 he has held managing positions at AB Lietuvos energija and AB Rytų skirstomieji tinklai:

from 1994 was the head of the Strategy Division of AB Lietuvos energija,

from 2000 he was the director of the Energy Sector Development Department of AB Lietuvos energija and since 2002 he has been the director of Vilnius Region Electric Grid at AB Rytų skirstomieji tinklai.

### Laimutė Milašauskienė

**Position:** Director of Energy Supply, a member of the Board.

**Holds the position:** Since December 2008

**Education:**

In 1982 she has graduated from the Faculty of Economic Cybernetics and Finance of Vilnius University, specialising in financial credits, in 2000 graduated from the International Business School at Vilnius University, specialising in international trade.

**Professional experience:**

In 1990-2006 she held managing positions at the Bank of Lithuania and AB SEB Vilniaus bankas and since 2006 she has undertaken in real estate investments.

### III. FINANCIAL STATUS

Since 1 January 2005, Rytų Skirstomieji Tinklai AB has handled accounting according to International Accounting Standards. Financial accounting statements of the Group and the Company presented in this chapter have been prepared according to the International Financial Accountability Standards.

#### 8. Balance statement, in LTL'000

	GROUP		COMPANY	
	31-12-2008	31-12-2007	31-12-2008	31-12-2007
<b>ASSETS</b>				
<b>Long-term assets</b>				
Long-term tangible assets	3 236 996	3 545 586	3 195 633	3 492 881
Intangible assets	9 254	10 701	9 244	10 695
Investments in subsidiaries	-	-	36 643	36 643
Deferred income tax assets	209	63	-	-
Long-term receivables and prepayments	9 446	6 736	9 446	6 736
	<b>3 255 905</b>	<b>3 563 085</b>	<b>3 250 966</b>	<b>3 546 955</b>
<b>Short-term assets</b>				
Inventories	5 442	8 691	1 286	3 320
Trade and other receivables	115 254	100 677	115 229	103 719
Derivative financial instruments	-	415	-	415
Prepaid income tax	322	2 583	-	2 442
Cash and cash equivalents	23 085	4 127	22 821	3 887
	<b>144 103</b>	<b>116 493</b>	<b>139 336</b>	<b>113 784</b>
Long-term assets intended for sale	148	462	148	462
	<b>144 251</b>	<b>116 955</b>	<b>139 484</b>	<b>114 246</b>
<b>Total assets</b>	<b>3 400 156</b>	<b>3 680 040</b>	<b>3 390 450</b>	<b>3 661 201</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to the Company's equity holders</b>				
Share capital	492 405	492 405	492 405	492 405
Revaluation reserve	1 462 054	1 925 713	1 452 735	1 906 787
Legal reserve	49 516	49 409	49 240	49 240
Other reserves	336 169	160 207	333 519	158 521
Accrued income	81 526	169 456	88 308	174 362
<b>Total equity</b>	<b>2 421 670</b>	<b>2 797 190</b>	<b>2 416 207</b>	<b>2 781 315</b>
<b>LIABILITIES</b>				
<b>Long-term liabilities</b>				
Borrowings	143 111	95 836	143 111	95 836
Deferred income tax liability	408 312	372 269	407 682	372 429
Other long-term liabilities	188 654	123 042	188 654	123 043
	<b>740 077</b>	<b>591 147</b>	<b>739 447</b>	<b>591 307</b>
<b>Short-term liabilities</b>				
Trade and other payables	200 889	238 266	201 721	238 230
Income tax liabilities	3 586	208	3 586	-
Borrowings	33 934	53 230	29 489	50 349
	<b>238 409</b>	<b>291 703</b>	<b>234 796</b>	<b>288 579</b>
<b>Total liabilities</b>	<b>978 486</b>	<b>882 851</b>	<b>974 243</b>	<b>879 886</b>
<b>Total equity and liabilities</b>	<b>3 400 156</b>	<b>3 680 040</b>	<b>3 390 450</b>	<b>3 661 201</b>



## 9. Income statement, in LTL'000

	GROUP		COMPANY	
	2008 I-IV quarter	2007 I-IV quarter	2008 I-IV quarter	2007 I-IV quarter
Revenues	1 197 057	1 062 444	1 190 962	1 065 044
Other income	1 017	869	2 018	1 578
Electricity purchases	( 549 394)	( 456 236)	( 549 394)	( 456 236)
Electricity transmission costs	( 166 071)	( 159 411)	( 166 071)	( 159 411)
Depreciation and amortisation	( 285 682)	( 181 981)	( 279 170)	( 175 535)
Remuneration and related social security contributions	( 144 898)	( 127 381)	( 114 440)	( 96 581)
Repair and maintenance costs	( 43 969)	( 56 128)	( 63 446)	( 79 122)
Transport costs	( 1 518)	( 1 165)	( 14 193)	( 14 052)
Reversal of negative result of revaluation of property, plant and equipment	( 46 258)	49 418	( 46 224)	49 418
Other profit (loss), net value	( 29)	513	( 411)	415
Other costs	( 41 230)	( 37 771)	( 38 887)	( 44 840)
<b>Operating profit</b>	<b>( 80 975)</b>	<b>93 171</b>	<b>( 79 256)</b>	<b>90 678</b>
Revenue from financial activities	735	259	734	256
Costs of financial activities	( 7 469)	( 5 830)	( 7 291)	( 5 661)
<b>Costs of financial activities (net value)</b>	<b>( 6 734)</b>	<b>( 5 571)</b>	<b>( 6 557)</b>	<b>( 5 405)</b>
<b>Pre-tax profit</b>	<b>( 87 709)</b>	<b>87 600</b>	<b>( 85 813)</b>	<b>85 273</b>
Income tax	5 577	( 13 931)	5 399	( 13 077)
<b>Annual profit</b>	<b>( 82 132)</b>	<b>73 669</b>	<b>( 80 414)</b>	<b>72 196</b>

	GROUP		COMPANY	
	2008 IV quarter	2007 IV quarter	2008 IV quarter	2007 IV quarter
Revenues	319 264	297 751	314 446	297 712
Other income	301	195	329	278
Electricity purchases	( 132 523)	( 119 776)	( 132 523)	( 119 776)
Electricity transmission costs	( 45 394)	( 44 703)	( 45 394)	( 44 703)
Depreciation and amortisation	( 73 001)	( 47 597)	( 71 374)	( 47 119)
Remuneration and related social security contributions	( 36 938)	( 37 113)	( 27 865)	( 29 635)
Repair and maintenance costs	( 5 230)	( 15 932)	( 7 896)	( 18 654)
Transport costs	( 393)	( 305)	( 2 793)	( 3 676)
Reversal of negative result of revaluation of property, plant and equipment	( 46 258)	49 418	( 46 224)	49 418
Other profit (loss), net value	( 435)	229	( 558)	155
Other costs	( 9 969)	( 9 314)	( 9 073)	( 11 374)
<b>Operating profit</b>	<b>( 30 576)</b>	<b>72 853</b>	<b>( 28 925)</b>	<b>72 626</b>
Revenue from financial activities	415	26	416	26
Costs of financial activities	( 2 494)	( 1 719)	( 2 449)	( 1 682)
<b>Costs of financial activities (net value)</b>	<b>( 2 079)</b>	<b>( 1 693)</b>	<b>( 2 033)</b>	<b>( 1 656)</b>
<b>Pre-tax profit</b>	<b>( 32 655)</b>	<b>71 160</b>	<b>( 30 958)</b>	<b>70 970</b>
Income tax	( 1 774)	( 11 082)	( 2 202)	( 10 787)
<b>Annual profit</b>	<b>( 34 429)</b>	<b>60 078</b>	<b>( 33 160)</b>	<b>60 183</b>

## 10. Statement of changes in equity, in LTL'000

GROUP	Authorised capital	Revaluation reserve	Legal reserve	Other reserves	Accrued income	Total equity
<b>Balance as at 1 January 2007</b>	<b>492 405</b>	<b>1 166 123</b>	<b>49 356</b>	<b>61 850</b>	<b>123 119</b>	<b>1 892 854</b>
Moved Depreciation, net of tax - recognized directly in equity	-	(105 545)	-	-	105 545	-
Revaluation of long-term tangible assets	-	1 015 622	-	-	-	1 015 622
Deferred income tax liability as a result of revaluation of long-term tangible assets	-	(150 487)	-	-	-	(150 487)
Profit for the year	-	-	-	-	73 669	73 669
<b>Recognized income and expenses for 2007</b>	<b>-</b>	<b>759 589</b>	<b>-</b>	<b>-</b>	<b>179 215</b>	<b>938 804</b>
Transfers to reserves	-	-	53	98 357	(98 410)	-
Dividends for 2006	-	-	-	-	(34 468)	(34 468)
<b>Balance as at 31 December 2007</b>	<b>492 405</b>	<b>1 925 713</b>	<b>49 409</b>	<b>160 207</b>	<b>169 456</b>	<b>2 797 190</b>
<b>Balance as at 1 January 2008</b>	<b>492 405</b>	<b>1 925 713</b>	<b>49 409</b>	<b>160 207</b>	<b>169 456</b>	<b>2 797 190</b>
Moved Depreciation, net of tax - recognized directly in equity	-	(170 270)	-	-	170 270	-
Revaluation of long-term tangible assets	-	(229 843)	-	-	-	(229 843)
Deferred income tax liability as a result of revaluation of long-term tangible assets	-	(63 544)	-	-	-	(63 544)
Profit for the year	-	-	-	-	(82 132)	(82 132)
<b>Recognized income and expenses for 2008</b>	<b>-</b>	<b>(463 658)</b>	<b>-</b>	<b>-</b>	<b>88 139</b>	<b>(375 519)</b>
Transfers to reserves	-	-	107	175 961	(176 068)	-
Dividends for 2006	-	-	-	-	-	-
<b>Balance as at 31 December 2008</b>	<b>492 405</b>	<b>1 462 054</b>	<b>49 516</b>	<b>336 169</b>	<b>81 526</b>	<b>2 421 671</b>

**10. Statement of changes in equity, in LTL'000 (Continued)**

COMPANY	Authorised capital	Revaluation reserve	Legal reserve	Other reserves	Accrued income	Total equity
<b>Balance as at 1 January 2007</b>	<b>492 405</b>	<b>1 158 657</b>	<b>49 240</b>	<b>60 575</b>	<b>129 948</b>	<b>1 890 825</b>
Moved Depreciation, net of tax - recognized directly in equity	-	(104 632)	-	-	104 632	-
Revaluation of long-term tangible assets	-	1 003 250	-	-	-	1 003 250
Deferred income tax liability as a result of revaluation of long-term tangible assets	-	(150 487)	-	-	-	(150 487)
Profit for the year	-	-	-	-	72 196	72 196
<b>Recognized income and expenses for 2007</b>	<b>-</b>	<b>748 130</b>	<b>-</b>	<b>-</b>	<b>176 828</b>	<b>924 958</b>
Transfers to reserves	-	-	-	97 947	(97 947)	-
Dividends for 2006	-	-	-	-	(34 468)	(34 468)
<b>Balance as at 31 December 2007</b>	<b>492 405</b>	<b>1 906 787</b>	<b>49 240</b>	<b>158 521</b>	<b>174 362</b>	<b>2 781 315</b>
<b>Balance as at 1 January 2008</b>	<b>492 405</b>	<b>1 906 787</b>	<b>49 240</b>	<b>158 521</b>	<b>174 362</b>	<b>2 781 315</b>
Moved Depreciation, net of tax - recognized directly in equity	-	(169 358)	-	-	169 358	-
Revaluation of long-term tangible assets	-	(222 070)	-	-	-	(222 070)
Deferred income tax liability as a result of revaluation of long-term tangible assets	-	(62 625)	-	-	-	(62 625)
Profit for the year	-	-	-	-	(80 414)	(80 414)
<b>Recognized income and expenses for 2008</b>	<b>-</b>	<b>(454 052)</b>	<b>-</b>	<b>-</b>	<b>88 944</b>	<b>(365 108)</b>
Transfers to reserves	-	-	-	174 998	(174 998)	-
Dividends for 2006	-	-	-	-	-	-
<b>Balance as at 31 December 2008</b>	<b>492 405</b>	<b>1 452 734</b>	<b>49 240</b>	<b>333 519</b>	<b>88 308</b>	<b>2 416 207</b>

## 11. Cash flow statement, in LTL'000

	GROUP		COMPANY	
	31-12-2008	31-12-2007	31-12-2008	31-12-2007
<b>Cash flows from operating activities</b>				
Profit (loss) for the year	( 81 533)	74 305	( 80 414)	72 832
<b>Adjustments for:</b>				
– Depreciation and amortisation	286 208	182 756	279 697	175 716
– Reversal of depreciation of long-term tangible assets	47 142	( 49 498)	47 188	( 49 498)
– Income tax expense	5 364	13 931	5 399	13 077
– Grant income	( 527)	( 182)	( 527)	( 182)
– Loss of sold and written-off assets	6 190	8 065	6 190	8 149
<b>The elimination of financial and investment performance results:</b>				
– Dividends	-	-	( 858)	( 422)
– Interest income	( 542)	( 415)	( 734)	( 710)
– Interest expenses	7 468	5 829	7 291	5 660
– Other financial performance costs (income)	( 5)	-	-	-
<b>Changes in working capital:</b>				
– Trade and other receivables	( 13 391)	( 11 129)	( 11 379)	( 12 051)
– Inventories and prepayments (increase) decrease	6 612	( 3 134)	2 218	( 1 289)
– Other current assets (increase) decrease	( 11)	( 160)	-	( 160)
– Trade and other payables	36 652	97 063	40 743	96 910
– Interest paid	( 7 258)	( 5 476)	( 7 081)	( 5 307)
– Income tax paid	( 29 045)	( 28 041)	( 28 484)	( 27 658)
<b>Net cash generated from operating activities</b>	<b>263 324</b>	<b>283 914</b>	<b>259 250</b>	<b>275 065</b>
<b>Cash flows from investing activities</b>				
– Purchases of long-term tangible assets and intangible assets	( 274 057)	( 256 126)	( 270 478)	( 248 695)
– Proceeds from sale of PPE and IA	708	1 267	701	776
– Loans granted to subsidiaries	-	-	1 000	1 000
– Loan repayments received	656	560	656	560
–Term deposits	-	-	-	-
– Dividends received	-	-	858	422
– Interest received	544	415	734	710
– Other cash flows increase (decrease) from investing activities	-	-	-	-
<b>Net cash flows used in investment activities</b>	<b>( 272 149)</b>	<b>( 253 884)</b>	<b>( 266 530)</b>	<b>( 245 228)</b>
<b>Financing activities</b>				
–Loans received	128 961	44 886	128 962	44 886
–Loans repaid	( 82 413)	( 29 413)	( 82 413)	( 29 413)
–Dividends paid to Company shareholders	( 201)	( 34 328)	( 201)	( 34 328)
–Other cash flows increase (decrease) used in financing activities	5	-	-	-
<b>Net cash flows used in financing activities</b>	<b>46 352</b>	<b>( 18 855)</b>	<b>46 347</b>	<b>( 18 855)</b>
<b>Increase (decrease) in cash and cash equivalents (including overdraft)</b>	<b>37 527</b>	<b>11 175</b>	<b>39 066</b>	<b>10 982</b>
Cash and cash equivalents (including overdraft) at the start of the period	( 30 048)	( 41 223)	( 27 406)	( 38 388)
<b>Cash and cash equivalents (including overdraft) at the end of the period</b>	<b>7 479</b>	<b>( 30 048)</b>	<b>11 660</b>	<b>( 27 406)</b>

## 12. Explanatory note

### 12.1 General information

Rytų Skirstomieji Tinklai AB (hereinafter referred to as the Company) is a joint stock company registered in the Republic of Lithuania. The Company was registered in the State Register of Enterprises on 31 December 2001. The Company's shares are listed on NASDAQ OMX Vilnius AB. The address of the Company's registered office is:

P. Lukšio Str. 5b,  
LT-08221 Vilnius,  
Lithuania

As of 30 September 2008, the Company's two primary shareholders were LEO LT AB with 71.35 percent of the Company's shares and E.ON Ruhrgas International AG (Germany) with 20.28 per cent of the Company's shares. The remaining shares belong to different minor shareholders.

The main activity of the Company is supply and distribution of electricity. The Company is a public supplier obliged to supply electricity to the residents and entities, which have not chosen an independent electricity supplier, in the eastern part of Lithuania. The Company, owning medium and low voltage electricity network, is the sole provider of electricity distribution service to the consumers in the eastern part of Lithuania.

The Company was registered after reorganization of Lietuvos Energija SPAB. Following the Law on Reorganization of Lietuvos Energija SPAB, No. VIII-1693, adopted on 18 May 2000, Lietuvos Energija SPAB was reorganized by dividing. After the reorganization of Lietuvos Energija SPAB, which continues the activities as a joint stock company, its certain assets, rights and duties were transferred to newly established enterprises: Rytų Skirstomieji Tinklai AB, Vakarų Skirstomieji Tinklai AB (the name was changed to VST AB), Lietuvos Elektrinė AB and Mažeikių Elektrinė AB.

After the reorganization Lietuvos Energija AB continues the activities as an operator of transmission network and the market, whereas the Company and VST AB function as operators of distribution networks and public suppliers.

On 28 June 2007, the Parliament of the Republic of Lithuania adopted the Law on the Nuclear Power Plant, which set the procedure of implementation of a new nuclear power plant project establishing a national investor. On 14 February 2008, the Law on Amending and Supplementing the Law on the Nuclear Power Plant was passed, according to which the national investor shall be established on the basis of a new parent company transferring the State owned shares (or part thereof) of Rytų Skirstomieji Tinklai AB to the new parent company. On 27 May 2008, an agreement of the national investor LEO LT AB shareholders was signed. Immediately after that an extraordinary general shareholders' meeting of LEO LT AB was called, at which they decided to increase share capital of LEO LT AB by asset contribution from the Lithuanian Government and NDX Energija UAB; and shares of Rytų Skirstomieji Tinklai AB, Lietuvos Energija AB and VST AB.

The activities of the Company are regulated by the Law on Electricity of the Republic of Lithuania.

#### *The consolidated group*

The consolidated group (hereinafter referred to as the Group) consists of the Company and its three subsidiaries. The subsidiaries included in the Group's consolidated financial accounting report are as follows:

Subsidiary	Country of incorporation	Year of establishment	Group's share (%)		Activities
			30-09-2008	31-12-2007	
Rytra UAB	Lithuania	2004	100	100	Provides transport rent services. Rents lorries and passenger cars, building and special purpose mechanisms
Elektros Tinklo Paslaugos UAB	Lithuania	2004	100	100	Provides the services of technical maintenance, exploitation, repair of the electric network, performs the works of internal electric installation
Tetas UAB	Lithuania	2005	100	100	Provides specialized electric network services – exploits the electric equipment of substations, distribution points, transformer stations, performs the testing works

### 12.2 Information on the activities and results of the company and the group

RST reported a loss of LTL 80.4 mln for 2008, while in 2007 the company earned a net profit of LTL 72.2 mln. The group also incurred a loss of LTL 82.1 mln. In 2007, the consolidated net profit of the group made up LTL 73.7 mln.

In 2008 compared with 2007, the operating loss and the change in it were determined by a valuation of RST assets carried out by independent property valuers. Following International Accounting Standards, RST records long-term tangible assets in the financial statements at their real value. Independent property valuers revalued the long-term

tangible assets of RST as at 31 December 2007, with the established value of assets included in the financial statements of RST. The revaluation of assets influenced the increase in the value of long-term tangible assets of RST and had a positive effect on the 2007 results. However, the increase in the value of assets determined a considerable increase in depreciation costs in 2008, which was the main reason for the decrease in profit.

Key financial performance indicators of the RST and Subsidiaries in 2007, LTL million:

Indicators	Company group*	RST	Elektros Tinklo Paslaugos UAB	Rytra UAB	Tetas UAB
Operating income	1,198.1	1,193.0	62.1	28.7	17.4
Operating profit	(81.0)	(79.3)	(0.7)	(0.2)	0.6
Net profit	(82.1)	(80.4)	0.063	0.136	0.50
Assets	3,400.2	3,390.45	26.1	30.6	5.6
Investments	256.1	252.5	0.9	3.6	0.3
Borrowings	177.0	172.6	4.0	2.0	0.4

(\* consolidated data)

### Income

In 2008 compared with 2007, the consolidated income of the group of companies grew by 12.7% and reached LTL 1,198.1 mln.

In 2008, RST income from sales and services made up LTL 1,193 mln, up by LTL 126.4 mln or 11.85% year-on-year. The rise in income was determined by an increase in electricity sales and higher electricity tariffs.

In 2008, RST sold consumers 4,277 mln kWh of electricity, up by 3.5% year-on-year. In 2008 compared with 2007, the average electricity tariff for end users grew by 9.3% due to an increase in electricity generation and transmission prices.

In 2008, the income of subsidiary Tetas UAB increased by 10.2%, Rytra UAB income decreased slightly - 0.04%. The income of Elektros Tinklo Paslaugos UAB went down by 6.9%.

### Costs

Consolidated costs of the group grew by 31.8% in 2008 from 2007 and made up LTL 1,286.5 mln.

In 2008, operating costs of RST grew faster than income (LTL 296.3 mln or 30.4%) due to revaluation of long-term assets.

Another reason for the increase in costs was an increase in variable costs (purchase of electricity) by LTL 99.8 mln. Such a change was influenced by an increase in the amount of electricity bought and higher electricity generation prices. Variable costs of RST account for approximately 56% of total costs.

In 2008, RST bought 4,639 mln kWh of electricity, up by 1.6% year-on-year. The average actual electricity purchase price made up 11.84 ct/kWh in 2008, a rise by 18.5% year-on-year. The increase in the electricity purchase price was determined by higher prices of energy resources in 2008.

In 2008, RST operating costs (except variable and depreciation costs) amounted to LTL 277.6 mln, up by LTL 92.8 mln year-on-year.

### Long-term assets and investments

The value of long-term assets of the group shrank by LTL 307.18 mln to LTL 3,255.9 mln in 2008, while consolidated investments (excluding inventories for the production of fixed assets) made up LTL 256.1 mln, down by LTL 16.9 mln year-on-year. Investments of subsidiaries in the acquisition of long-term assets totalled LTL 4.8 mln.

In 2008, RST investments amounted to LTL 252.5 mln. Connection of electrical equipment of new consumers accounted for the bulk of RST investments in 2008 (54%).

### Short-term assets

Short-term assets of RST increased by LTL 25.2 mln in 2008 and made up LTL 139.5 mln at the end of the year. Short-term assets of the group grew by LTL 27.3 mln last year and totalled LTL 144.25 mln. The change in short-term assets was influenced by an increase in receivables from RST customers due to a rise in the electricity selling price.

### Equity

The consolidated equity of the group decreased by LTL 375.5 mln and made up LTL 2,421.7 mln at the end of 2008.

### Liabilities

In 2008, liabilities of the Group grew by LTL 95.6 mln to reach LTL 978.5 mln.

At the end of 2008, financial debts of RST totalled 172.6 mln (including LTL 143.1 mln of long-term and LTL 29.5 mln of short-term debts), up by LTL 26.4 mln year-on-year. At the end of last year, the group's financial debts made up LTL 177 mln.

## IV. ESSENTIALS EVENTS IN THE ISSUER'S ACTIVITIES

### 13. Essential events in the issuer's activities

#### 23.01.2008 Decision of the Board of Rytų Skirstomieji Tinklai AB

On 23 January 2008, Board of Rytų Skirstomieji Tinklai AB decided to extend, at the expense of the Company's profit, the application of a preferential tariff for farmers receiving electric energy from low-voltage power transmission networks for the year 2008 (the power fee is to be applied in August, September and October only).

#### 04.02.2008 On the Law Amending the Law on Nuclear Power Plant

On 1 February 2008, the Parliament of the Republic of Lithuania passed the Law Amending Articles 8, 10, 11 and 20 of the Law on Nuclear Power Plant providing for the establishment of a national investor on the basis of a new parent company, transferring the state-owned stake in Rytų Skirstomieji Tinklai AB (or a part thereof) to the new parent company.

#### 13.02.2008 On the Signing of the Law Amending the Law on Nuclear Power Plant

On 11 February 2008, the President of the Republic of Lithuania signed the Law Amending and Supplementing Articles 8, 10, 11 and 20 of the Law on Nuclear Power Plant of the Republic of Lithuania, passed by the Parliament of the Republic of Lithuania on 1 February 2008, which provided for the establishment of a national investor on the basis of a new parent company, transferring the state-owned stake in Rytų Skirstomieji Tinklai AB (or a part thereof) to the new parent company.

#### 26.02.2008 Preliminary unaudited consolidated operating results of Rytų Skirstomieji Tinklai Group for 2007

Preliminary unaudited consolidated operating results of Rytų Skirstomieji Tinklai Group (hereinafter referred to as RST Group) for 2007 according to International Financial Reporting Standards:

- net profit of LTL 32.5 mln (EUR 9.42 mln), up 31 pct from the 2006 figure of LTL 24.8 mln (EUR 7.19 mln). The higher than expected profit of the Group in 2007 was determined by a 4 pct rise in electricity sales;
- pre-tax profit of LTL 39.1 mln (EUR 11.34 mln), up 30.8 pct versus the year-earlier figure of LTL 29.9 mln (EUR 8.67 mln);
- operating income of LTL 1068 mln (EUR 309.57 mln), up 14.4 pct from the year-earlier figure of LTL 933.8 mln (EUR 270.67 mln);
- RST Group investments made up LTL 273 mln (EUR 7913 mln), up 30.6 pct compared with the year-earlier figure of LTL 209 mln (EUR 60.58 mln). The higher than expected investments were determined by a 39 pct increase (as compared with 2006) in the number of new consumers connected to the power grid.

#### 05.03.2008 Investment plans of Rytų Skirstomieji Tinklai for 2008

In 2008, Rytų Skirstomieji Tinklai AB plans to allocate LTL 248 mln (EUR 71.9 mln) for investments, of which three-quarters will go to investments in the distribution network.

#### 13.03.2008 Ordinary General Meeting of Shareholders of Rytų Skirstomieji Tinklai AB

At the initiative of the Board of Rytų Skirstomieji Tinklai AB, it was decided to convene an Ordinary General Meeting of Rytų Skirstomieji Tinklai AB at P. Lukšio g. 5B, Vilnius, on 15 April 2008 at 10 a.m.

Agenda of the Ordinary General Meeting of Shareholders:

1. Presentation of the Group's consolidated annual report for 2007;
2. Presentation of findings of an independent auditor;
3. Approval of the Company's financial statements for 2007;
4. Approval of consolidated financial statements of the Company and its subsidiaries for 2007;
5. The Company's profit and loss appropriation account for 2007;
6. Selection of an audit company and determination of terms of payment for audit services.

Registration of shareholders starts on 15 April 2008 at 9 a.m. and ends at 9.50 a.m.

The accounting day of the General Meeting is 8 April 2008.

The shareholders must have ID documents. Shareholders' proxies must also have a power of attorney certified in accordance with the established procedure.

#### 14.03.2008 The Board of Rytų Skirstomieji Tinklai AB approves the Company's long-term tangible asset valuation results

The Board of Rytų Skirstomieji Tinklai AB approved the results of valuation of the Company's long-term tangible assets carried out by Korporacija Matininkai UAB, an independent property valuer, and the inclusion thereof in the Company's

financial accounting. The Company's long-term tangible assets as of 31 December 2007 were valued at LTL 3.48 bln, i.e. 1.4-fold higher than the book value of 31 December 2007.

#### 07.04.2008 Decision of the Board of Rytų Skirstomieji Tinklai AB

On 4 April 2008, the RST Board decided to approve the Company's consolidated annual report and audited financial statements of the Company and the Group for 2007, prepared according to International Financial Reporting Standards, and submit them to the Ordinary General Meeting of Shareholders.

In 2007, the Company's earnings made up LTL 1070.6 mln (EUR 310.32 mln), pre-tax profit totalled LTL 91.3 mln (EUR 26.46 mln) and net profit was LTL 72.8 mln (EUR 21.1 mln).

In 2007, the Group's earnings totalled LTL 1068 mln (EUR 309.57 mln), pre-tax profit amounted to LTL 93.8 mln (EUR 27.19 mln) and net profit was LTL 74.3 mln (EUR 21.54 mln).

The Company's and the Group's audited pre-tax profit for 2007 increased by LTL 49.1 mln (EUR 14.23 mln) and net profit grew by LTL 41.8 mln (EUR 12.12 mln) as compared with the Group's preliminary net profit of LTL 32.5 mln (EUR 9.42 mln) and pre-tax profit of LTL 39.1 mln (EUR 11.34 mln) reported on 26 February 2008. The main reason for the rise in profit was the decision of the Company's Board to include an increase in the value of long-term tangible assets as of 31 December 2007 into financial accounting. Asset revaluation determined a 1.4-fold increase in the value of the Company's long-term tangible assets from LTL 2.43 bln (EUR 0.7 bln) to LTL 3.48 bln (EUR 1 bln). The increase in the value of assets after revaluation facilitated partial offsetting of negative asset revaluation results recorded in 2004.

The Company's Board suggests the General Meeting of Shareholders to allocate LTL 12.3 mln (EUR 3.57 mln) of the Company's 2007 profit available for appropriation for paying dividends, i.e. LTL 0.025 (EUR 0.007) dividends per share.

From 7 April 2008, the shareholders can familiarise themselves with documents related to the agenda of the meeting on the Company's website at [www.rst.lt](http://www.rst.lt) and on the website of Vilnius Stock Exchange at [www.baltic.omxgroup.com](http://www.baltic.omxgroup.com).

#### 10.04.2008 Concerning media reports that Rytų Skirstomieji Tinklai AB will not pay dividends

In response to 9 April 2008 media reports, Rytų Skirstomieji Tinklai AB hereby informs that, as reported earlier, the Company's Board decided on 4 April 2008 to propose the General Meeting of Shareholders to pay dividends to shareholders. The Company's Board has not made any other decisions on this issue and has no further official information.

#### 15.04.2008 Ordinary General Meeting of Shareholders of Rytų Skirstomieji Tinklai AB did not take place

In the absence of a quorum, the Ordinary General Meeting of Shareholders of Rytų Skirstomieji Tinklai AB (hereinafter referred to as RST AB) did not take place.

At its meeting on 15 April, the Government of the Republic of Lithuania decided to charge the Ministry of Economy (the holder of state-owned shares in RST AB) with authorising its representative at the General Meeting of Shareholders of RST AB to vote in favour of the decision not to allocate the Company's 2007 profit available for appropriation for dividends.

#### 18.04.2008 Repeated Ordinary General Meeting of Shareholders of Rytų Skirstomieji Tinklai AB

In the absence of a quorum at the Ordinary General Meeting of Shareholders of 15 April 2008, the Board of Rytų Skirstomieji Tinklai AB decided on 17 April 2008 to convene a Repeated Ordinary General Meeting of Rytų Skirstomieji Tinklai AB at the same address (P. Lukšio g. 5B, Vilnius) with the same agenda on 28 April 2008 at 10 a.m.

Registration of shareholders starts on 28 April 2008 at 9 a.m. and ends at 9.50 a.m.

The accounting day of the Repeated Ordinary General Meeting of Shareholders is 21 April 2008.

Shareholders attending the Repeated General Meeting must have ID documents. Shareholders' proxies must also have a power of attorney certified in accordance with the established procedure.

#### 28.04.2008 Repeated Ordinary General Meeting of Shareholders takes place

DECIDED:

- I) To approve the financial statements of Rytų Skirstomieji Tinklai AB for 2007;
- II) To approve the consolidated financial statements of the Company and its subsidiaries for 2007;
- III) To approve the Company's profit and loss appropriation account for 2007:

1. Retained profit (loss) for the preceding financial year brought forward at the start of the reporting financial year	LTL 0 (EUR 0)
2. Net profit (loss) for the reporting financial year:	LTL 72 831 892 (EUR 21 110 693)
3. Profit (loss) for the reporting financial year not recognised in the profit and loss account:	LTL 102 165 627 (EUR 29 613 225)



4. Transfers from reserves:	LTL 0 (EUR 0)
5. Shareholders' contributions to cover the Company's losses:	LTL 0 (EUR 0)
6. Total profit (loss) available for appropriation:	LTL 174 997 519 (EUR 50 723 919)
7. Share of profit allocated to the legal reserve:	LTL 0 (EUR 0)
8. Share of profit allocated to the reserve for acquisition of own shares:	LTL 0 (EUR 0)
9. Share of profit allocated to other reserves:	LTL 171 817 519 (EUR 49 802 179)
10. Share of profit allocated for payment of dividends:	LTL 0 (EUR 0)
11. Share of profit allocated for payment of annual disbursements (bonuses) for Board members, bonuses for employees, and for other purposes:	LTL 3 180 000 (EUR 921 739)
11.1. for support:	LTL 700 000 (EUR 202 899)
11.2. for bonuses:	LTL 80 000 (EUR 23 188)
11.3. for bonuses for employees and for other purposes:	LTL 2 400 000 (EUR 695 652)
12. Retained profit (loss) at the end of the reporting financial year brought forward to the following financial year:	LTL 0 (EUR 0)

IV) To select audit company Nepriklausomas Auditas UAB as the auditor of Rytų Skirstomieji Tinklai AB and its subsidiaries for auditing financial statements 2008 -2009 and set the price of audit services at LTL 115 168 (EUR 33 382) (incl. VAT) for 2008 and at LTL 115 168 (EUR 33 382) (incl. VAT) for 2009.

#### **29.04.2008 Preliminary unaudited operating results of Rytų Skirstomieji Tinklai Group for the first quarter of 2008**

Preliminary unaudited operating results of Rytų Skirstomieji Tinklai Group for the first quarter of 2008 according to International Financial Reporting Standards:

- operating income of LTL 329 mln (EUR 95.4 mln), up 16 pct compared with the 2007 Q1 figure of LTL 283.5 mln (EUR 822 mln);
- pre-tax profit of LTL 15.7 mln (EUR 4.6 mln), down by LTL 8.1 mln (EUR 2.3 mln) from the year-earlier figure of LTL 23.8 mln (EUR 6.9 mln);
- net profit of LTL 13 mln (EUR 3.8 mln), down by LTL 6.1 mln (EUR 1.7 mln) versus the year-earlier figure of LTL 19.1 mln (EUR 5.5 mln).

The main reason for the decrease in profit was an increase in the value of long-term tangible assets included in the Company's financial accounting on 31 December 2007, which increased costs considerably.

#### **28 05 2008. LEO LT AB Shareholder Agreement signed and share capital increased**

On 27 May 2008, the Shareholder Agreement of the national investor company LEO LT AB was signed. Immediately thereafter an Extraordinary General Meeting of Shareholders of LEO LT AB took place, which took the decision to increase the share capital of LEO LT AB with property contributions of the shareholders the Government of the Republic of Lithuania and NDX Energija UAB, i.e. with shares of Rytų Skirstomieji Tinklai AB, Lietuvos Energija AB and VST AB. The Statutes of LEO LT AB were amended accordingly and registered with the Register of Legal Persons.

#### **29 05 2008. Agendas of Extraordinary General Meetings of Shareholders**

On 28 May 2008, the Board of Rytų Skirstomieji Tinklai AB decided to convene an Extraordinary General Meeting of Shareholders on 30 June 2008 at 11:30 a.m., at P. Lukšio St. 5B, Vilnius. Agenda of the Extraordinary General Meeting of Shareholders:

1. Approval of the new edition of the Company's Statutes.
  2. Dissolution of the Company's Supervisory Board and revocation of the existing Supervisory Board of the Company.
- Registration of shareholders starts on 30 June 2008 at 10:30 a.m. and ends at 11:20 a.m. The accounting day of the General Meeting is 20 June 2008.

On 28 May 2008, the Board of Rytų Skirstomieji Tinklai AB decided to convene an Extraordinary General Meeting of Shareholders on 8 July 2008 at 2 p.m., at P. Lukšio St. 5B, Vilnius. Agenda of the Extraordinary General Meeting of Shareholders:

1. Revocation of the Board of the Company.
2. Election of the Board.

Registration of shareholders starts on 8 July 2008 at 1 p.m. and ends at 1:50 p.m. The accounting day of the General Meeting is 30 June 2008.

Shareholders attending the General Meeting must have ID documents. Shareholders' proxies must also have a power of attorney certified in accordance with the established procedure.

#### **04 06 2008. Regarding non-provision of a compulsory public offer**

This is to advise that on 2 June 2008 the shareholder LEO LT AB, company identification No. 301732248, registered address at Žvejų St. 14A, Vilnius, which controls the publicly held company Rytų Skirstomieji Tinklai, announced that it would not provide the compulsory public offer to buy out the remaining voting shares of the publicly held company Rytų Skirstomieji Tinklai, as the applicable laws of the Republic of Lithuania did not provide for such a requirement.

#### **05 06 2008. Notification about acquisition of a block of shares**

June 2, 2008 Rytų skirstomieji tinklai AB received the notification from LEO LT, AB where it is said that LEO LT AB acquired the voting rights of Rytų skirstomieji tinklai, AB after the shares were conceded to LEO LT as capital contribution.

#### **10 06 2008. Notification about disposal of a block of shares**

June 9, 2008 Rytų skirstomieji tinklai AB received the notification from Ministry of Economy the Republic of Lithuania where it is said that Ministry of Economy the Republic of Lithuania disposed the voting rights of Rytų skirstomieji tinklai, AB after the shares were conceded to LEO LT, AB as capital contribution.

#### **26 06 2008. Agenda of the 8 July 2008 Extraordinary General Meeting of Shareholders amended**

On 20 June 2008, the Board of Rytų Skirstomieji Tinklai AB passed the decision to amend the agenda of the 8 July 2008 Extraordinary General Meeting of Shareholders by annulling the agenda approved the Board Resolution No 12 of 28 2008, and to approve a new agenda:

1. Regarding revocation of the Supervisory Board of the Company.
2. Regarding election of the Supervisory Board of the Company.

The Extraordinary General Meeting of Shareholders will take place at P.Lukšio St. 5B, Vilnius, at 2 p.m. Registration of shareholders starts on 8 July 2008 at 1 p.m. and ends at 1:50 p.m. The accounting day of the General Meeting is 30 June 2008.

Shareholders attending the General Meeting must have ID documents. Shareholders' proxies must also have a power of attorney certified in accordance with the established procedure.

#### **27 06 2008. Notice of changes to agenda of Extraordinary General Shareholders Meeting to be held on 8 July 2008**

On 20 June 2008, the Board of Rytų Skirstomieji Tinklai, AB decided to amend the agenda for the extraordinary general meeting of shareholders of 8 July 2008 by cancelling the agenda approved by decision No 12 of the Board of 28 May 2008 and to approve the following new agenda:

1. Recall of the Supervisory Board of the Company
2. Election of the Supervisory Board of the Company.

The extraordinary general meeting of shareholders will be held at P. Lukšio 5B, Vilnius, at 14:00.

Registration of shareholders begins on 8 July 2008 at 13:00 and ends at 13:50.

The record day of the general meeting of shareholders is 30 June 2008.

Shareholders arriving to the general meeting of shareholders must produce a personal identity document. Proxies of shareholders must also have a document approved as required by law.

#### **28 06 2008. The decision project of the Extraordinary General Meeting of Shareholders of July 8, 2008**

AGENDA TOPICS:

1. Recall of the Supervisory Board of the Company;
2. Election of the Supervisory Board of the Company.

DECISION:

1. To recall the current Supervisory Board of the Company whose authority expires as soon as the new Supervisory Board of the Company takes office
2. To stipulate that the new Supervisory Board of the Company takes office on the day of the general meeting of shareholders which elected the Supervisory Board."

The agenda of the Extraordinary General Meeting of Shareholders, which will be called on June 8, 2008, has been changed by the minute No.17 of The Board Meeting, June 20, 2008. The decision projects of the Extraordinary General Meeting of Shareholders were discussed during the Board Meeting of Rytų skirstomieji tinklai AB, which took place on June 20, 2008 (minute No. 17)

**30 06 2008. On 30 June 2008 an Extraordinary General Meeting of Shareholders takes place**

At the Extraordinary General Meeting of Shareholders of Rytų Skirstomieji Tinklai AB (company identification No 110870890) that took place on 30 June 2008 the following resolutions were passed:

1. To approve the new edition of the Company's Statutes, to authorise Valdas Bancevičius, acting CEO of Rytų Skirstomieji Tinklai AB, to sign the new edition of the Statutes of Rytų Skirstomieji Tinklai AB, and to obligate Valdas Bancevičius, acting CEO of Rytų Skirstomieji Tinklai AB, or other authorised persons to register the amended Statutes in accordance with the procedure established by the law and to perform other related actions.
2. Not to dissolve the Supervisory Board of the Company and not to revoke the existing Supervisory Board of the Company.

**11 07 2008. On 8 July 2008 an Extraordinary General Meeting of Shareholders takes place**

On 8 July 2008, at 2 p.m., an Extraordinary General Meeting of Shareholders of Rytų Skirstomieji Tinklai AB took place that resolved the following:

1. To revoke the existing Supervisory Board of Rytų Skirstomieji Tinklai AB and to establish that the authority thereof ceases as of the beginning of activities of the new Supervisory Board of Rytų Skirstomieji Tinklai AB.
2. To elect the following persons to the Supervisory Board of Rytų Skirstomieji Tinklai AB: Andrius Šimkus, Vidmantas Grušas, Algimantas Zaremba, Darius Kašauskas and Mario Nullmeier.
3. To establish that of the new Supervisory Board of Rytų Skirstomieji Tinklai AB begins its activities as from the date of the General Meeting of Shareholders of Rytų Skirstomieji Tinklai AB that elected the Supervisory Board.

On the same day, at 3 p.m., a meeting of the Supervisory Board of Rytų Skirstomieji Tinklai AB took place that resolved:

1. To elect Andrius Šimkus chairman of the Supervisory Board of Rytų Skirstomieji Tinklai AB.
2. To revoke the existing Board of Rytų Skirstomieji Tinklai AB and to establish that the authority thereof ceases as of the beginning of activities of the new Board of Rytų Skirstomieji Tinklai AB.
3. To elect the following persons to the Board of Rytų Skirstomieji Tinklai AB: Gintautas Mažeika, Valdas Bancevičius and Vytenis Kudinskas.
4. Not to elect the fourth member of the Board of Rytų Skirstomieji Tinklai AB.
5. To establish that the new Board of Rytų Skirstomieji Tinklai AB begins its activities after the end of the meeting of the Supervisory Board of Rytų Skirstomieji Tinklai AB that elected the Board.

On the same day, at 3:30 p.m., a meeting of the Board of Rytų Skirstomieji Tinklai AB took place that resolved:

1. To elect Gintautas Mažeika chairman of the Board of Rytų Skirstomieji Tinklai AB.
2. To revoke the CEO of Rytų Skirstomieji Tinklai AB.
3. To elect Gintautas Mažeika new CEO of Rytų Skirstomieji Tinklai AB.

**21 07 2008. Preliminary H1 2008 operating results of Rytų Skirstomieji Tinklai AB Group**

H1 2008 preliminary unaudited consolidated operating results of the Rytų Skirstomieji Tinklai Group according to International Financial Reporting Standards:

- operating income of LTL 603.3 mln (EUR 174.9 mln), up 14.9 pct from the year-earlier figure of LTL 525.1 mln (EUR 152.2 mln),
- pre-tax profit of LTL 10.8 mln (EUR 3.1 mln), down by LTL 21.2 mln (EUR 6.1 mln) versus the year-earlier figure of LTL 32 mln (EUR 9.28 mln),
- net profit of LTL 8.4 mln (EUR 2.4 mln), up by LTL 17.7 mln (EUR 5.1 mln) from the H1 2007 figure of LTL 26.1 mln (EUR 7.57 mln).

The main reason for the drop in profit was the increased value of the long-term tangible assets included in the 31 December 2007 financial statements of the Company, which significantly enlarged the costs.

**29 09 2008. Court decided to accept the complaint of the joint-stock company Rytų Skirstomieji Tinklai**

Joint-stock company Rytų Skirstomieji Tinklai has applied to the Vilnius Regional Administrative Court for obligating the National Control Commission for Prices and Energy to perform actions within its competence: to agree the draft amendment to the Methodology of Determining Electricity Power Transmission and Distribution Service Prices and Their Ceiling Prices and the draft amendment to the Methodology of Determining Public Electricity Power Prices, Public Supply Service Prices and Their Ceiling Prices, with the Ministry of Economy of the Republic of Lithuania. The company has also requested the Court to apply a remedy: until the coming into force of the court judgement on the complaint of Rytų Skirstomieji Tinklai, to impose a temporary prohibition on the National Control Commission for Prices and Energy to take decisions on the amendment to the Methodology of Determining Electricity Power Transmission and Distribution Service Prices and Their Ceiling Prices and the amendment to the Methodology of Determining Public Electricity Power Prices, Public Supply Service Prices and Their Ceiling Prices. On 29 September 2008, the Vilnius Regional Administrative Court decided to accept the complaint of the joint-stock company Rytų Skirstomieji Tinklai and to apply the above-mentioned remedy

**02 10 2008. The Resolution of the Parliament came into force**

On 02 10 2008, the Resolution of the Parliament of the Republic of Lithuania, On The Application To The Constitutional Court Of The Republic Of Lithuania For An Investigation Of Whether The Law On The Amendment To Articles 8, 10, 11 and 20 Of The Law On The Nuclear Power Plant Of The Republic Of Lithuania Does Not Contradict The Constitution Of The Republic Of Lithuania, came into force.

### **29 10 2008. The preliminary unaudited result of Rytų Skirstomieji Tinklai AB company group for the three quarters of 2008**

The preliminary unaudited result of Rytų Skirstomieji Tinklai AB company group for the three quarters of 2008 is a loss of LTL 47.7 million (EUR 13.8 million) according to International Financial Reporting Standards. In the three quarters of 2008, the group earned LTL 877.8 million (EUR 254.2 million) in total operating revenue.

### **29 10 2008. According to the decision of the Management Board of Rytų Skirstomieji Tinklai AB, Extraordinary General Meeting of Shareholders is being convened on December 2, 2008**

According to the decision of the Management Board of Rytų Skirstomieji Tinklai AB, Extraordinary General Meeting of Rytų Skirstomieji Tinklai AB Shareholders is being convened on December 2, 2008, at 10 a.m. in Vilnius, Lukšio 5B.

Agenda of the Extraordinary General Meeting of Shareholders:

1. Recall of the audit company;

2. Election of new audit company and approval of payment conditions for audit services.

Registration of shareholders starts on December 2, 2008 at 9 a.m. and ends at 9:50 a.m.

The accounting day of the Extraordinary General Meeting of Shareholders is 25 November, 2008.

The shareholders shall submit ID documents on arrival. Shareholders' proxies must also have a power of attorney certified in accordance with the procedure, established by law.

To shareholders will be proposed to consider following draft decision:

1. The item of the agenda "Recall of the audit company":

1.1. To recall audit company Nepriklausomas auditas, UAB which was elected by Second General Meeting convened on 28 April, 2008, for the audit of financial statements for the years 2008 – 2009 of Rytų skirstomieji tinklai, AB and its subsidiaries.

2. The item of the agenda "Election of new audit company and approval of payment conditions for audit services":

2.1. To elect audit company Ernst & Young Baltic, UAB (Identification No 110878442) for the audit of financial statements for the year 2008 of Rytų skirstomieji tinklai, AB and consolidated financial statements for the year 2008 of patronizing company Rytų skirstomieji tinklai, AB and its subsidiaries and to approve remuneration conditions in amount of 153 400 Lt (VAT included).

### **31 10 2008. The National Control Commission for Prices and Energy revised the price caps for electricity distribution service and public supply service of RST for the year 2009**

On 31st of October, 2008, the National Control Commission for Prices and Energy (NCCPE) revised the price caps for electricity distribution service and public supply service of joint-stock company Rytų Skirstomieji Tinklai (RST) for the year 2009:

- electricity distribution to the medium voltage networks service – 7,29 LTc/kWh (2,11 Eurocent/kWh). In the year 2008 it was 7,20 LTc/kWh (2,09 Eurocent /kWh);

- electricity distribution to the low voltage networks service – 11,09 LTc/kWh (3,21 Eurocent/kWh). In the year 2008 it was 11,1 LTc/kWh (3,21 Eurocent/kWh);

- public supply service – 0,21 LTc/kWh (0,06 Eurocent/kWh). In the year 2008 it was 0,21 LTc/kWh (0,06 Eurocent/kWh).

More information can be find in NCCPE internet site [www.regula.lt](http://www.regula.lt).

On 31st of October, 2008 the Management Board of RST approved the prices and tariffs of electricity and the procedure of their application for the year 2009 and submits them to the NCCPE. It is planned that the electricity price for household consumers will increase by 5,93 LTc/Wh (excluding VAT), and the electricity price for enterprises and institutions will increase on the average by 5,5 LTc/kWh (excluding VAT). The determinate prices and tariffs of electricity and the procedure of their application shall be promulgated by NCCPE in accordance with the legal acts. Distribution service prices and tariffs and public electricity prices and tariffs shall come into force one month after the announcement thereof.

### **27 11 2008. Information regarding the decision, adopted by the National Control Commission for Prices and Energy**

The National Control Commission for Prices and Energy (hereinafter - NCCPE) at the meeting, convened on 27 november 2008, decided to postpone the consideration of the item regarding the prices and tariffs of electricity and the procedure of their application for the year 2009, of Rytų Skirstomieji Tinklai, AB, which had been approved by the Resolution of Rytų Skirstomieji Tinklai AB Management Board.

### **28 11 2008. Interim Report for the Three Quarters of 2008**

Rytų skirstomieji tinklai AB presented Interim Report for the Three Quarters of 2008 and confirmation of responsible persons.

**02 12 2008. The decisions, adopted in the Extraordinary General meeting of the shareholders on December 2, 2008**

The Extraordinary General shareholders meeting of Rytų skirstomieji tinklai, AB, held on December 2, 2008, adopted the following decisions:

- 1) To recall audit company Nepriklausomas auditas, UAB which was elected by Second General Meeting convened on 28 April, 2008, for the audit of financial statements for the years 2008 - 2009 of Rytų skirstomieji tinklai, AB and its subsidiaries.
- 2) To elect audit company Ernst & Young Baltic, UAB (Identification No 110878442) for the audit of financial statements for the year 2008 of Rytų skirstomieji tinklai, AB and consolidated financial statements for the year 2008 of patronizing company Rytų skirstomieji tinklai, AB and its subsidiaries and to approve remuneration conditions in amount of 153 400 Lt (VAT included).

**02 12 2008. Rytų Skirstomieji Tinklai, AB certifies the forecast of Gintautas Mazeika, that company is going to have loss in 2008**

Rytų Skirstomieji Tinklai, AB certifies the forecast of the Chief Executive Officer of LEO LT, AB Gintautas Mazeika, that company is going to have loss in 2008. RST predicts up to 25 mln. LTL loss.

**04 12 2008. Rytų Skirstomieji Tinklai, AB applied to the Supreme Administrative Court of Lithuania**

On 3 December 2008, joint-stock company Rytų Skirstomieji Tinklai applied to the Supreme Administrative Court of Lithuania requesting to take the waiver of the complaint concerning legality and validity of refusal by public administration institution to perform the actions within the remit of its competence (respondent - the National Control Commission for Prices and Energy), to nonsuete and to revoke the remedy of security of the request, applied according the decision issued on 29 September 2008 by the Vilnius.

**04 12 2008. Rytų Skirstomieji Tinklai AB streamlining operations**

Rytų Skirstomieji Tinklai AB (RST) has announced an expected LTL 12 mln decrease in costs for 2008 and plans to reduce them by a further LTL 40 mln next year.

RST is cutting costs in a bid to boost efficiency through structural changes. It has terminated more than 300 employment contracts by mutual consent since September 2008 and is working to improve procurement procedures.

**04 12 2008. The meeting of the Supervisory Board of Rytų skirstomieji tinklai, AB**

The meeting of the Supervisory Board of Rytų skirstomieji tinklai, AB was convened on December 4, 2008

The meeting of the Supervisory Board of Rytų skirstomieji tinklai, AB (hereinafter - RST) was convened on December 4, 2008. Following decisions were taken:

- 1) To recall the Management Board of RST in corpore;
- 2) To elect the following persons to the Management Board of RST for the remaining term of the Management Board that abandoned its duties: Virgilijus Žukauskas, Vytenis Kudinskas, Laimutė Milašauskienė, Rimantas Vaitkus;
- 3) To determine, that the newly elected Management Board of RST shall start its activities just after Supervisory Board meeting, in which the Management Board was elected.

On the same date (4 December), a meeting of the Management Board of RST was convened at 10:30 a.m. The Management Board of RST adopted the following decisions:

- 1) To elect Rimantas Vaitkus as a chairman of the Management Board of RST.
- 2) To elect Rimantas Vaitkus as a General Manager of RST.

**04 12 2008. Next year RST intends to invest up to LTL 180 mln under an investment program**

Rytų Skirstomieji Tinklai, AB (RST) has confirmed its 2009 investment plans, which were announced at a 4 Dec 2008 news conference by LEO LT Board Chairman Gintautas Mazeika.

Next year, RST intends to invest up to LTL 180 mln under an investment program, which is yet to be finalised.

**18 12 2008. Information regarding the notice of the Ministry of Economy**

The Ministry of Economy has informed that yesterday (on December 17, 2008) The Ministry of Economy appealed to the LEO LT, AB asking to oblige stock company's "Lietuvos energija", "VST" and Rytų skirstomieji tinklai to revise formerly confirmed tariffs of electricity transmission, distribution service and the tariffs of end-users prices and submit these tariffs to the National Control Commission for Prices and Energy for publishing.

In recalculation of prices for the year 2009, The Ministry of Economy for the year 2009 suggests to leave the same prices of electricity transmission and distribution as they were in the year 2008. The electricity tariffs for the end-user, according to The Ministry of Economy, must be changed by follow – the price for the end-users for distribution via medium voltage networks for the Rytų skirstomieji tinklai, AB must be about 25,8 ct/kWh, for distribution via low voltage

networks (and for the household-consumers) - 32,31 ct/kWh; accordingly the distribution price for the VST, AB - 25,81 ct/kWh and 33,47 ct/kWh. According to this, the ultimate price for end-users would increase by 3 ct/kWh.

#### **19 12 2008. Information regarding the notice of the Ministry of Economy (correction)**

Corrected that the price for the end-users for distribution via medium voltage networks for the Rytų skirstomieji tinklai, AB must be about 25,08 ct/kWh.

The Ministry of Economy has informed that yesterday (on December 17, 2008) The Ministry of Economy appealed to the LEO LT, AB asking to oblige stock company's "Lietuvos energija", "VST" and Rytų skirstomieji tinklai to revise formerly confirmed tariffs of electricity transmission, distribution service and the tariffs of end-users prices and submit these tariffs to the National Control Commission for Prices and Energy for publishing.

In recalculation of prices for the year 2009, The Ministry of Economy for the year 2009 suggests to leave the same prices of electricity transmission and distribution as they were in the year 2008. The electricity tariffs for the end-user, according to The Ministry of Economy, must be changed by follow – the price for the end-users for distribution via medium voltage networks for the Rytų skirstomieji tinklai, AB must be about 25,08 ct/kWh, for distribution via low voltage networks (and for the household-consumers) - 32,31 ct/kWh; accordingly the distribution price for the VST, AB - 25,81 ct/kWh and 33,47 ct/kWh. According to this, the ultimate price for end-users would increase by 3 ct/kWh.

#### **23 12 2008. Rytu skirstomieji tinklai, AB certifies the information of LEO LT, AB report presented to mass media**

Rytu skirstomieji tinklai, AB certifies the information of LEO LT, AB report presented to mass media on 23 December 2008, that after consultations with the Ministry of Economy and the National Control Commission for Prices and Energy that took place on 23 December 2008, the heads of LEO LT AB and its subsidiaries Rytų Skirstomieji Tinklai AB, Lietuvos Energija AB and VST AB proposed the National Control Commission for Prices and Energy to exercise its right to determine power transmission and distribution prices for 2009 at its own discretion.

#### **29 12 2008. Information regarding the decision adopted by the National Control Commission for Prices and Energy**

At the meeting held on 29th of December, 2008, the National Control Commission for Prices and Energy took a unilateral decision to establish and announce the prices and tariffs of electricity supplied by Rytų Skirstomieji Tinklai, AB and the procedure of their application.

As of 1st of January, 2009, the electricity price for household consumers will increase by 3 LTC/kWh (including 18 % VAT) or 4 LTC/kWh (including 19 % VAT). Electricity price for commercial customers, which are connected to the medium voltage networks will rise 2.6 LTC/kWh (without VAT) and which are connected to the low voltage networks will rise 2.8 LTC/kWh (without VAT).

For more information, please visit the website of the National Control Commission for Prices and Energy, <http://www.regula.lt>.

In fulfilment of its obligations under the laws regulating the securities market applicable to the Company, the RST announces material events (as well as other regulated information) for the whole of the European Union. Announced information is also available on the RST website at [www.rst.lt](http://www.rst.lt) and the Vilnius Stock Exchange website at [www.baltic.omxgroup.com](http://www.baltic.omxgroup.com).