

The logo for VST, consisting of the letters 'VST' in a white, outlined, sans-serif font, centered on a red rectangular background.

KAD GYVENTI BŪTŲ ŠVIESIAU

**Joint Stock Company "VST"**  
Report for the 1st quarter of 2006

Joint Stock Company "VST" is a modern and viable company dealing in distribution and supply of electric energy, which services reach more than 696 thousand consumer objects.

Company is the owner of electric power distribution network (i.e. medium and low voltage electricity power lines and more than 15000 transformer stations).

Company is responsible for the electric power distribution network, its reliability, exploitation, maintenance, administration and development in the Central and Western part of Lithuania.

**"VST" - one of most successful and perspective companies of private Lithuanian capital.**

**OUR MISSION:** We are working to ensure that reliable electric power would always be available in Western Lithuania.

**VISION 2010:** We are seeking to become the best provider of regulated services in Lithuania.

*Light is an integral part of our life.*

*That is why we develop technological innovations,*

*That is why our employees are responsible experts,*

*that is why when thinking about light we think about people.*



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## I GENERAL PROVISIONS

### 1. Accounting period covered by the Report

This report has been prepared for the 1<sup>st</sup> quarter of the year 2006.

### 2. Key data on the Issuer

|  |  |
|--|--|
| Name of the Company:                         | Joint Stock Company "VST"                  |
| Share capital:                               | 111 539 940 Lt                             |
| Address of its headquarters:                 | Jasinskio g. 16 C, LT-01112, Vilnius       |
| Telephone number:                            | (8~5) 278 12 59                            |
| Fax number:                                  | (8~5) 278 12 69                            |
| E-mail address:                              | <a href="mailto:vst@vst.lt">vst@vst.lt</a> |
| Website:                                     | <a href="http://www.vst.lt">www.vst.lt</a> |
| Legal –organizational form:                  | Joint Stock Company                        |
| Registration in the Register of Enterprises: |  |
| - Place of registration:                     | Ministry of Economy                        |
| - Date of registration:                      | 31 December 2001                           |
| - Code in the Registry of Enterprises:       | 1108 70748                                 |
| - Former code:                               | 1087074                                    |
| Registrant of the Register of legal bodies:  | State Enterprise Centre of registers       |

### 3. Information on where and when the Report and the documents, on which the Report is based, are publicly available and the names of the mass media means.

The Report is available during work days from 7<sup>30</sup> till 16<sup>30</sup> and Fridays from 7<sup>30</sup> till 15<sup>15</sup> at the headquarters of the company at the address: J.Jasinskio str. 16C, Vilnius, Department of Marketing and Public relations.

The Company's means of mass media for public information are daily newspaper "Lietuvos rytas" and "Respublika", Lithuanian News Agency ELTA and the news agency BNS.

### 4. Persons in charge of the information contained in the Report

Members of the managing bodies of the company, employees and the head of administration:

| Position                                | Name, surname       | Telephone number | Fax number      |
|---|---------------------|------------------|-----------------|
| Director General                        | Darius Nedzinskas   | (8~5) 278 12 00  | (8~5) 278 12 01 |
| Director of Finance Service             | Antanas Poška       | (8~5) 278 12 00  | (8~5) 278 12 01 |
| Head of Economic and Finance Department | Kęstutis Jaržemskas | (8~5) 278 12 59  | (8~5) 278 12 69 |

**5. Confirmation of members of Issuer's managing bodies, its employees and head of administration responsible for the preparation of this report that information presented in this report is true and there are no suppressed facts which could have an impact on investors' decisions to buy or sell the Company's securities, as well as the market price of those securities and their valuation.**

Undermentioned confirms that information contained in this report is true and there are no suppressed facts, which could have an impact on investors' decisions to buy or sell the Company's securities as well as on the market price of those securities and their valuation.

Joint Stock Company "VST"  
Managing Director



Darius Nedzinskas

Director of Financial Division



Antanas Poška

28 April 2006  
Vilnius

## II INFORMATION ON THE MAJOR SHAREHOLDERS AND MANAGING BODIES

### 6. Shareholders

The share capital of the company has not changed in the period of the report: it is 111 539 940 Lt (registration date: 26 April 2005).

#### Total number of the shares (from 26 April, 2005):

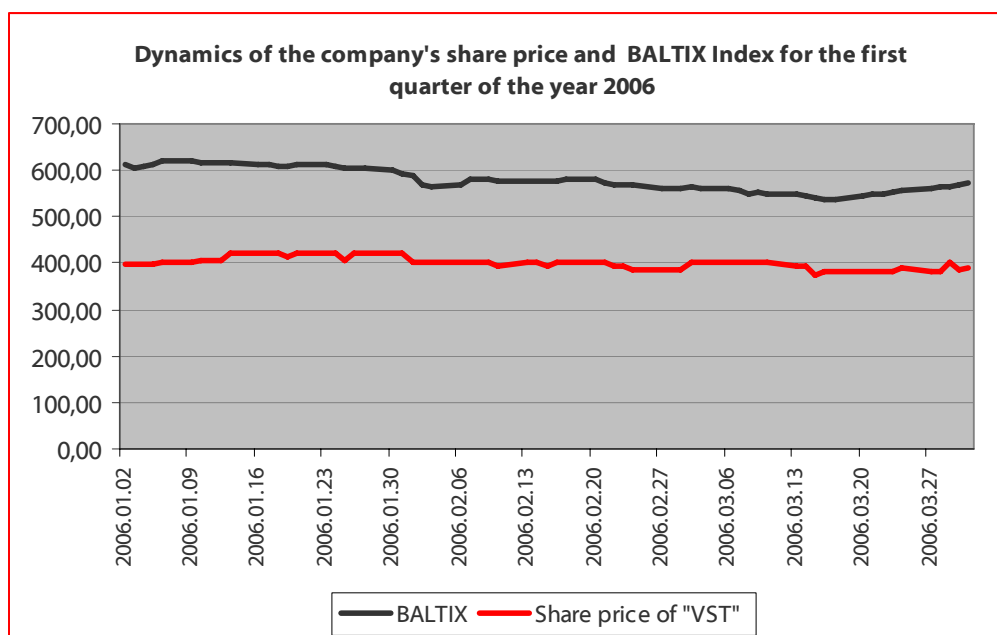
| Type of shares             | Number of shares | Par value (Lt) | Total par value (Lt) | Part in the share capital (%) |
|----------------------------|------------------|----------------|----------------------|-------------------------------|
| Ordinary registered shares | 3 717 998        | 30             | 111 539 940          | 100,00                        |
| <b>Total:</b>              | 3 717 998        | -              | 111 539 940          | 100,00                        |

All shares of the company are fully paid.

#### Price of the share

Price of the share decreased 0,02 percent (9 litas) over the report period– from 399 litas at the beginning of the period to the 390 litas at the end of the period of the report. The highest price of the share over the report period was 430 Lt, the lowest price – 370 Lt.

The diagram below shows the price of the company "VST" share at closing time in litas and the BALTIX index in points. BALTIX Stock Index is calculated on a daily basis using the most recent official closing prices of all shares that are listed in the Main Lists of Vilnius Stock Exchange, Riga Stock Exchange and Tallinn Stock Exchange. The index base value was set at 100 points on the 1<sup>st</sup> of January, 2000.



Information Source: [www.lt.omxgroup.com](http://www.lt.omxgroup.com)

Maximum turnover of the 1<sup>st</sup> quarter in 2006 is 79 345 Lt (199 units). The turnover of the last session of the 1<sup>st</sup> quarter in 2006 - 3 900 Lt.

**The biggest shareholders, which hold under ownership right or control more than 5 percent of the share capital of the Issuer**

| Names and surnames of the shareholders, name and type of the companies, headquarters, addresses, company register codes | Number of ordinary registered shares |  | Hold share of the authorized capital and votes , per cent |  |   |
|---|--------------------------------------|--|---|--|---|
|   | Total                                | Hold share of the authorized capital and votes , percent | Total   | Including ordinary registered shares hold by a shareholder votes under ownership right | Together with persons acting in corpore , % |
| UAB "NDX energija"<br>Ozo st. 25<br>LT-07150 Vilnius,<br>1262 11233   | 3 610 159                            | 3 610 159  | 97,10   | 97,10  | -   |

## 7. Members of the Management Bodies of the company

### Management Bodies of the Joint Stock Company "VST":

- Shareholder's meeting;
- Board;
- Managing Director.

The last amendments of the Bylaws of the company (dated April 26, 2005) sets forth that the Board consist of 6 members (prior to the amendments – 5 persons).

The members of the Board with the Office term of 4 years are elected by the general meeting of the shareholders. Managing Director is appointed and recalled by the Board of the Company.

#### 7.1 Positions, full names and data on participation in the Share capital.

##### Board till the 29<sup>th</sup> of March, 2008

| Name, surname      | Position | Part of the share capital owned,% | Part of votes owned, % |
|--------------------|----------|-----------------------------------|------------------------|
| Darius Nedzinskas  | Chairman | -                                 | -                      |
| Antanas Poška      | Member   | -                                 | -                      |
| Arūnas Bivainis    | Member   | -                                 | -                      |
| Aidas Ignatavičius | Member   | -                                 | -                      |
| Rytis Borkys       | Member   | 0%                                | 0%                     |

## Administration from 15 February 2005 to the day of the Report preparation

| Name, surname     | Position   | Part of the share capital owned, % | Part of votes owned, % |
|-------------------|--|------------------------------------|------------------------|
| Darius Nedzinskas | Managing Director  | -                                  | -                      |
| Lina Minderienė   | Chief book –keeper,<br>Head of the Accounting Department | -                                  | -                      |

### 7.2 Data about participation in the activities of other companies, institutions and organizations.

| Name, surname      | Name of the company, institution or organization and position | Part of the share capital and votes in other enterprises and organizations, % |
|--------------------|---|---|
| Lina Minderienė    | -   | -   |
| Darius Nedzinskas  | UAB NDX energija,<br>UAB „Rudalita“ – member of the Board     | 5   |
| Antanas Poška      | -   | -   |
| Arūnas Bivainis    | -   | -   |
| Aidas Ignatavičius | -   | -   |
| Rytis Borkys       | -   | -   |

There is no data on the still valid criminal records of the members of the managing bodies for crimes on property, order of business, finance.

## III FINANCIAL SITUATION

Following financial statements presented for the first quarter of the year 2006 are prepared in accordance with the International Financial Reporting Standards. These financial statements for the report period are not audited.



8. Balance sheet (financial statement presented for the 1<sup>st</sup> quarter of the year 2006, the end of the year 2005 and the 1<sup>st</sup> quarter of the year 2005):

## Joint Stock Company "VST"

### Financial statement for the 1st quarter, 2006

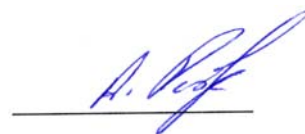
Company code: 110870748, address: J. Jasinskio 16C, LT-01112 Vilnius

| BALANCE SHEET (in LTL '000)                      | 2006.03.31       | 2005.12.31       | 2005.03.31       |
|--|------------------|------------------|------------------|
| <b>ASSETS</b>                                    |                  |                  |                  |
| <b>Non-current assets</b>                        |                  |                  |                  |
| Property, plant and equipment                    | 2 115 142        | 2 164 243        | 2 221 187        |
| Intangible assets                                | 522              | 666              | 1 185            |
|  | <b>2 115 664</b> | <b>2 164 909</b> | <b>2 222 372</b> |
| <b>Current assets</b>                            |                  |                  |                  |
| Inventories                                      | 9 545            | 13 701           | 6 472            |
| Trade and other receivables                      | 67 464           | 67 474           | 52 635           |
| Prepayments, deferred charges and accrued income | 25 860           | 9 252            | 11 587           |
| Cash and cash equivalents                        | 238 807          | 199 300          | 139 893          |
|  | <b>341 676</b>   | <b>289 727</b>   | <b>210 587</b>   |
| <b>Total assets</b>                              | <b>2 457 340</b> | <b>2 454 636</b> | <b>2 432 959</b> |
| <b>EQUITY</b>                                    |                  |                  |                  |
| Share capital                                    | 111 540          | 111 540          | 3 718            |
| Revaluation reserve (result)                     | 1 167 100        | 1 193 837        | 1 422 189        |
| Legal reserve                                    | 11 154           | 11 154           | 29 866           |
| Retained earnings (deficit)                      | 200 162          | 161 317          | 106 712          |
| <b>Total equity</b>                              | <b>1 489 956</b> | <b>1 477 848</b> | <b>1 562 485</b> |
| <b>LIABILITIES</b>                               |                  |                  |                  |
| <b>Non-current liabilities</b>                   |                  |                  |                  |
| Borrowings                                       | 388 801          | 388 801          | 368 305          |
| Deferred income                                  | 104 565          | 98 787           | 49 076           |
| Deferred income tax liability, net               | 228 298          | 234 239          | 265 169          |
|  | <b>721 664</b>   | <b>721 827</b>   | <b>682 550</b>   |
| <b>Current liabilities</b>                       |                  |                  |                  |
| Borrowings                                       | 116 843          | 100 414          | 73 543           |
| Trade and other payables                         | 61 319           | 112 673          | 51 394           |
| Advances, accrued charges and deferred income    | 28 763           | 18 998           | 33 793           |
| Income tax payable                               | 38 795           | 22 876           | 29 194           |
|  | <b>245 720</b>   | <b>254 961</b>   | <b>187 924</b>   |
| <b>Total liabilities</b>                         | <b>967 384</b>   | <b>976 788</b>   | <b>870 474</b>   |
| <b>Total equity and liabilities</b>              | <b>2 457 340</b> | <b>2 454 636</b> | <b>2 432 959</b> |

Darius Nedzinskas  
Managing Director



Antanas Poška  
Director of Financial Division



9. Income statement (financial statement presented for the 1<sup>st</sup> quarter of the year 2006 and the 1<sup>st</sup> quarter of the year 2005):

## Joint Stock Company "VST"

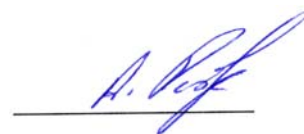
### Financial statement for the 1st quarter, 2006

Company code: 110870748, address: J. Jasinskio 16C, LT-01112 Vilnius

| INCOME STATEMENT (in LTL '000 unless otherwise stated) | 2006.03.31       | 2005.03.31       |
|--|------------------|------------------|
| Sales  | 259 694          | 222 362          |
| Other operating income                                 | 1 212            | 449              |
|  | <b>260 906</b>   | <b>222 810</b>   |
| Purchases of electricity                               | (137 489)        | (124 051)        |
| Other operating expenses                               | (98 817)         | (78 632)         |
|  | <b>(236 306)</b> | <b>(202 683)</b> |
| <b>Operating profit (loss)</b>                         | <b>24 600</b>    | <b>20 128</b>    |
| Financial income (expenses), net                       | (2 516)          | (3 350)          |
| <b>Profit (loss) before tax</b>                        | <b>22 084</b>    | <b>16 778</b>    |
| Income tax   | (15 918)         | (9 534)          |
| Deferred income tax benefit                            | 5 942            | -                |
| <b>Net profit (loss)</b>                               | <b>12 108</b>    | <b>7 244</b>     |
| <b>Attributable to:</b>                                |                  |                  |
| Equity holders of the Company                          | 11 757           | 7 033            |
| Minority interest                                      | 351              | 211              |
| Basic and diluted earnings (loss) per share, in LTL    | 3,26             | 1,95             |

Darius Nedzinskas  
Managing Director

Antanas Poška  
Director of Financial Division

## 10. Cash flow statement (financial statement presented for the 1<sup>st</sup> quarter of the year 2006 and the 1<sup>st</sup> quarter of the year 2005):

### Joint Stock Company "VST"

#### Financial statement for the 1st quarter, 2006

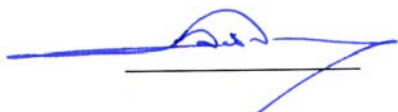
Company code: 110870748, address: J. Jasinskio 16C, LT-01112 Vilnius

#### CASH FLOW STATEMENT (in LTL '000)

|  | 2006.03.31 | 2005.03.31 |
|--|------------|------------|
| <b>Cash flow from operating activities</b>   |            |            |
| Net profit (loss)  | 12 108     | 7 244      |
| <i>Adjustments for non-cash items:</i>   |            |            |
| Income tax   | 9 976      | 9 534      |
| Depreciation and amortization  | 45 554     | 37 423     |
| Write-offs, impairment and proceeds from sales of property, plant and equipment, net | 24 363     | 6 202      |
| Impairment of receivables and prepayments  | 1 598      | 9 464      |
| Net (profit) loss from transactions in foreign currencies                            | 1          | (1)        |
| Interest income  | (1 506)    | (558)      |
| Interest expenses  | 4 102      | 4 041      |
|  | 96 196     | 73 349     |
| <i>Changes in working capital:</i>   |            |            |
| Inventories  | 4 259      | 686        |
| Receivables, prepayments, deferred charges and accrued income                        | (8 581)    | (8 686)    |
| Payables, advances received, accrued charges and deferred income                     | (26 189)   | 2 845      |
| <i>Cash flow from operations</i>   | 65 685     | 68 194     |
| Interest received  | 1 506      | 558        |
| Interest paid  | (4 297)    | (4 041)    |
| Income tax paid  | (9 635)    | (2 817)    |
| <i>Net cash flows from operating activities</i>                                      | 53 259     | 61 894     |
| <b>Cash flows from investing activities</b>  |            |            |
| Purchase of property, plant, equipment and intangible assets                         | (21 552)   | (9 438)    |
| Proceeds from sale of property, plant and equipment                                  | 688        | 392        |
| Loan repayments received   | 20         | -          |
| <i>Net cash flows from investing activities</i>                                      | (20 844)   | (9 046)    |
| <b>Cash flows from financing activities</b>  |            |            |
| Loans received   | 7 796      | -          |
| Loans repaid   | (566)      | (55 231)   |
| Payments of financial lease  | (10)       | (9)        |
| Dividends and payments related to share capital decrease paid                        | (127)      | (4 686)    |
| <i>Net cash flows from financing activities</i>                                      | 7 093      | (59 926)   |
| Effects of exchange rate changes on cash balance                                     | (1)        | 1          |
| <b>Net increase (decrease) in cash and cash equivalents</b>                          | 39 507     | (7 078)    |
| <b>Cash and cash equivalents at beginning of year</b>                                | 199 300    | 146 971    |
| <b>Cash and cash equivalents at end of year</b>                                      | 238 807    | 139 893    |

Darius Nedzinskas  
Managing Director

Antanas Poška  
Director of Financial Division




Report for the 1st quarter of the year 2006

## 11. Statement of changes in equity (financial statement presented for the 1<sup>st</sup> quarter of the year 2006 and the 1<sup>st</sup> quarter of the year 2005):

### Joint Stock Company "VST"

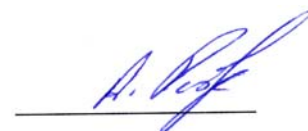
#### Financial statement for the 1st quarter, 2006

Company code: 110870748, address: J. Jasinskio 16C, LT-01112 Vilnius

| STATEMENT OF CHANGES IN EQUITY (in LTL '000 unless otherwise stated)                    | Share capital paid | Revaluation reserve for property, plant and equipment | Legal reserve | Retained earnings (deficit) | Total            |
|---|--------------------|---|---------------|-----------------------------|------------------|
| <b>Balance as at 31 December 2004</b>   | <b>3 718</b>       | <b>1 422 189</b>                                      | <b>29 866</b> | <b>99 467</b>               | <b>1 555 240</b> |
| Increase of the share capital   |                    |   |               |                             | -                |
| Transfer from legal reserve to retained earnings  |                    |   |               |                             | -                |
| Transfer from revaluation reserve to retained earnings                                  |                    |   |               |                             | -                |
| Impact of deferred income tax to revaluation reserve, due to change in income tax rates |                    |   |               |                             | -                |
| Dividends   |                    |   |               |                             | -                |
| Net profit for the reporting period   |                    |   |               | 7 244                       | 7 244            |
| <b>Balance as at 31 March 2005</b>  | <b>3 718</b>       | <b>1 422 189</b>                                      | <b>29 866</b> | <b>106 711</b>              | <b>1 562 484</b> |
| Increase of the share capital   | 107 822            | (107 822)   |               |                             | -                |
| Transfer from legal reserve to retained earnings  |                    |   | (18 712)      | 18 712                      | -                |
| Transfer from revaluation reserve to retained earnings                                  |                    | (112 750)   |               | 112 750                     | -                |
| Impact of deferred income tax to revaluation reserve, due to change in income tax rates |                    | (7 780)   |               |                             | (7 780)          |
| Dividends   |                    |   |               | (118 084)                   | (118 084)        |
| Net profit for the reporting period   |                    |   |               | 41 228                      | 41 228           |
| <b>Balance as at 31 December 2005</b>   | <b>111 540</b>     | <b>1 193 837</b>                                      | <b>11 154</b> | <b>161 317</b>              | <b>1 477 848</b> |
| Increase of the share capital   |                    |   |               |                             | -                |
| Transfer from legal reserve to retained earnings  |                    |   |               |                             | -                |
| Transfer from revaluation reserve to retained earnings                                  |                    | (26 737)  |               | 26 737                      | -                |
| Dividends   |                    |   |               |                             | -                |
| Net profit for the reporting period   |                    |   |               | 12 108                      | 12 108           |
| <b>Balance as at 31 March 2006</b>  | <b>111 540</b>     | <b>1 167 100</b>                                      | <b>11 154</b> | <b>200 162</b>              | <b>1 489 956</b> |

Darius Nedzinskas  
Managing Director

Antanas Poška  
Director of Financial Division

## 12. Explanatory letter

From the year 2005 Joint Stock Company "VST" uses International Accounting Standards in its accounting. Financial statements for 31<sup>st</sup> of December 2005 are checked by the auditors. Financial statements for the first quarter of the year 2006 and for the first quarter of the year 2005 are not audited.

This explanatory letter presents the main changes of the financial statements and their causes from the last financial year.

### Activity of the Company

The Joint Stock Company "VST" is the owner of electric power distribution network, i.e. overhead lines and cable lines of low and medium voltage, transformer substations and other distribution devices. The key activity of the company is the distribution of electric power via low and medium voltage lines and the supply of electric power to its consumers. The company is responsible for the power distribution network in Kaunas, Klaipėda, Šiauliai and part of Marijampolė Regions, for safety, reliability, operation, maintenance, management and development of the network.

During the accounting period covered by the Report the number of consumer objects increased by 1 111 (from 696 054 at the end of the year 2005 to 697 165 at the end of the 1<sup>st</sup> quarter of 2006).

### Income and expenses

The main part of company's income comes from the sales of electric energy (active and reactive) and from capacity charge. Other income is received from other services and from financial activities (table 12.1).

In comparison with the 1<sup>st</sup> quarter of 2005, revenues from the operating activities increased by 16,8 percent (37,3 million Lt) over the report period.

Table 12.1

| Revenues (sales) from the operating activities (in thousand of Lt) | 2006 03 31 | 2005 03 31 | Change (in thousand of Lt) | Change (percent) |
|--|------------|------------|----------------------------|------------------|
|  | 259 694,1  | 222 361,9  | 37 332,2                   | 16,8%            |
| <b>Therein:</b>  |            |            |                            |                  |
| Sales of electricity   | 244 163,4  | 214.864,5  | 29 299,0                   | 13,6%            |

The rise of the revenues was influenced by the increase in the consumption of electric power. Over the first quarter of 2006 electricity sales were 11,3 percent higher than sales over the same period in the year 2005. 1 032,8 million kilowatt-hours (kWh) of electric power were sold during the first quarter of 2006. In comparison, sales of the electric power during the first quarter of 2005 were 928,1 million kWh. The increase in sales is connected with especially cold winter in 2006.

Expenses in the first quarters of 2006 grew relatively with income (respectively each 16,6 and 17,1 percent). The main reason for the growth of expenses is the increase in the consumption of electric power, which enlarges the expenses of electric power purchase.

The growth of income stimulated the growth of net profit, which increased by 4, 86 million Lt during the report period in comparison with the same period of 2005.

### Income tax

Deferred income tax of 2005 was calculated at the end of the financial year. From 2006 the deferred income tax benefit is calculated quarterly.

## Balance sheet

### Assets

From the beginning of the current financial year company's assets went down by 2,7 million Lt. Non-current assets declined mostly because of the depreciation and amortization. In the current asset structure, prepayments, deferred charges and accrued income increased by 4,38 percent point during the first quarter of 2006. The main cause is that the income (6,2 million Lt) and the social (3,5 million Lt) taxes were paid in advance.

### Share capital

Share capital has not changed over the accounting period covered by the report, but in comparison with the 1<sup>st</sup> quarter of the year 2005, increased by 30 times:

- The share capital was divided into 3 717 998 ordinary shares of 1 litas nominal value from the 2<sup>nd</sup> of December, 2004.
- The Board of the company at the general meeting of shareholders, which took place on the 15<sup>th</sup> of April, 2005 decided to raise the nominal value of the company's share from 1 to 30 litas per share. Thus company's share capital increased from 3 717 998 to 111 539 940 litas. The share capital has been raised on the basis of Revaluation reserve.

### Financial debts

At the end of the first quarter of 2006, most company's financial debts consisted of bank loans (table 12.2) – 496,8 million litas and leasing liabilities – 186,9 thousand of litas (current – 31,6 thousand of litas, non-current liabilities – 155,3 thousand of litas).

Table 12.2

| Lender                            | Currency | Value in balance sheet (2006 03 31), million Lt | Value in balance sheet (2005 12 31), million. Lt | Value in Balance sheet (2005 03 31), million Lt |
|-----------------------------------|----------|---|--|---|
| AB bank "Hansabankas" (overdraft) | LTL      | 7,8   | 0,0  | 0,0   |
| AB bank "Hansabankas"             | EUR      | 17,3  | 17,3   | 17,3  |
| Nordea Bank Finland Plc Lithuania | EUR      | 34,5  | 34,5   | 34,5  |
| Syndicated loan                   | EUR      | 437,2   | 437,2  | 389,8   |
| <b>Total</b>                      |          | <b>496,8</b>                                    | <b>489,0</b>                                     | <b>441,6</b>                                    |

From the beginning of 2006 financial debts increased because of the overdraft (7,8 million litas), which was applied to administer working capital.

In comparison with the first quarter of 2005 financial debts increased by 12,5 percent. It was influenced by the syndicated loan, which increased by 95,98 million litas in April, 2005. In 2005 48,58 million litas were paid back. Net change – 47,4 million litas.

### Cash flows

Net cash flow from operating activities after investments of the 1<sup>st</sup> quarter of 2006 - 32,4 million litas, after the 1<sup>st</sup> quarter of 2005 - 52,8 million litas. The changes were influenced by the company's investment decisions. During 2005 130 million Lt were invested into the renovation and development of the electric power distribution network, mostly during the 3<sup>rd</sup> and 4<sup>th</sup> quarters. Investments of the 1<sup>st</sup> quarter of 2006 were 25,1 million litas.

## IV MATERIAL EVENTS

### 14.04.2006 Decisions adopted in the shareholders' meeting held on 04 April 2006

The following decisions were made during the shareholders' meeting of VST AB, held on April 14th, 2006:

1. Approve the annual report for 2005;
2. Take into account the Auditors report on the financial results of the company for 2005;
3. Approve the financial results for 2005;
4. Distribute the company's 2005 profit (loss);

The shareholders meeting of VST AB which took place on April 14th, 2006, decided to pay the company's shareholders dividends - 34.51 Litas (9.99 euro) per one ordinary registered share. Entities that were shareholders of the company up to the end of the day on which the shareholders meeting announced the dividend issue, i.e. the end of the day of April 14th, 2006, have the right to receive dividends.

The dividends will be paid through the company's shareholders' issuer accountants and the company's (issuer's) issuer accountant - AB Bankas Hansabankas. According to the 60'th article 4'th part of the law on corporations the dividends will be paid in one month from the day the decision to pay dividends was made.

### 03.04.2006 AB "VST" General shareholders meeting agenda draft

According to the decision of the company's Board dated 2006 03 10, a general shareholders meeting will be called on April 14th, 2006, to take place at the offices of AB "VST", 5th floor, J. Jasinskio 16C, Vilnius.

The shareholders will be asked to approve the following items:

1. Approve the company's operations report for 2005.
2. Take into account the conclusions of the auditors UAB "Ernst & Young Baltic" when confirming the financial results of the company in 2005.
3. Approve the company's financial results for 2005.
4. Approve the company's distribution of profit (loss).

Retained earnings at the beginning of the financial year - 97 347 Lt (EUR 28 193.64)

Net annual operating result (profit/loss) - 48 471 567 Lt (EUR 14 038 336.13)

Transfers from reserves:

Transfer from Revaluation reserve - 112 749 528 Lt (EUR 32 654 520.39)

Transfer from compulsory reserve - 0 Lt

Shareholders' contributions to cover losses (if shareholders decided to cover all or a portion of losses - 0 Lt

Total distributable profit (loss) - 161 318 442 Lt (EUR 46 721 050.16)

Profit allocation to the compulsory reserve - 0 Lt

Profit allocation to other reserves - 0 Lt

Profit allocation to pay out dividends - 0 Lt

Profit allocation to yearly pay outs to board and council members, employee bonuses and other purposes - 0 Lt

Retained earnings carried forward to next financial year - 161 318 442 Lt (EUR 46 721 050.16)

### 10.03.26 Convocation of General Shareholders Meeting on 14 April 2006

On 10th of March 2005 the board of VST AB made a decision to call the General Shareholders Meeting.

The agenda:

- 1) Approval of the Company's activity report of the year 2005
- 2) The company's auditor statement
- 3) Approval of Financial Statements for 2005
- 4) Distribution of profit (loss) for 2005

The date and time of Shareholders meeting - 14 April 2006. 2.00 PM

The shareholders meeting place: Vilnius, Jasinskio str. 16C (5th floor)

The accounting day of the shareholders meeting - 07 April 2006

Registration starts - 14 April 2006, 1.25 PM

Registration ends – 14 April 2006, 1.55 PM

The board of the VST AB does not suggest to make a decision to pay dividends.

**24.02.2006 2005 activity result of VST AB**

2005 activity result of VST AB under International Accounting Standards is LTL 47.7 millions (EUR 13.81 millions) audited profit before taxes.



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