

VST, AB

Lithuanian Securities Commission  
Konstitucijos ave. 23  
LT-08105 Vilnius, Lithuania



2008-02-15

#### CONFIRMATION OF RESPONSIBLE PERSONS

Following the Article No. 22 of the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission, we Aidas Ignatavičius, Chief Executive Officer of VST, AB, and Lina Minderienė, Chief Financial Officer of VST, AB, hereby confirm that, to the best of our knowledge, the attached not audited VST, AB Interim financial report for twelve months of 2007, prepared in accordance with International Financial Reporting Standards, gives a true and fair view of the assets, liabilities, financial position and profit of VST, AB.

#### ENCLOSURE

1. VST, AB Interim financial report for twelve months of 2007 (15 pages).

Chief Executive Officer

A handwritten signature in blue ink, appearing to read 'Aidas Ignatavičius', is written over a horizontal line.

Aidas Ignatavičius

Chief Financial Officer

A handwritten signature in blue ink, appearing to read 'Lina Minderienė', is written over a horizontal line.

Lina Minderienė

**VST**

**KAD GYVENTI BŪTŲ ŠVIESIAU**

**VST, AB**

Interim financial report for twelve months of 2007



#### **OUR MISSION –**

we are working to ensure the supply of electric energy in western Lithuania.

#### **OUR VISION –**

we are seeking to become the best provider of regulated services in Lithuania.

#### **OUR ACHIEVEMENTS:**

High client service culture – a responsible team of specialists employed by the company, uniform client service standards, modern client service centres, and new services offered to clients. Abilities of employees are regularly assessed, their qualification is upgraded, trainings are organised.

Consistent investments – consistent and substantial investments are made in the modernisation of the electricity network and the improvement of the quality of services rendered.

Constant fight against thieves of electricity, cables and transformers' oil – the line of confidence is accessible free of charge, a modified oil for transformers was developed, cooperation with police officers is maintained, protection of electricity substations was increased.

Openness for the public – constant provision of information to the public on the company, its activity, services rendered, plans, the name and activity of the company is actively promoted, a positive image of the company is formed working under the principles of transparency and quality.

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## GENERAL INFORMATION ABOUT THE ISSUER

### Key data on the Issuer

Name of the Company:	VST, AB
Share capital:	111 539 940 LTL
Address of 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

### Information on where and when the Report is publicly available

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, address: J.Jasinskio str. 16 C, Vilnius. The Report is also available on the Company's website [www.vst.lt](http://www.vst.lt).

The Company's means of mass media for public information are Lithuanian News Agency ELTA, news agency "BNS" and Vilnius Stock Exchange (Company News Service, CNS).

## FINANCIAL ACCOUNTABILITY

The following financial statements presented for the years 2007 and 2006 are prepared in accordance with the International Financial Reporting Standards. However, financial statements are audited only for the year 2006.

### Balance sheet (financial statement presented for the years 2007 and 2006):

#### VST, AB

BALANCE SHEET (in LTL '000)		
	31/12/2007	31/12/2006
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2 734 971	2 079 091
Intangible assets	798	656
	<u>2 735 769</u>	<u>2 079 747</u>
<b>Current assets</b>		
Inventories	7 753	6 525
Trade and other receivables	89 846	83 039
Prepayments, deferred charges and accrued income	11 284	12 672
Cash and cash equivalents	206 440	102 935
	<u>315 323</u>	<u>205 171</u>
<b>Total assets</b>	<b>3 051 092</b>	<b>2 284 918</b>
<b>EQUITY</b>		
Share capital	111 540	111 540
Revaluation reserve (result)	1 345 069	830 011
Legal reserve	11 154	11 154
Retained earnings (deficit)	620 612	453 999
<b>Total equity</b>	<b>2 088 375</b>	<b>1 406 704</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	298 929	347 091
Deferred income	187 394	136 385
Deferred income tax liability, net	293 214	206 293
	<u>779 537</u>	<u>689 769</u>
<b>Current liabilities</b>		
Borrowings	80 389	49 489
Trade and other payables	75 072	94 699
Advances, accrued charges and deferred income	25 046	28 321
Income tax payable	2 673	15 936
	<u>183 180</u>	<u>188 445</u>
<b>Total liabilities</b>	<b>962 717</b>	<b>878 214</b>
<b>Total equity and liabilities</b>	<b>3 051 092</b>	<b>2 284 918</b>

Aidas Ignatavičius  
Chief Executive Officer

Lina Minderienė  
Chief Financial Officer

**Income statement (financial statement presented for the fourth quarter and for the twelve months of the years 2007 and 2006):**

**VST, AB**

INCOME STATEMENT (in LTL '000 unless otherwise stated)				
	31/12 - 31/10/2007	31/12 - 31/10/2006	31/12/2007	31/12/2006
Sales	293 627	247 986	1 054 345	925 101
Other operating income	1 173	1 580	5 334	5 396
	294 800	249 566	1 059 679	930 497
Purchases of electricity	( 153 567)	( 136 649)	( 581 436)	( 491 125)
Other operating expenses	( 121 698)	( 80 791)	( 392 987)	( 344 105)
	( 275 265)	( 217 440)	( 974 423)	( 835 230)
<b>Operating profit (loss)</b>	<b>19 535</b>	<b>32 126</b>	<b>85 256</b>	<b>95 267</b>
Financial income (expenses), net	( 1 762)	( 2 957)	( 10 400)	( 11 666)
<b>Profit (loss) before tax</b>	<b>17 773</b>	<b>29 169</b>	<b>74 856</b>	<b>83 601</b>
Income tax	( 5 993)	( 13 475)	( 41 023)	( 54 383)
Deferred income tax benefit	13 430	7 259	33 411	30 459
	7 437	( 6 216)	( 7 612)	( 23 924)
<b>Net profit (loss)</b>	<b>25 210</b>	<b>22 953</b>	<b>67 244</b>	<b>59 677</b>
Basic and diluted earnings (loss) per share, in LTL	6,78	6,17	18,09	16,05

Aidas Ignatavičius

Chief Executive Officer

Lina Minderienė

Chief Financial Officer

## Cash flow statement (financial statement presented for the years 2007 and 2006):

### VST, AB

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

	31/12/2007	31/12/2006
<b>Cash flow from operating activities</b>		
Net profit (loss)	67 244	59 677
<i>Adjustments for non-cash items:</i>		
Income tax	7 612	23 924
Depreciation and amortization	285 234	218 365
Depreciation of property, plant and equipment received at no consideration	(758)	(366)
Recognition of income from the connection of new customers	(4 751)	(3 558)
Accrued income from electricity sales	(2 252)	(621)
Loss (profit) on sale of property, plant and equipment	373	373
Write-offs and impairment of property, plant and equipment, revaluation effect	(14 439)	3 920
Reversal of impairment of receivables and prepayments	(7 967)	558
Inventories surplus and reversal of inventories impairment	(3 010)	(804)
Accrued wages, salaries and social security expenses and other accruals	1 168	3 065
Net loss from transactions in foreign currencies	4	4
Interest (income)	(8 159)	(5 196)
Interest expenses	18 479	16 781
Other (income)	(16)	-
	<u>338 762</u>	<u>316 122</u>
<i>Changes in working capital:</i>		
Inventories	1 782	7 980
Receivables, prepayments, deferred charges and accrued income	4 792	(8 832)
Deferred income	56 518	31 499
Payables, advances received and accrued charges	(23 383)	(3 514)
<i>Cash flow from operations</i>	<u>378 471</u>	<u>343 255</u>
Interest received	7 273	5 060
Interest (paid)	(18 355)	(16 533)
Income tax (paid)	(54 270)	(61 295)
<i>Net cash flows from operating activities</i>	<b>313 119</b>	<b>270 487</b>
<b>Cash flows from investing activities</b>		
(Purchase) of property, plant and equipment	(138 520)	(141 113)
(Purchase) of intangible assets	(126)	(885)
Proceeds from sale of property, plant and equipment	605	4 502
Loan repayments received	22	39
<i>Net cash flows from investing activities</i>	<b>(138 019)</b>	<b>(137 457)</b>
<b>Cash flows from financing activities</b>		
Proceeds from loans	423 231	-
Loans (repaid)	(435 301)	(101 237)
Financial lease payments	(95)	(41)
Dividends (paid)	(59 426)	(128 113)
<i>Net cash flows from financing activities</i>	<b>(71 591)</b>	<b>(229 391)</b>
Effects of exchange rate changes on cash balance	(4)	(4)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>103 505</b>	<b>(96 365)</b>
Cash and cash equivalents at beginning of year	102 935	199 300
<b>Cash and cash equivalents at end of year</b>	<b>206 440</b>	<b>102 935</b>

Aidas Ignatavičius  
Chief Executive Officer

Lina Minderienė  
Chief Financial Officer



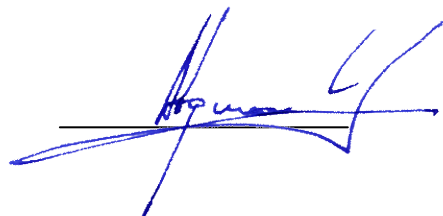
**Statement of changes in equity (financial statement presented for the years 2007 and 2006):**

**VST, AB**

STATEMENT OF CHANGES IN EQUITY (in LTL '000 )	Share capital paid	Revaluation reserve for property, plant and equipment	Legal reserve	Retained earnings (deficit)	Total
<b>Balance as at 31 December 2005</b>	<b>111 540</b>	<b>925 424</b>	<b>11 154</b>	<b>429 730</b>	<b>1 477 848</b>
Transfer from revaluation reserve to retained earnings		(92 900)		92 900	
Reassessment of deferred income tax		(2 513)			(2 513)
Dividends declared for 2005				(128 308)	(128 308)
Net profit for the year				59 677	59 677
<b>Balance as at 31 December 2006</b>	<b>111 540</b>	<b>830 011</b>	<b>11 154</b>	<b>453 999</b>	<b>1 406 704</b>
Revaluation of non-current assets		673 234			673 234
Transfer from revaluation reserve to retained earnings		(158 857)		158 857	
Reassessment of deferred income tax		681			681
Dividends declared for 2006				(59 488)	(59 488)
Net profit for the year				67 244	67 244
<b>Balance as of 31 December 2007</b>	<b>111 540</b>	<b>1 345 069</b>	<b>11 154</b>	<b>620 612</b>	<b>2 088 375</b>

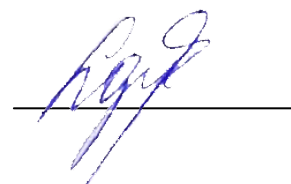
Aidas Ignatavičius

Chief Executive Officer



Lina Minderienė

Chief Financial Officer



## Explanatory letter

The explanatory letter discusses material changes and their reasons in financial statements. Financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

## Corporate Activities

VST, AB is the owner of electric power distribution network (medium and low voltage power lines, transformer substations and other distribution equipment). The main activity of the Company is the distribution of electricity through medium and low voltage power networks and supply of electric power to its consumers in Kaunas, Klaipėda and Šiauliai regions. The Company is also responsible for the security, reliable performance, maintenance, management and development of these networks.

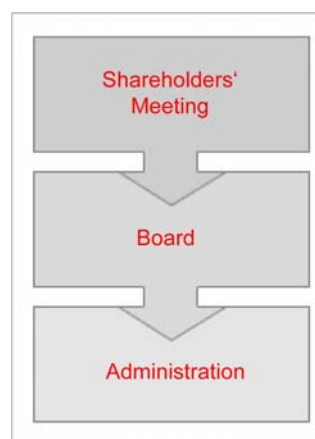
By the end of the third quarter of this year the Company supplied services to 710 686 customer objects.

## Management Structure

VST, AB management bodies are:

- Shareholders' Meeting
- Board
- Administration

The Company does not have a supervisory board (see picture N<sup>o</sup>. 1 "VST, AB Management Structure")



Picture N<sup>o</sup>. 1 "VST, AB Management Structure"

## Revenue and Expenses

During the year of 2007 the Company sold 7,2 percent more electricity than during 2006. Total number amounted to 3 947 million kWh (Table 1).

Table 1. Electricity sales and expenditure

Indicators	Units of measure	2007	2006	Variation, MWh	Variation, percent
Electricity purchased	MWh	4 308 241	4 087 774	220 467	5,4
Electricity sold (active)	MWh	3 947 054	3 682 805	264 249	7,2
Network (transportation) losses	MWh	339 246	381 709	-42 463	-11,1
Consumption for own needs	MWh	21 941	23 260	-1 319	-5,7

Revenue from sales of electricity amounted to 1 049 million LTL, which is 14 percent more compared to the last year (921 million LTL). The biggest part of revenue is collected from low voltage users. Low voltage users are residential customers and other legal persons, mostly small and medium enterprises as well as governmental organizations. During the year of 2007 revenues from low voltage electricity (active) users amounted to 783 mln. Lt., or 75 percent of all revenues received. Electricity from medium voltage is mostly purchased by big industrial users. Revenues received from medium voltage users during 2007 were 249 million, or 24 percent of total revenues. The remaining part of revenue from sales of electricity (active) accounts for high voltage users.

Electricity purchase cost (in LTL), in comparison with previous year, was increased by 18,4 percent. This was caused by an increase in electricity production cost and an increase in consumption.

The profit before tax of VST, AB in 2007, compared with the last year, decreased by 10 percent from 83,6 million LTL to 74,8 million LTL. The decrease in profit before tax is attributed to the increase in electricity purchase cost.

## Balance Sheet

In 2007, 140,0 million LTL were invested into development and maintenance of electric power distribution network (139,7 million LTL in 2006).

The carrying value of the non-current assets increased from 2 079,7 million LTL in 2006 to 2 735,8 million LTL in 2007. The increase was because of the Company's property, plant and equipment (except for construction in progress) was revalued as at 1 January 2007 by external independent appraiser, Ober-Haus Nekilnojamasis Turtas UAB. Valuations were made on the basis of replacement cost, except for other assets (with no business specific features) that were revalued using comparable price method. Some of the objects, that service duration time was reduced to reconstruction date by the Company in 2006, were revalued by the Company itself considering replacement costs and values provided by the independent appraiser. Due to the revaluation of non-current assets, revaluation reserve increased from 830 million LTL in 2006 to 1 345 million LTL in 2007.

Inventories during the year of 2007 increased from 6,5 million LTL to 7,6 million LTL because of the increase in amount of operation.

Trade and other receivables increased from 83,0 million LTL to 89,8 million LTL due to an increase in sales of electricity.

Deferred income for the reporting period increased by 37 percent to 187 million LTL due to accrued new customers connection income.

Trade and other payables declined from 94,7 million LTL to 75,1 million LTL mainly because of decrease in payables to contractors (13,4 million LTL).

Advances and accrued charges throughout the reporting period in 2007 decreased from 28,3 million LTL to 25,0 million LTL due to smaller amounts of accrued liabilities.

## Liabilities

Long term borrowings in the end of 2007 were equal to 298,9 million LTL, short term borrowings – 80,4 million LTL (in 2006 – 347,1 million LTL and 49,5 million LTL, respectively).

Financial liabilities for banks at the beginning of 2007 were 388,6 million LTL, while in the end of the year – 377,7 million LTL (table below shows Company's financial liabilities for banks in the end of 2007 and 2006).

Table 2. Bank loans for VST, AB

Lender	Currency	Value in balance sheet (2006 12 31) million LTL	Payback, million LTL	Value in balance sheet (2007 12 31) million LTL
Nordea Bank Finland Plc Lithuania	EUR	0	0	34,5
Syndicated loan	EUR	388,6	45,5	343,2
<b>Total</b>		<b>388,6</b>	<b>45,5</b>	<b>377,7</b>

The Company has overdraft contracts with AB bank "Hansabank", Nordea Bank Finland Plc Lithuania and

SEB bank, AB. It is possible for the Company to borrow up to 107 million LTL using overdraft contracts. In the end of 2007 the Company's overdraft borrowings amounted for 34,5 million LTL.

The Company has no currency risk due to the fact that payments for goods and services are made in LTL, and loans are taken out in euros (the national currency litas is pegged to the euro at a fixed rate).

### **Cash Flows**

At the end of the year 2007 net cash flows from the main activities were 313,1 million LTL and increased by 42,6 million LTL, or 16 percent, as compared with the same period last year. The increase in net cash flows is attributed to the increased net profit.

Net cash flows from investing activities increased by 562 thousand LTL to 138 million LTL.

A considerable difference in the lines of loans received and loans repaid as compared to the previous period occurred because in the year 2007 there has been a change in the way the Company calculates loans: in previous periods only the net result was recorded; in 2007, however, both - loans received and loans repaid are entered into the report.

Net increase in cash and cash equivalents can be explained by increased cash flows from operating activities as well as smaller payments in dividends and smaller amount of loans repaid.

### **Material events**

Below are material events announced by the Company from 01/01/2007 till 31/12/2007.

#### *30/11/2007 National Control Commission for Prices and Energy announced electricity prices and tariffs of VST and their application procedure*

National Control Commission for Prices and Energy during the session held on November 30th made a decision to announce electricity prices and tariffs of VST, AB and their application procedure. This procedure had been confirmed by the board of VST, AB on the October 29th, 2007 by the protocol number 106. Starting from the 1st of January, 2008 end price for the I group consumers (household-consumers) will be the same as during the year 2007. The end price for the II-III group consumers will increase by 3ct/kWh (0.87 Euro cent/kWh) plus VAT.

#### *29/11/2007 Concerning the meeting of the Board of VST, AB on 29th November, 2007*

On 29th of November, 2007 the Board of VST, AB decided to reduce the distribution tariffs for household consumers, therefore the electricity prices for residents shall not be raised from 1st of January, 2008.

#### *28/11/2007 Concerning the meeting of the Board of VST, AB on 29th November, 2007*

On 29th of November, 2007 the Board of VST, AB shall consider the possibility at the expense of company's profit to reduce the distribution tariffs, in order the electricity prices for residents would not change from 1st of January, 2008.

#### *31/10/2007 2007 Q3 activity result of VST, AB*

Preliminary pre-audit 2007 Q3 activity result of VST, AB is LTL 42 mil. (EUR 12.2 mil.) net profit.

31/10/2007 The National Control Commission for Prices and Energy ratified the end-user energy price cap for VST, AB for the year 2008

The National Control Commission for Prices and Energy during the session held on October 30th ratified the end-user energy price caps for VST, AB for the year 2008:

- The end-user price cap for electricity consumers connected to the 110 kV or higher power grid is 17.28 ct/kWh or 5.00 Euro cent/kWh (currently – 13.76 ct/kWh or 3.99 Euro cent/kWh);
- The end-user price cap for electricity consumers connected to the 6 kV but not higher than 110 kV power grid is 25.51 ct/kWh or 7.39 Euro cent/kWh (currently – 21.13 ct/kWh or 6.12 Euro cent/kWh);
- The end-user price cap for electricity consumers connected to the 0.4 kV power grid is 35.87 ct/kWh or 10.39 Euro cent/kWh (currently – 30.3ct/kWh or 8.78 Euro cent/kWh);

This information can be found on the Commission's web page <http://www.regula.lt>.

26/10/2007 The Board of VST AB elected the Chairman

The Board of VST AB on October 26, 2007 elected Aidas Ignatavičius the Chairman of the Board.

26/10/2007 The decisions adopted in the General meeting of the shareholders of VST AB on October 26, 2007

The General shareholders meeting of VST AB, held on October 26, 2007, adopted the following decisions:

1. The item of the agenda "The elections of the audit company for auditing company's financial statement for 2007 and setting the terms and conditions of payment for audit services."
  - 1.1. To elect UAB „Ernst & Young Baltic“ to audit the financial accounting of 2007 and to pay not more than LTL 140 000 (VAT excluded) for the audit services.
  2. The item of the agenda "The election of the Board of the company."
    - 2.1. To elect the new Board of VST AB for the term of 4 (four) years. The new Board consists of:
      - 1) Aidas Ignatavičius;
      - 2) Rytis Borkys;
      - 3) Gytis Kundrotas;
      - 4) Lina Minderienė.
    - 2.2. To decide that the newly elected Board of VST AB will start its activities after the shareholders meeting on October 26th, 2007, which elected the new Board has ended.

12/10/2007 The draft resolution of the general meeting of the shareholders of VST AB

According to the decision of the Board of VST AB the general shareholders meeting is called on October 26th, 2007, 13.00 and shall take place at the office of the Company 5th floor, J.Jasinskio 16c, Vilnius. The shareholders will be asked to approve the following agenda:

1. The agenda "The elections of the audit company for auditing company's financial statement for 2007 and setting the terms and conditions of payment for audit services."
  - 1.1 To elect UAB „Ernst & Young Baltic“ to audit the financial accounting of 2007 and to pay not more than LTL 140,000 (VAT excluded) for the audit services.
  2. The agenda "The Elections of the Board of the company":
    - 2.1. To elect the new Board of VST AB for the term of 4 (four) years. The new Board consists of:
      - 1) Aidas Ignatavičius;
      - 2) Rytis Borkys;
      - 3) Gytis Kundrotas;
      - 4) Lina Minderienė.
    - 2.2. To decide that the newly elected Board of VST AB will start its activities after the shareholders meeting on October 26th, 2007, which elected the new Board has ended.

## 12/10/2007 Renewed agenda of the General meeting of the shareholders of VST AB

On October 11, 2007 the Board of VST AB, after taking into consideration the proposal of one of the shareholders (UAB „NDX energija“, which owns 97.10 per cent of the shares of VST AB), adopted the decision to renew the agenda of the the General shareholders meeting of VST AB which is called on October 26, 2007 by adding the second question („Election of the Board of the company“) and approved the following agenda of the meeting:

- 1.The elections of the audit company for auditing company's financial statement for 2007 and setting the terms and conditions of payment for audit services.
- 2.The Elections of the Board of the company.

The date and time of the General shareholders meeting - October 26, 2007, 13.00.  
The shareholders meeting place: Vilnius, Jasinskio st. 16C (5th floor).  
The accounting day of the shareholders meeting - October 19, 2007.  
Registration starts - October 26, 2007, 12.25.  
Registration ends - October 26, 2007, 12.55.

## 21/09/2007 Regarding the general meeting of the shareholders of VST AB

The Board of VST AB (identification code: 110870748) on September 21, 2007 adopted a decision to call the General shareholders meeting of VST AB and approved the following agenda of the meeting:

1. The elections of the audit company for auditing company's financial statement for 2007 and setting the terms and conditions of payment for audit services.

The date and time of the General shareholders meeting - October 26, 2007, 13.00.  
The shareholders meeting place: Vilnius, Jasinskio st. 16C (5th floor).  
The accounting day of the shareholders meeting - October 19, 2007.  
Registration starts - October 26, 2007, 12.25.  
Registration ends - October 26, 2007, 12.55.

## 26/07/2007 VST, AB non - audited activity result for the first half of 2007 and Chief Executive Officer change

VST, AB activity financial results.

VST, AB non - audited activity result for the first half of 2007:

- Revenue - 525.8 million LTL (152.3 million EUR) (first half of 2006 - 472.7 million LTL (136.9 million EUR); audited for the year 2006 - 928.6 million LTL (268.9 million EUR)).
- EBITDA - 183.4 million LTL (53.1 million EUR) (first half of 2006 - 170.2 million LTL (49.3 million EUR); audited for the year 2006 - 316.8 million LTL (91.7 million EUR)).
- net profit - 30.3 million LTL (8.8 million EUR) (first half of 2006 - 24.5 million LTL (7.1 million EUR); audited for the year 2006 - 59.7 million LTL (17.3 million EUR)).

VST, AB Chief Executive Officer change.

From the August 6th, 2007 Aidias Ignatavičius, at this moment working as the Director of Power supply and Branch Management division of VST, AB has been appointed the Chief Executive Officer of VST, AB replacing Darius Nedzinskas. From the August 6th, 2007 Darius Nedzinskas will hold position of the Chairman of the Board and the Chief Executive Officer of „NDX energija“, UAB group.

## 27/04/2007 Preliminary pre-audit 2007 1Q activity result of VST, AB

Preliminary pre-audit 2007 1Q activity result of VST, AB is LTL 24.9 mil. (EUR 7.21 mil.) net profit before taxes.

27/04/2007 The decisions adopted in the General meeting of the shareholders of VST, AB

The General shareholders meeting of VST, AB, held on on April 27th, 2007, adopted the following decisions:

1. The item of the agenda "The consideration of the 2006 Annual report of VST, AB:
  - 1.1. Accept the 2006 annual report of VST, AB.
2. The item of the agenda "Approval of the 2006 financial statements of VST, AB:
  - 2.1. Approve the 2006 financial statements of VST, AB audited by the audit company UAB „Ernst & Young Baltic“.
3. The item of the agenda "Distribution of 2006 profit (loss) of VST, AB:
  - 3.1. Approve the distribution of 2006 profit (loss) of VST, AB.
  - 3.2. Pay dividends to the shareholders of VST, AB in the amount of 16.00 LTL (4.63 EUR) per one ordinary registered share of the company.
  - 3.3. Designate, that the right to receive dividends, set in the Clause 3.2 herein, shall have those persons, which on the end of the day of the general shareholders meeting, which decided to pay dividends, i.e. on the end of April 27, 2007 shall be the shareholders of VST, AB. The dividends to such persons should be paid according to the paragraph 60 part 4 of the Lithuanian Republic Law on Companies, i.e. in one month from the adoption day of the decision to pay dividends, payment being made through the company's shareholders' issuer accountants and the company's (issuer's) issuer accountant - AB bankas "Hansabankas".

16/04/2007 The drafts resolutions of the general meeting of the shareholders of VST, AB

According to the decision of the Board of VST, AB a general shareholders meeting is called on April 27th, 2007 and shall take place at the offices of the Company 5th floor, J.Jasinskio 16c, Vilnius, at 11.00 AM. The shareholders will be asked to approve the following items:

1. The item of the agenda "The consideration of the 2006 Annual report of VST, AB:
  - 1.1. Accept the 2006 annual report of VST, AB.
2. The item of the agenda "Approval of the 2006 financial statements of VST, AB:
  - 2.1. Approve the 2006 financial statements of VST, AB audited by the audit company UAB „Ernst & Young Baltic“ (attached).
3. The item of the agenda "Distribution of 2006 profit (loss) of VST, AB:
  - 3.1. Approve the distribution of 2006 profit (loss) of VST, AB (attached).
  - 3.2. Pay dividends to the shareholders of VST, AB in the amount of 16,00 LTL (4,63 EUR) per one ordinary registered share of the company.
  - 3.3. Designate, that the right to receive dividends, set in the Clause 3.2 herein, shall have those persons, which on the end of the day of the general shareholders meeting, which decided to pay dividends, i.e. on the end of April 27, 2007 shall be the shareholders of VST, AB. The dividends to such persons should be paid according to the paragraph 60 part 4 of the Lithuanian Republic Law on Companies, i.e. in one month from the adoption day of the decision to pay dividends, payment being made through the company's shareholders' issuer accountants and the company's (issuer's) issuer accountant - AB bankas "Hansabankas".

Profit (loss) distribution project proposed to approve in a general shareholders meeting:

1. Retained earnings at the beginning of the financial year 33 010 331 LTL (9 560 452,68 EUR);
2. Net annual operating result (profit/loss) 59 677 144 LTL (17 283 695,55 EUR);
3. Profit (loss) of the financial year that is unrecognized in the profit (loss) statement 0 LTL (0 EUR);
4. Transfers from reserves:
  - 4.1. Transfer from revaluation reserve 361 312 045 LTL (104 643 201 EUR);
  - 4.2. Transfer from compulsory reserve 0 LTL (0 EUR);
5. Shareholders' contributions to cover losses (if shareholders decided to cover all or a portion of losses) 0 LTL (0 EUR);
6. Total distributable profit (loss) 453 999 520 LTL (131 487 349,40 EUR);
7. Profit allocation to the compulsory reserve 0 LTL (0 EUR);
8. Profit allocation to the reserve to purchase company's own shares 0 LTL (0 EUR);
9. Profit allocation to other reserves 0 LTL (0 EUR);
10. Profit allocation to pay out dividends (16 LTL per 1 share, i.e. 4.63 EUR per 1 share) 59 487 968 LTL (17 228 906.39 EUR);
11. Profit allocation to yearly pay outs to board and council members, employee bonuses and other purposes 0 LTL (0 EUR);

12. Retained earnings carried forward to next financial year 394 511 552 Lt  
(114 258 443 EUR).

23/03/2007 Notice to convene annual general meeting

The Board of VST, AB on March 23, 2007 adopted a decision to call the General shareholders meeting of VST, AB and approved the following agenda of the meeting:

1. The consideration of the 2006 Annual report of VST, AB.
2. Approval of the 2006 financial statements of VST, AB.
3. Distribution of 2006 profit (loss) of VST, AB.

The Board of VST, AB suggests the General shareholders meeting to adopt the decision to pay dividends in the amount of 16.00 LTL (4.63 EUR) per one ordinary registered share of the company. The Board of VST, AB suggests the General shareholders meeting to designate, that the right to receive dividends shall have those persons, which on the end of the day of the general shareholders meeting, which decided to pay dividends, i.e. on the end of April 27, 2007 shall be the shareholders of VST, AB. The dividends to such persons should be paid according to the paragraph 60 part 4 of the Lithuanian Republic Law on Companies, i.e. in one month from the adoption day of the decision to pay dividends, payment being made through the company's shareholders' issuer accountants and the company's (issuer's) issuer accountant - AB bankas "Hansabankas".

28/02/2007 Activity result for 2006 of VST, AB

VST, AB in the year 2006 earned 59.68 million litas (17.28 mln. EUR) audited net profit, calculated according to International Financial Reporting Standards.



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