

VST, AB



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

2008-08-29

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 VST, AB Interim Report for the six months of 2008 includes a fair review of the development and performance of the business.

ENCLOSURE. VST, AB Interim Report for the six months of 2008 (1 copy, 13 pages).

Chief Executive Officer

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

Aidas Ignatavičius

Chief Financial Officer

A handwritten signature in blue ink, appearing to be 'Lina Minderienė', written in a cursive style.

Lina Minderienė

VST

KAD GYVENTI BŪTŲ ŠVIESIAU

VST, AB

Interim Report for the six months of 2008

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The Report is prepared in accordance with the Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission.

ACCOUNTING PERIOD COVERED BY THE REPORT

January – June of 2008

KEY DATA ON THE ISSUER

Name of the Company:	VST, AB
Address of its headquarters:	J.Jasinskio str. 16C, LT-01112, Vilnius
Telephone number:	(8~5) 278 12 59
Fax number:	(8~5) 278 12 69
E-mail address:	www.vst.lt
Website:	vst@vst.lt
Share capital:	111 539 940 Lt
Legal-organization 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 7:30 till 16:30 and Fridays from 7:30 till 15:15 at the headquarters of the company at the address: J. Jasinskio str. 16C, Vilnius, Department of Marketing and Public relations. Also, the Report is available in the Company's internet site www.vst.lt.

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

Persons in charge of the information contained in the Report

Position	Full name	Telephone number	Fax number
Chief Executive Officer	Aidas Ignatavičius	(8 5) 2781 200	(8 5) 2781 269
Chief Financial Officer	Lina Minderienė	(8 5) 2781 200	(8 5) 2781 269
Head of the Economic and finance department	Kęstutis Jaržemskas	(8 5) 2781 259	(8 5) 2781 269
Accounting Department Manager, Chief Accountant	Rimantas Bartuška	(8 5) 2781 259	(8 5) 2781 269
Head of the Marketing and Public relations department	Rasa Kruopaitė-Lalienė	(8 5) 2781 259	(8 5) 2781 269

THE MAIN ACTIVITIES OF THE COMPANY

VST, AB is the owner of electric power distribution network (medium and low voltage power lines, transformer substations and other electricity 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 of Lithuania. It is responsible for the security, reliable performance, maintenance, management and development of these networks.

Company supplied services to 715,1 thousand customer objects in the end of the first half of this year.

CONTACTS WITH THE MEDIATORS OF SECURITIES PUBLIC CIRCULATION

VST, AB and AB bank "Hansabankas" have signed a contract on securities accounting issued by VST, AB, and handling personal accounts of securities:

AB bank "Hansabankas"
19 Savanoriu av., LT-03502 Vilnius
Phone (8 5) 268 44 85
Fax (8 5) 268 41 70

Key characteristics of the publicly traded securities

From the start of company's operation till 04/06/2004 the share capital of 405 261 782 LTL, which has been divided into 405 261 782 ordinary registered shares, was registered at the Register of enterprises. The par value of one share was 1 Lt.

After 04/06/2004 the share capital was divided into 3 717 998 ordinary registered shares with the par value of each – 109 LTL.

After 02/12/2004 the share capital was divided into 3 717 998 ordinary shares with the par value of each 1 LTL.

After 26/04/2005 it was divided into 3 717 998 ordinary registered shares with the par value of each 30 LTL.

All shares of the company are fully paid. The share capital of the company during 2005 has increased from 3 717 998 Lt to 111 539 940 LTL (30 times). All shares issued by the company are registered for public trade.

Data on non-publicly traded shares

The company has not issued any shares for non-public circulation.

Data on depository notes issued on the basis of shares

The company does not have any depository notes issued on the basis of shares.

The main characteristics of debt securities issued for public circulation of securities

The company has not issued debt securities for public circulation.

Data on non-publicly traded debt securities

The company has not issued debt securities for non-public circulation.

Securities that do not mark participation in the share capital, but the circulation of which is governed by the Law on the Securities Market, with the exception of debt securities

The company has not issued any securities that do not mark participation in the share capital.

DATA ON THE SECONDARY CIRCULATION OF THE SECURITIES ISSUED BY THE ISSUER

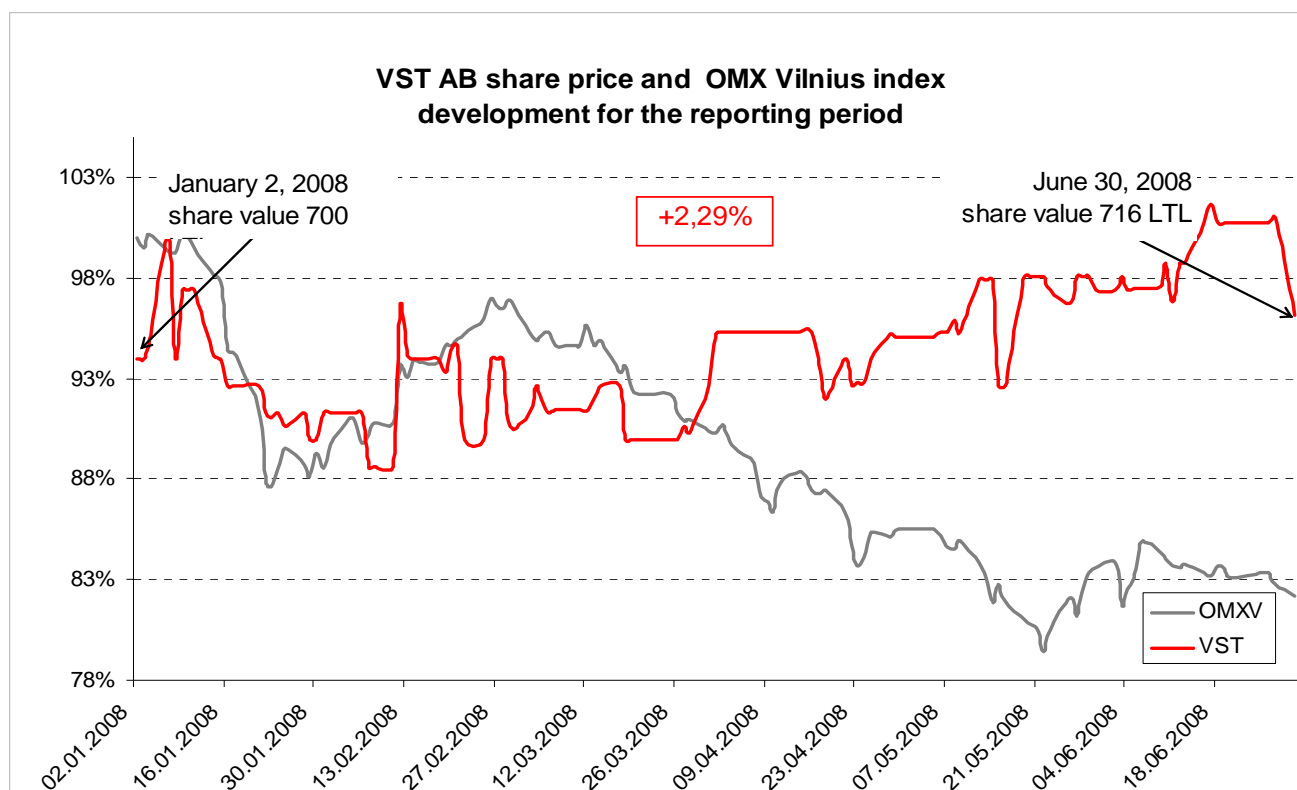
Ordinary registered shares of the VST, AB are included into the Baltic Secondary list of Vilnius Stock Exchange (Trading code – VST1L). There is no trade of company's shares by other organized markets.

ISIN code	Sales list	Number of shares, pcs.	Par value of a share, LTL	Total par value, LTL
LT0000126377	BALTIC I-LIST	3 717 998	30	111 539 940

Share price

The price of Company's share during the first half of 2008 increased by 2.29 percent from 700 LTL to 716 LTL per share (at the beginning and at the end of period accordingly). The maximum and minimum price was 757 LTL and 660 LTL accordingly. The maximum turnover amounted to 888 482 LTL (1 237 pieces).

The dynamics of the share price of VST, AB and the dynamics of OMXV¹ index during January – June of 2008 are shown below.



Sales of Issuer's securities outside the Stock Exchange

The shares of the VST, AB are sold in Current list of VSE. The sales are only possible on the Central market and/or direct deals.

LEO LT, AB bought 3 610 159 common ordinary shares with the nominal value of 30 LTL each, on 27 May, 2008. Since that day LEO LT, AB controls 97.1 percent of share capital of VST, AB.

Data on purchasing of own shares by the Issuer

The company has not purchased its own shares.

¹ OMXV index is a cap-weighted index based on the principles of going concern and return on shares. It covers all the shares of the companies listed on the Vilnius Stock Exchange's official and Secondary Lists except for companies in which a single shareholder controls 90% or more of the issued shares. The index is designed to reflect the current situation and dynamics of the Vilnius Stock Exchange. The base date for OMXV is 31 December 1999 and the base value is 100 points. The index is presented as a return index (RI)

Announcement of official offers

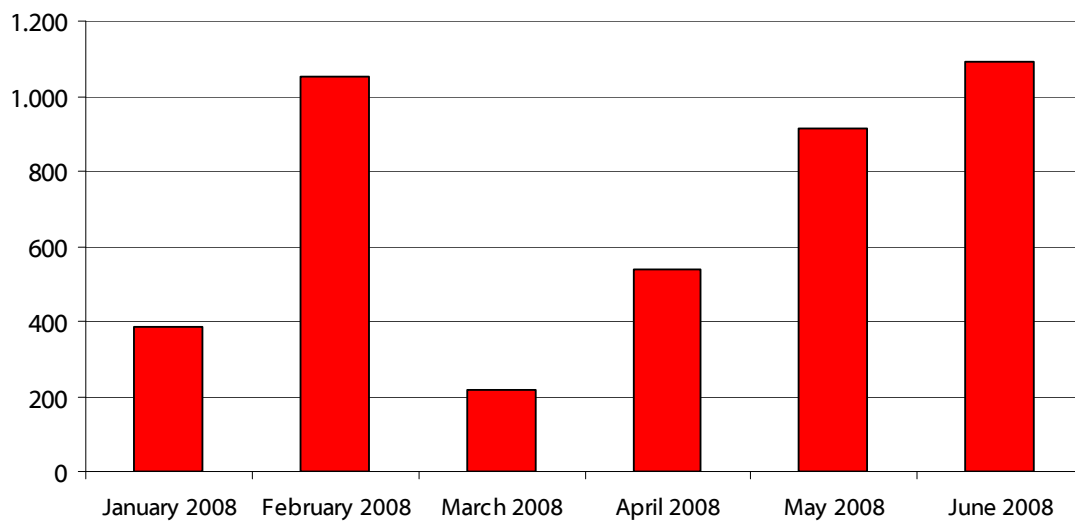
On 2 June, 2008 VST, AB has received the notification from LEO LT, AB regarding the intention to announce the compulsory non competitive offer to buy the shares.

On June 12, 2008 Lithuanian Securities Commission informed that following the provisions of Article 31 (4) of Law on Securities of Republic of Lithuania, the Lithuanian Securities Commission decided to approve the obligatory tender offer circular of LEO LT, AB with the intent to buy remaining ordinary registered shares of VST, AB at the price of LTL 757.41 per share. During the compulsory non Competitive offer LEO LT, AB purchased 30 077 shares of VST, AB.

Neither has the VST, AB announced official offers to purchase securities of other Issuers.

The monthly turnover of trading in VST shares in January- June, 2008 is presented below.

Monthly turnover, thous. LTL



SHARE CAPITAL

Share capital has not been changed during the reported period and amounted to 111 539 940 LTL (registration date: 26 April, 2005).

All shareholders of the Company have equal rights (interest and non interest), provided in the Law on Companies of the Republic of Lithuania and Company's Articles of Association. Company's Articles can be found on the Company's site www.vst.lt.

Type of shares	Number of shares	Par value (LTL)	Total par value (LTL)	Part in the share capital (%)
Ordinary registered shares	3 717 998	30	111 539 940	100
Total:	3 717 998	-	111 539 940	100

All shares of the company are fully paid.

SHAREHOLDERS

The number of the shareholders in the extraordinary general meeting of the accounting day (June 30, 2008) was around – 4125.

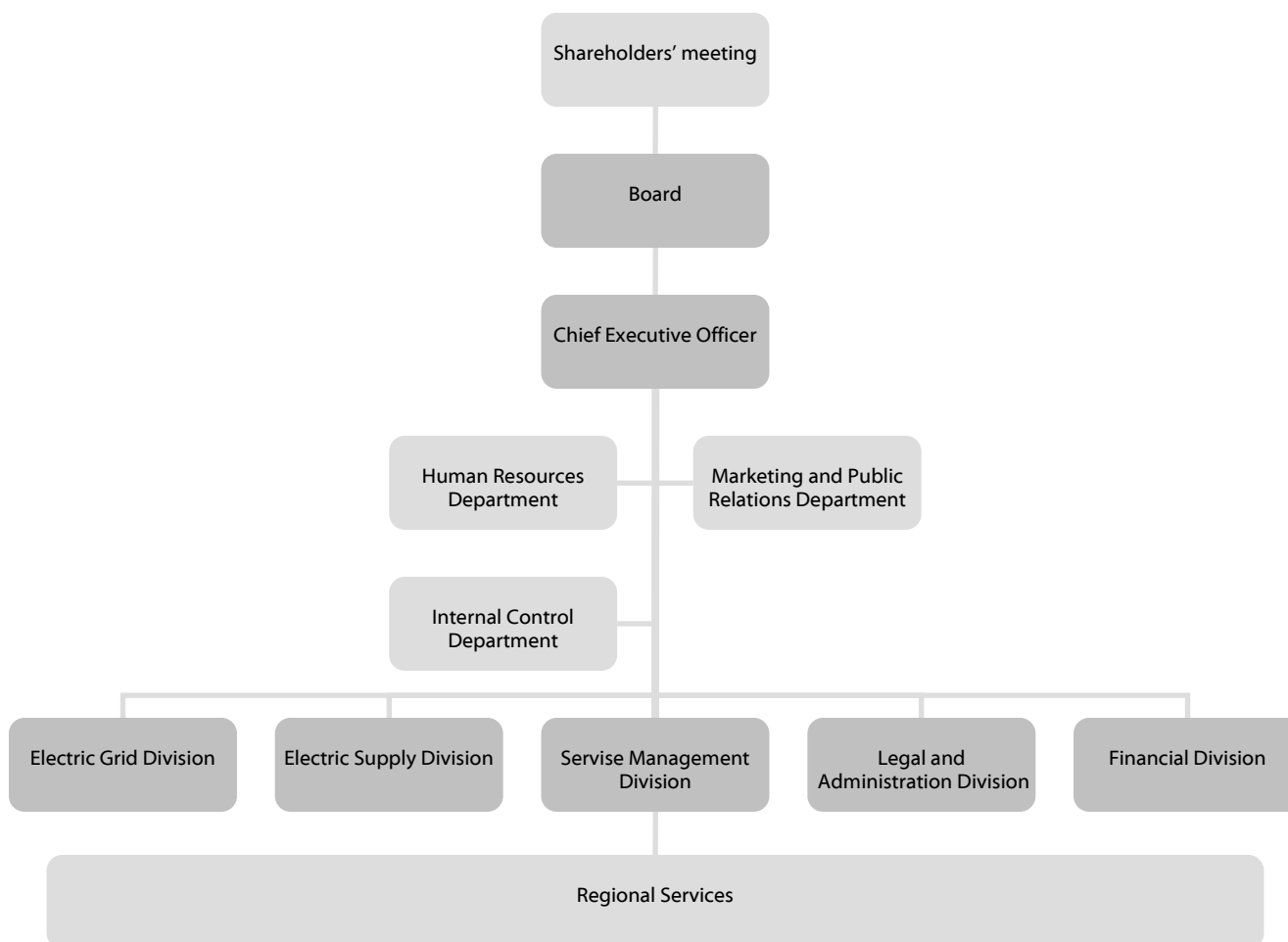
The biggest shareholder, which holds under ownership right or control more than 5 percent of the share capital of the Issuer:

Full names of the shareholders (names of companies, types, headquarter addresses, companies' register code)	Numbers of ordinary registered shares, pcs.		Part of the share capital and votes, percent		
	total	including shares owned by the shareholders under the ownership right	total	Including ordinary registered shares hold by a shareholder under the ownership right	Together with persons acting in corporate, percent
LEO LT, AB Žvejų str. 14A, LT-09310 Vilnius, code 301732248	3 610 159	3 610 159	97,1	97,1	-

MEMBERS OF THE MANAGING BODIES

The managing bodies of the company are general meeting of the shareholders, the Board and Managing Director.

VST, AB Managements bodies



The last amendments of the Bylaws of the company (dated July 9, 2008) sets forth that the Board consists of 4 members. 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.

The Board is elected till July 9, 2012 by the general meeting of the shareholders

Full name	Position	Share of owned capital, %.	Share of votes, %
Aidas Ignatavičius	Chairman	-	-
Rytis Borkys	Member	0%	0%
Gytis Kundrotas	Member	-	-
Lina Minderienė	Member	-	-

The company doesn't have a supervisory board.

Administration

Full name	Position	Share of owned capital, %.	Share of votes, %
Aidas Ignatavičius	Chief Executive Officer	-	-
Rimantas Bartuška	Chief Accountant, Accounting Department Manager	-	-

Chairman of the Board (Chief Executive Officer) – Aidas Ignatavičius:

Education (profession)	Former employers in last 10 year	Positions	Data about
University education. Vilnius University, Faculty of Humanities in Kaunas Bachelor's and Master's degrees in Management and Business Administration	1997-2000 AB „Vilnius bank“, Kaunas branch	Account manager	None
	2000 AB „Vilnius bank“	Chief manager of the Department of Business clients Big clients section	
	2001 – 2004 AB bank „Hansabankas“	Head of Business clients department	

Chief Accountant, Accounting Department Manager – Rimantas Bartuška:

Education (profession)	Former employers in last 10 year	Positions	Data about
Lithuanian University of Agriculture, Faculty of Economics and Management, Department of Accounting and Finance - Bachelor of Accounting and Finance. Kaunas University of Technology, Faculty of Economics and Management, Department of Finance – Master of Finance Management.	1999-2001 Joint Stock Company “Lietuvos Energija”	Accountant	None
	2001-2002 Joint Stock Company “Lietuvos Energija”	Economist	
	2002-2004 Joint Stock Company “Vakaru Skirstomieji Tinklai”	Managing accountant	
	2004-2005 Joint Stock Company “VST”	Chief accountant at interim	
	2005-2007 Joint Stock Company “VST”	Deputy chief accountant	

Information on participation in other companies and organisations; over 5% shareholdings in other companies

Full name	Name of the company, institution or organisation, position	Share of owned capital, %.	Share of votes, %
Aidas Ignatavičius	-	-	-
Rytis Borkys	-	-	-
Gytis Kundrotas	-	-	-
Lina Minderienė	-	-	-
Rimantas Bartuška	-	-	-

Information on the salaries, bonuses and other payments from profit in average amounts per one person

January-June, 2008	Salary, LTL	Bonus, LTL	Other payments from profit, LTL
In average per one member of the Board*	207 333	-	-
Totally for all Board members*	829 333	-	-
In average per one member of Administration	213 061	-	-
Totally for all members of Administration	426 121	-	-

* Members of the Board receives salary for the director's position they execute.

PROCEDURE FOR AMENDMENT OF THE COMPANY'S BY-LAWS

According to the By-laws of VST, AB, By-laws of the company could be amended only by General Meeting of Shareholders and come into force after registering in the State Enterprise Centre of Registers.

EMPLOYEES OF THE COMPANY

The average number of employees in the end of June, 2008 was 1 845 and, compared with the end of June, 2007, decreased by 83. The average monthly brutto salary increased from 2 005 LTL to 2 348 LTL.

The Company seeks to implement preventive personnel policies which would foster professionalism and loyalty to the Company among the employees. Internal selection procedures continue to be organized, spurring the employees towards the realization of their professional goals and ambitions at other positions within the Company. In the first half of 2008, fifteen internal selection processes were organized. About 3.24 percent of employees changed their positions, 2.10 percent of them (39 employees) were promoted to higher positions.

The Company has been collaborating closely with academic institutions, accepting their students for internships. In the first half of 2008, fifty-one students from various academic institutions — Kaunas University of Technology, Klaipėda University, Vytautas Magnus University, Kaunas Technical College, Šiauliai College, College of Žemaitija did their field training in the Company. The Company continues to maintain its programme for the funding of studies, which provides partial (50 percent) financial support for the academic studies in electrotechnics.

The Company maintains a Collective Agreement, signed on 30 May 2008. The purpose of this Collective Agreement is to ensure effective work in the Company and to represent the interests of all of the Company's employees. It sets the social and professional terms as well as guarantees pertaining to work, working conditions, and remuneration. The Company sponsors cultural and sporting activities organized by the unions. In 2008, the unions received LTL 21 000 from VST, AB.

In 2008, the Company has continued its consistent personnel management policies directed towards the development of employees' skills that match the Company's strategic goals. The added value created by personnel management is the development of professional leaders. The workshops conducted by client service specialists help to implement one of the strategic goals of the Company — to develop a strong culture of high-quality customer service. In the first half of 2008, about LTL 137 425 has already been invested by the Company into the development of employees' competencies.

THE COMPANY'S ACTIVITY REVIEW

The Company's revenue is constantly growing due to increasing sales of electricity. In the first half of this year the Company received revenue of 582.8 million LTL from sales. As to compare during the same period last year revenue from sales amounted to 522.9 million LTL.

The net profit in the first half of this year amounted to 34.2 million LTL, last year – 30.3 million LTL.

More information on financial result of VST, AB activities in the first half of this year is presented in interim financial report for six months of 2008.

INFORMATION ON TRANSACTION OF ASSOCIATED BODIES

Transactions of associated bodies were not made during the first six months of 2008.

KEY RISK FACTORS

Production and sales of electric power in Lithuania is regulated by the state more than other industry branches. Price caps for services are set by the National Control Commission for Prices and Energy. Therefore the pricing policy of the company is not flexible enough. Unplanned changes in the political situation of the country and legal regulations would have a negative influence on the company's operation.

The key economic risk factor is insufficient capacity of the company and its contractors quickly eliminate the damages, which occur in result of natural calamities. Due to the disorders of electric power supply the incomes may be lost and losses may occur.

FACTORS AFFECTING OPERATIONS OF THE COMPANY

Parliament of the Republic of Lithuania passed the Law on the Nuclear Power Plant on 28 Juny 2007, that states the plan to construct a new nuclear power plant in Lithuania and the formation of the National Investor for the implementation of the project. Participation of Latvia, Estonia and Poland is also expected.

On 29 April 2008, The Government of the Republic of Lithuania made the establishment contract of the national investment body LEO LT, AB.

The Government of the Republic of Lithuania and the national investor, managing the main part of the Lithuanian power system through its subsidiaries, shall implement the strategic goal of Lithuania, namely, integrate in a complex manner the power system of the Republic of Lithuania into the power transmission systems of the states of the European Union and internal power markets.

The National Investor will be formed consolidating AB "Lietuvos energija", AB "Rytų skirstomieji tinklai" and VST, AB. These changes in the future will influence the working environment of VST, AB.

The key economic risk factor is insufficient capacity of the company and its contractors quickly eliminate the damages, which occur in result of natural calamities. Due to the disorders of electric power supply the incomes may be lost and losses may occur.

The company is facing the risk known to many Lithuanian companies – the lack of qualified employees and labor force due to the emigration to other countries. There is a shortage of qualified personnel in the divisions of the company. The qualifications of the lowest employees' level are still not satisfactory. Emigration of staff to other EU countries is becoming more and more important. This risk is being reduced by personnel policy and the average salary level increase.

INFORMATION RELATING TO ENVIRONMENTAL PROTECTION ISSUES

The joint stock company VST is an electrical energy supply and distribution enterprise. Unlike some electricity-producing enterprises, it has little impact on the environment. The possibility of certain activities of this share-issuing firm being limited or stopped because of damage to the environment is not great.

In order to protect the large population of white storks in Lithuania, energy producers, along with the Ministry of the Environment and the Ecology Institute, are seeking effective ways of preserving stork breeding places. This spring the company continued its drive to protect storks' breeding places. The majority of the storks that spend the summer in Lithuania come to the Western part of Lithuania, therefore this spring employees of this firm carefully moved around 250 stork nests onto metal poles. This is the fourth year that the joint stock company VST has carried out the stork nest moving operations at its own expense. The firm's efforts to protect stork nests are appreciated not only by the Ministry of the Environment but also by environmental protection workers involved in protecting our national bird and by the residents of farmsteads where the storks have taken up residence.

INFORMATION ON THE SUBSIDIARIES OF THE COMPANY

During the period of January – June of 2008 the Company had no subsidiaries.

IMPORTANT EVENTS DURING THE REPORTING PERIOD

On 20 May 2008, the national investment body LEO LT (Lietuvos Elektros Organizacija –*Lithuanian Electricity Organisation*) was established. With the establishment of the national investment body LEO LT, the joint stock company VST became a subsidiary of LEO LT, with VST's principal activity – the supply and distribution of electrical energy – remaining unchanged; likewise the firm's structure and management. The joint stock company LEO LT consists of three firms: the mostly state-controlled Lietuvos energija (*Lithuanian Energy*) and Rytų skirstomieji tinklai (*Eastern Distribution Networks*) plus the joint stock company VST.

At a general shareholders' meeting of the joint stock company VST on 8 July 2008, the new subsidiary's Board of Directors was chosen and confirmed. Members of the previous Board were appointed to the new Board, with a mandate to continue overseeing their responsibilities: Electricity Network Services to be managed by Rytis Borkys; Legal and Administrative Services to be managed by Gytis Kundrotas; and Financial Services to be managed by Lina Minderienė. The CEO of the firm, Aidas Ignatavičius, was appointed Chairman of the Board.

Quality of Client Services

Once again this year, the Company's top priorities were provision of quality services and consistent improvement of the client service culture. In 2008 and beyond, the quality of services provided will continue to be improved and training will be arranged for employees whose duties include direct service provision to clients. About 200 employees participated in training sessions in May and June on "Effective Provision of Service to Clients". There will be more such training sessions in August and September, when it is expected that about 300 more employees will participate.

In its mission for improved provision of service to clients, the joint stock company VST has participated in the "March – Good Client Service Month" promotion for three years in a row. During the month of March, clients were requested to assess the specialist services provided to them and to give comments, praise and suggestions.

Last year a new service was offered to commercial/institutional clients: remote declaration of meter readings, which has received a great deal of attention this year. This service simplifies the meter reading declaration procedure, saves clients' time and makes the firm's work more efficient.

As electronic services become more popular, the joint stock company VST intends to offer its commercial/institutional clients a new electronic invoicing (E-invoice) service. The E-invoice will be an electronically-transmitted VAT invoice from the firm for services rendered, i.e. electrical energy consumed. For the moment the E-invoice service is limited to VST clients who use Hansabank Internet Banking (hanza.net, telehanza.net, or Telehansa) services. However, discussions are under way with other banks for extension of the E-invoice services. The convenience of this method of payment is that it is no longer necessary to send invoices or other information in paper form. The whole meter reading declaration and payment for services received procedure is performed electronically, simply and swiftly.

Investments

The principle investments of the joint stock company VST are aimed at improving the quality of services provided. During the first half of this year, the firm invested 46.4 million LTL into improving the 0.4–10 kV high tension electricity network in the Kaunas, Klaipėda and Šiauliai regions and into connecting new consumers. This year it plans to invest about another 54.5 million LTL. The firm's total planned investment for 2008 is about 144 million LTL.

In the first half of 2008, the 10 kV section of the reconstruction of the Taika 110/10/6 kV transformer substation in the city of Klaipėda was completed (project value 6.9 million LTL); the power transformer of the Tytuvėnai 35/10 kV transformer substation was changed (project value about 1.1 million LTL); the 10 kV automatic installations of the Uostas transformer substation in the city of Klaipėda were reconstructed (project value about 200,000 LTL); the Gedminai 110/10 kV transformer substation in the southern part of the in the city of Klaipėda was reconstructed (project value about 9.7 million LTL); and work continued on the reconstruction of Migla transformer substation (project value about 6.2 million LTL) in Mažeikiai.

Given the continuing rapid growth of urbanisation along the Kaunas–Klaipėda arterial highway in the sector from IX Fort to Babtai, a new 35/10 kV transformer substation with two 35 kV cable lines has been constructed at Giraitė (project value about 5.8 million LTL) to improve connection of new consumers to the firm's networks.

Assistance Projects

This year the firm has provided assistance to innovative projects in the fields of education, culture and scholarship designed to assist the most vulnerable members of the community.

As on previous occasions, VST has provided assistance to the children's section of Kaunas Medical University. The firm's funds were used to furnish 11 "play corners" with educational toys, drawing materials and children's books and magazines. The main aim of this project was to help make the hospital environment more similar to a home environment in order for young patients to feel better and [recover their health more rapidly.

The Company is a participant in the "Dovana ateičiai" (*A Gift for the Future*) project initiated by the Ministry of Education and Science and the information technology firm Microsoft Lietuva. The Ministry of Education and Science, together with a number of Lithuanian business firms, created a plan to computerise the school system using second hand computer technology that has been donated by firms and other organisations. In the second phase of the project, the Company has donated computers to some schools in Western Lithuania that were among the least computerised in the country. Representatives of VST, in an effort to assist children living in public care institutions to spend their leisure time meaningfully, visited twenty public care institutions in the Kaunas, Klaipėda and Šiauliai regions and presented the children with subscriptions to the youth journal "Gatvė" (*Street*).

The Company also supported regional activities: the Raseiniai Bards' Club, the Griškabūdis high school, the Jurbarkas social services centre, the "Aušra" museum of Šiauliai, the administration of the Mažeikiai Region Local Government, the Šakiai Childrens' Home, the Šiauliai Region Local Government Ethnic Culture and Traditional Trades Centre, the Gargždai Cultural Centre, the Skaudvilė community, the Šilutė Culture and Entertainment Centre, the Lithuanian Red Cross, the cultural centre of Kelmė, the Smalininkai special school, the Pakruojis primary school "Versmė", the administration of the Radviliškis Region Local Government, the management of Žagarė Regional Park, the organisation of the City of Šiauliai birthday celebrations "Šiauliai Days 2008", the Šačiai village community of Skuodas region and other projects.

Collaboration

The joint stock company VST collaborates with the academic community. For several years the Company has been awarding personal scholarships to the most promising students of the Faculty of Electricity Engineering and Control Systems of the Kaunas University of Technology. It is expected that this autumn, such scholarships will be awarded to students for the fifth time. This year VST is also funding an international conference being organised by the Gediminas Technical University in Vilnius.

PLANS AND FORECASTS OF THE COMPANY OPERATION

In 2008 the Company does not plan any changes in the key operation and is going to continue distributing electric power by medium and low voltage lines and supplying electric power to the consumers. VST, AB plans to continue reconstruction and modernization works, and improvement of customer service quality.

Chief Executive Officer
29 August 2008



Aidas Ignatavičius

VST, AB
J. Jasinskio str. 16C,
LT-01112 Vilnius
Phone (8~5) 2781 259,
Fax. (8~5) 2781 269
E-mail: vst@vst.lt

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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 statements for the six months of 2008, prepared in accordance with International Financial Reporting Standards, and gives a true and fair view of the assets, liabilities, financial position and profit or loss of VST, AB.

ENCLOSURE. Not audited VST, AB Interim Financial statements for the six months of 2008 (1 copy, 14 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.

Lina Minderienė

VST

KAD GYVENTI BŪTŲ ŠVIESIAU

VST, AB

Interim Financial statements for the six months of 2008



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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The Report is prepared in accordance with the Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission.

FINANCIAL ACCOUNTABILITY

Following financial statements are prepared in accordance with the International Financial Reporting Standards. Financial statements for the six months of 2007 and 2008 are not audited. Financial statements for the year ended 31 December 2007 are audited by the auditors.

Balance sheet

VST, AB

BALANCE SHEET (in LTL '000)	30/06/2008	31/12/2007	30/06/2007
ASSETS			
Non-current assets			
Property, plant and equipment	2 653 508	2 734 971	2 008 724
Intangible assets	437	798	302
	<u>2 653 945</u>	<u>2 735 769</u>	<u>2 009 026</u>
Current assets			
Inventories	10 588	7 753	16 369
Trade and other receivables	74 394	89 846	54 009
Prepayments, deferred charges and accrued income	13 123	11 284	4 651
Cash and cash equivalents	742 914	206 440	168 486
	<u>841 019</u>	<u>315 323</u>	<u>243 515</u>
Total assets	3 494 964	3 051 092	2 252 541
EQUITY			
Share capital	111 540	111 540	111 540
Revaluation reserve (result)	1 262 940	1 345 069	794 276
Legal reserve	11 154	11 154	11 154
Retained earnings (deficit)	736 914	620 612	460 564
Total equity	<u>2 122 548</u>	<u>2 088 375</u>	<u>1 377 534</u>
LIABILITIES			
Non-current liabilities			
Borrowings	686 834	298 929	350 143
Deferred income	213 905	187 394	153 970
Deferred income tax liability, net	278 518	293 214	192 939
	<u>1 179 257</u>	<u>779 537</u>	<u>697 052</u>
Current liabilities			
Borrowings	69 989	80 389	23 617
Trade and other payables	77 232	67 643	107 675
Advances received and accrued charges	36 166	32 475	15 258
Income tax payable	9 772	2 673	31 405
	<u>193 159</u>	<u>183 180</u>	<u>177 955</u>
Total liabilities	<u>1 372 416</u>	<u>962 717</u>	<u>875 007</u>
Total equity and liabilities	3 494 964	3 051 092	2 252 541

Aidas Ignatavičius
Chief Executive Officer

(signature)

Lina Minderienė
Chief Financial Officer

(signature)

Income statement

VST, AB

INCOME STATEMENT (in LTL '000)	January- June 2008	January- June 2007	April- June 2008	April- June 2007
Sales	585 756	522 581	268 574	239 603
Other operating income	2 139	3 389	1 313	1 715
	587 895	525 970	269 886	241 318
Purchases of electricity	(310 388)	(277 168)	(139 716)	(125 717)
Other operating expenses	(229 922)	(198 078)	(116 053)	(93 144)
	(540 310)	(475 246)	(255 769)	(218 860)
Operating profit (loss)	47 585	50 724	14 117	22 458
Financial income (expenses), net	(2 288)	(6 031)	(60)	(2 727)
Profit (loss) before tax	45 297	44 693	14 057	19 731
Income tax	(25 820)	(27 730)	(11 239)	(11 761)
Deferre income tax benefit	14 696	13 355	7 630	5 048
	(11 124)	(14 375)	(3 609)	(6 713)
Net profit (loss)	34 173	30 318	10 448	13 018
Basic and diluted earnings (loss) per share, in LTL	9,19	8,15	2,81	3,50

Aidas Ignatavičius
Chief Executive Officer

(signature)

Lina Mindeienė
Chief Financial Officer

(signature)

Cash flow statement

VST, AB

CASH FLOW STATEMENT (in LTL '000)	30/06/2008	30/06/2007
Cash flow from operating activities		
Net profit (loss)	34 173	30 318
Adjustments for non-cash items:		
Income tax	11 124	14 375
Depreciation and amortization	136 752	121 173
Proceeds from sales of property, plant and equipment, net	286	(137)
Write-offs and impairment of property, plant and equipments	2 161	1 448
Impairment of receivables and prepayments	6 260	11 483
Inventories surplus and (reversal) of inventories impairment	(117)	(1 184)
Changes in accrued income	-	-
Interest income	(11 211)	(3 008)
Interest expenses	13 424	8 977
	192 852	183 445
Changes in working capital:		
Inventories	(2 691)	(3 405)
Receivables and prepayments	7 536	20 466
Payables and other liabilities	40 663	22 282
Cash flow from operations	238 360	222 788
Interest received	10 999	3 008
Interest paid	(13 581)	(8 799)
Income tax paid	(18 720)	(12 260)
Net cash flows from operating activities	217 058	204 737
Cash flows from investing activities		
Purchase of property, plant, equipment and intangible assets	(58 956)	(57 340)
Proceeds from sale of property, plant and equipment	940	179
Loan repayments received	28	12
Net cash flows from investing activities	(57 988)	(57 149)
Cash flows from financing activities		
Loans received	782 977	388 647
Loans repaid	(405 354)	(411 383)
Payments of financial lease	(119)	(12)
Dividends and payments related to share capital decrease paid	(100)	(59 289)
Net cash flows from financing activities	377 404	(82 037)
Effects of exchange rate changes on cash balance	-	-
Net increase (decrease) in cash and cash equivalents	536 474	65 551
Cash and cash equivalents at beginning of year	206 440	102 935
Cash and cash equivalents at end of year	742 914	168 486

Aidas Ignatavičius
Chief Executive Officer

(signature)

Lina Minderienė
Chief Financial Officer

(signature)

Statement of changes in equity

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
Balance as at 31 December 2006	111 540	830 011	11 154	453 999	1 406 704
Transfer from revaluation reserve to retained earnings	-	(35 735)	-	35 735	-
Total income and expense for the year recognised directly in equity	-	(35 735)	-	35 735	-
Net profit for the reporting period	-	-	-	30 318	30 318
Total income and expense for the reporting period	-	(35 735)	-	66 053	30 318
Dividends for the year 2006	-	-	-	(59 488)	(59 488)
Balance as at 30 June 2007	111 540	794 276	11 154	460 564	1 377 534
Balance as at 31 December 2007	111 540	1 345 069	11 154	620 612	2 088 375
Transfer from revaluation reserve to retained earnings	-	(82 129)	-	82 129	-
Total income and expense for the year recognised directly in equity	-	(82 129)	-	82 129	-
Net profit for the reporting period	-	-	-	34 173	34 173
Total income and expense for the reporting period	-	(82 129)	-	116 302	34 173
Dividends for the year 2007	-	-	-	-	-
Balance as at 30 June 2008	111 540	1 262 940	11 154	736 914	2 122 548

Aidas Ignatavičius
Chief Executive Officer

(signature)

Lina Minderienė
Chief Financial Officer

(signature)

EXPLANATORY LETTER

The explanatory letter discusses material changes in financial statements and the reasons for such changes. Financial statements have been prepared in accordance with the International Financial Accounting Standards (IFAS).

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. It is responsible for the security, reliable performance, maintenance, management and development of such networks.

Company supplied services to 712.8 thousand customer objects at the end of the third quarter of this year.

Revenue and expenses

Through the first half of this year the Company sold 4,63 percent more electric power and totally amounted to 2 037 million kWh (Table 1) compared with the same period of 2007. The revenue from these sales amounted to 582.8 million LTL, that is by 12.98 percent more in comparison with the same period of the previous year.

Expenses of the electricity power purchase of the first half of this year increased by 11.99 percent and amounted to 310.4 million LTL when in the same period of 2007 purchase amounted to 277.2 million LTL.

Net financial activity expenses in the first half of 2008 decreased by 2.3 millions when in the same period of 2007 amounted to 6.0 million LTL.

Table 1. Electric power sales and expenses.

Indicators	Units of measure	1st half, 2008	1st half, 2007	Variation, thous. kWh	Variation, percent
Electricity purchased	thous. kWh	2 214 300	2 134 639	79 661	3.73%
Electricity sold (active)	thous. kWh	2 037 729	1 947 614	90 115	4.63%
Network (transportation) losses	thous. kWh	164 649	174 979	(10 330)	-5.90%
Consumption for own needs	thous. kWh	11 921	12 044	(123)	-1.02%

The net profit of the Company, through the first half of this year increased by 12.71 percent and amounted to 34.2 million LTL when in the same period of 2007 amounted to 30.3 million LTL. The increase was due to the decreased in net financial expenses (3.7 million LTL).

Balance sheet

Throughout the first half of 2008, investments into the development and maintenance of electric power distribution networks and other assets amounted to 57.9 millions LTL. The investments decreased by 1.03 percent compared with the same period last year (investments into the development and reconstruction of electric power network amounted to 58.5 million LTL in first half of 2007).

Trade and other receivables increased by 37.74 percent and amounted to 74.4 million LTL when in the same period of 2007 amounted to 54.0 million LTL due to the increase in the volume of trade.

Throughout the first half of 2008, prepayments, deferred charges and accrued income, compared with the same period of 2007 increased from 4.7 million LTL to 13.1 million LTL due to higher payments to contractors, prepayments of income and social taxes.

An increase in the number of new customer connection made an influence to the deferred income, which rose by 38.93 percent and amounted to 213.9 million LTL when in the same period of 2007 amounted to 154.0 million LTL.

Throughout the first half of 2008, trade and other payables decreased by 28.27 percent and amounted to 77.2 million LTL when as the same period of 2007 amounted to 107.7 million LTL due to a decreased in electric energy and reconstruction and maintenance liabilities.

Non-current assets

Through the first half of this year the value of non-current assets increased by 32.10 percent and amounted to 2 653.5 million LTL when at the end of first half of 2007 amounted to 2 009.0 million LTL. Difference was due to the evaluation of Company's non-current assets (except for construction in progress) made by external independent appraiser. The evaluation was carried out on the basis of replacement cost method except for other assets (which have no business features to the Company's activity) that were evaluated on the basis of comparable price method.

Current assets

Through the first half of 2008, the value of current assets increased to 841.0 million LTL when in the same period of 2007 amounted to 243.5 million LTL. Current assets increased due to a increase in long terms borrowings.

Financial liabilities

The biggest part of Company's financial debts are loans that amounted to 756.8 million LTL. Financial liabilities (short-term and long-term) to banks increased by 102.49 percent throught the first half of this year and amounted to 756.8 million LTL when in the first half of 2007 amounted to 373.8 million LTL. Deferred income tax liability, net increased by 44.36 percent from 192.9 million LTL – first half of 2007 to 278.5 million LTL – first half of 2008.

Cash Flow

Through the first half of this year, cash flow from the main activities increased by 6.02 percent and amounted to 217.1 million LTL when as the same period of 2007 was 204.7 million LTL.

Net cash flows from investing activities throught the first half of this year was 58.0 million LTL and compared with the same period of 2007 increased by 1.47 percent.

Net cash flows from financing activities throught the first half of 2008 was 377.4 million LTL and copared with with the same period of 2007 increased 459.4 million LTL.

Net increase in cash and cash equivalents throught the first half of this year increased by 8.18 times and amounted to 536.5 million LTL when as the first half of 2007 was 65.6 million LTL.

Parameters of the Company's operation

Parameters	2008 January- June	2007 January- June	Change, percent
EBITDA margin (percent by turnover)	31.84%	33.17%	
Operating profit margin (percent by turnover)	8.12%	9.71%	
Profit/ loss before taxes (percent by turnover)	7.73%	8.55%	
Net profit margin (percent)	5.83%	5.80%	
Return on assets (ROA), (percent)	0.98%	1.35%	
Return on shareholders equity (ROE), (percent)	1.61%	2.20%	
Return on capital employed (ROCE), (percent)	1.44%	2.45%	
Debt ratio	0.39	0.39	1.09%
Debt - equity ratio	0.65	0.64	1.79%
General liquidity ratio	4.35	1.37	218.18%
Asset turnover	0.17	0.23	-27.76%
Earnings per share, LTL	9.19	8.15	12.71%
Price - earnings ratio (P/E)	77.90	76.03	2,46%
Share book value, LTL	570.88	370.50	35.10%

Due to increase in cash and cash equivalents Debt - equity ratio increased by 218.18 percent from 1.37 times to 4.35 times.

ESSENTIALS EVENTS

2008-07-18 Preliminary pre-audit activity result for the 1st half of 2008 of VST, AB

Preliminary pre-audit activity result for the 1st half of the year 2008 of VST, AB is 34.2 million LTL (9.9 million EUR) net profit.

2008-07-14 Procedure for the payout of dividends for the year 2007

The Repeated Second Ordinary General shareholders meeting of VST, AB, held on July 11, 2008, have decided to allocate the Company's profit for the year 2007 and to allocate of 620 611 296 LTL (179 741 455,05 EUR) to the payment of dividends.

The dividends to the shareholders of VST, AB should be paid in the amount of 166,92 LTL (48,34 EUR) per one ordinary registered share of the company.

The right to receive dividends shall have those persons, which on the end of the record date, i.e. on the end of July 25, 2008, 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".

2008-07-11 The decisions adopted in the Repeat Second Ordinary General meeting of the shareholders of VST, AB on July 11, 2008

The Repeat Second Ordinary General shareholders meeting of VST, AB, held on July 11, 2008, adopted the following decisions:

1. The item of the agenda: „The consideration of the distribution of 2007 profit (loss) of VST, AB“:
„1.1. Approve the distribution of 2007 profit (loss) of VST, AB (attached).“
The approved distribution of 2007 profit (loss) of VST, AB:
 1. Retained earnings at the beginning of the financial year 394 510 552 LTL (114 258 153,38 EUR);
 2. Net annual operating result (profit/loss) 67 243 911 LTL (19 475 182,75 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 158 856 833 LTL (46 008 118,92 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) 620 611 296 LTL (179 741 455,05 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 (166,92 LTL (48,34 EUR) per 1 share) 620 611 296 LTL (179 741 455,05 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 0 LTL (0 EUR).

Please note that one share will receive LTL 166,92 (EUR 48,34).

2008-07-10 The decisions of the Board of VST, AB. The new wording of the Bylaws of VST, AB has been registered

July 9, 2008 the Board of VST, AB has elected Mr. Aidas Ignatavičius chairman of the Board that will further be the Chief Executive Officer of the Company.

July 9, 2008 the new wording of the Bylaws of VST, AB which has been approved in the shareholders meeting July 8, 2008 has been registered.

2008-07-08 The decisions adopted in the extraordinary General meeting of the shareholders of AB "VST" on July 8, 2008

The decisions adopted in the extraordinary General meeting of the shareholders of AB "VST" on July 8, 2008.

The extraordinary General shareholders meeting of AB "VST", held on July 8, 2008, adopted the following decisions:

1. The item of the agenda "Recall of the Board":
 - 1.1. To recall the Board of VST, AB that authority terminates as of the start of the new members of the Board activity.
2. The item of the agenda "Election of the Board":
 - 2.1. To elect the persons listed below to the company's Board:
 1. Aidas Ignatavičius;

2. Rytis Borkys;
3. Gytis Kundrotas;
4. Lina Minderienė.

2. To settle that the new members of the Board start their activity from the day as the new wording of the Bylaws of VST, AB are registered in the Register of Legal Entities.

3. The item of the agenda "Approval of the new wording of the Bylaws of the Company":

- 3.1. Approve the new wording of the Bylaws of VST, AB;
- 3.2. to authorize Aidas Ignatavičius, Chief Executive Officer of VST, AB, to sign the new wording of the Articles of Association of the company;
- 3.3. to delegate Aidas Ignatavičius, Chief Executive Officer of VST AB, or another authorized persons to register the new wording of the Articles of Association of the company and to perform other necessary actions abiding by the procedure set forth by the Law.

4. The item of the agenda "Approval of the conditions of the contract with the Board members and the appointment of the person authorized to sign contracts with the Board members":

- 4.1. To assign the conditions of the contracts with the Board members and the chairman of the Board.
- 4.2. To appointment Mr. Rymantas Juozaitis as the authorized person of the name of company to sign contracts with the Board members and the chairman of the Board.

2008-06-27 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 July 8th, 2008 and shall take place at the office of the Company 5th floor, J.Jasinskio 16c, Vilnius, at 11.30 am. Initiator of the shareholders meeting is LEO LT, AB. The shareholders will be asked to approve the following items:

1. The item of the agenda "Recall of the Board":
2. The item of the agenda "Election of the Board":
3. The item of the agenda "Approval of the new wording of the Bylaws of the Company":
4. The item of the agenda "Approval of the conditions of the contract with the Board members and the
The draft of the new wording of the Bylaws of VST, AB can be found at the website of Vilnius stock exchange <http://www.baltic.omxgroup.com> or VST, AB website - www.vst.lt.

Following the provisions of Article 25 (3, 4) of the Law on Securities of the Republic of Lithuania, shareholders, which owned shares provide not less than 1/10 of all the votes, may at any time before the General Meeting or during the Meeting propose the new draft decisions on the items put on the agenda.

2008-06-17 LEO LT, AB announced about the intention to advice to pay dividends

VST, AB informs, that news agency BNS published the information about the intention of the Board of LEO LT, AB - shareholder's of VST, AB, that owns 97, 1 percent of the shares of VST, AB - to advise to pay 620.611 millions LTL dividends - all distributing profite of the year 2007.

The Company has not received more official information.

2008-06-17 The Repeat Second Ordinary General Meeting of the Shareholders of VST, AB

The Repeat Second Ordinary General Meeting of the Shareholders of VST, AB is called on July 11, 2008. Due to the fact that the Second Ordinary General Meeting of Shareholders of VST, AB did not take place on June 13, 2008, the Board of VST, AB adopted a decision to call the Repeat Second Ordinary General Meeting of the Shareholders of VST, AB on July 11, 2008. The agenda of Second Ordinary General Meeting and the draft decision, that was proposed by the Bord of VST, AB shall be valid at the Repeat Second Ordinary General Meeting:

1. The item of the agenda: „The consideration of the distribution of 2007 profit (loss) of VST, AB“:

„1.1. Approve the distribution of 2007 profit (loss) of VST, AB“.

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

1. Retained earnings at the beginning of the financial year 394 510 552 LTL (114 258 153,38 EUR);
2. Net annual operating result (profit/loss) 67 243 911 LTL (19 475 182,75 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 158 856 833 LTL (46 008 118,92 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) 620 611 296 LTL (179 741 455,05 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 (LTL per 1 share) 0 LTL (0 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 620 611 296 LTL (179 741 455,05 EUR).

The Board of VST AB will suggest the General shareholders meeting to adopt the decision to pay no dividends for the year 2007 and to carry forward the Retained earnings to next financial year.

Following the provisions of Article 25 (3, 4) of Law on Securities of Republic of Lithuania, shareholders, who hold shares with not less than 1/10 of all votes attaching to them, may at any time before the General Meeting or during the Meeting propose new draft decisions on the items put on the agenda.

2008-06-13 The Second Ordinary General Meeting of Shareholders of VST, AB did not take

In the absence of the quorum, the Second Ordinary General Meeting of Shareholders of VST, AB did not take place.

2008-06-12 The Lithuanian Securities Commission decided to approve the obligatory tender offer circular of LEO LT, AB

Lithuanian Securities Commission informed that following the provisions of Article 31 (4) of Law on Securities of Republic of Lithuania, the Lithuanian Securities Commission decided to approve the obligatory tender offer circular of LEO LT, AB with the intent to buy remaining ordinary registered shares of VST, AB at the price of LTL 757.41 per share.

2008-06-02 VST, AB has received the notification regarding the deprivation and acquisition of the voting rights

June 2, 2008 VST, AB has received the notification from UAB "NDX energija" regarding the deprivation of the voting rights. With the notification UAB "NDX energija" informed that it deprived the voting right after the shares of VST AB were conceded to LEO LT, AB as non monetary contribution. From the transaction date, May 27, 2008 UAB "NDX energija" has no shares of VST, AB.

June 2, 2008 VST, AB received the notification from LEO LT, AB where it is said that LEO LT AB acquired the voting rights of VST, AB after the shares were conceded to LEO LT as capital contribution. From the transaction date, May 27, LEO LT, AB owns 3 610 159 (three million six hundred and ten thousands one hundred fifty nine) shares of VST, AB and directly controls 97. 1% (ninety seven point one percent) of the voting rights.

2008-06-02 The draft resolution of the second general meeting of the shareholders of VST, AB

The Board of VST, AB adopted a decision to call the second General shareholders meeting of VST, AB on June 13th, 2008, 2 p.m. The shareholders meeting place: Vilnius, Jasinskio st. 16C (5th floor).

The shareholders will be asked to approve the following item:

1. Distribution of 2007 profit (loss) of VST, AB (attached hereto).
Profit (loss) distribution project proposed to approve in a second general shareholders meeting:
 1. Retained earnings at the beginning of the financial year 394 510 552 LTL (114 258 153,38 EUR);
 2. Net annual operating result (profit/loss) 67 243 911 LTL (19 475 182,75 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 158 856 833 LTL (46 008 118,92 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) 620 611 296 LTL (179 741 455,05 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 (LTL per 1 share) 0 LTL (0EUR);
 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 620 611 296 LTL (179 741 455,05 EUR).

2008-06-02 VST, AB has received the notification from LEO LT, AB

June 2, 2008 VST, AB received the notification where it is said that LEO LT, AB following the decision of the Board intends to announce the compulsory non competitive offer to buy 107 839 (one hundred and seven thousands eight hundred thirty nine) ordinary registered shares of VST, AB with nominal value of 30 (thirty) LTL each, that amounts to 2,9 % (two point nine percent) of the total shares and their rights of the vote in the general shareholders meeting.

In the notification it is said that on May 27, 2008 LEO LT, AB acquired more than 40 % (forty percent) of the shares of VST, AB. LEO LT, AB has under it's ownership 3 610 159 (three million six hundred and ten thousands one

hundred fifty nine) ordinary registered shares of VST, AB with nominal value of 30LTL that amounts to 97.1 % (ninety seven point one percent) of the total shares and their rights of the vote in the general shareholders meeting.

Prospective way of the payment is money.

The Company has not received more official information.

2008-05-30 VST, AB Interim financial report for three months of 2008

VST, AB Interim financial report for three months of 2008.

2008-05-28 The Extraordinary General Meeting of the Shareholders of VST AB is called on July 8, 2008, 11.30 a.m.

The Extraordinary General Meeting of the Shareholders of VST AB is called on July 8, 2008, 11.30 a.m. According to LEO LT AB request, the Board of VST AB on May 28, 2008 adopted a decision to call the Extraordinary General Meeting of the Shareholders of VST AB and approved the following agenda of the meeting:

1. Recall of the Board;
2. Election of the Board;
3. Approval of the new wording of the Bylaws of the Company.

2008-05-28 The Shareholders Agreement of LEO LT, AB was signed and the authorized capital was increased.

The Shareholders Agreement of LEO LT, AB was signed and the authorized capital was increased. On 27 May, 2008, the Shareholders Agreement of LEO LT, AB, the national investor company, was signed. Afterwards the extraordinary shareholders meeting of LEO LT, AB was held, whereat it was resolved to increase the authorized capital of LEO LT, AB by the shareholders equity contributions - the shares of VST AB, Rytų Skirstomieji Tinklai AB and Lietuvos Energija AB. Alongside that, the Articles of Association of LEO LT, AB were appropriately amended, which were registered in the Register of Legal Persons.

2008-05-09 Convocation of the second general meeting of the shareholders of VST AB

May 9, 2008 the Board of VST AB following the decision adopted by the repeat general shareholders' meeting on April 30, 2008 adopted the decision to call the second general shareholders meeting of VST AB and approved the following agenda of the meeting.

2008-04-30 - 2009-04-30 Preliminary pre-audit 2008 first quarter activity result of VST AB

Preliminary pre-audit 2008 Q1 activity result of VST AB is LTL 23,7 mil. (EUR 6,9 mil.) net profit.

2008-04-30 The decisions adopted in the Repeat General meeting of the shareholders of VST AB on April 30th, 2008

The Repeat General shareholders meeting of VST AB, held on April 30th, 2008, adopted the following decisions.

2008-04-22 The Government of the Republic of Lithuania adopted the project agreement with "NDX energija"

The Government of the Republic of Lithuania adopted the project agreement with "NDX energija". VST AB informs that the Government of the Republic of Lithuania adopted the decree Nr. 331 on April 15, 2008 that was published in "State news" Nr.45 on April 19, 2008 and with that decree:

1. Approved the project agreement and it's project supplements between Government of the Republic of Lithuania acting on behalf of Republic of Lithuania and "NDX energija" UAB regarding the establishment of the national investor;
2. Agreed that "NDX energija" shall concede the shares under it's ownership to establishing „LEO LT". The Company does not have other official information regarding the subject.

2008-04-21 The Repeat Ordinary General Meeting of the Shareholders of VST AB is called on April 30, 2008

Due to the fact that the Ordinary General Meeting of Shareholders of VST AB did not take place on April 18, 2008, the Board of VST AB adopted a decision to call the Repeat Ordinary General Meeting of the Shareholders of VST AB on April 30, 2008. The agenda of the Essential General Meeting shall be valid at the Repeat General Meeting.

2008-04-18 Ordinary General Meeting of Shareholders of VST AB did not take place

In the absence of the quorum, the Ordinary General Meeting of Shareholders of VST AB did not take place.

2008-04-08 The draft resolutions of the general meeting of the shareholders of AB "VST"

According to the decision of the Board of AB "VST" a general shareholders meeting is called on April 18th, 2008 and shall take place at the offices of the Company 5th floor, J.Jasinskio 16c, Vilnius, at 14.00 AM. The Board will ask shareholders to approve the following items:

1. The consideration of the 2007 Annual report of AB "VST".
2. Approval of the 2007 financial statements of AB "VST".

3. Distribution of 2007 profit (loss) of AB "VST".

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

1. Retained earnings at the beginning of the financial year 394 510 552 LTL (114 258 153,38 EUR);
2. Net annual operating result (profit/loss) 67 243 911 LTL (19 475 182,75 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 158 856 833 LTL (46 008 118,92 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) 620 611 296 LTL (179 741 455,05 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 (LTL per 1 share) 0 LTL (0EUR);
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 620 611 296 LTL (179 741 455,05 EUR).

The annual report of AB "VST" and the draft financial statements can be found at the internet site of AB "VST" at <http://www.vst.lt> and at the internet site of Vilnius stock exchange at <http://www.baltic.omxgroup.com>.

2008-03-14 The General meeting of the shareholders of VST AB is called on April 18, 2008

The Board of VST AB on March 14, 2008 adopted a decision to call the General shareholders meeting of VST AB and approved the following agenda of the meeting.

2008-02-15 VST, AB result for the year 2007

The Company's non-audited net profit for the year 2007 is 67.2 million LTL (19.6 million EUR) according to the International Financial Reporting

Standards, in 2006 audited net profit was - 59.7 million LTL (17.3 million EUR).

The Company's revenue - 1 059 million LTL (306.7 million EUR) in 2007, compared with 928.6 million LTL (268.9 million EUR) in 2006.

In 2007 the Company sold 3 940 million kWh of electric power, compared with 3680 million kWh in 2006.

According to the independent valutors, the Company's property, plant, equipment and other long term tangible assets accounted for as of 1 January 2007 amounts to 2 807 million LTL (812.9 EUR).

In 2007 the Company invested 140 million LTL (40.5 million EUR) into electric power distribution and other property, plant and equipment.

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