

VST, AB

Lithuanian Securities Commission
Konstitucijos ave. 23
LT-08105 Vilnius

2009-05-25



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 three months of 2009, 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. VST, AB Interim financial statements for the three months of 2009 (1 copy, 16 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 statements for the three months of 2009



MISSION

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

VISION OF 2010

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

VALUES

PROFESSIONALITY AND RESPONSIBILITY:

We keep improving and are open for new things. We leave no space for mediocrity and negligence. Our priority is the capability to see several steps ahead and the wish to become the best. Relationship with the customer, the society and the colleagues is based on responsibility, mutual trust and understanding.

QUALITY:

We guaranty safe and reliable exploitation of the electric power network, supply and distribution of electric power. We aim to turn our work into the best business practice and the services we provide to be of the top quality. We are open for criticism; we see our mistakes and take lessons from them. We aim for qualitative and effective service for our internal and external customers. Our clients and partners are the main valuator of our activity and provided services.

TEAM WORK:

We are a team. Working as a team we reach our goal faster. While sharing our knowledge and experience we can overcome problems, meet challenges and find the best solutions. Aiming for the good result of our work we are aware of our function and responsibility. While working together we aim to be reliable and support each other.

INITIATIVE:

We are ready for new challenges, active and look for problem solution ways. We encourage creativity and always implement the best ideas.

EFFICIENCY:

We seek for the efficiency of the operation individually and all together. Directed orientation toward the result lets us reach the set goals. Work of every one of us is important and it adds to the value to the company's operation. The stability and reliability of the company as well as open and clear operation of it and improving results guaranties the growth of added value to the shareholders of the company.

THESE ARE THE MAIN CRITERIA WE TAKE GUIDANCE FROM IN ORDER TO BECOME A LEADING COMPANY

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GENERAL INFORMATION ABOUT THE ISSUER**Key data on the Issuer:**

Name of the Company:	VST, AB
Address of its headquarters:	J. Jasinskio str. 16 C, 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 LTL
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. 16 C, Vilnius, Department of Marketing and Public relations. Also, the Report is available in the Company's internet site www.vst.lt and in the Baltic Secondary list of NASDAQ OMX Vilnius site www.nasdaqomxbaltic.com.

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

SCHAREHOLDERS

Share capital registered in the Register of companies

405 261 782 LTL (registration date: December 31, 2001)

3 717 998 LTL (registration date: December 2, 2004)

111 539 940 LTL (registration date: April 26, 2005)

Total number of the total shareholders

The number of the shareholders in March 31, 2009 was around - 3 801.

Type of shares	Number of shares	Par value (LTL)	Total par value	Part in the share capital (%)
Ordinary registered shares	3 717 998	30	111 539 940	100.00
Total:	3 717 998	–	111 539 940	100.00

All shares of the company are fully paid.

The biggest shareholders, 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 Žveju str. 14A, LT-09310 Vilnius, code 301732248	3 651 524	3 651 524	98.2	98.2	–

Shares of VST, AB are listed on the Baltic Secondary list of the NASDAQ OMX Baltic Stock Exchange (Trading code – VST1L). Through the reporting period, the lowest share price was 280.00 LTL, the highest 425.00 LTL. During the first quarter of this year the price of company's share decreased by 26.3 percent from 380.00 LTL to 280.00 LTL per share (at the beginning and at the end of period accordingly).

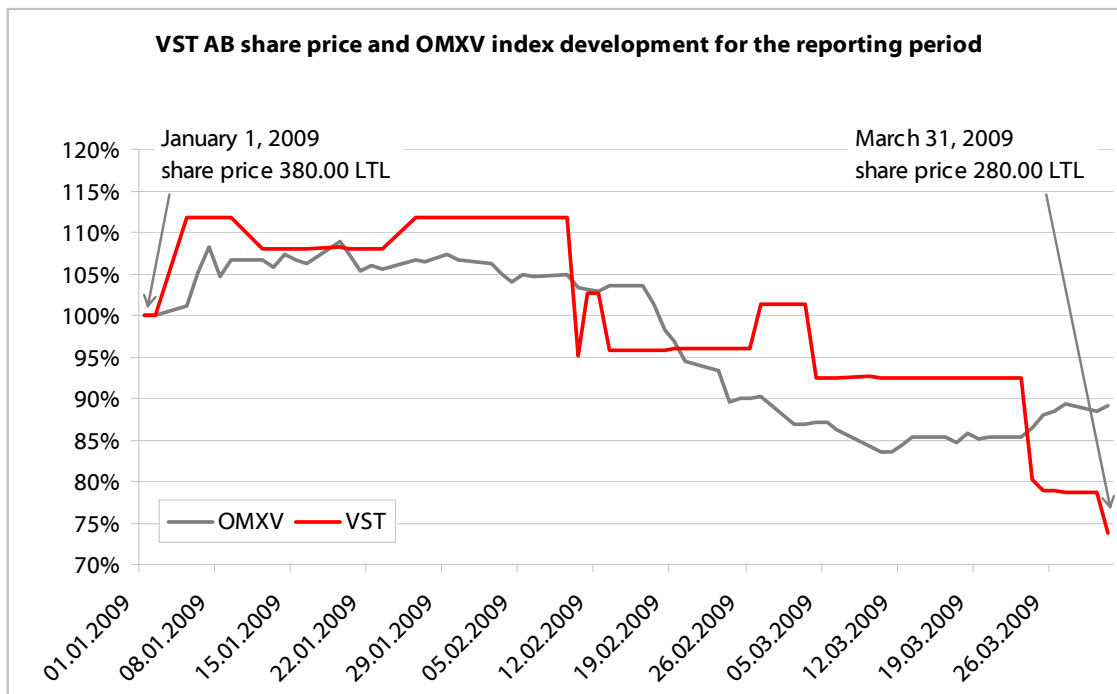


Chart data

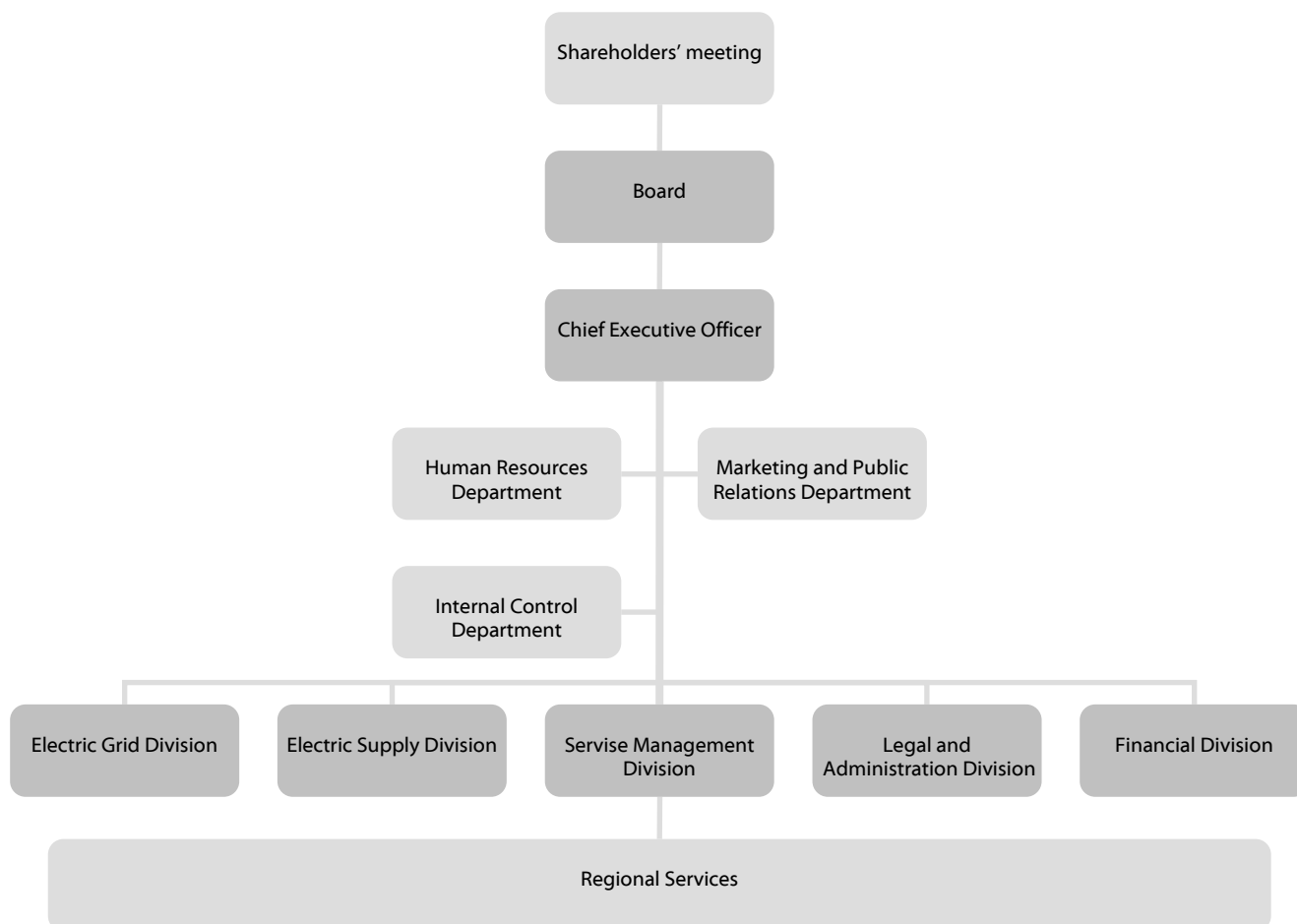
Index/Equity	01/01/2009	31/03/2009	Changes, %	+/-
OMXV	179.25	159.86	-10.8	↓
VST1L	380.00	280.00	-26.3	↓

Source: www.baltic.omxgroup.com

MEMBERS OF THE MANAGING BODIES

The company shall acquire rights and assume and discharge obligations through its management bodies. The management bodies of the company shall include the general meeting of shareholders, the board and the head of the Company – the general manager. The managing bodies of the company are the Board and Chief executive officer. The company doesn't have a supervisory board.

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. Chief Executive Officer 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	–	–

VST, AB The Board (from July 9, 2008 to the day of the Report)



AIDAS IGNATAVIČIUS

Position

Chairman of the Board, Chief Executive Officer.

Works within the company

From the 22nd of November, 2004.

Background

Vilnius University, Faculty of Humanities in Kaunas. Bachelor's and Master's degrees in Management and Business Administration.

Career

Previous position - Head of Business clients Department/AB Bank "Hansabankas".



LINA MINDERIENĖ

Position

Member of the Board, Chief Financial Officer.

Works within the company

From 15th of February, 2005.

Background

University education. Vilnius University, Faculty of Economic. Economist.

Career

Previous position - AB Bank "Hansabankas", Financial adviser.



RYTIS BORKYS

Position

Member of the Board, Director Electric Grid Division.

Works within the company

From the 17th of November, 1993.

Background

University education - Kaunas University of Technology, Engineer - electro mechanic.

Career

Started working within the company after studies. Positions - electrical fitter, electrical fitter of the rapid response team, foreman, senior supervisor, deputy head of the division, director of the division.



GYTIS KUNDROTAS

Position

Member of the Board, Director Legal and Administration Division.

Works within the company

From the 15th of March, 2004.

Background

Vilnius University, Faculty of Law. Holds Master's degrees.

Career

Previous position - AB "Hansabankas", Legal department's legist.

FINANCIAL ACCOUNTABILITY

Following financial statements are prepared in accordance with the International Financial Reporting Standards. Financial statements for the year ended 31 December 2008 are audited by the auditors. Financial statements for the 1st quarter of 2009 and 1st quarter of 2008 are not audited.

Balance sheet

VST, AB

BALANCE SHEET (in LTL '000)	31/03/2009	31/12/2008	31/03/2008
ASSETS			
Non-current assets			
Property, plant and equipment	2 783 400	2 849 527	2 693 985
Intangible assets	73	98	617
	<u>2 783 473</u>	<u>2 849 625</u>	<u>2 694 602</u>
Current assets			
Inventories	11 456	11 193	9 166
Trade and other receivables	99 215	95 070	87 776
Prepayments, deferred charges and unbilled revenue	11 629	11 311	22 385
Cash and cash equivalents	50 602	6 232	259 458
	<u>172 902</u>	<u>123 806</u>	<u>378 785</u>
Total assets	2 956 375	2 973 431	3 073 387
EQUITY			
Share capital	111 540	111 540	111 540
Revaluation reserve	1 280 079	1 319 030	1 303 487
Legal reserve	11 154	11 154	11 154
Retained earnings	229 179	179 925	685 919
Total equity	<u>1 631 952</u>	<u>1 621 649</u>	<u>2 112 100</u>
LIABILITIES			
Non-current liabilities			
Borrowings	488 937	488 937	295 876
Grants and subsidies	26 325	26 698	24 962
Employee benefit liability	1 185	1 185	
Deferred income	184 044	180 744	140 027
Deferred income tax liability	390 542	399 938	286 148
	<u>1 091 033</u>	<u>1 097 502</u>	<u>747 013</u>
Current liabilities			
Borrowings	77 345	105 869	49 100
Trade and other financial liabilities	96 359	84 950	69 849
Other payables	9 739	5 447	9 903
Advances received and accrued charges	43 681	56 934	68 496
Income tax payable	6 266	1 080	16 926
	<u>233 390</u>	<u>254 280</u>	<u>214 274</u>
Total liabilities	<u>1 324 423</u>	<u>1 351 782</u>	<u>961 287</u>
Total equity and liabilities	2 956 375	2 973 431	3 073 387

Aidas Ignatavičius
Chief Executive Officer

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Lina Minderienė
Chief Financial Officer

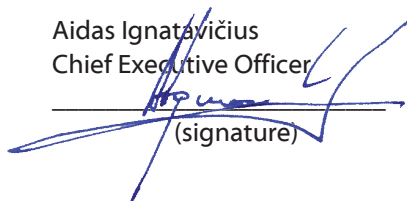
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Income statement

VST, AB

INCOME STATEMENT (in LTL '000)	31/03/2009	31/03/2008
Sales	327 617	317 182
Other operating income	839	909
	328 456	318 091
Purchases of electricity	(190 730)	(170 672)
Other operating expenses	(115 315)	(113 952)
	(306 045)	(284 624)
Operating profit	22 411	33 467
Financial income (expenses), net	(6 318)	(2 227)
Profit (loss) before tax	16 093	31 240
Income tax	(15 186)	(14 581)
Deferre income tax benefit	9 396	7 066
	(5 790)	(7 515)
Net profit (loss)	10 303	23 725
Basic and diluted earnings per share, in LTL	2,77	6,38

Aidas Ignatavičius
Chief Executive Officer



(signature)

Lina Minderienė
Chief Financial Officer



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Cash flows statement

VST, AB

CASH FLOW STATEMENT (in LTL '000)	31/03/2009	31/03/2008
Cash flows from operating activities		
Net profit	10 303	23 725
Adjustments for non-cash items:		
Income tax	5 790	7 515
Depreciation and amortization	68 109	68 175
Proceeds from sales of property, plant and equipment, net	14	368
Write-offs and impairment of property, plant and equipments	13 522	873
Impairment of receivables and prepayments	1 339	5 998
Inventories surplus and (reversal) of inventories impairment	(45)	36
Changes in accrued income	-	-
Interest income	(732)	(2 122)
Interest expenses	7 045	4 297
	105 345	108 865
Changes in working capital:		
Inventories	(146)	(1 403)
Receivables and prepayments	(5 808)	(5 676)
Payables and other liabilities	5 902	25 913
Cash flow from operations	105 293	127 699
Interest received	732	2 122
Interest paid	(7 101)	(4 454)
Income tax paid	(10 000)	(9 360)
Net cash flows from operating activities	88 924	116 007
Cash flows from investing activities		
Purchase of property, plant, equipment and intangible assets	(16 139)	(29 287)
Proceeds from sale of property, plant and equipment	202	712
Loan repayments received	6	7
Net cash flows from investing activities	(15 931)	(28 568)
Cash flows from financing activities		
Loans received	254	343 171
Loans repaid	(28 778)	(377 395)
Payments of financial lease	-	(119)
Dividends and payments related to share capital decrease paid	(99)	(77)
Net cash flows from financing activities	(28 623)	(34 420)
Effects of exchange rate changes on cash balance	-	-
Net increase (decrease) in cash and cash equivalents	44 370	53 019
Cash and cash equivalents at beginning of year	6 232	206 439
Cash and cash equivalents at end of year	50 602	259 458

Aidas Ignatavičius
Chief Executive Officer

(signature)

Lina Mindešienė
Chief Financial Officer

(signature)

Statement of changes in equity

VST, AB

STATEMENT OF CHANGES IN EQUITY (in LTL '000)	Share capital	Revaluation reserve	Legal reserve	Retained earnings	Total
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		(41 582)		41 582	
Total income and expense for the year recognised directly in equity		(41 582)		41 582	
Net profit for the reporting period				23 725	23 725
Total income and expense for the reporting period		(41 582)		65 307	23 725
Dividends declared for 2007					
Balance as at 31 March 2008	111 540	1 303 487	11 154	685 919	2 112 100
Balance as at 31 December 2008	111 540	1 319 030	11 154	179 925	1 621 649
Transfer from revaluation reserve to retained earnings		(38 951)		38 951	
Total income and expense for the year recognised directly in equity	-	(38 951)	-	38 951	-
Net profit for the reporting period				10 303	10 303
Total income and expense for the reporting period	-	(38 951)	-	49 254	10 303
Dividends declared for 2008					
Balance as at 31 March 2009	111 540	1 280 079	11 154	229 179	1 631 952

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 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 719.9 thousand customer objects at the end of the first quarter of 2009.

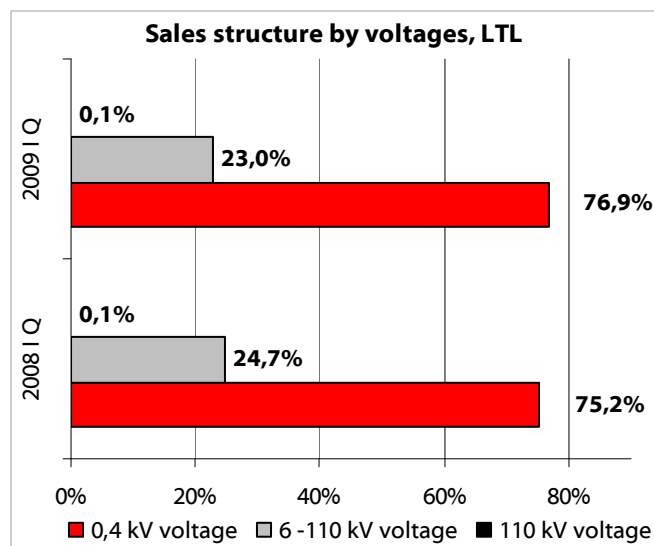
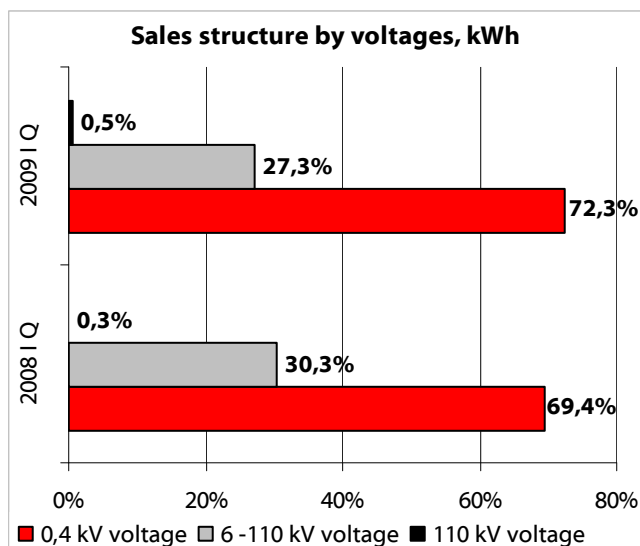
Revenue and Expenses

Through the first quarter of this year the company sold 5.3 percent less electric power compared with the same period of 2008, and totally amounted to 1 040.1 million kWh. The revenue from these sales amounted to 322.0 million LTL, which is by 3.3 percent more in comparison with the same period of the previous year when the revenue from these sales amounted to 311.8 million LTL.

Expenses of the electricity power purchase of the first quarter of this year grew up by 11.8 percent and amounted to 190.7 million LTL when in the same period of 2008 purchase amounted to 170.7 million LTL.

Net financial activity expenses in the first quarter of this year increased by 2.8 times and amounted to 6.3 million LTL when in the same period of 2008 amounted to 2.2 million LTL.

Most income (72.3 percent) VST, AB gets from the sales of electric power from 0.4 kV voltage lines.



Electric power sales and expenses

Indicators	Units of measure	1st quarter, 2009	1st quarter, 2008	Variation, thous. kWh	Variation, percent
Electricity purchased	thous. kWh	1 150 625	1 215 513	(64 888)	-5.3%
Electricity sold (active)	thous. kWh	1 040 136	1 098 371	(58 235)	-5.3%
Network (transportation) losses	thous. kWh	117 483	107 962	9 520	8.8%
Consumption for own needs	thous. kWh	8 442	9 180	(738)	-8.0%

The net profit of the company in comparison with the first quarter of 2009, decreased by 56.6 percent from 23.7 million LTL to 10.3 million LTL. The decrease in profit before tax is attributed to the increase in electricity purchase cost and in expenses.

Balance sheet

Throughout the first quarter of 2009, investments into the development and maintenance of electric power distribution networks and other assets amounted to 16.3 million LTL. The investments decreased almost double in comparison with the same period last year (investments into the development and reconstruction of electric power network amounted to 30.1 million LTL in three months of 2008).

Cash and cash equivalents decreased by 80.5 percent from 259.5 million LTL to 50.6 million LTL due to decreased of cash in bank.

Deferred income for the reporting period increased by 31.4 percent from 140.0 million LTL to 184.0 million LTL due to accrued new customers connection income.

Trade and other financial liabilities for the reporting period increased by 38.0 percent from 69.8 million LTL to 96.4 million LTL due to increased in electric energy and reconstruction and maintenance liabilities.

Deferred income tax liability for reporting period increased by 36.5 percent from 286.1 million LTL to 390.5 million LTL due to increased deferred tax liability.

Retained earnings for the reporting period decreased by 66.6 percent from 685.9 million LTL to 229.2 million LTL due to the decreased in retained earnings of reporting year.

Non current assets

The value of non-current assets through the first quarter of this year increased by 3.3 percent and amounted to 2 783.5 million LTL when in the same period of 2008 amounted to 2 694.6 million LTL.

Through the first quarter of this year there were connected 1.6 thousand new customers (22.3 thousand kW power), that is 31.7 percent less then in the same period of 2008, when there were connected 2.3 thousand new customers (36.9 thousand kW power).

Current assets

Due to a decreased in cash and cash equivalents, through the first quarters of 2009, the value of current assets decreased to 172.9 million LTL when in the same period of 2008 amounted to 378.8 million LTL.

Financial liabilities

The biggest part of company's financial debts are loans that amounted to 566.3 million LTL. In comparison with the same period last year, financial liabilities (short-term and long-term) to banks increased by 64.1 percent, that is from 345.0 million LTL to 566.3 million LTL.

Cash Flows

Cash flows from the main activities was 105.3 million LTL in the first quarter of this year, compared with the same period of 2008 it decreased by 3.2 percent from 108.9 million LTL.

Net cash flows from the main activities decreased by 23.3 percent and amounted to 88.9 million LTL in the first quarter of this year, when in the same period of 2008 it was 116.0 million LTL.

Net cash flows from investing activities through the first quarters of this year decreased by 44.2 percent and amounted to 15.9 million LTL when in the same period of 2008 it was 28.6 million LTL.

Net cash flows from the financing activities for the reporting period decreased by 16.8 percent and amounted to 28.6 million LTL, as in the same period of 2008 it amounted to 34.4 million LTL.

Parameters of the Company's operation

Indicators	1st quarter, 2009	1st quarter, 2008	Change, percent
EBITDA margin (percent by turnover)	31.8%	32.3%	
Operating profit margin (percent by turnover)	6.8%	10.6%	
Profit/ loss before taxes (percent by turnover)	4.9%	9.8%	
Net profit margin (percent)	3.1%	7.5%	
Return on assets (ROA), (percent)	0.3%	0.8%	
Return on shareholders equity (ROE), (percent)	0.6%	1.1%	
Return on capital employed (ROCE), (percent)	0.8%	1.2%	
Debt ratio	0.4	0.3	43.2%
Debt - equity ratio	0.8	0.5	78.3%
General liquidity ratio	0.7	1.8	-58.1%
Asset turnover	0.1	0.1	7.4%
Earnings per share, LTL	2.8	6.4	-56.6%
Price - earnings ratio (P/E)	101.0	111.1	-9.1%
Share book value, LTL	438.9	568.1	-22.7%

Due to decrease in cash and cash equivalents, general liquidity ratio during for the reporting period decreased by 58.1 percent from 1.8 times to 0.7 times per year.

Earnings per share for the reporting period decreased by 56.6 percent from 6.4 times to 2.8 times per year.

ESSENTIALS EVENTS

2009-05-22 Information on the announcement of LEO LT, AB regarding the possibilities to reduce the electricity power tariffs

2009-05-21 Information on the announcement of National control commission for prices and energy regarding

2009-05-21 The Extraordinary General Meeting of the Shareholders of VST, AB is called on June 23, 2009, at 10.00 AM, which shall take place at the office of VST AB, 5th floor, J. Jasinskio str. 16C, Vilnius

2009-05-11 VST AB prepared Annual information 2008

2009-04-30 Preliminary pre-audit Q1 2009 activity result of VST AB

2009-04-30 Information on the announcement of LEO LT, AB regarding the electricity price reduction

2009-04-30 The decisions adopted in the General meeting of the shareholders of VST, AB on April 30, 2009

2009-04-20 The draft resolutions of the general shareholders meeting of VST, AB

2009-04-16 Updated agenda of the General shareholders meeting of VST, AB to be held on April 30, 2009

2009-04-10 On election the new Board, Chairman of the Board and Chief Executive Officer of LEO LT, AB

2009-04-03 The general shareholders meeting of LEO LT, AB has elected the new Supervisory Council of LEO LT, AB

2009-03-27 The General meeting of the shareholders of VST, AB is called on April 30, 2009

2009-03-27 Information regarding resignation of President of LEO LT, AB

2009-03-23 Information on the resignation of the Management Board of LEO LT, AB member

2009-03-03 Regarding the decision of the Constitutional Court of the Republic of Lithuania.

2009-02-27 VST, AB Financial interim report for the twelve months of 2008

2009-02-27 VST, AB preliminary result for the year 2008

2009-02-13 Information regarding the acquired volume of electricity

Joint Stock Company "VST"
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