

# AB LIETUVOS DUJOS

**CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009  
PREPARED ACCORDING TO  
INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EU**

## Statements of financial position

		Group		Company	
		As of 30 September 2009 (pre-audited)	As of 31 December 2008 (audited)	As of 30 September 2009 (pre-audited)	As of 31 December 2008 (audited)
<b>ASSETS</b>					
<b>A.</b>	<b>Non-current assets</b>	<b>2,277,763</b>	<b>2,249,069</b>	<b>2,280,586</b>	<b>2,252,636</b>
I.	Intangible assets	3,805	3,765	3,782	3,738
II.	Property, plant and equipment	2,273,897	2,245,239	2,266,006	2,238,096
II.1	Land	183	183	183	183
II.2	Buildings and structures	2,015,967	2,050,832	2,009,371	2,044,127
II.2.1	Buildings	82,184	82,994	75,588	76,289
II.2.2	Transmission networks and related installations	1,235,461	1,268,382	1,235,461	1,268,382
II.2.3	Distribution networks and related installations	688,930	689,942	688,930	689,942
II.2.4	Other buildings and structures	9,392	9,514	9,392	9,514
II.3	Machinery and equipment	84,644	84,814	84,644	84,814
II.4	Vehicles	12,245	13,596	12,232	13,577
II.5	Other equipment, tools and devices	29,096	32,897	28,852	32,584
II.6	Other property, plant and equipment	4,088	4,316	4,088	4,316
II.7	Construction in progress	127,674	58,601	126,636	58,495
III.	Non-current financial assets	61	65	10,798	10,802
III.1	Investments into subsidiaries	-	-	10,737	10,737
III.2	Non-current accounts receivable	61	65	61	65
<b>B.</b>	<b>Current assets</b>	<b>110,009</b>	<b>280,197</b>	<b>105,915</b>	<b>275,840</b>
I.	Inventories and prepayments	29,071	58,660	29,056	58,638
I.1	Inventories	28,860	58,174	28,850	58,159
I.1.1	Raw materials, spare parts and other inventories	3,881	2,992	3,880	2,991
I.1.2	Goods for resale (including natural gas)	24,979	55,182	24,970	55,168
I.2	Prepayments	211	486	206	479
II.	Accounts receivable	51,135	133,212	51,037	133,207
II.1	Trade receivables	46,427	130,878	46,387	130,882
II.2	Prepaid income tax	4,324	1,852	4,324	1,844
II.3	Other receivables	384	482	326	481
III.	Other current assets	3,491	4,099	-	-
IV.	Cash and cash equivalents	26,312	84,226	25,822	83,995
<b>Total assets</b>		<b>2,387,772</b>	<b>2,529,266</b>	<b>2,386,501</b>	<b>2,528,476</b>

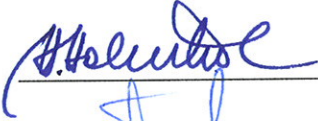
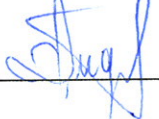
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The accompanying notes are an integral part of these financial statements.

**Statements of financial position (cont'd)**

		<b>Group</b>		<b>Company</b>	
		<b>As of 30 September 2009 (pre-audited)</b>	<b>As of 31 December 2008 (audited)</b>	<b>As of 30 September 2009 (pre-audited)</b>	<b>As of 31 December 2008 (audited)</b>
<b>EQUITY AND LIABILITIES</b>					
<b>C.</b>	<b>Equity</b>	<b>1,902,056</b>	<b>1,882,305</b>	<b>1,900,674</b>	<b>1,881,045</b>
I.	Share capital	469,068	469,068	469,068	469,068
II.	Reserves	1,369,370	1,411,775	1,366,977	1,409,678
II.1	Legal reserves	26,372	23,160	26,180	22,983
II.2	Other reserves	1,342,998	1,388,615	1,340,797	1,386,695
III.	Retained earnings	63,618	1,462	64,629	2,299
<b>D.</b>	<b>Liabilities</b>	<b>485,716</b>	<b>646,961</b>	<b>485,827</b>	<b>647,431</b>
I.	Non-current liabilities	410,234	415,223	410,753	415,750
I.1	Non-current borrowings	7,504	8,576	7,504	8,576
I.2	Grants (deferred revenue)	167,813	164,212	167,813	164,212
I.3	Deferred tax liability	234,917	242,435	235,436	242,962
II.	Current liabilities	75,482	231,738	75,074	231,681
II.1	Current portion of non-current borrowings	2,144	2,144	2,144	2,144
II.2	Trade payables	45,950	180,951	45,603	180,941
II.3	Prepayments received	9,070	10,536	9,070	10,529
II.4	Income tax payable	1	-	-	-
II.5	Payroll related liabilities	8,175	7,901	8,116	7,861
II.6	Other current liabilities	10,142	30,206	10,141	30,206
<b>Total equity and liabilities</b>		<b>2,387,772</b>	<b>2,529,266</b>	<b>2,386,501</b>	<b>2,528,476</b>

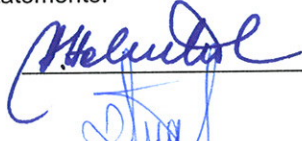
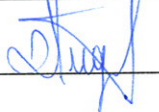
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General Manager	Viktoras Valentukevičius		27 November 2009
Chief Accountant	Žydrūnas Augutis		27 November 2009

## Statements of comprehensive income

	Notes	Group		Company		
		Nine months period ended 30 September 2009 (pre-audited)	Nine months period ended 30 September 2008 (pre-audited)	Nine months period ended 30 September 2009 (pre-audited)	Nine months period ended 30 September 2008 (pre-audited)	
		I.	Income	872,567	1,064,517	871,812
	I.1.	Sales	867,710	1,059,702	866,955	1,058,562
	I.2.	Other operating income	4,857	4,815	4,857	4,815
II.	Expenses	(795,464)	(979,802)	(794,593)	(978,736)	
	II.1.	Cost of natural gas	(616,850)	(799,125)	(616,850)	(799,125)
	II.2.	Other expenses	(178,614)	(180,677)	(177,743)	(179,611)
III.	Profit from operations	77,103	84,715	77,219	84,641	
IV.	Financial activities	2,360	4,268	2,091	4,102	
	IV.1.	Income	2,839	4,975	2,570	4,809
	IV.2.	Expenses	(479)	(707)	(479)	(707)
<b>V.</b>	<b>Profit before tax</b>	<b>79,463</b>	<b>88,983</b>	<b>79,310</b>	<b>88,743</b>	
VI.	Income tax	(14,712)	(11,308)	(14,681)	(11,271)	
	VI.1.	Current period income tax	(22,230)	(17,281)	(22,207)	(17,250)
	VI.2.	Deferred income tax	7,518	5,973	7,526	5,979
<b>VII.</b>	<b>Net profit</b>	<b>64,751</b>	<b>77,675</b>	<b>64,629</b>	<b>77,472</b>	
VIII.	Other comprehensive income	-	-	-	-	
<b>IX.</b>	<b>Total comprehensive income</b>	<b>64,751</b>	<b>77,675</b>	<b>64,629</b>	<b>77,472</b>	
	Basic and diluted earnings per share (LTL)	9	0.14	0.17	0.14	0.17

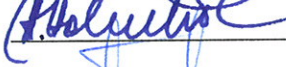

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General Manager	Viktoras Valentukevičius		27 November 2009
Chief Accountant	Žydrūnas Augutis		27 November 2009

## Statements of comprehensive income (cont'd)

Notes		Group		Company	
		Three months period ended 30 September 2009	Three months period ended 30 September 2008	Three months period ended 30 September 2009	Three months period ended 30 September 2008
		(pre-audited)	(pre-audited)	(pre-audited)	(pre-audited)
I.	Income	155,070	280,096	154,606	279,437
I.1.	Sales	153,694	278,883	153,230	278,224
I.2.	Other operating income	1,376	1,213	1,376	1,213
II.	Expenses	(142,178)	(277,323)	(141,860)	(276,939)
II.1.	Cost of natural gas	(83,014)	(217,672)	(83,014)	(217,672)
II.2.	Other expenses	(59,164)	(59,651)	(58,846)	(59,267)
III.	Profit from operations	12,892	2,773	12,746	2,498
IV.	Financial activities	695	1,744	607	1,684
IV.1.	Income	844	1,936	756	1,876
IV.2.	Expenses	(149)	(192)	(149)	(192)
V.	<b>Profit before tax</b>	<b>13,587</b>	<b>4,517</b>	<b>13,353</b>	<b>4,182</b>
VI.	Income tax	(2,236)	(89)	(2,211)	(56)
VI.1.	Current period income tax	(4,675)	(2,046)	(4,652)	(2,015)
VI.2.	Deferred income tax	2,439	1,957	2,441	1,959
VII.	<b>Net profit</b>	<b>11,351</b>	<b>4,428</b>	<b>11,142</b>	<b>4,126</b>
VIII.	Other comprehensive income	-	-	-	-
IX.	<b>Total comprehensive income</b>	<b>11,351</b>	<b>4,428</b>	<b>11,142</b>	<b>4,126</b>
	Basic and diluted earnings per share (LTL)	0.02	0.01	0.02	0.01


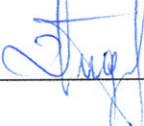
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General Manager	Viktoras Valentukevičius		27 November 2009
Chief Accountant	Žydrūnas Augutis		27 November 2009

## Statements of changes in equity

Group	Notes	Share	Legal	Other	Retained	Other	Total
		capital	reserve	reserves	earnings	compre- hensive income	
Balance as of 1 January 2008 (audited)		469,068	17,962	1,339,919	102,838	-	1,929,787
Transfer to legal reserve		-	5,198	-	(5,198)	-	-
Transfer to other reserves		-	-	48,696	(48,696)	-	-
Dividends declared		-	-	-	(50,000)	-	(50,000)
Net profit for the reporting period		-	-	-	77,675	-	77,675
Balance as of 30 September 2008 (pre-audited)		469,068	23,160	1,388,615	76,619	-	1,957,462
Balance as of 31 December 2008 (audited)		469,068	23,160	1,388,615	1,462	-	1,882,305
Transfer to legal reserve		-	3,212	-	(3,212)	-	-
Transfer to other reserves		-	-	16,100	(16,100)	-	-
Transfer from other reserves		-	-	(61,717)	61,717	-	-
Dividends declared		-	-	-	(45,000)	-	(45,000)
Net profit for the reporting period		-	-	-	64,751	-	64,751
Balance as of 30 September 2009 (pre-audited)		469,068	26,372	1,342,998	63,618	-	1,902,056



The accompanying notes are an integral part of these financial statements.

General Manager	Viktoras Valentukevičius		27 November 2009
Chief Accountant	Žydrūnas Augutis		27 November 2009

### Statements of changes in equity (cont'd)

Company	Notes	Share	Legal	Other	Retained	Other	Total
		capital	reserve	reserves	earnings	compre- hensive income	
<b>Balance as of 1 January 2008 (audited)</b>		<b>469,068</b>	<b>17,795</b>	<b>1,338,196</b>	<b>103,766</b>	-	<b>1,928,825</b>
Transfer to legal reserve		-	5,188	-	(5,188)	-	-
Transfer to other reserves		-	-	48,499	(48,499)	-	-
Dividends declared		-	-	-	(50,000)	-	(50,000)
Net profit for the reporting period		-	-	-	77,472	-	77,472
<b>Balance as of 30 September 2008 (pre-audited)</b>		<b>469,068</b>	<b>22,983</b>	<b>1,386,695</b>	<b>77,551</b>	-	<b>1,956,297</b>
<b>Balance as of 31 December 2008 (audited)</b>		<b>469,068</b>	<b>22,983</b>	<b>1,386,695</b>	<b>2,299</b>	-	<b>1,881,045</b>
Transfer to legal reserve		-	3,197	-	(3,197)	-	-
Transfer to other reserves		-	-	15,819	(15,819)	-	-
Transfer from other reserves		-	-	(61,717)	61,717	-	-
Dividends declared		-	-	-	(45,000)	-	(45,000)
Net profit for the reporting period		-	-	-	64,629	-	64,629
<b>Balance as of 30 September 2009 (pre-audited)</b>		<b>469,068</b>	<b>26,180</b>	<b>1,340,797</b>	<b>64,629</b>	-	<b>1,900,674</b>

The accompanying notes are an integral part of these financial statements.

General Manager	Viktoras Valentukevičius		27 November 2009
Chief Accountant	Žydrūnas Augutis		27 November 2009

## Statements of cash flows

	Group		Company	
	Nine months period ended 30 September 2009 (pre-audited)	Nine months period ended 30 September 2008 (pre-audited)	Nine months period ended 30 September 2009 (pre-audited)	Nine months period ended 30 September 2008 (pre-audited)
<b>I. Cash flows from (to) operating activities</b>				
I.1 Net profit	64,751	77,675	64,629	77,472
<b>Adjustments of non-cash items and other corrections:</b>				
I.2 Depreciation and amortisation	73,127	70,403	72,938	70,216
I.3 (Gain) on property, plant and equipment, doubtful trade accounts receivable and inventories write-off and disposal	(40)	(136)	(40)	(136)
I.4 (Reversal of) impairment for property, plant and equipment, financial assets, allowance for doubtful trade accounts receivable and inventories	(724)	(1,581)	(724)	(1,581)
I.5 Income tax expenses	14,712	11,308	14,681	11,271
I.6 Interest (income)	(1,267)	(3,870)	(998)	(3,704)
I.7 Interest expenses	479	706	479	706
I.8 (Gain) on foreign currency exchange	(1)	1	(1)	1
I.9 Elimination of other financial activity results	-	(122)	-	(122)
I.10 Amortisation of the grants, deferred revenue and other adjustments of non-cash items	(3,033)	(2,729)	(3,033)	(2,729)
	<b>148,004</b>	<b>151,655</b>	<b>147,931</b>	<b>151,394</b>
<b>Changes in working capital:</b>				
I.11 Decrease in inventories	29,262	65,002	29,257	65,001
I.12 Decrease in trade accounts receivable	84,612	22,170	84,657	22,205
I.13 Decrease in other accounts receivable and prepayments	447	2,400	515	2,355
I.14 (Decrease) in trade accounts payable	(141,190)	(22,984)	(141,189)	(22,989)
I.15 (Decrease) in other accounts payable and other current liabilities	(20,110)	13,461	(20,123)	13,425
I.16 Income tax (paid)	(19,060)	(28,830)	(19,060)	(28,816)
	<b>(66,039)</b>	<b>51,219</b>	<b>(65,943)</b>	<b>51,181</b>
<b>Net cash flows from operating activities</b>	<b>81,965</b>	<b>202,874</b>	<b>81,988</b>	<b>202,575</b>
<b>II. Cash flows from (to) investing activities</b>				
II.1 (Acquisitions) of property, plant and equipment and intangible assets	(95,662)	(68,636)	(95,068)	(68,582)
II.2 Proceeds from sales of property, plant and equipment	65	548	65	548
II.3 Recovery of non-current loans and accounts receivable	4	-	4	-
II.4 (Acquisitions) of held-to-maturity investments	-	(25,000)	-	(25,000)
II.5 (Increase) decrease in term deposits	607	(361)	-	-
II.6 Interest received	1,176	3,470	907	3,304
<b>Net cash flows (to) investing activities</b>	<b>(93,810)</b>	<b>(89,979)</b>	<b>(94,092)</b>	<b>(89,730)</b>

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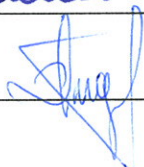
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### Statements of cash flows (cont'd)

	<u>Group</u>		<u>Company</u>	
	Nine months period ended 30 September 2009 (pre-audited)	Nine months period ended 30 September 2008 (pre-audited)	Nine months period ended 30 September 2009 (pre-audited)	Nine months period ended 30 September 2008 (pre-audited)
<b>III. Cash flows from (to) financing activities</b>				
III.1 Dividends (paid)	(45,017)	(49,924)	(45,017)	(49,924)
III.2 Loans (repaid)	(1,072)	(9,767)	(1,072)	(9,767)
III.3 Grants received	376	2,101	376	2,101
III.4 Interest (paid)	(356)	(577)	(356)	(577)
<b>Net cash flows (to) financing activities</b>	<b>(46,069)</b>	<b>(58,167)</b>	<b>(46,069)</b>	<b>(58,167)</b>
<b>IV. Net increase in cash and cash equivalents</b>	<b>(57,914)</b>	<b>54,728</b>	<b>(58,173)</b>	<b>54,678</b>
<b>V. Cash and cash equivalents at the beginning of the period</b>	<b>84,226</b>	<b>33,594</b>	<b>83,995</b>	<b>33,337</b>
<b>VI. Cash and cash equivalents at the end of the period</b>	<b>26,312</b>	<b>88,322</b>	<b>25,822</b>	<b>88,015</b>

The accompanying notes are an integral part of these financial statements.

General Manager	Viktoras Valentukevičius		27 November 2009
Chief Accountant	Žydrūnas Augutis		27 November 2009

## Notes to the financial statements

### 1 General information

AB Lietuvos Dujos (hereinafter "the Company") and consolidated AB Lietuvos Dujos and UAB Palangos Perlas (hereinafter "the Group") condensed financial statements, including the statements of financial position as of 30 September 2009, statements of comprehensive income, statements of cash flows and statements of changes in equity for the nine months ended 30 September 2009 and 30 September 2008 are not audited. The consolidated and the Company's financial statements for the year ended 31 December 2008 are audited and prepared according to International Financial Reporting Standards (IFRS). For better understanding of the information provided in those financial statements, the consolidated and the Company's condensed financial statements must be read together with the consolidated and the Company's annual financial statements of 2008.

The Company's shares are traded on the NASDAQ OMX Vilnius Stock Exchange, they are listed on the Main trade list.

### 2 Accounting principles

The Group's and the Company's condensed financial statements as of 30 September 2009 have been prepared in accordance with International Accounting Standard (hereinafter "IAS") 34 Interim Financial Reporting.

The principal accounting policies adopted in preparing the condensed financial statements for the nine months period ended as of 30 September 2009 were the same as these used for preparing the financial statements for 2008 according to the IFRS, as adopted in the European Union.

From 1 January 2009 the Group and the Company in their statements of comprehensive income (income statements) switched from the method of classifying expenses by function to the method of classifying expenses by nature and disclosed comparative information in respect of previous period.

The Group and the Company when drawing up the Financial Statements for the nine months period ended 30 September 2009 applied the IAS 23 Borrowing Costs and the IAS 1 Presentation of Financial Statements effective for periods beginning on and after 1 January 2009.

### 3 Segment information

The main operating segments of the Group and the Company are: natural gas transmission, distribution, supply, other activity business segment.

Segment information for the periods ended 30 September 2009 and 30 September 2008 is presented below:

#### Group

As of 30 September 2009 (pre-audited)	Transmission	Distribution	Supply	Other	Total
Sales	98,041	114,923	651,826	2,920	867,710
Profit from operations	25,714	14,306	34,653	2,430	77,103
<b>As of 30 September 2008 (pre-audited)</b>					
Sales	99,507	98,781	858,285	3,129	1,059,702
Profit from operations	20,454	5,321	56,141	2,799	84,715

#### Company

As of 30 September 2009 (pre-audited)	Transmission	Distribution	Supply	Other	Total
Sales	98,041	114,923	651,826	2,165	866,955
Profit from operations	25,714	14,306	34,653	2,546	77,219
<b>As of 30 September 2008 (pre-audited)</b>					
Sales	99,507	98,781	858,285	1,989	1,058,562
Profit from operations	20,454	5,321	56,141	2,725	84,641

AB LIETUVOS DUJOS, company code 120059523, Aaguonų Str. 24, Vilnius, Lithuania  
**CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**  
(all amounts are in LTL thousand unless otherwise stated)

**4 Inventories**

	<b>Group</b>		<b>Company</b>	
	<b>30 September 2009 (pre-audited)</b>	<b>31 December 2008 (audited)</b>	<b>30 September 2009 (pre-audited)</b>	<b>31 December 2008 (audited)</b>
Raw materials, spare parts and other inventories	4,000	3,058	3,999	3,057
Goods for resale (including natural gas)	24,979	55,182	24,970	55,168
Inventories, gross	28,979	58,240	28,969	58,225
Less: allowance for inventories	(119)	(66)	(119)	(66)
	<u>28,860</u>	<u>58,174</u>	<u>28,850</u>	<u>58,159</u>

As of 30 September 2009, the Group's and the Company's balances of goods for resale decreased significantly mainly due to the decrease in the natural gas imports price.

The cost of inventories accounted for at net realizable value amounted to LTL 1,663 thousand as of 30 September 2009 (LTL 1,160 thousand as of 31 December 2008). Changes in the allowance for inventories in the nine months of 2009 and 2008 were included into operating expenses.

**5 Trade receivables**

	<b>Group</b>		<b>Company</b>	
	<b>30 September 2009 (pre-audited)</b>	<b>31 December 2008 (audited)</b>	<b>30 September 2009 (pre-audited)</b>	<b>31 December 2008 (audited)</b>
Receivables for natural gas, transmission and distribution of natural gas from non-household customers	44,056	130,899	44,057	130,910
Receivables for natural gas, transmission and distribution of natural gas from household customers	6,627	4,500	6,627	4,500
Other trade receivables	1,207	1,764	1,166	1,757
Less: allowance for accounts receivable	(5,463)	(6,285)	(5,463)	(6,285)
	<u>46,427</u>	<u>130,878</u>	<u>46,387</u>	<u>130,882</u>

As of 30 September 2009, the Group's and the Company's accounts receivable from the non-household customers for the natural gas and the natural gas transmission and distribution services decreased significantly due to the decrease in the natural gas volumes consumed by customers and due to the decrease in the natural gas imports price of the gas supplied.

**6 Trade payables**

	<b>Group</b>		<b>Company</b>	
	<b>30 September 2009 (pre-audited)</b>	<b>31 December 2008 (audited)</b>	<b>30 September 2009 (pre-audited)</b>	<b>31 December 2008 (audited)</b>
Suppliers of natural gas	34,925	177,729	34,925	177,729
Other	11,025	3,222	10,678	3,212
	<u>45,950</u>	<u>180,951</u>	<u>45,603</u>	<u>180,941</u>

As of 30 September 2009, the Group's and the Company's balances of trade payables decreased due to the lower volumes of natural gas procured and due to the decrease in the natural gas imports price.

AB LIETUVOS DUJOS, company code 120059523, Abugonų Str. 24, Vilnius, Lithuania  
**CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**  
(all amounts are in LTL thousand unless otherwise stated)

**7 Income tax**

The income tax rate applied on the profit for the year 2009 is 20% (for the year 2008: 15%) according to applicable legislation of the Republic of Lithuania.

**8 Borrowings**

The Company's borrowings as of 30 September 2009:

Borrowings (pre-audited)	Borrowings and their portions			Total
	Current borrowings	Payable after one year but not later than in five years	Payable after five years	
Borrowings from Lithuanian credit institutions	2,144	7,504	-	9,648
	<b>2,144</b>	<b>7,504</b>	<b>-</b>	<b>9,648</b>

In the calculations, official currency exchange rates as of 30 September 2009 set by the Bank of Lithuania are applied: EUR/LTL 3.4528.

As of 30 September 2009, the weighted average annual interest rate of borrowings outstanding was 5.65 % (5.65% as of 31 December 2008).

The borrowings outstanding as of 30 September 2009 were denominated in EUR (100 %).

**9 Earnings per share**

Basic earnings per share reflect the Group's and the Company's net income, divided by the weighted average number of shares. There are no diluting instruments, therefore basic and diluted earnings per share are equal. Calculations of the basic earnings per share are presented below:

	Group		Company	
	30 September 2009 (pre-audited)	30 September 2008 (pre-audited)	30 September 2009 (pre-audited)	30 September 2008 (pre-audited)
Net profit attributable to the shareholders (in LTL thousand)	64,751	77,675	64,629	77,472
Weighted average number of shares in thousand	469,068	469,068	469,068	469,068
Basic earnings per share (in LTL)	<u>0.14</u>	<u>0.17</u>	<u>0.14</u>	<u>0.17</u>

**10 Dividends**

During the regular general shareholders' meeting on 22 April 2009, when approving the Company's 2008 profit and loss appropriation, the decision was made to pay to shareholders dividends for the year 2008 in the amount of LTL 45 million (LTL 0.096 per ordinary registered share with the par value of LTL 1 per share).

**11 Commitments and contingencies**

Legal disputes

1. On 29 December 2008 the National Control Commission for Prices and Energy (hereinafter the Commission) adopted the Resolution No O3-219 "On the Public Limited Company Lietuvos Dujos Natural Gas Transmission and Distribution Prices and Natural Gas Prices for Household Customers" (hereinafter the Resolution), with which the Commission unilaterally set natural gas transmission and distribution prices and natural gas prices for household customers to be applied from 1 January 2009. On 28 January 2009 AB Lietuvos Dujos applied to Vilnius County Administrative Court for annulment of the above Resolution of the Commission.

## 11 Commitments and contingencies (cont'd)

2. AB Lietuvos Dujos is taking part as third interested party in the case in Vilnius County Administrative Court according to the complaint of 29 December 2008 of the National Gas, Electricity and Heat Consumers' Protection League regarding the Commission's Resolution No O3-219 "On the Public Limited Company Lietuvos Dujos' Natural Gas Transmission and Distribution Prices and Natural Gas Prices for Household Customers".

The lawsuits referred to in Item 1 and Item 2 were merged into one. On 30 September 2009 the Court issued a ruling to disallow the claims of the claimants AB Lietuvos Dujos and the National Gas, Electricity and Heat Consumers' Protection League as untenable. Both claimants filed appeals.

The outcome of above mentioned claim is uncertain and can not be estimated with reasonable efforts. In addition, based on the management estimates, there is no need to accrue any amounts for any potential future losses in relation to the above – mentioned case. The Company is applying tariffs approved by the Commission.

## 12 Related party transactions

The parties are considered related when one party has the possibility to control the other one or have significant influence over the other party in making financial and operating decisions.

The related parties of the Group and the Company, transaction amounts and debts as of 30 September 2009 and 2008 were as follows:

- E.ON Ruhrgas International AG (one of the major shareholders of the Company);
- OAO Gazprom (one of the major shareholders of the Company);
- State Property Fund (one of the major shareholders of the Company);
- UAB Palangos Perlas (subsidiary of the Company);
- AS Latvijas Gaze (the same shareholders);
- E.ON IS GmbH (same ultimate shareholder).

As of 30 September 2009 (pre-audited)	Purchases	Sales	Accounts receivable	Accounts payable
OAO Gazprom	586,654	8,022	816	34,925
UAB Palangos Perlas	29	27	1	-
AS Latvijas Gaze	1,417	-	-	-
E.ON IS GmbH	92	-	-	-
	588,192	8,049	817	34,925

As of 30 September 2008 (pre-audited)	Purchases	Sales	Accounts receivable	Accounts payable
OAO Gazprom	732,662	6,915	739	89,563
UAB Palangos Perlas	78	37	5	-
AS Latvijas Gaze	4,286	-	-	1
	737,026	6,952	744	89,564