

To The Securities Commission of the Republic of Lithuania
Konstitucijos ave. 23
LT-08105 Vilnius

27 08 2010
Nr. 41000 - 14000

CONFIRMATION OF RESPONSIBLE PERSONS

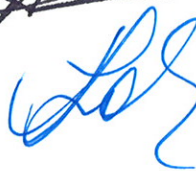
Following Article 22 of the Law on Securities of the Republic of Lithuania and the Rules on Preparation and Submission of Periodic and Additional Information of the Securities Commission of the Republic of Lithuania, we, Arvydas Tarasevičius, General Manager of Rytų skirstomieji tinklai AB, and, Arvydas Zakalskis, Director of Finance Department, hereby do confirm that, to the best of our knowledge, the Interim Consolidated Financial Statements of the six months of the year 2010 of Rytų skirstomieji tinklai AB have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and profit or loss of Rytų skirstomieji tinklai AB and the Group as well as the Consolidated Interim Report includes a fair review of the development and performance of the business.

General Manager



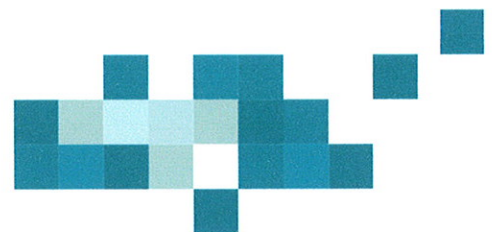
Arvydas Tarasevičius

Director of Finance department



Arvydas Zakalskis

**Consolidated Interim report
of the group of companies of
Rytų Skirstomieji Tinklai AB for 2010**



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I. GENERAL INFORMATION

Reporting period covered by the Interim report

The consolidated Interim report provides information on the activities joint stock company Rytų Skirstomieji Tinklai (hereinafter referred to as 'RST' or 'the Company') and the whole group of companies in January - June 2010 for its shareholders, creditors and other stakeholders.

Persons responsible for the information provided in the Interim report

Office	Name, surname	Telephone
General Manager	Arvydas Tarasevičius	+370 5 251 26 59
Director of Finance department	Arvydas Zakalskis	+370 5 251 26 52
Head of the Economic and Finance department	Darius Selevičius	+370 5 251 26 70
Head of the Marketing and Communication department	Kristina Mažeikytė	+370 5 255 25 28

Information on where and when one can get acquainted with the report and documents on the basis of which it has been prepared, and the means of mass media

This report and other documents based on which it has been prepared are available at the Company's registered office at P.Lukšio str. 5B, Vilnius, Marketing and Communication department (office No.103) on business days from 8.30 to 12.30 and from 13.30 to 17.30.

Rytų Skirstomieji Tinklai AB provides information to the public via the following mass media: daily newspaper Lietuvos Rytas, news agency BNS and Lithuanian news agency ELTA.

Main data on the issuer

Name of the company	Joint stock company Rytų Skirstomieji Tinklai
Company Reg. No	1108 70890
Authorised capital	LTL 492,404,653
Paid-up authorised capital	LTL 492,404,653
Address	P. Lukšio str. 5B, LT-08221 Vilnius
Telephone	+370 5 277 75 24
Fax	+370 5 277 75 14
E-mail	info@rst.lt
Website	www.rst.lt
Legal and organisational form	Joint stock company, private legal entity with limited liability
Date and place of registration	31 December, 2001, Ministry of Economy of the Republic of Lithuania
Register in which data on the company are collected and stored	Register of Legal Entities

Nature of the main activities of the Company

The main activities of RST include electricity distribution in low and medium voltage power networks as well as power supply (sale) to customers in the eastern part of Lithuania.

As a distribution network operator, RST is responsible for the maintenance and development of low and medium voltage electricity networks. As a public electricity supplier, it supplies electricity to residents and business customers in the territory serviced.



RST provides services to 772 thousand customers in a 34,800 sq m area. There are 25 territorial customer service offices in Vilnius, Panevėžys, Alytus and Utena counties and part of Kaunas and Marijampolė counties.

RST mission is reliable, safe and efficient supply of electricity to customers.

RST vision is to become the best energy company in Lithuania in terms of the quality of services, modern technologies and attractive working conditions.

Information on the RST group of companies

RST and its subsidiaries Elektros Tinklo Paslaugos UAB, Rytra UAB and Tetas UAB (hereinafter referred to as 'subsidiaries') make up the group of companies of Rytų Skirstomieji Tinklai AB (hereinafter referred to as 'the RST Group').

The common principles of reliability, customer orientation, and pursuit of efficient and profitable activities are applied throughout the Group.

Main data on subsidiaries

	Elektros tinklo paslaugos UAB	Rytra UAB	Tetas UAB
Registered office	Vilnius city municipality, Vilnius city, Motorų str. 2	Vilnius city municipality, Vilnius city, Geologų str. 16	Panevėžys city municipality, Panevėžys city, Senamiesčio str. 102B
Date and place of registration	8 December 2004, Register of Legal Entities	8 December 2004, Register of Legal Entities	8 December 2005, Register of Legal Entities
Reg. No	3000 72351	3000 72305	3005 13148
Telephone	+370 5 210 68 09	+370 5 210 65 39	+370 45 504 577
Fax	+370 5 216 78 75	+ 370 5 210 65 43	+370 45 504 684
E-mail	etp@rst.lt	rytra.info@rst.lt	sigita.bertuliene@rst.lt
Website	www.etp.rst.lt	www.rytra.lt	Has no website
Authorised capital, LTL	11,657,000	22,998,000	1,988,000
Type and class of shares held by the issuer	Ordinary registered shares	Ordinary registered shares	Ordinary registered shares
Number of shares	11,657,000	22,998,000	1,988,000
Nominal value of shares, LTL	1	1	1
Percentage of votes owned or controlled by the issuer at general meetings of the companies	100	100	100
Operating income, LTL mln	22.9	9.8	5.0
Net profit, LTL mln	(1.5)	0.7	0.1
Assets, LTL mln	23.8	25.8	6.5

All the shares of subsidiaries are owned by RST.

The Company has no other directly or indirectly controlled interest.

The main objective of subsidiaries is to provide services to the Group, expanding the number of external customers at the same time.

Nature of main activities of subsidiaries

Subsidiary	Nature of activities
Rytra UAB	The company provides transport rental services. It rents machinery for construction and special-purpose machinery, cargo vehicles and passenger cars.
Elektros Tinklo Paslaugos UAB	The company provides the services of technical maintenance, operation and repair of the electric network and equipment, performs low voltage power network construction works and connects electrical equipment of new customers to the distribution network.
Tetas UAB	The company provides specialised services of technical maintenance, repair, design and installation of transformer substations and distribution points as well as carries out testing.



Overview of activities

Key events over reporting period

On 4 January, 2010 the Extraordinary General Meeting of Shareholders of Rytų skirstomieji tinklai, AB adopted decision Concerning preparation of reorganization conditions for Rytų skirstomieji tinklai, AB and VST, AB by the way of merger.

On 27 May, 2010 the National Control Commission for Prices and Energy took a decision to unilateral set and announce public electricity prices and tariffs supplied by Rytų skirstomieji tinklai, AB for the second half of 2010. Since the 1st of July the nighttime tariff for the household consumers will be reduced by 2 LTc/kWh (including VAT). Electricity tariffs for the other groups of consumers will not change.

Continuing of the LEO LT, AB liquidation and implementing energy sector reform plan (which is approved by the Government), on 5th of June, 2010 liquidating LEO LT, AB lost shares and votes of Rytų Skirstomieji Tinklai, AB. Visagino atominė elektrinė, UAB, 100% indirectly controlled by the Republic of Lithuania, acquired from the liquidating LEO LT, AB 351 616 161 ordinary registered share of RST, face value of each share is equal to 1 (one) LTL. These shares are acquired by increasing Visagino atominė elektrinė, UAB share capital.

Development and expansion of activities

The development of RST activities is closely related with the Company's investment projects. Their implementation not only boosts the reliability of the power network and ensures uninterrupted electricity supply but also increases the number of electricity users in the eastern part of Lithuania serviced by the Company. From the beginning of the year, the total number of the Company's customers increased by 4,579. Currently RST provides services to 772 thousands of customers. Over reporting period the total permitted capacity of connected new customers' facilities made up 40.9 MW.

While striving to reduce the net cost of electrical power supplied to the consumers, as from the beginning of the present year RST has started the hourly power supply trade at the electric power supply market.

Investment in the power distribution network

In order to improve reliability and quality of customer services, RST regularly reconstructs and upgrades its power distribution network.

In the first half of 2010, RST investments in the power network and its modernisation amounted to LTL 34.5 million over the same period last year, RST investments made up LTL 66.8 million. The volume of investment decreased due to a drop of construction prices in the market and effective procurement of network modernisation works and services conducted by RST.

By investing in the distribution network, the Company considerably reduces the number of breakdowns and their elimination costs. The amount of non-supplied electricity is reduced as well. Network reconstruction and maintenance prolong the life of network equipment and devices as well as reduce the Company's technological costs and commercial losses.

Customer services

The principal trend of RST for the year 2010 is excellently served and informed consumer. During the first half of the current year RST has begun to provide consumers with information on the tariff changes by SMS and email. Such decision was made by RST after a survey on the consumers' opinions that was conducted at the end of 2009. The survey results proved that RST consumers lack information on tariff changes and scheduled maintenance. It is already this year that RST plans to start notifying its consumers by SMS and email on scheduled maintenance which might cause temporal power supply interruption at consumer's object. Moreover all information available to RST clients is updated, letters to the consumers are amended with actual information and thus they become more comprehensive.

Having taken into account its customers' needs, RST relocates the main services to other service provision channels. Consumers have been offered a possibility to order a paybook by short phone number 1802 and at the self-service portal "Mano elektra". Since the beginning of 2010 RST was successful in offering electronic invoices to the businesses. They are keen on this type of serving the invoices.



As from the beginning of 2010, the first stage of market liberalization has commenced and the major RST consumers tend to choose independent providers. Consumers are constantly provided with information about the market liberalization stages, RST arranges consultancy to the businesses on the issues related to selection of independent provider. Having selected the independent provider, consumers exploit the power transfer service provided by RST.

In the first half of 2010 RST continues integration of power meters into the automated power supply accounting system (AEEAS), which has a function of remote retrieval of information from electricity meters that are installed among the operators of the distribution grid, free and other consumers and producers. In the meantime, readings of all electricity meters of producers that are located within the territory of RST are retrieved automatically. RST automatically retrieves readings from 4.222 electric power meters, including 1.602 electric power meters that are installed at the direct consumers. RST has plans to integrate more than 4.000 electric power meters into AEEAS until the end of the year.

Support and social projects

In view of economic situation and talking-point needs of electricity consumers, in the first half of 2010 AB Rytų Skirstomieji Tinklai not only continued the social initiatives, which started in 2009, by expanding their scale and variety of means, but also initiated new activities. Safe and reliable use of electrical power, education of children and youth, rational power consumption, environment protection, development of public spirit in cutting the way for unscrupulous and evil-minded practice, fostering of duties and responsibilities of power consumers are the main objectives of social incentives that RST is engaged in at present.

Ensuring the quality of power supply quality and public safety

Educational project “ElektroMagija”

Each year both grown-ups and teenagers suffer from inadvertent behavior with electric power or electric gadgets. Therefore, for the second year RST runs the educational project “ElektroMagija” which is designed for pupils of 5 – 8 grades. This project is aimed at informing children about the advantages of electric power and also its danger when safety measures are disregarded. After assessing the benefit for children and their active involvement, such incentive of safe behavior with electric power will also be continued in the first half of 2010. This spring RST invited schoolchildren to participate in the competition of creation of “The Most Energetic Song”, which will continue until September. As a reward to the winners, the organizers will present an energetic show of the band “69 Danguje”, a specially produced educational film on electric power history and life of prominent Lithuanian personalities “with and without electric power”, as well as other prizes.

In the course of announcing the creative competition, RST has also updated the website “ElektroMagija” (www.elektromagija.lt) where children may find a variety of interesting ideas and games related to generating of electric power, its supply, renewable energy sources, “electric power” inventions and first aid to the injured persons. The announced competition and website updates have stimulated an active interest of many schoolchildren in the “ElektroMagija” project – a number of visitors in one month grew twice. Since the beginning of the “ElektroMagija” project more than 500 schools from Eastern Lithuania have participated in the competitions and its website has been visited by more than 70 thousand visitors.

Rational use of electric power

Long-term educational project “As much as needed”

Despite the fact that Lithuania is not among the richest European Union Member Countries, results of a public survey showed that Lithuanians belong to the group of the most inefficient and dissipating electric power consumers. Those who are interested in the rational electric power consumption from the end of 2009 are invited by RST to participate in the long-term project “As much as needed” which is arranged by the enterprise. The project attracted particular attention of the public and mass media from the beginning of 2010 when the electric power tariffs higher than those in 2009 came into effect. The rational electric power consumption and finance saving possibilities are important to particular groups of residents, non-governmental organizations (NGO) and to the communities. The project support competitions “Incentives for the rational electric power consumption” initiated by RST and coordinated in co-operation with the Public Trust Foundation (PTF) received 59 applications. These applications included quite a number of especially interesting, creative proposals and specific solutions of power saving. Out of 50 thousand LTL, which were allocated to the competition, RST has financed and helped to implement the best 7 projects – they were fulfilled in Vilnius, Utena, Panevėžys and Utena regions from February to May.



While expanding the scope of the project “As much as needed”, RST has established a special website (www.tiekkiekreikia.lt) which, in addition to the subject of the rational electric power consumption, provides information on the renewable electric power sources. Since February 2010, on this website RST has initiated a competition for the people of Lithuania and invited them to share ideas and best practice related to rational electric power consumption and money saving advices. All advices and ideas (which exceeded 300) as forwarded by the population are contained on the website of the project “As much as needed”. The most effective and interesting suggestions were published in the electronic book of recipes on the rational electric power consumption “As much as needed” that was issued by RST in May. The book is available on the website and can be downloaded on the internet free of charge. In addition to information contained on the website, the visitors can receive individual answers to the questions submitted to RST specialists.

Since the moment of opening the website in January 2010, it arouses a virile interest both of the population of Lithuania and of Lithuanians living abroad. The number of “As much as needed” visitors exceeded 54 thousand in the first half of the year. According to the data of the public survey conducted at the end of March 2010 the publicity of the social incentive “As much as needed” reached 50 per cent in Lithuania. More than 53 per cent of respondents confirmed that they constantly follow the advices on the rational electric power consumption or have applied means and measures for saving electric power at least several times.

Social incentive “Operation 2020”

In order to ensure reliability of the power supply RST constantly analyzes the present situation and identifies the problematic items. According to the data of the enterprise, the amount of electric power illegally consumed last year would be sufficient for illumination of 40 schools all year round. Due to evil-minded and irresponsible practice of power consumers the electric power supply was interrupted for approx. 80 thousand people, tens of hospitals, schools and other institutions for the total period of 875 days. RST obtained such data after the analysis of the electric power plunder, thefts of equipment of the distribution grid and malicious use of power installations. Such figures urge the enterprise to take active social initiatives which involve electric power consumers. Therefore, on May 2010 RST has launched a long-term public educative incentive "Operation 2020" which aims at promoting a responsive behavior with electric power facilities and decreasing negative effect and detrimental impact upon the enterprise and population that arise due to irresponsible or evil practice of use electric power and electric network facilities. The aim of the incentive also comprise the global objectives that are in line with the European Union directives: to decrease the greenhouse gas emissions by 20 percent, to increase consumption of renewable power resources by 20 per cent, to decrease, by means of increasing efficiency in the network and fostering rational consumption, the electric power consumption by 20 per cent.

In the course of the project “Operation 2020” RST closely collaborates with the Association of the Lithuanian Foremen. RST encourages communities in cities, towns and settlements to actively participate in the solution of urgent problems related to safety and responsive consumption. When launching the project, in May RST announced a contest for constituencies and communities and intends to finance the best 5 electric energy projects of Lithuanian constituencies. The most active constituency will be awarded by RST an illuminated Christmas tree. The contest will end in December 2010 the anticipated allocations for the projects are 30 thousand LTL.

Environment Protection

White Storks Rescue Project

While ensuring a reliable operation of the power grid RST is also concerned about rescue of the national bird – the white stork. In spring 2010, RST moved 420 nests for storks from the power poles to the special installations in the eastern part of Lithuania. The project is developed in cooperation with the Lithuanian Ornithologists Society and is funded from the European Union structural funds and RST contributions. In cooperation with the partners of The White Storks Rescue Project RST arranged the Stork Feast for Vilnius community in spring 2010.

Ecological incentive “Let Oaks Green Across the Land of Lithuania”

While striving to encourage the Lithuanian enterprises to stop using hard copy invoices and switch to the electronic ones, in spring 2010 RST launched the ecological incentive “Let Oaks Green Across the Land of Lithuania”. Those enterprises which opted electronic invoices were awarded by RST with the first Lithuanian ecological invoice sign “Eco Invoice”. The sign is available for any corporate customers of the enterprise, which are willing to mark their electronic invoices with it. The enterprises which joined the RST initiative also contributed to establishment of the “Unseen Lithuania” Millennium Oak-wood. 200 oaks were planted in the oak-wood in Kedainiai Region in May on behalf of the clients which abandoned RST hard copy invoices.



RST participation in the environmental cleaning initiative “Let’s Do It!”

RST not only initiates and executes projects aimed at nature preservation, but is involved also in the big scale incentives of other organizations. On 17 April 2010, more than 100 RST employees participated in the environmental cleaning move “Let’s Do It!”. On Saturday, volunteers from among the RST personnel cleaned environment in 8 cities in Eastern Lithuania: Vilnius, Panevėžys, Utena, Alytus, Zarasai, Šalčininkai, Pasvalys, and Ukmergė.

Public Education, Support to Cultural and Scientific Activities

In the course of seeking for transparency and openness to the society, RST arranges public educational projects and initiatives. In April 2010, on the occasion of the Day of Energy Workers RST together with other national energy enterprises organized the Open Door Day in the Museum of Energy and Technology. In two days almost 2 thousand citizens of Vilnius and guests visited the museum. Such public event of the educational nature on the initiative of the electric energy enterprises was organized for the first time – students and schoolchildren, parents and children got the firsthand information about electric power and learned about complicated matters in plain language. Visitors of the Museum of Electric Energy and Technology could see a lot of authentic Lithuanian energy and technology development exhibits, enjoy vintage cars, admire interactive scientific expositions and state of the art inventions.

While contributing to nurturance of Lithuanian science and culture, RST rendered assistance to the boys’ chorus “Ažuoliukas“, which was established many years ago, and its concert, supported the activity of the society “Lietuvai pagražinti”. In order to raise a new generation of electric energy specialists RST sponsored the Dictionary of Electrotechnics published by the Kaunas Technology University.





II. INFORMATION ON THE ISSUER'S SECURITIES, THE AUTHORISED CAPITAL AND MEMBERS OF MANAGEMENT BODIES

Information on the issuer's securities

RST shares were included in the Secondary List of NASDAQ OMX Vilnius on 1 February 2002.

On 2 May 2007, the Company's shares were included in the Main List of NASDAQ OMX Vilnius. RST shares are not traded in other regulated markets.

The securities of the Company's subsidiaries are not traded publicly as they are private limited companies and all of their shares are owned by RST.

The authorised capital of RST has not changed since the establishment of the Company (1 January 2002). It is comprised of 492,404,653 ordinary registered shares with a nominal value of LTL 1.

All the shares of the Company are registered for public trading.

The Company has no own shares. Subsidiaries have no own shares or shares of the Company.

ISIN code of securities – LT0000126385.

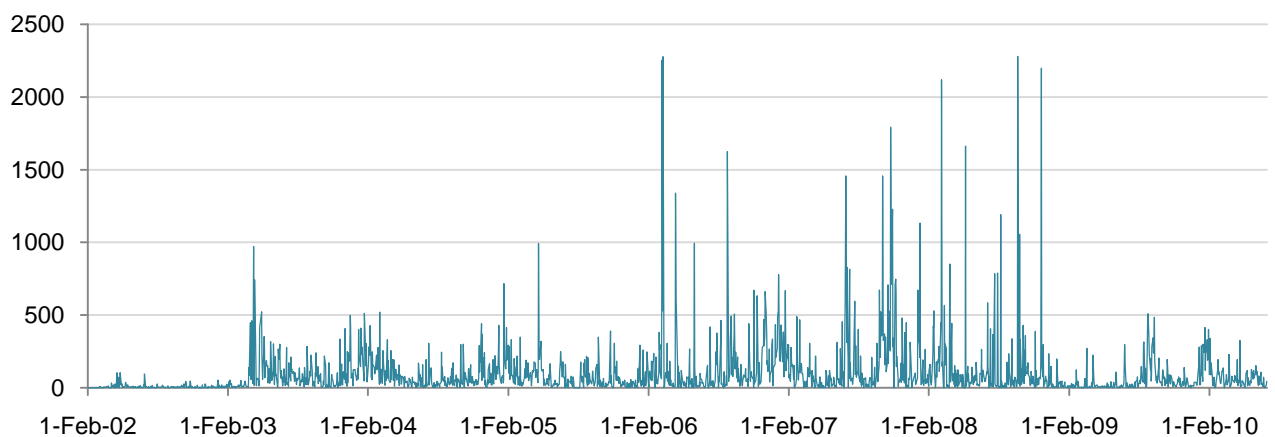
Abbreviation of securities – RST1L.

Information related to shares and dividends

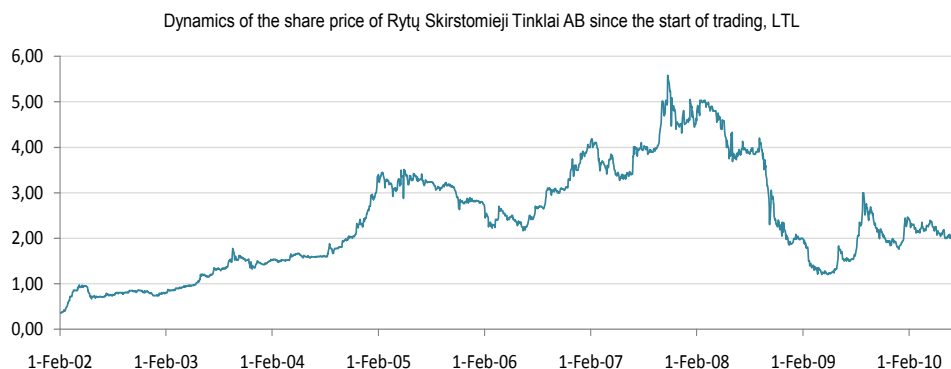
	RST Group			
	2010 January - June	2009	2008	2007
Number of shares	492,404,653	492,404,653	492,404,653	492,404,653
Net profit per share (LTL)	(0.003)	(0.08)	(0.17)	0.15
Highest share price (LTL)	2.46	3.14	5.13	5.80
Lowest share price (LTL)	1.86	1.15	1.85	3.20
Average share price (LTL)	2.18	1.82	3.61	4.23
Last share price (LTL)	1.98	1.83	1.99	4.60
PE ratio	(594.13)	(22.88)	(11.7)	30.67

Since the start of trading in RST shares on the stock exchange, the share price increased 6.39 fold, from LTL 0.31 (1 February 2002) to LTL 1.98 (30 June 2010). The highest share price ever (LTL 5.58) was recorded on 24 October, 2007.

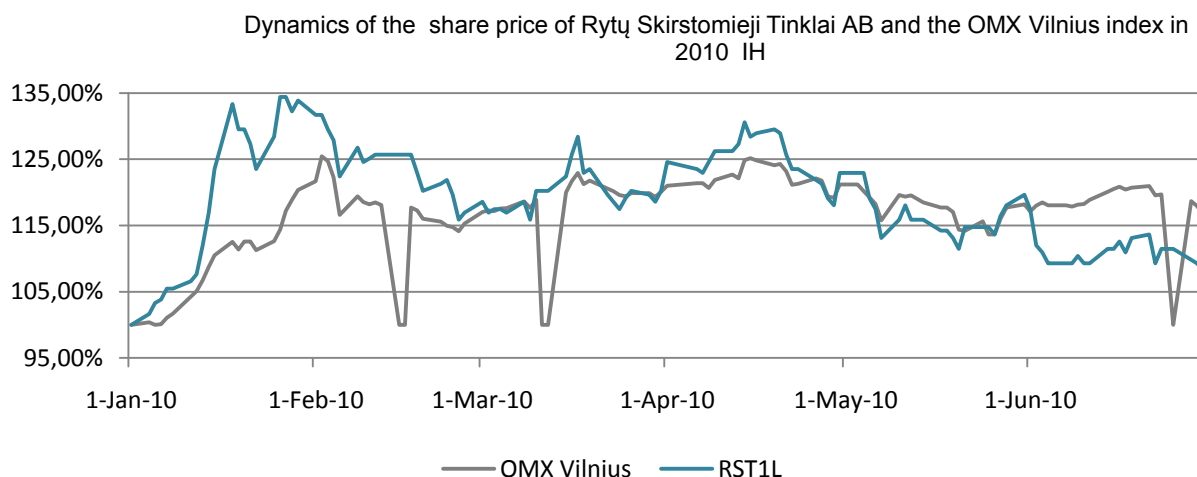
Share turnover of Rytų Skirstomieji Tinklai AB since the start of trading, thousand LTL



The share price increased 1.08 fold, from LTL1.83 (31 December 2009) to LTL 1.98 (30 June 2010). The highest and the lowest share price recorded over six months of 2010 were LTL 2.46 and LTL 1.86, respectively.



RST shares are included in the OMX Vilnius index and the OMX Baltic Benchmark index of the first half of 2010. The OMX Baltic Benchmark index consists of the most traded stocks representing a certain economic sector. The Company represents the public utilities sector.



The Company did not issue, convert, withdraw or redeem securities in the reporting period.

Information on agreements with intermediaries of public trading in securities

RST concluded an issuer services agreement with a consortium comprised of SEB Bank AB (company reg. No 112021238, Gedimino pr. 12, LT-01103 Vilnius) and law firm SORAINEN ir partneriai (company reg. No 9400025, Jogailos g. 4, LT – 01116 Vilnius), represented by the Financial Markets Department of SEB Bank AB. Under the agreement, the consortium undertakes to manage the Company's securities accounts, provide dividend payment services and represent the Company in the Lithuanian securities market.

The issuer's contracts with financial brokerage companies and/or credit establishments providing investment services and/or conducting investment activities

RST did not conclude any contracts with financial brokerage companies and/or credit establishments providing investment services and/or conducting investment activities.



Restrictions on the transfer of securities

No restrictions are imposed on the transfer of RST securities.

Authorised capital structure

Type of shares	Number of shares	Nominal value, LTL	Total nominal value, LTL	Percentage of authorised capital
Ordinary registered shares	492,404,653	1	492,404,653	100.00

Rights and obligations granted by the shares

All ordinary registered shares grant the same rights. Share owners are granted the right to participate in the management of the Company, unless otherwise provided by law, the right to receive dividends, the right to a portion of the Company's assets remaining after its liquidation, and other rights provided by law.

Shareholders

On 30 June, 2010, the number of RST shareholders totalled 6,741.

On the accounting day (16 June 2009) of the last extraordinary general meeting of shareholders on 23 June, 2010, there were 6,764 shareholders.

Shareholders who owned more than 5 percent of the issuer's authorised capital as at 30 June 2009

Forename and surname of shareholder (company name, legal form, registered office, reg. No)	Number of ordinary registered shares owned by shareholder	Percentage of authorised capital held	Percentage of votes carried by shares owned
"Visagino atominė elektrinė", AB, Žvejų str. 14, LT-09310 Vilnius, Company reg. No 301844044*	351,316,161	71.35	71.35
E.ON Ruhrgas International AG, Huttopstrasse 60, Essen, Germany HRB No 10974	99,845,392	20.28	20.28

* On 7 June 2010, LEO LT, AB transferred shares to „Visagino atominė elektrinė“, UAB.

Shareholders having special rights of control and descriptions of their rights

None of the RST shareholders has any special rights of control. All the RST shareholders have the same (property and non-property) rights provided by the Law on Companies of the Republic of Lithuania and the RST Articles of Association.

Restrictions on voting rights

There are no restrictions on voting rights at the Group.

Mutual agreements among shareholders the issuer is aware of, which may be a reason for restricting the transfer of securities and/or voting rights

RST does not know any mutual agreements among shareholders which could be a reason for restricting the transfer of securities and/or voting rights.

Procedure for amending the Articles of Association

The general meeting of shareholders has the right to amend the Articles of Association of RST and its subsidiaries.

Management bodies

RST management bodies include the general meeting of shareholders, the Board and the head of RST. Until 23 October, 2009 when new wording of Articles of association took effect, RST had the Supervisory Board.

The management bodies of subsidiaries are the general meeting of shareholders, the Board and heads of the companies.



Board

Members of the RST Board are elected and recalled by the General Meeting of Shareholders. The Board consists of 5 members. A new RST Board (3 members) was elected at the Supervisory Board's meeting on 20 October 2009. On 23 October 2009, at the General Meeting of Shareholders two more members of RST board were elected. On 21 May 2010 at the General Meeting of Shareholders Kęstutis Žilėnas was elected to RST Board in place of resigned member of RST Board Vytautas Vazalinskas.

Members of the Boards of subsidiaries are elected (and dismissed) by the General Meeting of Shareholders for a period of 4 years.

Head

The head of RST -- the general manager -- is appointed and dismissed by the RST Board. Since 30 April 2009, the Company has been headed by Arvydas Tarasevičius.

The powers of management bodies of RST and its subsidiaries and the procedure for appointing and dismissing them are specified in the Articles of Association of RST and its subsidiaries.

Members of management and supervisory bodies and their share in the authorised capital of the issuer

30 06 2010

Name, surname	Office	Share in authorised capital held (%)	Number of votes (%)
Board			
Aloyzas Koryzna	Member	-	-
Arvydas Tarasevičius	Member	-	-
Mario Nullmeier	Member	-	-
Kęstutis Žilėnas*	Member	-	-
Head of the Company (elected at the Board meeting on 30-04-2009), Chief Financier			
Rimantas Vaitkus	General Manager	-	-
Veslava Jucevič	Head of the Accounting Department	-	-

* Kęstutis Žilėnas was elected on 21 May 2010 .

Important events after reporting period

On 23 July, 2010 at the Extraordinary General Shareholders Meeting Arvydas Darulis was elected to RST Board instead of Henrikas Bernatavičius

Data on the participation of member of the Board and administration in the activities of other companies, institutions and organisations (name of the company, institution or organisation, position, percentage of other companies' capital and votes held in excess of 5%)

Data on the participation of members of the Board and administration in the activities of other companies, institutions and organizations is actual for the end of the reporting period.



Name, surname	Name of organisation, office	Percentage of other companies' capital and votes held
Board		
Mario Nullmeier	Head of the Baltic office of E.ON Ruhrgas International (ERI) AG Member of the Supervisory Board of Eesti Gaas Member of the Board of the Estonian - German Chamber of Commerce Member of the Supervisory Board of Latvijas Gas	-
Aloyzas Koryzna	General Manager and member of the Board of of Lietuvos energija, AB Member of the Board of LITGRID UAB Member of the Board of international association ENSTO-E, Member of the Council of the Lithuanian Electric Energy Association	-
Arvydas Tarasevičius	Member of the Board of VST, AB Member of the Board of Lietuvos energija, AB Member of the Council of the Lithuanian Electric Energy Association Member of the Board of homestead cooperative Žemyna	-
Kęstutis Žilėnas	Ministry of Energy of the Republic of Lithuania, Head of electricity and heating department Member of the Board of VST, AB Member of the Board of Lietuvos energija, AB Member of the Board of Klaipėdos nafta, AB	-
Head and Chief Accountant of the Company		
Arvydas Tarasevičius	Look for information above	-
Veslava Jucevič	-	-

Information on payments to members of the RST management bodies over reporting period

	Salaries, LTL	Other payments, LTL	Tantiemes, LTL	Other payments from profit (dividends), LTL
To members of the Board	-	-	-	-
General manager	134 338	-	-	-

Other special payments to the Chairman of the Board, the Board and the Supervisory Board

There were no other special payments to the Chairman members of the Board.

Information on assets transferred and guarantees provided to members of management bodies

RST has not transferred any assets to members of management bodies.

Information on major transactions of associated parties – indicate the value of transactions, the nature of relations among associated parties, and other information on transactions necessary to understand the Company's financial situation, if such transactions are significant or have been concluded in unusual market conditions

Information on transactions of associated parties is provided in clause 13 of the notes to the consolidated Interim financial statements for six months of 2010.

Significant agreements in which the issuer takes part and which would come into effect, change or would be terminated if the control of the issuer changed, as well as effects thereof, except in cases where revelation thereof would cause considerable damage to the issuer due to the nature of such agreements

The Company has not entered into significant agreements which would come into effect, change or would be terminated if the control of the issuer changed.



Biographical information on members of the Board

Arvydas Tarasevičius

Position: General Manager of RST, member of the Board of RST.

Education: Vilnius University, a Doctor of Social Science degree.

Vilnius University, economist-mathematician.

Work experience: since 2009, holds the position of General Manager of RST and member of the Board of RST. From 2009 – Director of Vilnius territorial statistical office, from 2005 – General Manager of Invalda Construction Management, from 1998 to 2005 he worked as Head of Vilnius Business Center of Nord/LB Lietuva Bank. From 1992 to 1998 A.Tarasevičius worked at the Savings bank as a member of the Board and department director responsible for development of the Bank retail banking products and services. In 1991-1992 consultant to the Government of the Republic of Lithuania on state property privatization, in 1990 – 1991 Deputy Head of IT Centre of the Ministry of Industry, in 1989 – 1990 senior research associate at the Economics Institute of the Academy of Sciences.

Aloyzas Koryzna

Position: Manager of AB “Lietuvos energija”, member of the Board of RST.

Education: Moscow Institute of Energy, Doctor of Engineering degree.

Kaunas Polytechnic Institute, electrical engineer.

Kaunas Polytechnic Institute, profession of an engineer-electrician.

Work experience: : since 2009, General Manager of AB “Lietuvos energija”. From 2006 to 2009 A. Koryzna was a business consultant. From 1998 to 2001 he was employed as the Head at AB “Lietuvos telekomas”, UAB “Lintel”, UAB “Ashburn International”.

Kęstutis Žilėnas

Position: Head of electricity and heating department at Ministry of Energy of the Republic of Lithuania, member of the Board of RST.

Education: Mykolas Riomeris University, Master of Law.

Kaunas University of Technology, Computers systems and networks engineer.

Work experience: since 2010 Head of Electricity and Heating department at Ministry of Energy of the Republic of Lithuania. From 2008 to 2010 worked as head of Control Commission, at National Control Commission for Prices and Energy. From 2001, took position of head and deputy head of Licensing Division at National Control Commission for Prices and Energy.

Mario Nullmeier

Position Head of Representative Office for the Baltic States at E.ON Ruhrgas International, member of the Board of RST.

Education: University of Toronto, Degree of global executive MBA.

Moscow Power Engineering Institute, Master's Degree, Nuclear physicist and engineer for heat and electricity generation.

Work experience: Since April 2005 he is working as Head of Representative Office for Baltic States at E.ON Ruhrgas International. He is responsible for the projects in the Baltic States covering the core competences of the E.ON group – generation/exploration, transport, trading, storage, distribution and sales of gas, electricity and heat. He coordinates BEMIP program activities for E.ON Ruhrgas in Estonia, Latvia, Lithuania and Poland. From 1999 to 2005 he headed the E.ON Energie Representative Office in Warsaw/Poland. From 1992 to 1999 Mario Nullmeier worked as area manager, he was responsible for several feasibility studies and privatization projects in Central Eastern Europe.





III. ANALYSIS OF FINANCIAL RESULTS

The drop of electricity distribution prices and the increase of purchased electricity price had negative effect on the RST Group profitability ratios, but control of operating costs and more efficient activity allowed to reduce loss.

The main financial indicators of the RST Group

Financial indicators	January - June		Change, %
	2010	2009	
Income (LTL thousand)	652 871	612 175	7
EBITDA (LTL thousand)	111 847	153 090	-27
EBITDA margin	17,1%	25,0%	
Operating profit(loss) (LTL thousand)	(350)	(6 295)	94
Operating profit margin	-0,1%	-1,0%	
Profit (loss) before tax (LTL thousand)	(223)	(6 856)	97
Net profit (loss) (LTL thousand)	(734)	(6 464)	89
Net profit margin	-0,1%	-1,1%	

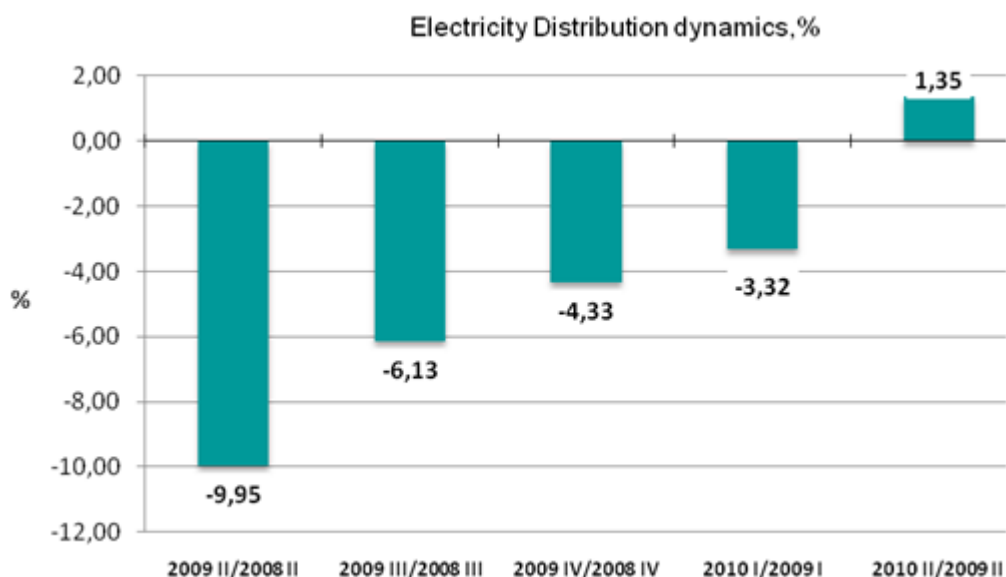
Relative financial ratios	30 06 2010	30 06 2009
Return on equity (ROE)	-0,03%	-0,27%
Return on assets (ROA)	-0,02%	-0,20%
Equity/assets ratio	0,74	0,73
Debt/equity ratio	0,34	0,35
Gross liquidity ratio	0,94	1,01

Activity indicators	January - June		Change, %
	2010	2009	
Network service (million kWh)	1 956	1 985	-1,5
Electricity supply (million kWh)	1 717	2 004	-14,7
Number of costumers at the end of reporting period (thousand)	772	759	1,7
Number of employees at the end of reporting period	2 442	2 545	-4,0

Distribution and Supply

During the first half of 2010 RST distributed 1 956 million kWh of electricity, the volume electricity went down by 1.5 percent compared to the same period last year. Quarterly sales of electricity went up by 1.35 percent compared to the second quarter of 2009.





The amount of electricity supplied to the costumers decreased by 14.7 percent, that was the result of electricity market liberalization. According to Energy Law of the Republic of Lithuania, all the largest costumers of RST(that has allowed electrical output over 400 kW) have to choose independent supplier.

Income

During the first half of 2010 income of RST Group amounted to 652.9 million LTL, 40.7 million LTL or 6.65 percent more than in 2009.

The growth of income was determined by the increase of income from electricity supply. Income from electricity supply rose almost two times due to higher price of purchased electricity. Income from network service decreased because of lower prices and consumption. The increase of other income was the result of accounting policy change, all income form new costumers connections are recognised immediately (more information is provided in clause 8 of the notes to the consolidated and the company's condensed interim financial information for the first half of 2010).

RST Income specification

Income, LTL thousand	January - June		Change, %
	2010	2009	
Network service	364 076	457 128	-20,4
Electricity supply	271 957	140 650	93,4
Other	16 137	12 745	26,6
Total income	652 170	610 523	6,8

Costs

Due to decreasing electricity sales RST purchased 1,118.4 million kWh of electricity, 8.9 percent less than during first half of 2009. Price of purchased electricity went up 2.3 times because of Ignalina nuclear power plant closure.

Over reporting period variable costs (purchase and transmission of electricity) made up LTL 465.1 million, went up by LTL 90.6 million or 24.2%. The growth of variable costs was determined by increase of electricity purchase price.

The Group's depreciation costs in 2010, compared to 2009, were reduced by LTL 16.4 million and amounted to LTL 108.5 million. This is a result of non-current assets value contraction.

In 2010 the Group's activity costs, excluding impact of variable costs and depreciation, amounted to LTL 79.5 million and were by LTL 7.7 million lower than in 2009. The reduction of costs was determined by decreased payments to employees and other costs.

Earnings

Due to lower distribution price and higher purchased electricity costs, EBITDA for the first half of 2010 collapsed by 27 percent and reached LTL 112 million (in 2009- LTL 153 million).



The RST Group earned LTL 0.7 million of net loss during 2010, compared to LTL 6.5 million loss in 2009. The reduction of loss is determined by lower depreciation costs and not performed non-current assets revaluation. Decision not to revalue non-current assets was made because Construction price index changed slightly.

Balance sheet

The total assets of RST Group declined by 5 percent or LTL 150 million. Investment in non-current assets was LTL 75 million lower than depreciation, due to this value of non-current assets dropped to LTL 2,761.5 million.

Current assets during first half of 2010 dropped by LTL 75 million and amounted to LTL 182.8 million. Contraction of current assets was the result of LTL 70 million loan recovery.

The equity of RST Group shareholders went down by LTL 98.8 million and at the end of reporting period amounted to LTL 2,178.5 million. Equity drop was caused by dividends payment.

During the first half of 2010 liabilities of RST group shrank by LTL 50.8 million and reached LTL 765.9 million. Major influence for this contraction had decrease of borrowings and trade payables.

At the end of reporting period borrowings of RST Group amounted to LTL 151.6 million (LTL 122.8 million of non-current liabilities and 28.8 million of current liabilities). Borrowings decreased by LTL 28.8 million.

Cash Flow

Cash flow from main activities reached LTL 108.6 million and went up by LTL 31.5 million compared to the first half of 2009.

During the reporting period the amount of purchased non-current assets reached LTL 45.8 million, LTL 20 million more than in 2009 over the same period. Major investments were used for new costumers connections and reconstruction of transformer substations.

Free cash flow for the first half of 2010 made up to LTL 62.3 million, it is LTL 12.9 million less than in 2009.





IV. OTHER INFORMATION ON THE RST GROUP

Employees

Qualified, educated and properly-motivated staff is the greatest value and a guarantee of efficient and successful activities. Therefore, the Group creates a safe working environment and a motivation system, so that each employee feels an important part of the Group.

Various training programmes are implemented to improve staff skills. Such programmes are aimed at enhancing leadership and team work skills of employees at various levels, supporting those eager to learn more, attracting new employees having appropriate qualification.

Valuing and treasuring its qualified specialists, the Group constantly invests in their safety and training.

There was a minor drop in the number of the staff of the RST Group in the reporting period. On 30 June 2010, compared to the start of the year, the number of employees shrank by 74. This change was mostly determined by optimisation of the Company's processes.

Number of employees of RST Group

Company	Number of employees		Change
	30 06 2010	31 12 2010	
Group	2,442	2,517	-3.0%
RST	1,720	1,794	-4.1%
Elektros Tinklo Paslaugos UAB	464	465	-0.2%
Rytra UAB	141	140	0.7%
Tetas UAB	117	118	0.8%

Amid optimisation of the management structure and introduction of modern technologies, the number of workers is gradually reduced while the number of qualified specialists is on the rise.

Every year, the Company is joined by young and promising people with or seeking higher education. Students who have interned with the Company often join the Company's team.

RST employees by category

Category of employees	Number of employees		Change
	30 06 2010	31 12 2009	
Managers	229	236	-2.5%
Specialists	1,159	1,199	-3.3%
Workers	331	357	-7.3%
All employees	1,719	1,792	-4.2%

RST employees with higher or post-secondary education account for over 4/5 of all employees.

Every year, the team of educated staff is joined by people working for the Company who, having graduated from higher education establishments, contribute their qualification and competence to the efforts to achieve the Company's objectives.

Distribution of RST employees by education

Education	Number of employees			
	30 06 2010		31 12 2009	
Higher	834	48%	825	46%
Post-secondary	564	33%	630	35%
Secondary	216	13%	330	18%
Other	105	6%	7	1%

In January-June, the average gross salary of RST employees was LTL 3,090.



Special rights of the issuer's employees set out in the collective agreement

The main social protection of RST employees is provided for in the collective agreement, which is updated every two years. The collective agreement specifies a scheme of remuneration for work of RST employees, working, economic and social conditions as well as additional guarantees applicable to employees (allowances in case of accidents, illnesses, death of family members, childbirth allowance and anniversary allowance, additional holidays with pay in case of birth of a child, marriage, death of a family member and in other cases, higher remuneration for work on non-working days than stipulated in the Labour Code.

Risk factors

Risk factors that RST Group is facing in its activities have not changed since the beginning of the year.

Plans of activities and forecasts

RST strives to become the leader in terms of quality of services, flexible prices, modern technologies and effective activity. One of the fundamental ambitions for the enterprise in 2010 is earning the reputation of the socially responsible enterprise. Activity of the group of enterprises will be based on the implementation of long-term objectives: growth of customers' content, improvement of reliability and quality of the network, as well as ensuring efficiency of activity.

In view of decisions taken by the RST Extraordinary General Meetings of the shareholders of 4 January 2010 and 23 July 2010, it is envisaged in 2010 to purchase a power distribution grid in the territory of Visaginas Municipality and join the enterprises of the distribution grid (RST and AB "VST") meanwhile obtaining all potential synergy of the merger.

The forecasts state that due to the increasing electricity purchase price in 2010, income of RST will grow in comparison with 2009. Moreover, instead of anticipated 159.6mil. LTL, due to procurement of the power distribution grid in the territory of Visaginas Municipality, RST investments in 2010 will increase up to LTL 177 million.





V. PUBLIC DISCLOSURES

In implementing its duties according to the binding legislation that regulates the securities market, RST announces material events (as well as all further regulated information) for the whole of the European Union. Information published by the Company is available on its website www.rst.lt and the website of NASDAQ OMX Vilnius AB at www.baltic.omxgroup.com.

In six months of the year 2010, RST published the following information on material events

04 01 2010 The decisions, adopted in the Extraordinary General Shareholders Meeting of Rytų skirstomieji tinklai, AB on January 4, 2010

The Extraordinary General Shareholders Meeting of Rytų skirstomieji tinklai, AB (company code 110870890, registered office P. Lukšio 5B, LT-08221, Vilnius) held on January 4, 2010, 10 a.m., adopted the following decision:

1. The item of agenda: Concerning preparation of reorganization conditions for Rytų skirstomieji tinklai, AB and VST, AB by the way of merger.

Adopted decision:

„To assign the preparation of conditions of reorganization of Rytų skirstomieji tinklai, AB and “VST”, AB by the way of merger to the Management Boards of Rytų skirstomieji tinklai, AB and “VST”, AB, in cooperation with the Management Board of Parent Company or with its functions implementing person.”

06 01 2010 Regarding liquidation of LEO LT, AB

LEO LT, AB, which owns 351 316 161 shares of Rytų skirstomieji tinklai, AB, on January 6, 2010 announced that on December 31, 2009 a resolution, taken on December 30, 2009 by the sole shareholder of LEO LT, AB (the Government of the Republic of Lithuania) to liquidation LEO LT, AB, took force.

13 01 2010 Regarding preparation merger strategy and detailed action plan for Rytų skirstomieji tinklai, AB and VST, AB

The Lithuanian Ministry of Energy on 13th January 2010 publicly announced that International audit and consulting company Ernst&Young Baltic subsidiary of Ernst&Young in Lithuania was selected in public tender to prepare merger strategy and detailed action plan for Rytų skirstomieji tinklai, AB and “VST”, AB.

27 01 2010 Regarding information announced in media

The Lithuanian Ministry of Energy on 26th January 2010 publicly announced that national energy company “LEO LT”, which received a loan in amount of 192 million from its subsidiaries VST, Rytų skirstomieji tinklai (RST) ir "Lietuvos energija" last December, is going to refund the loan by dividends. The payment scheme and amount of dividends are not announced.

Rytų skirstomieji tinklai, AB notifies, that information about annual financial results and associated decisions will be announced following the requirements determined for disclosure of such information.

26 02 2010 Preliminary unaudited operating results of Rytų Skirstomieji Tinklai AB company group for 2009

The preliminary unaudited operating results of Rytų Skirstomieji Tinklai AB company group in 2009 is a net loss of LTL 37.3 million (EUR 10.8 million) according to International Financial Reporting Standards. Loss before taxes of the Group - LTL 50.98 million (EUR 14.8 million).

In 2009 the operating income of the Group reached LTL 1163.2 million (EUR 336.9 million).

Investments of Rytų Skirstomieji Tinklai AB made up LTL 149.5 million (EUR 43.3 million) over this period.

26 02 2010 Rytų skirstomieji tinklai AB Interim Report for the twelve months of 2009

Rytų skirstomieji tinklai AB Interim Report for the twelve months of 2009.



19 03 2010 Regarding information announced in media

The mass media has announced information on merger of Rytų skirstomieji tinklai, AB and VST, AB. Rytų skirstomieji tinklai, AB notifies that it has never got any official information regarding the facts that were announced in media. Rytų skirstomieji tinklai, AB notifies that information on reorganization and associated decisions will be announced following the requirements determined for disclosure of such information.

30 03 2010 Convocation of The Annual General Meeting of Shareholders of Rytų Skirstomieji Tinklai, AB.

On 29th of March, 2010 The Board of RST, AB adopted a decision to convoke the Annual General Meeting of Shareholders of RST, AB (company code 110870890 registered office at P. Lukšio 5B, LT-08221, Vilnius) and approved the following agenda of the meeting:

1. Consideration of the Consolidated Annual Report of the Group of Undertakings of RST, AB for 2009.
2. Approval of the Set of Audited Consolidated and RST, AB Financial Reports for 2009.
3. Appropriation of profit (loss) of RST, AB of 31st of December, 2009.
4. Formation of the Audit Committee of RST, AB.

Initiator of the Annual Meeting of Shareholders: the Board of RST, AB.

The date and time of the Annual Meeting of Shareholders: 30th of April, 2010, 10.00 AM.

The place of the Annual Meeting of Shareholders: Vilnius, P. Lukšio 5B (6th floor).

The account date of the Annual General Meeting of Shareholders: 23rd of April, 2010. Shareholders that own shares of RST, AB in the end of the account date (23rd of April, 2010) shall have the right to participate and vote in convoked Annual General Meeting.

The account date of the rights of Shareholders: 14th of May, 2010. Only the persons, who will be the Shareholders of the Company in the end of the account date (14th of May, 2010) will have the rights of Shareholders, provided in Article 15 paragraph 1 particles 1-4, of the Law of Companies.

Registration starts: 30th of April, 2010, 9.25 AM.

Registration ends: 30th of April, 2010, 9.55 AM.

Shareholders who participate in the Annual General Meeting of Shareholders must submit an identity document.

Each shareholder may authorize in writing either a natural or a legal person to participate and to vote on the shareholder's behalf at the Annual General Meeting of Shareholders. The authorized persons must have documents, confirming their personal identity and power of attorney, approved in the manner, specified by law, which must be submitted to the Company, address P. Lukšio 5B, Vilnius (4th floor) no later than before the end of registration for the Annual General Meeting of Shareholders. The authorized persons at the Annual General Meeting of Shareholders shall have the same rights as represented shareholder.

Shareholder's right to attend the Annual General Meeting of Shareholders also includes the right to ask.

The agenda of the Annual General Meeting of Shareholders may be supplemented by initiative of shareholders, who own shares no less than 1/20 of all votes. Along with a proposal to supplement the agenda of the Annual General Meeting of Shareholders must be submitted the drafts of proposed decisions or, if the decisions shall not be adopted, explanations on each of the proposed issue. Shareholders, who own shares no less than 1/20 of all votes own the right at any time before the Annual General Meeting of Shareholders or during the meeting in writing or by e-mail info@rst.lt propose new draft decisions on the issues already included or to be included in the agenda of the Annual General Meeting of Shareholders.

Shareholders own the right to ask the questions, concerning the agenda of the Annual General Meeting of Shareholders, held on the 30th of April, 2010. Questions may be submitted by e-mail info@rst.lt or delivered directly to the

Company's registered office at P. Lukšio 5B, Vilnius (4th floor) not later than 3 working days before the Annual General Meeting of Shareholders. On decisions which are included into the agenda of the Annual General Meeting of Shareholders can be voted in writing by completing the general voting bulletin. If shareholder requests, the Company shall send the general voting bulletin to the requesting shareholder by registered mail or shall deliver it in person against signature no later than 10 days prior to the Annual General Meeting of Shareholders free of charge. The filled general voting bulletin must be signed by the shareholder or its authorized representative. Document, confirming the right to vote, must be added to the general voting bulletin, if authorized person is voting.

The shareholders at the Annual General Meeting can't participate and vote by electronic means.



Documents, concerning the agenda of the Annual General Meeting of Shareholders, the drafts of decisions of each agenda question, documents to be submitted to the Annual General Meeting of Shareholders (the draft decisions of the Annual General Meeting of Shareholders, power of attorney to represent at the Annual General Meeting of Shareholders, voting bulletin of the Annual General Meeting of Shareholders, etc.), and other information, related to Shareholders rights, shareholders can access not later than 21 day until the Annual General Meeting on the web page of the company <http://www.rst.lt/> and also in the company's office (P. Lukšio 5B, Vilnius) during working hours (7.30-11.30; 12.15-16.30, on Fridays 7.30-11.30; 12.15-15.15).

30 03 2010 Convocation of The Annual General Meeting of Shareholders of Rytų Skirstomieji Tinklai, AB

The Board of RST, AB on 29th of March, 2010 adopted a decision to convoke the Annual General Meeting of Shareholders of RST, AB (company code 110870890 registered office at P. Lukšio 5B, LT-08221, Vilnius) and approved the Drafts of Decisions of the Annual General Meeting of Shareholders of RST, AB for the following items:

•Consideration of the Consolidated Annual Report of the Group of Undertakings of RST, AB for 2009.

Suggested Draft of Decision:

“To approve the Consolidated Annual Report of the Group of Undertakings of RST, AB for 2009 (included)”.

•Approval of the Set of Audited Consolidated and RST, AB Financial Reports for 2009.

Suggested Draft of Decision:

“To approve the Set of Audited Consolidated and RST, AB Financial Reports for 2009 (included)”.

•Formation of the Audit Committee of RST, AB.

Suggested Draft of Decision:

“According to Article 52 of the Law of Audit, to assign for the Board of RST, AB, to frame the proposal to formulate the Audit Committee and to submit it to the Annual General Meeting of Shareholders of RST, AB”.

19 04 2010 Regarding the supplemented agenda of the Annual General Meeting of Shareholders of Rytų Skirstomieji Tinklai, AB.

On 19th of April, 2010 the Board of Rytų Skirstomieji Tinklai, AB (company code 110870890 registered office at P. Lukšio 5B, LT-08221, Vilnius) decided to supplement the agenda of the Annual General Meeting of shareholders to be held on 30th April 2010 with the following items:

- Election of the Member of the Board of Rytų Skirstomieji Tinklai, AB.

- Approval of the new edition of the Articles of Association of Rytų Skirstomieji Tinklai, AB.

20 04 2010 The draft resolutions of the Ordinary General Shareholders Meeting of Rytų Skirstomieji Tinklai, AB.

On 19th of April, 2010 the Board of RST, AB (company code 110870890 registered office at P. Lukšio 5B, LT-08221, Vilnius) adopted the decision to update the agenda of the Ordinary General Shareholders Meeting that will take place on 30 of April, 2010 at 10 a.m. and approved the Drafts of Decisions of the Annual General Meeting of Shareholders of RST, AB for the 3, 5, 6 items of the agenda.

Therefore the shareholders will be asked to approve the following items:

1 item of agenda “Consideration of the Consolidated Annual Report of the Group of Undertakings of RST, AB for 2009.

Suggested Draft of Decision:

“To approve the Consolidated Annual Report of the Group of Undertakings of RST, AB for 2009 (included)”.

2 item of agenda „Approval of the Set of Audited Consolidated and RST, AB Financial Reports for 2009“.

Suggested Draft of Decision:

“To approve the Set of Audited Consolidated and RST, AB Financial Reports for 2009 (included)”.

3 item of agenda „Appropriation of the Profit/Loss of Rytų Skirstomieji Tinklai, AB prepared on 31st of December, 2009.”

Suggested Draft of Decision:

“To approve the appropriation of the Profit/Loss of Rytų Skirstomieji Tinklai, AB dated as of 31st of December, 2009:



Articles	Amount, LTL
Retained earnings at the beginning of the financial year	403 900 278
Net annual operating result (profit/loss)	-35 170 476
Profit (loss) of the financial year that is unrecognized in the profit (loss) statement	128 445 550
Transfers from reserves	
Total distributable profit (loss)	497 175 352
Distribution of profit :	
- profit allocation to the compulsory reserves;	
- profit allocation to the reserves to purchase company's own shares;	
- profit allocation to other reserves;	
- profit allocation to pay out dividends (dividends per share LTL 0.07)	34 468 326
- profit allocation to yearly pay outs to employee bonuses and other purposes (including relief)	
transfers from compulsory reserves to make restitutions/to cover loss	
Retained earnings carried forward to next financial year	462 707 026

4 item of agenda „Formation of the Audit Committee of RST, AB“. Suggested Draft of Decision: “According to Article 52 of the Law of Audit, to assign for the Board of RST,AB, to frame the proposal to formulate the Audit Committee and to submit it to the Annual General Meeting of Shareholders of RST, AB”.

5 item of agenda “Election of the Member of the Board of Rytų Skirstomieji Tinklai, AB”.

Suggested Draft of Decision:

1. To elect Kęstutis Žilėnas as a member of the Board of Rytų Skirstomieji Tinklai, for the term until the end of cadence of the acting Management Board.
2. To determine, that the elected member of the Management Board starts his duties just after the Annual General Meeting of Shareholders.”

6 item of agenda “Approval of the new edition of the Articles of Association of Rytų Skirstomieji Tinklai, AB”.

Suggested Draft of Decision:

1. To amend article 63 in the Articles of Association of the Company and to state it in following order: „63. Notices of the Company, which under the laws and regulations and/or these Articles of Association have to be published in the press, shall be published in the daily „Verslo žinios“. In the Company has no opportunity to publish its notices in the daily „Verslo žinios“, notices of the Company, which under the laws and regulations and/or these Articles of Association have to be published in the press, shall be published in another daily newspaper of the Republic of Lithuania. The Company may also publish additional notices by other means.“
2. According to the decision, defined above, to determine the Articles of Association of Rytų Skirstomieji Tinklai, AB in new edition (included).
3. To authorize the General Manager of Rytų Skirstomieji Tinklai, AB, in terms of applicable law, to sign the new edition of the Articles of Association of RST, AB and to perform all actions necessary for their registration in the Register of Legal Entities.“



29 04 2010 Rytų Skirstomieji Tinklai AB will not change public electricity prices from 1st of July, 2010

On April 28, 2010 the Board of Rytų Skirstomieji Tinklai AB decided not to change public electricity prices from July 1, 2010. The Company's Board approved public electricity prices and tariffs, as well as their application

for the second half of the year 2010 and will submit them to the National Control Commission for Prices and Energy (NCCPE). The final prices and tariffs of electricity and the procedure of their application will be announced by NCCPE in accordance with the legal acts.

For more information, please visit the website of the National Control Commission for Prices and Energy, <http://www.regula.lt>.

30 04 2010 Preliminary unaudited operating results of Rytų Skirstomieji Tinklai AB company group for the first quarter of 2010

Preliminary unaudited operating results of Rytų Skirstomieji Tinklai AB company group for the first quarter of 2010 is a net profit of LTL 0.9 million (EUR 0.3 million) according to International Financial Reporting Standards. Profit before taxes of the Group - LTL 1.7 million (EUR 0.5 million).

Over the first quarter of 2010 the operating income of the Group reached LTL 361 million (EUR 104.6 million).

Investments of Rytų Skirstomieji Tinklai AB made up LTL 8.1 million (EUR 2.4 million) over this period.

30 04 2010 The Annual General Meeting of Shareholders of Rytų Skirstomieji Tinklai, AB did not take place on April 30, 2010

The Annual General Meeting of Shareholders of Rytų Skirstomieji Tinklai, AB (company code 110870890, registered office P. Lukšio 5B, LT-08221, Vilnius) did not take place on April 30, 2010 due to the absence of the quorum.

The Board of the Company will hold a decision to convene the repeat General Meeting of Shareholders. Information about the repeat General Meeting of Shareholders will be published according to the Law on Companies.

2010-05-04 Regarding the Plan of energy companies' restructuring

On 4th of May, 2010 the Ministry of Energy published the report to the media that Government of the Republic of Lithuania approved the Plan of energy companies' restructuring, according to four blocks of electricity companies

will be formed - transmission, generation, distribution and maintenance. More information is published in <http://www.enmin.lt>.

After receiving the official information about restructuring of energy sector and Company, Company will announce this information following the requirements determined for disclosure of such information.

06 05 2010 Convocation of The Repeat Annual General Meeting of Shareholders of Rytų Skirstomieji Tinklai, AB.

The Annual General Meeting of Shareholders of Rytų Skirstomieji Tinklai, AB (company code 110870890, registered office P. Lukšio 5B, LT-08221, Vilnius) did not take place on 30th of April, 2010 due to the absence of the quorum. On 6th of May, 2010, the Board of Rytų Skirstomieji Tinklai, AB adopted a decision to convene the repeat Annual General Meeting of Shareholders of Rytų Skirstomieji Tinklai, AB on 21st of May, 2010, at 10 a.m. in Vilnius, P. Lukšio str. 5B.

The repeat General Meeting shall be authorized to take decisions only on the issues on the agenda of meeting that was not held:

1. Consideration of the Consolidated Annual Report of the Group of Undertakings of RST, AB for 2009.
2. Approval of the Set of Audited Consolidated and RST, AB Financial Reports for 2009.
3. Appropriation of profit (loss) of RST, AB of 31st of December, 2009.
4. Formation of the Audit Committee of RST, AB.
5. Election of the Member of the Board of Rytų Skirstomieji Tinklai, AB.
6. Approval of the new edition of the Articles of Association of Rytų Skirstomieji Tinklai, AB.

The draft decisions on the issues on the agenda are approved by the Board on 29th of March, 2010, and on 19th of April, 2010 and published on the web page of the company <http://www.rst.lt/>.



Initiator of the repeat General Meeting of Shareholders: the Board of RST, AB.
The date and time of the repeat General Meeting of Shareholders: 21th of May, 2010, 10.00 AM.
The place of the repeat General Meeting of Shareholders: Vilnius, P. Lukšio 5B (6th floor).
The account date of the repeat General Meeting of Shareholders: 14th of May, 2010.
Shareholders that own shares of RST, AB in the end of the account date shall have the right to participate and vote in convened repeat General Meeting.
The account date of the rights of Shareholders: 4th of June, 2010. Only the persons, who will be the Shareholders of the Company in the end of the account date will have the rights of Shareholders, provided in Article 15 paragraph 1 particles 1-4, of the Law of Companies.
Registration starts: 21th of May, 2010, 9.25 AM.
Registration ends: 21th of May, 2010, 9.55 AM.

Shareholders who participate in the repeat General Meeting of Shareholders must submit an identity document.

Each shareholder may authorize in writing either a natural or a legal person to participate and to vote on the shareholder's behalf at the repeat General Meeting of Shareholders. The authorized persons must have documents, confirming their personal identity and power of attorney, approved in the manner, specified by law, which must be submitted to the Company, address P. Lukšio str. 5B, Vilnius (6th floor) no later than before the end of registration for the repeat General Meeting of Shareholders. The authorized persons at the repeat General Meeting of Shareholders shall have the same rights as represented shareholder. Shareholder's right to attend the General Meeting of Shareholders also includes the right to ask. Shareholders, who own shares no less than 1/20 of all votes own the right at any time before the repeat General Meeting of Shareholders or during the meeting in writing or by e-mail info@rst.lt propose new draft decisions on the issues already included or to be included in the agenda of the repeat General Meeting of Shareholders.

Shareholders own the right to ask the questions, concerning the agenda of the repeat General Meeting of Shareholders, held on the 21th of May, 2010.

Questions may be submitted by e-mail info@rst.lt or delivered directly to the Company's registered office at P. Lukšio 5B, Vilnius (4th floor) not later than 3 working days before the repeat General Meeting of Shareholders.

On decisions which are included into the agenda of the repeat General Meeting of Shareholders can be voted in writing by completing the general voting bulletin. If shareholder requests, the Company shall send the general voting bulletin to the requesting shareholder by registered mail or shall deliver it in person against signature no later than 10 days prior to the repeat General Meeting of Shareholders free of charge. The filled general voting bulletin must be signed by the shareholder or its authorized representative. Document, confirming the right to vote, must be added to the general voting bulletin, if authorized person is voting.

The general voting bulletins of the meeting which was not held shall be valid at the repeat General Meeting of Shareholders.

The shareholders at the repeat General Meeting can't participate and vote by electronic means.

Documents, concerning the agenda of the General Meeting of Shareholders, the drafts of decisions of each agenda question, documents to be submitted to the General Meeting of Shareholders (the draft decisions of the General Meeting of Shareholders, power of attorney to represent at the General Meeting of Shareholders, voting bulletin of the General Meeting of Shareholders, etc.), and other information, related to Shareholders rights, shareholders can Access not later than 14 day until the repeat General Meeting on the web page of the company <http://www.rst.lt/> and also in the company's office (P. Lukšio 5B, Vilnius) during working hours (7.30-11.30; 12.15-16.30, on Fridays 7.30-11.30; 12.15-15.15).

21 05 2010 The decisions, adopted in the Repeat General Shareholders Meeting of Rytų Skirstomieji Tinklai, AB on May 21, 2010

The Repeat General Shareholders Meeting of Rytų Skirstomieji Tinklai, AB (company code 110870890, registered office P. Lukšio 5B, LT-08221, Vilnius) held on May 21, 2010, 10 a.m., adopted the following decisions:

1. The item of agenda: Consideration of the Consolidated Annual Report of the Group of Undertakings of RST, AB for 2009.



Adopted decision:

“To approve the Consolidated Annual Report of the Group of Undertakings of RST, AB for 2009 (included)”.

2. The item of agenda: Approval of the Set of Audited Consolidated and RST, AB Financial Reports for 2009.

Adopted decision:

“To approve the Set of Audited Consolidated and RST, AB Financial Reports for 2009 (included)”.

3. The item of agenda: Appropriation of the Profit/Loss of Rytų Skirstomieji Tinklai, AB prepared on 31st of December, 2009.

Adopted decision:

“To approve the appropriation of the Profit/Loss of Rytų Skirstomieji Tinklai, AB dated as of 31st of December, 2009:

Articles	Amount, LTL
Retained earnings at the beginning of the financial year	403 900 278
Net annual operating result (profit/loss)	-35 170 476
Profit (loss) of the financial year that is unrecognized in the profit (loss) statement	128 445 550
Transfers from reserves	
Total distributable profit (loss)	497 175 352
Distribution of profit :	
- profit allocation to the compulsory reserves;	
- profit allocation to the reserves to purchase company's own shares;	
- profit allocation to other reserves;	
- profit allocation to pay out dividends (dividends per share LTL 0.07)	98 111 984
- profit allocation to yearly pay outs to employee bonuses and other purposes (including relief)	
transfers from compulsory reserves to make restitutions/to cover loss	
Retained earnings carried forward to next financial year	399 063 368

4. The item of agenda: Formation of the Audit Committee of RST, AB.

Adopted decision:

“According to Article 52 of the Law of Audit, to assign for the Board of RST, AB, to frame the proposal to formulate the Audit Committee and to submit it to the Annual General Meeting of Shareholders of RST, AB”.

5. The item of agenda: Election of the Member of the Board of Rytų Skirstomieji Tinklai, AB.

Adopted decision:

“1. To elect Kęstutis Žilėnas as a member of the Board of Rytų Skirstomieji Tinklai, for the term until the end of cadence of the acting Management Board.

2. To determine, that the elected member of the Management Board starts his duties just after the Annual General Meeting of Shareholders.”

6. The item of agenda: Approval of the new edition of the Articles of Association of Rytų Skirstomieji Tinklai, AB.

Adopted decision:

„1. To amend article 63 in the Articles of Association of the Company and to state it in following order:

„63. Notices of the Company, which under the laws and regulations and/or these Articles of Association have to be published in the press, shall be published in the daily „Verslo žinios“. In the Company has no opportunity to publish its notices in the daily „Verslo žinios“, notices of the Company, which under the laws and regulations and/or these Articles of Association have to be published in the press, shall be published in



another daily newspaper of the Republic of Lithuania. The Company may also publish additional notices by other means.“

2. According to the decision, defined above, to determine the Articles of Association of Rytų Skirstomieji Tinklai, AB in new edition (included).

3. To authorize the General Manager of Rytų Skirstomieji Tinklai, AB, in terms of applicable law, to sign the new edition of the Articles of Association of RST, AB and to perform all actions necessary for their registration in the Register of Legal Entities.“

The right to receive dividends shall have those persons, which on the end of the record date, i.e. on the end of June 4, 2010, shall be the shareholders of RST, AB. The dividends to such persons should be paid according to the paragraph 60 part 4 of the Republic of Lithuania 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 SEB bank.

More information the decisions adopted in the General Shareholders Meeting of RST, AB can be found on the web page of the company <http://www.rst.lt/>

21 05 2010 Annual Information 2009 of Rytų Skirstomieji Tinklai AB

The Repeated General Shareholders Meeting of Rytų Skirstomieji Tinklai, AB (company code 110870890, registered office P. Luksio 5B, LT-08221, Vilnius) held on May 21, 2010, 10 a.m., decided To approve the the Set of Audited Consolidated and RST, AB Financial Reports for 2009 (attached) and Consolidated Annual Report of the Group of Undertakings of RST, AB for 2009 (attached).

27 05 2010 National Control Commission for Prices and Energy took a decision to unilateral set public electricity prices supplied by Rytų skirstomieji tinklai, AB for the second half of th

On 27 May, 2010 the National Control Commission for Prices and Energy took a decision to unilateral set and announce public electricity prices and tariffs supplied by Rytų skirstomieji tinklai, AB for the second half of 2010. Since the 1st of July the nighttime tariff for the household consumers will be reduced by 2 LTc/kWh (including VAT). Electricity tariffs for the other groups of consumers will not change. Due to reduction of the tariffs for the household consumers, Rytų skirstomieji tinklai, AB will not collect LTL 4 million of revenue. For more information, please visit the website of the National Control Commission for Prices and Energy, <http://www.regula.lt.>

27 05 2010 Rytu Skirstomieji tinklai AB Interim Report for the three months of the year 2010

Rytu Skirstomieji tinklai AB submitted Interim Report for the three months of the year 2010.

04 06 2010 Regarding payout of dividends and inclusion of debt

On 4th of June, 2010 Rytų Skirstomieji Tinklai, AB and LEO LT, AB concluded the agreement on inclusion of RST obligation to payout dividends of 70 000 000 Litas to LEO LT, AB, and LEO LT, AB obligation to repay the loan to RST of 70 000 000 Litas.

The date of inclusion of obligations - the 4th of June, 2010.

07 06 2010 Regarding transfer of shares

Continuing of the LEO LT, AB liquidation and implementing energy sector reform plan (which is approved by the Government), on 5th of June, 2010 liquidating LEO LT, AB lost of shares and votes of Rytų Skirstomieji Tinklai, AB (legal form Joint Stock Company, code 110870890, registered office address P. Lukšio g.5B, Vilnius, the Republic of Lithuania). Visagino atominė elektrinė, UAB (legal form Closed Joint-Stock Company, code 301844044, registered office address Žvejų g.14, Vilnius), 100% indirectly controlled by the Republic of Lithuania, acquired from the liquidating LEO LT, AB 351 616 161 ordinary registered shares (face value of each share is equal to 1 (one) LTL, code of share issue LT0000126385) of Rytų Skirstomieji Tinklai, AB. These shares are acquired by increasing Visagino atominė elektrinė, UAB share capital.



11 06 2010 Notifications about the disposal and acquisition of blocks of shares.

On 10th June, 2010 Rytų Skirstomieji Tinklai, AB received a notification about disposal of a block of shares from LEO LT, AB ([attached](#)).

On 10th June, 2010 Rytų Skirstomieji Tinklai, AB received a notification about acquisition of a blocks of shares from Visagino Atominė Elektrinė, UAB ([attached](#)).

22 06 2010 Information on the resignation of the Chairperson of the Board.

21-06-2010 Rytų Skirstomieji Tinklai, AB received the application of the Chairperson of the Board Henrikas Bernatavičius on the resignation from the office of the Chairperson of the Board from 21-06-2010.



**AB RYTŲ SKIRSTOMIEJI TINKLAI
CONSOLIDATED AND THE COMPANY'S
CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE FIRST HALF OF 2010
(UNAUDITED)**

AB RYTŲ SKIRSTOMIEJI TINKLAI, company code 110870890, P. Lukšio g. 5b, Vilnius, Lithuania
CONSOLIDATED AND THE COMPANY'S CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE FIRST HALF OF 2010

(Unaudited) (All amounts are presented in LTL thousand, unless otherwise stated)

This interim financial information has been prepared in Lithuanian and in English. In all matters of interpretation of information, views or opinions, the Lithuanian version takes precedence over the English version.

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AB RYŲ SKIRSTOMIEJI TINKLAI, company code 110870890, P. Lukšio g. 5b, Vilnius, Lithuania
 CONSOLIDATED AND THE COMPANY'S CONDENSED INTERIM FINANCIAL INFORMATION
 FOR THE FIRST HALF OF 2010

(Unaudited) (All amounts are presented in LTL thousand, unless otherwise stated)

Statement of financial position

ASSETS	Note	GROUP		COMPANY	
		30/06/2010	31/12/2009 (Restated)	30/06/2010	31/12/2009 (Restated)
Non-current assets					
Property, plant and equipment	4	2,751,868	2,828,552	2,723,475	2,798,675
Intangible assets		5,994	3,849	5,990	3,843
Prepayments for property, plant, equipment and intangible assets		1,051	1,310	1,051	1,310
Investments in subsidiaries		-	-	36,643	36,643
Deferred income tax assets		29	169	-	-
Non-current amounts receivable		2,596	2,671	2,596	2,671
		<u>2,761,538</u>	<u>2,836,551</u>	<u>2,769,755</u>	<u>2,843,142</u>
Current assets					
Inventories		6,835	5,141	1,088	1,581
Trade and other receivables	5	87,022	98,130	85,483	97,507
Prepayments, deferred charges and accrued income		10,345	11,725	9,911	11,524
Prepaid income tax		264	239	-	-
Loans granted	13	-	70,000	-	70,000
Short-term investments		50,000	47,500	50,000	47,500
Cash and cash equivalents	6	27,680	24,074	24,545	21,306
		<u>182,146</u>	<u>256,809</u>	<u>171,027</u>	<u>249,418</u>
Non-current assets classified as held for sale		679	679	2	2
		<u>182,825</u>	<u>257,488</u>	<u>171,029</u>	<u>249,420</u>
Total assets		<u>2,944,363</u>	<u>3,094,039</u>	<u>2,940,784</u>	<u>3,092,562</u>
EQUITY					
Equity and reserves attributable to shareholders of the Company					
Share capital		492,405	492,405	492,405	492,405
Revaluation reserve		1,186,482	1,243,355	1,180,894	1,237,738
Legal reserve		49,484	49,551	49,240	49,240
Other reserves	7	271	1,638	-	-
Retained earnings	7	461,956	502,494	469,096	509,307
Total equity		<u>2,190,598</u>	<u>2,289,443</u>	<u>2,191,635</u>	<u>2,288,690</u>
LIABILITIES					
Amounts payable after one year and non-current liabilities					
Borrowings	11	122,788	125,514	122,788	125,514
Deferred income tax liability		237,179	242,812	237,501	243,171
Deferred income	8	184,021	187,638	184,021	187,638
Grants and subsidies		8,972	9,004	8,972	9,004
Non-current employee benefits		4,838	4,859	4,838	4,859
Other non-current liabilities		607	-	607	-
		<u>558,405</u>	<u>569,827</u>	<u>558,727</u>	<u>570,186</u>
Amounts payable within one year and current liabilities					
Borrowings	11	28,826	54,918	26,469	54,918
Trade and other payables	9	135,149	146,210	132,585	145,180
Advances received and accrued liabilities	10	25,226	29,301	25,209	29,248
Derivative financial instruments		2,341	512	2,341	512
Current income tax liabilities		3,818	3,828	3,818	3,828
		<u>195,360</u>	<u>234,769</u>	<u>190,422</u>	<u>233,686</u>
Total liabilities		<u>753,765</u>	<u>804,596</u>	<u>749,149</u>	<u>803,872</u>
Total equity and liabilities		<u>2,944,363</u>	<u>3,094,039</u>	<u>2,940,784</u>	<u>3,092,562</u>

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

General Manager _____ Arvydas Tarasevičius _____

Director of Finance Department _____ Arvydas Zakalskis _____



AB RYTŲ SKIRSTOMIEJI TINKLAI, company code 110870890, P. Lukšio g. 5b, Vilnius, Lithuania
 CONSOLIDATED AND THE COMPANY'S CONDENSED INTERIM FINANCIAL INFORMATION
 FOR THE FIRST HALF OF 2010

(Unaudited) (All amounts are presented in LTL thousand, unless otherwise stated)

Statement of comprehensive income

		1 January – 30 June			
		GROUP		COMPANY	
Note		2010	2009	2010	2009
	Revenue	652,872	612,203	652,170	610,523
	Purchase of electricity	(395,158)	(292,016)	(395,158)	(292,016)
	Electricity transmission service costs	(69,991)	(82,571)	(69,991)	(82,571)
	Depreciation and amortisation	(108,538)	(124,982)	(106,574)	(121,885)
	Employee benefits and related social security contributions	(50,989)	(56,265)	(41,315)	(45,910)
	Repair and maintenance expense	(14,903)	(13,791)	(22,032)	(21,081)
	Transportation expenses	(622)	(136)	(4,393)	(4,644)
	Effect of revaluation of property, plant and equipment	-	(32,087)	-	(31,903)
	Gain on disposal of property, plant and equipment	(47)	324	(129)	11
	Other expenses	(12,974)	(16,974)	(12,044)	(15,972)
	Operating profit (loss)	(350)	(6,295)	534	(5,448)
	Finance income	3,659	2,316	4,369	3,200
	Finance (costs)	(3,545)	(2,874)	(3,528)	(2,830)
	Finance income (costs) – net	114	(558)	841	370
	Profit (loss) before income tax	(236)	(6,853)	1,375	(5,078)
	Income tax	(498)	389	(319)	475
	Profit (loss) for the period	(734)	(6,464)	1,056	(4,603)
	Other comprehensive income/(expenses):				
	Loss on revaluation of property, plant and equipment	-	(173,896)	-	(172,207)
	Deferred income tax effect	-	34,763	-	34,441
	Other comprehensive income/(expenses) for the period	-	(139,133)	-	(137,766)
	Total comprehensive (expense)/income for the period	(734)	(145,597)	1,056	(142,369)
	Profit (loss) attributable to shareholders of the Company				
	Profit (loss) for the period	(734)	(6,464)	1,056	(4,603)
	Total comprehensive (expense)/income for the period	(734)	(145,597)	1,056	(142,369)
	Basic and diluted earnings (deficit) per share (in LTL)	(0.001)	(0.01)	-	-

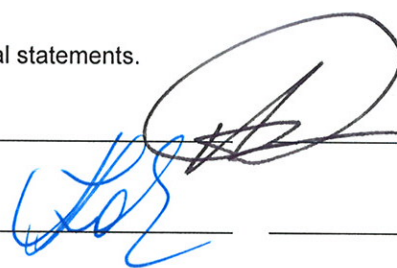
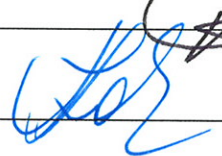
AB RYTŲ SKIRSTOMIEJI TINKLAI, company code 110870890, P. Lukšio g. 5b, Vilnius, Lithuania
**CONSOLIDATED AND THE COMPANY'S CONDENSED INTERIM FINANCIAL INFORMATION
 FOR THE FIRST HALF OF 2010**

(Unaudited) (All amounts are presented in LTL thousand, unless otherwise stated)

Statement of comprehensive income (cont'd)

	1 April – 30 June			
	GROUP		COMPANY	
	2010	2009	2010	2009
Revenue	291 880	273 797	291 206	271 828
Purchase of electricity	(188 048)	(134 740)	(188 048)	(134 740)
Electricity transmission service costs	(8 833)	(36 030)	(8 833)	(36 030)
Depreciation and amortisation	(55 428)	(62 549)	(54 493)	(61 027)
Employee benefits and related social security contributions	(25 020)	(27 013)	(19 776)	(21 904)
Repair and maintenance expense	(8 452)	(7 687)	(12 610)	(11 141)
Transportation expenses	(322)	423	(2 235)	(2 385)
Effect of revaluation of property, plant and equipment	-	(19 159)	-	(18 975)
Gain on disposal of property, plant and equipment	(83)	165	(158)	11
Other expenses	(6 085)	(8 296)	(5 758)	(7 308)
Operating profit (loss)	(391)	(21 089)	(705)	(21 671)
Finance income	1 255	1 136	1 966	1 162
Finance (costs)	(2 825)	(1 141)	(2 816)	(1 116)
Finance income (costs) – net	(1 570)	(5)	(850)	46
Profit (loss) before income tax	(1 961)	(21 094)	(1 555)	(21 625)
Income tax	320	6 550	396	6 553
Profit (loss) for the period	(1 641)	(14 544)	(1 159)	(15 072)
Other comprehensive income/(expenses):				
Loss on revaluation of property, plant and equipment	-	(173 896)	-	(172 207)
Deferred income tax effect	-	34 763	-	34 441
Other comprehensive income/(expenses) for the period	-	(139 133)	-	(137 766)
Total comprehensive (expense)/income for the period	(1 641)	(153 677)	(1 159)	(152 838)
Profit (loss) attributable to shareholders of the Company				
Profit (loss) for the period	(1 641)	(14 544)	(1 159)	(15 072)
Total comprehensive (expense)/income for the period	(1 641)	(153 677)	(1 159)	(152 838)
Basic and diluted earnings (deficit) per share (in LTL)	(0,003)	(0,03)	-	-

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

General Manager	Arvydas Tarasevičius	
Director of Finance Department	Arvydas Zakalskis	

AB RYŲ SKIRSTOMIEJI TINKLAI, company code 110870890, P. Lukšio g. 5b, Vilnius, Lithuania
 CONSOLIDATED AND THE COMPANY'S CONDENSED INTERIM FINANCIAL INFORMATION
 FOR THE FIRST HALF OF 2010

(Unaudited) (All amounts are presented in LTL thousand, unless otherwise stated)

Statement of changes in equity

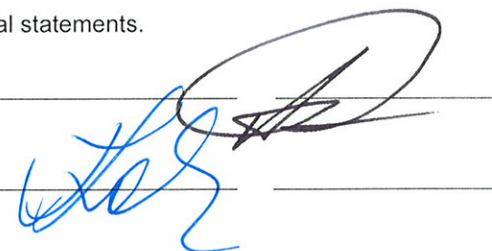
GROUP	Note	Attributable to shareholders of the Company					Total
		Share capital	Revaluation reserve	Legal reserve	Other reserves	Retained earnings	
Balance at 1 January 2009		492,405	1,462,054	49,516	336,169	82,495	2,422,639
Total comprehensive (expense)/income for the period		-	(139,133)	-	-	(6,464)	(145,597)
Transfers to retained earnings (depreciation), net of deferred income tax		-	(65,041)	-	-	65,041	-
Transfer to reserves		-	-	35	(331,881)	331,846	-
Reserves utilised		-	-	-	(2,650)	2,650	-
Balance at 30 June 2009		492,405	1,257,880	49,551	1,638	475,568	2,277,042
Balance at 1 January 2010		492,405	1,243,355	49,551	1,638	490,362	2,277,311
Restatement due to change in accounting policy	3					12,132	12,132
Balance at 1 January 2010 (restated)		492,405	1,243,355	49,551	1,638	502,494	2,289,443
Total comprehensive (expense)/income for the period		-	-	-	-	(734)	(734)
Transfers to retained earnings (depreciation), net of deferred income tax		-	(56,873)	-	-	56,873	-
Transfer to reserves		-	-	-	-	-	-
Reserves utilised	7	-	-	(67)	(1,367)	1,434	-
Dividends	7	-	-	-	-	(98,111)	(98,111)
Balance at 30 June 2010		492,405	1,186,482	49,484	271	461,956	2,190,598

COMPANY	Note	Attributable to shareholders of the Company					Total
		Share capital	Revaluation reserve	Legal reserve	Other reserves	Retained earnings	
Balance at 1 January 2009		492,405	1,452,735	49,240	333,519	89,277	2,417,176
Total comprehensive (expense)/income for the period		-	(137,766)	-	-	(4,603)	(142,369)
Transfers to retained earnings (depreciation), net of deferred income tax		-	(64,956)	-	-	64,956	-
Reserves utilised		-	-	-	(333,519)	333,519	-
Balance at 30 June 2009		492,405	1,250,013	49,240	-	483,149	2,274,807
Balance at 1 January 2010		492,405	1,237,738	49,240	-	497,175	2,276,558
Restatement due to change in accounting policy	3					12,132	12,132
Balance at 1 January 2010 (restated)		492,405	1,237,738	49,240	-	509,307	2,289,690
Total comprehensive (expense)/income for the period		-	-	-	-	1,056	1,056
Transfers to retained earnings (depreciation), net of deferred income tax		-	(56,844)	-	-	56,844	-
Dividends	7	-	-	-	-	(98,111)	(98,111)
Balance at 30 June 2010		492,405	1,180,894	49,240	-	469,096	2,191,635

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

General Manager _____ Arvydas Tarasevičius _____

Director of Finance Department _____ Arvydas Zakalskis _____



Statement of cash flows

	Note	1 January – 30 June			
		GROUP		COMPANY	
		2010	2009	2010	2009
Cash flows from operating activities					
Profit (loss) for the period		(734)	(6,464)	1,056	(4,603)
Adjustments for:					
Depreciation and amortisation		109,204	125,270	106,860	122,173
Impairment of property, plant and equipment		99	1,538	99	1,538
Revaluation of property, plant and equipment	4	-	32,087	-	31,903
Income tax expense		498	(391)	319	(477)
Amortisation of deferred income		(3,460)	(3,794)	(3,460)	(3,794)
Amortisation of grants		(286)	(288)	(286)	(288)
(Gain)/loss on disposal and write-off of property, plant and equipment		526	398	607	699
Dividends		-	-	(710)	(812)
Finance (income)		(3,659)	(2,316)	(3,658)	(2,388)
Finance costs		3,545	2,872	3,528	2,828
Other finance costs		-	2	-	2
Changes in working capital:					
(Increase) decrease in trade receivables and other receivables		13,536	20,476	13,536	19,468
(Increase) decrease in inventories, prepayments and other assets		(2,076)	(847)	492	(329)
Increase in amounts payable and advance amounts received		(4,399)	(17,345)	(4,641)	(20,041)
Income tax (paid)		(6,025)	(12,917)	(6,000)	(12,823)
Net cash generated from operating activities		106,769	138,281	107,742	133,056
Cash flows from investing activities					
(Purchase) of property, plant and equipment and intangible assets		(45,793)	(66,108)	(45,416)	(65,166)
Proceeds from sale of property, plant and equipment		(14)	485	(98)	145
Loan repayments received from subsidiaries		-	-	-	1,000
Loan repayments received		177	249	177	249
Term deposits		(2,500)	-	(2,500)	-
Dividends received		-	-	710	812
Interest received		3,659	2,316	3,658	2,388
Net cash flows used in investing activities		(44,471)	(63,058)	(43,469)	(60,572)
Cash flows from financing activities					
(Repayments) of borrowings		(2,726)	-	(2,726)	-
Dividends (paid) to the Company's shareholders	7	(28,132)	(35)	(28,132)	(35)
Interest (paid)		(1,744)	(3,597)	(1,728)	(3,553)
Other increases (decreases) in cash flows from financing activities		-	(2)	-	-
Net cash flows used in financing activities		(32,602)	(3,634)	(32,586)	(3,588)
Increase in cash and cash equivalents		29,696	71,589	31,687	68,896
Cash and cash equivalents at the beginning of period	6	(6,333)	7,479	(9,101)	11,660
Cash and cash equivalents at the end of the period	6	23,363	79,068	22,586	80,556

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

General Manager Arvydas Tarasevičius

Director of Finance
Department

Arvydas Zakalskis

Condensed notes to the financial statements

1. General information

AB Rytų skirstomieji tinklai (hereinafter "the Company") is a public company registered in the Republic of Lithuania. The Company was registered with the Register of Legal Entities on 31 December 2001. The shares of the Company have been listed on the main list of NASDAQ OMX Vilnius Stock Exchange since 2 May 2007. The address of the Company's registered office is:

P. Lukšio g. 5b,
 LT-08221 Vilnius,
 Lithuania.

The core business of the Company includes electric power supply and distribution. The Company, which owns a medium and low voltage distribution network, is the only power distribution service provider to users in Eastern Lithuania.

On 27 May 2010, a session of the National Control Commission for Prices and Energy was convened where it was decided to unilaterally fix and announce public prices and tariffs of electricity for the second half of 2010 applicable to AB Rytų skirstomieji tinklai. With effect from 1 July 2010, night-time tariffs of electricity for residential customers will decrease by 2 ct/kWh (incl. VAT). Tariffs of electricity for other groups of customers will remain unchanged.

On 4 January 2010, an extraordinary general meeting of the shareholders of the Company was convened where it was decided to reorganise AB Rytų skirstomieji tinklai and AB VST by way of merger. On 4 May 2010, the Ministry of Energy made a public statement announcing that the Government of the Republic of Lithuania approved the plan on reorganisation of Lithuanian energy companies, the implementation of which will result in the formation of four segments of electric power companies namely transmission, generation, distribution and maintenance. During this reorganisation process AB VST and AB Rytų skirstomieji tinklai will be merged to form a new company over which control be retained by the Lithuanian Government.

During the liquidation of LEO LT, AB (ex-ultimate parent) and implementation of the energy sector reorganisation plan (which has been approved by the Lithuanian Government), LEO LT, AB in liquidation lost its ownership rights over shares and voting rights in AB Rytų skirstomieji tinklai. UAB Visagino atominė elektrinė, which is indirectly wholly owned by the state, acquired from LEO LT, AB in liquidation 351,316,161 ordinary registered shares of AB Rytų skirstomieji tinklai with par value of LTL 1 (one) each (share issue code: LT0000126385). LEO LT, AB contributed the shares of AB Rytų skirstomieji tinklai to the share capital of UAB Visagino atominė elektrinė.

On 10 June 2010, LEO LT, AB notified AB Rytų skirstomieji tinklai about the forfeiture of its ownership rights over the shares and on the same date, AB Rytų skirstomieji tinklai received a notification from UAB Visagino atominė elektrinė about transfer of the shares from LEO LT, AB.

As at 31 December 2009, the shareholders of the Company were as follows:

	At 31 December 2009	
	Number of shares held	Ownership interest in %
LEO LT, AB	351,316,161	71.35 %
E.ON Ruhrgas International AG (Germany)	99,845,392	20.28 %
Other shareholders	41,243,100	8.37 %
Total	492,404,653	100 %

As at 30 June 2010, the shareholders of the Company were as follows:

	At 30 June 2010	
	Number of shares held	Ownership interest in %
UAB Visagino atominė elektrinė	351,316,161	71.35 %
E.ON Ruhrgas International AG (Germany)	99,845,392	20.28 %
Other shareholders	41,243,100	8.37 %
Total	492,404,653	100 %

All the Company's shares with the nominal value of LTL 1 are ordinary shares and they were fully paid as at 30 June 2009 and 31 December 2009. The Company does not have any classes of shares other than the ordinary shares mentioned above, there are no restrictions of share rights or special control rights for the shareholders set in the Articles of Association of the Company. The Company and its subsidiaries do not hold any of their own shares.

The Company's revenue increased as a result of a higher price of electricity sold effective from 1 January 2010.

General information (cont'd)

Expenses related to the purchase of electricity increased because of a higher price paid for electricity as a result of the closedown of Ignalina Nuclear Power Plant. Expenses related to public service obligations and electricity transmission services decreased due to changes in prices of services. In 2010, the price of public service obligations decreased by an average of 4.73 ct/kWh. In 2009, the price was set as 6.58 ct/kWh. The price of transmission service decreased to 3.41 ct/kWh (in 2009 it was 3.85 ct/kWh). In addition, the quantity of electricity in the distribution network declined (the value of public service obligations is calculated on this quantity). The mentioned quantity amounted to 2,150 million kWh in 2010 whereas in 2009 it was 2,181 million kWh.

The Company continues to implement cost optimisation plan, improves internal processes, carries out effective and transparent procurements. These measures resulted in lower employee benefits and other costs.

The consolidated group

The consolidated group (hereinafter "the Group") consists of the Company and its three subsidiaries. The subsidiaries included in the Group's consolidated financial statements are listed below:

Subsidiary	Country	Cost of investment	Year of establishment	Interest held by the Group (%)		Type of activities
				At 30 June 2010	At 31 December 2009	
UAB Rytra	Lithuania	22,998	2004	100 %	100 %	Transportation services
UAB Elektros tinklo paslaugos	Lithuania	11,657	2004	100 %	100 %	Power network and related equipment repair, maintenance and construction services
UAB Tetas	Lithuania	1,988	2005	100 %	100 %	Transformer substation, distribution station design, construction, repair and maintenance services
		36,643				

1.1. Critical accounting estimates

Revaluation and impairment of assets

The Group and the Company designate property, plant and equipment at fair value in accordance with International Accounting Standard No.16 'Property, plant and equipment'. Fair value of mostly all items of property, plant and equipment due to their specific nature is measured using a depreciated replacement cost approach at 31 December 2008.

If the value of assets is measured using the depreciated replacement cost method, International Valuation Standards require that an adequate profitability test is performed. Accounting standards require that values of property, plant and equipment are reviewed on a regular basis. When the carrying amount of property, plant and equipment stated in the balance sheet is higher than its value in use or fair value, less selling expenses, the value of property, plant and equipment should be reduced. In other words, the value of property, plant and equipment recorded in the balance sheet should be written down to the higher of the two indicators: value of future benefits of assets expected from their use or value of proceeds expected to be received from immediate write-off and disposal of assets.

The previous version of the Lithuanian Law on Electricity effective at 31 December 2008 stipulated that the price caps of electricity transmission, distribution and public supply services were determined based on the value of assets used in licensed activities of the service provider which was being established on the grounds of data reported in the service provider's financial statements (regulated base of assets).

According to the amendment effective from 1 June 2009 the Law has been amended and requires the price caps of transmission, distribution and public supply services to be determined based on the value of assets used in licensed activities of the service provider which is being estimated and approved by the National Control Commission for Prices and Energy (hereinafter "the Commission") in accordance with the principles of determination of the value of assets used in licensed activities of the service provider that have been drafted by the Commission and approved by the Government.

According to the Resolution on the Methodology of Determination of the Value of Assets used in Licensed Activities of the Electricity Service Provider, the determination of the price caps of electricity transmission, distribution and public supply services is to include the value of assets used in licensed activities of the service provider which is equal to net book value (carrying amount) of property, plant and equipment as at 31 December 2002 as increased by the amount of

investments implemented and agreed with the Commission and reduced by the depreciation amount calculated pursuant to the procedure stipulated by the Lithuanian Law on Income Tax.

The aforementioned amendments to regulatory legislation have a significant negative impact on fair value of property, plant and equipment. Due to the reasons specified, values of property, plant and equipment reported in these financial statements may materially differ from those that would be determined if the valuation of assets were performed by independent valuers as required by International Valuation and Accounting Standards. It is probable that such valuation would have a negative effect on the results of the Group's and the Company's activities and the shareholders' equity reported in the financial statements for the year 2009 and for the first half of 2010.

Valuation of fair values of property, plant and equipment as at 31 December 2009 was not performed by independent valuers, as the mentioned amendments to regulatory legislation came in force only on 1 January 2010 and the impact of these amendments on the Group's and the Company's ability to earn income in future periods cannot be reliably estimated. Valuation of property, plant and equipment was not performed by independent valuers on 30 June 2010 either.

Financial risk management – liquidity risk

Management expects that a small amount of free cash flows will be available in 2010, however it will be positive and believes that under worst conditions the Company will have sufficient funds and will receive funding from banks to cover expenses expected to be incurred in 2010.

In the opinion of management, the Group's and the Company's cash flows generated from its operating activities and financial support will be sufficient to cover its current liabilities.

2. Basis of preparation

These condensed interim financial statements for the first half of 2010 have been prepared in accordance with IAS 34, 'Interim financial reporting'.

The condensed interim financial statements for the first half of 2010 should be read in conjunction with the annual financial statements for 2009, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

3. Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for 2009.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

New or amended standards and interpretations effective in 2010

IFRIC 18, 'Transfers of assets from customers' (effective prospectively to transfers of assets from customers received on or after 1 July 2009; IFRIC 18 as adopted by the EU is effective for annual periods beginning after 31 October 2009, with early adoption permitted). The interpretation clarifies the accounting for transfers of assets from customers, namely, the circumstances in which the definition of an asset is met; the recognition of the asset and the measurement of its cost on initial recognition; the identification of the separately identifiable services (one or more services in exchange for the transferred asset); the recognition of revenue, and the accounting for transfers of cash from customers.

The Group and the Company applied IFRIC 18 starting from 1 January 2010. Although the interpretation as adopted in EU is effective for the annual periods beginning after 31 October 2009, IFRIC 18 requirements should be applied to transfers of assets from customers received on or after 1 July 2009. As a result, the Group and Company has retrospectively restated the revenue received from new customer connections. This change of accounting policy in 2010 had the following effect: a reduction of deferred income by the amount of LTL 14,273 thousand (further information is provided in Note 8); an increase of deferred income tax liability by the amount of LTL 2,141 thousand; and an increase of retained earnings by of LTL 12,132 thousand.

New or revised standards effective in 2010 but not relevant to the Group and the Company

IFRS 3, 'Business combinations' (revised in January 2008) (effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009). This standard is not expected to be relevant to the operations of the Company and the Group.

IFRIC 15, 'Agreements for the construction of real estate' (effective for annual periods beginning on or after 1 January 2009; IFRIC 15 as adopted by the EU is effective for annual periods beginning after 31 December 2009, with early adoption permitted). The interpretation applies to the accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors, and provides guidance for determining whether agreements for the construction of real estate are within the scope of IAS 11 or IAS 18. It also provides criteria for determining when entities should recognise revenue on such transactions.

IFRIC 16, 'Hedges of a net investment in a foreign operation' (effective for annual periods beginning on or after 1 October 2008; IFRIC 16 as adopted by the EU is effective for annual periods beginning after 30 June 2009, with early adoption permitted).

IAS 27, 'Consolidated and separate financial statements' (revised in January 2008) (effective for annual periods beginning on or after 1 July 2009). The revised IAS 27 will require an entity to attribute total comprehensive income to the owners of the parent and to the non-controlling interests (previously "minority interests") even if this results in the non-controlling interests having a deficit balance (the current standard requires the excess losses to be allocated to the owners of the parent in most cases). The revised standard specifies that changes in a parent's ownership interest in a subsidiary that do not result in the loss of control must be accounted for as equity transactions. It also specifies how an entity should measure any gain or loss arising on the loss of control of a subsidiary. At the date when control is lost, any investment retained in the former subsidiary will have to be measured at its fair value. The Company will apply this standard from 1 January 2010.

Amendment to IAS 39, 'Financial instruments: Recognition and measurement' – Eligible hedged items (effective with retrospective application for annual periods beginning on or after 1 July 2009). The amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. This standard is not expected to be relevant to the operations of the Company and the Group.

IFRIC 17, 'Distribution of non-cash assets to owners' (effective for annual periods beginning on or after 1 July 2009; IFRIC 17 as adopted by the EU is effective for annual periods beginning after 31 October 2009, with early adoption permitted). The interpretation clarifies when and how distribution of non-cash assets as dividends to the owners should be recognised. An entity should measure a liability to distribute non-cash assets as a dividend to its owners at the fair value of the assets to be distributed. A gain or loss on disposal of the distributed non-cash assets will be recognised in profit or loss when the entity settles the dividend payable. This interpretation is not expected to be relevant to the operations of the Company and the Group.

IFRS 1, 'First-time adoption of International Financial Reporting Standards' (following an amendment in December 2008, effective for the first IFRS financial statements for a period beginning on or after 1 July 2009; restructured IFRS 1 as adopted by the EU is effective for annual periods beginning after 31 December 2009, with early adoption permitted). The revised IFRS 1 retains the substance of its previous version but within a changed structure in order to make it easier for the reader to understand and to better accommodate future changes. This standard is not expected to be relevant to the operations of the Company and the Group.

Amendment to IAS 32, 'Financial instruments: Presentation' – Classification of rights issues (effective for annual periods beginning on or after 1 February 2010). The amendment exempts certain rights issues of shares with proceeds denominated in foreign currencies from classification as financial derivatives. This amendment does not have any impact on the Group's and Company's financial statements.

Amendments to IFRS 2, 'Share-based payment' – Group cash-settled share-based payment transactions (effective for annual periods beginning on or after 1 January 2010, not yet adopted by the EU).

Amendments to IFRS 1, 'First-time Adoption of IFRS' – Additional exemptions for first-time adopters (effective for annual periods beginning on or after 1 January 2010; not yet adopted by the EU).

New or revised standards and interpretations that are mandatory for the Company's and Group's accounting periods beginning on or after 1 July 2010 or later periods and which the Group and Company have not early adopted

IAS 24, 'Related party disclosures' (amended in November 2009; effective for annual periods beginning on or after 1 January 2011; not yet adopted by the EU). IAS 24 was revised in 2009 by: (a) simplifying the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition and by (b) providing a partial exemption from the disclosure requirements for government-related entities.

IFRS 9, 'Financial Instruments' (issued in November 2009; effective for annual periods beginning on or after 1 January 2013, with earlier application permitted; not yet adopted by the EU). IFRS 9 replaces those parts of IAS 39 relating to the classification and measurement of financial assets.

IFRIC 19, 'Extinguishing financial liabilities with equity instruments' (effective for annual periods beginning on or after 1 July 2010; not yet adopted by the EU). This IFRIC clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished through the debtor issuing its own equity instruments to the creditor. A gain or loss is recognised in the profit and loss account based on the fair value of the equity instruments compared to the carrying amount of the debt.

Amendment to IFRIC 14 – Prepayments of a minimum funding requirement (effective for annual periods beginning on or after 1 January 2011; not yet adopted by the EU). This amendment will have a limited impact as it applies only to companies that are required to make minimum funding contributions to a defined benefit pension plan. It removes an unintended consequence of IFRIC 14 related to voluntary pension prepayments when there is a minimum funding requirement.

Amendment to IFRS 1 – Limited exemption from comparative IFRS 7 disclosures for first-time adopters (effective for annual periods beginning on or after 1 July 2010 once adopted by the EU). Existing IFRS preparers were granted relief from presenting comparative information for the new disclosures required by the March 2009 amendments to IFRS 7 'Financial Instruments: Disclosures'. This amendment to IFRS 1 provides first-time adopters with the same transition provisions as included in the amendment to IFRS 7. These amendments will not have any impact on the Group's financial statements.

Improvements to International Financial Reporting Standards (issued in May 2010; effective dates vary standard by standard, most improvements are effective for annual periods beginning on or after 1 January 2010; the improvements have not yet been adopted by the EU). The improvements consist of a mixture of substantive changes and clarifications in the following standards and interpretations: IFRS 1 was amended (i) to allow previous GAAP carrying value to be used as deemed cost of an item of property, plant and equipment or an intangible asset if that item was used in operations subject to rate regulation, (ii) to allow an event driven revaluation to be used as deemed cost of property, plant and equipment even if the revaluation occurs during a period covered by the first IFRS financial statements and (iii) to require a first-time adopter to explain changes in accounting policies or in the IFRS 1 exemptions between its first IFRS interim report and its first IFRS financial statements; IFRS 3 was amended (i) to require measurement at fair value (unless another measurement basis is required by other IFRS standards) of non-controlling interests that are not present ownership interest or do not entitle the holder to a proportionate share of net assets in the event of liquidation, (ii) to provide guidance on acquiree's share-based payment arrangements that were not replaced or were voluntarily replaced as a result of a business combination and (iii) to clarify that the contingent considerations from business combinations that occurred before the effective date of revised IFRS 3 (issued in January 2008) will be accounted for in accordance with the guidance in the previous version of IFRS 3; IFRS 7 was amended to clarify certain disclosure requirements, in particular (i) by adding an explicit emphasis on the interaction between qualitative and quantitative disclosures about the nature and extent of financial risks, (ii) by removing the requirement to disclose carrying amount of renegotiated financial assets that would otherwise be past due or impaired, (iii) by replacing the requirement to disclose fair value of collateral by a more general requirement to disclose its financial effect, and (iv) by clarifying that an entity should disclose the amount of foreclosed collateral held at the reporting date and not the amount obtained during the reporting period; IAS 1 was amended to clarify that the components of the statement of changes in equity include profit or loss, other comprehensive income, total comprehensive income and transactions with owners and that an analysis of other comprehensive income by item may be presented in the notes; IAS 27 was amended by clarifying the transition rules for amendments to IAS 21, 28 and 31 made by the revised IAS 27 (as amended in January 2008); IAS 34 was amended to add additional examples of significant events and transactions requiring disclosure in a condensed interim financial report, including transfers between the levels of fair value hierarchy, changes in classification of financial assets or changes in business or economic environment that affect the fair values of the entity's financial instruments; and IFRIC 13 was amended to clarify measurement of fair value of award credits.

AB RYTŲ SKIRSTOMIEJI TINKLAI, company code 110870890, P. Lukšio g. 5b, Vilnius, Lithuania
CONSOLIDATED AND THE COMPANY'S CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE FIRST HALF OF 2010
(Unaudited) (All amounts are presented in LTL thousand, unless otherwise stated)

4. Property, plant and equipment

Group	Land	Buildings	Structures and machinery	Motor vehicles	Other property, plant and equipment	Construction in progress	Total
Net book amount at 1 January 2009	40	181,145	2,883,047	17,375	85,756	69,633	3,236,996
Additions	-	55	846	360	57	65,387	66,705
Disposals	-	(84)	(3)	(18)	(49)	-	(154)
Write-offs	-	(4)	(809)	(10)	(1,867)	-	(2,690)
Reversal of impairment	-	7	-	-	-	10	17
Impairment	-	-	(18)	-	(1,537)	-	(1,555)
Revaluation	-	(15,158)	(188,619)	-	(78)	(2,128)	(205,983)
Reclassifications between groups	-	5,228	60,335	119	12,537	(79,237)	(1,018)
Depreciation charge	-	(6,393)	(101,878)	(1,883)	(10,846)	-	(121,000)
Net book amount at 30 June 2009	40	164,796	2,652,901	15,943	83,973	53,665	2,971,318
Net book amount at 1 January 2010	40	136,714	2,563,964	14,665	77,284	35,885	2,828,552
Additions	-	83	2,652	298	346	29,973	33,352
Disposals	-	(30)	-	(2)	-	-	(32)
Write-offs	-	(16)	(562)	-	(2)	-	(580)
Reversal of impairment	-	-	-	1	-	-	1
Impairment	-	-	-	-	(100)	-	(100)
Reclassified to the group of assets held for sale	-	1	-	-	-	-	1
Reclassifications between groups	-	544	28,841	-	2,919	(32,304)	-
Depreciation charge	-	(5,765)	(92,297)	(1,515)	(9,749)	-	(109,326)
Net book amount at 30 June 2010	40	131,531	2,502,598	13,447	70,698	33,554	2,751,868

Company	Land	Buildings	Structures and machinery	Motor vehicles	Other property, plant and equipment	Construction in progress	Total
Net book amount at 1 January 2009	40	162,027	2,879,416	86	84,477	69,587	3,195,633
Additions	-	55	874	-	43	65,387	66,359
Disposals	-	(85)	-	-	(49)	-	(134)
Write-offs	-	(4)	(809)	-	(1,867)	-	(2,680)
Reversal of impairment	-	7	-	-	-	10	17
Impairment	-	-	(18)	-	(1,537)	-	(1,555)
Revaluation	-	(13,285)	(188,619)	-	(78)	(2,128)	(204,110)
Reclassifications between groups	-	5,676	61,108	-	12,536	(79,236)	84
Depreciation charge	-	(6,499)	(101,472)	(20)	(10,515)	-	(118,506)
Net book amount at 30 June 2009	40	147,892	2,650,480	66	83,010	53,620	2,935,108
Net book amount at 1 January 2010	40	124,515	2,561,592	45	76,643	35,840	2,798,675
Additions	-	83	2,130	-	304	29,973	32,490
Disposals	-	(30)	-	-	-	-	(30)
Write-offs	-	(16)	(561)	-	(1)	-	(578)
Reversal of impairment	-	-	-	1	-	-	1
Impairment	-	-	-	-	(100)	-	(100)
Reclassifications between groups	-	353	28,840	-	3,111	(32,304)	-
Depreciation charge	-	(5,417)	(91,903)	(21)	(9,642)	-	(106,983)
Net book amount at 30 June 2010	40	119,488	2,500,098	25	70,315	33,509	2,723,475

Property, plant and equipment (cont'd)

Write-offs are mostly related to write-offs of structures and electricity networks due to their reconstruction, damage or replacement as requested by the user.

The last revaluation of the Group's and the Company's property, plant and equipment was performed on 31 December 2009. The valuation of the Group's and the Company's property, plant and equipment (except for buildings, motor vehicles and assets of faster depreciation, e.g. computers) was carried out using indexes of construction prices covering a period of 11 months ending 30 November 2009 announced by the Statistics Department. The revaluation of the Company's and the Group's property, plant and equipment mostly comprising real estate (administrative buildings, warehouses), which was revaluated using a comparative price method in previous periods, was performed on 31 December 2009 with reference to the report on changes in real estate fair values in Lithuania by regions delivered by the independent property valuer UAB Ober-Haus nekilnojamasis turtas which was prepared using market-based evidence on real estate prices.

There were no significant changes in indexes of construction prices announced by the Statistics Department in the first half of 2010 as compared to December 2009. Due to insignificant changes the Company and the Group did not carry out revaluation of property, plant and equipment in 2010.

5. Trade and other receivables

	Group		Company	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009
Trade receivables	105,153	111,455	103,643	110,132
Trade receivables and other amounts receivable from related parties	2,959	7,653	2,727	7,747
Current portion of mortgage loans	343	341	356	352
Other amounts receivable	1,725	482	1,850	1,016
Less: impairment of doubtful receivables	(23,158)	(21,801)	(23,093)	(21,740)
	87,022	98,130	85,483	97,507

The fair values of trade and other receivables approximate their carrying amounts.

The Group's and the Company's trade receivables not classified as doubtful included as follows:

	Group		Company	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009
Not overdue	73,925	81,551	72,479	80,301
Overdue up to 1 month	716	352	716	352
Overdue from 1 to 2 months	4,913	5,007	4,913	5,007
Carrying amount	79,554	86,910	78,108	85,660

No impairment on other amounts receivable was identified or recognised.

Trade receivables are non-interest bearing and are normally settled with the term of 25 to 35 days.

The Group's and the Company's trade receivables with the nominal value of LTL 20,247 thousand as at 30 June 2010 (31 December 2009: LTL 18,096 thousand) were fully provided for.

6. Cash and cash equivalents

	Group		Company	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009
Term deposits with maturity of up to 3 months	23,640	20,731	23,640	20,726
Cash in bank	3,933	3,229	823	472
Cash in transit	107	114	82	108
	27,680	24,074	24,545	21,306

Cash and cash equivalents (cont'd)

Cash and cash equivalents and bank overdrafts include the following for the purposes of the cash flow statement:

	Group		Company	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009
Cash and cash equivalents	27,679	24,074	24,545	21,306
Bank overdraft (Note 11)	(4,316)	(30,407)	(1,959)	(30,407)
	23,363	(6,333)	22,586	(9,101)

As at 30 June 2010, the average annual weighted interest rate for deposits with maturity of up to three months was 0.69 per cent (31 December 2009: 5.6 per cent).

7. Reserves

Other reserves are formed based on the decision of shareholders and can be redistributed on the distribution of next year's profit. Other reserves were not formed at AB Rytų skirstomieji tinklai as at 30 June 2010.

At the ordinary general shareholders' meeting held on 21 May 2010, the shareholders of Rytų Skirstomieji Tinklai AB resolved to distribute LTL 98,112 thousand as dividends.

8. Deferred income

	Group/Company	
	30/06/2010	31/12/2009
Deferred income from customer connection fees	174,769	192,042
Deferred income from public service obligations (PSO) electricity sales	1,259	1,281
Deferred income from replacement of electricity equipment	7,993	8,129
	184,021	201,451
Restated due to change in accounting policy (Note 3)	-	(13,813)
	184,021	187,638

With effect from 1 January 2010, all income from new customer connection to electricity equipment and from replacement of electricity lines are recognised during the period in which works are performed and a VAT invoice is issued. Accrued income until 1 July 2009 is recognised as income over the average useful life of non-current assets.

Deferred income from customer connection fees

	1st half		Year to
	2010 06 30	2009 06 30	2009 12 31 (Restated)
Opening balance	184 690	170 582	170 582
Deferred during the half-year/year	-	20 476	34 799
Recognised in the profit and loss account	(3 460)	(3 070)	(6 418)
Closing balance	181 230	187 988	196 963
Restatement due to change in accounting policy (Note 3)	-	-	(14 273)
Closing balance	181 230	187 988	184 690
Non-current portion	174 769	181 535	178 229
Current portion (Note 10)	6 461	6 453	6 462
Total	181 230	187 988	184 690

During the first half of 2010, income from new customer connections fees amounted to LTL 7,081 thousand, LTL 3,460 thousand of which were deferred income accrued until 2010.

9. Trade and other payables

	Group		Company	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009
Trade payables	45,002	62,261	34,224	52,014
Amounts payable to subsidiaries (Note 13)	-	-	11,948	12,644
Amounts payable to entities controlled by the Ministry of Economy (Note 13)	74,246	72,693	74,238	72,692
Total trade payables	119,248	134,954	120,410	137,350
Taxes, other than income tax	4,439	3,733	3,830	2,479
Employment-related liabilities	10,702	7,115	7,601	4,960
Other current liabilities	760	408	744	391
Total other amounts payables	15,901	11,256	12,175	7,830
	135,149	146,210	132,585	145,180

Trade payables

The Group's and the Company's trade payables at 30 June 2010 decreased due to the decrease in amounts payable to suppliers and contractors.

Terms and conditions of the above mentioned financial liabilities:

- Trade payables are non-interest bearing and are normally settled within 60 days or less.
- Other payables are non-interest bearing and have an average settlement term of 6 months.
- Interest payable is normally paid in quarters over the course of the financial year.
- Terms and conditions applicable to amounts payable to related parties are described in Note 13.

10. Advances received and accrued liabilities

	Group		Company	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009
Advances received	16,375	17,525	16,373	17,522
Current portion of deferred income from customer connection fees (Note 8)	6,461	6,461	6,461	6,461
Accruals	2,390	5,315	2,375	5,265
	25,226	29,301	25,209	29,248

Advances received

Advances received mostly comprise advances received for new customer connection. Decrease was caused by a worsening economic situation and lower volumes and prices of construction in Lithuania.

11. Borrowings

	Group		Company	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009
Non-current borrowings				
Bank borrowings	122,788	125,514	122,788	125,514
Current borrowings				
Overdraft	4,316	30,408	1,959	30,408
Bank borrowings	24,510	24,510	24,510	24,510
	28,826	54,918	26,469	54,918
Total borrowings	151,614	180,432	149,257	180,432

Borrowings (cont'd)

All the Group's and the Company's borrowings bear floating interest rates with repricing period up to 6 months. No assets are provided as collateral for borrowings.

The maturity of non-current borrowings is as follows:

	Group		Company	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009
1 to 2 years	35,559	35,559	35,559	35,559
2 to 5 years	68,148	68,148	68,148	68,148
Over 5 years	19,081	21,807	19,081	21,807
	122,788	125,514	122,788	125,514

The average interest rates at the balance sheet date were as follows:

	Group		Company	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009
Overdraft	1.38%	1.65%	1.37%	1.65%
Bank borrowings	1.17%	1.23%	1.17%	1.23%

The carrying amount of non-current and current borrowings bearing floating interest rates approximates their fair value.

12. Income tax

The Group's and the Company's income tax expense for the first half of 2010 and the first half of 2009 comprised the following:

	Group		Company	
	1 January – 30 June		1 January – 30 June	
	2010	2009	2010	2009
Current year income tax expense	5,990	17,336	5,990	17,27
Deferred income tax (benefit)	(5,492)	(17,725)	(5,671)	(17,41)
	498	(389)	319	(47)

13. Related-party transactions

Parties are deemed to be related when one party has a power to exercise control over the other party or exercise significant influence over its financial and operation decisions.

As at 30 June 2010, UAB Visagino atominė elektrinė was the main shareholder of the Company. UAB Visagino atominė elektrinė is indirectly wholly owned by the Lithuanian Government. In 2009, LEO LT, AB was the main shareholder of the Company.

For the purposes of related party disclosures, the Company's related parties in the first half of 2009 were as follows:

Entities controlled by the Ministry of Economy and the Ministry of Energy of Lithuania;
 LEO LT, AB (the main shareholder of the Company) and its subsidiaries;
 Subsidiaries of the Company;
 E.ON Ruhrgas International AG (Germany).

For the purposes of related party disclosures, the Company's related parties in the first half of 2010 were as follows:

Entities controlled by the Ministry of Economy and the Ministry of Energy of Lithuania;
 UAB Visagino atominė elektrinė (the main shareholder of the Company) and its subsidiaries;
 Subsidiaries of the Company;
 E.ON Ruhrgas International AG (Germany).

For the purpose of related party disclosures, transactions between the Company and the related parties include all transactions.

Related-party transactions (cont'd)

The following related party transactions were conducted:

Sales of goods and services to:

	Group		Company	
	1 January – 30 June		1 January – 30 June	
	2010	2009	2010	2009
Subsidiaries	-	-	1,354	2,725
Entities controlled by the Ministry of Economy and the Ministry of Energy of Lithuania (including UAB Visagino atominė elektrinė and its subsidiaries) (transactions in 2009 represent transactions with LEO LT, AB)	2,457	1,892	2,080	1,624
	2,457	1,892	3,434	4,349

Purchases of goods and services from:

	Group		Company	
	1 January – 30 June		1 January – 30 June	
	2010	2009	2010	2009
Subsidiaries	-	-	30,756	31,538
Entities controlled by the Ministry of Economy and the Ministry of Energy of Lithuania (including UAB Visagino atominė elektrinė and its subsidiaries) (transactions in 2009 represent transactions with LEO LT, AB)	371,302	341,534	371,264	341,530
	371,302	341,534	402,020	373,068

Compensation of key management personnel

	Group		Company	
	1 January – 30 June		1 January – 30 June	
	2010	2009	2010	2009
Salaries and other short-term employee benefits	515	624	515	624

Key management includes 4 members.

Amounts receivable from related parties:

	Group		Company	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009
Subsidiaries	-	-	196	179
Entities controlled by the Ministry of Economy and the Ministry of Energy of Lithuania (including UAB Visagino atominė elektrinė and its subsidiaries) (transactions in 2009 represent transactions with LEO LT, AB)	2,959	7,653	2,531	7,568
	2,959	7,653	2,727	7,747

Amounts payables to related parties:

	Group		Company	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009
Subsidiaries	-	-	11,948	12,644
Entities controlled by the Ministry of Economy and the Ministry of Energy of Lithuania (including UAB Visagino atominė elektrinė and its subsidiaries) (transactions in 2009 represent transactions with LEO LT, AB)	74,246	72,693	74,238	72,692
	74,246	72,693	86,186	85,336

On 4 June 2010, AB Rytų skirstomieji tinklai and LEO LT, AB concluded an agreement regarding the offsetting of the obligation of RST to pay to LEO LT, AB dividends of LTL 70,000,000 and the obligation of LEO LT, AB to repay to RST a loan of LTL 70,000,000.

14. Contingent liabilities

The bankrupt Alytaus Tekstilė AB has brought an action against the Company seeking damages in the amount of LTL 1.253 million. Currently the case is under investigation by the Lithuanian Supreme Court and the Company cannot predict the outcome of this case

15. Post-balance sheet events

On 29 June 2010 the Company received an offer from UAB Visagino atominė elektrinė to acquire the tangible fixed assets, owned by UAB Visagino atominė elektrinė. On 15 July 2010, the Company received the valuation report on tangible fixed assets located in Visaginas City, Visaginas Municipality. The market value of assets subject to valuation is LTL 29,515,840 as at 1 July 2010. On 23 July 2010, the extraordinary general meeting of shareholders was convened where it was decided to approve the acquisition of electricity distribution network located in the territory of Visaginas Municipality for the market price determined by the independent property valuer.