

# **AB LIETUVOS DUJOS**

**CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010  
PREPARED ACCORDING TO  
INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EU**

## Statements of financial position

	Notes	Group		Company	
		As of 30 September 2010 (pre-audited)	As of 31 December 2009 (audited)	As of 30 September 2010 (pre-audited)	As of 31 December 2009 (audited)
<b>ASSETS</b>					
<b>A. Non-current assets</b>		<b>2,345,738</b>	<b>2,290,965</b>	<b>2,347,330</b>	<b>2,292,578</b>
I. Intangible assets		3,649	3,917	3,632	3,896
II. Property, plant and equipment		2,342,058	2,287,000	2,332,930	2,277,897
II.1. Land		183	183	183	183
II.2. Buildings and structures		2,009,120	2,046,025	2,000,435	2,039,464
II.2.1. Buildings		85,838	84,536	77,153	77,975
II.2.2. Transmission networks and related installations		1,232,539	1,257,982	1,232,539	1,257,982
II.2.3. Distribution networks and related installations		679,945	692,380	679,945	692,380
II.2.4. Other buildings and structures		10,798	11,127	10,798	11,127
II.3. Machinery and equipment		96,823	94,131	96,823	94,131
II.4. Vehicles		14,736	15,001	14,732	14,990
II.5. Other equipment, tools and devices		26,918	30,627	26,544	30,338
II.6. Other property, plant and equipment		3,445	3,892	3,445	3,892
II.7. Construction in progress		190,833	97,141	190,768	94,899
III. Non-current financial assets		31	48	10,768	10,785
III.1. Investments into subsidiaries		-	-	10,737	10,737
III.2. Non-current accounts receivable		31	48	31	48
<b>B. Current assets</b>		<b>163,832</b>	<b>260,217</b>	<b>161,364</b>	<b>257,231</b>
I. Inventories and prepayments		44,701	44,402	44,689	44,391
I.1. Inventories		44,344	44,226	44,337	44,215
I.1.1. Raw materials, spare parts and other inventories		4,788	4,177	4,788	4,176
I.1.2. Goods for resale (including natural gas)		39,556	40,049	39,549	40,039
I.2. Prepayments		357	176	352	176
II. Accounts receivable		72,163	128,029	72,120	127,668
II.1. Trade receivables	4	69,981	126,757	69,951	126,722
II.2. Other receivables		2,182	1,272	2,169	946
III. Other current assets	5	2,235	22,958	-	21,016
IV. Cash and cash equivalents		44,733	64,828	44,555	64,156
<b>Total assets</b>		<b>2,509,570</b>	<b>2,551,182</b>	<b>2,508,694</b>	<b>2,549,809</b>


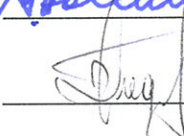
(cont'd on the next page)

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

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

	Notes	Group		Company	
		As of 30 September 2010	As of 31 December 2009	As of 30 September 2010	As of 31 December 2009
		(pre-audited)	(audited)	(pre-audited)	(audited)
<b>EQUITY AND LIABILITIES</b>					
<b>C. Equity</b>		<b>2,012,383</b>	<b>1,991,184</b>	<b>2,011,206</b>	<b>1,989,996</b>
I. Share capital		469,068	469,068	469,068	469,068
II. Reserves		1,452,130	1,369,370	1,449,828	1,366,977
II.1. Legal reserves		31,114	26,372	30,922	26,180
II.2. Other reserves		1,421,016	1,342,998	1,418,906	1,340,797
III. Retained earnings		91,185	152,746	92,310	153,951
<b>D. Liabilities</b>		<b>497,187</b>	<b>559,998</b>	<b>497,488</b>	<b>559,813</b>
I. Non-current liabilities		353,680	358,577	354,062	358,964
I.1. Non-current borrowings	7	5,360	6,432	5,360	6,432
I.2. Grants (deferred revenue)		173,625	171,871	173,625	171,871
I.3. Non-current employee benefits		7,283	7,283	7,283	7,283
I.4. Deferred tax liability		167,412	172,991	167,794	173,378
II. Current liabilities		143,507	201,421	143,426	200,849
II.1. Current portion of non-current borrowings	7	2,144	2,144	2,144	2,144
II.2. Trade payables	8	88,332	145,112	88,313	144,592
II.3. Prepayments received		15,490	9,760	15,489	9,755
II.4. Income tax payable		8,838	2,853	8,838	2,853
II.5. Payroll related liabilities		12,634	7,273	12,574	7,237
II.6. Other payables and current liabilities	9	16,069	34,279	16,068	34,268
<b>Total equity and liabilities</b>		<b>2,509,570</b>	<b>2,551,182</b>	<b>2,508,694</b>	<b>2,549,809</b>

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

General Manager	Viktoras Valentukevičius		26 November 2010
Chief Accountant	Žydrūnas Augutis		26 November 2010

AB LIETUVOS DUJOS, company code 120059523, Aguonų Str. 24, Vilnius, Lithuania  
**CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010**  
(all amounts are in LTL thousand unless otherwise stated)

**Income statements**

	Group		Company		Group		Company	
	Three months period ended 30 September 2010	Three months period ended 30 September 2009	Three months period ended 30 September 2010	Three months period ended 30 September 2009	Nine months period ended 30 September 2010	Nine months period ended 30 September 2009	Nine months period ended 30 September 2010	Nine months period ended 30 September 2009
	(pre-audited)	(pre-audited)	(pre-audited)	(pre-audited)	(pre-audited)	(pre-audited)	(pre-audited)	(pre-audited)
<b>I. Income</b>	259,019	155,070	258,525	154,606	1,221,952	872,567	1,221,218	871,812
I.1. Sales	257,867	153,694	257,373	153,230	1,218,368	867,710	1,217,634	866,955
I.2. Other income	1,152	1,376	1,152	1,376	3,584	4,857	3,584	4,857
<b>II. Expenses</b>	(254,035)	(142,178)	(253,731)	(141,860)	(1,117,741)	(795,464)	(1,116,911)	(794,593)
II.1. Cost of natural gas	(192,013)	(83,014)	(192,013)	(83,014)	(931,258)	(616,850)	(931,258)	(616,850)
II.2. Other expenses	(62,022)	(59,164)	(61,718)	(58,846)	(186,483)	(178,614)	(185,653)	(177,743)
<b>III. Profit from operations</b>	4,984	12,892	4,794	12,746	104,211	77,103	104,307	77,219
<b>IV. Financial activities</b>	361	695	341	607	2,848	2,360	2,748	2,091
IV.1. Income	470	844	450	756	2,783	2,839	2,709	2,570
IV.2. Expenses	(109)	(149)	(109)	(149)	65	(479)	39	(479)
<b>V. Profit before tax</b>	<b>5,345</b>	<b>13,587</b>	<b>5,135</b>	<b>13,353</b>	<b>107,059</b>	<b>79,463</b>	<b>107,055</b>	<b>79,310</b>
VI. Income tax	232	(2,236)	234	(2,211)	(14,751)	(14,712)	(14,745)	(14,681)
VI.1. Current period income tax	(1,531)	(4,675)	(1,531)	(4,652)	(20,329)	(22,230)	(20,329)	(22,207)
VI.2. Deferred income tax	1,763	2,439	1,765	2,441	5,578	7,518	5,584	7,526
<b>VII. Net profit</b>	<b>5,577</b>	<b>11,351</b>	<b>5,369</b>	<b>11,142</b>	<b>92,308</b>	<b>64,751</b>	<b>92,310</b>	<b>64,629</b>
Basic and diluted earnings per share (LTL)	10	0.01	10	0.02	0.20	0.14	0.20	0.14

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

General Manager Viktoras Valentukevičius 26 November 2010

Chief Accountant Žydrūnas Augustis 26 November 2010

AB LIETUVOS DUJOS, company code 120059523, Agonuų Str. 24, Vilnius, Lithuania  
 CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS  
 FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010  
 (all amounts are in LTL thousand unless otherwise stated)

**Statements of comprehensive income**

	Group		Company		Group		Company	
	Three months period ended 30 September 2010	Three months period ended 30 September 2009	Three months period ended 30 September 2010	Three months period ended 30 September 2009	Nine months period ended 30 September 2010	Nine months period ended 30 September 2009	Nine months period ended 30 September 2010	Nine months period ended 30 September 2009
I. Net profit	5,577	11,351	5,369	11,142	92,308	64,751	92,310	64,629
II. Total comprehensive income	5,577	11,351	5,369	11,142	92,308	64,751	92,310	64,629

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

General Manager \_\_\_\_\_ Viktoras Valentukevičius \_\_\_\_\_ 26 November 2010

Chief Accountant \_\_\_\_\_ Žydrūnas Augutis \_\_\_\_\_ 26 November 2010

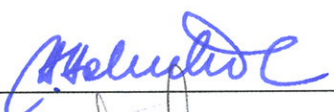
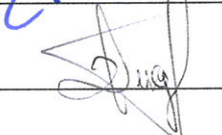


AB LIETUVOS DUJOS, company code 120059523, Aguonų Str. 24, Vilnius, Lithuania  
**CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010**  
(all amounts are in LTL thousand unless otherwise stated)

**Statements of changes in equity**

<u>Group</u>	<u>Notes</u>	<u>Share capital</u>	<u>Legal reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>
<b>Balance as of 1 January 2009 (audited)</b>		<b>469,068</b>	<b>23,160</b>	<b>1,388,615</b>	<b>1,462</b>	<b>1,882,305</b>
Transfer to legal reserve		-	3,212	-	(3,212)	-
Transfer to other reserves		-	-	16,100	(16,100)	-
A transfer to retained earnings due to shareholders decision		-	-	(61,717)	61,717	-
Dividends declared		-	-	-	(45,000)	(45,000)
Total comprehensive income		-	-	-	64,751	64,751
<b>Balance as of 30 September 2009 (pre-audited)</b>		<b>469,068</b>	<b>26,372</b>	<b>1,342,998</b>	<b>63,618</b>	<b>1,902,056</b>
<b>Balance as of 31 December 2009 (audited)</b>		<b>469,068</b>	<b>26,372</b>	<b>1,342,998</b>	<b>152,746</b>	<b>1,991,184</b>
Transfer to legal reserve		-	4,742	-	(4,742)	-
Transfer to other reserves		-	-	78,109	(78,109)	-
A transfer from other reserves to compensate the loss of the subsidiary		-	-	(91)	91	-
Dividends declared	11	-	-	-	(71,100)	(71,100)
Total comprehensive income		-	-	-	92,299	92,299
<b>Balance as of 30 September 2010 (pre-audited)</b>		<b>469,068</b>	<b>31,114</b>	<b>1,421,016</b>	<b>91,185</b>	<b>2,012,383</b>

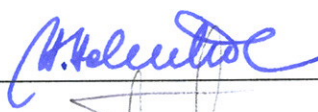
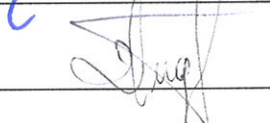
The accompanying notes are an integral part of these financial statements.

General Manager	Viktoras Valentukevičius		26 November 2010
Chief Accountant	Žydrūnas Augutis		26 November 2010

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

<u>Company</u>	<u>Notes</u>	<u>Share capital</u>	<u>Legal reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>
<b>Balance as of 1 January 2009 (audited)</b>		<b>469,068</b>	<b>22,983</b>	<b>1,386,695</b>	<b>2,299</b>	<b>1,881,045</b>
Transfer to legal reserve		-	3,197	-	(3,197)	-
Transfer to other reserves		-	-	15,819	(15,819)	-
A transfer to retained earnings due to shareholders decision		-	-	(61,717)	61,717	-
Dividends declared		-	-	-	(45,000)	(45,000)
Total comprehensive income		-	-	-	64,629	64,629
<b>Balance as of 30 September 2009 (pre-audited)</b>		<b>469,068</b>	<b>26,180</b>	<b>1,340,797</b>	<b>64,629</b>	<b>1,900,674</b>
<b>Balance as of 31 December 2009 (audited)</b>		<b>469,068</b>	<b>26,180</b>	<b>1,340,797</b>	<b>153,951</b>	<b>1,989,996</b>
Transfer to legal reserve		-	4,742	-	(4,742)	-
Transfer to other reserves		-	-	78,109	(78,109)	-
Dividends declared	11	-	-	-	(71,100)	(71,100)
Total comprehensive income		-	-	-	92,310	92,310
<b>Balance as of 30 September 2010 (pre-audited)</b>		<b>469,068</b>	<b>30,922</b>	<b>1,418,906</b>	<b>92,310</b>	<b>2,011,206</b>

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

<u>General Manager</u>	<u>Viktoras Valentukevičius</u>		<u>26 November 2010</u>
<u>Chief Accountant</u>	<u>Žydrūnas Augutis</u>		<u>26 November 2010</u>

## Statements of cash flows

	<b>Group</b>		<b>Company</b>	
	Nine months period ended 30 September 2010 (pre-audited)	Nine months period ended 30 September 2009 (pre-audited)	Nine months period ended 30 September 2010 (pre-audited)	Nine months period ended 30 September 2009 (pre-audited)
<b>I. Cash flows from (to) operating activities</b>				
I.1. Net profit	92,308	64,751	92,310	64,629
<b>Adjustments of non-cash items and other corrections:</b>				
I.2. Depreciation and amortisation	73,951	73,127	73,751	72,938
I.3. (Gain) on property, plant and equipment, doubtful trade accounts receivable and inventories write-off and disposal	(69)	(40)	(69)	(40)
I.4. (Reversal of) impairment for property, plant and equipment, financial assets, allowance for doubtful trade accounts receivable and inventories	938	(724)	938	(724)
I.5. Income tax expenses	14,751	14,712	14,745	14,681
I.6. Interest (income)	(1,711)	(1,267)	(1,634)	(998)
I.7. Interest expenses	350	479	350	479
I.8. (Gain) loss on foreign currency exchange	4	(1)	4	(1)
I.9. Elimination of other financial activity results	(26)	-	-	-
I.10. Amortisation of the grants, deferred revenue and other adjustments of non-cash items	(3,013)	(3,033)	(3,013)	(3,033)
	<b>177,483</b>	<b>148,004</b>	<b>177,382</b>	<b>147,931</b>
<b>Changes in working capital:</b>				
I.11. (Increase) decrease in inventories	(227)	29,262	(230)	29,257
I.12. Decrease in trade accounts receivable	54,681	84,612	54,676	84,657
I.13. Decrease in other accounts receivable and prepayments	401	447	91	515
I.14. (Decrease) in trade accounts payable	(63,557)	(141,190)	(63,056)	(141,189)
I.15. (Decrease) in other accounts payable and other current liabilities	(8,338)	(20,110)	(8,339)	(20,123)
I.16. Income tax (paid)	(10,028)	(19,060)	(10,028)	(19,060)
<b>Total changes in working capital</b>	<b>(27,068)</b>	<b>(66,039)</b>	<b>(26,886)</b>	<b>(65,943)</b>
<b>Net cash flows from operating activities</b>	<b>150,415</b>	<b>81,965</b>	<b>150,496</b>	<b>81,988</b>
<b>II. Cash flows from (to) investing activities</b>				
II.1. (Acquisitions) of property, plant and equipment and intangible assets	(121,991)	(95,662)	(121,769)	(95,068)
II.2. Proceeds from sales of property, plant and equipment	86	65	86	65
II.3. Disposal of financial assets held for trade	20,616	-	21,017	-
II.4. Receipt of non-current receivables and loans granted	17	4	17	4
II.5. Decrease in term deposits	112	607	-	-
II.6. Interest received	2,161	1,176	2,089	907
<b>Net cash flows (to) investing activities</b>	<b>(98,999)</b>	<b>(93,810)</b>	<b>(98,560)</b>	<b>(94,092)</b>

(cont'd on the next page)


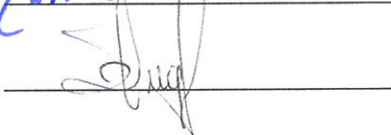
The accompanying notes are an integral part of these financial statements.



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

	<u>Group</u>		<u>Company</u>	
	<u>Nine months period ended 30 September 2010 (pre-audited)</u>	<u>Nine months period ended 30 September 2009 (pre-audited)</u>	<u>Nine months period ended 30 September 2010 (pre-audited)</u>	<u>Nine months period ended 30 September 2009 (pre-audited)</u>
<b>III. Cash flows from (to) financing activities</b>				
III.1. Dividends (paid)	(71,051)	(45,017)	(71,051)	(45,017)
III.2. Loans (repaid)	(1,072)	(1,072)	(1,072)	(1,072)
III.3. Grants received	450	376	450	376
III.4. Interest (paid)	(257)	(356)	(257)	(356)
III.5. Other cash flows from financial activities	419	-	393	-
<b>Net cash flows (to) financing activities</b>	<b>(71,511)</b>	<b>(46,069)</b>	<b>(71,537)</b>	<b>(46,069)</b>
<b>IV. Net (decrease) in cash and cash equivalents</b>	<b>(20,095)</b>	<b>(57,914)</b>	<b>(19,601)</b>	<b>(58,173)</b>
<b>V. Cash and cash equivalents at the beginning of the period</b>	<b>64,828</b>	<b>84,226</b>	<b>64,156</b>	<b>83,995</b>
<b>VI. Cash and cash equivalents at the end of the period</b>	<b>44,733</b>	<b>26,312</b>	<b>44,555</b>	<b>25,822</b>

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

<u>General Manager</u>	<u>Viktoras Valentukevičius</u>		<u>26 November 2010</u>
<u>Chief Accountant</u>	<u>Žydrūnas Augutis</u>		<u>26 November 2010</u>

## Notes to the financial statements

### 1 General information

AB Lietuvos Dujos (hereinafter "the Company") and consolidated AB Lietuvos Dujos and UAB Palangos Perlas (hereinafter "the Group") condensed financial statements, including the statements of financial position as of 30 September 2010, income statements, statements of comprehensive income, statements of cash flows and statements of changes in equity for the nine months ended 30 September 2010 and 30 September 2009 are not audited. The consolidated and the Company's financial statements for the year ended 31 December 2009 are audited and prepared according to International Financial Reporting Standards (IFRS). For better understanding of the information provided in those financial statements, the consolidated and the Company's condensed financial statements must be read together with the consolidated and the Company's annual financial statements of 2009.

The Company's shares are traded on the NASDAQ OMX Vilnius stock exchange on the Main trade list.

### 2 Accounting principles

The Group's and the Company's condensed financial statements as of 30 September 2010 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting.

Accounting principles adopted in preparing the condensed financial statements for the nine months period ended 30 September 2010 were the same as these used for preparing the financial statements for 2009 according to the IFRS, as adopted in the European Union.

### 3 Segment information

The Company's business activities are organised based on the legal requirements for regulated activities. These activities are used to identify operating segments. The accounting principles used for in the segment accounting are the same as for the financial accounting of the Group and the Company.

The Group and the Company have three main operating segments: natural gas transmission, distribution and supply, as well as segment of other activity:

- Transmission of natural gas comprises the transportation of natural gas through the transmission pipelines. The transmission activity also includes transit of natural gas to the district of Kaliningrad of the Russian Federation;
- Distribution of natural gas comprises the transportation of natural gas through the distribution gas pipelines;
- Supply of natural gas comprises the natural gas sales to end users;
- Other activity comprises other activity not related to main business.

Segment information for the periods ended 30 September 2010 and 30 September 2009 is presented below:

<u>Group</u>					
Nine months period ended 30 September 2010 (pre-audited)	Transmission	Distribution	Supply	Other activities	Total
	Sales	105,989	133,886	976,733	1,760
Profit before tax	26,947	37,831	41,970	311	107,059
<u>Group</u>					
Nine months period ended 30 September 2009 (pre-audited)	Transmission	Distribution	Supply	Other activities	Total
	Sales	98,041	114,923	651,826	2,920
Profit before tax	25,336	14,436	36,982	2,709	79,463

In the nine months of 2010 as well as in the nine months of 2009 The Group and the Company earned over 99 % of its revenue from Lithuanian customers.

All the assets of the Group and the Company are allocated in the territory of Lithuania where the Group and the Company are operating, except for a part of natural gas accounted for in inventories.

AB LIETUVOS DUJOS, company code 120059523, Abugonų Str. 24, Vilnius, Lithuania  
**CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010**  
(all amounts are in LTL thousand unless otherwise stated)

**4 Trade receivables**

	<b>Group</b>		<b>Company</b>	
	<b>30 September 2010 (pre-audited)</b>	<b>31 December 2009 (audited)</b>	<b>30 September 2010 (pre-audited)</b>	<b>31 December 2009 (audited)</b>
Receivables for natural gas, Transmission and Distribution of natural gas from non-household customers	70,393	124,926	70,396	124,934
Receivables for natural gas, Transmission and Distribution of natural gas from household customers	7,276	7,467	7,276	7,467
Other trade receivables	612	1,466	579	1,423
Less: allowance for trade receivables	(8,300)	(7,102)	(8,300)	(7,102)
	<b>69,981</b>	<b>126,757</b>	<b>69,951</b>	<b>126,722</b>

The Group's and the Company's receivables for natural gas, Transmission and Distribution of natural gas from non-household customers in the nine months of 2010 decreased significantly due to the lower volumes of the natural gas consumed.

**5 Other current assets**

	<b>Group</b>		<b>Company</b>	
	<b>30 September 2010 (pre-audited)</b>	<b>31 December 2009 (audited)</b>	<b>30 September 2010 (pre-audited)</b>	<b>31 December 2009 (audited)</b>
Investment units	405	21,016	-	21,016
Short-term deposits with maturity 3-12 months	1,830	1,942	-	-
	<b>2,235</b>	<b>22,958</b>	<b>-</b>	<b>21,016</b>

As of 30 September 2010, the decrease in the other current assets owned by the Group and the Company was due to the investment units held for trade sold in 2010.

The maturity of short term deposits is 3-12 months period. As of 30 September 2010 weighted average annual interest rate of the short term deposits of the Group was 3.83 % (7.69 % as of 31 December 2009).

**6 Income tax**

The income tax rate applied on the profit for the year 2010 is 15 % (in 2009: 20 %) according to the Law on Corporate Income Tax of the Republic of Lithuania.

**7 Borrowings**

In the calculations, official currency exchange rates as of 30 September 2010 set by the Bank of Lithuania are applied: EUR/LTL 3.4528.

The borrowings outstanding as of 30 September 2010 were denominated in EUR (100 %).

The Company's borrowings as of 30 September 2010:

<b>Borrowings</b>	<b>Borrowings and their portions</b>			
	<b>Current borrowings</b>	<b>Payable after one year but not later than in five years</b>	<b>Payable after five years</b>	<b>Total</b>
Borrowings from Lithuanian credit institutions	2,144	5,360	-	7,504

As of 30 September 2010, the weighted average annual interest rate of borrowings outstanding was 5.65 % (5.65% as of 31 December 2009).

## 8 Trade payables

	Group		Company	
	30 September 2010 (pre-audited)	31 December 2009 (audited)	30 September 2010 (pre-audited)	31 December 2009 (audited)
Suppliers of natural gas	65,687	129,047	65,687	129,047
Other	22,645	16,065	22,626	15,545
	<u>88,332</u>	<u>145,112</u>	<u>88,313</u>	<u>144,592</u>

As of 30 September 2010 the Group's and the Company's trade payables to the gas suppliers decreased due to the decrease in import of natural gas.

## 9 Other payables and current liabilities

Other payables and current liabilities mainly consist of VAT payable. The other payables and current liabilities of the Group and the Company decreased due to the decrease of VAT payable. The VAT payable was equal to LTL 14,760 thousand as of 30 September 2010 (LTL 30,858 thousand as of 31 December 2009).

## 10 Earnings per share

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

	Group	
	30 September 2010 (pre-audited)	30 September 2009 (pre-audited)
Net profit attributable to the shareholders (in LTL thousand)	92,308	64,751
Weighted average number of shares in thousand	<u>469,068</u>	<u>469,068</u>
Basic earnings per share (in LTL)	<u>0.20</u>	<u>0.14</u>

## 11 Dividends

During the regular general shareholders' meeting on 23 April 2010, when approving the Company's 2009 profit and loss appropriation, the decision was made to pay to shareholders dividends for the year 2009 in the amount of LTL 71.1 million (LTL 0.152 per ordinary registered share with the par value of LTL 1 per share).

## 12 Commitments and contingencies

### Legal disputes

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

2. AB Lietuvos Dujos is taking part as third interested party in the case in Vilnius County Administrative Court according to the complaint of 16 January 2009 of the National Gas, Electricity and Heat Consumers' Protection League regarding the NCCPE's Resolution of 29 December 2008 No O3-219 "On the Public Limited Company Lietuvos Dujos' Natural Gas Transmission and Distribution Prices and Natural Gas Prices for Household Customers".

## 12 Commitments and contingencies (cont'd)

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

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

## 13 Related party transactions

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

The related parties of the Group and the Company, transaction amounts and debts as of 30 September 2010 and 30 September 2009 were as follows:

- E.ON Ruhrgas International GmbH (one of the major shareholders of the Company);
- OAO Gazprom (one of the major shareholders of the Company);
- Ministry of Energy of the Republic of Lithuania (one of the major shareholders of the Company). On 2 June 2010, state company State property fund based on Order No 584 of the Government of the Republic of Lithuania of 19 May 2010, transferred shares of AB "Lietuvos dujos" held by the state for handling to the Ministry of Energy;
- UAB Palangos Perlas (subsidiary of the Company);
- AS Latvijas Gaze (the same shareholders);
- E.ON IS GmbH (same ultimate shareholder);
- OAO Beltransgaz (same ultimate shareholder).

As of 30 September 2010 (pre-audited)	Purchases	Sales	Accounts receivable	Accounts payable
OAO Gazprom	930,741	10,445	811	65,687
UAB Palangos Perlas	89	38	3	-
AS Latvijas Gaze	998	-	-	1
E.ON IS GmbH	5	-	-	-
OAO Beltransgaz	109	-	-	-
	<b>931,942</b>	<b>10,483</b>	<b>814</b>	<b>65,688</b>
As of 30 September 2009 (pre-audited)	Purchases	Sales	Accounts receivable	Accounts payable
OAO Gazprom	586,654	8,022	816	34,925
UAB Palangos Perlas	29	27	1	-
AS Latvijas Gaze	1,417	-	-	-
E.ON IS GmbH	92	-	-	-
	<b>588,192</b>	<b>8,049</b>	<b>817</b>	<b>34,925</b>