



PRESS RELEASE

26 November 2010

Consolidated pre-audited results of AB Lietuvos Dujos for the nine months of 2010

Consolidated pre-audited sales revenue of AB Lietuvos Dujos of the first nine months of 2010 increased by 40% year-on-year, and totalled LTL 1,218.4 million* (in the nine months of 2009: LTL 867.7 million). The increase in the revenue was determined by the increase in the natural gas sales and, accordingly, by the increase in the transported gas volumes, which was mainly due to very low temperatures in the beginning of 2010 and the increased demand for gas for the production of electricity after the closer of the Ignalina NPP.

Accordingly, in the first nine months of 2010, the consolidated pre-audited pre-tax profit of AB Lietuvos Dujos amounted to LTL 107.1 million (in the nine months of 2009: LTL 79.5 million), the net profit of the period stood at LTL 92.3 million (in the respective period in the past year: LTL 64.8 million). The increase in the profit was determined by the results of the first quarter. Compared with the respective figures of the past year, results for the second and the third quarters were considerably worse (the net profit in the second and the third quarters of 2010 amounted to LTL 20.7 million, and in the respective period of 2009: LTL 35.4 million) mainly due to the worse results achieved in the activity of gas supply for the household customers (the profit of the first nine months of 2009 in the activity of gas supply for the household customers reflects a partial compensation for the difference between the set by the Pricing Commission and the actual gas import price in 2008). The increase in the net profit in the first nine months of 2010 also was due to the lower than in 2009 profit tax tariff and because the Company further pursues strict cost saving and enhancing of the Company's work efficiency policies.

Compared to the respective period of 2009, EBITDA increased by LTL 28.4 million, and amounted to LTL 178.6 million.

Investment amount in the infrastructure increased significantly, too. In the first nine months of 2010 the investments of the Company totalled LTL 128.7 million, in the past year accordingly LTL 101.8 million. Major portion of the investments was allocated for the implementation of the measure of the National Energy Strategy (NES): construction of a gas compressor station in Jauniunai, Sirvintos Region (LTL 94.8 million). Since the privatization of the Company in 2002, it has already invested nearly LTL 1 billion.

“The station was constructed for three reasons: (1) the state asked Lietuvos Dujos to be able to import 5 billion cubic metres/a from 2010; it is strategically important for the Lithuania's business in the nearest decades; (2) the strategic pipeline Sakiai-Klaipeda requires this station for stable operation; (3) the NES also requires to safeguard an increase of transit via Lithuania. Half of the station, which costs approx. LTL 200 million, will be paid via transit payments (not by Lithuanian customers). In addition, the station can be considered as an element of a future bidirectional connection with Poland”, – in his comment on the major investment Project said Joachim Hockertz, Deputy General Manager – Director of Commerce of AB Lietuvos Dujos.

In the first nine months of 2010, gas volume transportation via the transmission system totalled 1,984.6 million cubic meters, which represents an increase by 9% compared to the corresponding period of 2009. Transit to the Kaliningrad Region increased by 14% compared to the corresponding period of 2009: in the first nine months of 2010, 943.4 million cubic meters were transported. In the first nine months of 2010,

AB Lietuvos Dujos distributed 780.6 million cubic metres of natural gas; which is 14% more than in the respective period of 2009.

AB Lietuvos Dujos gas volume sales for its clients totalled 1,101.2 million cubic metres of natural gas. Gas volume sales for the non-household customers totalled 965.0 million cubic metres (54% more than in the respective period of 2009), and gas volume sales for the household customers totalled 136.2 million cubic metres (8% more than in the respective period of 2009).

Almost 100% of Lithuania's household natural gas consumers have chosen AB Lietuvos Dujos to supply gas for them. AB Lietuvos Dujos supplies more than 551 thousand customers. Among them are energy and industrial enterprises, other companies and organizations, also residents.

The Company is among the first ten largest tax payers in Lithuania. During the past five years, the Company has paid LTL 1.2 billion of taxes for the country's and municipality budgets and Sodra; for the past five years it paid to the state, which holds 17.7% shares in the Company, LTL 40 million as a dividend.

AB Lietuvos Dujos shares are traded on the Official List of the stock exchange NASDAQ OMX Vilnius.

* LTL 3.45 = EUR 1