

**JOINT STOCK COMPANY
LIETUVOS ELEKTRINĖ**

Company code 110870933, Elektrinės g. 21, Elektrėnai LT-26108, tel. 8528-39533, fax 8528-39733

INTERIM REPORT

**First half-year 2009
30 June 2009**

AB LIETUVOS ELEKTRINĖ

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General information about joint stock company (AB) Lietuvos Elektrinė (hereinafter—the Company)

Name	Joint stock company Lietuvos Elektrinė (hereinafter referred to as the Company)
Legal status	Joint stock company
Company identification code	110870933
VAT registration number	LT108709314
Authorised capital	Authorised capital of the company amounts to LTL 145,800,689' it is divided into 145,800,689 ordinary registered shares at a par value of 1 litas per share.
Registered address	Elektrinės g. 21, LT-26108 Elektrėnai
Telephone	(370~528) 39 066
Fax	(370~528) 39 733
E-mail	info@lelektrine.lt
Internet site	http://www.lelektrine.lt
Incorporation data and place	31 December 2001, the Ministry of Economy of the Republic of Lithuania
Register where the data about the company are collected and stored	Register of Legal Entities
Primary activity	Power engineering is the area of activities of AB Lietuvos Elektrinė. The company produces and sells electric and thermal energy.

1. Activities

1.1. Implementation of the plan for 2009

AB Lietuvos Elektrinė earned profit in the amount of LTL 22,247,600 in the first half of 2009. The drop in oil prices was followed by that of natural gas six months later. During the first half of the year, the power plant supplied 509,454,000 kWh of electric power, including 207,258 kWh according to the quota for public services (VIAP). After the suspension of operations at Ignalina Nuclear Power Plant, more additional, regulatory, and balancing electric energy was sold which is produced in more economic units of 300 MW operating in a more optimal mode. This ensured better economic indicators than initially expected. Revenue for the first half of the year amounted to LTL 233,590,000. The revenue forecast was completed by 107.9%. Total costs amounted to LTL 211,342,000 (the forecast was LTL 251,504,000). Gross profit of AB Lietuvos Elektrinė in the first half-year 2009 totalled LTL 22,247,600. Losses of LTL 34,943,000 were forecast. Profits achieved were as forecast

Results of the implementation of the plan for the activities of the first half-year 2009

Seq. No.	Indicators	Units	Planned for the first half-year 2009	Implementation
I. TECHNICAL INDICATORS				
1.	Electric energy supplied	t.kWh	441,000	509,454
1.1.	AB Lietuvos Energija	"-	441,000	509,118
1.1.1.	Including the VIAP quota	"-	441,000	207,258
1.2.	Other users	"-	-	336
2.	Power sale:	MW*h		
2.1.	Hot reserve	"-	377,928	227,706
2.2.	Cold reserve	"-	4,313,592	3,115,882
3.	Thermal energy sale	Gcal	81,958	80,409

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4.	Contract fuel costs for the production of electric energy	g/kWh	0,0	386,0
5.	Contract fuel costs for the production of thermal energy	kg/Gcal	0,0	133,6
II. Revenue – total:		t.Lt	216,561	233,590
1.	Electric energy	–“–	151,780	168,064
2.	Cold reserve	–“–	55,349	57,396
3.	Hot reserve	–“–	2,287	238
4.	Thermal energy	–“–	7,145	6,434
5.	Income from other activities	–“–	0	1,201
6.	Financial and investment activities	–“–	0	256
III. COSTS – total:		t.Lt	251,504	211,342
1.	Variable cost	–“–	184,910	162,213
1.1.	Electric energy	–“–	176,080	154,153
1.2.	Thermal energy	–“–	8,830	8,060
2.	Relatively fixed cost	–“–	66,594	46,846
2.1.	Amortisation	–“–	14,500	13,408
2.2.	Salaries	–“–	16,398	18,088
2.3.	Social insurance	–“–	5,248	5,839
2.4.	Taxes	–“–	1,612	1,337
2.5.	Material costs	–“–	24,686	7,563
2.6.	Interest	–“–	4,150	611
3.	Other activities	–“–	0	639
4.	Financial investment	–“–	0	1,644
IV. PROFIT – total:		t.Lt	-34,943	22,248
1.	Primary activity	–“–	-34,943	23,075
2.	Other activities	–“–	0	561
3.	Financial investment activities	–“–	0	-1,388

2. Environmental pollution by AB Lietuvos Elektrinė in January–June 2009

Air pollutant emissions over the first half-year 2009				
Fuel	Pollutant	Emission, t	Trapping, t	Total emissions, t
Fuel oil	SO2	1,958.219	1,861.435	96.784
	NOx	222.538	-	222.538
	CO	83.070	-	83.070
	Solid particles	32.801	30.237	2.564
	V205	7.602	7.010	0.592

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MSAR	S02	0.00	0.00	0.000
	NOx	0	-	0
	CO	0	-	0
	Solid particles	0	0	0.000
	V205	0	0	0.000
Orimulsion	S02			0.000
	NOx			0.000
	CO			0.000
	Solid particles			0.000
	V205			0.000
Gas	NOx	343.779	-	343.779
	CO	19.597	-	19.597

3. References and additional explanations of the data provided in the financial statements

Data provided in the financial statements and the explanatory note for the first half-year is comprehensive and no additional explanation is required.

4. The number of all the shares acquired or held by the Company, their par value and share in the authorised capital. The number of all the shares acquired or held by the Company, their par value and share in the authorised capital during the reporting period. Information about payment for own shares, if the shares are acquired or transferred for remuneration. Reasons for acquisition of own shares during the reporting period.

4.1. DATA CONCERNING THE ISSUE OF SECURITIES TO THE SECONDARY MARKET BY THE ISSUER

4.1.1. Listed securities.

All ordinary registered shares of AB Lietuvos Elektrinė are listed in I-list with AB Vilnius Stock Exchange, hereinafter referred to as the VSE (enlisted on 1 February 2002).

Table 4.1. Main characteristics of AB Lietuvos Elektrinės shares

Type of shares	Securities ISIN code	Abbreviation	Number of shares, units	Nominal value, LTL	Total nominal value, LTL
Ordinary registered shares	LT0000126351	LEL1L	145,800,689	1	145,800,689

4.2. The issuer's securities trading on the stock exchange and other organised markets.

4.2.1. Trading on Vilnius Stock Exchange.

Table 4.2. Trading of the Company's shares.

Securities trading history

Indices	2005	2006	2007	2008
Opening price	-	4.02	4.49	6.41
Bid price	5.35	4.54	7.38	7.15
Ask price	3.56	2.80	4.00	3.01
Last price	4.02	4.49	6.10	3.85
Turnover, units	731,316	817,722	466,291	189,440
Turnover, million	3.09	3.13	2.57	1.16

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Indices	2005	2006	2007	2008
Capitalisation, million	586.12	654.65	889.38	561.33

Currency: LTL

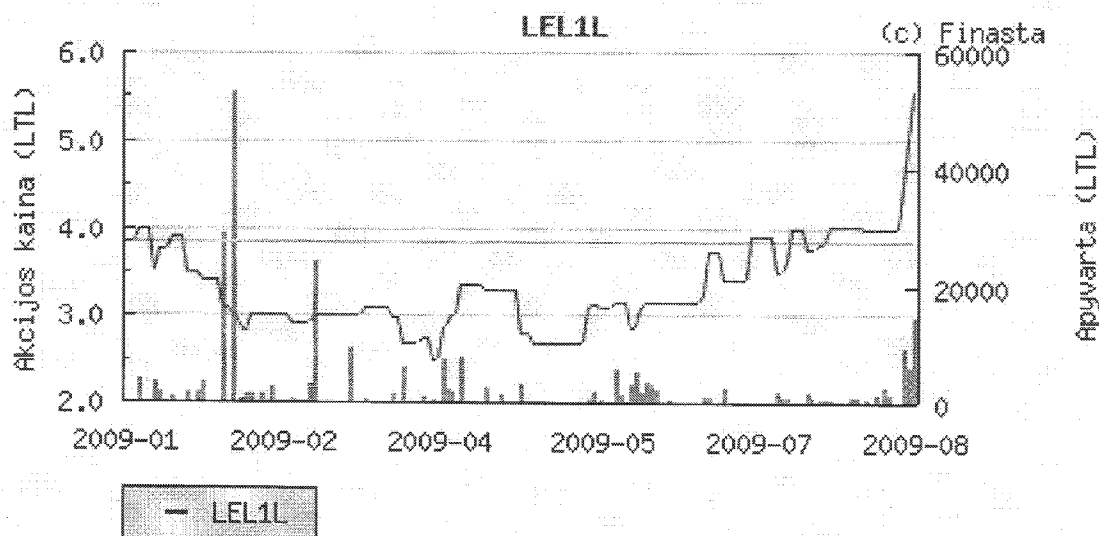


Figure 4.1. Trading of the Company's shares

4.2.2. Trading on other stock exchanges

AB Lietuvos Elektrinė does not trade its shares on other stock exchanges.

4.2.3. Trading on other organised marketplaces

AB Lietuvos Elektrinė does not trade its shares on other organised marketplaces.

4.3. The issuer's securities trading in OTC

Since shares of AB Lietuvos Elektrinė are listed only on the I-list of AB Vilnius Stock Exchange, share purchase-sale transactions between 2004 and 2006 could be concluded only within the VSE.

Outside this stock exchange, only barter transactions, deeds of gift, inheritance transactions, transactions for debt payment, and repo transactions could be concluded. As of 8 February 2007, the Law on the Markets in Financial Instruments of the Republic of Lithuania was passed whereby the requirement to conclude secondary turnover purchase-sale transactions of listed securities solely on the stock exchange was revoked and currently the transactions are concluded both on the VSE and OTC. **No OTC transactions were concluded in January-June 2009.**

4.4. The Company's shares are non-material. All the shares are of a single class—ordinary registered shares and grant their owners (shareholders) equal rights.

4.4.1. Shareholders:

The General Meeting of AB Lietuvos Elektrinė took place on 21 April 2008. The recorded date of the General meeting was 14 April 2008.

The total number of shareholders is 4,567.

The main characteristics of the shares issued on the public stock exchange are as follows:

On 22 December 2001, the Securities Commission of the Republic of Lithuania registered an issue of 150,743,012 ordinary registered shares at a par value of LTL 1 of AB Lietuvos Elektrinė (securities deed registration No. Nr. AB-5018, securities registration No. A01011524). The shares were issued during the incorporation of the Company for the formation of its authorised capital, as a result of reorganisation of SP AB Lietuvos Energija by way of division. The Company was registered on 31 December 2001. In 2003, the authorised capital of AB Lietuvos Elektrinė was reduced by LTL 4,942,323 (to the amount of the assets transferred to the Elektrėnai local government in an attempt to reduce the number of shares held by the state). Amendments to the Articles of Association were registered on 9 May 2003. After the reduction of the authorised capital, it now amounts to LTL 145,800,689. It is divided into 145,800,689 ordinary registered shares at a par value of LTL 1.

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Shareholders have the following property rights:

1) to receive a part of the company's profit (dividend). The dividend is a share of profit allocated to the shareholder in proportion to the nominal value of shares owned by him. If a share is not fully paid-up and the time limit for the payment has not yet expired, the dividend of the shareholder shall be reduced in proportion to the unpaid amount of the share price. If the share is not fully paid-up and the time limit for the payment has expired, no dividend shall be paid. Dividends announced at the General Meeting constitute an obligation of the Company with respect to the shareholders. The Company must pay dividends no later than one month after the decision is made regarding the distribution of the profit. The shareholder has the right to require dividends from the Company as the Company's creditor;

2) to receive a part of the assets of the company in liquidation;

3) to receive shares without payment if the authorised capital is increased from company funds, except in cases specified in Article 42 Paragraph 3 of the Law on Companies;

4) to have a pre-emption right in acquiring shares issued by the company, except in the case specified in paragraphs 5-7 of Article 57 of the Law on Companies when the General Meeting decides to withdraw the pre-emption right for all the shareholders;

5) to sell or in any other way transfer all or part of the shares to other entities/individuals as prescribed in the Law on Companies and according to the procedure established in the Civil Code;

6) to require that other shareholders shall be obliged sell their shares or require that other shareholders shall be obliged purchase their shares as prescribed and according to the procedures of the Law on the Markets in Financial Instruments of the Republic of Lithuania;

7) to lend to the Company in the manner prescribed by law; however, when borrowing from its shareholders, the Company may not pledge its assets to the shareholders. When the Company borrows from a shareholder, the interest may not be higher than the average interest rate offered by commercial banks of the locality where the lender has his place of residence or business, which was in effect on the day of conclusion of the loan agreement. In such a case the company and shareholders shall be prohibited from negotiating a higher interest rate.

Shareholders have the following non-property rights:

1) to attend the General Meetings;

2) to vote at General Meetings according to voting rights carried by their shares;

3) to receive information on the Company specified in Article 18 Paragraph 1 of the Law on Companies and Clause 7.1 of the Articles of Association;

4) to file a claim with the court for reparation of damage resulting from nonfeasance or malfeasance by the Company manager and Board members of their obligations prescribed by laws and the Articles of Association of the Company as well as in other cases laid down by law;

5) to file a claim regarding the invalidity of decisions of the Company's bodies as prescribed in Article 2.82 Paragraph 4 of the Civil Code no later than 30 days from the day when the plaintiff has learnt or should have learnt about the disputed decision;

6) to authorise another person to vote on his behalf at the shareholders meeting and perform other legal actions.

4.4.2. All the Company shares are single class ordinary registered shares that grant their owners (shareholders) equal rights. The shareholder cannot transfer shares that have not been fully paid for to other persons or transfer shares that he himself has subscribed to, if amendments of the Articles of Association regarding the increase of the share capital have not been registered as prescribed in the Law on Companies and the Articles of Association. The shareholder shall inform the manager of the Company in writing about his intention to transfer all or part of the Company's shares and specify the number of shares, type of transfer, and, in the case of sale, the price of the shares.

Table 4.3. Shareholders of the Company as of 21 April 2009:

Shareholders	Part of the shares in the authorised capital	
	(LTL)	Percentage
The State represented by the Ministry of Economy of the Republic of Lithuania	140,506,467	96.37
Other	5,276,135	3.63
Total	145,800,689	100.0

Table 4.4. Shareholders who on the recorded date of the General Meeting (21/04/2009) owned or managed more than 5 percent of the issuer's authorised capital.

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Name of the shareholder, registered address, code	Number of shares owned	Percentage of share capital	Voting rights granted by the shares (percentage)	The number of votes held by the shareholder and the persons acting together with the shareholder (percentage)
The State represented by the Ministry of Economy Gedimino pr. 38/2, Vilnius 188621919	140,506,467	96.37	96.37	----

4.4.3. There are no shareholders holding special control rights in the Company.

4.4.4. The right to vote at the General Meeting may be withdrawn or restricted in the cases established by the Law on Companies and other laws, also in case share ownership is contested. The right to vote at the General Meetings is granted by fully paid shares. If all voting shares of the Company are of equal nominal value, each share gives its holder one vote at the General Meeting. A shareholder is not entitled to vote on the decision to withdraw the right of pre-emption in acquiring the shares or convertible debentures issued by the Company if according to the agenda of the General Meeting it is intended to grant the right to acquire the above securities to the shareholder, the shareholder's close relatives, the shareholder's spouse or a partner, where the shareholder's and the partner's partnership has been registered in accordance with the procedure established by law, and a close relative of the spouse, if the shareholder is a natural person, also to the shareholder's parent company or subsidiary, if the shareholder is a legal person.

4.4.5. The shareholders' mutual agreements that the issuer is aware of and that could limit the transfer of securities and/or voting rights are absent.

5. Information about the company's branches and representative offices

The Company has no branches or representative offices. In 2009, AB Lietuvos Elektrinė had no interest in any other companies.

6. Investment plan for 2009

Seq. No.	Project title	2009	Financing resource			
			Funding by Lietuvos Elektrinė	National Nuclear Power Plant Decommissioning Fund	International Ignalina Nuclear Power Plant Decommissioning Fund	TOTAL
1	2	5	6	7	8	9
	I. Works continued					
1.1.	Elimination of sulphur oxide from smoke and trapping of solid particles	51,654,176	0	0	51,654,176	51,654,176
1.2.	Installation of burners with low nitric oxide emissions and equipment for treating heating surfaces of boilers	8,538,682	8,538,682	0	0	8,538,682
1.3.	Modernisation of control systems of Units 5, 7, and 8	14,204,189	14,204,189	0	0	14,204,189
1.4.	Modernisation of regenerating air heaters	0	0	0	0	0

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1.5.	Management of environmental and modernisation projects	2,463,525	1,856,322	0	607,203	2,463,525
1.6.	Equipment that does not need installation	2,500,000	2,500,000	0	0	2,500,000
	II. New projects					
2.1.	Construction of a combined cycle 400 MW gas turbine unit	310,752,000	93,225,600	0	217,526,400	310,752,000
2.2.	Replacement of a 300MW generator	36,000,000	36,000,000			36,000,000
	Total I and II:	426,112,572	124,891,140		269,787,779	426,112,572

7. When the company uses financial instruments and it is important to assess the company's assets, equity, liabilities, financial status, and operational results, the company discloses its financial risk management aims, means of hedging for future transactions for which hedge accounting applies, and the scope of the company's price risk, credit risk, liquidity risk, and cash flow risk.

The company did not use any financial instruments which would be important for assessing the company's assets, liabilities, financial status, or operational results.

8. THE PROCEDURE FOR AMENDING THE ARTICLES OF ASSOCIATION OF THE COMPANY

10.1. The shareholders are informed about any changes to the Articles of Association by placing a notice in the daily *Lietuvos Rytas* or pursuant to the procedures specified in the Articles of Association.

10.2. The Articles of Association can only be amended by the General Meeting or Extraordinary General Meeting subject to approval by a qualified majority vote which shall be not less than 2/3 of the voting rights carried by the shares of the shareholders present at the Meeting.

10.3. A General Meeting may take a decision regarding the amendment of the Articles of Association and shall be held valid if attended by shareholders who hold shares carrying not less than 1/2 of all votes. After the presence of a quorum has been established, the quorum shall remain continuously throughout the Meeting. If a quorum is not present, the General Meeting shall be considered invalid and a repeat General Meeting must be convened, which shall be authorised to take decisions only on the issues on the agenda of the meeting that has not been held and to which the quorum requirements shall not apply.

10.4. The General meeting adopts decisions to amend the Articles of Association pursuant to the procedure prescribed in Articles 27 or 30 of the Law on Companies.

10.5. The Articles of Association shall be changed when:

- 1) the authorised capital of the company is being increased or decreased;
- 2) there is an opportunity to convert ordinary shares of the company into preference shares;
- 3) a decision is made to issue ordinary shares having the status of employee shares and this is not prescribed in the Articles of Association;
- 4) the rights granted by different classes of shares change;
- 5) more requirements are established in the Company's report than is established in Article 36 Paragraph 1 of the Law on Companies;
- 6) the number of board members is increased or decreased;
- 7) the number of the supervisory board of the Company is amended;
- 8) a decision is made to issue the Company's debentures. Articles of Association

Chief Executive Officer
Pranas Noreika

