



AB "KAUNO ENERGIJA"

**INTERMEDIATE CONSOLIDATED REPORT
OF AB "KAUNO ENERGIJA"
6 MONTHS PERIOD, 2009**



AB "KAUNO ENERGIJA"
CONSOLIDATED ANNUAL REPORT FOR THE 6 MONTHS PERIOD, 2009

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1. Accountability period for which intermediate report is prepared

The consolidated intermediate report of AB „Kauno energija“ is prepared for the 6 months period, 2009.

2. Companies composing the group of companies and their contact data

AB “Kauno energija” (hereinafter – Company or Issuer) prepares both Company’s and consolidated financial accountability. The group (hereinafter – Group) consists of AB “Kauno energija” and daughter company – Closed-end company UAB “Pastatų priežiūros paslaugos” in which the Company directly controls 100 % of the managed shares.

The main data about the Company:

Name of the company:	AB “Kauno energija”
Legal-organizational form:	Joint Stock Company
Address:	Raudondvario pl. 84, 47179 Kaunas - 21
Code of the legal person:	235014830
Telephone number:	(+370 37) 30 56 50
E mail:	info@kaunoenergija.lt
Webpage:	www.kaunoenergija.lt
Fax number:	(+370 37) 30 56 22
Registration date and place:	22 August 1997, Kaunas, Order No. 513
Register manager:	Kaunas subsidiary of State enterprise Register Centre
VAT code:	LT350148314

On 17 December 2008 the registered authorized capital is LTL 119,510,292 (one hundred nineteen millions five hundred ten thousands two hundred ninety two) and is divided into 19,918,382 (nineteen millions nine hundred eighteen thousand three hundred eighty two) ordinary registered shares of LTL 6 nominal value. 100 thousand units ordinary registered shares on 31 December 2008 are not paid.

Main data about the daughter company:

Name of the company:	Closed-end company “Pastatų priežiūros paslaugos”
Legal - organizational form:	Closed-end company
Address:	Savanorių pr. 347, 49423, Kaunas - 43
Telephone number:	(+370 37) 30 59 59
E-mail:	info@kaunoenergija.lt
Webpage:	www.p-p-p.lt
Fax number:	(+370 37) 31 18 77
Registration date and place:	1 July 2006, Kaunas
Code of the legal person:	300580563
Register manager:	Kaunas subsidiary of State enterprise Register Centre
VAT code:	LT100002506015

Authorized capital amounts to 6,518,000 LTL and is divided into 65,180 ordinary registered shares 100 LTL nominal value.

3. The nature of the main activity of the companies composing the group of companies

The nature of the main activity of the Group is production and services. AB "Kauno energija" is the patronized company of the Group. The Company produces and sells heat energy to consumers in Kaunas and Jurbarkas cities and in part of Kaunas and Marijampolė administrative districts. Also in small amount it produces electric energy in Kaunas city and Kaunas district. The Group and the Company carries out supervision of lodging heat and hot water supply systems, heating points equipment, carries out the supervision of building constructions and elements, cold water supply, leakage elimination and drainage systems, electricity supply system and performs maintenance works, provides services for natural and legal persons in the supervision of heat economy. The Group and the Company performs licensed activity through obtaining of appropriate licences.

4. The agreements of issuer with finance broker companies and (or) credit institutions

On 1 April 2003 the Issuer signed service agreement with joint stock company SEB Bankas (company code 1202123, Gedimino ave. 12, Vilnius), represented by the Finance markets department.

5. Trade in securities of the companies, forming the group of companies, in regulated markets (the name of regulated market, the amount of securities included into trade)

The nominal value of Issuer's 19 918 382 units of ordinary registered shares (VP ISIN code LT0000123010) is – 119.510.292 LTL. They are included into Vilnius Stock Exchange Baltic additional trade list.

6. Objective review of companies group state, activity and development, characterization of main risk types and in determination with which there is confrontation

Information on the AB „Kauno energija“ about heat distribution by the number of consumer groups and the significant market size, as well as information on the external risk factors, economic factors, political factors, social factors, the technical - technological factors, ecological factors, remained unchanged from the description of the information published in AB Kaunas energy "the consolidated annual report prepared for the 2008.

Detailed information about the 2009, I half of the Company's heat sales income of the consolidated companies is presented in 2009 I half-yearly financial reports explanatory note 15, and information about the tangible and intangible asset acquisitions is presented in the cash flow statement of investment activity in the cash flow.

The bank loans repayment. The Company repays loans in the determined time. Detailed information is presented in Company's consolidated and the Company's financial statements for the 6 months period, 2009, Note 9 in the explanatory notes.

7. The analysis of the companies group financial and non-financial activity results, information related to the environment and personnel issues

The first half of 2009 financial performance comparison with the 2008 is presented in Table 1.

AB KAUNO ENERGIJA
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(all amounts are in LTL thousand unless otherwise stated)

Table 1

Eil. Nr.	Rodiklio pavadinimas	Company's 2008	Group's 2008	Company's first half of 2009	Group's first half of 2009
1	Net profitability, % (net profit /sales and services)*100	-2,1	-2,1	12,1	11,9
2	Return on tangible asset, % (net profit/average value of tangible asset)*100	-2,7	-1,8	9,3	9,2
3	Debt coefficient (liability /asset)	0,52	0,53	0,40	0,40
4	Debt – ownership coefficient (liability/ownership of the owners)	1,1	1,12	0,68	0,68
5	General liquidity coefficient (short term asset /short term liability)	0,91	0,91	1,42	1,42
6	The turnover of the asset (sales and services /asset	0,84	0,86	0,77	0,77
7	ETBITA (profit before interest, profit tax, depreciation and amortization) LTL thousand	16.825	16.987	31.395	31.343
8	General profitability (general profit/sales and services)*100	-1,1	-1,4	12,7	12,6
9	Profitability from main activity (activity profit/ sales and services)*100	-1,1	-1,4	12,7	12,6
10	Ownership change (ROE) percent (net profit/average ownership of owners)*100	-3,7	-3,4	14,5	14,4
11	Asset change (ROA) percent (net profit/average asset)*100	-1,8	-1,8	9,2	9,2
12	Urgent payment coefficient ((short term asset-storages)/short term liabilities)	0,84	0,84	1,29	1,29
13	Payment in cash index (cash in account and cash/short term liabilities)	0,04	0,04	0,05	0,05
14	Net profit per share (net profit/average weighted number of the shares in turnover)	-0,22	-0,21	1,07	1,07
15	Net profit, LTL thousand	-4.343	-4.235	21.375	21.237
16	Asset, LTL thousand	244.782	240.520	231.747	227.804
17	The owners' ownership, LTL thousand	116.627	113.277	138.002	134.514
18	The owners' ownership per share, LTL	6,4	6,2	7,4	7,4
19	P/E (last market price of year share/(net profit/number of shares at the end of the year) price-earnings ratio	-9,17	-9,41	1,86	1,88
20	Sales and services, LTL thousand	205.233	205.974	177.930	178.039
20.1	Heat energy	201.793	201.760	176.719	176.684
20.2	Electric energy	506	506	171	171
20.3	The supervision of building heating and hot water supply systems, heating points equipment	2.934	3.708	1.039	1.183
21	Share capital, LTL thousand	119.510	119.510	119.510	119.510
22	Relation of share capital and asset	0,49	0,50	0,52	0,52

**** the asset of the Group is less than the Company's because of the elimination of LTL 6,053 million asset revaluation for the asset contribution to the subsidiary.**

The comparison of non-financial data for the year 2008 with the first half of 2009 is presented in Table 2.

Table 2

No.	Index name	Index characterisation	Company's 2008	Group's 2008	Company's 2009 first half	Group's 2009 first half
1.	Produced and purchased energy: from it supplied to network	thousand MWh	1631,2	1631,2	882,1	882,1
1.1.	Heat energy supplied to the network	thousand MWh	1607,1	1607,1	881,5	881,5
1.2.	Electricity energy	thousand MWh	2,3	2,3	0,6	0,6
2.	Sold energy	thousand MWh	1280,1	1.280,1	729,6	729,6
2.1.	Heat energy	thousand MWh	1.277,8	1.277,8	729,0	729,0
2.2.	Electricity energy	thousand MWh	2,3	2,3	0,6	0,6

With environmental and personnel matters related information remained unchanged from the information published in AB „Kauno energija“ consolidated annual report prepared for the 2008.

8. References and additional explanations on the data presented in the 6 months financial accountability

All main financial data are presented in the 6 months intermediate financial accountability and its explanation letter.

Information on the consolidated internal control remained unchanged from the information published in AB „Kauno energija“ consolidated annual report prepared for the 2008.

9. Important events after the end of the previous financial year

Data on the most important events presented after the end of this report and in paragraph 27 of the consolidated companies in 2009 first half-yearly financial reports explanatory note 23 and paragraph 27 of this report.

10. The plans and forecasts of the activity of the companies group

Information related to the group of companies operating plans and forecasts unchanged since the information was published in AB „Kaunas energija“ consolidated annual report prepared for the 2008.

The result of the planned activities in the 2009 will be adjusted when the company's board agree about specified activities of the planned performance of 2009.

11. Information on the companies group research and development activity

Information about the group of companies for research and development activities remained unchanged from the information published in AB „Kauno energija“ consolidated annual report prepared for the 2008.

12. Information on Issuer acquired and own shares

(number and nominal value of the patronized company shares, belonging to the company, it's daughter companies or by their assignment, but by their name acting persons)

The Company did not acquire its own shares. Daughter company also did not acquire the Company shares. The Company and it's daughter company during the reporting period did not buy or sell their shares.

13. Information on financial risk management aims, used insurance measures for main groups of foreseen agreements for which accounting of insurance agreements is applied and scope of price risk, credit risk, liquidity risk and money flows risk of group of companies when group of companies uses financial means and when it is important in evaluation of the property, own capital, obligations, financial state and activity results of the group of companies

All information on this subject is presented by the consolidated companies in 2009 I half-yearly financial reports for Explanatory Memorandum 14, 18, 20 notes.

14. Information on Issuer subsidiary and secondary enterprises

Information on the issuer's subsidiaries and affiliate companies remains unchanged from the information published in AB „Kauno energija“ consolidated annual report prepared for the 2008.

15. The authorized capital structure of the Issuer

In the Enterprises register of the Republic of Lithuania the registered share capital of the Company is LTL 119,510,292.

The authorized capital structure of the Issuer according to the shares type is presented in Table 3.

Table 3

Type of shares	Number of shares, units	Par value, LTL	Total nominal value, LTL	Municipalities portion in the share capital, %	Private shareholders portion in the share capital, %
Ordinary registered shares	19,918,382	6	119,510,292	96.42	3.58
Total	19,918,382*	-	119,510,292	96.42	3.58

16. Data on issues of the shares of the Issuer

On 17 December 2008 the registered authorized capital is LTL 119,510,292 (one hundred nineteen millions five hundred ten thousands two hundred ninety two) and is divided into 19,918,382 (nineteen millions nine hundred eighteen thousand three hundred eighty two) ordinary registered shares of LTL 6 nominal value.

All ordinary registered shares of AB “Kauno energija” are fully paid for. There are no restrictions for transfer of securities.

16.1. Basic characteristics of shares issued into public circulation of securities

No. of registration of stock	A01031430
Number of shares	19,918,382 ORS
Nominal value	LTL 6
Total nominal value of shares	LTL 119,510,292

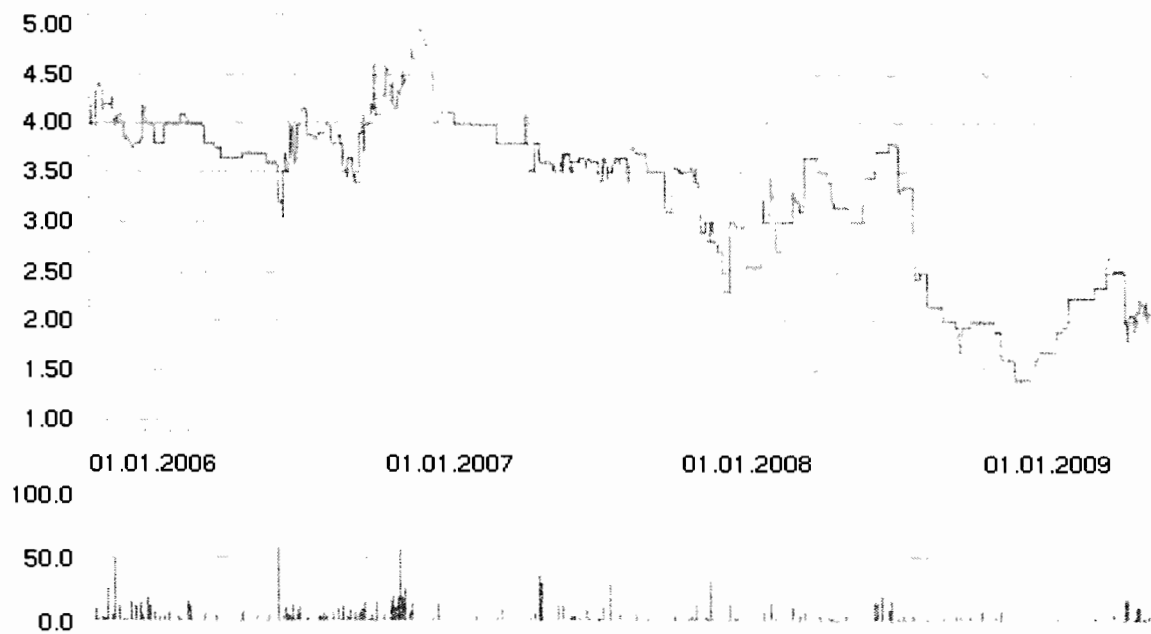
The Company’s security trading history is presented in Table 4.

Table 4

PRICE	2005	2006	2007	2008	2009
Open	1.96	4.18	4.58	3.50	2,00
High	6.30	4.67	4.95	3.80	2,00
Low	2.01	3.05	3.10	1.70	1,41
Last	4.18	4.30	3.50	2.00	1,41
Traded, units	870,151	183,008	138,163	82,775	8 203
Turnover, million	4.19	0.70	0.55	0.26	0,01
Capitalisation, million	79.29	81.56	66.39	37.94	27,80

Share prices and turnover history is presented in Chart 2.

Chart 2



Comparison of JSC “Kauno energija” share price with it’s section rate and OMX Vilnius index

Chart 3

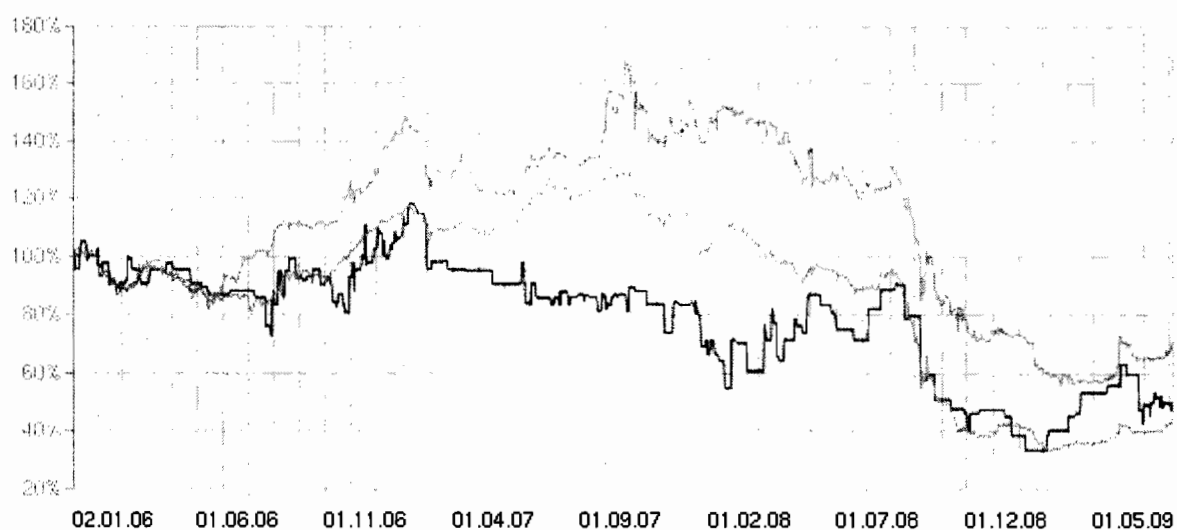


Chart 3 data:

Index/Equity	01.01.2006	05.08.2009	+/-%	
–OMX Vilnius	448.76	203.77	-54.59	↓.
–OMX Baltic Utilities GI	786.12	574.18	-27.25	↓.

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Index/Equity	01.01.2006	05.08.2009	+/-%
–KNR1L	4.18 LTL	2.04 LTL	-51.20 ↓.

17. Information about Issuer shareholders

Total number of AB “Kauno energija” shareholders on 30 June 2009 is 346 shareholders.

Shareholders of the Issuer, who owned more than 2 % of authorized Company’s capital (19,918,382 ORS), registered on 30 December, 2009, as of 17 June, 2009 are presented in Table 5.

Table 5

The name of shareholder, surname (name of the company, type, address, code)	The number of ordinary registered shares belonging to the shareholder, units	The portion of authorized capital, %	The portion of votes given by the ownership right belonging shares, %	The portion of votes belonging to the shareholder together with operating persons, %
Kaunas city municipality Laisvės Ave. 96, 44251 Kaunas Company code 111106319	16,954,892	85.12	85.12	-
Kaunas district municipality Savanorių Ave. 371, 49500 Kaunas Company code 111100622	1,606,168	8.07	8.07	-
Other shareholders	713,512	3.58	3.58	-
Jurbarkas district municipality Dariaus ir Girėno Str. 96, 74187 Jurbarkas Company code 111106276	643,810	3.23	3.23	-
Total	19,918,382	100	100	

Shareholders who on 30 June 2009 owned more than 2 % of shares of AB “Kauno energija” (19,918,382 ORS) released into public circulation of securities (registration No. A01031430) are presented in Table 6.

Table 6

The name	Type of shares	Number of shares, units	Total value of shares, LTL	Amount of shares (%) from total number of released into public circulation	Share of authorized capital (%)
Kaunas city municipality Laisvės ave. 96, 44251 Kaunas Company code 111106319	Ordinary registered shares	16,954,892	101,729,352	85.12	85.12
Kaunas district municipality Savanorių ave. 371, 49500 Kaunas Company code 111100622	Ordinary registered shares	1,606,168	9,637,008	8.07	8.07
Other shareholders	Ordinary registered shares	713,512	4,281,072	3.58	3.58
Jurbarkas district municipality Dariaus ir Girėno str. 96, 74187 Jurbarkas Company code 111106276	Ordinary registered shares	643,810	3,862,860	3.23	3.23
		19,918,382	119,510,292	100	100

No shareholders of the Issuer have any special control rights. Rights of all shareholders are equal, which are determined in 4 clause of Law on joint stock companies of the Republic of Lithuania. Number of shares, which grant votes during general meeting of shareholders of the Company, is 19,918,382 units.

The Company is not informed about voting rights limitation and about any shareholders mutual agreements for which could be limited the transfer of securities and (or) voting rights.

Since the establishment of the Issuer there were no dividends allotted to pay.

18. Employees

According to the data of 30 June 2009 626 employees are employees in the Group in total. The change of the employee's number during 2009 is presented in Table 7.

Table 7

Listed number of employees	Company's 31-12-2008	Group's 31-12-2008	Company's 30-06-2009	Group's 30-06-2009
Total	598	654	539	626
Managers	4	6	3	7
Specialists	295	314	279	309
Workers	299	334	257	310

The education of employees at the end of the period

Table 8

No.	Educational level	Company's 31-12-2008	Group's 31-12-2008	Company's 30-06-2009	Group's 30-06-2009
1.	Not finished secondary	23	27	15	20
2.	Secondary	241	270	230	267
3.	College	105	110	82	103
4.	Higher	229	247	212	236
	Total	598	654	539	626

Average conditional number of employees and average monthly salary
(without deducting taxes, at the end of period)

Table 9

No.	Employees	Company	Group
1.1.	Average conditional number of managers	4	7,9
1.2.	Average monthly salary of managers	8918,9	6944,3
2.1.	Average conditional number of specialists	264,4	290,1
2.2.	Average monthly salary of specialists	2619,7	2589,6
3.1.	Average conditional number of workers	259,3	315,1
3.2.	Average monthly salary of workers	1872,8	1847,9

Special rights and duties of employees of the Issuer or their part as laid in collective agreements

According to collective agreement currently in effect in the Company:

1. For continuous record of service in the Company employees are granted with additional paid vacations:

- for worked 5 years - 1 calendar day;
- from 6 till 10 years - 2 calendar days;
- for more than 10 years 3 calendar days;
- fore each further 5 years 1 calendar day;
- Record of service is treated as continuous (additional vacation days are granted) in case of employees who have been working in the companies of Lithuanian energy system and transferred into AB "Kauno energija" on the basis of employers' agreement, i.e. when transfer happened with Work Law Code or Work Contract Law in effect.

2. Employees have a right to receive additional paid vacation days:

- in case of marriage - 3 calendar days;
- in case of the death of close person (one of the parents or one of the parents of husband or wife, husband or wife, brother, sister, daughter, son or legal foster-child - 3 calendar days;
- in case of childbirth by the wife - 1 calendar day;

- in case of marriage of employee's daughter, son or legal foster-child - 3 calendar days.
- 3. Employer is obliged:
 - to assure conditions for preventive checking of health of employees and in case of the need arisen – rehabilitation treatment, to provide free services in health centre of the Company;
 - in case of employee to pay grant of two last month average salaries size, free transport or to cover expenses for the transport. The grant is to be paid for the person who was responsible for the burial;
 - in case of the death of close person of employee (father, mother or husband or wife), to pay grant of one last month average Company or branch salary size, free transport or to cover expenses for the transport;
 - in case of one or more children to pay grant for employee of 25% last month average Company or branch salary size for each child born;
 - in case of marriage of employee to pay grant for employee of 25% last month average Company or branch salary size;
 - for employees who are raising three or more children younger than 16 years, widower (widow) or lonely parents who are raising one or more children till 19 years old (if they are attending secondary school) or 21 year old (if they are full-time students of high school) or are caring for other members of the family with heavy or medium level of disability or lower than 55 % level of working capacity or family members of old-age pension age who have, according to the laws, appointed large or average special demand level, to pay once a year grant for employee of 50% last month average Company or branch salary size according to the date of appeal presentation;
 - for the employees of 50 and 60 years, having more than 20 years of work record in the Company, for the good work duties implementation by the department head proposal to allot 50 % of Company's or subsidiary previous months average work salary amount monetary present;
 - in all other cases when material support is required (due to experienced casualties from natural disasters or from other reasons independent on the employee) to pay grant up to 2,000 LTL in size on the agreement of the sides who signed Collective agreement;
 - in case of heavy sickness of employee or in case of heavy disaster, to pay grant of five last month average Company or branch salaries size on the agreement of the sides who signed Collective agreement.

19. Order of changes of Regulations of the Issuer

The Regulations of AB "Kauno energija" foresee that general meeting of shareholders of AB "Kauno energija" have special right to change Regulations of the Company with exceptions set in Law on stock corporations of the Republic of Lithuania. When making decision on changes of the Regulations 2/3 of votes of shareholders participating in general meeting of shareholders are required.

20. Issuer bodies

According to the Regulations of AB "Kauno energija", the management bodies of the Company are General Meeting of Shareholders, collegiate supervisory body – Supervisory Board, collegiate management body – Management Board and individual management body – General Manager.

The decisions of the shareholders meeting made on the shareholders meeting's competence issues foreseen in the Regulations of the Company are obligatory to the shareholders, Supervisory Board, Management Board and General Manager and for other employees of the Company.

In the General Meeting of Shareholders or repeated General Meeting of Shareholders persons who at

the end of the accountability day were Company's shareholders, personally, except exception foreseen in the laws or their authorized persons with whom the agreement of voting right transfer are made have the right to participate and to vote. The registration day of the Company's meeting is the fifth workday before the General Meeting of Shareholders or fifth workday till repeated General Meeting of Shareholders. Person participating in the shareholders meeting and having the right to vote has to provide document testifying the identity of person. Person who is not shareholder together with document testifying the identity of person has to provide the document confirming the right to vote in the shareholders meeting.

The collegiate supervisory body – the Supervisory Board is elected by the General Meeting of Shareholders in compliance with the order foreseen in the Law on stock corporations. The Supervisory Board consists of 7 (seven) Supervisory Board members. Supervisory Board members are elected for the 4 (four) year period. Supervisory Board elects the Chairman of the Supervisory Board from it's members. The General Meeting of Shareholders can recall all Supervisory Board or it's members before their term of office expires. If the individual members of the Supervisory Board are elected they are elected only for the current Supervisory Board term of office.

Supervisory Board elects and recalls from their duties the members of the Management Board, supervises the activity of the Management Board and General Manager, presents opinions and suggestions for the General Meeting of Shareholders on the Company's activity strategy, annual financial accountability, profit allocation project and Company's annual report, also on the activity of the Management Board and General Manager, provides suggestions for the Management Board and the General Manager to recall their decisions which contradict with the laws and other legal acts, Company's Regulations or decisions of the General Meeting of Shareholders, decides on other issues which are ascribed by the General Meeting of Shareholders to the competence of Supervisory Board, Company's and it's Management Bodies activity supervision issues. Supervisory Board has no right to charge or transfer it's functions foreseen in the Law on stock corporations to other bodies of the Company.

Management Board is collegiate company's management body, which consists of 7 Management Board members. The Management Board for the 4 (four) years period is elected by the Supervisory Board. Supervisory Board can recall all Management Board or individual it's members before their term of office expires. If the individual members are elected, they are elected only for the current Management Board term of office. The Management Board elects the Chairman of the Board from it's members.

The Management Board elects and recalls the General Manager of the Company, determines his salary, other work conditions, confirms duty regulations, motivates or assigns penalties.

General Manager is the manager of the Company. The Manager of the Company is individual management body of the Company who organizes the activity of the Company. The authorization of the Company's administration members and their responsibility is determined by the order of the General Manager.

21. Members of the collegiate bodies, the manager of the company, chief accountant

(duties, names and surnames, data about participation in the issuer authorized capital, term of office beginning and end of every person, information about calculated money sums of issuer per period under review, other transferred asset and provided guarantees for these persons, total and average amounts for one member of collegiate body, manager of the company, chief accountant)

21.1. Data about the members of the Company's supervisory board

Jonas Koryzna. Doctor of Technical sciences. Member of Kaunas city Municipality Council. Member of City Committees of Economy and Energy, Chairman of Privatization Commission. Chairman of the Company's Supervisory Board. Vice-president of Kaunas Hall of Commerce, Industry and Craft, member of Kaunas Rotary club. Has no shares of the Company. Has shares of FMI "Kapitalo srautai" and FMI "Baltijos vertybiniai popieriai".

The beginning of the term of office on 30-07-2007, ends on 30-04-2011

Jadzė Bartašienė. Teacher-expert of physics in J. Urbšys secondary school, independent expert of Ministry of Education and Science. Has no shares of the Company. Does not participate in the capital of other companies.

The beginning of the term of office on 30-07-2007, ends on 30-04-2011.

Edita Gudišauskienė. Member of Kaunas city municipality council, chairman of Budget and finance committee. Has no shares of the Company. Does not participate in the capital of other companies.

The beginning of the term of office on 28-04-2009, ends on 30-04-2011

Orinta Leiputė. Member of Kaunas city municipality council, member of Culture, communities and self-government development committee.

The beginning of the term of office on 28-04-2009, ends on 30-04-2011

Arvydas Padegimas. Member of Kaunas city municipality council. Has no shares of the Company. Does not participate in the capital of other companies.

The beginning of the term of office 28-04-2009, ends on 30-04-2011.

Stasys Žirgulis. Member of Kaunas city Municipality Council. Chairman of Commission for Names Conception and Memory Memorialization. Member of Anti-corruption Commission. Member of Committee of Culture, Development of Communities and Self-governance. Teacher at Vilnius Art Academy's Kaunas Faculty. Member of Lithuanian Union of Paminters, member of Lithuanian association of Art. Has no shares of the Company. Does not participate in the capital of other companies.

The beginning of the term of office on 30-07-2007 ends on 30-04-2011

Gediminas Žukauskas. Member of Kaunas city Municipality Council, Chairman of Committee of City Economy and Energy. Chief-engineer in closed-end company "Kauno vandenys". Chairman of Panemunė Community Center. Has no shares of the Company. Does not participate in the capital of other companies.

The beginning of the term of office on 30-07-2007 ends on 30-04-2011

During the reporting period there were no count in of money sums, transfers of other assets and no guarantees given for the members of the Supervisory Board.

21.2. Data about the members of the management board

Vytautas Mikaila. Doctor of Technical sciences. Director of closed-end company "MVE group". From 16 December, 2008 Chairman of the Company's management board. From 02-02-2009 Consultant of General Manager on Strategy at Company. Has no shares of the Company. Has 55 % of closed-end company "MVE group" shares.

Per I half, 2009 for the member of management board was accounted total cash sum (salary) – LTL 20 thousand, no bonuses or guarantees granted, no property transfers were made or occurred.
The beginning of the term of Office 03-12-2008, end 30-04-2011.

Ramūnas Gatautis. Doctor of Technical sciences, Lithuanian Energy Institute, Laboratory of Energetics complex research. 01-08-2008 – 30-01-2009 - Consultant of General Manager on Strategy at Company. From 02-02-2009 –Deputy of Administration Director, Kaunas city municipality. Chairman of the Management Board at Company till 15-12-2008. Member of International energy economists association. Has no shares of the Company. Does not participate in the capital of other companies.
During the reporting period for the member of Management board there was counted payment (salary) amounting to LTL 40 thousand, no bonuses or guarantees granted, no property transfers were made or occurred.
The beginning of term of office 27-11-2007, end 30-04-2011.

Algirdas Vaitiekūnas. Head of Energy Sector Department, City Economy Department, Kaunas city municipality. Deputy Chairman of the Management Board of Company. Has no shares of the Company. Does not participate in the capital of other companies.
During the reporting period the member of the Management board did not receive any payments (salary, bonuses) or guaranties, no property transfers were made or occurred.
The beginning of term of office 30-04-2004, end 30-04-2011.

Mantas Raila. Director of closed-end company RP Reklama. Chairman of Lithuanian Sail association. Shareholder of closed-end company RP reklama, has 50 units of shares, which make 50 % of authorized capital. Has no shares of the Company.
During the reporting period the member of the Management board did not receive any payments (salary, bonuses) or guaranties, no property transfers were made or occurred.
The beginning of term of office 27-11-2007, end 27-01-2009.

Vykintas Šuksteris. Doctor of Technical sciences. Director of closed-end company AF-terma. Member of International energy economists association, member of Lithuanian Thermotechnical Engineers Society, President of Lithuanian Association of Energy Consultants. Has no shares of the Company. Does not participate in the capital of other companies.
During the reporting period the member of the Management board did not receive any payments (salary, bonuses) or guaranties, no property transfers were made or occurred.
The beginning of term of office 27-11-2007 end 30-04-2011.

Eugenijus Ušpuras. Director of Lithuanian Energy Institute, professor of Department of Thermal and Nuclear Energy, member-correspondent of Lithuanian Science Academy. Has no shares of the Company. Does not participate in the capital of other companies.
During the reporting period the member of the Management board did not receive any payments (salary, bonuses) or guaranties, no property transfers were made or occurred.
The beginning of term of office 27-11-2007, end 30-04-2011.

Juozas Marcalis. Assistant of member of Seimas of the Republic of Lithuania H. Žukauskas, engineer-supervisor of closed-end company “Kauno vandenys”. Has no shares of the Company. Does not participate in the capital of other companies.

During the reporting period the member of the Management board did not receive any payments (salary, bonuses) or guaranties, no property transfers were made or occurred.
The beginning of term of office 27-11-2007, end 30-04-2011.

Kęstutis Miškinis. Master student at Kaunas university of technology, Electricity and management engineering faculty. Has no shares of the Company. Does not participate in the capital of other companies. Per accounting period for the members of management board there was no accounted cash sums (salaries, bonuses), or guaranties, no property transfers were made or occurred.
The beginning of term of office 31-03-2009, ends on 30-04-2011.

21.3. Data about the Manager and Chief accountant of the Company

Rimantas Bakas. Doctor of Technical sciences. General manager of the Company from 24-11-2008. Education – higher, Kaunas university of technology, 1985, engineer of industry heat energy. Working places during last 10 years and positions held – 01-1999–02-2001 company „Terma ir KO“ (from 2000 closed-end company „AF – Terma“), 10-2001–02-2003 vicepresident and executive director, Lithuanian bioenergetics and energy saving association; 03-01-2001–18-11-2008 Head of Strategy department at Company. Has no shares of the Company. Does not participate in the capital of other companies.

Violeta Staškūnienė. Chief accountant of the Company since 27-07-2000, chief accountant since 16-01-2003. Education – higher, Vilnius University, 1984, work economy, profession – economist. Working places during 10 years and positions held: Chief Accountant of the Company's subsidiary "Kauno energijos paslaugos" (22-06-1998), Company's Deputy Chief Accountant (10-01-2000). Closed end company "Itvizija" chief accountant (1998 till 2004-04), closed-end company "Energijos realizacijos centras" chief accountant (01-2003 till 06-2004). Has 2,641 units of the Company's shares, which make less than 5 % of the authorized capital. Does not participate in the capital of other companies.

Per I half, 2009 for the Company's manager and chief accountant there was accounted total sum of LTL 118,2 thousand, average amount for one member is LTL 59,1 thousand, and there was no transfer of any assets or guarantees.

22. All important agreements of which Issuer is a part and which would come into force, would change or end in case of the change of Issuers control as well as their influence with the exception of cases when because of the nature of agreements their revealing would cause damage to the Issuer

None.

23. All agreements of the Issuer and members of its bodies or employees which would involve compensation in case of their resignation or firing without grounding or if their work would end due to the change in Issuers control

None.

24. Information about larger related agreements of the sides

There have been no major separate agreements. The detailed information is presented in Item

consolidated companies in 2009 I half-yearly financial reports for explanatory paragraph 22.

25. Important events, which have been during first six months of financial year and their influence on intermediate financial accountability, also information about main risks and unexpectedness to coming six month of financial year.

All main financial data are presented in the 6 months intermediate financial accountability and it's explanatory letter.

26. Information on the observance of the Governance code of the companies

AB "Kauno energija" in essence and further follows by the Vilnius stock exchange on August, 2006, confirmed and having recommendation character listed companies management code.

27. Data about publicly declared information

During the last 6 months the Issuer declared information presented bellow through OMX news publication system in all European Union as it is the Issuers duty according to the laws regulating market of securities. This information has also been put into internet site of the Issuer. All information can be received through Vilnius Stock Exchange internets site (<http://www.baltic.omxgroup.com/?id=3304>) and internet site of the Issuer (<http://www.kel.lt/lt/?id=348>).

Information declared during 2009:

- 13.01.2009 Information on the resignation of the Management board member;
- 30.01.2009 - Preliminary result of the AB "Kauno energija" activity of the year 2008;
- 25.03.2009 - Convocation of JSC „Kauno energija“ general shareholders meeting and projects of the decisions;
- 01.04.2009 Information on the election of the member of Management board
- 15.04.2009 - The change of JSC "Kauno energija" general shareholders meeting agenda
- 28.04.2009 - The decisions of the general shareholders meeting and activity results of the Iquarter, 2009;

Not audited Company activity result of the I quarter, 2009 (31 March, 2009) according to the International accounting standards is profit (before taxes) LTL 28647 thousand (EUR 8297 thousand), Group's profit (before tax) LTL 28598 thousand (EUR 8283 thousand). Income from the sales of the Company per 3 months period, 2009 - LTL 146879 thousand (EUR 42539 thousand), Group's - LTL 146931 thousand (EUR 42554 thousand).

Presenting the intermediate not audited financial statements for the I quarter of the year 2009.

The planned activity result of the year 2009 will be made more clear, when company in the State prices and energy control commission would coordinate and in the company's management board would confirm new heat sale prices.

In the general shareholders meeting of JSC "Kauno energija" on 28 April, 2009 the following decisions were taken:

1. Listened to the independent auditor (closed-end company „Ernst & Young Baltic“) conclusion on financial reports.

2. To confirm audited consolidated and company's financial statements for the year 2008, prepared according to the International financial reporting standards, accepted to use in the European Union (attached).

3. To allot company's profit (loss) for the year 2008 according to the profit (loss) allocation project (attached) provided to the general shareholders meeting.

4. To recall members from the Supervisory board of joint stock company „Kauno energija“: Bronislovas Kučinskas, Pranas Paškevičius and Rimas Antanas Ručys.

5. To elect the members of joint stock company „Kauno energija“ Supervisory board: Orianta Leiputė, Edita Gudišauskienė and Arvydas Padegimas.

- 28.04.2009 - Annual report and financial statements;
- 06.05.2009 – Complemented annual report and financial statements by confirmation of persons.
- 01.06.2009 – Provided report on heat, supplied by JSC „Kauno energija“, price determination and application
- 22.06.2009 - Announced general meeting of JSC “Kauno energija” shareholders and decisions projects
- 09.07.2009 - Announced annual report and financial statements;
- 09.07.2009 - General meeting of JSC “Kauno energija” shareholders and decisions projects;
- 23.07.2009 - The Decisions of the general shareholders meeting of JSC Kauno energija and intermediate information for the 6 months;

At the repeated general shareholders meeting of JSC “Kauno energija” on 23 July, 2009 the following decisions were made:

1. Agenda question - increasing of JSC “Kauno energija” authorized capital.

1.1 To increase authorized capital of joint stock company „Kauno energija“ up to 136 200 000 LTL (39446246,52 EUR) (from 119 510 292 LTL (34612572,98 EUR) up to 255 710 292 LTL (74058819,51 EUR) by issuing 22 700 000 ordinary registered 6 LTL (1,74 EUR) nominal value of shares, the issue price equal to the nominal value;

1.2 To cancel the priority right for all shareholders to acquire newly issued 22 700 000 (twenty two million seven hundred thousand) units ordinary named 6 (six) LTL (1,74 EUR) nominal value shares of joint stock company „Kauno energija“, nominal value of shares, the issue price equal to the nominal value. The right to purchase these shares has budget office of Kaunas city municipality, code 111106319, Laisvės al. 96, Kaunas. Then JSC “Kauno energija” can take over buildings and civil engineering works (Collector) - tunnels, which belong to Kaunas City municipality;

1.3 To agree that Kaunas city municipality acquires joint stock company's "Kauno energija" released 22 700 000 (twenty two million seven hundred thousand) units ordinary named 6 (six) LTL (1,74 EUR) nominal value of shares, the issue price equal to the nominal value, for a contribution of Kaunas city municipality owned engineering structures (collectors) - tunnels (property assessors set the value of the assets - 136 200 000 LTL) to JSC “Kauno energija”

2. Agenda question - Concerning the change of JSC "Kauno energija" regulations.

To change the regulations of joint stock company „Kauno energija“ setting out their new version and to authorize general director of joint stock company „Kauno energija“ to sign the changed regulations of joint stock company „Kauno energija“.

3. Agenda question - The selection of the Audit Company and terms of payment for audit services.

To select JSC "PricewaterhouseCoopers" Ltd. to do the audit of joint stock company's „Kauno energija“ and consolidated (group companies) of the financial statements for the financial year 2009, as

well as determine that payment for audit services for the financial year 2009 - 55 000 LTL (15929,10 EUR) excluding VAT, but not more than 4,000.00 EUR additional costs of mission at the time of the audit, a total of 59,000.00 LTL, excluding VAT. The payment should be done in 30 days after signing the service acceptance-transfer certificate.

Not audited Company activity result for the 6 months, 2009 (30 June, 2009), according to the International accounting standards is profit (before taxes) LTL 21375 thousand (EUR 6191 thousand), Group's profit (before tax) LTL 21237 thousand (EUR 6151- thousand). Income from the sales of the Company per 6 months period, 2009 - LTL 177930 thousand (EUR 51532 thousand), Group's - LTL 178039 thousand (EUR 51564 thousand).

JSC "Kauno energija" Chief executive officer
acting for General director



Stanislovas Karčiauskas