



AKCINĖ BENDROVĖ „KAUNO ENERGIJA“

To: Lithuanian Securities Commission
Konstitucijos av.23, LT-08105 Vilnius

2007-10-19 Nr. 20-3560
Į 2007-10-04 Nr. 06-1238-(11.03-02)

JSC Vilnius Stock Exchange
Konstitucijos av. 7, 15 floor, LT-08105
Vilnius

CONFIRMATION OF RESPONSIBLE PERSONS

Following the statutes of 22 article of the Law on Securities of the Republic of Lithuania and the regulations of Securities Commission on periodical and additional information preparation and presentation, I - general manager Aleksandras Sigitas Matelionis of JSC „Kauno energija“ - confirm that according to my knowledge in the intermediate consolidated report of JSC „Kauno energija“ for the 6 months of the year 2007 business development and activity review are indicated rightly.

ENCLOSED: Intermediate consolidated report of JSC „Kauno energija“ of the 6 months, 2007, 9 pages.

General Manager

Aleksandras Sigitas Matelionis

Jovita Sereikienė, phone (8~37) 305 664, e-mail: j.sercikiene@kaunoenergija.lt



**INTERMEDIATE CONSOLIDATED REPORT
OF JSC "KAUNO ENERGIJA"
6 MONTHS PERIOD, 2007**

1. Accountability period for which intermediate report is prepared

The consolidated intermediate report of JSC „Kauno energija“ is prepared for the I half year, 2007.

2. General data on the group of companies

JSC „Kauno energija“ prepares company's and consolidated group's financial statement. The group (further – Group) consists of JSC „Kauno energija“ and daughter company – closed-end company „Pastatų priežiūros paslaugos“, in which company directly controls 100 percent of the managed shares.

Main data about the Company:

Name of the Company:	Joint stock company „Kauno energija“
Legal – organizational form:	Joint stock company
Address:	Raudondvario pl. 84, 47179 Kaunas - 21
Code of the legal person:	235014830
Telephone number:	(8~37) 30 56 50
E-mail:	info@kaunoenergija.lt
Webpage	www.ke.lt
Fax number:	(8~37) 30 56 22
Registration date and place:	22 August, 1997, Kaunas, Order number 513
Register manager:	State enterprise Register centre Kaunas subsidiary
VAT code:	LT350148314
Authorized capital:	118 310 292 LTL and is divided into 19 718 382 ordinary registered 6 LTL nominal value shares.

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:	(8~37) 30 59 59
E-mail:	info@kaunoenergija.lt
Webpage	www.p-p-p.lt
Fax number:	(8~37) 31 18 77
Registration date and place:	1 July, 2006, Kaunas
Code of the legal person:	300580563
Register manager:	State enterprise Register centre Kaunas subsidiary
VAT code:	LT100002506015
Authorized capital:	6 518 000 LTL and is divided into 65 180 ordinary registered 100 LTL nominal value shares.

3. Main activity character of the companies forming group

The character of the Group's main activity - production, services and trade. Joint stock company „Kauno energija“ (further – Company or Issuer) is the group's patronized company. Company produces and sells heat energy for the customers in Kaunas city and in the part of Kaunas, Marijampolė and Jurbarkas administrative districts. Also in small amount it produces electricity 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 energy supply system and maintenance works, provides services to natural and legal persons in the

supervision of heat economy. The Group and the Company licensed activity carries out by having certain licences.

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

On 1 April, 2003 the Issuer service agreement with joint stock company SEB Vilniaus bankas (code of the enterprise 1202123, Gedimino pr. 12, Vilnius), represented by the Finance markets department, was signed.

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 18 968 382 units ordinary registered shares (VP ISIN code LT0000123010) is – 113 810 292 LTL. They are included into Vilnius Stock Exchange trade's Baltic additional list.

6. The authorized capital structure of issuer

1 table

Shares type	Number of shares, units	Nominal value, LTL	Total nominal value, LTL	Municipalities portion in the authorized capital, percent	Private shareholders portion in the authorized capital, percent
Ordinary registered shares	19 718 382	6	118 310 292	96,38	3,62

All ordinary registered shares of JSC „Kauno energija“ are fully paid. There are no limits for securities transfer.

7. Shareholders

Total number of JSC „Kauno energija“ shareholders on 30 June, 2006 is 330 shareholders. The shareholders of Issuer to whom belonged more than 5 percent of JSC „Kauno energija“ authorized capital (19 718 382) on the last day of period under review (30 June, 2007) are presented in 2 table.

2 table

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, percent	The portion of votes given by the ownership right belonging shares, percent	The portion of votes belonging to the shareholder together with operating persons, percent
Kaunas city municipality administration Laisvės al. 96, 44251 Kaunas Company's register code 188764867	16 954 892	85,99	85,99	-

Kaunas district municipality administration Savanorių pr. 371, 49500 Kaunas Company's register code 188756386	1 606 168	8,14	8,14	-
Other shareholders	713 512	3,62	3,62	
Jurbarkas district municipality administration Dariaus and Girėno str. 96, 74187 Jurbarkas Company's register code 188713933	443 810	2,25	2,25	-
Total	19 718 382	100	100	

Other shareholders have less than 5 percent of the Issuer authorized capital and votes.

No one of the Issuer shareholder has any special control rights. The rights of all shareholders are equal, which are determined in the Law on joint stock companies, 4 clause.

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

The Company didn't acquired it's own shares and it's daughter company didn't acquired the shares of the Company.

8. Employees

On 30 June, 2007 in the Group had worked 619 employees. Per 6 months period of the year 2007 the change in the number of employees is presented in 3 table.

The change of listed employees number

3 table

Number	Listed number of employees	Company's 31/12/2006	Group's 31/12/2006	Company's 0/06/2007	Group's 30/06/2007
1.	Total	630	735	619	707
	Managers	6	12	6	11
	Specialists	282	306	282	307
	Workers	342	417	331	389

The education of employees at the end of the period

4 table

Number	Education level	Company's 31/12/2006	Company's 30/06/2007
1.	Not finished secondary	27	24
2.	Secondary	273	259
3.	College	117	115
4.	Higher	213	221
	Total	630	619

Average conditional number of employees and average monthly salary
(before tax at the end of the period)

5 table

Company's managers		Company's specialists		Company's workers	
Average conditional	Salary average	Average conditional	Salary average	Average conditional	Salary average
5	7370,8	271	2309,9	323	1579,6

In the collective agreement of the Company the exceptional Issuer employees or their part rights and duties, which didn't changed from the year 2006 in the annual prospect-report provided data, are foreseen.

9. The order of issuer regulations change

Regulations of JSC „Kauno energija“ foresee that the shareholders meeting of JSC „Kauno energija“ has exceptional right to change the regulations of the Company, except in the Lithuanian Republic Law on joint stock companies determined exceptions. Making decision on the change of regulations the 2/3 votes of participants in the shareholders meeting, is needed.

10. Issuer bodies

According to the regulations of JSC „Kauno energija“, the management bodies of the Company are Shareholders meeting, collegiate supervisory body – Supervisory board, collegiate management body – Management board and individual management body – general director.

The decisions of the shareholders meeting made on the shareholders meeting competence issues foreseen in the regulations of the Company are obligatory to the shareholders, Supervisory board, Management board and General director and for other employees of the Company.

In the shareholders meeting or repeated shareholders meeting has the right to participate and to vote those 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 made the agreement of voting right transfer. The registration day of the Company's meeting is the fifth day till the shareholders meeting or fifth working day till repeated shareholders meeting. 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, without 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 shareholders meeting in compliance with the order foreseen in the law on joint stock companies. The supervisory board consists of 7 (seven) supervisory board members. Supervisory board members are elected for the 4 (four) years period. Supervisory board from it's members elects the chairman of the supervisory board. The shareholders meeting can recall all supervisory board or it's members before the term of office. If the individual members of the supervisory board are elected, they are elected only till 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 company's manager, presents opinions and suggestions for the shareholders meeting 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 company's manager, provides suggestions for the management board and

the manager to recall their decisions, which contradict with the laws and other legal acts, company's regulations or decisions of the shareholders meeting, decides on other issues, which are ascribed by the shareholders meeting to the competence of supervisory board, company's and its management bodies activity supervision issues. Supervisory board has no right to charge or transfer its functions foreseen in the law on joint stock companies to other company bodies.

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 its members before their term of office. If the individual members are elected, they are elected only till the current management board term of office. The management board from its members elects the chairman of the board.

The management board elects and recalls the manager of the company, determines his salary, other work conditions, confirms duty regulations, motivates or assigns penalty.

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

11. 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 quarantees for these persons, total and average amounts for one member of collegiate body, manager of the company, chief accountant*)

Data about the members of the Company's supervisory Board

Adolfas Antanas Balutis, the chairman of the Company's supervisory board.

The beginning of term of office 26/04/2005, end 30/07/2007

Kęstutis Mikėnas, the deputy of the chairman of the supervisory board.

The beginning of term of office 30/04/2004, end 30/07/2007

Giedrius Donatas Ašmys, the member of the Company's supervisory board

The beginning of term of office 30/04/2004, end 30/07/2007

Tautvydas Barštys, the member of the Company's supervisory board

The beginning of term of office 30/04/2004, end 30/07/2007

Anicetas Ignotas, the member of the Company's supervisory board

The beginning of term of office 30/04/2004, end 27/07/2006.

Gediminas Budnikas, the member of the Company's supervisory board

The beginning of term of office 30/04/2004, end 30/07/2007

Aloyzas Zairys, the member of the Company's supervisory board

The beginning of term of office 30/04/2004, end 30/07/2007

The members of supervisory board have no shares of the Company. Per period under review there no calculation of money sums, transfers of other assets and no quarantees given for the members of the supervisory board.

Data about the members of the management board

Algirdas Vaitiekūnas. The chairman of the management board.

Has no shares of the Company.

The beginning of term of office 30/04/2005, end 30/04/2008

Rymantas Juozaitis. The deputy of the chairman of the management board.

Has 45674 units of the Company's shares (according to 30/06/2007 data), which make less than 5 percent of the authorized capital.

The beginning of term of office 30/04/2004, end 30/04/2008

Gintaras Čižikas. The member of the management board.

Has no shares of the Company.

The beginning term of office 30/04/2004, end 30/04/2008

Henrikas Matulionis. The member of the management board.

Has no shares of the Company.

The beginning of term of office 30/04/2004, end 30/04/2008

Andrius Stankevičius. The member of the management board.

Has no shares of the Company.

The beginning of term of office 30/04/2004, end 30/04/2008

Stanislovas Karčiauskas. The member of the management board.

Has no shares of the Company.

The beginning of term of office 30/04/2004, end 30/04/2008

Aleksandras Sigitas Matelionis. The member of the management board.

Has no shares of the Company.

The beginning of term of office 05/10/2005, end 30/04/2008.

From 27/07/2004 is the general director of JSC „Kauno energija“.

Per period under review there was no calculation of money sums, transfers of other assets and no quarantees given for the members of the management board.

Data about Administration members:

Aleksandras Sigitas Matelionis. From 27/07/2004 is general manager of JSC „Kauno energija“.

Capital of the Company and all of the votes – 0,0%;

Violeta Staškūnienė. Chief accountant of JSC „Kauno energija“.

Capital of the Company and all of the votes – has 2641 units of the Company's shares, which make less than 5 percent of the authorized capital.

Per period under review for the members of administration there was calculated total sum -93834-LTL, average amount 46917 – LTL for one member and no other asset was transferred, no quarantees provided.

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

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

13. Essential and newest events in the activity of the issuer

- On 31/01/2007 the Company announced preliminary activity result of the year 2006: JSC "Kauno energija" preliminary not audited activity results of the year 2006 (31 December, 2006) according to the International accounting standards – net profit 7843 thousand LTL (2272 thousand EUR), income from sales per the year 2006 – 183224 thousand LTL (53065 thousand EUR). The change of the planned activity results was influenced by the reduction of sales amount of the December, 2006, month's average weather temperature.

- On 19/03/2007 announced the information about the convocation of general shareholders meeting:

By the initiative and decision of the Company's management board on 25 April, 2007, 13 p.m. the shareholders meeting of JSC "Kauno energija" (code of enterprise 235014830, address Raudondvario pl. 84, Kaunas) is convened, which will be held in company's hall (Raudondvario pl. 86A, I floor). The registration of shareholders will be from 12.20 p.m. till 12.50 p.m. The account day of shareholders meeting is 18 April, 2007. Meeting agenda:

1. Company's annual report of the year 2006.
2. Conclusions of auditor.
3. Confirmation of financial statement of the year 2006.
4. Confirmation of the allocation of profit for the year 2006.

- On 06/04/2007 announced provided on 25/04/2006 decisions projects of the shareholders meeting prepared by JSC „Kauno energija“ management board for the shareholders meeting voting. JSC „Kauno energija“ management board decided to offer for the shareholders meeting to make the decision: not to pay dividends for the company's shareholders for the year 2006.

- On 25/04/2007 announced about the repeated shareholders meeting convocation: On 25 April, 2007, 13 p.m. convened JSC „Kauno energija“ shareholders meeting hadn't take place since there was no quorum. Repeated JSC „Kauno energija“ shareholders meeting is convened on 14 May, 2007, 13 p.m. Announced repeated meeting will be held in company's hall, I floor (Raudondvario pl. 86A Kaunas) and will make the decisions on not taken place meeting agenda.

On 14/05/2007 the decisions of the repeated general shareholders meeting are announced:

1. Listened to the consolidated annual report on the activity of the Company for the year 2006.
2. Listened to the conclusions of auditor.
3. Confirmed audited consolidated and Company's financial statement of the year 2006.
4. Allocated profit of the Company for the year 2006: Alloted to the compulsory reserve - 7689 thousand LTL (2227 thousand EUR).

The audited activity result of the JSC „Kauno energija“ for the year 2006 (net profit) from the announced preliminary not audited activity result for the year 2006 (31 December, 2006) (net profit 7843 thousand LTL (2272 thousand EUR)) differs for the following reasons: recalculation of mazut prices by the method of weighted average at the company's scale, subsidies amortization, the change of stocks realization value and the recalculation of value added tax.

- On 15/05/2007 publicly provided confirmed by the shareholders on 14 May, 2007, consolidated and company's audited financial statement of the year 2006.

- On 25/05/2007 publicly provided not audited intermediate financial statement of I quater, 2007

- On 14/06/2007 publicly announced annual prospect-report for the year 2006 of JSC "Kauno energija" (enterprise code 235014830)

- On 26/06/2007 the convocation of JSC „Kauno energija“ extraordinary shareholders meeting is announced:

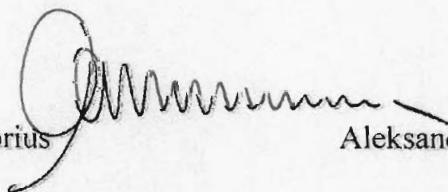
By the initiative of the main shareholder of the company (Kaunas city municipality administration) and by the decision of the company's management board on 30 July, 2007, 13 p.m. the shareholders meeting of JSC "Kauno energija" (code of enterprise 235014830, address Raudondvario pl. 84, Kaunas) is convened, which will be held in company's hall (Raudondvario pl. 86A, I floor). The registration of shareholders will be from 12.20 p.m. till 12.50 p.m. The account day of the shareholders meeting is 23 July, 2007. Meeting agenda:

1. Cancellation of JSC „Kauno energija“ supervisory board;
 2. Election of JSC „Kauno energija“ supervisory board.
- On 16/07/2007 the Company's shareholders meeting decisions projects are announced:
For the Company's shareholders it will be offered to agree with these decision projects:
 1. To recall the Supervisory board of joint stock company „Kauno energija“;
 2. To elect the members of Supervisory board of joint stock company „Kauno energija“ for the four years period: Jadzė Bartašienė; Jonas Koryzna; Bronislovas Kučinskas; Pranas Paškevičius; Rimas Antanas Ručys; Stasys Žirgulis; Gediminas Žukauskas.
 - On 30/07/2007 the report on 30 July, 2007, taken place shareholders meeting decisions and about not audited Company's activity result of I half year, 2007, was announced. In the extraordinary shareholders meeting of JSC „Kauno energija“ on 30 July, 2007 following decisions were made:
 1. To recall the Supervisory board of joint stock company „Kauno energija“;
 2. To elect the members of the Supervisory board of joint stock company „Kauno energija“ for the four year period:
 - Jadzė Bartašienė;
 - Jonas Koryzna;
 - Bronislovas Kučinskas;
 - Pranas Paškevičius;
 - Rimas Antanas Ručys;
 - Stasys Žirgulis;
 - Gediminas Žukauskas.

14. Information on the Companies management code following

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

General director
JSC „Kauno energija“ generalinis direktorius



Aleksandras Sigita Matelionis



AKCINĖ BENDROVĖ „KAUNO ENERGIJA“

To: Lithuanian Securities Commission
Konstitucijos av.23, LT-08105 Vilnius

2007 07 30 Nr. 20-2445

To: JSC Vilnius Stock Exchange of Lithuania
Konstitucijos av. 7, 15 floor, LT-08105 Vilnius

CONFIRMATION FROM RESPONSIBLE PERSONS

Following the guidelines of 22 article of the Law on Securities Market of the Republic of Lithuania and Lithuanian Securities Commission periodical and additional information preparation and presentation regulations, we a General Manager Aleksandras Sigitas Matelionis and Chief Accountant Violeta Staškūnienė JSC „Kauno energija“ approving, that according ours knowledge the JSC „Kauno energija“ interim financial reporting of the first half-year of 2007 prepared according to the International Financial Reporting Standards, generally accredited in European Union, satisfy actuality and correct indicate assets, liabilities, financial position and profit for time period of the enterprise.

Enclosing JSC „Kauno energija“ consolidated and company's first half-year of 2007 financial accountability, prepared according to the International Financial Reporting Standards.

Yours respectfully,

General Manager

Aleksandras Sigitas Matelionis

Chief Accountant

Violeta Staškūnienė

V.Staškūnienė, tel.: +370-37-305841, mob. tel.: +370-686-04932

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www.ke.lt Centrinis šilumos vartotojų informacijos telefonas (8~37) 30 58 00

LR juridinių asmenų registras, Valstybės įmonės Registrų centro Kauno filialas, E. Ožėškienės g. 12, Kaunas
Atsiskaitomoji sąskaita LT607044060002866144 AB SEB Vilniaus bankas PVM kodas LT350148314

JSC „Kauno energija“

**CONSOLIDATED AND COMPANY'S FINANCIAL STATEMENTS
FOR THE I HALF YEAR OF THE YEAR 2007
PREPARED ACCORDING TO THE INTERNATIONAL FINANCIAL
REPORTING STANDARDS**

JSC KAUNO ENERGIJA, code 235014830, Raudondvario pl. 84, Kaunas, Lithuania

CONSOLIDATED AND COMPANY'S FINANCIAL STATEMENTS FOR THE I HALF YEAR, 2007

(all amounts are in LTL thousand unless otherwise stated)

Balance Sheets

		Group		Company	
		30 June, 2007	31 December, 2006	30 June, 2007	31 December, 2006
Notes					
ASSETS					
Non-current assets					
		1.975	2.114	1.954	2.089
		29.044	29.489	27.294	27.791
		101.232	101.940	101.263	101.875
		1.418	1.215	1.215	1.135
		6.098	5.892	5.998	5.790
		2.075	2.406	2.074	2.406
		13.697	10.122	13.697	10.122
		153.564	151.064	151.541	149.119
Non-current financial assets					
	1	-	-	6.518	6.518
		1.473	1.441	1.473	1.441
		433	433	433	433
		1.906	1.874	8.424	8.392
Total non-current assets					
		157.445	155.052	161.919	159.600
Current assets					
Inventories and prepayments					
		7.469	8.645	7.365	8.568
		758	451	708	436
		8.227	9.096	8.073	9.004
Current accounts receivable					
	3	19.344	34.531	19.115	34.238
		3.671	4.009	3.734	4.072
		23.015	38.540	22.849	38.310
	4	2.233	4.466	2.191	4.436
Total current assets					
		33.475	52.102	33.113	51.750
Total assets					
		190.920	207.154	195.032	211.350

(cont'd on the next page)

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

JSC KAUNO ENERGIJA, code 235014830, Raudondvario pl. 84, Kaunas, Lithuania

CONSOLIDATED AND COMPANY'S FINANCIAL STATEMENTS FOR THE I HALF YEAR, 2007

(all amounts are in LTL thousand unless otherwise stated)

		Group		Company	
		30	31	30	31
	Notes	June,	December,	June,	December,
		2007	2006	2007	2006
EQUITY AND LIABILITIES					
Equity					
Share capital	5	118.310	118.310	118.310	118.310
Legal reserve	5	11.373	3.634	11.323	3.634
Other reserve	5	163			
Retained earnings (deficit)					
Profit for the current year		2.260	5.907	2.333	9.360
Profit (loss) for the previous year		(3.674)	(1.671)		(1.671)
Total retained earnings (deficit)		(1.414)	4.236	2.333	7.689
Total equity		128.432	126.180	131.966	129.633
Liabilities					
Non-current liabilities					
Non-current financial borrowings	6	26.031	18.009	26.031	18.009
Lease (financial lease) liabilities	7	123	-	-	-
Deferred income tax liability		2.754	2.754	3.423	3.423
Grants (deferred income)		8.809	7.935	8.809	7.935
Total non-current liabilities		37.717	28.698	38.263	29.367
Current liabilities					
Current portion of non-current financial debts and lease	6,7	639	7.692	623	7.692
Current financial borrowings	6	10.669	14.177	10.669	14.177
Trade payables		11.012	26.038	11.395	26.403
Advances received		668	873	668	873
Payroll-related liabilities		880	1.717	739	1.665
Taxes payable		47	948	20	876
Income tax payable		676	676	598	598
Other current liabilities		180	155	91	66
Total current liabilities		24.771	52.276	24.803	52.350
Total liabilities		62.488	80.974	63.066	81.717
Total equity and liabilities		190.920	207.154	195.032	211.350

General Manager

Aleksandras Sigita
Matelionis

23 July, 2007

Chief Accountant

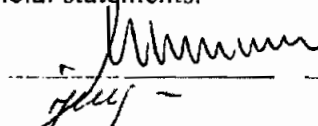
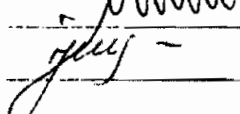
Violeta Staškūnienė

23 July, 2007

Income Statements

		Group					
		II quarter, I half year, II quarter, I half year,					
	Notes	2007	2007	2006	2006	2006	2005
Operating income							
Income from sales	8	20.857	93.197	25.122	124.336	183.734	171.382
Other operating income	9	272	534	563	835	3.704	6.833
Total activity income		21.129	93.731	25.685	125.171	187.438	178.215
Operating expenses							
Fuel and heat acquired		(15.323)	(61.897)	(16.929)	(72.305)	(112.894)	(106.464)
Salaries and social security		(5.520)	(9.681)	(6.122)	(10.344)	(26.017)	(22.447)
Raw materials		(563)	(1.105)	(1.116)	(1886)	(3.407)	(2.959)
Taxes other than income tax		(623)	(1.630)	(1.044)	(2084)	(4.085)	(4.162)
Electricity		(513)	(1.461)	(572)	(1653)	(3.804)	(3.512)
Depreciation and amortization		(5.065)	(10.081)	(4.684)	(9.224)	(18.560)	(17.908)
Repairs and maintenance		(402)	(726)	(276)	(487)	(755)	(1.521)
Water		(328)	(568)	(91)	(286)	(1.069)	(479)
Change in allowance for accounts receivable	3	(961)	2.123	379	549	847	(206)
Change in allowance for inventories		6	6			324	(279)
Petrašiūnai power plant operator expenses		(488)	(975)	-		(967)	-
Other expenses		(2.698)	(4.993)	(3.372)	(5.978)	(11.413)	(8.467)
Other operating expenses	9	(229)	(449)	(203)	(655)	(1.198)	(6.517)
Total operating expenses		(32.707)	(91.437)	(34.030)	(104.353)	(182.998)	(174.921)
Profit from operations		(11.578)	2.294	(8.345)	20.818	4.440	3.294
Income from financial and investing activities	10	347	732	557	1.014	1.946	1.926
Expenses from financial and investing activities	10	(385)	(766)	(332)	(698)	(1.347)	2.212
Financial and investing activities, net		(38)	(34)	225	316	599	4.138
Profit before tax		(11.616)	2.260	(8.120)	21.134	5.039	7.432
Income tax						868	(1.007)
Net profit		(11.616)	2.260	(8.120)	21.134	5.907	6.425
Basic earnings per share (LTL)		(0,59)	0,11	(0,41)	1,07	0,30	0,33

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

General Manager	Aleksandras Sigitas Matelionis		23 July, 2007
Chief Accountant	Violeta Staškūnienė		23 July, 2007

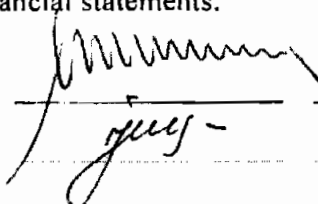
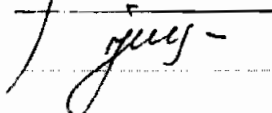
JSC KAUNO ENERGIJA, code 235014830, Raudondvario pl. 84, Kaunas, Lithuania

CONSOLIDATED AND COMPANY'S FINANCIAL STATEMENTS FOR THE I HALF YEAR, 2007

(all amounts are in LTL thousand unless otherwise stated)

	Notes	Company				2006	2005
		II quarter, 2007	I half year, 2007	II quarter, 2006	I half year, 2006		
Operating income							
Income from sales	8	20.551	92.429	25.122	124.336	183.224	171.382
Other operating income	9	301	590	563	835	8.464	6.833
Total activity income		20.852	93.019	25.685	125.171	191.688	178.215
Operating expenses							
Fuel and heat acquired		(15.323)	(61.897)	(16.929)	(72.305)	(112.894)	(106.464)
Salaries and social security		(4.660)	(8.052)	(6.122)	(10.344)	(24.543)	(22.447)
Raw materials		(469)	(949)	(1.116)	(1886)	(3.352)	(2.959)
Taxes other than income tax		(622)	(1.628)	(1.044)	(2084)	(4.066)	(4.162)
Electricity		(510)	(1.454)	(572)	(1653)	(3.804)	(3.512)
Depreciation and amortization		(5.037)	(10.024)	(4.684)	(9.224)	(18.497)	(17.908)
Repairs and maintenance		(402)	(723)	(276)	(487)	(755)	(1.521)
Water		(324)	(561)	(91)	(286)	(1.069)	(479)
Change in allowance for accounts receivable		(961)	2.123	379	549	847	(206)
Change in allowance for inventories		6	6			324	(279)
Maintenance of heating and hot water systems	1,12	(689)	(1.412)			(1.995)	-
Petrašiūnai power plant operator expenses		(488)	(975)			(967)	-
Other expenses		(2.528)	(4.723)	(3.372)	(5.978)	(10.942)	(8.467)
Other operating expenses	9	(216)	(424)	(203)	(655)	(1.491)	(6.517)
Total operating expenses		(32.223)	(90.693)	(34.030)	(104.353)	(183.204)	(174.921)
Profit from operations		(11.371)	2.326	(8.345)	20.818	8.484	3.294
Income from financial and investing activities	10	346	773	557	1.014	1.946	1.926
Expenses from financial and investing activities, net	10	(385)	(766)	(332)	(698)	(1.347)	2.212
Financial and investing activities, net		(39)	7	225	316	599	4.138
Profit before tax		(11.410)	2.333	(8.120)	21.134	9.083	7.432
Income tax						277	(1.007)
Net profit		(11.410)	2.333	(8.120)	21.134	9.360	6.425
Basic earnings per share (LTL)		(0,58)	0,12	(0,41)	1,07	0,47	0,33

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

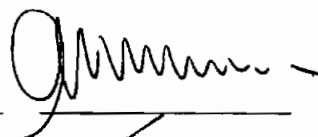

General Manager	Aleksandras Sigitas Matelionis		23 July, 2007
Chief Accountant	Violeta Staškūnienė		23 July, 2007

Statements of Change in Equity

Group	Notes	Share capital	Legal reserve	Other reserve	Retained earnings	Total
Balance as of 31 December, 2005		118.310			1.963	120.273
Net profit for the period		-	-		6.348	6.348
Reserve		-	3.634		-3.634	0
Balance as of 30 June, 2006		118.310	3.634		4.677	126.621
Net profit for the period					-441	-441
Balance as of 31 December, 2006		118.310	3.634		4.236	126.180
Transferred to the legal reserve	5	-	7.739		-7.739	-
Other reserve	5			163	-163	-
Dividends					-8	-8
Net profit for the year		-	-		2.260	2.260
Balance as of 30 June, 2007		118.310	11.373	163	-1.414	128.432

Company	Notes	Share capital	Legal reserve	Retained earnings	Total
Balance as of 31 December, 2005		118.310		1.963	120.273
Reserve		-	3.634	-3.634	-
Net profit for the period		-	-	6.348	6.348
Balance as of 30 June, 2006		118.310	3.634	4.677	4.677
Net profit for the period				3.012	3.012
Balance as of 31 December, 2006		118.310	3.634	7.689	129.633
Tranferred to the legal reserve	5	-	7.689	-7.689	
Net profit for the year		-	-	2.333	2.333
Balance as of 30 June, 2007		118.310	11.323	2.333	131.966

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

General Manager	Aleksandras Sigitas Matelionis		23 July, 2007
Chief Accountant	Violeta Staškūnienė		23 July, 2007

JSC KAUNO ENERGIJA, code 235014830, Raudondvario pl. 84, Kaunas, Lithuania

CONSOLIDATED AND COMPANY'S FINANCIAL STATEMENTS FOR THE I HALF YEAR, 2007

(all amounts are in LTL thousand unless otherwise stated)

Cash Flow Statements

	Group		Company	
	I half year, 2007	I half year, 2006	I half year, 2007	I half year, 2006
Cash flows from (to) operating activities				
Net profit	2.260	21.134	2.333	21.134
Adjustments for non-cash items:	6.847	6.751	6.752	6.751
Depreciation and amortization	10.578	9.503	10.498	9.503
Change in allowance for accounts receivable	(2.123)	(549)	(2.123)	(549)
Loss (gain) from sale and write-off of property, plant and equipment and shares	(16)	(6)	(15)	(6)
Change in allowance for inventories	(6)		(6)	
Accruals	(1.271)	(1.671)	(1.271)	(1.671)
Amortization of grants	(365)	(243)	(365)	(243)
Change in currency exchange rate	-		-	
Interest expenses	753	680	753	680
Elimination of other financial and investing activity results	(703)	(963)	(719)	(963)
Changes in working capital:	2.818	2.570	2.790	2.570
(Increase) decrease in inventories	1.182	113	1.209	113
Decrease in prepayments	(307)	(1.114)	(272)	(1.114)
Decrease (increase) in trade receivables	17.310	14.897	17.246	14.897
Decrease (increase) in other receivables	306	3.795	306	3.795
(Decrease) in non-current trade payable				
Increase in current trade payables and advances received	(15.231)	(15.214)	(15.213)	(15.214)
Increase (decrease) in payroll-related liabilities	434	726	345	726
Increase (decrease) in other liabilities for budget	(901)	(629)	(856)	(629)
(Decrease) in other liabilities	25	(4)	25	(4)
Net cash flows from operating activities	11.925	30.455	11.875	30.455

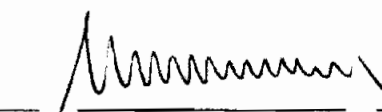
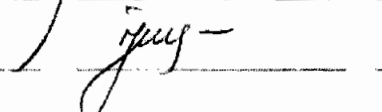
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The accompanying notes are an integral part of these financial statements.

Cash Flow Statements (cont'd)

	Group		Company	
	I half year, 2007	I half year, 2006	I half year, 2007	I half year, 2006
Cash flows from (to) investing activities				
(Acquisition) of tangible and intangible assets	(12.809)	(10.424)	(12.791)	(10.424)
(Acquisition) on non-current investments	-	-	-	-
Proceeds from sale of tangible and intangible assets and investments	22	15	21	15
Penalty interest and fines (received)	721	893	721	893
Increase in cash flows from (to) non-current accounts receivable				
Net cash flows (to) from investing activities	(12.066)	(9.516)	(12.049)	(9.516)
Cash flows from (to) financing activities				
Proceeds from loans	5.762	17	5.762	17
(Repayment) of loans	(8.317)	(10.193)	(8.317)	(10.193)
Interest (paid)	(742)	(591)	(742)	(591)
Lease (payments)	(21)	-	-	-
Grants received	1239		1.239	
Penalty interest and fines (paid)	(13)	(19)	(13)	(19)
Net cash flows from (to) financing activities	(2092)	(10.786)	(2.071)	(10.786)
Net (decrease) increase in cash and cash equivalents	(2.233)	10.153	(2.245)	10.153
Cash and cash equivalents at the beginning of the year	4.466	4.333	4.436	4.333
Cash and cash equivalents at the end of the year	2.233	14.486	2.191	14.486

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

<u>General Manager</u>	<u>Aleksandras Sigitas Matelionis</u>		<u>23 July, 2007</u>
<u>Chief Accountant</u>	<u>Violeta Staškūnienė</u>		<u>23 July, 2007</u>

Notes to the Financial Statements

1 General Information

JSC „Kauno energija“ (hereinafter “the Company”) is joint stock company registered in the Republic of Lithuania. The address of it's registered office is as follows:

Raudondvaris pl. 84,
Kaunas,
Lithuania

The Company is involved in heat, electricity generation and distribution and maintenance of the heating and hot water systems. The Company was registered on 22 August, 1997 after the reorganization of JSC “Lietuvos energija”. The Company's shares are traded on the Current List of the National Stock Exchange.

JSC “Kauno energija” consists of Company's central office and subsidiary „Jurbarko šilumos tinklai“.

On 1 July, 2006 JSC „Kauno energija“ on the base of Kaunas energy services department established daughter company closed-end company „Pastatų priežiūros paslaugos“ (further – „daughter company“). The main activity of the daughter company is the exploitation and maintenance of building heating networks and heating consumption equipments, internal engineering networks and systems as well as building structures. From 1 July, 2006 Company is contracting closed-end company „Pastatų priežiūros paslaugos“ for permanent technical maintenance of heating and hot water supply systems.

The Group consists of JSC „Kauno energija“ and it's daughter company closed-end company „Pastatų priežiūros paslaugos“ (further „Group“):

Daughter company	Registration address	Share of the stock held by the Group	Cost of investment	Profit (loss) for the reporting period	Total equity	Main activity
Closed-end company „Pastatų priežiūros paslaugos“	Savanorių pr. 347, Kaunas	100%	6.518	(72)	6.724	Maintenance of heating and hot water supply systems.

The authorized capital of daughter company consists of 65180 units ordinary registered 100 LTL value shares.

Operations of JSC „Kauno energija“ are regulated by the Law on Heat No IX-1565 of 20 May, 2003 of the Republic of Lithuania.

According to the Law on Heat of the Republic of Lithuania, the Company's activities are licensed and regulated by the State Prices and Energy Control Commission (hereinafter "the Commission"). On 26 February, 2004 the Commission granted the Company the heat distribution license. The license has indefinite maturity, but is subject to meeting certain requirements and may be revoked based on the respective decision of the Commission. The Commission also sets price cap for the heat supply.

In 2003 the Company sold part of the assets of the subdivision Kauno Elektrinė to the closed-end company Kauno Termofikacijos Elektrinė (KTE) and committed to purchase at least 80% of the annual demand of the integrated heating network in Kaunas from this company. The contract is valid for 15 years from the sales agreement date. The contract establishes that the purchase price of heat energy from KTE will not increase during the first 5 years from the date of signing the contract.

On 8 June, 2006 JSC "Kauno energija" signed the agreement with closed-end company "Energijos sistemų servisas" regarding the operation of Petrašiūnai power plant and its assets located at Jėgainės st. 12, Kaunas. The contract is valid for a period of three years. Also on 22 June, 2006 the Company signed a lease agreement with closed-end company Kauno Termofikacijos Elektrinė regarding the equipment used in production of heating energy operated by closed-end company "Energijos sistemų servisas". The contract is valid for a period of three years.

The Company's generation capacity includes a power plant in Petrašiūnai, 3 district boiler-houses in Kaunas integrated network, 8 regional boiler-houses in Kaunas and Marijampolė regions, 14 isolated network and 50 local gas burning boiler-houses.

The Company's total heat and electricity generation capacity is 678 MW and 8.75 MW, respectively, out of which 406 MW of heat generation and 8 MW of electric capacity are located at the power plant in Petrašiūnai. Total Company's power generation capacity is 686.75 MW.

The average Group's listed number of employees in I half year, 2007, was 723 (in the year 2006 – 885). Average number of the Company employees in I half year, 2007, was 627 (in the year 2006- 780).

Aiming to centralize the activity of the Company, the Company announced open competition for in the geographically distant Marijampolė region being and for the Paliai boiler house depending long term asset sale with the condition that the buyer would assure the heat supply for Igliauka settlement. No offer was received.

2.1. Financial Accounting Form

These financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

Adoption of new and/or changed IFRSs and IFRIC interpretations

- IAS19 Amendment-Employee Benefits
- IAS 21 Amendment-The Effects of Changes in Foreign Exchange Rates
- IAS 39 Amendments-Financial Instruments: Recognition and Measurement
- IFRIC 4 Determining whether an Arrangement contains a Lease
- IFRIC 5 Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- IFRIC 6 Liabilities arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment

Adoption of these revised standards and interpretations did not have any effect on the financial statements of the Group and the Company.

2.2. Measurement and Presentation Currency

The amounts shown in these financial statements are presented in the local currency of the Republic of Lithuania, litas (LTL).

Starting from 2 February, 2002, Lithuanian litas is pegged to EUR at the rate of 3.4528 litas for 1 euro, and the exchange rates in relation to other currencies are set daily by the Bank of Lithuania.

3. Receivables

During I half year, 2007 the Group and Company recovered LTL 2.123 thousand of bad debts which were written off in the previous periods. By this amount increased the profit of the company from the typical activity.

4. Cash and Cash Equivalents

	Group		Company	
	2007 06 30	2006	2007 06 30	2006
Cash at bank	1.028	1.090	986	1.060
Cash on hand	47	17	47	17
Cash in transit	1.158	3.359	1.158	3.359
	<u>2.233</u>	<u>4.466</u>	<u>2.191</u>	<u>4.436</u>

The Group's and Company's accounts in LTL, which balance on 30 June, 2007 amounting to LTL 986 thousand are pledged as collateral to for the loans (6 note).

5. Equity

Authorized capital

On 30 June, 2007 and 31 December, 2006 the shareholders of the Company were:

	The number of shares (units)	Ownership portion (percent)
Administration of Kaunas city municipality	16.954.892	85,99
Administration of Kauno district municipality	1.606.168	8,14
Administration of Jurbarkas district municipality	443.810	2,25
Other shareholders	713.512	3,62
	19.718.382	100,00

All the shares which nominal value is LTL 6 are ordinary registered shares and on 30 June, 2007 and 31 December, 2006 were fully repayed. The authorized capital in 2007 and 2006 didn't changed and amounts LTL 118310 thousand. In 2007 and 2006 the Company hasn't it's own shares.

The authorized capital of LTL 6518 thousand of the daughter company consists of 65180 units ordinary registered 100 LTL value shares.

Daughter company	Registration address	Share of the stock held by the Group	Cost of investment	Profit (loss) for the reporting period	Total equity	Main activity
Closed-end company „Pastatų prižiūros paslaugos“	Savanorių pr. 347, Kaunas	100%	6.518	(72)	6.724	Mainte- nance of heating and hot water sypply systems.

Legal reserve

A legal reserve is a compulsory reserve under Lithuanian legislation. Annual transfers of not less than 5 percent of net profit calculated in accordance with IFRS are compulsory until the reserve

reaches 10 percent of the share capital. On 28 April, 2006 based on the decision of the Company's shareholders LTL 3.634 thousand were transferred to the legal reserve. On 14 May, 2007, based on the decision of the Company's shareholders LTL 7.689 thousand were transferred to the legal reserve. On 14 March, 2007 based on the decision of the all shares owner JSC „Kauno energija“ LTL 50 thousand of daughter company's profit was transferred to the legal reserve.

Other reserve

On 14 March, 2007 by the decision of all shares owner JSC „Kauno energija“ LTL 163 thousand of daughter company's profit was transferred to the reserve for investments.

6. Financial Debts

On 1 August, 2005 the Company signed a long-term loan agreement with JSC bank “Hansabankas” for the amount of LTL 5.000 thousand. The maturity date of the last portion of the loan is 1 August 2012. As of 30 June, 2007 the outstanding balance of the loan amounted to LTL 4.168 thousand (as of 31 December, 2006 – LTL 4.584 thousand), of which LTL 416 thousand was accounted for as the current portion of non-current borrowings in the financial statements of the Group and the Company.

On 23 August, 2005 the Company signed a long-term loan agreement with JSC SEB Vilniaus Bankas for the amount of LTL 30.300 thousand (EUR 8.776 thousand). The maturity date of the last portion of the loan is 31 December, 2009. As of 30 June, 2007 the outstanding balance of the loan amounted to LTL 17.688 thousand (EUR 5.123 thousand) (As of 31 December, 2006 - LTL 20.581 thousand (EUR 5.961 thousand)), of which LTL 207 thousand was accounted for as the current portion of non-current borrowings in the financial statements of the Group and the Company.

On 1 December, 2006 the Company signed a long-term agreement with Nordea Bank Finland Plc. Lithuanian branch for the amount of LTL 2.090 thousand. By the agreement signed on 18 April, 2007 the limit of agreement credit is increased to the LTL 6.090 thousand. The maturity date of the last portion of the loan is 31 October, 2015. As of 30 June, 2007 the outstanding balance of the loan amounted to LTL 2.317 thousand (As of 31 December – LTL 536 thousand).

On 21 December, 2006 the Company signed a long-term agreement with JSC SEB Vilniaus Bankas for the amount of LTL 7.108 thousand. The maturity date of the last portion of the loan is 30 November, 2016. As of 30 June, 2007 the outstanding balance of the loan amounted to LTL 1.743 thousand (As of 31 December, 2006 the Company didn't utilize this loan).

On 20 April, 2007, the Company signed overdraft agreement with JSC Sampo bankas for the sum of LTL 1.010 thousand. The maturity date of the last portion of the overdraft is 20 October, 2009.

As of 30 June, 2007 the Company's balance of used overdraft from JSC bank DnB NORD Lietuva with the maturity date of 31 May, 2008 was LTL 10.669 thousand (31 December, 2006 – LTL 9.760 thousand).

At the end of the period the balance of borrowings in national and foreign currencies are as follows:

Currency	Group		Company	
	2007 06 30	2006 12 31	2007 06 30	2006 12 31
EUR	19.431	20.581	19.431	20.581
LTL	17.891	19.297	17.891	19.297
	37.322	39.878	37.322	39.878

On 30 June, 2007 the property, plant and equipment of the Group and Company, which balance value was LTL 60.575 thousand (As of 31 December, 2006 – LTL 64.017 thousand), were pledged to the banks as collateral for the loans.

According to the signed financial debts agreements for the debts payment assurance the cash in Company's accounts were pledged (4 note).

7. Lease (Financial Lease)

On 28 June, 2007, Group's daughter company signed the EUR 46 thousand lease agreement with closed end company Hansa lizingas for the acquisition of long term asset. LTL 16 thousand portion in the Group's financial statement is accounted in the non-current loans and lease clause of the current year.

8. Sales Income

The Group's and the Company's activities are heat energy supply, maintenance of heating and hot water supply systems; electricity production and other activities. These activities are inter-related, consequently for management purposes the Group's and the Company's activities are organized as one main segment – heat energy supply. The Company's sales by activities are stated below:

Sales income	Group		Company	
	I half year, 2007	I half year, 2006	I half year, 2007	I half year, 2006
Heat energy	90.515	111.825	90.515	111.825
Maintenance of buildings heating and hot water supply systems	1.146	3.932	378	3.932
Electricity energy	319	298	319	298
Revenue from sale of emission rights		8.154		8.154
Constant technical supervision	1.217	127	1.217	127
	93.197	124.336	92.429	124.336

9. Other Operating Income (Costs) – Net Result

	Group		Company	
	I half year, 2007	I half year, 2006	I half year, 2007	I half year, 2006
Other operating income				
Provided services	336	214	392	214
Materials sold	48	103	48	103
Reselled services	141	211	141	211
Other	9	307	9	307
	534	835	590	835
Other operating costs				
The cost of provided services	(280)	(95)	(255)	(95)
Cost of materials sold	(29)	(309)	(29)	(309)
Cost of reselled services	(136)	(233)	(136)	(233)
Other	(4)	(18)	(4)	(18)
	(449)	(655)	(424)	(655)
	166	180	166	180
	Group		Company	
	2006	2005	2006	2005
Income from other activities				
Gain from sale of non-current assets	2,346	3,946	2,346	3,946
Revaluation of the assets transferred to subsidiary	-	-	4,462	-
Services provided by the Company	897	2,407	1,161	2,407
Materials sold	373	379	407	379
Other	88	101	88	101
	3,704	6,833	8,464	6,833
Expenses from other operating activities				
Loss from sale of non-current assets and shares	(4)	(4,875)	(4)	(4,875)
Cost of services provided by the Company	(627)	(1,175)	(891)	(1,175)
Cost of materials sold	(201)	(356)	(248)	(356)
Other	(370)	(111)	(348)	(111)
	(1,202)	(6,517)	(1,491)	(6,517)
	2,502	316	6,973	316

10. Financial and Investment Activity Income (Costs) - Net Result

	Group		Company	
	I half year, 2007	I half year, 2006	I half year, 2007	I half year, 2006
Income from financial and investment activities				
Penalty interest and fines	721	893	721	893
Interest income	9	121	9	121
Dividends			43	
Other financial income	2			
	732	1.014	773	1.014
Expenses of financial and investment activities				
Penalty interest and fines	(12)	(18)	(12)	(18)
Interest expenses	(753)	(680)	(753)	(680)
Other financial expenses	(1)		(1)	
	(766)	(698)	(766)	(698)
Net result	(34)	316	7	316

11. Financial Assets and Liabilities and Risk Management

Liquidity risk

The Group's and the Company's policy is to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of overdrafts and committed credit facilities to meet its commitments at a given date in accordance with its strategic plans.

The Group's liquidity and quick ratios as of 30 June, 2007 were 135 and 1,05 (0,99 and 0,83 as of 31 December, 2006). The Company's liquidity and quick ratios as of 30 June, 2007 were 1,36 and 1,40 respectively (0,99 and 0,82 as of 31 December, 2006).

12. Related Parties Transactions

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

In 2007 and 2006 the Group and Company had no significant transactions with the other companies owned by municipality of Kaunas city except for the purchases or sales of the utility services. The services provided to the companies owned by the municipality of Kaunas city were executed at market prices.

On 30 June, 2007 and 31 December, 2006 the related party of the Company was closed-end company "Pastatų priežiūros paslaugos".

In 1 half year, 2007, Company's transactions with the related parties and at the end of the year were the follows:

I half year, 2007	Purchases	Sales	Receivables	Payables
Closed-end company "Pastatų priežiūros paslaugos"	1.489	139	64	493

In the year 2006 Company's transactions with the related parties and the balances at the end of the year were the follows:

2006	Purchases	Sales	Receivables	Payables
Closed-end company "Pastatų priežiūros paslaugos"	2.042	358	78	447

Transactions between related parties are executed at market prices.

Remuneration of the management and other payments

The Group's and the Company's management remuneration amounted to LTL 348 thousand and LTL 93 thousand in 1 half year, 2007, respectively (Company's LTL 520 thousand and LTL 419 thousand in 2006). The management of the Company did not received any loans, guarantees; no other payments or property transfers were made or accrued.

13. After Balance Events

State prices and energy control commission on 12 July, 2007, obliged the Company to look over the given for the confirmation heat prices from 1 August, 2007, which were confirmed by the Kaunas city municipality council on 21 June, 2007, determining that they will come into force from the 1st January, 2008. The Company specified prices (14.67 ct/kWh) and Kaunas city municipality council confirmed them on 19 July, 2007.