

2016

LIETUVOS ENERGIJA UAB

CONSOLIDATED AND COMPANY'S CONDENSED INTERIM FINANCIAL INFORMATION

COMPANY'S CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2016, PREPARED ACCORDING TO INTERNATIONAL ACCOUNTING STANDARD 34, 'INTERIM FINANCIAL REPORTING' AS ADOPTED BY THE EUROPEAN UNION (UNAUDITED)



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Translation note:

These condensed interim financial statements are a translation from the original, which was prepared in Lithuanian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of this document takes precedence over this translation.

Company's and Group's condensed interim financial information was approved by Lietuvos Energija UAB at 31 May 2016:

Dalius Misiūnas
Chief Executive Officer

Darius Kašauskas
Finance and Treasury Director

Edita Steponavičienė
Accounting department director of
Verslo Aptarnavimo Centras UAB
acting under Order No V-050A of 25
March 2016

Lietuvos energija, UAB, Company code 301844044, Žveju g. 14, LT-09310 Vilnius, Lithuania
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
At 31 March 2016

All amounts in thousands of euro unless otherwise stated

	Notes	Group		Company	
		2016-03-31	2015-12-31	2016-03-31	2015-12-31
ASSETS					
Non-current assets					
Intangible assets	3	26.949	21.539	-	-
Property, plant and equipment	3	1.701.060	1.631.117	285	286
Prepayments for non-current assets		1.267	1.267	-	-
Investment property		43.392	48.519	-	-
Investments in subsidiaries	4	3	6	1.127.093	1.102.286
Investment in joint venture	4	5.485	-	5.487	-
Amounts receivable after one year		239.186	243.153	234.475	238.975
Other non-current assets		2.083	3.288	-	-
Deferred income tax asset		3.237	6.488	63	50
Total non-current assets		2.022.662	1.955.377	1.367.403	1.341.597
Current assets					
Inventories		17.409	39.974	-	-
Prepayments		31.788	40.170	731	6
Trade receivables		116.879	107.066	-	-
Other amounts receivable		14.715	20.977	36.248	4.760
Other current assets		728	798	-	-
Prepaid income tax		1.970	5.757	-	-
Short-term investments		4.551	4.561	9.667	4.561
Cash and cash equivalents		136.943	164.341	7.775	13.179
		324.983	383.644	54.421	22.506
Non-current assets held for sale		154	209	77	77
Total current assets		325.137	383.853	54.498	22.583
TOTAL ASSETS		2.347.799	2.339.230	1.421.901	1.364.180
EQUITY AND LIABILITIES					
Equity					
Share capital	5	1.212.156	1.212.156	1.212.156	1.212.156
Reserves		90.556	91.148	4.241	4.255
Retained earnings (deficit)		(16.834)	(49.264)	114.368	83.289
Equity attributable to owners of the parent		1.285.878	1.254.040	1.330.765	1.299.700
Non-controlling interests		53.360	50.445	-	-
Total equity		1.339.238	1.304.485	1.330.765	1.299.700
Liabilities					
Non-current liabilities					
Non-current borrowings	6	348.850	277.805	25.571	-
Finance lease liabilities		438	473	-	-
Grants and subsidies		293.558	296.437	-	-
Deferred income tax liabilities		29.190	26.648	-	-
Provisions	7	4.044	5.084	-	-
Deferred income		53.268	53.602	-	-
Other non-current amounts payable and liabilities		14.156	9.033	17.997	17.873
Total non-current liabilities		743.504	669.082	43.568	17.873
Current liabilities					
Current portion of long-term debts	6	97.928	99.023	-	-
Current borrowings	6	1.974	43.232	-	-
Current portion of finance lease liabilities		150	155	-	-
Trade payables		65.475	92.119	261	443
Advance amounts received		29.161	39.386	1	28
Income tax liabilities		4.004	1.314	349	223
Provisions	7	14.372	23.333	-	-
Other current amounts payable and liabilities		51.993	67.101	46.957	45.913
Total current liabilities		265.057	365.663	47.568	46.607
Total liabilities		1.008.561	1.034.745	91.136	64.480
TOTAL EQUITY AND LIABILITIES		2.347.799	2.339.230	1.421.901	1.364.180

The accompanying notes form an integral part of this condensed interim financial information.

Lietuvos energija, UAB, Company code 301844044, Žveju g. 14, LT-09310 Vilnius, Lithuania
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME
For the three-month period ended 31 March 2016

All amounts in thousands of euro unless otherwise stated

	Notes	Group		Company	
		2016 I Q	2015 I Q	2016 I Q	2015 I Q
Revenue					
Sales revenue		328.052	311.114	821	363
Other income		7.047	10.650	-	-
Total revenue		335.099	321.764	821	363
Operating expenses					
Purchases of electricity, gas for trading and related services		(215.133)	(224.587)	-	-
Purchases of gas and heavy fuel oil for production		(11.149)	(704)	-	-
Depreciation and amortisation		(18.871)	(19.044)	(1)	(1)
Wages and salaries and related expenses		(22.216)	(23.622)	(743)	(634)
Repair and maintenance expenses		(4.556)	(5.369)	-	-
Other expenses	8	(14.392)	(9.267)	(345)	(322)
Total operating expenses		(286.317)	(282.593)	(1.089)	(957)
Operating profit (loss)		48.782	39.171	(268)	(594)
Finance income		938	1.800	31.766	1.732
Finance costs		(1.973)	(3.368)	(262)	(1.588)
Share of profit of equity accounted investments		(2)	-	-	-
		(1.037)	(1.568)	31.504	144
Profit (loss) before tax		47.745	37.603	31.236	(450)
Current year income tax expense		(6.541)	(4.813)	(166)	-
Deferred income tax (expense)/income		(5.924)	(1.815)	9	14
Net profit (loss)		35.280	30.975	31.079	(436)
Attributable to:					
Owners of the parent		32.026	29.250	31.079	(436)
Non-controlling interests		3.254	1.725	-	-
Other comprehensive income (loss)					
Items that will not be reclassified to profit or loss					
Gain (loss) on revaluation of non-current assets		-	-	-	-
Items that will not be reclassified to profit or loss, total		-	-	-	-
Items that will be reclassified to profit or loss					
Change in fair value of available-for-sale financial assets		(14)	(14)	(14)	(14)
Items that will be reclassified to profit or loss, total		(14)	(14)	(14)	(14)
Other comprehensive income (loss)		(14)	(14)	(14)	(14)
Total comprehensive income for the period		35.266	30.961	31.065	(450)
Attributable to:					
Owners of the parent		32.012	29.236	31.065	(450)
Non-controlling interests		3.254	1.725	-	-

The accompanying notes form an integral part of this condensed interim financial information.

Lietuvos energija, UAB, Company code 301844044, Žveju g. 14, LT-09310 Vilnius, Lithuania
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
For the three-month period ended 31 March 2016

All amounts in thousands of euro unless otherwise stated

Group	Notes	Equity attributable to owners of the Company					Subtotal	Non-controlling interest	Total
		Share capital	Legal reserve	Revaluation reserve	Other reserves	Retained earnings			
Balance at 1 January 2015		1.210.568	24.362	67.630	47	(42.547)	1.260.060	48.830	1.308.890
Change in fair value of available-for-sale financial assets, net of deferred income tax		-	-	(14)	-	-	(14)	-	(14)
Total other comprehensive income (loss) for the period		-	-	(14)	-	-	(14)	-	(14)
Net profit for the period		-	-	-	-	29.250	29.250	1.725	30.975
Total comprehensive income for the period		-	-	(14)	-	29.250	29.236	1.725	30.961
Transfer of revaluation reserve to retained earnings (transfer of depreciation, net of deferred income tax)		-	-	(1.872)	-	1.872	-	-	-
Acquisition of shares from non-controlling interest		-	-	-	-	709	709	(79)	630
Share capital conversion result		1.588	-	-	-	-	1.588	-	1.588
Balance at 31 March 2015		1.212.156	24.362	65.744	47	(10.716)	1.291.593	50.476	1.342.069
Balance at 1 January 2016		1.212.156	28.777	62.323	48	(49.264)	1.254.040	50.445	1.304.485
Change in fair value of available-for-sale financial assets, net of deferred income tax		-	-	-	(14)	-	(14)	-	(14)
Total other comprehensive income (loss) for the period		-	-	-	(14)	-	(14)	-	(14)
Net profit for the period		-	-	-	-	32.026	32.026	3.254	35.280
Total comprehensive income for the period		-	-	-	(14)	32.026	32.012	3.254	35.266
Transfer of revaluation reserve to retained earnings (transfer of depreciation, net of deferred income tax)		-	-	(1.166)	-	1.166	-	-	-
Transfer to reserves and movement in reserves		-	206	-	-	(206)	-	-	-
Dividends	9	-	-	-	-	-	-	(1.535)	(1.535)
Acquisition of subsidiary (EURAKRAS UAB)		-	-	-	-	-	-	1.963	1.963
Change in minority share due to companies reorganization		-	85	284	-	9	378	(378)	-
Acquisition of shares from non-controlling interest		-	12	1	-	(565)	(552)	(389)	(941)
Balance at 31 March 2016		1.212.156	29.080	61.442	34	(16.834)	1.285.878	53.360	1.339.238

The accompanying notes form an integral part of this condensed interim financial information.

Lietuvos energija, UAB, Company code 301844044, Žvejų g. 14, LT-09310 Vilnius, Lithuania
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
For the three-month period ended 31 March 2016

All amounts in thousands of euro unless otherwise stated

Company	Share capital	Legal reserve	Other reserves	Retained earnings	Total
Balance at 1 January 2015	1.210.568	-	74	34.323	1.244.965
Change in fair value of available-for-sale financial assets, net of deferred income tax	-	-	14	-	14
Total other comprehensive income for the period	-	-	14	-	14
Net profit (loss) for the period	-	-	-	(436)	(436)
Total comprehensive income for the period	-	-	14	(436)	(422)
Share capital conversion result	1.588	-	-	-	1.588
Balance at 31 March 2015	1.212.156	-	88	33.887	1.246.131
Balance at 1 January 2016	1.212.156	4.207	48	83.289	1.299.700
Change in fair value of available-for-sale financial assets, net of deferred income tax	-	-	(14)	-	(14)
Total other comprehensive income (loss) for the period	-	-	(14)	-	(14)
Net profit (loss) for the period	-	-	-	31.079	31.079
Total comprehensive income for the period	-	-	(14)	31.079	31.065
Balance at 31 March 2016	1.212.156	4.207	34	114.368	1.330.765

The accompanying notes form an integral part of this condensed interim financial information.

Lietuvos energija, UAB, Company code 301844044, Žvejų g. 14, LT-09310 Vilnius, Lithuania
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
For the three-month period ended 31 March 2016

All amounts in thousands of euro unless otherwise stated

	Note	Group		Company	
		2016-03-31	2015-03-31	2016-03-31	2015-03-31
Cash flows from operating activities					
Net profit (loss) for the period		35.280	30.975	31.079	(436)
Adjustments for non-monetary expenses (income):					
Depreciation and amortisation expenses	3	21.846	21.857	1	1
Impairment of financial assets		586	-	-	-
Share of profit of associates and joint ventures		2	-	-	-
Income tax expenses		12.465	6.628	157	-
(Depreciation) of grants		(2.975)	(2.996)	-	-
Increase (decrease) in provisions		(8.793)	-	-	-
Inventory write-down expenses (income)		(20)	-	-	-
(Gain) loss on disposal/write-off of property, plant and equipment		13	613	-	-
Emission allowance revaluation expenses (income)		4.744	428	-	-
Elimination of results of financing and investing activities:					
Interest (income)		(805)	(1.800)	(1.456)	(1.713)
Interest expenses		1.424	1.780	146	-
Other finance (income) costs		418	1.588	(30.194)	1.569
Changes in working capital:					
(Increase) decrease in trade receivables and other amounts receivable		(2.410)	11.941	(253)	152
(Increase) decrease in inventories, prepayments and other current assets		30.355	15.469	(725)	(26)
Increase (decrease) in amounts payable, deferred income and advance amounts received		(51.243)	(67.744)	870	226
Income tax (paid)		(453)	(2.792)	-	-
Net cash flows from (used in) operating activities		40.434	15.947	(375)	(227)
Cash flows from investing activities					
(Acquisition) of property, plant and equipment and intangible assets		(24.219)	(42.853)	-	-
Disposal of property, plant and equipment and intangible assets		1.274	-	-	-
Loans (granted)		-	-	(5.191)	-
Loan repayments received		4.504	-	4.575	-
(Acquisition) disposal of investments in subsidiaries	4	(27.674)	-	(30.294)	(730)
Investment in joint venture		(5.484)	-	-	-
Grants received		8	587	-	-
Interest received		29	23	486	10
Change in non-controlling interest resulting from changes in the Group's structure		-	616	-	-
Net cash flows from (used in) investing activities		(51.562)	(41.627)	(30.424)	(720)
Cash flows from financing activities					
Proceeds from borrowings		44.357	-	25.571	-
Repayments of borrowings		(17.701)	(12.290)	-	-
Finance lease payments		(42)	(5)	-	-
Interest paid		(1.611)	(1.351)	(176)	-
Dividends paid		(124)	-	-	-
Net cash flows from (used in) financing activities		24.879	(13.646)	25.395	-
Increase (decrease) in cash and cash equivalents (including overdraft)		13.751	(39.326)	(5.404)	(947)
Cash and cash equivalents (including overdraft) at the beginning of the period		122.810	197.988	13.179	31.347
Cash and cash equivalents (including overdraft) at the end of the period		136.561	158.662	7.775	30.400

The accompanying notes form an integral part of this condensed interim financial information.

All amounts in thousands of euro unless otherwise stated

1 Accounting principles

Condensed interim financial information of the Lietuvos Energija UAB (hereinafter - the Company) and consolidated condensed interim financial information of the Company and its subsidiaries (hereinafter – the Group) for a three-month period ended 31 March 2016 has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable to interim financial reporting (International Accounting Standard (IAS) 34, 'Interim financial reporting'). This unaudited condensed interim financial information should be read together with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with IFRS as adopted by the EU.

Financial year of Company and other Group companies coincides with the calendar year.

The accounting policies applied in the preparation of this condensed interim financial information are consistent with those of the annual financial statements for the year ended 31 December 2015.

Income taxes for the interim reporting periods have been estimated using the tax rate that would be applicable to the estimation of income taxes on the expected gross profit for the year.

2 Critical accounting estimates and judgements used in the preparation of financial statements

Accounting estimates and judgments are continuously reviewed and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of financial information according to International Financial Reporting Standards as adopted by the EU requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and disclosures of contingencies. Changes in the underlying assumptions, estimates and judgments may have a material effect on this financial information. The accounting estimates applied in preparing the condensed interim financial information are consistent with those used in preparing the annual financial statements for the year ended 31 December 2015.

3 Intangible assets and property, plant and equipment

Movement on Group's account of intangible assets and property, plant and equipment is presented below:

Group	Intangible assets	Property, plant and equipment
Period ended 31 March 2016		
Net book value at the beginning of the period	21.539	1.631.117
Acquisitions	604	23.854
Increase due to acquisition of subsidiary	11.465	62.672
Sales	-	(713)
Write-offs	-	(574)
Emission allowances grants received	101	-
Revaluation of emission allowances	(6.028)	-
Reclassification (to) finance lease	-	(86)
Reclassification from other assets to property, plant and equipment/intangible assets	10	530
Reclassification from investment property	-	4.587
Reclassification from inventories	-	777
Depreciation/amortisation	(742)	(21.104)
Net book value at 31 March 2016	26.949	1.701.060

Movement on Company's account of intangible assets and property, plant and equipment is presented below:

Company	Intangible assets	Property, plant and equipment
Period ended 30 September 2015		
Net book value at the beginning of the period	-	9
Depreciation/amortisation	-	(3)
Net book value at 30 September 2015	-	6

All amounts in thousands of euro unless otherwise stated

4 Investments in subsidiaries and other investments

Reorganisation of subsidiaries

On 1 January 2016, LESTO AB and Lietuvos Dujos AB were reorganised by way of merger under Art. 2.97(4) of the Lithuanian Civil Code, as a result of which a new entity Energijos Skirstymo Operatorius AB (ESO) was established with company code 304151376 and office address at Aguonų g. 24, Vilnius. As from 11 January 2016, the shares of Energijos Skirstymo Operatorius AB have been quoted on the Main List NASDAQ OMX Vilnius stock exchange. Following the reorganisation, ESO took over from LESTO AB and Lietuvos Dujos AB all its non-current and current assets, non-current and current financial and other liabilities, amounts receivable and payable under the agreements signed between LESTO AB and Lietuvos Dujos AB, including any other otherwise arising obligations.

After merger of LESTO AB and Lietuvos dujos AB Group's effective ownership interest of Energijos Skirstymo Operatorius, AB shares is 94,98%.

On 1 January 2016, ELEKTROS TINKLO PASLAUGOS UAB and Kauno Energetikos Remontas UAB were reorganised by way of merger under Art. 2.97(4) of the Lithuanian Civil Code, as a result of which ELEKTROS TINKLO PASLAUGOS UAB and Kauno Energetikos Remontas UAB ceased to exist as legal entities and a new entity was established under the name of Energetikos Paslaugų ir Rangos Organizacija UAB, company code 304132956, office address: Motorų g. 2, Vilnius.

Acquisition of subsidiaries

On 18 January 2016, the Company acquired 209.662 ordinary registered shares of EURAKRAS UAB, representing 75% of share capital of EURAKRAS UAB and 75% of voting rights during the General Shareholders Meeting. The cost of acquisition of shares amounted to EUR 17.058 thousand. The acquired entity is based in Lithuania and it operates a park of 8 wind turbines with overall capacity of 24 MW, located in Geišiai and Rotuliai II villages, Jurbarkas district.

On 20 January 2016, the Company acquired 100% of ordinary registered shares of Estonian company HOB OU and 43,28% of ordinary registered shares of Estonian company Tuuleenergia Osauhing for the total amount of EUR 11.350 thousand (whereof repurchased short terms loans comprised EUR 4.691 thous.). HOB OU owns 56,72% of shares of Tuuleenergia Osauhing, therefore, following this transaction the Company holds 100% of shares of Tuuleenergia Osauhing. Tuuleenergia Osauhing operates a part of 6 wind turbines with overall capacity of 18.3 MW, located in Mali and Tamba, Estonia.

On business combination, assets and liabilities of EURAKRAS UAB, HOB OU and Tuuleenergia Osauhing were identified with the following fair values at the date of acquisition:

	EURAKRAS UAB	HOB OU and Tuuleenergia Osauhing	Total
Property, plant and equipment	32.036	30.636	62.672
Other non-current amounts receivable	124	605	729
Inventories and prepayments	13	-	13
Amounts receivable within one year	319	499	818
Cash and cash equivalents	580	154	734
Non-current liabilities	(24.001)	(18.586)	(42.587)
Current liabilities	(1.219)	(6.945)	(8.164)
Net assets	7.852	6.363	14.215
Non-controlling interest	1.963	-	1.963
Goodwill arising on business combination	11.169	296	11.465
Purchase consideration paid	17.058	6.659	23.717
Net cash outflow on acquisition of subsidiaries:			
Consideration paid in cash	(17.058)	(6.659)	(23.717)
Repurchased loans	-	(4.691)	(4.691)
Cash and cash equivalents balances acquired	580	154	734
Net cash outflow	(16.478)	(11.196)	(27.674)

The Group has 12 months after the date of business combination to review and determine the fair values of the assets and liabilities.

Establishment of subsidiaries

On 9 February 2016, the Company established a new entity Energijos Sprendimų Centras UAB with the authorised share capital of EUR 10 thousand, which is divided to 10.000 ordinary shares with the nominal value of EUR 1 each. The total issue price of shares was equal to EUR 150 thousand. Energijos Sprendimų Centras UAB is engaged in the provision of energy saving (efficiency) services and development of renewable energy sources. The Articles of Association of Energijos Sprendimų Centras UAB were registered with the Register of Legal Entities on 17 February 2016.

Lietuvos energija, UAB, Company code 301844044, Žveju g. 14, LT-09310 Vilnius, Lithuania
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three-month period ended 31 March 2016

All amounts in thousands of euro unless otherwise stated

Change in ownership interest

At 15 March 2016 Company's subsidiary Kauno Kogeneracinė Jėgainė UAB issued 10.756.300 units of ordinary shares with par value EUR 1 each. Shares emission price EUR 10.756.300. The Company has acquired 5.484.292 new shares with par value EUR 1 each and paid for shares in cash EUR 5.484 thous. After this transaction the Company owns 51% of Kauno Kogeneracinė Jėgainė UAB shares. Accordingly 49% of Kauno Kogeneracinė Jėgainė UAB owns FORTUM HEAT LIETUVA UAB. Investment in Kauno Kogeneracinė Jėgainė UAB is accounted for using equity method in Group's consolidated financial statements as investment in joint venture.

Buyout of shares to ensure compliance with the ruling of the Supreme Court of Lithuania

Under the Finance Minister's Order, the Company is obliged to implement the Lithuanian Government Resolution No 1126 of 26 October 2015 *On Buyout of Shares* (the Resolution), and to buyout (acquire ownership of) the shares of the former AB LIETUVOS ELEKTRINĖ from minority shareholders, which were obtained under the title of ownership in return for the shares of Lietuvos Energija AB (currently known as Lietuvos Energijos Gamyba AB) following the reorganisation of AB LIETUVOS ENERGIJA and AB LIETUVOS ELEKTRINĖ, and which were not disposed to any third parties.

On 9 February 2016, the date for commencement of buyout of shares was published. The shares to be bought out from minority shareholders of AB LIETUVOS ELEKTRINĖ in return for the shares of Lietuvos Energijos Gamyba AB based on the proportion approved under the Resolution – 1,37 shares of Lietuvos Energijos Gamyba AB in return for one share of AB LIETUVOS ELEKTRINĖ. The price of one ordinary registered share of Lietuvos Energijos Gamyba AB to be bought out was equal to EUR 1.2959.

At 31 March 2016 the Company has rebought additionally 727.460 units of Lietuvos Energijos Gamyba AB shares. Company's ownership interest in Lietuvos Energijos Gamyba AB shares increased up to 96,24%.

Lietuvos energija, UAB, Company code 301844044, Žvejų g. 14, LT-09310 Vilnius, Lithuania
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three-month period ended 31 March 2016

All amounts in thousands of euro unless otherwise stated

As at 31 March 2016 the Company's investments in subsidiaries and other investments comprised:

Company name	Acquisition cost	Impairment	Contributions against loss	Carrying amount	Ownership interest (%)	Effective Group ownership interest (%)
Subsidiaries:						
Energijos Skirstymo Operatorius AB (1)	710.921	(37.305)	-	673.616	94,98	94,98
Lietuvos Energijos Gamyba AB	295.775	-	-	295.775	96,24	96,25
NT Valdos UAB	89.373	-	-	89.373	100,00	100,00
EURAKRAS UAB	17.058	-	-	17.058	75,00	75,00
Tuulenergija Osauhing and HOB OU	6.659	-	-	6.659	100,00	100,00
LITGAS UAB	8.689	(1.092)	-	7.597	66,67	66,67
Energijos Tiekimas UAB	16.666	-	-	16.666	100,00	100,00
Energetikos Paslaugų ir Rangos Organizacija UAB (2)	9.137	-	-	9.137	100,00	100,00
Duomenų Logistikos Centras UAB	7.268	(2.563)	-	4.705	79,64	79,64
Technologijų ir Inovacijų Centras UAB	3.218	-	-	3.218	50,00	97,80
Lietuvos Dujų Tiekimas UAB	869	-	-	869	100,00	100,00
VAE SPB UAB	1.018	(1.168)	314	164	100,00	100,00
Elektroninių Mokėjimų Agentūra UAB	495	-	-	495	100,00	100,00
VšĮ Energetikų Mokymo Centras	309	-	-	309	100,00	100,00
Verslo Aptarnavimo Centras UAB	295	-	-	295	51,00	97,00
Vilniaus Kogeneracinė Jėgainė UAB	1.004	-	-	1.004	100,00	100,00
Energijos Sprendimų Centras UAB	150	-	-	150	100,00	100,00
Lietuvos Energijos Paramos Fondas	3	-	-	3	100,00	100,00
	1.168.907	(42.128)	314	1.127.093		
Joint ventures:						
Kauno Kogeneracinė Jėgainė UAB	5.487	-	-	5.487	51,00	51,00
	5.487	-	-	5.487		

(1) until 1 January 2016 LESTO AB and Lietuvos Dujos AB

(2) until 1 January 2016 ELEKTROS TINKLO PASLAUGOS UAB and Kauno Energetikos Remontas UAB

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As at 31 December 2015 the Company's investments in subsidiaries and other investments comprised:

Group company	Acquisition cost	Impairment	Contribution against loss	Carrying amount	Ownership interest (%)	Effective Group ownership interest (%)
Subsidiaries:						
LESTO AB	538.874	(16.869)	-	522.005	94,39	94,39
Lietuvos Energijos Gamyba AB	294.832	-	-	294.832	96,13	96,13
Lietuvos Dujos AB	172.047	(20.436)	-	151.611	96,64	96,64
NT Valdos UAB	89.373	-	-	89.373	100,00	100,00
Energijos Tiekimas UAB	16.666	-	-	16.666	100,00	100,00
LITGAS UAB	8.689	(1.092)	-	7.597	66,67	66,67
ELEKTROS TINKLO PASLAUGOS UAB	4.795	-	-	4.795	100,00	100,00
Kauno Energetikos Remontas UAB	4.342	-	-	4.342	100,00	100,00
Duomenų Logistikos Centras UAB	7.268	(2.563)	-	4.705	79,64	79,64
Technologijų ir Inovacijų Centras UAB	3.218	-	-	3.218	50,00	97,80
VAE SPB UAB	1.018	(1.168)	314	164	100,00	100,00
Lietuvos Dujų Tiekimas UAB	869	-	-	869	100,00	100,00
Elektroninių Mokėjimų Agentūra UAB	495	-	-	495	100,00	100,00
Energetikų Mokymo Centras VŠĮ	309	-	-	309	100,00	100,00
Verslo Aptarnavimo Centras UAB	295	-	-	295	51,00	97,00
Lietuvos Energijos Paramos Fondas	3	-	-	3	100,00	100,00
Vilniaus Kogeneracinė Jėgainė UAB	1.004	-	-	1.004	100,00	100,00
Kauno Kogeneracinė Jėgainė UAB	3	-	-	3	100,00	100,00
	1.144.100	(42.128)	314	1.102.286		

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5 Share capital

As at 31 March 2016 and 31 December 2015 the Company's share capital comprised EUR 1.212.156.294. As at 31 March 2016 and 31 December 2015 the Company's share capital was divided in to 4.179.849.289 ordinary shares with par value EUR 0,29 each.

As at 31 March 2016 and 31 December 2015 share capital was fully paid.

6 Borrowings

	Group		Company	
	2016	2015	2016	2015
Non-current				
Bank borrowings	348.850	277.805	25.571	-
Current				
Current portion of non-current borrowings	97.928	99.023	-	-
Current borrowings	1.383	1.490	-	-
Letters of credit	205	206	-	-
Bank overdrafts	382	41.531	-	-
Accrued interest	4	5	-	-
Total borrowings	448.752	420.060	25.571	-

In January 2016, the Group company NT Valdოს UAB signed with the bank a long-term agreement for the loan of EUR 16,9 million intended to finance the acquisition of immovable property and refinance the investments. The loan was withdrawn and the payments were made in full for immovable property acquired. Immovable property of NT Valdოს UAB was pledged to secure the fulfilment of obligation under the loan agreement. The loan agreement is valid until January 2021.

In January 2016, the Company signed with the bank a long-term agreement for the loan of EUR 25,6 million intended to finance the acquisition of wind-power park. The deadline for repayment of the loan is 18 January 2026, and variable interest is payable on the loan.

After acquisition of EURAKRAS UAB and Estonian companies HOB OU and Tuuleenergia Osauhing Group's liabilities to credit institutions has increased by EUR 69.181 thous.

During the I quarter of 2016 Energijos Skirstymo Operatorius AB and LITGAS UAB has fulfilled their obligations for bank overdrafts, which amounted to EUR 21.125 thous. and EUR 20.000 thous respectively as of 31 December 2015.

7 Provisions

	Group		Company	
	2016	2015	2016	2015
Non-current	4.044	5.084	-	-
Current	14.372	23.333	-	-
Carrying amount	18.416	28.417	-	-

Group	Provisions for litigations and claims	Emission allowance liabilities	Provisions for employee benefits	Other provisions	Total
At 31 December 2015	54	3.735	3.189	21.439	28.417
Increase during the period	-	-	-	-	-
Utilised during the period	-	-	-	(8.728)	(8.728)
Decrease/increase on change of assumptions	-	(1.273)	-	-	(1.273)
At 31 March 2016	54	2.462	3.189	12.711	18.416

Other provisions include provisions for onerous gas supply contracts, i.e. the contracts under which the gas sale price will be lower compared to gas acquisition cost. At the end of 2015, these provisions amounted to EUR 21,4 million. Upon acquisition of natural gas supply operations, the Group company Lietuvos Dujų Tiekimas UAB assumed an obligation to transfer the discount, which was received retrospectively on natural gas import price during January 2013–April 2014, to the end users in future periods. As at 31 March 2015 the Group adjusted the amount of provision in respect of onerous part of contracts for household and non-household users in amount of EUR 8.728 thous., by taking into account the prerequisites for the execution of the contracts at the financial reporting date

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8 Other expenses

	Group		Company	
	2016-03-31	2015-03-31	2016-03-31	2015-03-31
Revaluation and provisions of emission allowances	5.952	678	-	-
Taxes	1.716	1.626	8	6
Customer service	962	746	-	-
Motor vehicles	808	992	29	24
Telecommunication and IT services	742	907	45	50
Utility services	666	517	19	15
Write-offs of property, plant and equipment	574	441	-	-
Rent	546	612	45	37
Impairment of receivables	388	734	-	-
Expenses of low-value inventory items	214	205	-	-
Consulting services	186	293	82	74
Public relations and marketing	131	162	16	10
Business trips	97	118	13	10
Personnel development	92	110	17	22
Business service expenses	-	-	39	55
Impairment of inventories (reversal)	(20)	(596)	-	-
Other expenses	1.338	1.722	32	19
	14.392	9.267	345	322

9 Dividends

During the General Shareholder's Meeting of Energijos Skirstymo Operatorius AB held on 29 March 2016, the decision was made to pay out dividends in the amount of EUR 30.596 thous. from profit for appropriation. The Company is entitled to receive dividends of EUR 29.061 thous.

During the General Shareholder's Meeting of NT Valdos UAB held on 30 March 2016, the decision was made to pay out dividends in the amount of EUR 1.250 thous. from profit for appropriation. The Company is entitled to receive dividends of EUR 1.250 thous.

The Company has neither paid nor received dividends during the first quarter of 2015.

10 Transactions with related parties

As at 30 September 2015 and 31 December 2014 the parent company was the Republic of Lithuania represented by Ministry of Finance. For the purpose of disclosure of related parties, the Republic of Lithuania does not include central and local government authorities. The disclosures comprise transactions and their balances with the parent company, subsidiaries (Company's transactions), associates and all entities controlled by or under significant influence of the state (transactions with these entities are disclosed only if they are material), and management.

Group's transactions with related parties

The Group's transactions with related parties during January – March 2016 and balances arising on these transactions as at 31 March 2016 are presented below:

	Amounts payable	Amounts receivable	Finance income	Sales	Finance expenses	Purchases
	2016.03.31	2016.03.31	I Q 2016	I Q 2016	I Q 2016	I Q 2016
EPSO-G UAB	-	236.250	789	2	-	-
Litgrid AB	10.349	5.608	-	12.396	-	26.898
BALTPPOOL UAB	14.712	12.062	-	16.346	-	27.789
TETAS UAB	1.436	191	-	291	-	2.004
Amber Grid AB	3.733	1.288	-	28	-	9.715
Associates and other related parties of the Group	-	723	-	32	-	770
Total	30.230	256.122	789	29.095	-	67.176

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The Group's transactions with related parties during January – March 2015 and balances arising on these transactions as at 31 December 2015 are presented below:

Related parties	Amounts payable	Amounts receivable	Finance income	Sales	Finance expenses	Purchases
	2015.12.31	2015.12.31	I Q 2015	I Q 2015	I Q 2015	I Q 2015
EPSO-G UAB	-	239.959	1.160	-	-	-
Litgrid AB	6.997	2.370	-	6.365	-	16.500
BALTPPOOL UAB	15.253	10.700	-	13.248	-	25.712
TETAS UAB	4.042	183	28	452	-	2.886
Amber Grid AB	77	34	-	2.759	-	6.588
Group associates	232	138	377	6.209	-	58
Total	26.601	253.384	1.565	29.033	-	51.744

Company's transactions with related parties

The Company's transactions with related parties during January – March 2016 and balances arising on these transactions as at 31 March 2016 are presented below:

Related parties	Amounts payable	Amounts receivable	Finance income	Sales	Finance expenses	Purchases
	2016.03.31	2016.03.31	I Q 2016	I Q 2016	I Q 2016	I Q 2016
Subsidiaries						
Energijos Skirstymo Operatorius AB	34.725	29.608	29.061	452	111	-
Lietuvos Energijos Gamyba AB	28.271	87	-	182	87	-
Lietuvos Dujų Tiekimas UAB	-	100	-	83	-	-
NT Valdos UAB	34	1.328	1.250	50	-	87
Energetikos Paslaugų ir Rangos Organizacija UAB	-	2.959	-	39	-	-
Verslo Aptarnavimo Centras UAB	18	425	-	-	-	40
Energijos Tiekimas UAB	-	593	-	5	-	-
LITGAS UAB	-	276	590	-	-	-
Technologijų ir Inovacijų Centras UAB	17	-	-	-	-	43
VAE SPB UAB	-	-	-	-	-	-
VšĮ Energetikų Mokymų Centras	-	1	-	-	-	-
Tuuleenergija Osauhing and HOB OU	-	4.740	49	-	-	-
Duomenų Logistikos Centras UAB	317	8	8	11	-	-
Other related parties						
EPSO-G	-	236.246	789	-	-	-
Total	63.382	276.371	31.747	822	198	170

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The Company's transactions with related parties during January – March 2015 and balances arising on these transactions as at 31 December 2015 are presented below:

Related parties	Amounts payable 2015.12.31	Amounts receivable 2015.12.31	Finance income I ketv. 2015	Sales I ketv. 2015	Finance expenses I ketv. 2015	Purchases I ketv. 2015
Subsidiaries						
Energijos Skirstymo Operatorius (until 1 January 2016 LESTO AB and Lietuvos Dujos AB)	34.682	263	-	193	-	-
Lietuvos Energijos Gamyba“ AB	28.253	-	-	91	-	-
Lietuvos Dujų Tiekimas UAB	-	47	-	29	-	-
NT Valdos UAB	35	39	-	18	-	69
Energetikos Paslaugų ir Rangos Organizacija UAB (Until 1 January 2016 Kauno Energetikos Remontas UAB and ELEKTROS TINKLO PASLAUGOS UAB)	-	3.041	-	15	-	-
Verslo Aptarnavimo Centras UAB	-	3	-	3	-	54
Energijos Tiekimas UAB	-	20	-	2	-	-
LITGAS UAB	-	170	543	2	-	-
Technologijų ir Inovacijų Centras UAB	8	26	-	4	-	49
VAE SPB UAB	-	4	-	2	-	-
VšĮ Energetikų Mokymų Centras	-	13	-	-	-	2
Duomenų Logistikos Centras UAB	321	-	-	4	-	-
Other related parties						
EPSO-G UAB	-	239.957	-	1.160	-	-
Litgrid AB	188	-	-	-	-	-
Total	63.487	243.583	543	1.523	-	174

Management compensation:

	Group		Company	
	2016-03-31	2015-03-31	2016-03-31	2015-03-31
Salaries and other short-term benefits	747	843	124	129
Whereof: Termination benefits and benefits to Board Members	65	59	-	17
Number of management staff	70	78	10	11

Management includes heads of administration and their deputies.

11 Events after the reporting period

Dividends

Based on the Order issued by Lithuanian Ministry of Finance on 26 April 2016 the Company's set of consolidated financial statements for 2015 was approved, and dividends for the state-owned shares of the Company were declared in amount of EUR 56.240 thousand.

During the General Shareholder's Meeting of Technologijų ir Inovacijų Centras UAB held on 8 April 2016, the decision was made to pay out dividends in the amount of EUR 200 thous. from profit for appropriation. The Group received dividends of EUR 200 thous. (Company – EUR 100 thous.).

During the General Shareholder's Meeting of LITGAS UAB held on 12 April 2016, the decision was made to pay out dividends in the amount of EUR 1.194 thous. from profit for appropriation. The Company received dividends of EUR 796 thous.

Settlement of Group's subsidiary Energijos Tiekimas UAB share capital

At 29 April 2016 the Company has settled unpaid part of it's subsidiary Energijos Tiekimas UAB share capital, which comprised EUR 7.240 thous.

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Buyout of shares to ensure compliance with the ruling of the Supreme Court of Lithuania

After the end of 90 calendar days period of shares buyout at 9 May 2016, the Company repossessed 3.866.497 units of shares of Lietuvos Energijos Gamyba AB, consideration payable by the Company for the shares was EUR 5.011 thous. At the date of approval of this condensed interim financial information the Company settled in full its liability for the Lietuvos Energijos Gamyba AB shares.
