



VISAGINO ATOMINĖ ELEKTRINĖ UAB

CONDENSED INTERIM FINANCIAL INFORMATION

FOR A SIX-MONTH PERIOD ENDED 30 JUNE 2012

PRESENTED TOGETHER WITH

THE INDEPENDENT AUDITOR'S REPORT

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Translation note:

This version of the accompanying document is a translation from the original, which was prepared in Lithuanian language. 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.

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This version of our report is a translation from the original, which was prepared in Lithuanian language. 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 our report takes precedence over this translation.

Independent Auditor's Report

To the shareholder of Visagino Atominė Elektrinė UAB

Report on the condensed interim financial information

We have audited the accompanying condensed interim financial information of Visagino Atominė Elektrinė UAB (the Company) set out on pages 5-16 which comprise the condensed interim statement of financial position as of 30 June 2012 and the related condensed statements of comprehensive income, changes in equity and cash flows for the six – month period then ended, and condensed explanatory notes.

Management's responsibility for the condensed interim financial information

Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as adopted by the European Union applicable to interim financial reporting (International Accounting Standard No. 34, 'Interim financial reporting'), and for such internal control as management determines is necessary to enable the preparation of condensed interim financial information that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on this condensed interim financial information based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the condensed interim financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the condensed interim financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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Basis for Qualified Opinion – Scope Limitation

The Company accounts for investments in subsidiary companies at cost less impairment charge. The amendments to the legislation may have a significant adverse impact on the recoverable amount of investments in subsidiaries. The Company's management was not able to reassess recoverable amounts of investments in subsidiary companies with the carrying amount of LTL 3,875 million as of 30 June 2012 and 31 December 2011. It has not been possible to estimate reliably the financial effects of this non-compliance.

Qualified Opinion

In our opinion, except for the possible effect of the matter referred to in the *Basis for Qualified Opinion - Scope Limitation* paragraph, the accompanying condensed interim financial information is prepared, in all material respects, in accordance with International Financial Reporting Standards as adopted by the European Union applicable to interim financial reporting (International Accounting Standard No. 34, 'Interim financial reporting').

On behalf of PricewaterhouseCoopers UAB

Rimvydas Jogėla
Director
Auditor's Certificate No.000457

Vilnius, Republic of Lithuania
30 August 2012

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
 AS OF 30 JUNE 2012**

All amounts in LTL thousands unless otherwise stated

	Notes	Company	
		30/06/2012	31/12/2011
ASSETS			
Non-current assets			
Intangible assets	4	30	66
Property, plant and equipment	5	14,093	11,327
Investments in subsidiaries and other investments	6	3,874,812	3,874,802
Other financial assets		2,101	-
Deferred income tax assets		10,138	6,506
Total non-current assets		3 901 174	3,892,701
Current assets			
Inventories		2	2
Prepayments		85	97
Trade receivables		2	1
Other amounts receivable		200,611	151
Short-term investments and time deposits		391,617	155,071
Cash and cash equivalents	7	60,994	5,145
		653,311	160,467
Non-current assets held for sale		266	266
Total current assets		653,577	160,733
TOTAL ASSETS		4,554,751	4,053,434
EQUITY AND LIABILITIES			
Equity			
Share capital	8	4,067,164	4,067,164
Retained earnings (deficit)		478,104	(23,724)
Equity attributable to owners of the parent		4,545,268	4,043,440
Total equity		4,545,268	4,043,440
Amounts payable and liabilities			
Amounts payable within one year and liabilities			
Trade payables		8,353	8,780
Other current amounts payable and liabilities		1,130	1,214
Total amounts payable within one year and current liabilities		9,483	9,994
Total amounts payable and liabilities		9,483	9,994
TOTAL EQUITY AND LIABILITIES		4,554,751	4,053,434

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

Chief Executive Officer Rimantas Vaitkus

Accounting Manager Edita Steponavičienė

Visagino Atominė Elektrinė UAB

Company code 301844044, Žvejų g. 14, LT-09310 Vilnius

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR A SIX-MONTH PERIOD ENDED 30 JUNE 2012**

All amounts in LTL thousands unless otherwise stated

	Company	
	30/06/2012	30/06/2011
Revenue		
Other operating income	4	-
Total revenue	<u>4</u>	<u>-</u>
Operating expenses		
Depreciation and amortisation	(43)	(40)
Wages and salaries and related expenses	(4,309)	(2,527)
Other expenses	(21,464)	(17,090)
Total operating expenses	<u>(25,816)</u>	<u>(19,657)</u>
Operating (loss)	<u>(25,812)</u>	<u>(19,657)</u>
Financing activities		
Finance income	524,011	137,844
Finance costs	(3)	(136)
Finance income, net	<u>524,008</u>	<u>137,708</u>
Profit before tax	<u>498,196</u>	<u>118,051</u>
Deferred income tax income	3,632	2,825
Net profit for the period	<u>501,828</u>	<u>120,876</u>
Total other comprehensive income (loss) for the period	<u>-</u>	<u>-</u>
Total comprehensive income (loss) for the period	<u>501,828</u>	<u>120,876</u>

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

Chief Executive Officer Rimantas Vaitkus

Accounting Manager Edita Steponavičienė

**CONDENSED INTERIM STATEMENT OF CASH FLOWS
 FOR A SIX-MONTH PERIOD ENDED 30 JUNE 2012**

All amounts in LTL thousands unless otherwise stated

	Company	
	30/06/2012	30/06/2011
Cash flows from operating activities		
Net profit (loss) for the period	501,828	120,876
Adjustments for non-monetary items:		
Depreciation and amortisation	43	40
Income tax expenses	(3,632)	(2,825)
Interest income	(2,190)	(617)
Interest expenses	-	135
Other finance (income) costs	(521,821)	(137,227)
Changes in working capital:		
(Increase) decrease in trade receivables and other amounts receivable	(461)	(135)
(Increase) decrease in inventories, prepayments and other current assets	12	10
Increase (decrease) in amounts payable	(3,247)	10,527
Net cash flows from (used in) operating activities	(29,468)	(9,216)
Cash flows from investing activities		
(Acquisition) of property, plant and equipment and intangible assets	(37)	(367)
Loans granted	-	(10,000)
Time deposits and other financial assets	(256,160)	(82,913)
Acquisition of subsidiaries/associates	(10)	-
Bonds acquired	(33,824)	(30,894)
Bonds disposed	51,230	-
Interest received	2,297	493
Dividends received	321,821	123,247
Net cash flows from (used in) investing activities	85,317	(434)
Cash flows from financing activities		
Interest paid	-	(135)
Shares issued	-	25,478
Net cash flows from (used in) financing activities	-	25,343
Increase (decrease) in cash and cash equivalents (including overdraft)	55,849	15,693
Cash and cash equivalents (including overdraft) at beginning of period	5,145	34,091
Cash and cash equivalents (including overdraft) at end of period	60,994	49,784

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

Chief Executive Officer Rimantas Vaitkus

Accounting Manager Edita Steponavičienė

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR A SIX-MONTH PERIOD ENDED 30 JUNE 2012**

All amounts in LTL thousands unless otherwise stated

Company	Share capital	Legal reserve	Revaluation reserve	Other reserves	Retained earnings	Total
Balance at 1 January 2011	4,041,685	-	-	-	(132,069)	3,909,616
Increase in share capital	25,479	-	-	-	-	25,479
Net profit (loss) for the reporting period	-	-	-	-	120,876	120,876
Balance at 30 June 2011	4,067,164	-	-	-	(11,193)	4,055,971
Balance at 1 January 2012	4,067,164	-	-	-	(23,724)	4,043,440
Net profit (loss) for the reporting period	-	-	-	-	501,828	501,828
Balance at 30 June 2012	4,067,164	-	-	-	478,104	4,545,268

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

Chief Executive Officer Rimantas Vaitkus

Accounting Manager Edita Steponavičienė

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR A SIX-MONTH PERIOD ENDED 30 JUNE 2012**

All amounts in LTL thousands unless otherwise stated

1 General information

This financial information for a six-month period ended 30 June 2012 contains condensed interim stand-alone financial information of Visagino Atominė Elektrinė UAB ("the Company") for the aforementioned reporting period ("the financial information", "the condensed financial statements" or "the interim financial information").

Visagino Atominė Elektrinė UAB (hereinafter "the Company") is a private limited liability company registered in the Republic of Lithuania. The address of the Company's registered office is Žvejų g. 14, LT-09310, Vilnius, Lithuania. The Company is a limited liability profit-seeking entity registered on 28 August 2008 with the Register of Legal Entities managed by the public institution the Centre of Registers. Company code 301844044, VAT payer's code LT10004278519. The Company has been established for an unlimited period.

The Company's principal activities include the performance of preparatory works related to the project on the construction of a new nuclear power plant in Visaginas (hereinafter "Visaginas NPP"), including participation in attraction for investors to the project, negotiations with regional partners and strategic investor to Visaginas NPP, drafting of various project agreements. The Company analyses the current legal, regulatory and investment environment for the project, elaborates and submits proposals and projects to relevant authorities necessary for establishing legal, regulatory and investment environment for the project. The preparatory works related to Visaginas NPP are important for the timely implementation of the project.

The Company's shares are owned by the Lithuanian Government.

Company's shareholder	30 June 2012		31 December 2011	
	Share capital	Ownership interest, %	Share capital	Ownership interest, %
Republic of Lithuania represented by the Lithuanian Ministry of Energy	4,067,164	100.00	4,067,164	100.00

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR A SIX-MONTH PERIOD ENDED 30 JUNE 2012**

All amounts in LTL thousands unless otherwise stated

Visagino Atominė Elektrinė UAB has direct or indirect control over the following companies:

Company name	Registered office address	Effective ownership interest 30/06/2012, %	Share capital (LTL thousands) 30/06/2012	Profile of activities
VAE SPB UAB	Žvejų g. 14, Vilnius	100	10	Business and other management consultation activities
Lietuvos Energija AB	Elektrinės 21 LT-26108, Elektrėnai	96.1	635,084	Electricity generation, supply, import, export and trade
LITGRID AB	Juozapavičiaus g.13, Vilnius	97.5	504,331	Operator of electricity transmission system
LESTO AB	Žvejų g. 14, Vilnius	82.6	603,945	Electricity supply and distribution to endusers
Technologijų ir Inovacijų Centras UAB	Žvejų g. 14, Vilnius	93.1	76,513	Maintenance of information technologies and telecommunications
Energijos Tiekimas UAB	Jeruzalės g. 21, Vilnius	96.1	750	Electricity supply
Kauno Energetikos Remontas UAB	Chemijos g. 17, Kaunas	96.1	14,245	Repair of energy equipment, production of metal structures
Gotlitas UAB (controlled through Kauno Energetikos Remontas UAB)	R.Kalantos g. 119, Kaunas	96.1	1,450	Accommodation services, trade
NT Valdos UAB	Geologų g. 16, LT-02190 Vilnius	88.4	314,001	Operation of real estate, other related activities and service provision
BALTPPOOL UAB	Juozapavičiaus g.13, Vilnius	65.3	475	Electric power market operator
Public Institution republican Centre of Training for Energy Specialists	Jeruzalės g. 21, Vilnius	93.1	294	Professional development and further training of energy specialists
TETAS UAB	Senamiesčio g.102 B, Panevėžys	91.7	5,651	Engineering, construction, repair and maintenance of power network, and customer connection to the grid
ELEKTROS TINKLO PASLAUGOS UAB	Motorų g. 2, Vilnius	86.4	18,904	Construction, repair and maintenance of power network and related equipment, and customer connection to the grid
Data Logistics Center UAB	A. Juozapavičiaus g. 13, Vilnius	93.1	12,847	Data centre, data transmission, optical fibre lease and other telecommunication services

As at 30 June 2012, the Company had 48 employees (31 December 2011: 47).

The management of Visagino Atominė Elektrinė UAB approved this financial information on 30 August 2012.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR A SIX-MONTH PERIOD ENDED 30 JUNE 2012**

All amounts in LTL thousands unless otherwise stated

2 Summary of significant accounting policies

This interim financial information for the period ended 30 June 2012 has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applicable to interim financial reporting (IAS 34, 'Interim financial reporting') to inform the shareholders and for public announcement.

For a better understanding of data contained in this condensed interim financial information, this financial information should be read in conjunction with the consolidated and stand-alone financial statements of Visagino Atominė Elektrinė UAB for the year ended 31 December 2011 prepared in accordance with International Financial Reporting Standards as adopted by the EU, as well as with the consolidated condensed interim financial information (unaudited) of Visagino Atominė Elektrinė UAB for a six-month period ended 30 June 2012.

The accounting policies adopted in the preparation of the condensed interim financial information are consistent with those applied during the preparation of the annual financial statements for the year 2011.

Income tax

Income tax for the interim reporting periods is estimated using the tax rate which would be applied in calculation of taxes on the probable total profit for the year.

New standards, amendments and interpretations

There are no new standards, amendments and interpretations that are mandatory for the Company in 2012 and that have a significant impact on the Company's financial information.

The Company's management believes the new and revised standards and their interpretations that are mandatory for the Company during the accounting periods beginning on or after 1 January 2013 will have no significant impact on the Company's financial statements.

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

Estimates and judgments are continually evaluated 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 costs and contingencies. Changes in the underlying assumptions, estimates and judgements 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 2011.

Impairment of investments in the Company's subsidiaries

Although the shares of the Company's subsidiaries LESTO AB, Lietuvos Energija AB and LITGRID AB are traded on Vilnius Stock Exchange, the management considers that this market lacks activity and that the quoted price of shares cannot be regarded as equivalent to the fair value of investments in subsidiaries at the balance sheet date. Due to significant uncertainties relating to inability to reliably assess the impact on the future cash flows in the Company's subsidiaries of the amended legal acts regulating the setting of price caps for electricity transmission, distribution and public supply services, the Company did not test its investments in subsidiaries for impairment as at 31 December 2011 and 30 June 2012. The Company's management believes that the value of investments in subsidiaries cannot be reliably measured as at 31 December 2011 and 30 June 2012.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR A SIX-MONTH PERIOD ENDED 30 JUNE 2012**

All amounts in LTL thousands unless otherwise stated

Tax audits

The tax authorities may at any time inspect the books and records within 5 years subsequent to the reported tax year, and may impose additional tax assessments and penalties. The Company's management is not aware of any circumstances that might result in a potential material liability in this respect.

Construction in progress

Costs attributable to scientific studies, evaluations, engineering works carried out to obtain a permit for the construction of the nuclear power plant are capitalised as part of the cost of construction in progress. Costs that are not directly related to obtaining the construction permit are recognised as operating expenses in the statement of comprehensive income. Capitalised costs attributable to the nuclear power plant construction project amounted to LTL 14.3 million as at 30 June 2012 (31 December 2011: LTL 11.3 million).

In the management's opinion, it is probable that the Company will implement the construction project of the nuclear power plant and the aforementioned assets will provide economic benefits to the Company in future periods longer than one year.

Held-to-maturity securities

The Company follows the requirements of IAS 39, based on which non-derivative financial assets with fixed or otherwise determinable payments and fixed maturity terms are classified as held-to-maturity. For the purpose of such classification, the Company assesses its intentions and abilities to hold these investments to maturity. If the Company were not able to hold these investments to maturity due to other than specific circumstances, for instance, sells an insignificant part of securities close to maturity, the Company would have to reclassify the entire group as available-for-sale financial assets and measure investment at fair value rather than at amortised cost. If all held-to-maturity investments were reclassified to other category of assets, the carrying amount would not change significantly.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR A SIX-MONTH PERIOD ENDED 30 JUNE 2012**

All amounts in LTL thousands unless otherwise stated

4 Intangible assets

Company	Other intangible assets	Total
Net book amount at 1 January 2011	138	138
Amortisation charge	(36)	(36)
Net book amount at 30 June 2011	102	102
Net book amount at 1 January 2012	66	66
Amortisation charge	(36)	(36)
Net book amount at 30 June 2012	30	30

5 Property, plant, and equipment

Company	Other property, plant and equipment	Construction in progress	Total
Net book amount at 1 January 2011	26	10,776	10,802
Additions	-	338	338
Depreciation charge	(4)	-	(4)
Net book amount at 30 June 2011	22	11,114	11,136
Net book amount at 1 January 2012	46	11,281	11,327
Additions	10	2,763	2,773
Depreciation charge	(7)	-	(7)
Net book amount at 30 June 2012	49	14,044	14,093

6 Investments

On 23 May 2012, Visagino Atominė Elektrinė UAB established a subsidiary VAE SPB UAB, which is expected to participate in the project for construction of the new nuclear power plant.

As at 30 June 2012, the Company had ownership interests in the following Group companies:

Group company	Acquisition cost	Impairment	Carrying amount	Ownership interest (%)
Subsidiaries:				
Lietuvos Energija AB	1,017,997	-	1,017,997	96.13
LITGRID AB	1,113,468	-	1,113,468	97.50
LESTO AB	1,742,737	-	1,742,737	82.63
VAE SPB UAB	10	-	10	100.00
	3,874,212	-	3,874,212	
Investments:				
Technologijų ir Inovacijų Centras UAB	500	-	500	0.65
NT Valdosa UAB	100	-	100	0.03
	600	-	600	
	3,874,812	-	3,874,812	

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR A SIX-MONTH PERIOD ENDED 30 JUNE 2012**

All amounts in LTL thousands unless otherwise stated

As at 31 December 2011, the Company had ownership interests in the following Group companies:

Group company	Acquisition cost	Impairment	Carrying amount	Ownership interest (%)
Subsidiaries:				
Lietuvos Energija, AB	1,017,997	-	1,017,997	96.13
LITGRID AB	1,113,468	-	1,113,468	97.50
LESTO AB	1,742,737	-	1,742,737	82.63
	3,874,202	-	3,874,202	
Investments:				
Technologijų ir Inovacijų Centras UAB	500	-	500	0.65
NT Valdos UAB	100	-	100	0.03
	600	-	600	
	3,874,802	-	3,874,802	

The Company has indirect control over NT Valdos UAB and Technologijų ir Inovacijų Centras UAB. Effective control is disclosed in note 1.

7 Cash and cash equivalents

Cash and cash equivalents and bank overdraft include the following for the purpose of the cash flow statement:

	Company	
	30/06/2012	31/12/2011
Cash and cash equivalents	60,994	5,145
Carrying amount	60,994	5,145

8 Share capital

As at 31 December 2011 and 30 June 2012, the Company's authorised share capital totalled LTL 4 067 163 632. As at 31 December 2011 and 30 June 2012, the authorised share capital was divided into ordinary registered shares with a nominal value of LTL 1 each. All the shares are fully paid. The Company's shares are owned by the Republic of Lithuania represented by the Lithuanian Ministry of Energy.

9 Income tax expense

Current income tax includes income tax for the reporting period and deferred income tax.

Profit for 2012 is subject to income tax at a rate of 15 per cent (2011: 15 per cent) in accordance with the Lithuanian regulatory legislation on taxation.

10 Dividends

The Company did not pay out dividends in 2011 and in the first half of 2012.

On 29 April 2011, the general meeting of shareholders of LESTO AB approved the payment of dividends of LTL 60,998 thousand from the profit for appropriation. Dividends allocated to the Company amounted to LTL 50,402 thousand. Dividends transferred to the Company by LESTO AB amounted to LTL 36,421 thousand, and the remaining amount of LTL 13,980 thousand was offset against the outstanding balance owed by the Company under agreement, dated 24 May 2011, on the payment of dividends and offsetting against the debt.

On 29 April 2011, the general meeting of shareholders of Lietuvos Energija AB approved the payment of dividends of LTL 89,049 thousand from the profit for appropriation. Dividends allocated to the Company amounted to LTL 86,826 thousand.

On 27 April 2012, the general meeting of shareholders of LESTO AB approved the payment of dividends of LTL 170,312 thousand from the profit for appropriation. Dividends allocated to the Company amounted to LTL 140,725 thousand.

On 30 April 2012, the general meeting of shareholders of LITGRID AB approved the payment of dividends of LTL 390,857 thousand from the profit for appropriation. Dividends allocated to the Company amounted to LTL 381,096 thousand. Dividends transferred to the Company by LITGRID AB amounted to LTL 181,096 thousand, and the remaining amount of LTL 200,000 thousand will be paid out by 28 September 2012.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR A SIX-MONTH PERIOD ENDED 30 JUNE 2012**

All amounts in LTL thousands unless otherwise stated

11 Related-party transactions

As at 30 June 2012 and 31 December 2011, the parent was the Republic of Lithuania represented by the Lithuanian Ministry of Energy. For the purpose of disclosure of related parties, the Republic of Lithuania excludes central and local government authorities. The disclosure includes transactions conducted with the parent company, subsidiaries, associates and management, and the balances arising from these transactions.

Transactions with related parties were as follows:

Sales of goods and services:

	Company	
	30/06/2012	30/06/2011
LITGRID AB	208	-
LESTO AB	4	-
	212	-

Purchases of goods and services:

	Company	
	30/06/2012	30/06/2011
LESTO AB	-	135
NT Valdos. UAB	391	194
Technologijų ir Inovacijų Centras UAB	287	303
	678	632

Amounts receivable from related parties:

	Company	
	30/06/2012	30/06/2011
LITGRID AB	200,000	-
LESTO AB	2	1
	200,002	1

Amounts payable to related parties:

	Company	
	30/06/2012	31/12/2011
NT Valdos UAB	88	52
Technologijų ir Inovacijų Centras UAB	51	(70)
	139	(18)

The following payments were made to key management personnel:

	Company	
	30/06/2012	31/12/2011
Salaries and other short-term employee benefits	535	496
Whereof: termination benefits	-	-
Number of key management personnel	5	5

Key management personnel includes heads of administration and their deputies and chief accountant.

12 Events after the reporting period

For the purpose of implementing Art. 9 of Directive 2009/72/EB of the European Parliament and Council of 13 July 2009 (OL 2009, L 211, p. 55) concerning common rules for the internal market of electricity, the Lithuanian Government has a commitment to ensure the separation of transmission activities from distribution, supply and generation activities, and the separation of commercial interests of these activities, including the separation of ownership of transmission activities. The provisions of the aforementioned Directive were transposed into the Lithuanian Law on Electricity Energy revised on 7 February 2012.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR A SIX-MONTH PERIOD ENDED 30 JUNE 2012**

All amounts in LTL thousands unless otherwise stated

Based on the Lithuanian Government's Resolution No. 826 of 4 July 2012 *On the establishment of a private limited liability company and investment of state-owned capital*, the Lithuanian Government assigned the Ministry of Energy to initiate the implementation of the requirements stipulated in the Lithuanian Law on Electricity Energy pertaining to the separation of electricity transmission activities.

On 10 July 2012, the Ministry of Energy provided the Company with an official letter, whereby the Company (as the major shareholder of LITGRID AB) was delegated to make all decisions necessary for a timely and proper implementation of the Government's Resolution and for the separation of electricity transmission activities by way of selling the shares of LITGRID AB (in total 491,736,153 ordinary registered shares with nominal value of 1 (one) litas each, which entitle to 97.5% votes during the shareholders meeting of LITGRID AB) to the company established by the Ministry of Energy based on the market value of shares determined by external valuers.

By 1 October 2012, the Ministry of Energy is committed to transfer to the Ministry of Economy to operate, use and dispose in trust 4,067,163,632 ordinary registered intangible shares of Visagino Atominė Elektrinė UAB with the nominal value of 1 (one) litas each, which entitle to 100% votes during the general shareholders meeting of Visagino Atominė Elektrinė UAB), and which are currently owned under the title by the state and held in trust by the Ministry of Energy.
