



CONFIRMATION OF RESPONSIBLE PERSONS

May 29, 2013 Vilnius

Referring to the provisions of the Article 22 of the Law on Securities of the Republic of Lithuania and the Rules for the Drawing up and Submission of the Periodic and Additional Information of the Securities Commission of the Republic of Lithuania, we, the undersigned Virgilijus Poderys, Chief Executive Officer, Vytautas Tauras, Director of Finance Department and Svetlana Sokolskytė, Chief Financier-Accounting Division Manager of LITGRID AB, hereby confirm that, to the best of our knowledge, the unaudited interim consolidated financial statements of LITGRID AB for the period ended 31 March 2013 are prepared in accordance with the International Financial Reporting Standards adopted by the European Union, give a true and fair view of the LITGRID AB and consolidated group assets, liabilities, financial position, profit (losses) and cash flows for the relevant period.

Virgilijus Poderys

Chief Executive Officer

Vytautas Tauras

Director of Finance Department

Svetlana Sokolskytė

Chief Financier

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LITGRID AB

CONSOLIDATED AND THE COMPANY'S
CONDENSED INTERIM
FINANCIAL INFORMATION
FOR A THREE-MONTH PERIOD
ENDED 31 MARCH 2013
(UNAUDITED)

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The condensed interim financial information was signed on 29 May 2013.



Virgilijus Poderys
Chief Executive Officer



Vytautas Tauras
Director of Finance Department



Svetlana Sokolskytė
Chief Financier

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2013

(All amounts in LTL thousands unless otherwise stated)

	Note	Group As at 31 March 2013	Company As at 31 March 2013	Group As at 31 December 2012	Company As at 31 December 2012
Non-current assets:		(unaudited)	(unaudited)		
Intangible assets		1,780	1,489	1,749	1,432
Property, plant and equipment	4	1,964,173	1,960,685	1,978,378	1,974,781
Prepayments for property, plant, equipment		110,620	110,620	110,510	110,510
Investments in subsidiaries	5	-	15,360	-	8,608
Investments in associates and jointly controlled entities		16,302	16,601	16,052	16,601
Deferred income tax assets		218	-	218	-
Available-for-sale financial assets		7,722	7,722	7,722	7,722
Total non-current assets		2,100,815	2,112,477	2,114,629	2,119,654
Current assets:					
Inventories		12,256	2,747	14,003	2,438
Prepayments		922	595	351	106
Trade receivables		47,308	50,115	72,156	51,646
Other accounts receivable		125,606	37,205	97,034	95,844
Other financial assets		54,843	8,040	63,490	62,312
Cash and cash equivalents		177,310	175,886	127,387	126,097
Total current assets		418,245	274,588	374,421	338,443
Non-current assets held for sale	5	-	-	5,620	4,731
TOTAL ASSETS		2,519,060	2,387,065	2,494,670	2,462,828
EQUITY AND LIABILITIES					
Capital and reserves :					
Share capital		504,331	504,331	504,331	504,331
Share premium		29,621	29,621	29,621	29,621
Revaluation reserve		241,448	241,051	246,582	246,339
Legal reserve		50,464	50,433	50,464	50,433
Other reserves		654,738	654,654	654,738	654,654
Retained earnings		67,110	74,688	44,742	47,160
Equity attributable to the shareholders of the parent company		1,547,712	1,554,788	1,530,478	1,532,538
Non-controlling interest		437	-	4,390	-
Total equity		1,548,149	1,554,788	1,534,868	1,532,538
Non-current liabilities :					
Grants	6	335,284	335,284	304,971	304,971
Non-current borrowings	7	138,112	138,112	138,112	138,112
Deferred income		13,826	13,826	13,990	13,990
Other non-current accounts payable and liabilities		6,291	6,100	6,291	6,100
Deferred income tax liabilities		163,531	163,531	166,775	166,775
Total non-current liabilities		657,044	656,853	630,139	629,948
Current liabilities :					
Current portion of non-current borrowings and other current borrowings	7	46,311	41,434	45,956	41,434
Trade payables		79,382	72,046	102,618	83,931
Advance amounts received		7,885	7,331	3,397	2,571
Income tax payable		17,114	17,114	10,430	10,430
Other accounts payable		163,175	37,509	167,262	161,976
Total current liabilities		313,867	175,434	329,663	300,342
Total liabilities		970,911	832,287	959,802	930,290
TOTAL EQUITY AND LIABILITIES		2,519,060	2,387,065	2,494,670	2,462,828

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

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR A THREE-MONTH PERIOD ENDED 31 MARCH 2013
(All amounts in LTL thousands unless otherwise stated)

	Notes	Group January- March 2013 (unaudited)	Company January- March 2013 (unaudited)	Group January- March 2012 (unaudited)	Company January- March 2012 (unaudited)
Revenue					
Sales of electricity and related services		104,868	114,219	115,758	115,670
Other revenue		15,871	1,732	8,717	1,826
Total revenue		120,739	115,951	124,475	117,496
Operating expenses					
Purchase of electricity and related services		(35,733)	(45,219)	(54,826)	(55,326)
Depreciation and amortisation	4	(32,878)	(32,524)	(31,505)	(31,206)
Wages and salaries and related expenses		(8,649)	(4,378)	(7,992)	(3,924)
Repair and maintenance expenses		(2,235)	(4,132)	(1,868)	(3,128)
Telecommunications and IT systems expenses		(3,672)	(3,499)	(3,743)	(3,486)
Write-off of property, plant and equipment		(745)	(745)	(93)	(93)
Other expenses		(16,048)	(3,150)	(7,633)	(2,545)
Total operating expenses		(99,960)	(93,647)	(107,660)	(99,708)
OPERATING PROFIT (LOSS)		20,779	22,304	16,815	17,788
Finance income		3,380	3,379	987	924
Finance costs		(25)	(3)	(2)	(2)
Finance income, net		3,355	3,376	985	922
Share of profit/(loss) of associates and jointly controlled entities		250	-	(54)	-
Gain on change in ownership interest in associate		-	-	480	-
		250	-	426	-
PROFIT (LOSS) BEFORE INCOME TAX		24,384	25,680	18,226	18,710
Current year income tax expense		(6,706)	(6,685)	(5,846)	(5,826)
Deferred tax income (expense)		3,245	3,245	2,969	2,944
		(3,461)	(3,440)	(2,877)	(2,882)
NET PROFIT (LOSS) FOR THE YEAR		20,923	22,240	15,349	15,828
Other comprehensive income					
Other comprehensive income		(890)	-	-	-
Other comprehensive income, net of deferred income tax		(890)	-	-	-
COMPREHENSIVE INCOME (LOSS)		20,033	22,240	15,349	15,828
NET PROFIT (LOSS) ATTRIBUTABLE TO :					
Owners of the Company		20,992	22,240	15,681	15,828
Non-controlling interest		(69)	-	(332)	-
		20,923	22,240	15,349	15,828
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:					
Owners of the Company		20,102	22,240	15,681	15,828
Non-controlling interest		(69)	-	(332)	-
		20,033	22,240	15,349	15,828
Basic and diluted earnings (deficit) per share (in LTL)	10	0.04		0.03	

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

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR A THREE-MONTH PERIOD ENDED 31 MARCH 2013

(All amounts in LTL thousands unless otherwise stated)

Group	Note	Equity attributable to owners of the Company						Non-controlling interest	Total equity	
		Share capital	Share premium	Revaluation reserve	Legal reserve	Other reserves	Retained earnings	Total		
Balance at 1 January 2012		504.331	29.621	267.179	50.477	979.738	63.942	1.895.288	4.253	1.899.541
Comprehensive income										
Net profit (loss)		-	-	-	-	-	15.681	15.681	(332)	15.349
Depreciation of revaluation reserve and amounts written off		-	-	(5.061)	-	-	5.061	-	1	1
Total comprehensive income (loss)		-	-	(5.061)	-	-	20.742	15.681	(331)	15.350
Balance at 31 March 2012		504.331	29.621	262.118	50.477	979.738	84.684	1.910.969	3.922	1.914.891
Balance at 1 January 2013		504.331	29.621	246.582	50.464	654.738	44.742	1.530.478	4.390	1.534.868
Comprehensive income										
Net profit (loss)		-	-	-	-	-	20.992	20.992	(69)	20.923
Depreciation of revaluation reserve and amounts written off		-	-	(5.288)	-	-	5.288	-	-	-
Share of comprehensive income of associate		-	-	-	-	-	(890)	(890)	-	(890)
Total comprehensive income (loss) for the year		-	-	(5.288)	-	-	25.390	20.102	(69)	20.033
Transactions with owners										
Change in ownership interest in subsidiary	5	-	-	154	-	-	(3.022)	(2.869)	(3.884)	(6.752)
Total transactions with owners				154			(3.022)	(2.869)	(3.884)	(6.752)
Balance at 31 March 2013		504.331	29.621	241.448	50.464	654.738	67.110	1.547.712	437	1.548.149

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

Company	Note	Share capital	Share premium	Revaluation reserve	Legal reserve	Other reserves	Retained earnings	Total
Balance at 1 January 2012		504,331	29,621	266,960	50,433	979,654	66,951	1,897,950
Comprehensive income								
Net profit (loss)		-	-	-	-	-	15,828	15,828
Depreciation of revaluation reserve and amounts written off		-	-	(5,058)	-	-	5,058	-
Total comprehensive income (loss)		-	-	(5,058)	-	-	20,886	15,828
Balance at 31 March 2012		504,331	29,621	261,902	50,433	979,654	87,837	1,913,778
Balance at 1 January 2013		504,331	29,621	246,339	50,433	654,654	47,160	1,532,538
Comprehensive income								
Net profit (loss)		-	-	-	-	-	22,240	22,240
Depreciation of revaluation reserve and amounts written off		-	-	(5,288)	-	-	5,288	-
Total comprehensive income (loss)		-	-	(5,288)	-	-	27,528	22,240
Balance at 31 March 2013		504,331	29,621	241,051	50,433	654,654	74,688	1,554,778

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

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR A THREE-MONTH PERIOD ENDED 31 MARCH 2013
(All amounts in LTL thousands unless otherwise stated)

	Note	Group January-March 2013 (unaudited)	Company January-March 2013 (unaudited)	Group January-March 2012 (unaudited)	Company January-March 2012 (unaudited)
Cash flows from operating activities					
Net profit (loss)		20,923	22,240	15,349	15,828
Reversal of non-monetary expenses (income) and other adjustments					
Depreciation and amortisation expense	4	33,305	32,951	31,934	31,635
Impairment of property, plant and equipment		28	28	-	-
Share of profit/(loss) of associates and jointly controlled entities		(250)	-	54	-
Gain on change in ownership interest in associate		-	-	(480)	-
(Gain) on disposal of associate		(3,294)	(3,294)	-	-
Income tax expense/(income)		3,461	3,440	2,877	2,882
Loss on write-off of property, plant and equipment	4	872	872	93	93
Amortisation of grants	6	(427)	(427)	(429)	(429)
Interest income		(986)	(985)	(976)	(922)
Finance costs		496	474	(9)	-
Change in other financial assets		8,647	54,272	13,189	14,319
Changes in working capital					
(Increase) decrease in trade receivables and other receivables		(3,903)	59,931	(25,486)	(23,412)
(Increase) decrease in inventories and prepayments		1,176	(798)	(432)	(376)
Increase (decrease) in accounts payable, grants and advance amounts received		(14,662)	(123,603)	6,764	1,766
Cash flows from operations		45,386	45,101	42,448	41,384
Income tax paid		(81)	-	-	-
Net cash generated from operating activities		45,305	45,101	42,448	41,384
Cash flows from investing activities					
Purchase of property, plant and equipment and intangible assets		(28,438)	(28,035)	(33,413)	(32,769)
Grants received	6	30,740	30,740	26,459	26,459
Interest received		1,225	1,224	1,554	1,500
Investments in time deposits		-	-	70,001	70,001
Purchase of held-to-maturity investments		-	-	(63,152)	(63,152)
Disposal of associate		1,273	1,273	-	-
Other		-	-	9	-
Net cash used in investing activities		4,799	5,202	1,458	2,039
Cash flows from financing activities					
Overdraft		335	-	-	-
Interest paid		(469)	(474)	-	-
Dividends paid		(40)	(40)	-	-
Net cash (used in)/generated from financing activities		(181)	(514)	-	-
Net increase/(decrease) in cash and cash equivalents		49,923	49,789	43,906	43,423
Cash and cash equivalents at the beginning of the period		127,387	126,097	62,635	57,131
Cash and cash equivalents at the end of the period		177,310	175,886	106,541	100,554

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

LITGRID AB

Company code: 302564383 A. Juozapavičiaus g. 13, LT-09311 Vilnius

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR A THREE-MONTH PERIOD ENDED 31 MARCH 2013
(All amounts in LTL thousands unless otherwise stated)

1. General information

LITGRID AB is a public company registered in the Republic of Lithuania. The address of its registered office is: A. Juozapavičiaus g. 13, LT-09311, Vilnius, Lithuania. LITGRID AB (hereinafter LITGRID or "the Company") is a limited liability profit-making entity established as a result of spin-off of Lietuvos Energija AB operations based the decision of the Extraordinary General Meeting of Shareholders of Lietuvos Energija AB dated 28 October 2010 which was passed to approve the spin-off of Lietuvos Energija AB. The Company was registered with the Register of Legal Entities managed by the public institution Registrų Centras on 16 November 2010. The Company's code is 302564383; VAT payer's code is LT100005748413.

LITGRID is an operator of electricity transmission system operating electricity transmissions in the territory of Lithuania and ensuring the stability of operation of the whole electric power system. In addition, the Company is responsible for the integration and development of the Lithuanian electricity market, as well as for the maintenance and development of electricity transmission network – the strategic projects for electricity interconnections with Sweden and Poland that will ensure the country's energetic independence.

The principal objectives of the Company's activities include ensuring the stability and reliability of electric power system in the territory of Lithuania within its areas of competence, creation of objective and non-discriminatory conditions for the use of the transmission networks, management, use and disposal of electricity transmission system assets and its appurtenances, management of companies owing electricity interconnections with other countries or those that develop, manage, use or dispose them.

On 24 February 2011, the Company was granted a license of the electricity transmission system operator by the National Control Commission for Prices and Energy (the Commission).

With effect from 18 June 2012, LITGRID organises an additional trade session for electricity market participants as stipulated in the Electricity Trading Rules approved by the Order of the Lithuanian Minister of Energy.

Company was responsible for carrying out the function of the administrator of public service obligation (hereinafter "PSO") services in the electricity sector from 24 February 2011. Under Resolution No. 1338 of 7 November 2012 of the Lithuanian Government BALTPool UAB was assigned with the responsibility to carry out the function of the administrator of PSO services in the electricity sector. Following the provisions of the mentioned resolution, Company ceases its activities as an PSO services administrator with effect from 1 January 2013, however, the Company collects the PSO funds from entities connected to the power transmission grid and transfers them to Baltpool UAB - the administrator of PSO funds according to Resolution of the Government of the Republic of Lithuania No 1157 of 19 September 2012 "Procedure for the Administration of the Public Interest Service Funds in the Power Sector".

As at 31 March 2013 and 31 December 2012, the authorised share capital of the Company amounted to LTL 504,331,380 and was divided into 504,331,380 ordinary registered shares with par value of LTL 1 each. All shares are fully paid.

As at 31 March 2013 and 31 December 2012, the Company's shareholders were as follows:

	Ownership interest (in LTL)	Number of shares held (%)
UAB „EPSO-G“	491,736,153	97.5 %
Other shareholders	12,595,227	2.5 %
Total	504,331,380	100 %

The ultimate controlling party of UAB „EPSO-G“ is the Ministry of Energy of the Republic of Lithuania.

The shares of the Company are listed on the NASDAQ OMX Vilnius Stock Exchange.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR A THREE-MONTH PERIOD ENDED 31 MARCH 2013
(All amounts in LTL thousands unless otherwise stated)

1. General information (continued)

As of the date of these financial information the Group included LITGRID and its directly controlled subsidiaries, which are listed below.

Company	Address of the company's registered office	The Group's shareholding at 31 March 2013	The Group's shareholding at 31 December 2012	Profile of activities
BALTPOL UAB	A. Juozapavičiaus g. 13, Vilnius, Lithuania	67%	67%	Electricity market operator
TETAS UAB	Senamiesčio g. 102B, Panevėžys, Lithuania	100%	61%	Transformer substation, distribution station design, construction, repair and maintenance services

The structure of the Group's investments in the associates and the jointly controlled entity as at 31 March 2013 and 31 December 2012 was as follows:

Company	Address of the company's registered office	The Group's shareholding at 31 March 2013	The Group's shareholding at 31 December 2012	Profile of activities
Technologijų ir Inovacijų Centras UAB	Žvejų g. 14, Vilnius, Lietuva	20 %	20%	IT services
Elektros Tinklo Paslaugos UAB	Motorų g. 2, Vilnius, Lietuva	-	25%	Power network and related equipment repair, maintenance and construction services
LitPol Link Sp.z.o.o	Wojciecha Gorskiego 900-033 Warsaw, Poland	50 %	50%	Designing of electricity transmission interconnection facilities

As at 31 March 2013, the Group had 692 employees (31 December 2012: 701 employees), whereas the Company had 207 employees (31 December 2012: 203 employees).

2. Basis of preparation

This Company's and consolidated Group's condensed interim financial information as of 31 March 2013 has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and applicable to interim financial reporting (International Accounting Standard (IAS) 34, 'Interim financial reporting').

This condensed interim financial information should be read together with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with IFRS as adopted by the EU.

These financial statements have been prepared on a historical cost basis, except for property, plant and equipment which is recorded at revalued amount, less accumulated depreciation and estimated impairment loss, and available-for-sale financial assets which are carried at fair value.

These financial statements for the period ended 31 March 2013 are not audited. Financial statements for the year ended 31 December 2012 are audited by the external auditor UAB PricewaterhouseCoopers.

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR A THREE-MONTH PERIOD ENDED 31 MARCH 2013
(All amounts in LTL thousands unless otherwise stated)

3. Accounting policies

The accounting policies and calculation methods 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 2012.

3.1. New standards, amendments and interpretations

There are no new standards, amendments and interpretations that are mandatory for the Company and the Group with effect from 2013, and that have a significant impact on the Company's and the Group's financial information.

3.2. Critical accounting estimates and uncertainties

The preparation of interim financial information in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and costs and contingencies. The main areas where accounting estimates were used are described below:

Revaluation and impairment of property, plant and equipment

During the unbundling process that took place in 2010 the Company took over property, plant and equipment from Lietuvos Energija AB. The fair value of property, plant and equipment, depending on the type of asset, of Lietuvos Energija AB as at 31 December 2008 was determined by independent valuers who used either method of comparative prices, or depreciated replacement value, or discounted cash flows methods to determine the fair value of the assets.

As at 31 December 2009, Lietuvos Energija AB revised the carrying amounts of property, plant and equipment. Having assessed the fall in construction cost indices during the 11 months of 2009 of the relevant categories of assets as published by the Lithuanian Statistics Department, Lietuvos Energija AB reduced the carrying amount of property, plant and equipment. Lietuvos Energija AB applied a 12.27 per cent statistical index in respect of the category of buildings and a 9.68 per cent index in respect of other categories of property, plant and equipment that at 31 December 2008 were revalued based on the depreciated replacement cost method.

The previous version of the Lithuanian Law on Electricity effective as at 31 December 2008 stipulated that the price caps of electricity transmission services were determined based on the value of assets used in licensed activities of the service provider, with the value of such assets established on the grounds of data reported in the service provider's financial statements (Regulated Assets Base).

According to the amendment to the above-mentioned Law effective from 1 June 2009, the price caps of electricity transmission services are to be determined based on the value of assets used in licensed activities of the service provider with values being estimated and approved by the Commission in accordance with the principles of determination of the value of assets used in licensed activities of the service provider that have been drafted by the Commission and approved by the Government.

According to the Resolution on the Methodology of Determination of the Value of Assets used in Licensed Activities of the Electricity Service Provider, the determination of the price caps of electricity transmission services is to include the value of assets used in licensed activities of the service provider which is equal to net book value (carrying amount) of property, plant and equipment as at 31 December 2002 as increased by the amount of investments implemented and agreed with the Commission and reduced by the depreciation amount calculated pursuant to the procedure stipulated by the Lithuanian Law on Income Tax.

Due to the reasons specified, the values of property, plant and equipment reported in these financial statements may materially differ from those that would have been determined if the valuation of assets had been performed by independent valuers as required by International Valuation and Accounting Standards. It is probable that such valuation would have a negative effect on the results of the Company' and Group's operation and the shareholders' equity reported in the financial statements for the years 2013 and 2012.

Based on management's decision, valuation of fair values of property, plant and equipment as at 31 December 2010, 31 December 2011 and 31 December 2012 was not performed by independent valuers, as a substantial reorganisation of the whole energy sector took place in 2010 through to 2012 (in 2010 the Company was separated from Lietuvos Energija AB, in 2011 it was merged with LITGRID AB and in 2012 it was separated from Visagino Atominė Elektrinė UAB group). The management plans to perform independent valuation of assets in 2013.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR A THREE-MONTH PERIOD ENDED 31 MARCH 2013
(All amounts in LTL thousands unless otherwise stated)

4. Property, plant and equipment

The structure of the Group's property, plant and equipment is as follows:

Group	Land	Buildings	Plant and machinery	Motor vehicles	Other PP&E	Construction in progress	Total
Net book amount at 31 December 2011							
Opening net book amount	1,961	34,851	1,841,223	1,639	38,160	72,353	1,990,187
Additions	-	-	-	-	48	8,253	8,301
Write-offs	-	-	(95)	-	-	-	(95)
Reclassification between categories	-	320	2,560	-	397	(3,277)	-
Depreciation charge	-	(538)	(28,968)	(126)	(2,085)	4	(31,713)
Net book amount at 31 March 2012	1,961	34,633	1,814,720	1,513	36,520	77,333	1,996,680
Net book amount at 31 December 2012							
Opening net book amount	1,961	34,726	1,773,601	1,182	42,243	124,665	1,978,378
Additions	-	-	-	-	417	19,445	19,862
Write-offs	-	(15)	(855)	-	(2)	-	(872)
Reclassification to intangible assets	-	-	-	-	-	(28)	(28)
Reclassification between categories	-	17	2,737	-	(258)	(2,496)	-
Depreciation charge	-	(554)	(30,671)	(124)	(1,818)	-	(33,167)
Net book amount at 31 March 2013	1,961	34,174	1,744,812	1,058	40,582	141,586	1,964,173

The structure of the Company's property, plant and equipment is as follows:

Company	Land	Buildings	Plant and machinery	Other PP&E	Construction in progress	Total
Net book amount at 31 December 2011						
Opening net book amount	1,961	33,613	1,840,627	36,573	72,763	1,985,537
Additions	-	-	-	-	8,328	8,328
Write-offs	-	-	(95)	-	-	(95)
Reclassification between categories	-	320	2,560	397	(3,277)	-
Depreciation charge	-	(518)	(28,946)	(1,963)	-	(31,427)
Net book amount at 31 March 2012	1,961	33,415	1,814,146	35,007	77,814	1,962,343
Net book amount at 31 December 2012						
Opening net book amount	1,961	33,513	1,773,053	40,660	125,594	1,974,781
Additions	-	-	-	393	19,260	19,653
Write-offs	-	(15)	(855)	(2)	-	(872)
Reclassification to intangible assets	-	-	-	-	(28)	(28)
Reclassification between categories	-	17	2,737	(258)	(2,496)	-
Depreciation charge	-	(525)	(30,648)	(1,676)	-	(32,849)
Net book amount at 31 March 2013	1,961	32,990	1,774,287	39,117	142,330	1,960,685

Write-offs mainly represent derecognition of replaced part of asset upon its reconstruction.

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4. Property, plant and equipment (continued)

As at 31 March 2013 and 31 December 2012, the Group/Company had significant contractual commitments to purchase property, plant and equipment to be fulfilled in later periods.

	At 31 March 2013	At 31 December 2012
Interconnection between the electricity transmission systems of Lithuania and Sweden (NORDBALT)	597,783	597,783
Transformer substations	71,517	73,386
Construction of 330 kV overhead transmission line Telšiai-Klaipėda	37,236	43,360
Cabling of 110 kV overhead transmission line near Viršuliškės	4,749	4,318
Interconnection between the electricity transmission systems of Lithuania and Poland (LitPolLink)	275,640	2,165
Other	3,639	4,512
Total	990,564	725,524

5. Investments in subsidiaries (for the Company) and investments in associates and jointly controlled entities (for the Company and the Group)

Investments in subsidiaries in the Company's financial statements

As at 31 March 2013 and 31 December 2012, the Company had direct control over the following subsidiaries:

Subsidiary At 31 March 2013	Investment cost	Ownership interest (%)	Impairment	Carrying amount
UAB „TETAS“	15,042	100	-	15,042
BALTPOOL UAB	318	67	-	318
Total	15,360		-	15,360

Subsidiary At 31 December 2012	Investment cost	Ownership interest (%)	Impairment	Carrying amount
UAB „TETAS“	8,290	61	-	8,290
BALTPOOL UAB	318	67	-	318
Total	8,608		-	8,608

All subsidiaries were acquired by way of spin-off.

In the implementation of the electricity sector reorganisation plan and following the decision of 17 October 2012 of the Board of LITGRID, LITGRID and LESTO AB signed the share exchange agreement on 7 January 2013. Under the latter agreement LITGRID disposed to the company LESTO AB shares of Elektros Tinklo Paslaugos UAB held by the right of ownership which represent 25.03% of the authorised share capital of Elektros Tinklo Paslaugos UAB in exchange for shares of Tetras UAB being disposed by LESTO AB which represent 38.87% of the authorised share capital of Tetras UAB.

Amount corresponding to the value of shares of Elektros Tinklo Paslaugos UAB, that Company held with the ownership right, was reclassified to the category of assets held for sale in the annual financial statements for the year ended 31 December 2012.

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6. Grants

The balance of grants consists of grants related to the financing of assets acquisition. Movements in grants during three month period ended 31 March 2013 and 31 March 2012 were as follows:

	Group	Company
Balance at 31 December 2011	182,359	182,359
Grants received	26,459	26,459
Recognised as income during the period	(429)	(429)
Balance at 31 March 2012	208,389	208,389
Balance at 31 December 2012	304,971	304,971
Grants received	30,740	30,740
Recognised as income during the period	(427)	(427)
Balance at 31 March 2013	335,284	335,284

Grants received during three month period ended 31 March 2013 included:

- amounts received from the EU Structural Funds for financing reconstruction of the Company's property, plant and equipment LTL 9,358 thousand (during three months of 2012: LTL 4,343 thousand);
- funds from International Ignalina Decommissioning Support Fund for the preparation works and implementation of interconnection Lithuania-Poland (LitPolLink) project – 132 thousand LTL (during three months of 2012: 866 thousand LTL);
- funds from public service obligations for the preparation works and implementation of interconnection Lithuania-Sweden (NordBalt) project – 21,250 thousand LTL (2012: 21,250 thousand LTL).

In the statement of comprehensive income for the three month period ended 31 March 2013, depreciation and amortisation charges were reduced by income of grants of LTL 427 thousand (2012:LTL 429 thousand).

7. Borrowings

Loans of the Group/Company according to the repayment terms were as follows:

	Group at 31 March 2013	Company at 31 March 2013	Group at 31 December 2012	Company at 31 December 2012
Amounts payable after one year	138,112	138,112	138,112	138,112
Amounts payable in one year	46,311	41,434	45,956	41,434
Total	184,423	179,546	184,068	179,546

On 16 July 2012, the Company's subsidiary Tetas UAB signed an overdraft agreement with SEB Bankas AB. Credit limit is LTL 5,200 thousand. The agreement expires on 31 July 2013. The overdraft is subject to a variable interest rate which is established based on a one-week Vilnius Interbank Offered Rate (VILIBOR) plus 0.59% lender's borrowing risk margin and profit margin. As at 31 March 2013, the withdrawn amount of the overdraft totalled LTL 4,877 thousand (as at 31 December 2012: LTL 4,522).

On 5 October 2012, the Company signed a loan agreement with Pahjola Bank Plc. The loan amount is EUR 58,000 thousand. During the repricing period the loan is subject to annual interest rate being EURIBOR + 0.94% margin.

As at 31 March 2013, the weighted average interest rate on borrowings of the Group was 1.04%.

8. Segment information

Management distinguished business segments based on the reports reviewed by the Board who is considered to be the chief operating decision-maker of the Group. The Board analyses operations by geographical areas and types of services provided. Operating profit (loss) is a profitability indicator analysed by management. Reports reviewed by the Board are consistent with the financial statements prepared in accordance with IFRS, except for different presentation.

The Group has distinguished the following 6 segments:

- electricity transmission;
- trade in balancing/regulating electricity;
- provision of capacity reserve services;
- provision of services under PSO (public service obligation) scheme;
- activities of the market operator;
- repair and maintenance activities.

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8.Segment information (continued)

The electricity transmission segment is engaged in transmitting electricity over high voltage (330-110 kV) networks from producers to end users or suppliers not in excess of the limit established in the contract. The main objective of these activities is to ensure a reliable, effective, high quality, transparent and safe electricity transmission to distributions networks, large network users from power stations and neighbouring energy systems.

Trade in balancing/regulating electricity is a separate service of the transmission system operator ensuring the balancing of electricity generation/import and demand/export levels.

Provision of capacity reserve services: to ensure a reliable work of the system, the Company purchases from electricity producers the service of ensuring capacity reserve for power generation facilities and provides capacity reserve services to end users. The capacity reserve is required in case of unexpected fall in electricity generation volumes or increase in electricity consumption.

The Company's/Group's services provided under PSO scheme comprise as follows:

- development and implementation of strategic projects for the improvement of energy security with the help of interconnections Lithuania-Sweden and Lithuania-Poland, connection of the Lithuanian electric energy system to ENTSO-E continental Europe networks;
- connection of power generation facilities, which use wind, biomass, solar energy or hydroenergy in the process of electricity generation, to transmission networks, optimisation, development and/or reconstruction of transmission networks in relation to acceptance and transmission of electricity from producers that use the renewable energy resources;
- balancing of electricity generated using the renewable energy resources;
- administration of PSO service fees.

The Company's subsidiary BALTPPOOL UAB carries out the activities of natural gas market operator and applies measures to secure against the fluctuations in electricity prices on power exchange. BALTPPOOL UAB earns revenue mainly from turnover fees for trade in power exchange. Until 18 June 2012, BALTPPOOL UAB used to act as power exchange operator.

Repair and maintenance services are carried out by the Company's subsidiary TETAS UAB. These services include reconstruction, repair and technical maintenance of medium voltage transformer substations and distribution stations.

The Group's information on segments for the three month period ended 31 March 2013 is presented in the table below:

2013	Operating segments						
	Electricity transmission	Trade in balancing/regulating electricity	Provision of capacity reserve services	Provision of services under PSO scheme	Activities of market operator	Repair and maintenance activities	Other inter-segment eliminations
Revenue	67,659	22,219	24,237	1,791	180	16,049	-
Inter-segment revenue	-	-	-	-	(9,486)	(2,095)	185
Revenue after elimination of intercompany revenue within the Group	67,659	22,219	24,237	1,791	(9,306)	13,954	185
Operating profit (loss)	2,831	6,681	12,756	-	(173)	(1,501)	185
Finance income (costs), net	3,376	-	-	-	1	(22)	-
Share of result of associates and jointly controlled entities	256	-	-	-	-	-	-
Gain on change in ownership interest in associate	-	-	-	-	-	-	-
Profit (loss) before income tax	6,463	6,681	12,756	-	(172)	(1,523)	185
*Income tax	(3,440)	-	-	-	-	(21)	-
Net profit (loss) for the year	3,023	6,681	12,756	-	(172)	(1,544)	185
Depreciation and amortisation expense	32,524	-	-	-	28	326	-
Write-off of property, plant and equipment	745	-	-	-	-	-	-

*Income tax is not allocated between Company's operating segments and is attributed to electricity transmission activity.

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8. Segment information (continued)

Grupės informacija apie segmentus už 2012 m. kovo 31 d. pasibaigusį laikotarpį yra pateikta žemiau:

2012	Operating segments							
	Electri- city trans- mission	Trade in balancing/ regulating electricity	Provision of capacity reserve services	Provi- sion of services under PSO scheme	Activi- ties of market operator	Repair and mainte- nance activities	Other inter- seg- ment elimina- tions	Total
Revenue	68,122	28,074	18,155	3,146	588	8,290	-	126,375
Inter-segment revenue		-	-	-	(521)	(1,303)	(76)	(1,900)
Revenue after elimination of intercompany revenue within the Group	68,122	28,074	18,155	3,146	67	6,987	(76)	124,475
Operating profit (loss)	8,286	8,228	1,274	-	102	(1,004)	(71)	16,815
Finance income (costs), net	922	-	-	-	58	5	-	985
Share of result of associates and jointly controlled entities	(54)	-	-	-	-	-	-	(54)
Profit (loss) before income tax	480	-	-	-	-	-	-	480
*Income tax	9,634	8,228	1,274	-	160	(999)	(71)	18,226
Net profit (loss) for the year	(2,882)	-	-	-	(22)	27	-	(2,877)
Depreciation and amortisation expense	6,752	8,228	1,274	-	138	(972)	(71)	15,349
Write-off of property, plant and equipment	31,206	-	-	-	9	294	(4)	31,505
Operating profit (loss)	93	-	-	-	-	-	-	93

*Income tax is not allocated between Company's operating segments and is attributed to electricity transmission activity.

The Group operates in Lithuania and its revenue generated from customers in Lithuania accounts for 99% of total revenue.

The Company sells regulating electricity to transmission system operators in Latvia and Estonia and provides the electricity transit service to the Russian transmission system operator.

In 2013 and 2012, the Group's and the Company's revenue by geographical location of customers:

Country	Group January-March 2013	Company January-March 2013	Group January- March 2012	Company January- March 2012
Lithuania	119,382	114,594	123,643	116,664
Russia	408	408	540	540
Estonia	512	512	249	249
Latvia	437	437	43	43
Total	120,739	115,951	124,475	117,496

All assets of the Group and the Company are located in Lithuania.

During three month period ended 31 March 2013, the Group's revenue from its major external customer AB LESTO amounted to LTL 86,519 thousand (31 March 2012: LTL 77,217 thousand).

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9. Related-party transactions

The Company's/Group's related parties in 2013 and 2012 were as follows:

- EPSO-G (the parent of the Company) (with effect from 28 September 2012). EPSO-G is a wholly-owned by the Ministry of Energy of the Republic of Lithuania;
- All state controlled or significantly influenced entities (disclosures are made only for those state controlled entities, the transactions with which are significant);
- Subsidiaries of the Company;
- Associates and jointly controlled entities of the Company;
- Management of the Company.

The Group's transactions with related parties during three month period ended 31 March 2013 and the balances arising on these transactions as at 31 March 2013 are presented below.

Related parties	Trade and other payables and prepayments	Trade and other receivables	Purchases	Sales
Associates	1,617	756	4,599	1,550
The Group's parent company (UAB EPSO-G)	-	-	-	-
Government-related entities:				
AB LESTO	17,022	115,722	21,552	292,853
Lietuvos energija AB	63,212	4,554	144,999	26,333
Total	81,851	121,032	171,150*	320,736**

*Whereof: LTL 131,201 thousand PSO service fees paid to related parties and LTL 14,441 thousand purchases of electricity on the power exchange from related parties. The Group acts as an agent in these transactions. The Group does not recognise revenue and expenses from electricity trading in power exchange and administration of PSO service fees with respect to those transactions in which it acts as an agent on behalf of the Commission/Government.

**Whereof: LTL 206,344 thousand PSO service fees received from related parties and LTL 14,441 thousand sales of electricity on the power exchange to related parties. The Group does not recognise revenue and expenses from electricity trading in power exchange and administration of PSO service fees with respect to those transactions in which it acts as an agent on behalf of the Commission/Government.

The Company's transactions with related parties during three month period ended 31 March 2013 and the balances arising on these transactions as at 31 March 2013 are presented below.

Related parties	Trade and other payables and prepayments	Trade and other receivables	Purchases	Sales
Subsidiaries	16,066	8,660	58,952	1,872
Associates	1,557	739	4,452	1,536
The Group's parent company (UAB EPSO-G)	-	-	-	-
Government-related entities:				
AB LESTO	6,257	30,817	354	80,621
Lietuvos energija AB	8,201	4,554	34,844	26,333
Total	32,081	44,770	98,602*	110,362**

*Whereof: LTL 24,343 thousand PSO service fees paid to related parties and LTL 14,441 thousand purchases of electricity on the power exchange from related parties. The Group acts as an agent in these transactions. The Group does not recognise revenue and expenses from electricity trading in power exchange and administration of PSO service fees with respect to those transactions in which it acts as an agent on behalf of the Commission/Government.

**Whereof: LTL 1,801 thousand PSO service fees received from related parties and LTL 14,441 thousand sales of electricity on the power exchange to related parties. The Group does not recognise revenue and expenses from electricity trading in power exchange and administration of PSO service fees with respect to those transactions in which it acts as an agent on behalf of the Commission/Government.

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9.Related-party transactions (continued)

The Group's transactions with related parties during three month period ended 31 March 2012 and the balances arising on these transactions as at 31 December 2012 are presented below.

Related parties	Trade and other payables and prepayments	Trade and other receivables	Purchases	Sales
Associates	2,625	625	1,518	1,533
The Group's parent company (UAB EPSO-G)	-	-	-	-
Government-related entities:				
AB LESTO	15,674	115,447	99,967	249,538
Lietuvos energija AB	25,328	6,513	38,066	83,154
Total	43,627	122,585	139,551*	334,225**

*Whereof: LTL 89,058 thousand PSO service fees paid to related parties and LTL 38,066 thousand purchases of electricity on the power exchange from related parties. The Group acts as an agent in these transactions. The Group does not recognise revenue and expenses from electricity trading in power exchange and administration of PSO service fees with respect to those transactions in which it acts as an agent on behalf of the Commission/Government.

**Whereof: LTL 171,301 thousand PSO service fees received from related parties and LTL 83,291 thousand sales of electricity on the power exchange to related parties. The Group does not recognise revenue and expenses from electricity trading in power exchange and administration of PSO service fees with respect to those transactions in which it acts as an agent on behalf of the Commission/Government.

The Company's transactions with related parties during three month period ended 31 March 2012 and the balances arising on these transactions as at 31 December 2012 are presented below.

Related parties	Trade and other payables and prepayments	Trade and other receivables	Purchases	Sales
Subsidiaries	6,548	13	8,734	28
Associates	1,353	622	1,384	1,533
The Group's parent company (UAB EPSO-G)	-	-	-	-
Government-related entities:				
AB LESTO	15,645	6,349	99,961	242,910
Lietuvos energija AB	25,166	101,284	-	7,146
Total	48,712	108,268	128,444*	251,617**

*Whereof: LTL 89,058 thousand PSO service fees paid to related parties. The Group acts as an agent in these transactions. The Group does not recognise revenue and expenses from administration of PSO service fees with respect to those transactions in which it acts as an agent on behalf of the Commission/Government.

**Whereof: LTL 171,301 thousand PSO service fees received from related parties. The Group acts as an agent in these transactions. The Group does not recognise revenue and expenses from administration of PSO service fees with respect to those transactions in which it acts as an agent on behalf of the Commission/Government.

Payments to key management personnel

	Group January- March 2013	Company January- March 2013	Group January- March 2012	Company January- March 2012
Employment-related payments, whereof:	666	463	622	352
- Termination benefits	79	79	18	14
Number of key management personnel	17	9	16	8

Key management consists of heads of administration and their deputies (directors of departments), and the chief financier.

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10. Basic and diluted earnings per share

In 2013 and 2012, basic and diluted earnings per share were as follows:

	January-March 2013	January-March 2012
Net profit (loss) attributable to the Company's shareholders (thousand LTL)	20,998	15,681
Weighted average number of shares (units)	504,331,380	504,331,380
Basic and diluted earnings per share (in LTL)	0.04	0.03

11. Contingent liabilities

Litigations

Achema AB has not paid to LITGRID PSO fees for electricity generated and consumed for internal needs from April 2011 till December 2011. On 22 July 2011, LITGRID AB filed a legal claim to Kaunas County Court by which it claimed from Achema AB to cover debt and interest for April-June 2011. This case was suspended by the decision of 14 June 2012 of Kaunas County Court until the completion of investigation of the case with Vilnius County Court initiated by the claim of Achema AB against LITGRID requesting the recognition of the transaction as null and void and payment of restitutional compensation. The outcome of the case will have no impact on the Company's net profit (loss) because the Company acts as an agent and PSO service fees administered by it are recognised only as amounts receivable/payable. The management does not believe that these litigations will have any negative impact on the Group's/Company's financial statements.

AB „Achema“, AB „LIFOSA“ and AB „ORLEN Lietuva“ from 1 January 2013 has refused to pay PSO fees collected for electricity generated and consumed for internal needs and to sign agreements setting PSO fees collection conditions with LITGRID AB. LITGRID AB has send a requirement to those companies to pay PSO fees and to sign the agreements, but the requirements within the prescribed time limit have not been fulfilled. In April 2013 LITGRID AB filed a legal claim to the Kaunas and Siauliai district courts claiming to cover debt and interest for January 2013 and to sign an agreements. Dates of hearings currently are not published because the companies are providing feedback to the claims. The management does not believe that these litigations will have any negative impact on the Group's/Company's financial statements.

12. Commitments

Property, plant and equipment purchase commitments are disclosed in Note 4.

13. Significant events after the balance sheet date

On 24 April 2013 the ordinary general shareholders meeting of the Company decided to pay dividends in the amount of LTL 45,000 thousand, paying 0.089227048 LTL dividends per share.
