# LIETUVOS ENERGIJA AB

CONSOLIDATED AND COMPANY'S INTERIM FINANCIAL INFORMATION FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2011 (unaudited)



2012-02-29 No SD - 853

## CONFIRMATION OF RESPONSIBLE PERSONS

Referring to the provisions of the Article 21 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 Dalius Misiūnas, CEO of Lietuvos energija, AB, Gituté Malakaitè, Acting Director of Finance and Legal Department of Lietuvos energija, AB and Giedruolé Guobiené, Chief Financier of Lietuvos Energija, AB, hereby confirm that, to the best of our knowledge, the consolidated interim financial information for the period ended 31 December 2011 is prepared in accordance with the International Financial Reporting Standards adopted by the European Union, give a true and fair view of the Lietuvos energija, AB and consolidated group assets, liabilities, financial position and profit for the relevant period.

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Dalius Misiūnas

Gitutė Malakaitė

Giedruolė Guobienė

Acting Director of Finance and Legal Department

Chief Financier

CEO

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The condensed interim financial information was approved by the General Director, Director of Finance and Legal Department and Chief Financier of Lietuvos Energija AB on 29 February 2012.

lunu Balius Misiūnas; General Director

Gituté Malakaité Acting director of the Finance and Legal Department

Giedruolė Guobienė Chief Financier

#### INTERIM STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2011 All amounts in LTL thousands unless otherwise stated

ASSETS	Note	Group at 31 December 2011	Company at 31 December 2011	Group at 31 December 2010	Company at 31 December 2010
Non-current assets		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Intangible assets		39,735	36,345	37,759	37,659
Property, plant and equipment		3,109,868	3,054,247	2,876,969	2,853,343
Prepayments for property, plant, equipment		2,769	2,769	62,436	62,436
Investment property		1,824	1,824	1,852	1,852
Investments in subsidiaries		1,024	54,651	1,052	23,897
Investments in associates and joint ventures		149,356	151,648	162,719	160,836
Deferred income tax assets		81	-	1,200	
Amounts receivable		11,103	11,083	1,797	8,297
Other financial assets			-	875	875
Total non-current assets		3,314,736	3,312,567	3,145,607	3,149,195
Total Holl-Current assets		5,514,750	5,512,507	5,145,007	5,145,155
Current assets					
Inventories		125,551	123,721	127,908	126,209
Prepayments		2,936	1,909	13,108	12,051
Trade receivables		232,838	207,498	179,061	154,400
Other receivables		7,076	12,648	20,941	20,127
Prepaid income tax		3,357	3,147	6,978	7,893
Other financial assets		109	-	243	-
Deposits		158	-	-	-
Cash and cash equivalents		27,907	8,281	86,925	83,375
		399,932	357,204	435,164	404,055
Non-current assets classified as held for sale		3,283	1,543	4,166	1,543
Total current assets		3,717,929	3,671,314	3,584,937	3,554,793
TOTAL ASSETS		3,717,951	3,671,314	3,584,937	3,554,793

(continued on the next page)

## INTERIM STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2011 All amounts in LTL thousands unless otherwise stated

EQUITY AND LIABILITIES Note	Group at 31 December 2011 (unaudited)	Company at 31 December 2011 (unaudited)	Group at 31 December 2010 (unaudited)	Company at 31 December 2010 (unaudited)
Capital and reserves	(unautiteu)	(unautieu)	(unautieu)	(unautieu)
Share capital	635,084	635,084	635,084	635,084
Share premium	295,767	295,767	295,767	295,767
Revaluation reserve	15,159	8,395	10,347	6,604
Legal reserve	35,972	35,867	35,867	35,867
Other reserves	717,775	717,775	717,775	717,775
Retained earnings	(65,510)	(44,656)	33,343	33,174
Total equity attributable to owners of the				
Company	1,634,248	1,648,233	1,728,183	1,724,271
Non-controlling interest	32,479			
Total equity	1,666,727	1,648,233	1,728,183	1,724,271
Non-current liabilities				
Borrowings	602,258	602,258	503,164	503,164
Finance lease liabilities	319	-	851	-
Grants	1,008,604	1,008,569	872,957	872,957
Other non-current accounts payable and liabilities	6,861	6,550	6,251	6,251
Deferred income tax liabilities	128,096	124,311	129,684	126,969
Total non-current liabilities	1,746,138	1,741,688	1,512,907	1,509,341
Current liabilities				
Borrowings	39,908	38,739	45,362	31,828
Finance lease liabilities	584	, –	511	, –
Trade payables	115,774	103,759	138,274	133,689
Advance amounts received	56,941	54,198	53,489	53,452
Income tax payable	1,986	-	-	-
Provisions for emission rights	61,931	61,931	83,189	83,189
Other accounts payable and liabilities	27,962	22,766	23,022	19,023
Total current liabilities	305,086	281,393	343,847	321,181
Total liabilities	2,051,224	2,023,081	1,856,754	1,830,522
TOTAL EQUITY AND LIABILITIES	3,717,951	3,671,314	3,584,937	3,554,793
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## INTERIM STATEMENTS OF COMPREHENSIVE INCOME AT 31 DECEMBER 2011 All amounts in LTL thousands unless otherwise stated

Revenue         1.374,155         1.365,573         1.220,564         1.212,831           Other operating income         1.374,155         1.365,482         1.334         40,223         550           Purchase of gas         1.429,577         1.220,564         1.212,831         40,223         550           Depreciation and amorisation         (62,510         1.260,817         1.213,481         40,253         550           Repair and mathenance express         (45,554)         (37,029)         (33,522)         (33,417)           States and related expenses         (46,554)         (37,029)         (37,733)         (8,773)           Repair and mathenance express         (7,089)         (1,523,122)         (22,830)         (5,571)         (5,573)         (1,22,48)         (2,733)         (4,12,2		Note	Group 2011	Company 2011	Group 2010	Company 2010
Other operating income         55,422         1,913         40,253         550           Operating expenses         1,429,577         1,367,486         1,260,817         1,213,441           Operating expenses         (707,978)         (881,272)         (880,654)         (125,325)         1(25,325)         (125,325) <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td></td<>						
Index         Index <th< td=""><td></td><td></td><td></td><td></td><td></td><td></td></th<>						
Operating expenses         (707,978)         (707,824)         (881,272)         (880,654)           Purchase of gas         (452,367)         (452,367)         (1452,367)         (152,325)           Depreciation and amortisation         (62,010)         (59,782)         (37,029)         (37,772)         (28,768)           Repair and maintance expenses         (70,783)         (1,613)         (6,773)         (8,477)           Expenses arising from revaluation of emission         (63,282)         (63,282)         (35,671)         (35,671)           Expenses arising from revaluation and impairment of property, plant and equipment (0,5691)         (7,7301)         (7,403)         (1,373,907)         (1,180,601         57,275           Prinance income         22,929         23,925         3,941         4,325         -           Finance income (costs)         (6,015)         -         54         -         -           Other financial income (costs)         (5,594)         (3,891)         (1,6144)         (15,507)           Different income tax income/(expense)         2,673         3,056         17,453         18,498           PROFIT BEFORE INCOME TAX         23,988         11,591         84,516         22,894	Other operating income					
Purchase of electricity or related services         (70, 978)         (70, 824)         (881, 222)         (880, 654)           Purchase of electricity or related services         (452, 367)         (56, 367)         (56, 367)         (56, 367)         (56, 367)         (56, 567)         (56, 567)         (56, 567)         (56, 567)         (56, 567)         (56, 567)         (56, 567)         (56, 567)         (56, 567)         (56, 567)         (56, 567)         (56, 567)         (56, 567)         (74, 503)         (14, 30, 30, 30, 97)         (74, 163)         (14, 377)         (56, 367)         (56, 30, 37)         (74, 163)         (56, 767)         (56, 767)         (56, 767)         (56, 767)         (56, 767)         (56, 767)         (56, 767)         (56, 767) <t< td=""><td>•</td><td></td><td>1,429,577</td><td>1,367,486</td><td>1,260,817</td><td>1,213,481</td></t<>	•		1,429,577	1,367,486	1,260,817	1,213,481
Purchase of gas         (452,367)         (1452,367)         (125,325)         (125,325)           Depreciation and amortisation         (62,710)         (59,791)         (25,325)         (23,325)           Salaries and related expenses         (48,554)         (37,029)         (37,752)         (28,768)           Repair and maintennce expenses         (7,089)         (15,124)         (9,658)         (8,677)           Inventory impairment/surplus)         73         (1,631)         (6,773)         (8,477)           Expenses arising from remision provision expense         (5,691)         (7,001)         (7,301)           Inpairment of investments in subsidiaries and associates         3,945         -         (143)         (5,743)           ILoss//reversal of loss on revaluation and impairment of property, plant and equipment         1,753         (281)         1,549         -           Other expenses         (1,416,303)         (1,4372,907)         (1,180,216)         (1,156,206)           OPERATING PROFIT         13,274         (6,421)         80,601         57,275           Finance income         1,753         (2,11         1,494         -           Share of results of activities of associates and joint ventures         (6,015)         -         54         - <td< td=""><td></td><td></td><td>(707 079)</td><td>(707 024)</td><td>(001 272)</td><td>(990 654)</td></td<>			(707 079)	(707 024)	(001 272)	(990 654)
Depredation and amortisation         (62,510)         (59,759)         (35,822)         (33,417)           Salaries and related expenses         (7,089)         (15,124)         (9,658)         (8,567)           Inventory impairment/(surplus)         73         (1,631)         (6,773)         (8,477)           Expenses arising from explation of emission         (5,691)         (7,001)         (7,301)         (7,301)           associates         (5,691)         (5,691)         (7,001)         (7,301)         (7,301)           (Loss)/reversal of loss on revaluation and impairment of property, plant and equipment         1,753         (281)         1,549         -           Other expenses         (1,416,303)         (1,373,907)         (1,180,216)         (1,156,206)           OPERATING PROFIT         13,274         (6,421)         80,601         57,275           Finance income         22,929         23,925         3,941         4,325           Finance income (costs)         (5,594)         (3,891)         (1,6,141)         (15,507)           Difference income tax income/(expense)         (5,594)         (3,891)         (16,414)         (15,507)           Difference income tax income/(expense)         2,653         2,653         28,335         28,335						
Salaries and related expenses       (48,554)       (37,029)       (27,752)       (28,768)         Repair and maintenance expenses       (7,089)       (15,124)       (9,658)       (8,567)         Inventory impairment/(surplus)       73       (1,631)       (6,773)       (8,477)         Expenses arising from revaluation of emission       (5,691)       (5,691)       (7,089)       (15,124)       (9,658)       (8,567)         Impairment of moments in subsidiaries and accounts       (63,282)       (63,282)       (35,671)       (7,301)       (7,301)         (Loss)/revail of loss on revaluation and impairment of property, plant and equipment       1,753       (281)       1,549       -         Other expenses       (1,416,303)       (1,373,3007)       (1,180,216)       (1,156,206)         OPERATING PROFIT       13,274       (6,421)       80,601       57,275         Finance income       (15,174)       (1,630)       (1,180,716)       (1,1180,726)       (1,1180,726)         Other reparting expenses       (5,691)       (5,913)       (3,087)       (2,791)         Other financial income (costs)       (5,594)       (3,081)       (16,414)       (15,507)         Current year income tax expense       2,653       2,653       28,335       28,335	-					
Repair and maintenance expenses         (7,089)         (15,124)         (9,658)         (8,567)           Inventory impairment(surplus)         (5,71)         (3,631)         (6,773)         (8,477)           Expenses arising from evaluation of emission rights         (63,282)         (35,671)         (7,301)         (7,301)         (7,301)           Expenses arising from evaluation and impairment of prosenty, plant and equipment Other expenses         (1,413)         (5,743)         (1,42,048)         (22,283)           Total operating expenses         (1,413,03)         (1,733,007)         (1,418,0216)         (1,416,206)           OPERATING PROFIT         13,274         (6,421)         80,601         57,275           Finance income Finance income (costs)         13,274         (6,421)         80,601         57,275           Other financial income (costs)         (5,594)         (3,891)         (1,6,414)         (1,5,507)           Other financial income (costs)         (5,594)         (3,891)         (1,6,414)         (1,5,507)           Deferred income tax income/(expense)         (5,594)         (3,891)         (1,6,414)         (15,507)           Deferred income tax expense         (5,594)         (3,891)         (1,6,414)         (1,5,507)           Deferred income tax related to loss/(gain) on revaluat						
Inventory impairment/(surplus)         73         (1,631)         (6,773)         (8,477)           Expenses arising from revaluation of emission rights         (63,282)         (63,282)         (25,671)         (7,301)           Expenses arising from revaluation and impairment of property, plant and equipment Other expenses         (1,433)         (1,731)         (7,301)         (7,301)           Other expenses         (1,431)         (6,773)         (8,477)           Total operating expenses         (1,431)         (6,773)         (8,477)           Other expenses         (1,431)         (5,691)         (7,301)         (7,301)           Total operating expenses         (1,416,303)         (1,373,907)         (1,180,216)         (1,156,206)           OPERATING PROFIT         13,274         (6,421)         80,601         57,275           Finance income Finance (costs)         13,274         (6,421)         80,601         57,275           Other financial income (costs)         (6,015)         54         -         -           Other financial income (costs)         (2,673)         3,056         17,453         18,498           PROFIT BEFORE INCOME TAX         23,988         11,591         81,509         58,609           Current year income tax expense profit(0s) for the period from	•					
Expenses arising from revaluation of emission rights         (63,282)         (35,671)         (35,671)           Expenses arising from emission provision expenses Impairment of investments in subsidiaries and associates         (63,282)         (35,671)         (7,301)           Charlen expenses         (143)         (5,691)         (7,301)         (7,301)           Charlen expenses         (143)         (5,691)         (7,301)         (7,301)           Charlen expenses         (1416,303)         (1,373,3007)         (1,186,206)           OPERATING PROFIT         13,274         (6,421)         80,601         57,275           Finance income Finance (costs)         (5,015)         -         54         -           Other financial income (costs)         (6,015)         -         54         -           Other financial income (costs)         (5,594)         (3,891)         (16,414)         (15,507)           Deferred income tax income/(expense)         2,673         3,056         17,453         18,498           PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS         -         -         -         -         -           PROFIT POR THE PERIOD FROM CONTINUING Operations, net of income tax         2,653         2,653         2,653         2,653         2,653         2,653         2,653						
Expenses arising from emission provision expense Impairment of investments in subsidiaries and associates         (5,691)         (7,301)         (7,301)           (Loss)/reversal of loss on revaluation and impairment of property, plant and equipment Other expenses         3,945         -         (143)         (5,743)           (Dots)/reversal of loss on revaluation and impairment of property, plant and equipment Other expenses         1,753         (281)         1,249         -           Other expenses         (1,416,303)         (1,373,907)         (1,180,216)         (1,15,206)           OPERATING PROFIT         13,274         (6,421)         80,601         57,275           Finance income Finance (costs)         13,274         (6,421)         80,601         57,275           Other financial income (costs)         (6,015)         -         54         -           Other financial income (costs)         (5,594)         (3,891)         (16,414)         (15,507)           Current year income tax expense         (5,594)         (3,891)         (16,414)         (15,507)           Deferred income tax income tax         21,067         10,756         91,242         70,494           DISCONTINUED OPERATIONS Profit FOR THE PERIOD         (1,052)         (1,0756         84,816         22,894           Other comprehensive income	Expenses arising from revaluation of emission					
Impairment of investments in subsidiaries and associates         3,945         -         (143)         (5,743)           (Loss)/reversal of loss on revaluation and impairment of property, plant and equipment Other expenses         1,753         (281)         1,549         -           Total operating expenses         (1,416,303)         (1,373,907)         (1,180,216)         (1,156,206)           OPERATING PROFIT         13,274         (6,421)         80,601         57,275           Finance income Finance (costs)         22,929         23,925         3,941         4,325           Share of results of activities of associates and joint ventures         (6,015)         -         54         -           Other financial income (costs)         (6,200)         (5,913)         (3,087)         (2,791)           Differed income tax expense         (5,594)         (3,891)         (16,414)         (15,507)           Deferred income tax income/(expense)         2,673         3,056         17,453         18,498           PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS         21,067         10,756         84,816         22,894           Other comprehensive income (loss)         21,067         10,756         84,816         22,894           Other comprehensive income evaluation of property, plant and equipment         2,653 <td>5</td> <td></td> <td></td> <td></td> <td> ,</td> <td>(7,301)</td>	5				,	(7,301)
impairment of property, plant and equipment         1.753         (281)         1.549            Other expenses         (74,603)         (14,20,48)         (22,048)         (22,048)           Total operating expenses         (1,416,303)         (1,273,907)         (1,180,216)         (1,156,206)           OPERATING PROFIT         13,274         (6,421)         80,601         57,275           Finance income         22,929         23,925         3,941         4,325           Finance income         (6,015)         54         -           Other financial income (costs)         (6,017)         10,714         18,012         908         1,534           PROFIT BEFORE INCOME TAX         23,988         11,591         81,509         58,809           Current year income tax expense         (5,594)         (3,891)         (16,414)         (15,507)           Deferred income tax income/(expense)         21,067         10,756         91,242         70,494           DISCONTINUED OPERATIONS         -         -         (6,426)         (47,600)           PROFIT FOR THE PERIOD         21,067         10,756         84,816         22,894           Other comprehensive income (loss)         (1,067         10,756         84,816         22,8	Impairment of investments in subsidiaries and		3,945	-		
Other expenses         (74,603)         (30,919)         (42,048)         (22,283)           Total operating expenses         (1,416,303)         (1,373,907)         (1,180,216)         (1,1,156,206)           OPERATING PROFIT         13,274         (6,421)         80,601         57,275           Finance income Finance (costs)         22,929         23,925         3,941         4,325           Other financial income (costs)         (6,015)         54         -         -           Other financial income (costs)         (6,200)         (5,913)         (3,087)         (2,791)           Different income tax expense         (5,594)         (3,891)         (16,414)         (15,507)           Deferred income tax income/(expense)         21,067         10,756         91,242         70,494           DISCONTINUED OPERATIONS         -         -         (6,426)         (47,600)           PROFIT FOR THE PERIOD FROM CONTINUING Operations, net of income tax         -         -         (6,426)         (42,600)           PROFIT FOR THE PERIOD         21,067         10,756         84,816         22,894           Other comprehensive income         -         -         -         -         -         -         -         -         -         -				<i>(</i> <b>- -</b>		
Total operating expenses         (1,416,303)         (1,373,907)         (1,180,216)         (1,156,206)           OPERATING PROFIT         13,274         (6,421)         80,601         57,275           Finance income Finance (costs)         22,929         23,925         3,941         4,325           Share of results of attivities of associates and joint ventures         (6,015)         -         54         -           Other financial income (costs)         (6,017)         10,714         18,012         908         1,534           PROFIT BEFORE INCOME TAX         23,988         11,591         81,509         58,809           Current vear income tax expense Deferred income tax income/(expense)         (5,594)         (3,891)         (16,414)         (15,507)           PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS         21,067         10,756         91,242         70,494           DISCONTINUED OPERATIONS Profit/(loss) for the period from discontinued operations, net of income tax         -         -         -         -           Difter comprehensive income (loss)         (Loss)(gain) on revaluation of property, plant and equipment         2,653         2,653         28,335         28,335           Deferred income tax related to loss/(gain) on revaluation of property, plant and equipment         0(398)         (4,250)         (4,250) <td></td> <td></td> <td></td> <td>· · ·</td> <td></td> <td>-</td>				· · ·		-
OPERATING PROFIT         13,274         (6,421)         80,601         57,275           Finance income Finance (costs)         22,929         23,925         3,941         4,325           Share of results of activities of associates and joint ventures         (6,015)         54         -           Other financial income (costs)         10,714         18,012         908         1,534           PROFIT BEFORE INCOME TAX         23,988         11,591         81,509         58,809           Current year income tax expense Deferred income tax income/(expense)         2,673         3,056         17,453         18,498           PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS         21,067         10,756         91,242         70,494           DISCONTINUED OPERATIONS PROFIT FOR THE PERIOD         21,067         10,756         84,816         22,894           Other comprehensive income (loss) (Loss)/gain on revaluation of property, plant and equipment         2,653         2,653         28,335         28,335           Deferred income tax related to loss/(gain) on revaluation of property, plant and equipment         21,067         10,756         84,816         22,894           Other comprehensive income         21,067         10,756         84,816         22,894           Other comprehensive income (LOSS):         23,322	•					
Finance income Finance (costs)       22,929       23,925       3,941       4,325         Share of results of activities of associates and joint ventures       0ther financial income (costs)       6(.015)       54       -         Other financial income (costs)       0ther financial income (costs)       10,714       18,012       908       1,534         PROFIT BEFORE INCOME TAX       23,988       11,591       81,509       58,809         Current year income tax expense Deferred income tax income/(expense)       2,673       3,056       17,453       18,498         PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS       21,067       10,756       91,242       70,494         DISCONTINUED OPERATIONS Profit/(loss) for the period from discontinued operations, net of income tax       - <th>Total operating expenses</th> <th></th> <th>(1,416,303)</th> <th>(1,373,907)</th> <th>(1,180,216)</th> <th>(1,156,206)</th>	Total operating expenses		(1,416,303)	(1,373,907)	(1,180,216)	(1,156,206)
Finance (costs)       Share of results of activities of associates and joint ventures       (6,015)       54       -         Other financial income (costs)       (6,015)       54       -       -         Other financial income (costs)       10,714       18,012       908       1,534         PROFIT BEFORE INCOME TAX       23,988       11,591       81,509       58,809         Current year income tax expense       (5,594)       (3,891)       (16,414)       (15,507)         Deferred income tax income/(expense)       2,673       3,056       17,453       18,498         PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS       21,067       10,756       91,242       70,494         DISCONTINUED OPERATIONS       21,067       10,756       84,816       22,894         Other comprehensive income (loss)       21,067       10,756       84,816       22,894         Other comprehensive income (loss):       0       398)       (398)       (4,250)       (4,250)         Other comprehensive income       10,55):       23,322       13,011       108,901       46,979         Owners of the Company Non-controlling interest       21,067       10,756       84,816       22,894         Other comprehensive income for the Company Non-controlling interest       21,0	OPERATING PROFIT		13,274	(6,421)	80,601	57,275
Share of results of activities of associates and joint ventures         (6,015)         54           Other financial income (costs)         (6,015)         (3,087)         (2,791)           10,714         18,012         908         1,534           PROFIT BEFORE INCOME TAX         23,988         11,591         81,509         58,809           Current year income tax expense         (5,594)         (3,891)         (16,414)         (15,507)           Deferred income tax income/(expense)         2,673         3,056         17,453         18,498           PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS         21,067         10,756         91,242         70,494           DISCONTINUED OPERATIONS Profit/(loss) for the period from discontinued operations, net of income tax         -         -         (6,426)         (47,600)           21,067         10,756         84,816         22,894         -			22,929	23,925	3,941	4,325
Other financial income (costs)         (6,200)         (5,913)         (3,087)         (2,791)           10,714         18,012         908         1,534           PROFIT BEFORE INCOME TAX         23,988         11,591         81,509         58,809           Current year income tax expense Deferred income tax income/(expense)         2,673         3,056         17,453         18,498           PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS         21,067         10,756         91,242         70,494           DISCONTINUED OPERATIONS PROFIT FOR THE PERIOD         21,067         10,756         84,816         22,894           Other comprehensive income (loss) (Loss)/gain on revaluation of property, plant and equipment Deferred income tax related to loss/(gain) on revaluation of property, plant and equipment Other comprehensive income TOTAL COMPREHENSIVE INCOME (LOSS):         21,067         10,756         84,816         22,894           PROFIT FOR THE YEAR ATTRIBUTABLE TO: Owners of the Company Non-controlling interest         21,067         10,756         84,816         22,894           TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO: Owners of the Company Non-controlling interest         21,067         10,756         84,816         22,894           TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO: Owners of the Company Non-controlling interest         23,322         13,011         108,901         4						
Inorpotential         Inorpote	joint ventures			-		-
PROFIT BEFORE INCOME TAX         23,988         11,591         81,509         58,809           Current year income tax expense Deferred income tax income/(expense)         (5,594)         (3,891)         (16,414)         (15,507)           PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS         21,067         10,756         91,242         70,494           DISCONTINUED OPERATIONS Profit/(loss) for the period from discontinued operations, net of income tax         21,067         10,756         91,242         70,494           DISCONTINUED OPERATIONS PROFIT FOR THE PERIOD         21,067         10,756         84,816         22,894           Other comprehensive income (loss) (Loss)/gain on revaluation of property, plant and equipment nevaluation of property, plant and equipment Other comprehensive income         (398)         (398)         (4,250)         (4,250)           Other comprehensive income         23,322         13,011         108,901         46,979           PROFIT FOR THE YEAR ATTRIBUTABLE TO: Owners of the Company Non-controlling interest         21,067         10,756         84,816         22,894           OTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO: Owners of the Company Non-controlling interest         21,067         10,756         84,816         22,894           Other company Non-controlling interest         23,322         13,011         108,901         46,979 <td>Other financial income (costs)</td> <td></td> <td></td> <td></td> <td></td> <td></td>	Other financial income (costs)					
Current year income tax expense Deferred income tax income/(expense)         (5,594) 2,673         (3,891) 3,056         (16,414) 17,453         (15,507) 18,498           PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS         21,067         10,756         91,242         70,494           DISCONTINUED OPERATIONS PROFIT FOR THE PERIOD         Commental Profit/(loss) for the period from discontinued operations, net of income tax         - <t< td=""><td></td><td></td><td>10,714</td><td>18,012</td><td>908</td><td>1,534</td></t<>			10,714	18,012	908	1,534
Deferred income tax income/(expense)2,6733,05617,45318,498PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS21,06710,75691,24270,494DISCONTINUED OPERATIONS Profit/(loss) for the period from discontinued operations, net of income tax equipment(6,426)(47,600)PROFIT FOR THE PERIOD21,06710,75684,81622,894Other comprehensive income (loss) (Loss)/gain on revaluation of property, plant and equipment2,6532,65328,33528,335Deferred income tax related to loss/(gain) on revaluation of property, plant and equipment3,011108,90146,979Other comprehensive incomeOther comprehensive incomeOwners of the Company Non-controlling interest21,06710,75684,81622,894TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO: <b< td=""><td>PROFIT BEFORE INCOME TAX</td><td></td><td>23,988</td><td>11,591</td><td>81,509</td><td>58,809</td></b<>	PROFIT BEFORE INCOME TAX		23,988	11,591	81,509	58,809
Deferred income tax income/(expense)2,6733,05617,45318,498PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS21,06710,75691,24270,494DISCONTINUED OPERATIONS Profit/(loss) for the period from discontinued operations, net of income tax equipment(6,426)(47,600)PROFIT FOR THE PERIOD21,06710,75684,81622,894Other comprehensive income (loss) (Loss)/gain on revaluation of property, plant and equipment2,6532,65328,33528,335Deferred income tax related to loss/(gain) on revaluation of property, plant and equipment3,011108,90146,979Other comprehensive incomeOther comprehensive incomeOwners of the Company Non-controlling interest21,06710,75684,81622,894TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO: <b< td=""><td>Current year income tax expense</td><td></td><td>(5,594)</td><td>(3,891)</td><td>(16,414)</td><td>(15,507)</td></b<>	Current year income tax expense		(5,594)	(3,891)	(16,414)	(15,507)
OPERATIONS21,06710,75691,24270,494DISCONTINUED OPERATIONS Profit/(loss) for the period from discontinued operations, net of income tax(6,426)(47,600)PROFIT FOR THE PERIOD21,06710,75684,81622,894Other comprehensive income (loss) (Loss)/gain on revaluation of property, plant and equipment2,6532,65328,33528,335Deferred income tax related to loss/(gain) on revaluation of property, plant and equipment2,6532,65328,33528,335Deferred income tax related to loss/(gain) on revaluation of property, plant and equipment(398)(4,250)(4,250)Other comprehensive incomeTOTAL COMPREHENSIVE INCOME (LOSS):23,32213,011108,90146,979PROFIT FOR THE YEAR ATTRIBUTABLE TO: Owners of the Company Non-controlling interest21,06710,75684,81622,894TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO: Owners of the Company Non-controlling interest23,32213,011108,90146,979Owners of the Company Non-controlling interestOwners of the Company Non-controlling interest23,32213,011108,90146,979Owners of the Company Non-controlling interestOwners of the Company Non-controlling interestOwners of the Company Non-controlling interest						
DISCONTINUED OPERATIONS Profit/(loss) for the period from discontinued operations, net of income tax(6,426)(47,600)PROFIT FOR THE PERIOD21,06710,75684,81622,894Other comprehensive income (loss) (Loss)/gain on revaluation of property, plant and equipment Deferred income tax related to loss/(gain) on revaluation of property, plant and equipment2,6532,65328,33528,335Other comprehensive income traveluation of property, plant and equipment Other comprehensive incomeOther comprehensive income TOTAL COMPREHENSIVE INCOME (LOSS):23,32213,011108,90146,979PROFIT FOR THE YEAR ATTRIBUTABLE TO: Owners of the Company Non-controlling interest21,06710,75684,81622,894Comparison of the Company Non-controlling interest21,06710,75684,81622,894Company Non-controlling interest21,06710,75684,81622,894Company Non-controlling interest21,06710,75684,81622,894Company Non-controlling interest21,06710,75684,81622,894Company Non-controlling interest21,06710,75684,81622,894Company Non-controlling interest21,06710,75684,81622,894Company Non-controlling interest21,06710,75684,81622,894Company Non-controlling interest21,06710,75684,81622,894Company Non-controlling interest21,06710,75684,			21,067	10,756	91,242	70,494
Profit/(loss) for the period from discontinued operations, net of income tax(6,426)(47,600)PROFIT FOR THE PERIOD21,06710,75684,81622,894Other comprehensive income (loss) (Loss)/gain on revaluation of property, plant and equipment2,6532,65328,33528,335Deferred income tax related to loss/(gain) on revaluation of property, plant and equipment2,6532,65328,33528,335Other comprehensive incomeTOTAL COMPREHENSIVE INCOME (LOSS):23,32213,011108,90146,979PROFIT FOR THE YEAR ATTRIBUTABLE TO: Owners of the Company Non-controlling interest21,06710,75684,81622,894TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO: Owners of the Company Non-controlling interest23,32213,011108,90146,979Owners of the Company Non-controlling interest23,32213,011108,90146,979Owners of the Company Non-controlling interest23,32213,011108,90146,979Owners of the Company Non-controlling interest23,32213,011108,90146,979			<u> </u>			<u> </u>
operations, net of income tax(6,426)(47,600)PROFIT FOR THE PERIOD21,06710,75684,81622,894Other comprehensive income (loss) (Loss)/gain on revaluation of property, plant and equipment2,6532,65328,33528,335Deferred income tax related to loss/(gain) on revaluation of property, plant and equipment2,6532,65328,33528,335Other comprehensive incomeTOTAL COMPREHENSIVE INCOME (LOSS):23,32213,011108,90146,979PROFIT FOR THE YEAR ATTRIBUTABLE TO: Owners of the Company Non-controlling interest21,06710,75684,81622,894TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO: Owners of the Company Non-controlling interest23,32213,011108,90146,979Owners of the Company Non-controlling interest23,32213,011108,90146,979Owners of the Company Non-controlling interest23,32213,011108,90146,979						
Other comprehensive income (loss) (Loss)/gain on revaluation of property, plant and equipment2,6532,65328,33528,335Deferred income tax related to loss/(gain) on revaluation of property, plant and equipment2,6532,65328,33528,335Other comprehensive incomeTOTAL COMPREHENSIVE INCOME (LOSS):23,32213,011108,90146,979PROFIT FOR THE YEAR ATTRIBUTABLE TO: Owners of the Company Non-controlling interest21,06710,75684,81622,894TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO: Owners of the Company Non-controlling interest21,06710,75684,81622,894Owners of the Company Non-controlling interest23,32213,011108,90146,979			-	-	(6,426)	(47,600)
(Loss)/gain on revaluation of property, plant and equipment2,6532,65328,33528,335Deferred income tax related to loss/(gain) on revaluation of property, plant and equipment(398)(398)(4,250)(4,250)Other comprehensive incomeTOTAL COMPREHENSIVE INCOME (LOSS):23,32213,011108,90146,979PROFIT FOR THE YEAR ATTRIBUTABLE TO: Owners of the Company Non-controlling interest21,06710,75684,81622,894TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO: Owners of the Company Non-controlling interest23,32213,011108,90146,979Owners of the Company Non-controlling interest23,32213,011108,90146,979	PROFIT FOR THE PERIOD		21,067	10,756	84,816	22,894
Deferred income tax related to loss/(gain) on revaluation of property, plant and equipment(398)(398)(4,250)(4,250)Other comprehensive incomeTOTAL COMPREHENSIVE INCOME (LOSS):23,32213,011108,90146,979PROFIT FOR THE YEAR ATTRIBUTABLE TO: Owners of the Company Non-controlling interest21,06710,75684,81622,894TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO: Owners of the Company Non-controlling interest23,32213,011108,90146,979Owners of the Company Non-controlling interest23,32213,011108,90146,979		i				
revaluation of property, plant and equipment(398)(398)(4,250)(4,250)Other comprehensive incomeTOTAL COMPREHENSIVE INCOME (LOSS):23,32213,011108,90146,979PROFIT FOR THE YEAR ATTRIBUTABLE TO: Owners of the Company Non-controlling interest21,06710,75684,81622,894TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO: Owners of the Company Non-controlling interest23,32213,011108,90146,979Owners of the Company Non-controlling interest23,32213,011108,90146,979			2,653	2,653	28,335	28,335
TOTAL COMPREHENSIVE INCOME (LOSS):23,32213,011108,90146,979PROFIT FOR THE YEAR ATTRIBUTABLE TO: Owners of the Company Non-controlling interest21,06710,75684,81622,89421,06710,75684,81622,89421,06710,75684,81622,894Owners of the Company Non-controlling interest23,32213,011108,90146,979Non-controlling interest	revaluation of property, plant and equipment	1	(398)	. ,	(4,250)	(4,250)
Owners of the Company Non-controlling interest         21,067         10,756         84,816         22,894           -         <	•		23,322		108,901	46,979
Owners of the Company Non-controlling interest         21,067         10,756         84,816         22,894           -         <						
Non-controlling interest21,06710,75684,81622,894TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO: Owners of the Company Non-controlling interest23,32213,011108,90146,979						
21,06710,75684,81622,894TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO: Owners of the Company Non-controlling interest23,32213,011108,90146,979			21,067	10,756	84,816	22,894
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO: Owners of the Company Non-controlling interest23,32213,011108,90146,979Owners of the Company Non-controlling interest	Non-controlling interest				-	
Owners of the Company23,32213,011108,90146,979Non-controlling interest			21,067	10,756	84,816	22,894
	Owners of the Company		23,322	13,011 -	108,901	46,979
	<b>3</b> ••• •••		23,322	13,011	108,901	46,979

## INTERIM STATEMENTS OF COMPREHENSIVE INCOME AT 31 DECEMBER 2011 All amounts in LTL thousands unless otherwise stated

		Group	Company	Group	Company
		1 October –	1 October –	1 October –	1 October –
				31 December	
_	Note	2011	2011	2010	2010
Revenue		277 427	274 700	462.060	462.014
Sales revenue		377,127	374,788	463,068	462,014
Other operating income		18,275	454	14,950	(313)
		395,402	375,242	478,018	461,701
Operating expenses			(		
Purchase of electricity or related services		(188,055)	(187,931)	(308,524)	(307,906)
Purchase of gas		(138,742)	(138,742)	(89,686)	(89,686)
Depreciation and amortisation		(15,670)	(14,959)	(12,142)	(13,527)
Salaries and related expenses		(12,105)	(8,422)	(15,519)	(12,960)
Repair and maintenance expenses		(3,268)	(9,079)	(7,118)	(6,184)
Inventory impairment/(surplus)		1,828	124	(6,773)	(8,477)
Expenses arising from revaluation of emission		(50.000)	(50.000)	(22.001)	(22,004)
rights		(53,339)	(53,339)	(33,881)	(33,881)
Expenses arising from emission provision expense		(5,688)	(5,688)	(5,424)	(5,424)
Impairment of investments in subsidiaries and		2.045		(142)	(E 742)
associates (Loss)/reversal of loss on revaluation and		3,945	-	(143)	(5,743)
impairment of property, plant and equipment		1,753	(281)	1,549	-
Other expenses		(33,284)	(12,887)	14,161	16,980
•		(442,625)	(431,204)	(463,500)	(466,808)
Total operating expenses		(442,023)	(431,204)	(403,300)	(400,000)
OPERATING PROFIT		(47,223)	(55,962)	14,518	(5,107)
		24.004	24,022	674	1 200
Finance income		21,901	21,938	671	1,306
Finance (costs)					
Share of results of activities of associates and		(7.065)		(212)	
joint ventures		(7,965) (1,746)	(1,684)	(213) (1,716)	(222)
Other financial income (costs)				<u> </u>	(332)
		12,190	20,254	(1,258)	974
PROFIT BEFORE INCOME TAX		(35,033)	(35,708)	13,260	(4,133)
PROFIL BEFORE INCOME TAX		(33,033)	(33,708)	15,200	(4,133)
Current year income tax expense		(3,660)	(2,677)	9,485	1,983
Deferred income tax income/(expense)		4,004	3,759	13,468	14,511
Defended income tax income (expense)		4,004	5,755	15,400	14,511
PROFIT FOR THE PERIOD FROM CONTINUING					
OPERATIONS		(34,689)	(34,626)	36,213	12,361
					,
DISCONTINUED OPERATIONS					
Profit/(loss) for the period from discontinued					
operations, net of income tax		-	-	(27,112)	(27,255)
PROFIT FOR THE PERIOD		(34,689)	(34,626)	9,101	(14,894)
-		/		•	

#### CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2011 All amounts in LTL thousands unless otherwise stated

Group	Not e	Share capital	Share premium	Revalua- tion reserve	Legal reserve	Other reserves	Retained earnings (deficit)	Total	Non- controlling interest	Total equity
Balance at 31 December 2009		689,515	3	346,170	68,995	(63,777)	1,614,958	2,655,864	-	2,655,864
Share capital increase		304,099	325,386	-	-	-	-	629,485	-	629,485
Unbundling of LITGRID Turtas AB		(504,331)	(29,622)	(299,582)	(47,730)	-	(1,041,859)	(1,923,124)	(3,352)	(1,926,476)
Acquisition of AB Lietuvos elektrinė		145,801	-	-	14,580	781,552	(636,720)	305,213	-	305,213
Depreciation of revaluation reserve		-	-	(24,727)	_	-	24,727	-	_	-
Transfer of revaluation reserve of assets contributed to share capital of				(= :,/ = / )			21,727		3,246	
subsidiaries and associates		-	-	(36,488)	22	-	36,488	22		3,268
Dividends paid		-	-		-	-	(48,266)	(48,266)	-	(48,266)
Adjustment to previous year		-	-	(875)	-	-	964	89	-	89
Comprehensive income		-	-	24,085	-	-	84,816	108,901	106	109,007
Balance at 31 December 2010		635,084	295,767	8,583	35,867	717,775	35,108	1,728,183	-	1,728,183
Balance at 31 December 2010		635,084	295,767	8,583	35,867	717,775	35,108	1,728,183	-	1,728,183
Depreciation of revaluation reserve		-	-	(789)	_	-	789	_	-	_
Other transfers to/from the		_	_	(705)			705		-	
reserves				-	105	-	(105)	-		-
Revaluation of assets		-	-	7,365	-	-	(45)	7,320	-	7,320
Acquisition of subsidiaries		-	-	-	-	-	(16,177)	(16,177)	32,479	16,302
Remission of share capital		-	-	-	-	-	(17,096)	(17,096)	-	(17,096)
Dividends paid		-	-	-	-	-	(89,050)	(89,050)	-	(89,050)
Comprehensive income		-	-	-	-	-	21,067	21,067	-	21,067
Balance at 31 December 2011		635,084	295,767	15,159	35,972	717,775	(65,510)	1,634,248	32,479	1,666,727

(Continued on the next page)

#### CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2011 All amounts in LTL thousands unless otherwise stated

Company	Note	Share capital	Share premium	Revalua- tion reserve	Legal reserve	Other reserves	Retained earnings (deficit)	Total
Balance at 31 December 2009		689,515	3	343,404	68,952	(63,777)	1,621,740	2,659,837
Share capital increase		304,099	325,386	-	, -	-	-	629,485
Unbundling of LITGRID Turtas AB		(504,331)	(29,622)	(299,582)	(47,665)	-	(987,397)	(1,868,597)
Acquisition of AB Lietuvos elektrinė		145,801	-	-	14,580	781,552	(637,189)	304,744
Depreciation of revaluation reserve		-	-	(24,727)	-	-	24,727	-
Transfer of revaluation reserve of assets contributed to share capital of subsidiaries and								
associates		-	-	(35,701)	-	-	35,701	-
Dividends paid		-	-	-	-	-	(48,266)	(48,266)
Adjustment to previous year		-	-	(875)	-	-	964	89
Comprehensive income		-	-	24,085	-	-	22,894	46,979
Balance at 31 December 2010	_	635,084	295,767	6,604	35,867	717,775	33,174	1,724,271
Balance at 31 December 2010		635,084	295,767	6,604	35,867	717,775	33,174	1,724,271
Depreciation of revaluation reserve		-	-	(464)	-	-	464	-
Revaluation of assets		-	-	2,255	-	-	-	2,255
Dividends paid		-	-	-	-	-	(89,050)	(89,050)
Comprehensive income		-	-	-	-	_	10,756	10,756
Balance at 31 December 2011	_	635,084	295,767	8,395	35,867	717,775	(44,656)	1,648,232

(end)

## INTERIM STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2011 All amounts in LTL thousands unless otherwise stated

Profit from continuing and discontinued operations21,06710,756Adjustments for non-cash items and other adjustments:221,06769,498Loss on revaluation of property, plant and equipment281281Impairment of inventories3,2661,596Loss on revaluation of emission rights and provision expense66,97368,973Other impairments-1,404Share of (profit) of associates and joint ventures6,015-Income tax expenses5,5943,891Change in deferred income tax liability(2,673)(3,056)(Income) from grants(11,736)(11,736)Increase of other provisions7,3386,253Gains/(loss) on disposal/write-off of non-current assets287267Elimination of results of financing and investing activities:Increase of other provisions7,338(5,253)-Other finance (income)(996)(988)Increase of decrease in inventories and prepayments(13,275)(20,102)Changes in working capital(11,275)(20,102)Changes in decrease in accounts payable and dvance amounts receivable(49,197)(48,934)(Increase) decrease in inventories and prepayments114,13868,661Increase (decrease) in cacounts payable and dvance amounts receivable(94,34)(15,224)(Rucrease) of property, plant and equipment (PPE) and intangible assets(13,270)(16,7724)Proceeds from investing activities(142,183)(167,724)Ca		Note _	Group 2011	Company 2011
Depreciation and amortisation expenses         72,202         69,498           Loss on revaluation of property, plant and equipment         281         281           Impairment of inventories         3,266         1,596           Loss on revaluation of emission rights and provision expense         68,973         68,973           Other impairments         -         1,404           Share of (proft) of associates and joint ventures         6,015         -           Income tax expenses         5,594         3,891           Change in deferred income tax liability         (2,673)         (3,056)           (Income) from grants         (11,736)         (11,736)           Increase of other provisions         7,338         6,253           Gains/(loss) on disposal/write-off of non-current assets         287         267           Elimination of results of financing and investing activities:         (996)         (988)           - Interest (income)         (13,275)         (20,102)           Changes in working capital         (11,736)         (11,736)           (Increase) decrease in inventories and prepayments         (12,529         11,034           Income tax (paid)         (24,943)         (15,324)           Income tax (paid)         (94,34)         (15,244)	Profit from continuing and discontinued operations		21,067	10,756
Depreciation and amortisation expenses         72,202         69,498           Loss on revaluation of property, plant and equipment         281         281           Impairment of inventories         3,266         1,596           Loss on revaluation of emission rights and provision expense         68,973         68,973           Other impairments         -         1,404           Share of (proft) of associates and joint ventures         6,015         -           Income tax expenses         5,594         3,891           Change in deferred income tax liability         (2,673)         (3,056)           (Income) from grants         (11,736)         (11,736)           Increase of other provisions         7,338         6,253           Gains/(loss) on disposal/write-off of non-current assets         287         267           Elimination of results of financing and investing activities:         (996)         (988)           - Interest (income)         (13,275)         (20,102)           Changes in working capital         (11,736)         (11,736)           (Increase) decrease in inventories and prepayments         (12,529         11,034           Income tax (paid)         (24,943)         (15,324)           Income tax (paid)         (94,34)         (15,244)	Adjustments for non-cash items and other adjustments:			
Loss on revaluation of property, plant and equipment         281         281           Impairment of inventories         3,266         1,596           Loss on revaluation of emission rights and provision expense         68,973         68,973           Other impairments         -         1,404           Share of (profit) of associates and joint ventures         6,615         -           Income tax expenses         5,594         3,891           Change in deferred income tax liability         (2,673)         (3,056)           Increase of other provisions         7,338         6,253           Gains/(loss) on diposal/write-off of non-current assets         287         267           Elimination of results of financing and investing activities:         -         114,736)         (11,736)           - Interest (income)         costs         (13,275)         (20,102)           Changes in working capital         (11,736)         (14,737)         (16,7324)           (Increase) decrease in inventories and prepayments         12,229         11,034           (Increase) decrease in inventories and prepayments         12,529         11,034           Increase (decrease) in accounts payable and advance amounts received         340         (15,324)           Increase (decrease) in acounts payable and advance amounts received			72,202	69,498
Impairment of inventories3,2661,596Loss on revaluation of emission rights and provision expense68,97368,973Other impairments-1,404Share of (proft) of associates and joint ventures6,015-Income tax expenses5,5943,891Change in deferred income tax liability(2,673)(3,056)(Income) from grants(11,736)(11,736)Increase of other provisions7,3386,253Gains/(loss) on disposal/write-off of non-current assets287267Elimination of results of financing and investing activities:996)(988)- Interest (income)(996)(988)- Interest expense3,5573,078- Other finance (income) costs(13,275)(20,102)Changes in working capital(Increase) decrease in inventories and prepayments12,52911,034Increase (decrease) in accounts payable and advance amounts receivable(49,197)(48,934)(Increase) decrease in inventories and prepayments114,13868,661Cash flows from investing activities114,13868,661Cash generated from operating activities(144,163)(167,724)Proceeds from sale of PPE and intangible assets(16,779)(16,779)Net cash used in investing activities135,449135,449Interest received955947Net cash used in investing activities(122,7354)Cash flows from financing activities(16,779)(16,779)Proceeds from borrowings(16,779)			281	281
Other impairments-1,404Share of (profit) of associates and joint ventures6,015-Income tax expenses5,5943,891Change in deferred income tax liability(2,673)(3,056)(Income) from grants(11,736)(11,736)Increase of other provisions7,3386,253Gains/(loss) on disposal/write-off of non-current assets287267Elimination of results of financing and investing activities:-(11,736)- Interest expense3,5573,078- Other finance (income) costs(13,275)(20,102)Changes in working capital(11,736)(15,324)(Increase) decrease in inventories and prepayments112,52911,034Income tax (paid)(9,434)(8,230)Net cash generated from operating activities114,13868,661Cash flows from investing activities(142,183)(167,724)Proceeds from sale of PPE and intangible assets(142,183)(127,354)Cash flows from financing activities(142,183)(127,354)Cash flows from financing activities(16,779)(16,779)Finance lease payments(15,749)(16,779)Finance lease payments(16,779)(16,779)Finance lease payments(15,749)(12,7354)Cash flows from financing activities(16,779)(16,779)Finance lease payments(16,779)(16,779)Finance lease payments(12,759)(142,183)Cash flows from financing activities(16,779)(			3,266	1,596
Share of (profit) of associates and joint ventures6,015Income tax expenses5,5943,891Change in deferred income tax liability(2,673)(3,056)(Income) from grants(11,736)(11,736)Increase of other provisions7,3386,253Gains/(loss) on disposal/write-off of non-current assets287267Elimination of results of financing and investing activities:(996)(988)- Interest (income)(996)(988)- Interest expense3,5573,078- Other finance (income) costs(13,275)(20,102)Changes in working capital(Increase) decrease in trade receivables and other amounts receivable(49,197)(48,934)(Increase) decrease in inventories and prepayments12,52911,034(15,324)Income tax (paid)(9,434)(8,230)(8,230)Net cash generated from operating activities114,13868,661Cash flows from investing activities(142,183)(167,724)Proceeds from sale of PPE and intangible assets(24)-Proceeds from sale of PPE and intangible assets(16,779)(16,779)Proceeds from financing activities(16,779)(16,779)Cash flows from financing activities(16,779)(16,779)Proceeds from borrowings(16,779)(16,779)Proceeds from borrowings(16,779)(16,779)Proceeds from borrowings(16,779)(16,779)Proceeds from borrowings(16,779)(16,779) <trr>Proceeds from borrowings</trr>	Loss on revaluation of emission rights and provision expense		68,973	68,973
Income tax expenses5,5943,891Change in deferred income tax liability(2,673)(3,056)(Income) from grants(11,736)(11,736)Increase of other provisions7,3386,253Gains/(loss) on disposal/write-off of non-current assets287267Elimination of results of financing and investing activities:996)(988)- Interest (income)(996)(988)- Interest expense3,5573,078- Other finance (income) costs(13,275)(20,102)Changes in working capital(11,736)(14,739)(Increase) decrease in inventories and prepayments12,52911,034Increase (decrease) in accounts payable and advance amounts received340(15,324)Increase (decrease) in accounts payable and advance amounts received340(15,324)Increase (decrease) of property, plant and equipment (PPE) and intangible assets(183,420)(167,724)Proceeds from sale of PPE and intangible assets(24)-Interest received955947Net cash used in investing activities(142,183)(127,354)Cash flows from financing activities(16,779)(16,779)Proceeds from barrowings(16,779)(16,779)Proceeds from barrowings(16,779)(16,779)Proceeds from borrowings(16,779)(16,779)Proceeds from borrowings(16,779)(16,779)Proceeds from borrowings(16,779)(16,779)Proceeds from borrowings(16,779)(16,779)<			-	1,404
Change in deferred income tax liability(2,673)(3,056)(Income) from grants(11,736)(11,736)Increase of other provisions7,3386,253Gains/(loss) on disposal/write-off of non-current assets287267Elimination of results of financing and investing activities:996)(988)- Interest expense3,5573,078- Other finance (income) costs(13,275)(20,102)Changes in working capital(Increase) decrease in trade receivables and other amounts receivable(49,197)(48,934)(Increase) decrease in inventories and prepayments12,52911,034Increase (decrease) in accounts payable and advance amounts received340(15,224)Increase (decrease) in accounts payable and advance amounts received340(15,224)Increase (decrease) in accounts payable and intangible assets(183,420)(167,724)Proceeds from sale of PPE and intangible assets(142,183)(167,724)Proceeds from sale of PPE and intangible assets(24)-Interest received955947Net cash used in investing activities(142,183)(127,354)Cash flows from financing activities(15,729)-Proceeds from borrowings(35,500)(33,021)Proceeds from borrowings(15,779)-Proceeds from borrowings(16,779)(67,779)Proceeds from borrowings(15,779)-Interest (paid)(33,500)(33,021)Dividends (paid)(89,050)(89,050)C	Share of (profit) of associates and joint ventures		6,015	-
(Income) from grants(11,736)(11,736)Increase of other provisions7,3386,253Gains/(loss) on disposal/write-off of non-current assets287267Elimination of results of financing and investing activities:996)(988)- Interest (income)(996)(988)- Interest (income)3,5573,078- Other finance (income) costs(13,275)(20,102)Changes in working capital(11,736)(11,736)(Increase) decrease in inventories and prepayments12,52911,034Increase (decrease) in accounts payable and advance amounts receivable(49,197)(48,934)(Increase) decrease in inventories and prepayments114,13868,661Cash flows from investing activities114,13868,661Cash flows from investing activities114,13868,661Cash flows from investing activities(24)-(Purchase) of property, plant and equipment (PPE) and intangible assets(142,183)(127,724)Proceeds from sale of PPE and intangible assets(24)-Interest received955947Net cash used in investing activities(16,779)(16,779)Finance lease payments(127,354)(33,500)Cash flows from financing activities(112)-Proceeds from borrowings(15,779)(16,779)Repayments of borrowings(16,779)(16,779)Proceeds from borrowings(16,779)(16,779)Repayments of borrowings(12,799)-Repayments of	Income tax expenses		5,594	3,891
(Income) from grants       (11,736)       (11,736)         Increase of other provisions       7,338       6,253         Gains/(loss) on disposal/write-off of non-current assets       287       267         Elimination of results of financing and investing activities:       9960       (988)         - Interest (income)       3,557       3,078         - Other finance (income) costs       (13,275)       (20,102)         Changes in working capital       (11,736)       (11,736)         (Increase) decrease in trade receivables and other amounts receivable       (49,197)       (48,934)         (Increase) decrease in inventories and prepayments       12,529       11,034         Increase (decrease) in accounts payable and advance amounts receivable       (9,434)       (8,230)         Increase (decrease) in accounts payable and advance amounts received       340       (15,324)         Increase (decrease) in accounts payable and advance amounts received       114,138       68,661         Cash flows from investing activities       (142,183)       (127,724)         Proceeds from sale of PPE and intangible assets       (142,183)       (127,7354)         Cash flows from financing activities       (142,183)       (127,7354)         Cash flows from financing activities       (142,183)       (127,7354) <td< td=""><td>Change in deferred income tax liability</td><td></td><td>(2,673)</td><td>(3,056)</td></td<>	Change in deferred income tax liability		(2,673)	(3,056)
Gains/(loss) on disposal/write-off of non-current assets287267Elimination of results of financing and investing activities:(996)(988)- Interest (income)(955)(13,275)(20,102)Changes in working capital(13,275)(20,102)Changes in working capital(11,275)(20,102)Changes in working capital(11,275)(11,275)(11,275)(Increase) decrease in inventories and prepayments12,52911,034Increase (decrease) in accounts payable and advance amounts received340(15,324)Increase (decrease) in accounts payable and advance amounts received340(15,724)Proceeds from investing activities114,13868,661Cash flows from investing activities(24)-(Purchase) of property, plant and equipment (PPE) and intangible assets(183,420)(167,724)Proceeds from sale of PPE and intangible assets(24)-Interest received955947Net cash used in investing activities(142,183)(127,354)Cash flows from financing activities(16,779)(16,779)Proceeds from borrowings135,449135,436Repayments of borrowings(16,779)(16,779)Finance lease payments(33,500)(33,021)Dividends (paid)(33,500)(89,050)Cash flow from other financing activities(122)Net cash generated from/(used in) financing activities(122)Net cash generated from/(used in) financing activities(32,496)(62,107)<			(11,736)	(11,736)
Elimination of results of financing and investing activities:(996)(988)- Interest (income)3,5573,078- Other finance (income) costs(13,275)(20,102)Changes in working capital(Increase) decrease in inventories and prepayments12,52911,034(Increase) decrease in inventories and prepayments12,52911,034Increase (decrease) in accounts payable and advance amounts received340(15,324)Increase (decrease) in accounts payable and advance amounts received340(15,324)Increase (decrease) in accounts payable and advance amounts received340(167,724)Net cash generated from operating activities114,13868,661Cash flows from investing activities(183,420)(167,724)(Purchase) of property, plant and equipment (PPE) and intangible assets(183,420)(167,724)Proceeds from sale of PPE and intangible assets(24)-Interest received955947Net cash used in investing activities(142,183)(127,354)Cash flows from financing activities(16,779)(16,779)Proceeds from borrowings(15,749)135,436Repayments of borrowings(15,779)(16,779)Finance lease payments(15,99)-Interest (paid)(33,500)(33,021)Dividends (paid)(33,500)(33,021)Dividends (paid)(12,041)(112)Cash flow from other financing activities(12,4451)Net cash generated from/(used in) financing activities(32,406)	Increase of other provisions		7,338	6,253
- Interest (income)(996)(988)- Interest expense3,5573,078- Other finance (income) costs(13,275)(20,102)Changes in working capital(11crease) decrease in inventories and prepayments12,52911,034(Increase) decrease in inventories and prepayments12,52911,034Increase (decrease) in accounts payable and advance amounts received340(15,324)Income tax (paid)(9,434)(8,230)Net cash generated from operating activities114,13868,661Cash flows from investing activities(24)-(Purchase) of property, plant and equipment (PPE) and intangible assets(183,420)(167,724)Proceeds from sale of PPE and intangible assets(24)-Interest received995947Net cash used in investing activities(142,183)(127,354)Cash flows from financing activities(16,779)(16,779)Finance lease payments(33,500)(33,021)Dividends (paid)(33,500)(33,021)Dividends (paid)(112)-Net cash generated from other financing activities(112)-Net cash generated from other financing activities(4451)(34,14)Net increase (decrease) in cash and cash equivalents(32,496)(62,107)Cash and cash equivalents at the beginning of the period60,40370,388			287	267
- Interest expense3,5573,078- Other finance (income) costs(13,275)(20,102)Changes in working capital(Increase) decrease in trade receivables and other amounts receivable(49,197)(48,934)(Increase) decrease in inventories and prepayments12,52911,034Increase (decrease) in accounts payable and advance amounts received340(15,324)Income tax (paid)(9,434)(8,230)Net cash generated from operating activities114,13868,661Cash flows from investing activities(24)-(Purchase) of property, plant and equipment (PPE) and intangible assets(183,420)(167,724)Proceeds from sale of PPE and intangible assets(24)-Interest received955947Net cash used in investing activities(142,183)(127,354)Cash flows from financing activities(16,779)(16,779)Proceeds from sole of borrowings135,449135,436Repayments of borrowings(16,779)(16,779)Proceeds from other financing activities(112)-Interest (paid)(33,500)(33,021)Dividends (paid)(31,500)(33,021)Dividends (paid)(112)-Net cash generated from/(used in) financing activities(112)-Net increase (decrease) in cash and cash equivalents(32,496)(62,107)Cash and cash equivalents at the beginning of the period60,40370,388	Elimination of results of financing and investing activities:			
- Other finance (income) costs(13,275)(20,102)Changes in working capital(Increase) decrease in trade receivables and other amounts receivable(49,197)(48,934)(Increase) decrease in inventories and prepayments12,52911,034Increase (decrease) in accounts payable and advance amounts received340(15,324)Income tax (paid)(9,434)(8,230)Net cash generated from operating activities114,13868,661Cash flows from investing activities(167,724)(Purchase) of property, plant and equipment (PPE) and intangible assets(13,420)(167,724)Proceeds from sale of PPE and intangible assets(24)-Interest received955947Net cash used in investing activities(142,183)(127,354)Cash flows from financing activities(16,779)(16,779)Proceeds from borrowings135,449135,436Repayments of borrowings(16,779)(16,779)Proceeds from borrowings(142,183)(127,354)Cash flows from financing activities(112)-Interest (paid)(33,500)(39,050)Dividends (paid)(89,050)(89,050)Cash generated from/(used in) financing activities(122, -Net cash generated from/(used in) financing activities(32,496)(62,107)Net increase (decrease) in cash and cash equivalents(32,496)(62,107)Cash and cash equivalents at the beginning of the period60,40370,388	- Interest (income)		(996)	(988)
- Other finance (income) costs(13,275)(20,102)Changes in working capital(Increase) decrease in trade receivables and other amounts receivable(49,197)(48,934)(Increase) decrease in inventories and prepayments12,52911,034Increase (decrease) in accounts payable and advance amounts received340(15,324)Income tax (paid)(9,434)(8,230)Net cash generated from operating activities114,13868,661Cash flows from investing activities(167,724)(Purchase) of property, plant and equipment (PPE) and intangible assets(183,420)(167,724)Proceeds from sale of PPE and intangible assets(24)-Interest received955947Net cash used in investing activities(142,183)(127,354)Cash flows from financing activities(16,779)(16,779)Proceeds from borrowings135,449135,436Repayments of borrowings(16,779)(16,779)Proceeds from borrowings(16,779)(16,779)Proceeds from borrowings(16,779)(16,779)Interest (paid)(33,500)(33,021)Dividends (paid)(89,050)(89,050)Cash flow from other financing activities(112)-Net cash generated from/(used in) financing activities(44,451)(3,414)Net increase (decrease) in cash and cash equivalents(32,496)(62,107)Cash and cash equivalents at the beginning of the period60,40370,388	- Interest expense		3,557	3,078
Changes in working capital(Increase) decrease in trade receivables and other amounts receivable(49,197)(48,934)(Increase) decrease in inventories and prepayments12,52911,034(Increase (decrease) in accounts payable and advance amounts received340(15,324)Income tax (paid)(9,434)(8,230)Net cash generated from operating activities114,13868,661Cash flows from investing activities(183,420)(167,724)(Purchase) of property, plant and equipment (PPE) and intangible assets40,30639,423Deposits(24)-Interest received955947Net cash used in investing activities(142,183)(127,354)Cash flows from financing activities(16,779)(16,779)Proceeds from borrowings135,449135,436Repayments of borrowings(16,779)(16,779)Finance lease payments(33,500)(33,021)Dividends (paid)(89,050)(89,050)Cash flow from other financing activities(112)-Net cash generated from/(used in) financing activities(112)-Net increase (decrease) in cash and cash equivalents(32,496)(62,107)Cash and cash equivalents at the beginning of the period60,40370,388			(13,275)	(20,102)
(Increase) decrease in trade receivables and other amounts receivable(49,197)(48,934)(Increase) decrease in inventories and prepayments12,52911,034Increase (decrease) in accounts payable and advance amounts received340(15,324)Income tax (paid)(9,434)(8,230)Net cash generated from operating activities114,13868,661Cash flows from investing activities(183,420)(167,724)(Purchase) of property, plant and equipment (PPE) and intangible assets40,30639,423Deposits(24)-Interest received955947Net cash used in investing activities(142,183)(127,354)Cash flows from financing activities(16,779)(16,779)Proceeds from borrowings135,449135,436Repayments of borrowings(16,779)(16,779)Finance lease payments(33,500)(33,021)Dividends (paid)(33,500)(33,021)Dividends (paid)(112)-Net cash generated from/(used in) financing activities(112)-Net increase (decrease) in cash and cash equivalents(32,496)(62,107)Cash and cash equivalents at the beginning of the period60,40370,388				
Increase (decrease) in accounts payable and advance amounts received Income tax (paid)340(15,324) (8,230)Net cash generated from operating activities114,13868,661Cash flows from investing activities114,13868,661Cash flows from investing activities(167,724)Proceeds from sale of PPE and intangible assets(183,420)(167,724)Proceeds from sale of PPE and intangible assets(24)-Interest received955947Net cash used in investing activities(142,183)(127,354)Cash flows from financing activities(142,183)(127,354)Cash flows from financing activities(16,779)(16,779)Proceeds from borrowings135,449135,436Repayments of borrowings(15,324)(33,500)Interest (paid)(33,500)(33,020)Dividends (paid)(112)-Net cash generated from/(used in) financing activities(112)Net increase (decrease) in cash and cash equivalents(32,496)(62,107)Cash and cash equivalents at the beginning of the period60,40370,388			(49,197)	(48,934)
Income tax (paid)(9,434)(8,230)Net cash generated from operating activities114,13868,661Cash flows from investing activities(183,420)(167,724)(Purchase) of property, plant and equipment (PPE) and intangible assets(183,420)(167,724)Proceeds from sale of PPE and intangible assets(24)-Interest received955947Net cash used in investing activities(142,183)(127,354)Cash flows from financing activities(16,779)(16,779)Proceeds from borrowings135,449135,436Repayments of borrowings(459)-Interest (paid)(33,500)(33,021)Dividends (paid)(89,050)(89,050)Cash flow from other financing activities(112)-Net cash generated from/(used in) financing activities(112)-Net increase (decrease) in cash and cash equivalents(32,496)(62,107)Cash and cash equivalents at the beginning of the period60,40370,388	(Increase) decrease in inventories and prepayments		12,529	11,034
Income tax (paid)(9,434)(8,230)Net cash generated from operating activities114,13868,661Cash flows from investing activities(Purchase) of property, plant and equipment (PPE) and intangible assets(183,420)(167,724)Proceeds from sale of PPE and intangible assets40,30639,423(24)-Deposits(24)-955947Net cash used in investing activities(142,183)(127,354)(127,354)Cash flows from financing activities135,449135,436Proceeds from borrowings(16,779)(16,779)(16,779)Proceeds from borrowings(16,779)(16,779)(16,779)Finance lease payments(459)Interest (paid)(33,500)(33,021)-Dividends (paid)(89,050)(89,050)(89,050)(89,050)Cash flow from other financing activities(112)Net cash generated from/(used in) financing activities(112)Net increase (decrease) in cash and cash equivalents(32,496)(62,107)-Cash and cash equivalents at the beginning of the period60,40370,388			340	(15,324)
Net cash generated from operating activities114,13868,661Cash flows from investing activities (Purchase) of property, plant and equipment (PPE) and intangible assets(183,420)(167,724)Proceeds from sale of PPE and intangible assets40,30639,423Deposits(24)-Interest received955947Net cash used in investing activities(142,183)(127,354)Cash flows from financing activities(16,779)(16,779)Proceeds from borrowings135,449135,436Repayments of borrowings(16,779)(16,779)Finance lease payments(33,500)(33,021)Dividends (paid)(33,500)(33,021)Cash flow from other financing activities(112)-Net cash generated from/(used in) financing activities(112)-Net increase (decrease) in cash and cash equivalents(32,496)(62,107)Cash and cash equivalents at the beginning of the period60,40370,388			(9,434)	
(Purchase) of property, plant and equipment (PPE) and intangible assets(183,420)(167,724)Proceeds from sale of PPE and intangible assets40,30639,423Deposits(24)-Interest received955947Net cash used in investing activities(142,183)(127,354)Cash flows from financing activities135,449135,436Proceeds from borrowings135,449135,436Repayments of borrowings(16,779)(16,779)Finance lease payments(459)-Interest (paid)(33,500)(33,021)Dividends (paid)(89,050)(89,050)Cash flow from other financing activities(112)-Net cash generated from/(used in) financing activities(142,107)Net increase (decrease) in cash and cash equivalents(32,496)(62,107)Cash and cash equivalents at the beginning of the period60,40370,388		-		
(Purchase) of property, plant and equipment (PPE) and intangible assets(183,420)(167,724)Proceeds from sale of PPE and intangible assets40,30639,423Deposits(24)-Interest received955947Net cash used in investing activities(142,183)(127,354)Cash flows from financing activities135,449135,436Proceeds from borrowings135,449135,436Repayments of borrowings(16,779)(16,779)Finance lease payments(459)-Interest (paid)(33,500)(33,021)Dividends (paid)(89,050)(89,050)Cash flow from other financing activities(112)-Net cash generated from/(used in) financing activities(142,107)Net increase (decrease) in cash and cash equivalents(32,496)(62,107)Cash and cash equivalents at the beginning of the period60,40370,388	Cash flows from investing activities			
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Cash flows from financing activities135,449135,436Proceeds from borrowings135,449135,436Repayments of borrowings(16,779)(16,779)Finance lease payments(459)-Interest (paid)(33,500)(33,021)Dividends (paid)(89,050)(89,050)Cash flow from other financing activities(112)-Net cash generated from/(used in) financing activities(4,451)(3,414)Net increase (decrease) in cash and cash equivalents(32,496)(62,107)Cash and cash equivalents at the beginning of the period60,40370,388		-		
Proceeds from borrowings       135,449       135,436         Repayments of borrowings       (16,779)       (16,779)         Finance lease payments       (459)       -         Interest (paid)       (33,500)       (33,021)         Dividends (paid)       (89,050)       (89,050)         Cash flow from other financing activities       (112)       -         Net cash generated from/(used in) financing activities       (14,451)       (3,414)         Net increase (decrease) in cash and cash equivalents       (32,496)       (62,107)         Cash and cash equivalents at the beginning of the period       60,403       70,388			(= :=,===)	(,001)
Repayments of borrowings(16,779)(16,779)Finance lease payments(459)-Interest (paid)(33,500)(33,021)Dividends (paid)(89,050)(89,050)Cash flow from other financing activities(112)-Net cash generated from/(used in) financing activities(4,451)(3,414)Net increase (decrease) in cash and cash equivalents(32,496)(62,107)Cash and cash equivalents at the beginning of the period60,40370,388	-		135 449	135 436
Finance lease payments(459)Interest (paid)(33,500)Dividends (paid)(33,021)Cash flow from other financing activities(112)Net cash generated from/(used in) financing activities(4,451)Net increase (decrease) in cash and cash equivalents(32,496)Cash and cash equivalents at the beginning of the period60,40370,388			•	,
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Net cash generated from/(used in) financing activities(4,451)(3,414)Net increase (decrease) in cash and cash equivalents(32,496)(62,107)Cash and cash equivalents at the beginning of the period60,40370,388				(05,050)
Net increase (decrease) in cash and cash equivalents(32,496)(62,107)Cash and cash equivalents at the beginning of the period60,40370,388	5	-	. , .	(3 414)
Cash and cash equivalents at the beginning of the period 60,403 70,388	Net cash generated from (used in) mancing activities		(4,431)	(3,414)
	Net increase (decrease) in cash and cash equivalents		(32,496)	(62,107)
Cash and cash equivalents at the end of the period27,9078,281	Cash and cash equivalents at the beginning of the period	_	60,403	70,388
	Cash and cash equivalents at the end of the period	-	27,907	8,281

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

#### NOTES TO THE INTERIM FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2011 All amounts in LTL thousands unless otherwise stated

## 1 General information

Lietuvos Energija AB (hereinafter Company or Enterprise) is a Lithuania-registered profit-making public limited liability company, registered in the Register of Legal Entities, administered by Registrų Centras VI. The Company's registration date: 21 July 2011, code: 302648707, VAT payer code: LT100006256115. The Company was set up for unlimited period of time. The address of the Company's headquarters: Elektrinės st 21, LT-26108, Elektrénai, Lithuania.

The Company was set up in line with the National Energy Strategy by merging two joint stock companies Lietuvos Energija AB, code 220551550, and its subsidiaries Kruonis Pumped Storage Plant and Kaunas Hydroelectric Power Plant with Lietuvos Elektrinė AB, code 110870933.

Lietuvos Energija AB and Lietuvos Elektrinė AB was reshuffled in line with Paragraph 4 of Article 2.97 of the Civil Code of the Republic of Lithuania by merging the reorganised companies, which ceased their operations as legal entities after the reshuffle, into Lietuvos Energija AB, which after the reshuffle continued the operations of the reorganised companies and took over the assets, rights and obligations of the reorganised companies, i.e. a new legal entity, Lietuvos Energija AB, was set up on the basis of the companies, which terminated their activity, and carried on their operations.

The purpose of the reshuffle was to merge and optimise the state-controlled electric energy generation capacities by creating an electric energy generation unit. As a result, the operations of electric energy generation was concentrated in one company and electric energy generation capacities, vital for securing the energy independence of the Republic of Lithuania, were reorganised and centralized.

The authorised capital of the Company is LTL 635,083,615 and it consists of 635,083,615 ordinary registered shares of the nominal value of LTL 1. The authorized capital of the Company did not change in 2011. All the shares are fully paid shares. On 1 September 2011, the Company's shares were listed on the official trade list of NASDAQ OMX Vilnius stock exchange. The Company did not acquire its own shares by 31 December 2011.

In 2011, the Company was engaged in the operations of electric energy generation, trade and export. Apart from these operations the Company may be engaged in any other commercial-economic activity specified in the Company's articles of association, which is not against the law.

The Company has unlimited permits for carrying out electric energy operations at Lietuvos Elektrinė power plant, Kaunas Hydroelectric Power Plant and Kruonis Pumped Storage Plant, and electric energy imports and exports. The Company also holds permits for developing the production capacities of Kaunas Hydroelectric Power Plant and Kruonis Pumped Storage Plant, and certificates for carrying out the operation and maintenance of electrical, thermal, natural gas and oil equipment. In line with the decision of the National Control Commission for Prices and Energy, on 29 July 2011 the Company was granted a licence of an independent electric energy supplier. The subsidiary of the Company, Energijos Tiekimas, also holds a licence of an independent electric energy supplier.

On the day of presenting this condensed interim financial statement, the Company was directly engaged (controlled or had a significant influence) in the management of the following companies: UAB Kauno Energetikos Remontas (Lithuania), UAB Energijos Tiekimas (Lithuania), UAB Data Logistics Center (Lithuania), AS Nordic Energy Link (Estonia), UAB Geoterma (Lithuania), UAB Technologijų ir Inovacijų Centras (Lithuania), UAB NT Valdos (Lithuania). The Company had a majority of votes indirectly through UAB Kauno Energetikos Remontas in UAB Gotlitas (Lithuania) and had a significant influence in the management of UAB Enmašas (Lithuania).

This interim financial statement includes the consolidated interim financial statements of Lietuvos Energija AB and its subsidiaries (hereinafter Group) and the condensed interim financial statement of the patronizing company Lietuvos Energija AB for the year ended on 31 December 2011.

## General information (continued)

As at 31 December 2011, the Group consisted of Lietuvos Energija AB and the following directly and indirectly controlled subsidiaries:

Company	Address of the registered office	Shareholdin g of the Group at 31 December 2011	Share capital of the subsidiary at 31 December 2011	Profit for the period from 1 January to 31 December 2011	Equity at 31 December	Principal activities
Kauno Energetikos Remontas UAB	Chemijos g. 17, Kaunas, Lithuania	100 %	14,245	1,772	21,704	Repair of energy
Remontas UAB	Kaunas, Liunuania					equipment, production of metal structures
Gotlitas UAB (controlled through Kauno Energetikos Remontas UAB)	R.Kalantos g. 119, Kaunas, Lithuania	100 %	1,100	67	1,614	services, trade
Energijos Tiekimas UAB	Žvejų g. 14, Vilnius, Lithuania	100 %	750	4,901	9,842	Independent electricity supply
Technologijų ir inovacijų centras UAB	Juozapavičiaus g. 13, Vilnius, Lithuania	54.04 %	76,513	(160)	70,669	IT services
Data Logistics Center UAB	Juozapavičiaus g. 13, Vilnius, Lithuania	54.04 %	12,847	4,427	17,392	IT services
Respublikinis energetikų mokymo centras VŠĮ	Jeruzalės g. 21, Vilnius, Lithuania	54.04 %	294	(302)	(1,174)	Professional development and further training of energy specialists

As at 31 December 2010, the Group consisted of Lietuvos Energija AB and the following directly and indirectly controlled subsidiaries:

Company	Address of the registered office	Shareholdin g of the Group at 31 December 2010	Share capital of the subsidiary at 31 December 2010	Profit for the period from 1 January to 31 December 2010	Equity at 31	Principal activities
Kauno Energetikos Remontas UAB	Chemijos g. 17, Kaunas, Lithuania	100 %	31,341	(7,311)	16,139	Repair of energy equipment, production of metal structures
Gotlitas UAB (controlled through Kauno Energetikos Remontas UAB)	R.Kalantos g. 119, Kaunas, Lithuania	100 %	1,100	183	1,547	services, trade
Energijos Tiekimas UAB	Žvejų g. 14, Vilnius, Lithuania	100 %	750	4,601	5,316	Independent electricity supply
Data Logistics Center UAB	Juozapavičiaus g. 13, Vilnius, Lithuania	100 %	12,847	588	13,452	IT services

As at 31 December 2011, the number of employees of the Group was 1,250 (31 December 2010: 946). As at 31 December 2011, the number of employees of the Company was 509 (31 December 2010: 231).

#### NOTES TO THE INTERIM FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2011 All amounts in LTL thousands unless otherwise stated

## 2 Accounting policies

The Company's and consolidated Group's condensed interim financial information for the year ended 31 December 2011 has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. This financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

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

The interim financial information of Lietuvos Energija AB for the year ended on 31 December 2011 is presented in line with International Accounting Standard (IAS 27) Consolidated and Separate Financial Statements:

- 1. Information for 2011 is provided suggesting that Lietuvos Energija AB and Lietuvos Elektrinė AB were merged since the start of the reference period (consolidated period from 1 January 2011);
- 2. Comparative information for 2010 is presented suggesting that Lietuvos Energija AB and Lietuvos Elektrinė AB were merged at the moment when Lietuvos Energija AB took over the control of Lietuvos Elektrinė AB, i.e. from 18 August 2010 (consolidated period from 1 September 2010).

## NOTES TO THE INTERIM FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2011 All amounts in LTL thousands unless otherwise stated

# 3 Intangible assets

The structure of the Group's intangible assets as at 31 December 2011 and 31 December 2010 is as follows:

Group	Patents and licenses	Computer software	Emission rights	Other intangible assets	Total
Period ended 31 December 2009	-	2,360	-	-	2,360
Acquisition of AB Lietuvos elektrinė	-	120	814	-	934
Addition	18	313	59,388	13	59,732
Lending of emission rights	-	-	(10,016)	-	(10,016)
Revaluation	144	749	(12,647)	-	(11,754)
Transfer of assets contributed to share capital of subsidiaries and associates	(144)	(3,293)	-	-	(3,437)
Transferred during the unbundling to LITGRID Turtas AB	-	(400)	-	(12)	(412)
Amortization charge	-	(882)	-	(1)	(883)
Writte-offs	-	(8)	-	-	(8)
Transferred from tangible assets	-	1,243	-	-	1,243
As at 31 December 2010	18	202	37,539	-	37,759
Addition	-	119	133,351	-	133,470
Acquisition of subsidiaries	1,084	1,875	-	133	3,092
Grant received	-	-	26,701	-	26,701
Disposal	-	-	(38,948)	-	(38,948)
Emission rights used	-	-	(5,691)	-	(5,691)
Writte-offs	-	-	(54,212)	-	(54,212)
Revaluation	-	-	(63,282)	-	(63,282)
Transferred from tangible assets	-	1,099	-	-	1,099
Amortization charge	(10)	(243)		-	(253)
As at 31 December 2011	1,092	3,052	35,458	133	39,735

The structure of the Company's intangible assets as at 31 December 2011 and 31 December 2010 is as follows:

Company	Patents and licenses	Computer software	Emission rights	Other intangible assets	Total
Period ended 31 December 2009	-	2,360	<u> </u>	-	2,360
Acquisition of AB Lietuvos elektrinė	-	120	814	-	934
Addition	-	231	59,388	13	59,632
Lending of emission rights	-	-	(10,016)	-	(10,016)
Revaluation	144	749	(12,647)	-	(11,754)
Transfer of assets contributed to share capital of subsidiaries and associates	(144)	(3,293)	-	-	(3,437)
Transferred during the unbundling to LITGRID Turtas AB	-	(400)	-	(12)	(412)
Amortization charge	-	(882)	-	(1)	(883)
Writte-offs	-	(8)	-	-	(8)
Transferred from tangible assets	-	1,243	-	-	1,243
As at 31 December 2010	-	120	37,539	-	37,659
Addition	-	13	133,351	-	133,364
Grant received	-	-	26,701	-	26,701
Disposal	-	-	(38,948)	-	(38,948)
Emission rights used	-	-	(5,691)	-	(5,691)
Writte-offs	-	-	(54,212)	-	(54,212)
Revaluation	-	-	(63,282)	-	(63,282)
Transferred from tangible assets	-	942	-	-	942
Amortization charge	-	(188)	-	-	(188)
As at 31 December 2011	-	887	35,458	-	36,345

#### 4 Property, plant and equipment

The structure of the Group's property, plant and equipment as at 31 December 2011 and 31 December 2010 is as follows:

Group	Land	Buildings	Structures and equipment	Structures and equipment of Hydro Power Plant and Pumped Storage Power Plant	Structures and equipment of Thermal Power Plant	Motor vehicles	Other PP&E	Construction in progress	Total
Period ended 31 December 2009	286	130,172	2,005,322	572,209		6,941	70,354	26,661	2,811,945
Addition	7,542	31	607	14,129	-	305	8,876	295,314	326,804
Acquisition of AB Lietuvos elektrinė	-	-	180	-	1,053,225	435	2,157	1,044,188	2,100,185
Capital contribution received	-	1,095	55,961	-	-	-	248	-	57,304
Disposal	-	-	-	-	-	-	(19)	-	(19)
Writte-offs	-	(3)	(2,824)	(216)	-	(262)	(295)	(114)	(3,714)
Reclassification between groups	-	472	20,470	(4,052)	398,652	1,151	(2,237)	(414,456)	-
Reclassification from inventories	-	-	-	-	4,233	47	-	-	4,280
Reclassification to intangible assets	-	-	-	-	-	-	(1,638)	-	(1,638)
Transferred during the unbundling to									
LITGRID Turtas AB	(1,961)	(35,096)	(1,934,150)	-	-	(1,798)	(43,986)	(47,157)	(2,064,148)
Reclassification to investment property	-	(1,937)	-	-	-	-	-	-	(1,937)
Transfer of assets contributed to share capital of subsidiaries and associates	_	(94,082)	(21,213)	_	_	(4,764)	(9,108)	-	(129,167)
Revaluation	-	11,535	(436)	-	-	1,482	3,501	-	16,082
Depreciation	-	(3,124)	(112,429)	(21,986)	(10,201)	(2,176)	(15,286)	-	(165,202)
Impairment	-	1,380	(112,123)	(21)500)	(75,155)	(31)	(13,200)	-	(73,806)
As at 31 December 2010	5,867	10,443	11,488	560,084	1,370,754	1,330	12,567	904,436	2,876,969
	5,007	10/115	11,400	500,004	1,570,754	1,550	12,507		2,070,505
Addition	-	619	678	198	708	115	76	268,666	271,060
Acquisition of subsidiaries	-	33	3,319	-	-	30	20,978	28	24,388
Writte-offs	-	-	(3)	(133)	(134)	-	(20)	-	(287)
Disposal	-	-	-	(16)	(291)	(168)	-	-	(475)
Depreciation	-	(365)	(1,841)	(27,535)	(40,667)	(349)	(1,164)	-	(71,921)
Reclassification between groups	-	-	1,060	4,508	298	-	1,048	(6,914)	-
Reclassification to intangible assets	-	-	-	-	-	-	(157)	(942)	(1,099)
Reversal of impairment	-	(1,530)	2,062	-	-	40	213	-	785
Revaluation	(130)	4,496	2,156	-	-	156	(31)	-	6,647
Impairment		2,806	845			109	41		3,801
As at 31 December 2011	5,737	16,502	19,764	537,106	1,330,668	1,263	33,551	1,165,274	3,109,868

#### NOTES TO THE INTERIM FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2011 All amounts in LTL thousands unless otherwise stated

## Property, plant and equipment (continued)

Company	Land	Buildings	Structures and equipment	Structures and equipment of Hydro Power Plant and Pumped Storage Power Plant	Structures and equipment of Thermal Power Plant	Motor vehicles	Other PP&E	Construction in progress	Total
Period ended 31 December 2009	286	100,640	2,002,430	572,209	-	5,856	70,821	27,209	2,779,451
	7,542	31	580	14,129		280	8,876	295,314	326,752
Addition	7,542	51	560	14,129	- 978,070		0,070	•	
Acquisition of AB Lietuvos elektrinė	-	1,095	- 55,961	-	978,070	-	- 248	1,044,188	2,022,258 57,304
Capital contribution received	-	1,095	,	-	-		(19)	-	•
Disposal	-	(3)	(36) (1,666)	-	-	(31)	. ,	-	(86)
Writte-offs	-	(3)	20,470	(2) (4,052)	- 398,652	- 1,151	(15) (2,237)	(114) (414,456)	(1,800)
Reclassification between groups	-	472	20,470	(4,032)	4,233	47	(2,237)	(414,450)	4,280
Reclassification from inventories	-	-	-	-	4,233	47	- (1,243)	-	(1,243)
Reclassification to intangible assets Transferred during the unbundling to	-	-	-	-	-	-	(1,243)	-	(1,243)
LITGRID Turtas AB	(1,961)	(33,336)	(1,933,911)	-	-	-	(35,449)	(47,538)	(2,052,195)
Reclassification to investment property	-	(1,696)	-	-	-	-	-	-	(1,696)
Transfer of assets contributed to share									
capital of subsidiaries and associates	-	(75,701)	(21,213)	-	-	(6,138)	(30,083)	-	(133,135)
Revaluation	-	11,535	(436)	-	-	1,482	3,501	-	16,082
Depreciation	-	(2,773)	(111,705)	(21,986)	(10,201)	(1,980)	(13,984)		(162,629)
As at 31 December 2010	5,867	264	10,474	560,298	1,370,754	667	416	904,603	2,853,343
Addition	-	-	-	198	708	16	15	268,562	269,499
Writte-offs	-	-	-	(133)	(134)	-	-	-	(267)
Disposal	-	-	-	(16)	(291)	(168)	-	-	(475)
Depreciation	-	(5)	(746)	(27,535)	(40,667)	(152)	(177)	-	(69,282)
Reclassification between groups	-	-	-	4,508	298	-	-	(4,806)	-
Reclassification to intangible assets	-	-	-	-	-	-	-	(942)	(942)
Revaluation	(130)	1,179	1,425	-	-	(20)	(82)	-	2,372
Impairment	-	-	-	-	-	-	-	-	-
As at 31 December 2011	5,737	1,438	11,153	537,320	1,330,667	343	172	1,167,417	3,054,247

## 5 Share capital and share premium

As at 31 December 2011 and 31 December 2010, the share capital of the Company was LTL 635,083,615 and it was divided into 635,083,615 ordinary registered shares with the par value of LTL 1 each. All the shares are fully paid. The total number of shareholders as at 30 September 2011 was 6,589.

The shareholders' structure of the Company is as follows:

		Share capital Share capital At 31 December 2011 At 31 December 2		
Shareholders	(LTL)	%	(LTL)	%
Visagino Atominė Elektrinė UAB	610,515,515	96.13	610,515,515	96.13
Other shareholders	24,568,100	3.87	24,568,100	3.87
Total	635,083,615	100.00	635,083,615	100.00

Visagino Atominė Elektrinė UAB is wholly owned by the State of Lithuania represented by the Lithuanian Ministry of Energy.

	Share	capital	Share premium		
	(shares)	(shares)	(LTL)	(LTL)	
	2011 m.	2010 m.	2011 m.	2010 m.	
Number of shares at the beginning of the period	635,083,615	689,515,435	295,767,304	2,744	
Share issue	-	304,098,871	-	325,385,644	
Acquisition of AB Lietuvos elektrinė	-	145,800,689	-	-	
Reduction of the share capital during the unbundling LITGRID Turtas AB Number of shares at the end of the		(504,331,380)		(29,621,084)	
period	635,083,615	635,083,615	295,767,304	295,767,304	

## 6 Borrowings

The Group's and the Company's borrowings according to repayment terms are presented in the table below.

	Group At 31 December 2011	Company At 31 December 2011	Group At 31 December 2010	Company At 31 December 2010
Non-current borrowings Syndicated Ioan (Swedbank AB, SEB Bankas AB, Nordea Bank Finland Plc, Lithuania Branch, DnB NORD AB, Danske Bank A/S) in EUR, to be repaid by 3 June				
2016 Loan from the European Bank for Reconstruction and Development, in EUR, to	74,194	74,194	88,447	88,447
be repaid by 18 February 2025 Syndicated Ioan (Swedbank AB, SEB Bankas AB, Nordea Bank Finland Plc, Lithuania Branch and DnB NORD AB) in EUR,	245,149	245,149	191,521	191,521
to be repaid by 9 November 2020	281,058	281,058	217,625	217,625
Loan from DnB NORD AB, in EUR, to be repaid by 1 May 2013	1,857	1,857	5,571	5,571
Total non-current borrowings	602,258	602,258	503,164	503,164
<b>Current borrowings</b> Syndicated loan (Swedbank AB, SEB Bankas AB, Nordea Bank Finland Plc,				
Lithuania Branch and DnB NORD AB) in EUR, to be repaid by 9 November 2020	15,441	15,441	14,253	14,253
Overdraft from Danske Bank A/S, Lithuania Branch	5,388	5,388	13,534	-
Overdraft from Swedbank AB	1,169		12,988	12,988
Loan from DnB NORD AB, in EUR, to be repaid by 1 May 2013	3,714	3,714	3,714	3,714
Credit line from Swedbank AB Loan from the European Bank for Reconstruction and Development, accrued	13,000	13,000		
interest	1,196	1,196	873	873
Total current borrowings	39,908	38,739	45,362	31,828

## 7 Grants

The grants balance consists of grants related to the financing of assets acquisition. The movement in grants during the year ended 31 December 2011 and 2010 is as follows:

	Grants rela	ating to assets		
Group	Grants relating fuel combustion facilities and other assets	Grants relating projects on restoration and improvement of environmental and safety norms	Grants relating to emission rights	Total
Balance at 01 January 2010	71,393	-	-	71,393
Acquisition of AB Lietuvos elektrinė	525	841,555	-	842,080
Depreciation of property, plant and equipment	(1,488)	(661)	-	(2,149)
Grants received	-	4,140	-	4,140
Transferred during the unbundling to LITGRID Turtas AB	(42,507)			(42,507)
Balance at 31 December 2010	27,923	845,034		872,957
Balance at 01 January 2010	27,923	845,034	-	872,957
Depreciation of property, plant and equipment	(2,109)	(9,626)	-	(11,735)
Grants received	69,202	78,180	26,701	174,083
Emission rights utilised	-	-	(26,701)	(26,701)
Balance at 31 December 2011	95,016	913,588	-	1,008,604

## Grants relating to assets

Company	Grants relating fuel combustion facilities and other assets	Grants relating projects on restoration and improvement of environmental and safety norms	Grants relating to emission rights	Viso:
Balance at 01 January 2010	71,393	-	-	71,393
Acquisition of AB Lietuvos elektrinė	525	841,555	-	842,080
Depreciation of property, plant and equipment	(1,488)	(661)	-	(2,149)
Grants received Transferred during the unbundling to LITGRID Turtas AB	- (42,507)	4,140	-	4,140
Balance at 31 December 2010	27,923	845,034		872,957
Balance at 01 January 2011 Depreciation of property, plant and	<b>27,923</b>	845,034	-	<b>872,957</b>
equipment	(2,109) 69,167	(9,626) 78,180	26,701	(11,735) 174,048
Grants received	09,107	70,100		
Emission rights utilised			(26,701)	(26,701)
Balance at 31 December 2011	94,981	913,588	-	1,008,569

#### NOTES TO THE INTERIM FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2011 All amounts in LTL thousands unless otherwise stated

## 8 Provisions for emission rights

Provisions for emission rights were accounted for as follows:

	Group at 31 December 2011	Company at 31 December 2011
Balance at 01 January 2010	-	-
Acquisition of AB Lietuvos elektrinė	46,911	46,911
Provisions for emission rights used*	7,301	7,301
Provision for emission rights forward contract	28,977	28,977
Balance at 31 December 2010	83,189	83,189
Balance at 01 January 2011	83,189	83,189
Emission rights utilised	(54,212)	(54,212)
Provisions for emission rights used*	16,266	16,266
Provision for emission rights forward contract	16,688	16,688
Balance at 31 December 2011	61,931	61,931

For the purpose of the statement of comprehensive income, expenses related to provisions for emission rights utilised are accounted for net of government grants utilised.

## 9 Segment information

In 2011, management distinguished business segments based on the reports reviewed by the Board.Operating profit (loss) is a profitability indicator analysed by management.

As at 31 December 2011 and 31 December 2010, the Group's management analyses the operations of the Company and Energijos Tiekimas UAB as a single segment of electricity generation and trading, including electricity export/import.Other activities within the Group include repair services of energy objects and IT services.

Transactions between the Group companies are conducted at market prices, except for electricity trading and the related services which are traded within the Group at prices established by the Commission.

## NOTES TO THE INTERIM FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2011 All amounts in LTL thousands unless otherwise stated

# Segment information (continued)

The table below presents the Group's information on segments for the year ended 31 December 2011.

2011	Electricity generation and trading (including electricity export/import)	Other activities	Total continuing operations
<b>Total segment revenue</b> Internal turnover among segments	1,578,883 (202,838)	62,155 (8,623)	1,641,038 (211,461)
Revenue from external sales	1,376,045	53,532	1,429,577
Expenses after elimination of turnover among the Group companies including depreciation and amortisation	(1,376,734)	(39,569)	(1,416,303)
expenses	(59,759)	(2,751)	(62,510)
Operating profit	(689)	13,963	13,274
Net finance (costs)			10,714
Profit before income tax			23,988
Income tax			(2,921)
Profit for the period			21,067

The table below presents the Group's information on segments for the year ended 31 December 2010.

2010	Electricity generation and trading (including electricity export/import)	Other activities	Total continuing operations
Total segment revenue	1,418,148	45,854	1,464,002
Internal turnover among segments	(197,578)	(5,607)	(203,185)
Revenue from external sales	1,220,570	40,247	1,260,817
Expenses after elimination of turnover among the Group companies	(1,146,959)	(28,890)	(1,175,849)
including depreciation and amortisation expenses	(33,417)	(2,405)	(35,822)
Operating profit	73,611	11,357	84,968
Net finance (costs)			908
Profit before income tax			85,876
Income tax			1,039
Profit for the period		-	86,915

#### NOTES TO THE INTERIM FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2011 All amounts in LTL thousands unless otherwise stated

## 10 Discontinued operations

On 30 November 2010, the Company transferred to LITGRID Turtas AB, a company established on the basis of a separated part of Lietuvos Energija AB, the electricity transmission system including the system's management, maintenance and operation activities. As a result, all income earned from these activities and related expenses incurred in 2010 were attributed to discontinued operations. Income and expenses of other activities which were transferred to associates NT Valdos UAB and Technologijų ir Inovacijų Centras UAB were also attributed to discontinued operations.

	Group 2010	Company 2010	Group 2010	Company 2010
Revenue	-	-	839,156	138,411
Purchase of electricity or related services	-	-	(616,651)	-
Salaries and related expenses	-	-	(31,708)	(20,361)
Repair and maintenance expenses	-	-	(8,077)	(10,413)
Depreciation and amortisation	-	-	(128,744)	(128,298)
Loss on revaluation of property, plant and equipment	-	-	(11,378)	(11,380)
Other expenses			(43,782)	(16,873)
Operating profit	-	-	(1,184)	(48,914)
Profit before tax	-	-	(1,184)	(48,914)
Tax expenses	-	-	(10,427)	-
Gain on disposal of subsidiaries		<u> </u>	5,185	1,314
Profit (loss) for the period from discontinued operations			(6,426)	(47,600)

#### NOTES TO THE INTERIM FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2011 All amounts in LTL thousands unless otherwise stated

## 11 Related-party transactions

## Purchase and sale of goods and services:

The Group's transactions with related parties during 2011 and the balances arising on these transactions as at 31 December 2011 are presented below:

Related parties	Payables and accrued expenses	Receivables and unbilled revenue	Purchases	Disposals
Entities controlled by the Ministry of the Energy of the Republic of Lithuania (including subsidiaries of Visagino Atominė Elektrinė UAB)	11,033	88,891	538,517	1,252,668
Visagino Atominė Elektrinė UAB	70	-	-	389
Associates of the Group	1,802	326	4,063	1,925
Total	12,905	89,217	542,580	1,254,982

The Company's transactions with related parties during 2011 and the balances arising on these transactions as at 31 December 2011 are presented below:

Related parties	Payables and accrued expenses	Receivables and unbilled revenue	Purchases	Disposals
Subsidiaries of the Company Entities controlled by the Ministry of the Energy of the Republic of Lithuania (including subsidiaries of Visagino Atominė Elektrinė UAB)	'	24,633 81,456	8,529 531,212	202,980 1,185,664
Visagino Atominė Elektrinė UAB Associates of the Company	226	-	- 2,175	- 494
Total	17,184	106,089	541,916	1,389,138

The Group's transactions with related parties during 2010 and the balances arising on these transactions as at 31 December 2010 are presented below:

Related parties	Payables and accrued expenses	Receivables and unbilled revenue	Purchases	Disposals
Entities controlled by the Ministry of the Energy of the Republic of Lithuania (including subsidiaries of Visagino Atominė Elektrinė UAB)	34,588	138,865	912,767	1,372,049
Visagino Atominė Elektrinė UAB	28	24	58,266	816
Associates of the Group	173	5,210	2,539	610
Total	34,789	144,099	973,572	1,373,475

The Company's transactions with related parties during 2010 and the balances arising on these transactions as at 31 December 2010 are presented below:

Related parties	Payables and accrued expenses	Receivables and unbilled revenue	Purchases	Disposals
Subsidiaries of the Company Entities controlled by the Ministry of the Energy of the Republic of Lithuania (including subsidiaries of		20,189 80,153	340,256 522,066	701,359 610,150
Visagino Atominė Elektrinė UAB) Visagino Atominė Elektrinė UAB	28	24	58,266	816
Associates of the Company	118	5,051	2,430	381
Total	30,326	105,417	923,018	1,312,706

#### NOTES TO THE INTERIM FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2011 All amounts in LTL thousands unless otherwise stated

## Related party transactions (continued)

The major related-party sale and purchase transactions in 2011 and 2010 represented transactions with the entities controlled by the Ministry of Energy of the Republic of Lithuania: LITGRID AB, LESTO AB. The Group's purchases from these entities mainly included purchases of electricity, capacity. Sales transactions mainly included sales of electricity, capacity, electricity transmission services.

## 12 Events subsequent to the end of the reporting period

## Acquisition of NT Valdos UAB shares

On 31 December 2012 Lietuvos Energija AB acquired 37,790 newly issued shares of NT Valdos UAB with par value of LTL 100 (one hundred) each by way of non-monetary contributions. After the conclusion of this agreement Lietuvos energija AB owns 41,74 % of the share capital of NT Valdos, UAB.

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# Appendix No. 1. Financial highlights

	2010			2011
millions LTL	AB Lietuvos Energija*	AB Lietuvos Elektrinė	Joint result**	AB Lietuvos Energija
Revenue, expense and profit indicators				
Revenue	983	721	1.704	1.367
Expense	(900)	(785)	(1.685)	(1.374)
EBITDA	106	(34)	72	53
EBIT	82	(63)	19	(6)
Net profit	46	(67)	(21)	11
Relative indicators				
EBITDA margin	11%	-5%	4%	4%
Net profitability	5%	-9%	-1%	1%

\* AB Lietuvos energija results from continuing operations \*\* The joint financial indicators of AB Lietuvos energija and AB Lietuvos elektrinė are provided only for guidance

# Appendix No. 2. Main indicators of production and sales

TWh	2010	2011	Change in percent
Electricity sales to suppliers			
Electricity sales to LESTO	3.56	2.22	-38%
Electricity sales to other suppliers	1.54	1.72	12%
Production indicators	3.032	2.018	-33%
Lithuanian Power Plant	1.894	1.098	-42%
Kruonis Pumped Storage Power Plant	0.721	0.534	-26%
Kaunas Hydroelectric Power Plant	0.417	0.386	-7%
Sales of eligible electricity			
Electricity generated by wind power plants	0.194	0.34	75%
Electricity generated by thermal power plants*(connected to transmission networks)	1.13	1.04	-8%

\*- The operations of thermal power plants are being planned and harmonised by Lietuvos energija, while their electricity is being purchased directly by LESTO.