

LIETUVOS ENERGIJA AB

**CONSOLIDATED AND COMPANY'S
INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD
ENDED 31 MARCH 2011,**

prepared according to International Financial Reporting
Standards, as adopted by the European Union
(Unaudited)

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The financial statements were approved by the General Director, Director of Finance and Administration Department and Chief Financier on 25 May 2011.



Dalius Misiūnas
General Director



Jovita Siniauskienė
Director of Finance and
Administration Department



Gedruolė Guobienė
Chief Financier



LIETUVOS ENERGIJA

A K C I N Ė B E N D R O V Ė L I E T U V O S E N E R G I J A

25 May 2011 Nr. SD-1220

CONFIRMATION OF RESPONSIBLE PERSONS

Referring to the provisions of the Article 22 of the Law on Securities of the Republic of Lithuania and the Rules for the Drawing up and Submission of the Periodic and Additional Information of the Securities Commission of the Republic of Lithuania, we, the undersigned Dalius Misiūnas, CEO of AB „Lietuvos energija“, Jovita Siniauskienė, Director of Finance and Administration Department of AB „Lietuvos energija“ and Giedruolė Guobienė, Chief Financier of AB „Lietuvos Energija“, hereby confirm that, to the best of our knowledge, the interim consolidated financial statements for the period ended 31 March 2011 are prepared in accordance with the International Financial Reporting Standards adopted by the European Union, give a true and fair view of the AB „Lietuvos energija“ and consolidated group assets, liabilities, financial position and profit for the relevant period.

Dalius Misiūnas

CEO

Jovita Siniauskienė

Director of Finance and Administration Department

Giedruolė Guobienė

Chief Financier

STATEMENTS OF FINANCIAL POSITION
FOR THE PERIOD ENDED 31 MARCH 2011
All amounts in LTL thousand unless otherwise stated

ASSETS	Notes	Group at 31 March 2011	Company at 31 March 2011	Group at 31 December 2010	Company at 31 December 2010
Non-current assets					
Intangible assets	3	54,129	-	57,084	-
Property, plant and equipment	4	3,073,188	575,802	2,952,124	583,042
Prepayments for property, plant, equipment		29,729	175	43,737	175
Investment property		1,844	1,844	1,852	1,852
Investments in subsidiaries		-	622,857	-	622,857
Investments in associates and joint ventures		163,060	160,836	162,719	160,836
Deferred income tax assets		1,201	-	1,200	-
Accounts receivable		2,125	6,895	1,171	6,915
Other financial assets		-	-	875	-
Total non-current assets		3,325,276	1,368,409	3,220,762	1,375,677
Current assets					
Inventories		126,784	749	127,908	739
Prepayments		11,890	11,196	13,108	11,300
Trade receivables	5	128,951	77,401	179,061	97,972
Other receivables	6	22,611	682	20,941	5,366
Prepaid income tax		5,486	5,468	8,383	8,383
Other financial assets		160	-	243	-
Cash and cash equivalents	7	169,460	112,473	86,925	69,507
		465,341	207,968	436,569	193,267
Non-current assets classified as held for sale		4,166	1,543	4,166	1,543
Total current assets		3,794,784	1,577,920	3,661,497	1,570,487
TOTAL ASSETS		3,794,784	1,577,920	3,661,497	1,570,487

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**STATEMENTS OF FINANCIAL POSITION
FOR THE PERIOD ENDED 31 MARCH 2011
All amounts in LTL thousand unless otherwise stated**

EQUITY AND LIABILITIES	Notes	Group at 31 March 2011	Company at 31 March 2011	Group at 31 December 2010	Company at 31 December 2010
Capital and reserves					
Share capital		489,283	489,283	489,283	489,283
Share premium		295,767	295,767	295,767	295,767
Revaluation reserve		8,464	6,488	8,583	6,604
Legal reserve		35,216	21,287	35,211	21,287
Other reserves		679,570	(63,777)	682,605	(63,777)
Retained earnings		354,971	717,102	319,775	693,434
Total equity attributable to owners of the Company		1,863,273	1,466,151	1,831,224	1,442,598
Non-controlling interest		46,714	-	46,351	-
Total equity		1,909,987	1,466,151	1,877,576	1,442,598
Non-current liabilities					
Borrowings	8	616,662	-	503,164	-
Finance lease liabilities		722	-	851	-
Grants	9	893,560	27,082	872,957	27,522
Other non-current accounts payable and liabilities		7,438	6,296	6,251	6,228
Deferred income tax liabilities		134,295	21,627	134,031	21,980
Total non-current liabilities		1,652,677	55,005	1,517,254	55,730
Current liabilities					
Borrowings	8	25,697	-	45,362	-
Finance lease liabilities		556	-	511	-
Trade payables	10	106,611	46,181	138,274	58,722
Advance amounts received		1,279	577	3,882	487
Income tax payable		2,373	-	1,405	-
Provisions for emission rights	11	70,992	-	54,212	-
Other accounts payable and liabilities		24,611	10,006	23,022	12,950
Total current liabilities		232,119	56,764	266,668	72,159
Total liabilities		1,884,796	111,769	1,783,922	127,889
TOTAL EQUITY AND LIABILITIES		3,794,784	1,577,920	3,661,498	1,570,487

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2011
All amounts in LTL thousand unless otherwise stated

	Notes	Group at 31 March 2011	Company at 31 March 2011	Group at 31 March 2010	Company at 31 March 2010
Revenue					
Sales revenue	12	317,368	220,775	218,839	217,969
Other operating income		8,455	129	10,382	132
		325,823	220,904	229,221	218,100
Operating expenses					
Purchase of electricity and related services		(178,876)	(178,659)	(171,451)	(171,451)
Purchase of gas		(59,375)	-	-	-
Depreciation and amortisation		(16,844)	(6,829)	(7,103)	(5,799)
Wages and related expenses		(11,942)	(3,743)	(6,907)	(4,739)
Repair and maintenance expenses		(1,165)	(297)	(395)	(395)
(Write-down)/reversal of write-down of inventories to net realisable value		(990)	6	-	-
Expenses arising from revaluation of emission rights and provision expense		(3,263)	-	-	-
Other expenses		(11,247)	(3,968)	(10,359)	(5,918)
Total operating expenses		(283,702)	(193,490)	(196,216)	(188,303)
OPERATING PROFIT		42,121	27,414	33,005	29,797
Finance income		351	224	1,055	1,029
Finance (costs):					
Share of results of activities of associates and joint ventures		341	-	-	-
Other finance (costs)		(2,123)	(24)	(212)	(180)
		(1,431)	200	843	850
PROFIT BEFORE INCOME TAX		40,690	27,614	33,848	30,647
Current year income tax expense		(7,997)	(4,415)	(6,729)	(5,982)
Deferred tax income/(expense)		(264)	353	3,854	3,852
		(8,261)	(4,062)	(2,875)	(2,130)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		32,429	23,552	30,973	28,516
DISCONTINUED OPERATIONS					
(Loss) for the year from discontinued operations, net of income tax		-	-	(7,234)	(5,770)
PROFIT		32,429	23,552	23,739	22,746
Other comprehensive income (loss)					
Other comprehensive income		-	-	1,384	740
TOTAL COMPREHENSIVE INCOME (LOSS)		32,429	23,552	25,123	23,486
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:					
Owners of the Company		31,618	23,552	23,739	22,746
Non-controlling interest		811	-	-	-
		32,429	23,552	23,739	22,746
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:					
Owners of the Company		31,618	23,552	25,123	23,486
Non-controlling interest		811	-	-	-
		32,429	23,552	25,123	23,486

LIETUVOS ENERGIJA AB
 Company code 220551550, Elektrinės g. 21, LT-26108 Elektrėnai

**STATEMENTS OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED 31 MARCH 2011**

All amounts in LTL thousand unless otherwise stated

Group	Attributable to owners of the Company									
	No- tes	Share capital	Share premium	Revalua- tion reserve	Legal reserve	Other reserves	Retained earnings (deficit)	Total	Non- contro- lling 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
Transfers to the retained earnings (depreciation without deferred income tax)		-	-	(7,635)	-	-	7,635	-	-	-
Comprehensive income		-	-	-	-	-	25,123	25,123	-	25,123
Balance at 31 March 2010		689,515	3	338,535	68,995	(63,777)	1,647,716	2,680,987	-	2,680,987
Balance at 31 December 2010		489,283	295,767	8,583	35,211	682,605	319,775	1,831,224	46,351	1,877,576
Transfers to the retained earnings		-	-	(119)	-	(3,504)	3,623	-	-	-
Comprehensive income		-	-	-	5	469	31,573	32,047	363	32,410
Balance at 31 December 2010		489,283	295,767	8,464	35,216	679,570	354,971	1,863,273	46,714	1,909,987

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LIETUVOS ENERGIJA AB
Company code 220551550, Elektrinės g. 21, LT-26108 Elektrėnai

**STATEMENTS OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED 31 MARCH 2011**

All amounts in LTL thousand unless otherwise stated

Company	Notes	Share capital	Share premium	Revaluation reserve	Legal reserve	Other reserves	Retained earnings (deficit)	Total equity
Balance at 31 December 2009		689,515	3	343,404	68,952	(63,777)	1,621,740	2,659,837
Transfers to the retained earnings (depreciation without deferred income tax)		-	-	(7,590)	-	-	7,590	-
Comprehensive income		-	-	-	-	-	23,486	23,486
Balance at 31 March 2010		689,515	3	335,814	68,952	(63,777)	1,652,816	2,683,323
Balance at 31 December 2010		489,283	295,767	6,604	21,287	(63,777)	693,434	1,442,598
Depreciation of revaluation reserve		-	-	(116)	-	-	116	-
Comprehensive income		-	-	-	-	-	23,552	23,552
Balance at 31 December 2010		489,283	295,767	6,488	21,287	(63,777)	717,102	1,466,150

The accompanying notes form an integral part of the financial statements

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STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2011
All amounts in LTL thousand unless otherwise stated

	Notes	Group at 31 March 2011	Company at 31 March 2011	Group at 31 March 2010	Company at 31 March 2010
Profit for the period		32,429	23,552	23,738	22,746
Reversal of non-cash expenses (income) and other adjustments					
Depreciation and amortisation expense		19,329	7,268	41,956	41,455
(Reversal of)/impairment charge on assets		1,142	152	1,267	(103)
Loss on revaluation of property, plant and equipment		(9,053)	-	-	-
Share of (profit) of associates and joint ventures		(341)	-	-	-
Income tax expense		7,997	4,415	6,729	5,981
Change in deferred income tax liability		264	(353)	(3,854)	(3,852)
(Income) from grants		(2,940)	(440)	(667)	(663)
(Decrease) in other provisions		16,780	-	100	(66)
Loss on disposal/write-off of non-current assets		-	-	95	95
Elimination of results of financing and investing activities:					
- Effect of changes in foreign exchanges rates, net		-	-	8	5
- Interest (income)		(351)	(223)	(965)	(940)
- Interest expense		2,123	23	180	174
- Other finance (income) costs		-	-	(66)	(88)
Changes in working capital					
Decrease in trade receivables and other amounts receivable		41,569	25,123	639	74,529
Decrease in inventories and prepayments		15,443	95	2,752	2,124
(Decrease) in accounts payable and advance amounts received		(25,754)	(15,165)	(6,888)	(115,302)
Income tax (paid)		(1,500)	(1,500)	(6,917)	(6,917)
Net cash generated from operating activities		97,137	42,946	58,107	19,178
Cash flows from investing activities					
(Purchase) of property, plant and equipment and intangible assets		(143,782)	(20)	(10,668)	(9,928)
Proceeds from sale of PP&E and intangible assets		38,948	-	-	-
Loans (granted)		-	-	-	(6,780)
Loans returned		(29,245)	-	-	-
Term deposits		-	-	(17,650)	-
(Acquisition) of investments		-	-	-	(1,350)
Interest received		110	89	707	638
Net cash (used in) investing activities		(133,969)	69	(27,611)	(17,420)
Cash flows from financing activities					
Proceeds from borrowings		120,179	-	493	-
Finance lease payments		(84)	-	(144)	-
Interest (paid)		(726)	(47)	(214)	(175)
Dividends (paid)		(2)	(2)	(1)	(1)
Net cash received from/ (used in) financing activities		119,367	(49)	134	(176)
Net increase (decrease) in cash flows		82,535	42,966	30,630	1,582
Cash and cash equivalents at the beginning of the year		86,925	69,507	54,167	51,347
Cash and cash equivalents at end of the year		169,460	112,473	84,797	52,929

The accompanying notes form an integral part of the financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**
All amounts in LTL thousand unless otherwise stated

1 General information

Lietuvos Energija AB is a public company registered in the Republic of Lithuania. After the approval of a new version of the Company's Articles of Association on 5 October 2010 the address of the Company's registered office was changed and now the Company is located at Elektrinės g. 21, LT-26108, Elektrėnai, Lithuania. Lietuvos Energija AB (hereinafter referred to as the "Company") is a limited liability profit-making entity, registered in the Register of Legal Entities managed by the public institution Registrų Centras. The Company's registration date is 4 December 1995, reg. No. BĮ 99-74, business ID 220551550, VAT reg. No. LT205515515. The Company is established for an unlimited period.

On 4 March 1995, the Company took over the rights of the former Production, Energy and Electrification Board established originally in 1940 and reorganised into the Lithuanian State Energy System on 27 March 1991, after the restoration of independence of the Republic of Lithuania. The Company was re-registered on 13 April 1999 with the Ministry of Economy.

By its resolution No. 364 dated 24 April 2008 the Government of the Republic of Lithuania declared that 664,700,833 ordinary registered shares of Lietuvos Energija AB with the nominal value of 1 LTL each, owned by the state are transferred as the contribution in-kind of the state represented by the Ministry of the Economy for the increase of the share capital of LEO LT, AB. The Shareholders Agreement of the national investor company LEO LT, AB was signed on 27 May 2008. Immediately after that, the extraordinary general shareholders' meeting of LEO LT, AB was convened where it was decided to increase the share capital of LEO LT, AB by the in-kind contributions of the shareholders – shares of VST AB, Rytų Skirstomieji Tinklai AB and Lietuvos Energija AB. On 04 December 2009, the Agreement on the establishment of the national investor was terminated and the decision of the sole shareholder of LEO LT, AB regarding the liquidation of LEO LT, AB became effective on 31 December 2009. Shares of Lietuvos Energija AB were transferred to Visagino Atominė Elektrinė UAB (hereinafter "VAE") which held 97.50 per cent of the Company's shares as at 31 December 2010. The remaining 2.50 per cent stake of the Company's shares is held by other shareholders.

As at 31 December 2009, the share capital of the Company was LTL 689,515,435 and it was divided into 689,515,435 ordinary registered shares with the par value of LTL 1 each. On 8 September 2010, the share capital of the Company was increased from LTL 689,515,435 to LTL 993,614,306 and it was divided into 993,614,306 ordinary registered shares with the par value of LTL 1 each. After the passing of the decision at the Extraordinary General Meeting of Shareholder of Lietuvos Energija AB held on 28 October 2010 which approved the unbundling of Lietuvos Energija AB, the amended Articles of Association of Lietuvos Energija AB were registered with the Register of Legal Entities on 16 November 2010 along with the company LITGRID Turtas AB established on the basis of a separated part of Lietuvos Energija AB, which continues its activities after the unbundling. The newly established company is engaged in activities that were assigned to it after the unbundling. On 30 November 2010, a part of the share capital of Lietuvos Energija AB transferred to the newly established company amounted to LTL 504,331,380. After the unbundling the share capital of Lietuvos Energija AB amounts to LTL 489,282,926 and is divided into 489,282,926 ordinary registered shares with the par value of LTL 1 each. No changes were introduced to the Company's share capital in 2011. All the shares are fully paid. The shares of the Company are traded on the current trading list of Vilnius Stock Exchange. The Company did not hold own shares at 31 March 2011.

The core activities of the Company in 2011 included electricity production, electricity trading and electricity export. Apart from these key activities, the Company is entitled to carry out any other business activities that are not prohibited by the Lithuanian law and are specified in the Articles of Association of the Company. During 2010, significant changes were introduced to the activities of the Company and the Group as a result of the implementation of the energy sector restructuring plan. The main changes are related to the separation of functions attributable to the transmission system operator and related maintenance activities from the activities of the Company and the Group and the concentration of electricity production activity within the Company and the Group.

As at 31 March 2011 the Company had two operating branches, Kaunas Hydro Power Plant and Kruonis Pumped Storage Power Plant, operating according to the regulations approved by the Board of the Company.

Principal activities of subsidiaries of Lietuvos Energija AB are described in the table presented below.

The Company has licenses of unlimited validity to engage in the production, import and export of electricity. On 28 December 2009, Lietuvos Energija AB was issued with a license of the independent electricity provider. The subsidiaries of the Company Lietuvos Elektrinė AB and Energijos Teikimas UAB have also acquired licenses of the independent electricity provider.

As of the date of these financial statements the Company directly participated (controlled or had significant influence) in the management of the following companies: Nordic Energy Link AS (Estonia), Geoterma UAB (Lithuania), Technologijų ir Inovacijų Centras UAB (Lithuania), NT Valdys UAB (Lithuania), Lietuvos Elektrinė AB (Lithuania), Kauno Energetikos Remontas UAB (Lithuania), Energijos Tiekimas UAB (Lithuania), Data Logistics Center UAB (Lithuania). Indirectly, through Kauno Energetikos Remontas UAB, the Company had majority of votes in Gotlitas UAB (Lithuania) and the Company also exercised significant influence over Enmašas UAB (Lithuania).

The consolidated financial statements of Lietuvos Energija AB and its subsidiaries and the stand-alone financial statements of Lietuvos Energija AB as a parent company are presented in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010
All amounts in LTL thousand unless otherwise stated

1 General information (continued)

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

Company	Address of the company's registered office	Shareholding of the Group at 31 December 2010	Share capital of the subsidiary at 31 December 2010	Profit (loss) for 2010	Equity at 31 December 2010	Principal activities
Lietuvos Elektrinė AB	Elektrinės g. 21, Elektrėnai, Lithuania	95.54 %	145,801	8,070	1,038,095	Electricity generation
Kauno Energetikos Remontas UAB	Chemijos g. 17, Kaunas, Lithuania	100 %	31,341	(1,837)	14,777	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	28	1,575	Accommodation services, trade
Energijos Tiekimas UAB	Žveju g. 14, Vilnius, Lithuania	100 %	750	1,003	6,319	Independent electricity supply
Data Logistics Center UAB	Juozapavičiaus g. 13, Vilnius, Lithuania	100 %	12,847	1,272	14,705	IT services

As at 31 March 2011, the number of employees of the Group was 884 (31 December 2010: 946). As at 31 March 2011, the number of employees of the Company was 244 (31 December 2010: 231).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010
All amounts in LTL thousand unless otherwise stated

2 Accounting policies

Presented below are the principal accounting policies adopted in the preparation of the Group's and the Company's financial statements for the period ended 31 March 2011.

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (the "EU") and applicable for interim financial statements (34 IFRS Interim financial statements).

These financial statements were prepared on a historical cost basis, except for property, plant and equipment which is recorded at revalued amount, less accumulated depreciation and estimated impairment losses, emission rights and financial instruments which are carried at fair value.

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

2.2 Consolidation principles

The consolidated financial statements of the Group include Lietuvos Energija AB and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting periods, using uniform accounting policies.

Subsidiaries are consolidated from the date from which effective control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Group. All intercompany transactions, balances and unrealised gains and losses on transactions among the Group companies are eliminated. For the purpose of preparation of the Group's consolidated financial statements total comprehensive income of subsidiaries was attributed to owners of the parent company from the date when effective control was transferred to the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010
All amounts in LTL thousand unless otherwise stated

3. Intangible assets

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

Group	Patents and licenses	Computer software	Emission rights	Other intangible assets	Total
At 31 March 2010					
Opening net book amount	11	2,421	-	23	2,455
Additions	-	490	-	-	490
Accumulated amortisation	(2)	(368)	-	(2)	(372)
Transferred to PPE	-	963	-	-	963
Net book amount at 31 March 2010	9	3,506	-	21	3,536
At 31 March 2010					
Cost	2,155	15,850	-	54	18,059
Accumulated amortisation	(2,146)	(12,239)	-	(33)	(14,418)
Accumulated impairment	-	(105)	-	-	(105)
Net book amount at 31 March 2010	9	3,506	-	21	3,536
At 31 December 2010					
Cost	498	1,439	56,864	31	58,832
Accumulated amortisation	(367)	(1,357)	-	(24)	(1,748)
Accumulated impairment	-	-	-	-	-
Net book amount at 31 December 2010	131	82	56,864	7	57,084
At 31 March 2011					
Opening net book amount	131	82	56,864	7	57,084
Additions	-	276	-	-	276
Additions, grants received	-	-	26,701	-	26,701
Disposals	-	-	(38,948)	-	(38,948)
Revaluation	-	-	9,053	-	9,053
Amortisation charge	(3)	(34)	-	-	(37)
Net book amount at 31 March 2011	128	324	53,670	7	54,129
At 31 December 2011					
Cost	498	1,715	53,670	31	55,914
Accumulated amortisation	(370)	(1,391)	-	(24)	(1,785)
Net book amount at 31 March 2011	128	324	53,670	7	54,129

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010
All amounts in LTL thousand unless otherwise stated

3 Intangible assets (continued)

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

Company	Patents and licenses	Computer software	Other intangible assets	Total
At 31 March 2010				
Opening net book amount	-	2,360	-	2,360
Additions	-	160	-	160
Write-offs	-	(1,283)	-	(1,283)
Amortization	-	(264)	-	(264)
Transferred to PPE	-	965	-	965
Net book amount at 31 March 2010	-	1,938	-	1,938
At 31 March 2010				
Cost	2,049	13,917	-	15,966
Accumulated amortisation	(2,049)	(11,979)	-	(14,028)
Net book amount at 31 March 2010	-	1,938	-	1,938
At 31 December 2010				
Cost	2,073	17,910	-	19,983
Accumulated amortisation	(2,073)	(15,550)	-	(17,623)
Net book amount at 31 December 2010	-	2,360	-	2,360
At 31 March 2011				
Cost	-	1,280	1	1,281
Amortisation	-	(1,280)	(1)	(1,281)
Net book amount at 31 March 2011	-	-	-	-
At 31 March 2011				
Cost	-	1,280	1	1,281
Accumulated amortisation	-	(1,280)	(1)	(1,281)
Net book amount at 31 March 2011	-	-	-	-

4. Property, plant, and equipment

AB "Lietuvos energija" within three months, ended at 31 March 2011, acquired PP&E amounted to LTL 20 thousand, the Group – LTL 140,384 thousand: construction in progress – LTL 139,780 thousand. Amortization of the Group and the Company in 3 months period of 2011 amounted to LTL 7,253 thousand and LTL 19,284 thousand, respectively.

5. Trade receivables

Trade receivables of the Group and the Company are as follows:

	Group at 31 March 2011	Company at 31 March 2011	Group at 31 December 2010	Company at 31 December 2010
Receivables for electricity sold in Lithuania	134,145	85,440	179,398	102,262
Receivables for repair and design works	2,845	-	7,012	-
Unbilled revenue from electricity-related sales	1,546	1,546	5,173	5,173
Receivables for exported electricity	27	27	149	149
Total	138,563	87,013	191,732	107,584
Less: provision for impaired receivables	(9,612)	(9,612)	(12,671)	(9,612)
Carrying amount	128,951	77,401	179,061	97,972

The fair value of trade receivables approximates their carrying amounts.

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6. Other receivables

Current other trade receivables of the Group and the Company are as follows:

	Group at 31 March 2011	Company at 31 March 2011	Group at 31 December 2010	Company at 31 December 2010
VAT receivable	14,796	-	12,671	674
Other receivables	5,704	1,752	4,920	1,960
Receivables for IT and telecommunications services	3,659	344	1,750	850
Loan granted Technologijų ir Inovacijų Centras UAB	-	-	3,000	3,000
Loan granted to Data Logistics Center UAB	-	-	-	150
Total	24,159	2,096	22,341	6,634
Less: provision for impaired receivables	(1,547)	(1,414)	(1,400)	(1,268)
Carrying amount	22,611	682	20,941	5,366

The fair value of other receivables approximates their carrying amounts.

7. Cash and cash equivalents

Cash and cash equivalents of the Group and the Company are disclosed in the table below:

	Group at 31 December 2010	Company at 31 December 2010	Group at 31 December 2009	Company at 31 December 2009
Cash at bank and in hand	118,301	77,473	69,576	63,909
Term deposit at Danske Bankas (contract currency litas), maturity – May 2010	35,000	35,000	-	-
Overnight deposit at Swedbank AB (contract currency litas)	16,160	-	16,023	4,272
Overnight deposit at Swedbank AB (contract currency euro)	-	-	1,326	1,326
Carrying amount	169,460	112,473	86,925	69,507

The fair value of the Group's and the Company's cash and term deposits approximates their carrying amount.

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8. Borrowings

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

	Group at 31 March 2011	Company at 31 March 2011	Group at 31 December 2010	Company at 31 December 2010
Non-current borrowings				
Syndicated loan (Swedbank AB, SEB AB, Nordea Bank Finland Plc, Lithuania Branch and DnB NORD AB,)	281,058	-	217,625	-
Loan from the European Bank for Reconstruction and Development	245,149	-	191,521	-
Syndicated loan (Swedbank AB, SEB AB, Nordea Bank Finland Plc, Lithuania Branch, DnB NORD AB and Danske Bank A/S, Lithuania Branch)	84,884	-	88,447	-
Loan from DnB NORD AB	5,571	-	5,571	-
Total non-current borrowings	616,662	-	503,164	-
Current borrowings				
Syndicated loan (Swedbank AB, SEB AB, Nordea Bank Finland Plc, Lithuania Branch and DnB NORD AB) in EUR, to be repaid by 9 November 2020	14,253	-	14,253	-
UAB "Energijos tiekimas" overdraft	3,957	-	13,534	-
Loan from the European Bank for Reconstruction and Development, accrued interest	3,773	-	873	-
Loan from DnB NORD AB	3,714	-	3,714	-
AB "Swedbank" overdraft	-	-	12,988	-
Total current borrowing	25,697	-	45,362	-

As at 31 March 2011, the Group's non-current and current borrowings comprised as follows:

Lietuvos elektrinė AB, on 1 July 2003, a loan agreement was concluded with the bank DnB NORD AB for the amount of EUR 3,765 thousand (LTL 13,000 thousand) and the repayment date of 1 May 2013.

Lietuvos elektrinė AB, on 30 June 2004, a loan agreement and related amendments were concluded with Swedbank AB, SEB AB, Nordea Bank Finland Plc, Lithuania Branch and DnB NORD AB for the amount of EUR 49,000 thousand (LTL 169,187 thousand) and the repayment date of 9 November 2020.

Lietuvos elektrinė AB, on 31 March 2010, a loan agreement was concluded with Swedbank AB, SEB AB, Nordea Bank Finland Plc, Lithuania Branch and DnB NORD AB and Danske Bank A/S for the amount of EUR 81,400 thousand (LTL 281,058 thousand) and the repayment date of 3 June 2016.

Lietuvos elektrinė AB, on 18 February 2010, an agreement was concluded with the European Bank for Reconstruction and Development for the loan of EUR 71,000 thousand (LTL 245,149 thousand) and the repayment date of 18 February 2025.

The overall limit of the overdraft of UAB Energijos tiekimas granted by Danske Bank A/S, Lithuania Branch is LTL 10,000 thousand. The overdraft agreement expires on 28 March 2012.

As at 31 March 2011 and 31 December 2010, the Company and the Group had no other valid undrawn loan agreements.

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9. Grants

The grants balance consists of grants related to the financing of assets acquisition. Movement of grants at 31 March 2011 and 31 December 2010 is as follows:

	<u>Group</u>	<u>Company</u>
Balance at 31 December 2009	71,420	71,393
Acquisition of subsidiary	848,052	-
Received during the period	5,169	1,128
Utilised grant associated with emission rights	(5,973)	-
Transferred during the unbundling	(42,507)	(42,507)
Depreciation charge	(3,204)	(2,492)
Balance at 31 December 2010	872,957	27,522
Balance at 31 December 2010	872,957	27,522
Received during the period	28,010	-
Utilised grant associated with emission rights	(4,467)	-
Depreciation charge	(2,940)	(440)
Balance at 31 March 2011	893,560	27,082

10. Trade payables

Trade payables of the Group and the Company are as follows:

	<u>Group at 31 March 2011</u>	<u>Company at 31 March 2011</u>	<u>Group at 31 December 2010</u>	<u>Company at 31 December 2010</u>
Amounts due for contractual works, other services	46,587	2,555	58,980	16,198
Amounts payable for electricity and related services	42,009	42,238	34,452	35,189
Amounts due for gas and fuel oil	10,259	-	29,339	-
Accrued liability for electricity	-	-	7,335	7,335
Amounts due for materials	7,755	1,388	8,168	-
Total	106,611	46,181	138,274	58,722

The fair value of trade payables approximates their carrying amounts.

11. Provisions for emission rights

As at 31 March 2011, provisions for emission rights were accounted for as follows:

	<u>Group</u>	<u>Company</u>
Balance at 31 December 2010	54,212	-
Provisions for emission rights	6,076	-
Revaluing of provisions for emission rights	10,704	-
Balance at 31 March 2011	70,992	-

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12. Sales revenue

The Group's and the Company's sales revenue consists of revenue from sale of electricity and related services. Sales revenue for the periods ended on 31 March is presented below:

	Group at 31 March 2011	Company at 31 March 2011	Group at 31 March 2010	Company at 31 March 2010
Sale of electricity in domestic market	279,509	197,825	169,508	168,637
Export of electricity	16,844	16,844	42,777	42,777
Capacity reserve	14,548	6,105	6,555	6,555
Revenue from sale of thermal energy	6,466	-	-	-
Total	317,368	220,775	218,840	217,969

13. Events after the end of the reporting period

Profit Distribution

On April 29, 2011 during the extraordinary general shareholders meeting of the joint-stock company Lietuvos energija AB the following resolutions were adopted:

1. Approve the Consolidated Annual Report for 2010 of joint-stock company Lietuvos energija and its subsidiaries.
2. Approve the Financial Statements of joint-stock company Lietuvos energija and Consolidated Financial Statements of joint-stock company Lietuvos energija and its subsidiaries for the financial year ended on 31 December 2010 audited by the Auditor PricewaterhouseCoopers, UAB.
3. Approve of profit distribution of joint-stock company Lietuvos energija for the year ended on 31 December 2010.

On 29 April 2011 the ordinary general shareholders meeting of the Company adopted a resolution to approve allocating dividends in the amount of LTL 89,049,493 of profit, paying LTL 0,182 dividends per share.

Draft of the Reorganisation Conditions

On 11 May 2011, the Board of the Company considered and approved of the Draft of the Reorganisation Conditions of the Company and joint stock company LIETUVOS ELEKTRINĖ. The Board produced the Draft of the Reorganisation Conditions in compliance with the resolution of the extraordinary general shareholders' meeting as of 19 January 2011.

On the basis of this Draft of the Reorganisation Conditions of the Company and joint stock company LIETUVOS ENERGIJA, the Company and joint stock company LIETUVOS ELEKTRINĖ (hereinafter referred to as the Companies) are reorganised by way of merger prescribed in Paragraph 4 of Article 2.97 of the Civil Code of the Republic of Lithuania, by consolidating the Companies under reorganisation (which, after the reorganisation, will terminate their activities as legal entities) into Lietuvos energija, AB. The latter company will start its activities after the reorganisation and will take over all property, rights and obligations of the Companies under reorganisation, i.e. a new legal entity will emerge and continue the activities of the Companies, which will cease to exist. This new legal entity will be Lietuvos energija, AB (the legal entity code will be awarded after the company is registered with the Register of Legal Entities in compliance with the procedure established by the legal acts of the Republic of Lithuania, the company's legal form will be a public limited liability company, the future head office address of the company – Elektrinės g. 21, Elektrėnai, Republic of Lithuania, the international securities identification number (ISIN) will be awarded after the registration of the share issue of Lietuvos energija, AB in the Central Securities Depository of Lithuania) (hereinafter referred to as Lietuvos energija, AB).
