

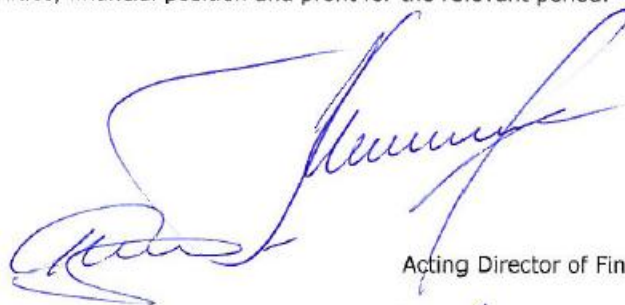
# LIETUVOS ENERGIJA AB

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

**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, Gitutė Malakaitė, Acting Director of Finance and Legal Department of Lietuvos energija, AB and Giedruolė Guobienė, 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.

Dalius Misiūnas



CEO

Gitutė Malakaitė

Acting Director of Finance and Legal Department

Giedruolė Guobienė



Chief Financier

	<b>PAGE</b>
<b>INTERIM FINANCIAL INFORMATION</b>	
INTERIM STATEMENTS OF FINANCIAL POSITION	3 - 4
INTERIM STATEMENTS OF COMPREHENSIVE INCOME	5 - 6
INTERIM STATEMENTS OF CHANGES IN EQUITY	7 - 8
INTERIM STATEMENTS OF CASH FLOWS	9
NOTES TO THE INTERIM FINANCIAL INFORMATION	10 - 23

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.



---

Dalius Misiūnas  
General Director



---

Gitutė Malakaitė  
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**

<b>ASSETS</b>	<b>Note</b>	<b>Group at 31 December 2011 <i>(unaudited)</i></b>	<b>Company at 31 December 2011 <i>(unaudited)</i></b>	<b>Group at 31 December 2010 <i>(unaudited)</i></b>	<b>Company at 31 December 2010 <i>(unaudited)</i></b>
<b>Non-current assets</b>					
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		-	54,651	-	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
<b>Total non-current assets</b>		<b>3,314,736</b>	<b>3,312,567</b>	<b>3,145,607</b>	<b>3,149,195</b>
<b>Current assets</b>					
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
		<b>399,932</b>	<b>357,204</b>	<b>435,164</b>	<b>404,055</b>
Non-current assets classified as held for sale		3,283	1,543	4,166	1,543
<b>Total current assets</b>		<b>3,717,929</b>	<b>3,671,314</b>	<b>3,584,937</b>	<b>3,554,793</b>
<b>TOTAL ASSETS</b>		<b>3,717,951</b>	<b>3,671,314</b>	<b>3,584,937</b>	<b>3,554,793</b>

*(continued on the next page)*

**INTERIM STATEMENTS OF FINANCIAL POSITION**  
**AT 31 DECEMBER 2011**

**All amounts in LTL thousands unless otherwise stated**

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>Group at 31 December 2011 <i>(unaudited)</i></b>	<b>Company at 31 December 2011 <i>(unaudited)</i></b>	<b>Group at 31 December 2010 <i>(unaudited)</i></b>	<b>Company at 31 December 2010 <i>(unaudited)</i></b>
<b>Capital and reserves</b>					
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
<b>Total equity attributable to owners of the Company</b>		<b>1,634,248</b>	<b>1,648,233</b>	<b>1,728,183</b>	<b>1,724,271</b>
Non-controlling interest		32,479			
<b>Total equity</b>		<b>1,666,727</b>	<b>1,648,233</b>	<b>1,728,183</b>	<b>1,724,271</b>
<b>Non-current liabilities</b>					
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
<b>Total non-current liabilities</b>		<b>1,746,138</b>	<b>1,741,688</b>	<b>1,512,907</b>	<b>1,509,341</b>
<b>Current liabilities</b>					
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
<b>Total current liabilities</b>		<b>305,086</b>	<b>281,393</b>	<b>343,847</b>	<b>321,181</b>
<b>Total liabilities</b>		<b>2,051,224</b>	<b>2,023,081</b>	<b>1,856,754</b>	<b>1,830,522</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,717,951</b>	<b>3,671,314</b>	<b>3,584,937</b>	<b>3,554,793</b>

**CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME  
 FOR YEAR ENDED 31 DECEMBER 2011**

All amounts in LTL thousands unless otherwise stated

	Note	Group 2011 <i>(unaudited)</i>	Company 2011 <i>(unaudited)</i>	Group 2010 <i>(unaudited)</i>	Company 2010 <i>(unaudited)</i>
<b>Revenue</b>					
Sales revenue		1,374,155	1,365,573	1,220,564	1,212,831
Other operating income		55,422	1,913	40,253	650
		<b>1,429,577</b>	<b>1,367,486</b>	<b>1,260,817</b>	<b>1,213,481</b>
<b>Operating expenses</b>					
Purchase of electricity or related services		(707,978)	(707,824)	(881,272)	(880,654)
Purchase of gas		(452,367)	(452,367)	(125,325)	(125,325)
Depreciation and amortisation		(62,510)	(59,759)	(35,822)	(33,417)
Salaries and related expenses		(48,554)	(37,029)	(37,752)	(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 rights		(63,282)	(63,282)	(35,671)	(35,671)
Expenses arising from emission provision expense		(5,691)	(5,691)	(7,301)	(7,301)
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		1,753	(281)	1,549	-
Other expenses		(74,603)	(30,919)	(42,048)	(22,283)
<b>Total operating expenses</b>		<b>(1,416,303)</b>	<b>(1,373,907)</b>	<b>(1,180,216)</b>	<b>(1,156,206)</b>
<b>OPERATING PROFIT</b>		<b>13,274</b>	<b>(6,421)</b>	<b>80,601</b>	<b>57,275</b>
Finance income		22,929	23,925	3,941	4,325
Finance (costs)					
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)
		<b>10,714</b>	<b>18,012</b>	<b>908</b>	<b>1,534</b>
<b>PROFIT BEFORE INCOME TAX</b>		<b>23,988</b>	<b>11,591</b>	<b>81,509</b>	<b>58,809</b>
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
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>21,067</b>	<b>10,756</b>	<b>91,242</b>	<b>70,494</b>
<b>DISCONTINUED OPERATIONS</b>					
Profit/(loss) for the period from discontinued operations, net of income tax		-	-	(6,426)	(47,600)
<b>PROFIT FOR THE PERIOD</b>		<b>21,067</b>	<b>10,756</b>	<b>84,816</b>	<b>22,894</b>

(continued on the next page)

**CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME  
 FOR YEAR ENDED 31 DECEMBER 2011**

All amounts in LTL thousands unless otherwise stated

	Note	Group 2011	Company 2011	Group 2010	Company 2010
<b>Other comprehensive income (loss)</b>					
(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		(398)	(398)	(4,250)	(4,250)
Other comprehensive income, net of deferred income tax		-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME (LOSS):</b>		<b>23,322</b>	<b>13,011</b>	<b>108,901</b>	<b>46,979</b>
<b>PROFIT FOR THE YEAR ATTRIBUTABLE TO:</b>					
Owners of the Company		21,067	10,756	84,816	22,894
Non-controlling interest		-	-	-	-
		<b>21,067</b>	<b>10,756</b>	<b>84,816</b>	<b>22,894</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:</b>					
Owners of the Company		23,322	13,011	108,901	46,979
Non-controlling interest		-	-	-	-
		<b>23,322</b>	<b>13,011</b>	<b>108,901</b>	<b>46,979</b>

(end)

**LIETUVOS ENERGIJA AB**  
**Company code 302648707, Elektrinės g. 21, LT-26108 Elektrėnai**

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**All amounts in LTL thousands unless otherwise stated**

<b>Group</b>	<b>Note</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Revaluation reserve</b>	<b>Legal reserve</b>	<b>Other reserves</b>	<b>Retained earnings (deficit)</b>	<b>Total</b>	<b>Non-controlling interest</b>	<b>Total equity</b>
<b>Balance at 31 December 2009</b>		<b>689,515</b>	<b>3</b>	<b>346,170</b>	<b>68,995</b>	<b>(63,777)</b>	<b>1,614,958</b>	<b>2,655,864</b>	-	<b>2,655,864</b>
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 subsidiaries and associates		-	-	(36,488)	22	-	36,488	22	3,246	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
<b>Balance at 31 December 2010</b>		<b>635,084</b>	<b>295,767</b>	<b>8,583</b>	<b>35,867</b>	<b>717,775</b>	<b>35,108</b>	<b>1,728,183</b>	-	<b>1,728,183</b>
<b>Balance at 31 December 2010</b>		<b>635,084</b>	<b>295,767</b>	<b>8,583</b>	<b>35,867</b>	<b>717,775</b>	<b>35,108</b>	<b>1,728,183</b>	-	<b>1,728,183</b>
Depreciation of revaluation reserve		-	-	(789)	-	-	789	-	-	-
Other transfers to/from the 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
<b>Balance at 31 December 2011</b>		<b>635,084</b>	<b>295,767</b>	<b>15,159</b>	<b>35,972</b>	<b>717,775</b>	<b>(65,510)</b>	<b>1,634,248</b>	<b>32,479</b>	<b>1,666,727</b>

*(Continued on the next page)*



**LIETUVOS ENERGIJA AB**  
**Company code 302648707, Elektrinės g. 21, LT-26108 Elektrėnai**

**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	Revaluation reserve	Legal reserve	Other reserves	Retained earnings (deficit)	Total
<b>Balance at 31 December 2009</b>		<b>689,515</b>	<b>3</b>	<b>343,404</b>	<b>68,952</b>	<b>(63,777)</b>	<b>1,621,740</b>	<b>2,659,837</b>
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
<b>Balance at 31 December 2010</b>		<b>635,084</b>	<b>295,767</b>	<b>6,604</b>	<b>35,867</b>	<b>717,775</b>	<b>33,174</b>	<b>1,724,271</b>
<b>Balance at 31 December 2010</b>		<b>635,084</b>	<b>295,767</b>	<b>6,604</b>	<b>35,867</b>	<b>717,775</b>	<b>33,174</b>	<b>1,724,271</b>
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
<b>Balance at 31 December 2011</b>		<b>635,084</b>	<b>295,767</b>	<b>8,395</b>	<b>35,867</b>	<b>717,775</b>	<b>(44,656)</b>	<b>1,648,232</b>

(end)

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

	Note	Group 2011	Company 2011
Profit from continuing and discontinued operations		<b>21,067</b>	<b>10,756</b>
<b>Adjustments for non-cash items and other adjustments:</b>			
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 (profit) 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:			
- Interest (income)		(996)	(988)
- Interest expense		3,557	3,078
- Other finance (income) costs		(13,275)	(20,102)
<b>Changes in working capital</b>			
(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 received		340	(15,324)
Income tax (paid)		(9,434)	(8,230)
<b>Net cash generated from operating activities</b>		<b>114,138</b>	<b>68,661</b>
<b>Cash flows from investing activities</b>			
(Purchase) of property, plant and equipment (PPE) and intangible assets		(183,420)	(167,724)
Proceeds from sale of PPE and intangible assets		40,306	39,423
Deposits		(24)	-
Interest received		955	947
<b>Net cash used in investing activities</b>		<b>(142,183)</b>	<b>(127,354)</b>
<b>Cash flows from financing activities</b>			
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)	-
<b>Net cash generated from/(used in) financing activities</b>		<b>(4,451)</b>	<b>(3,414)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(32,496)</b>	<b>(62,107)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>60,403</b>	<b>70,388</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>27,907</b>	<b>8,281</b>

*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, Elektrėnai, 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 Valdovs (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.

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

**General information (continued)**

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

<b>Company</b>	<b>Address of the registered office</b>	<b>Shareholding of the Group at 31 December 2011</b>	<b>Share capital of the subsidiary at 31 December 2011</b>	<b>Profit for the period from 1 January to 31 December 2011</b>	<b>Equity at 31 December</b>	<b>Principal activities</b>
Kauno Energetikos Remontas UAB	Chemijos g. 17, Kaunas, Lithuania	100 %	14,245	1,772	21,704	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	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:

<b>Company</b>	<b>Address of the registered office</b>	<b>Shareholding of the Group at 31 December 2010</b>	<b>Share capital of the subsidiary at 31 December 2010</b>	<b>Profit for the period from 1 January to 31 December 2010</b>	<b>Equity at 31 December 2010</b>	<b>Principal activities</b>
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
<b>Period ended 31 December 2009</b>	-	<b>2,360</b>	-	-	<b>2,360</b>
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
<b>As at 31 December 2010</b>	<b>18</b>	<b>202</b>	<b>37,539</b>	-	<b>37,759</b>
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)
<b>As at 31 December 2011</b>	<b>1,092</b>	<b>3,052</b>	<b>35,458</b>	<b>133</b>	<b>39,735</b>

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
<b>Period ended 31 December 2009</b>	-	<b>2,360</b>	-	-	<b>2,360</b>
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
<b>As at 31 December 2010</b>	-	<b>120</b>	<b>37,539</b>	-	<b>37,659</b>
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)
<b>As at 31 December 2011</b>	-	<b>887</b>	<b>35,458</b>	-	<b>36,345</b>

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

**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
<b>Period ended 31 December 2009</b>	<b>286</b>	<b>130,172</b>	<b>2,005,322</b>	<b>572,209</b>	<b>-</b>	<b>6,941</b>	<b>70,354</b>	<b>26,661</b>	<b>2,811,945</b>
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	-	-	(75,155)	(31)	-	-	(73,806)
<b>As at 31 December 2010</b>	<b>5,867</b>	<b>10,443</b>	<b>11,488</b>	<b>560,084</b>	<b>1,370,754</b>	<b>1,330</b>	<b>12,567</b>	<b>904,436</b>	<b>2,876,969</b>
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
<b>As at 31 December 2011</b>	<b>5,737</b>	<b>16,502</b>	<b>19,764</b>	<b>537,106</b>	<b>1,330,668</b>	<b>1,263</b>	<b>33,551</b>	<b>1,165,274</b>	<b>3,109,868</b>

**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
<b>Period ended 31 December 2009</b>	<b>286</b>	<b>100,640</b>	<b>2,002,430</b>	<b>572,209</b>	<b>-</b>	<b>5,856</b>	<b>70,821</b>	<b>27,209</b>	<b>2,779,451</b>
Addition	7,542	31	580	14,129	-	280	8,876	295,314	326,752
Acquisition of AB Lietuvos elektrinė	-	-	-	-	978,070	-	-	1,044,188	2,022,258
Capital contribution received	-	1,095	55,961	-	-	-	248	-	57,304
Disposal	-	-	(36)	-	-	(31)	(19)	-	(86)
Writte-offs	-	(3)	(1,666)	(2)	-	-	(15)	(114)	(1,800)
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	-	-	-	-	-	-	(1,243)	-	(1,243)
Transferred during the unbundling to 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)
<b>As at 31 December 2010</b>	<b>5,867</b>	<b>264</b>	<b>10,474</b>	<b>560,298</b>	<b>1,370,754</b>	<b>667</b>	<b>416</b>	<b>904,603</b>	<b>2,853,343</b>
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	-	-	-	-	-	-	-	-	-
<b>As at 31 December 2011</b>	<b>5,737</b>	<b>1,438</b>	<b>11,153</b>	<b>537,320</b>	<b>1,330,667</b>	<b>343</b>	<b>172</b>	<b>1,167,417</b>	<b>3,054,247</b>



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

**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:

Shareholders	Share capital At 31 December 2011		Share capital At 31 December 2010	
	(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
<b>Total</b>	<b>635,083,615</b>	<b>100.00</b>	<b>635,083,615</b>	<b>100.00</b>

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	<b>635,083,615</b>	<b>689,515,435</b>	<b>295,767,304</b>	<b>2,744</b>
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	-	(504,331,380)	-	(29,621,084)
Number of shares at the end of the period	<b>635,083,615</b>	<b>635,083,615</b>	<b>295,767,304</b>	<b>295,767,304</b>

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

**6 Borrowings**

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

	<b>Group At 31 December 2011</b>	<b>Company At 31 December 2011</b>	<b>Group At 31 December 2010</b>	<b>Company At 31 December 2010</b>
<b>Non-current borrowings</b>				
Syndicated loan (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	74,194	74,194	88,447	88,447
Loan from the European Bank for Reconstruction and Development, in EUR, to be repaid by 18 February 2025	245,149	245,149	191,521	191,521
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	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
<b>Total non-current borrowings</b>	<b>602,258</b>	<b>602,258</b>	<b>503,164</b>	<b>503,164</b>
<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	13,000	13,000		
Loan from the European Bank for Reconstruction and Development, accrued interest	1,196	1,196	873	873
<b>Total current borrowings</b>	<b>39,908</b>	<b>38,739</b>	<b>45,362</b>	<b>31,828</b>

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

**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:

Group	Grants relating to assets			Total
	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	
<b>Balance at 01 January 2010</b>	<b>71,393</b>	-	-	<b>71,393</b>
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)
<b>Balance at 31 December 2010</b>	<b>27,923</b>	<b>845,034</b>	-	<b>872,957</b>
<b>Balance at 01 January 2010</b>	<b>27,923</b>	<b>845,034</b>	-	<b>872,957</b>
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)
<b>Balance at 31 December 2011</b>	<b>95,016</b>	<b>913,588</b>	-	<b>1,008,604</b>

Company	Grants relating to assets			Viso:
	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	
<b>Balance at 01 January 2010</b>	<b>71,393</b>	-	-	<b>71,393</b>
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)
<b>Balance at 31 December 2010</b>	<b>27,923</b>	<b>845,034</b>	-	<b>872,957</b>
<b>Balance at 01 January 2011</b>	<b>27,923</b>	<b>845,034</b>	-	<b>872,957</b>
Depreciation of property, plant and equipment	(2,109)	(9,626)	-	(11,735)
Grants received	69,167	78,180	26,701	174,048
Emission rights utilised	-	-	(26,701)	(26,701)
<b>Balance at 31 December 2011</b>	<b>94,981</b>	<b>913,588</b>	-	<b>1,008,569</b>

**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:

	<b>Group at 31 December 2011</b>	<b>Company at 31 December 2011</b>
<b>Balance at 01 January 2010</b>	-	-
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
<b>Balance at 31 December 2010</b>	<b>83,189</b>	<b>83,189</b>
<b>Balance at 01 January 2011</b>	<b>83,189</b>	<b>83,189</b>
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
<b>Balance at 31 December 2011</b>	<b>61,931</b>	<b>61,931</b>

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

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

**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.

	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>2010</b>	<b>2010</b>	<b>2010</b>	<b>2010</b>
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	-	-	<b>(1,184)</b>	<b>(48,914)</b>
Profit before tax	-	-	<b>(1,184)</b>	<b>(48,914)</b>
Tax expenses	-	-	(10,427)	-
Gain on disposal of subsidiaries	-	-	5,185	1,314
<b>Profit (loss) for the period from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>(6,426)</b>	<b>(47,600)</b>

**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:

<b>Related parties</b>	<b>Payables and accrued expenses</b>	<b>Receivables and unbilled revenue</b>	<b>Purchases</b>	<b>Disposals</b>
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
<b>Total</b>	<b>12,905</b>	<b>89,217</b>	<b>542,580</b>	<b>1,254,982</b>

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

<b>Related parties</b>	<b>Payables and accrued expenses</b>	<b>Receivables and unbilled revenue</b>	<b>Purchases</b>	<b>Disposals</b>
Subsidiaries of the Company	6,830	24,633	8,529	202,980
Entities controlled by the Ministry of the Energy of the Republic of Lithuania (including subsidiaries of Visagino Atominė Elektrinė UAB)	10,128	81,456	531,212	1,185,664
Visagino Atominė Elektrinė UAB	-	-	-	-
Associates of the Company	226	-	2,175	494
<b>Total</b>	<b>17,184</b>	<b>106,089</b>	<b>541,916</b>	<b>1,389,138</b>

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

<b>Related parties</b>	<b>Payables and accrued expenses</b>	<b>Receivables and unbilled revenue</b>	<b>Purchases</b>	<b>Disposals</b>
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
<b>Total</b>	<b>34,789</b>	<b>144,099</b>	<b>973,572</b>	<b>1,373,475</b>

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

<b>Related parties</b>	<b>Payables and accrued expenses</b>	<b>Receivables and unbilled revenue</b>	<b>Purchases</b>	<b>Disposals</b>
Subsidiaries of the Company	670	20,189	340,256	701,359
Entities controlled by the Ministry of the Energy of the Republic of Lithuania (including subsidiaries of Visagino Atominė Elektrinė UAB)	29,510	80,153	522,066	610,150
Visagino Atominė Elektrinė UAB	28	24	58,266	816
Associates of the Company	118	5,051	2,430	381
<b>Total</b>	<b>30,326</b>	<b>105,417</b>	<b>923,018</b>	<b>1,312,706</b>

**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.

\*\*\*\*\*



**Appendix No. 1. Financial highlights**

millions LTL	2010			2011
	AB Lietuvos Energija*	AB Lietuvos Elektrinė	Joint result**	AB Lietuvos Energija
<b>Revenue, expense and profit indicators</b>				
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
<b>Relative indicators</b>				
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
<b>Electricity sales to suppliers</b>			
Electricity sales to LESTO	3.56	2.22	-38%
Electricity sales to other suppliers	1.54	1.72	12%
<b>Production indicators</b>			
Lithuanian Power Plant	3.032	2.018	-33%
Kruonis Pumped Storage Power Plant	1.894	1.098	-42%
Kaunas Hydroelectric Power Plant	0.721	0.534	-26%
Kaunas Hydroelectric Power Plant	0.417	0.386	-7%
<b>Sales of eligible electricity</b>			
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.