



CONFIRMATION OF RESPONSIBLE PERSONS

26 February 2016 No. 7-310-235

Acting in accordance with Article 22 of the Law on Securities of the Republic of Lithuania and the Rules for Drawing up and Submission of Periodic and Additional Information as approved by Resolution No 03-48 of the Board of the Bank of Lithuania as of 28 February 2013, we, Saulius Bilys, General Manager of AB Amber Grid, and Rimantas Šukys, Financial Director of AB Amber Grid, hereby confirm that, to the best of our knowledge, the attached condensed financial statements of the company AB Amber Grid as of 31 December 2015 drawn up according to International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position, profit or loss and cash flows of AB Amber Grid.

General Manager

Saulius Bilys

Financial Director

Rimantas Šukys

AB AMBER GRID

**CONDENSED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2015
PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION**

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2015

(all amounts are in euro thousand unless stated otherwise)

Statement of financial position

			As of 31 December 2015 (unaudited)	As of 31 December 2014 (audited)
ASSETS				
A. Non-current assets			354,911	319,280
I. Intangible assets			801	653
II. Non-current tangible assets			353,888	318,504
II.1. Land			113	113
II.2. Buildings and structures			285,159	232,469
II.2.1. Buildings			6,544	6,674
II.2.2. Gas transmission pipelines and related installations			273,458	220,227
II.2.3. Gas distribution pipelines and related installations			105	107
II.2.4. Other buildings and structures			5,052	5,461
II.3. Machinery and equipment			60,078	63,415
II.4. Vehicles			1,216	1,365
II.5. Other equipment, tools and devices			4,046	3,749
II.6. Other non-current tangible assets			184	219
II.7. Construction in progress	4		3,092	17,174
III. Non-current financial assets			222	123
III.1. Investment into subsidiary			-	-
III.2. Investment into joint venture	1		222	123
III.3. Non-current accounts receivable			-	-
B. Current assets			98,442	54,024
I. Inventories and prepayments			3,086	7,146
I.1. Inventories			2,949	7,076
I.1.1. Raw materials, spare parts and other inventories			1,170	1,294
I.1.2. Natural gas			1,779	5,777
I.1.3. Assets held for sale			-	5
I.2. Prepayments			137	70
II. Accounts receivable			37,001	30,548
II.1. Trade receivables	5		9,435	6,857
II.2. Other receivables	6		27,566	23,691
III. Other financial assets	7		31,386	14,616
IV. Cash and cash equivalents	8		26,969	1,714
Total assets			453,353	373,304

(cont'd on the next page)

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

COMPANY'S CONDENSED FINANCIAL STATEMENTS



AS OF 31 DECEMBER 2015

(all amounts are in euro thousand unless stated otherwise)

Statement of financial position (cont'd)

			As of 31 December 2015 (unaudited)	As of 31 December 2014 (audited)
EQUITY AND LIABILITIES				
C. Equity			194,664	236,615
I. Authorised share capital			51,731	51,663
II. Reserves			126,955	293,996
II.1. Legal reserve			5,166	5,166
II.2. Other reserves			121,789	288,830
III. Retained earnings			15,978	(109,044)
III.1. Current year profit (loss)			15,978	(113,408)
III.2. Previous year profit (loss)			-	4,364
D. Accounts payable and liabilities			258,689	136,689
I. Amounts payable after one year and non-current liabilities			180,818	77,655
I.1. Non-current borrowings	9		112,889	26,076
I.2. Grants (deferred income)	10		62,885	43,836
I.3. Non-current employee benefits			495	455
I.4. Deferred income tax liability			4,549	7,288
II. Accounts payable within one year and short-term liabilities			77,871	59,034
II.1. Current financial liability	9		-	-
II.2. Current portion of non-current borrowings	9		25,121	13,057
II.3. Current year portion of non-current employee benefits			-	86
II.4. Trade payables	12		8,562	11,590
II.5. Prepayments received			1,261	-
II.6. Income tax payable			316	1,033
II.7. Payroll related liabilities			826	731
II.8. Other payables and current liabilities	13		41,785	32,537
Total equity and liabilities			453,353	373,304

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

General Manager	Saulius Bilys		26 February 2016
Chief Accountant	Dzintra Tamulienė		26 February 2016

COMPANY'S CONDENSED FINANCIAL STATEMENTS



AS OF 31 DECEMBER 2015

(all amounts are in euro thousand unless stated otherwise)

Income statement

	Notes	For the period of three months ended 31 December 2015 (unaudited)	For the period of three months ended 31 December 2014 (unaudited)	For the period of twelve months ended 31 December 2015 (unaudited)	For the period of twelve months ended 31 December 2014 (audited)
I. Revenue	16	17,948	16,009	55,800	51,791
II. Expenses		(10,604)	(155,733)	(40,671)	(187,200)
II.1. Cost of natural gas		(1,154)	(2,689)	(8,603)	(6,426)
II.2. Depreciation and amortization		(3,772)	(5,530)	(14,980)	(21,986)
II.3. Payroll and related social security tax expenses		(2,004)	(2,143)	(7,710)	(7,224)
II.4. Repair and technical maintenance expenses		(2,538)	(2,392)	(6,027)	(6,248)
II.5. Taxes other than income tax		(425)	(379)	(1,493)	(1,462)
II.6. Fixed assets impairment cost		-	(141,937)	-	(141,937)
II.7. Other expenses		(711)	(663)	(1,858)	(1,917)
III. Profit (loss) from operations		7,344	(139,724)	15,129	(135,410)
IV. Financial activity		(37)	(21)	(442)	(594)
IV.1. Income		16	22	65	49
IV.2. Expense		(53)	(43)	(507)	(643)
V. Profit (loss) before tax		7,307	(139,745)	14,687	(136,004)
VI. Income tax	11	(831)	22,097	1,291	22,596
VI.1. Current period income tax		(615)	(387)	(1,448)	(1,266)
VI.2. Deferred income tax on fixed assets impairment cost		-	21,287	-	21,287
VI.3. Other deferred income tax		(216)	1,197	2,739	2,575
VII. Net profit (loss)		6,476	(117,648)	15,978	(113,408)
Basic and diluted earnings per share (euro)		-	-	0.09	(0.64)

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General Manager	Saulius Bilys		26 February 2016
Chief Accountant	Dzintra Tamulienė		26 February 2016

COMPANY'S CONDENSED FINANCIAL STATEMENTS



AS OF 31 DECEMBER 2015

(all amounts are in euro thousand unless stated otherwise)

Statement of comprehensive income

	For the period of three months ended 31 December 2015 (unaudited)	For the period of three months ended 31 December 2014 (unaudited)	For the period of twelve months ended 31 December 2015 (unaudited)	For the period of twelve months ended 31 December 2014 (audited)
I. Net profit (loss)	6,476	(117,648)	15,978	(113,408)
II. Total comprehensive income (loss)	6,476	(117,648)	15,978	(113,408)

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

General Manager	Saulius Bilys		26 February 2016
Chief Accountant	Dzintra Tamulienė		26 February 2016

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2015

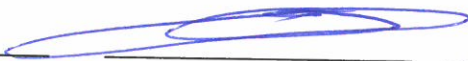

(all amounts are in euro thousand unless stated otherwise)

Statement of changes in equity

	Authorised capital	Legal reserve	Other reserves	Retained earnings	Total
Balance as of 31 December 2013 (audited)	51,663	5,166	288,830	4,364	350,023
Total comprehensive income	-	-	-	(113,408)	(113,408)
<i>Net profit (loss) for the year</i>	-	-	-	(113,408)	(113,408)
Balance as of 31 December 2014 (audited)	51,663	5,166	288,830	(109,044)	236,615
Transfer from other reserves	-	-	(167,041)	167,041	-
Approved dividends				(57,997)	(57,997)
Total comprehensive income	68*	-	-	15,978	15,978
<i>Net profit (loss) for the year</i>	68*	-	-	15,978	15,978
Balance as of 31 December 2015 (unaudited)	51,731	5,166	121,789	15,978	194,664

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

* Result of the conversion of the authorised share capital to the euro.

General Manager	Saulius Bilys		26 February 2016
Chief Accountant	Dzintra Tamulienė		26 February 2016

COMPANY'S CONDENSED FINANCIAL STATEMENTS

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(all amounts are in euro thousand unless stated otherwise)

Statement of cash flows

	31 December 2015 (unaudited)	31 December 2014 (audited)
I. Cash flows from (to) operating activities		
I.1. Net profit (loss)	15,978	(113,408)
Adjustments of non-cash items and other corrections:		
I.2. Depreciation and amortisation	16,316	23,289
I.3. Loss (gain) on property, plant and equipment, doubtful trade accounts receivable and inventories write-off and disposal	(9)	(2)
I.4. Impairment losses (reversal of impairment) for property, plant and equipment, financial assets, allowance for doubtful trade accounts receivable and inventories	12	141,947
I.5. Income tax expenses (income)	(1,291)	(22,596)
I.6. Interest (income)	(12)	(22)
I.7. Interest expenses	393	626
I.8. Amortisation of grants (deferred income)	(1,688)	(1,338)
I.9. Elimination of other non-cash items	52	154
	29,751	28,650
Changes in working capital:		
I.10. Decrease (increase) in inventories	1,634	673
I.11. Decrease (increase) in trade accounts receivable	(2,578)	(2,172)
I.12. Decrease (increase) in other accounts receivable and prepayments	6,087	(1,305)
I.13. Increase (decrease) in trade accounts payable	884	(5)
I.14. Increase (decrease) in other accounts payable and other current liabilities	10,440	2,542
I.15. Decrease (increase) in other financial assets	(16,770)	(1,495)
I.16. Income tax (paid)	(559)	(397)
Total changes in working capital	(862)	(2,159)
Net cash flows from operating activities	28,889	26,491
II. Cash flows from (to) investing activities		
II.1. (Acquisitions) of property, plant and equipment and intangible assets	(52,960)	(17,507)
II.2. Proceeds from sales of property, plant and equipment	10	3
II.3. Acquisition of investments in joint venture	(131)	-
II.4. Acquisition of held-to-maturity investments	-	-
II.5. Sale of held-to-maturity investment	-	-
II.6. Interest received	-	-
II.7. Disposal (acquisition) of other short term investments	12	23
	-	-
Net cash flows (to) investing activities	(53,069)	(17,481)

The accompanying notes are an integral part of these financial statements.
(cont'd on the next page)

COMPANY'S CONDENSED FINANCIAL STATEMENTS



AS OF 31 DECEMBER 2015

(all amounts are in euro thousand unless stated otherwise)

Statements of cash flows (cont'd)

	31 December 2015 (unaudited)	31 December 2014 (audited)
III. Cash flows from (to) financing activities		
III.1. Dividends paid out	(57,870)	-
III.2. Loans received	138,000	-
III.3. Loans (due to be repaid)	(39,123)	(13,057)
III.4. Grants received	9,089	782
III.5. Interest (paid)	(661)	(731)
Net cash flows from (to) financing activities	49,435	(13,006)
IV. Net increase (decrease) in cash and cash equivalents	25,255	(3,996)
V. Cash and cash equivalents at the beginning of the period	1,714	5,710
VI. Cash and cash equivalents at the end of the period	26,969	1,714

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

General Manager	Saulius Bilys		26 February 2016
Chief Accountant	Dzintra Tamulienė		26 February 2016

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2015

(all amounts are in euro thousand unless stated otherwise)

Notes to the Financial Statements

1 General information

AB Amber Grid (hereinafter referred to as the "Company") was registered on 25 June 2013 after the spin-off from AB Lietuvos Dujos of the natural gas transmission activity with respective assets, rights and duties attributed to the activity in question.

The Company's largest shareholder is UAB EPSO-G. UAB EPSO-G is 100-percent-owned by the Republic of Lithuania and is managed by trust by the Ministry of Energy of the Republic of Lithuania. On 21 February 2014, the Ministry of Energy of the Republic of Lithuania, when it was increasing UAB EPSO-G's share capital, transferred 31,575,724 of AB Amber Grid's state-owned ordinary registered non-certificated shares to UAB EPSO-G.

During the second quarter of 2014, the then two major shareholders of the Company sold off their shares held in AB Amber Grid, thus losing their voting rights at the Company:

- On 21 May 2014, E.ON Ruhrgas International GmbH transferred and UAB EPSO-G acquired 69,416,233 ordinary registered non-certificated shares of AB Amber Grid;
-
- On 19 June 2014, as a result of a takeover bid, OAO Gazprom transferred and UAB EPSO-G acquired 66,112,761 ordinary registered non-certificated shares of AB Amber Grid.

As of 31 December 2015, the Company's shareholders were as follows:

	Number of shares owned	Ownership share (percent)
UAB EPSO-G (Company Code 302826889, A.Juozapavičiaus g. 13, Vilnius)	172,279,125	96.58
Other shareholders	6,103,389	3.42
	178,382,514	100.00

The Company's share capital, after the conversion into euros, amounts to EUR 51,730,929.06. It is divided into 178,382,514 ordinary registered shares with par value of EUR 0.29 each.

The Company's authorised share capital was converted into euros as of 1 January 2015 according to the special procedure for the conversion into euros as provided for by legislation governing the authorised share capital conversion procedure. As a result of the conversion the par value per share was found to amount to EUR 0.29, which was then multiplied by the total number of shares and the resulting authorised share capital amount of EUR 51,730,929.06 was approved by the Annual General Meeting of Shareholders as of 23 April 2015 through the introduction of respective amendments into the Bylaws of AB Amber Grid.

As a result of the acquisition of AB Amber Grid's control by UAB EPSO-G, and as a result of subsequent changes in the composition of the Board of Directors as introduced by the Extraordinary General Meeting of Shareholders as of 30 June 2014, the Company's activity and ownership control were effectively unbundled from the natural gas companies engaged in gas production and supply activities.

On 13 January 2015, the National Commission for Energy Control and Prices (hereinafter referred to as the "NCC") stated that AB Amber Grid's transmission activity unbundling was in compliance with provisions of the Law on Natural Gas. On 10 April 2015, upon obtaining of a positive decision from the European Commission, the NCC issued in respect of the Company an open-ended License No. L2-3 (GDP) for the engagement in the Transmission System Operator's activity within the territory of Lithuania. The Company, being engaged in the natural gas Transmission System Operator's activity, provides system users, other operators, and gas market players with the following services:

- transmission of natural gas in the territory of the Republic of Lithuania;
- balancing of flows of natural gas in the transmission system;
- administration of the funds aimed to compensate for the installation and operation of the Liquefied Natural Gas (hereinafter referred to as the "LNG") Terminal, its infrastructure and connector.

1 General information (cont'd)

As of 31 December 2015, the Company was party to 89 natural gas transmission service contracts with natural gas transmission system users (consumers of natural gas, natural gas distribution system operators, natural gas companies which supply gas up to consumer systems). As regards natural gas businesses that trade in natural gas, but do not transmit gas via the Transmission System, the Company had entered with such companies into 3 natural gas balancing agreements.

AB Amber Grid's condensed financial statements; including the financial statements as of 31 December 2015, the profit (loss) accounts, the comprehensive income statements, the cash flow statements and the statement of changes in equity have not been audited. The Company's financial statements as of 31 December 2014 were audited; they were prepared in accordance with International Financial Reporting Standards (IFRS). For a better understanding of the information contained in these condensed financial statements it is highly recommended to read the present AB Amber Grid's condensed financial statements in conjunction with the Company's annual financial statements for the year ended 31 December 2014.

The Company's ordinary registered shares are traded on the regulated market; they are listed on the Secondary Trading List of NASDAQ OMX Vilnius Stock Exchange (ISIN code LT0000128696, instruments AMG1L).

In pursuit of the strategic goal of the development of a competitive regional natural gas market, on 6 November 2015, AB Amber Grid acquired from AB Lietuvos Dujos a 34% stake in UAB GET Baltic. On 6 November 2015, AB Amber Grid and AB Lietuvos Dujos concluded a purchase and sale agreement of the said stake. The value of the aforesaid transaction is EUR 130,832. AB Amber Grid became the largest shareholder of UAB GET Baltic which controls 66% of the authorised share capital. The remaining 34% stake is owned by the Finnish natural gas company, Gasum Oy.

UAB GET Baltic is a company with a valid natural gas market operator's license, whose main function is to organise and develop trade on the Natural Gas Exchange.

The Company's investment in UAB GET Baltic, which is jointly controlled with Gasum Oy, is accounted in the Company's financial statements as of 31 December 2015 by the equity method. According to the exception clause provisions of the Law on Consolidated Financial Statements Article 6 part 1, the subsidiary's financial statements shall not be subject to consolidation because from the Company's point of view they are negligible, as the subsidiary's assets at year-end does not exceed 5 per cent of the assets of the Company and the net turnover during the year does not exceed 5 percent of the Company's sales net income over the same period.

The condensed financial statements as of 31 December 2015 as prepared by UAB GET Baltic in accordance with the International Financial Reporting Standards (IFRS) have not been audited.

2 Accounting principles

1 January 2015 was the day of the introduction of the euro in the Republic of Lithuania. Therefore, starting from this date on, the Company's functional currency was also converted to the euro. The exchange rate that was applied when converting the litas to the euro was equal to LTL 3.4528 litas for EUR 1, which had been irrevocably set by the EU Council.

With the introduction of the euro, the Company converted its accounting data as of 31 December 2014 (that used to be denominated in litas) into euros and recorded the results in the accounts. The conversion result of EUR 68 thousand is shown under the Financial Investment Activities item of the income (loss) statement as of the current period.

The Company's condensed financial statements as of 31 December 2015 were prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The figures in the Company's financial statements are presented in thousand euros. The financial statements were prepared relying on the historical cost basis. The Company's accounting policies are consistent with the accounting principles used in the previous year.

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2015

(all amounts are in euro thousand unless stated otherwise)

3 Information according to segments

The Company is engaged in natural gas transmission activity and operates as one segment. All non-current assets of the Company are located in Lithuania, where the Company carries out its activity.

During the year 2015, the Company earned 76 percent of its revenue from Lithuanian system users and 23 percent of its revenue was received from the transit service, i.e. transportation of gas to the Kaliningrad Region of the Russian Federation.

4 Construction in progress

Major objects of construction in progress of the Company as of 31 December 2015 were as follows:

Object	31 December 2015 (unaudited)	31 December 2014 (audited)
Construction of Klaipėda - Kuršėnai gas transmission pipeline DN800 (Capacity enhancement of Klaipėda - Kiemėnai gas transmission pipeline)	-	15,968
Reconstruction of Panevėžys M&R Station No. 1	-	727
Preparatory works in the territory of the Republic of Lithuania in preparation for the implementation of the Gas Interconnector Poland-Lithuania (GIPL) Project	936	-
Installation of an intelligent pig launcher and receiver on the the Riga-Panevėžys-Vilnius gas transmission pipeline (DN700) on the Lithuanian-Latvian border	800	-
Other	1,356	479
	3,092	17,174

5 Trade receivables

	31 December 2015 (unaudited)	31 2014 (audited)
Gas transmission services receivables	9,417	6,868
Other trade receivables	34	5
Less: allowance for the decrease in value of trade receivables	(16)	(16)
	9,435	6,857

The Company's trade receivables from the system users for natural gas transmission as of 31 December 2015 increased due to the recalculation of the gas transmission in the Kaliningrad Region services price.

The trade receivables do not include any interest, the payment period is 15 calendar days.

6 Other receivables

	31 December 2015 (unaudited)	31 December 2014 (audited)
LNGT funds receivable (administered by the Company)	9,473	17,372
Other receivables	18,093	6,319
Less: allowance for the decrease in value of other receivables	-	-
	27,566	23,691

COMPANY'S CONDENSED FINANCIAL STATEMENTS

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(all amounts are in euro thousand unless stated otherwise)

6 Other receivables (cont'd)

Total accounts receivable of the LNGT-funds include AB Achema's debt of EUR 6,188 thousand. For more information about AB Achema's liabilities see Note 17 "Commitments and contingencies".

Other accounts receivable during the year 2015 increased by EUR 10,757 thousand due to the EU financial assistance under the European Union Facility (CEF) to the Project "Capacity enhancement of Klaipėda - Kiemėnai gas pipeline (Construction of Klaipėda - Kuršėnai gas transmission pipeline)".

7 Other financial assets

Acting in accordance with provisions of the Republic of Lithuania Law on Liquefied Natural Gas Terminal Article 5 part 2, the Company performs the functions of an administrator of the Liquefied Natural Gas Terminal (hereinafter referred to as the "LNGT" - funds). The administration of the LNGT - funds is performed in accordance with the Procedures for the Administration of Funds Aimed to Compensate for the Installation Costs and Fixed Operating Costs of the Liquefied Natural Gas Terminal Facility, its Infrastructure and its Connector as approved by the NCC Resolution No. 03-294 as of 9 October 2012 as subsequently amended (the title was changed by the NCC Resolution No. 03-750 of 23 December 2013 effective from 1 January 2014).

As of 31 December 2015, the Company's Other Financial Assets consisted of the cash received from the natural gas supply security - related extra tariff component added to the natural gas transmission price (surcharge). These funds are aimed to be paid out to the LNGT funds beneficiaries and are kept in a separate bank account opened for the LNGT - funds, which was selected and opened in compliance with applicable legislative requirements. The natural gas supply safety related extra price component was applicable to the natural gas transmission throughout the year 2013 and from 3 December 2014. In pursuance with the NCC Resolution No. 03-895 as of 20 November 2014, starting from the year 2015 onwards, the collected cash amounts, in accordance with the established procedure, are remitted to the designated payee of the LNG terminal funds, AB Klaipėdos Nafta.

8 Cash and cash equivalents

Cash at bank

31 December 2015 (unaudited)	31 December 2014 (audited)
26,969	1,714
26,969	1,714

The Company keeps its cash in bank accounts or (where possible) or (if possible) invests in deposits with the shortest term possible (overnight). The interest rates of the overnight deposits are floating ones. The floating interest rates applied to the overnight deposits depend on EONIA and EURIBOR inter-bank interest rates.

9 Loans**Long-term loans**

Loans from credit institutions of Lithuania
Loan from international financial institutions
Leasing

Short-term loans

Short-term loans
Current portion of long-term loans
Leasing

31 December 2015 (unaudited)	31 December 2014 (audited)
87,889	26,066
25,000	-
-	10
-	-
25,111	13,033
10	24
138,010	39,133

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(all amounts are in euro thousand unless stated otherwise)

9 Loans (cont'd)

To balance its working capital, on 14 May 2014, the Company concluded an overdraft contract with Danske Bank A/S Lithuania branch for the overdraft amount of up to EUR 5,792 thousand. As of 31 December 2015, the overdraft had not been used.

In January of 2015, the Company repaid prior to maturity (refinanced) its loan to Swedbank AB. The funds that were used to refinance the aforesaid loan were acquired via the credit agreement as of 30 December 2014 between the Company and Swedbank AB, for the amount up to EUR 113,000 thousand.

On 19 August 2015, the Company entered into a new long-term loan agreement with the Nordic Investment Bank. The loan is intended for the financing of the Project "Capacity enhancement of Klaipėda - Kiemėnai gas pipeline (Construction of Klaipėda - Kuršėnai pipeline)". Upon the expiration of the term of the loan as provided for by the contract, on 9 September 2015 the Company borrowed EUR 25,000 thousand.

On 22 December 2015, the Company entered into an agreement with the European Investment Bank on the possibility of borrowing of up to EUR 28,000 thousand for the period of up to 20 years. As of 31 December 2015 the loan had not been used. The loan is intended for the financing of the construction under the Project "Capacity enhancement of Klaipėda - Kiemėnai gas pipeline (Construction of Klaipėda - Kuršėnai gas transmission pipeline)".

10 Grants (deferred revenue)

	Deferred revenue	Asset- related grants	Revenue- related grants	Total
Balance as at 31 December 2014	1,604	42,232	-	43,836
Received / receivable	-	20,420	304	20,724
Written off	-	(1)	-	(1)
Depreciation/amortisation	(34)	(1,336)	(304)	(1,674)
Balance as at 31 December 2015	1,570	61,316	-	62,885

In the profit (loss) statement, the depreciation of the asset-related grants, amounting to EUR 1,336 thousand (over the period of 12 months ended 31 December 2014: EUR 1,304 thousand) is presented by cross-covering the costs of depreciation of the related assets with the grant-related revenue.

Grants received/receivable during the year 2015 increased due to the EU grant under the European Union Connecting Europe Facility (CEF) to the Project "Construction of Klaipėda - Kuršėnai gas transmission pipeline" – EUR 19,340 thousand.

11 Income tax

In 2015, the standard corporate income tax rate applicable to the companies of the Republic of Lithuania was 15 per cent (in 2014: 15 per cent). The income tax expenses for the period comprise the current income tax and the deferred income tax.

In accordance with the amendments to the Law on Corporate Income Tax, which provide for a possibility of taking advantage of the corporate income tax relief following investments in new technologies, as at 31 December 2015, the Company has calculated the corporate income tax relief amounting to EUR 1,431 thousand (in 2014: EUR 1,274 thousand).

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2015

(all amounts are in euro thousand unless stated otherwise)

12 Trade payables

	31 December 2015 (unaudited)	31 December 2014 (audited)
Payables to suppliers in according to the Investment Programme(New Construction)	5,142	9,102
Payables to suppliers according to the to the Investment Programme (Reconstruction & Modernisation)	1,182	1,134
Payables to service providers	870	556
Payables to suppliers of repairs of non-current assets	470	410
Payables to suppliers natural gas	898	388
	8,562	11,590

13 Other payables and current liabilities

	31 December 2015 (unaudited)	31 December 2014 (audited)
LNGT funds (administered by the Company) payable	25,794	14,616
Accrued LNGT funds (administered by the Company)*	15,316	17,399
Real Estate Tax (RET) payable	386	332
Value Added Tax (VAT) payable	-	-
Other payables	289	190
	41,785	32,537

*Accrued LNGT funds subject to administration by the Company are accounted when natural gas transmission system users pay them to the Company. Accrued funds subject to administration by the Company are included into the LNGT-funds account when AB Klaipėdos Nafta issues a VAT invoice to the Company in respect of the security-of-supply-related extra tariff component added to the regular natural gas tariff.

14 Earnings per share

Basic earnings per share reflect the Company net income divided by the weighted average number of shares. There are no diluting instruments, therefore basic and diluted earnings per share are equal. Calculations of the basic earnings per share are presented below:

	31 December 2015 (unaudited)	31 December 2014 (audited)
Net profit attributable to the shareholders (in EUR thousand)	15,978	(113,408)
Weighted average number of shares (in thousand)	178,383	178,383
Basic earnings per share (in EUR)	0.09	(0.64)

15 Dividends

On 23 April 2015, the Annual General Meeting of Shareholders, when approving the Company's 2014 profit and loss appropriation, passed a decision for the year 2014 to pay the Company's shareholders dividends in the amount of EUR 58 million (or EUR 0.33 per ordinary registered share with par value of EUR 0.29).

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16 Revenue

	For the period of three months ended 31 December 2015 (unaudited)	For the period of three months ended 31 December 2014 (unaudited)	For the period of twelve months ended 31 December 2015 (unaudited)	For the period of twelve months ended 31 December 2014 (audited)
Transmission of natural gas within the territory of Lithuania	13,828	14,969	49,841	49,797
Revenue from balancing in the transmission system	3,879	991	5,406	1,778
Grants recognised as revenue	183	10	338	36
Revenue from LNGT funds administration	36	24	145	94
Other revenue	22	15	70	86
	17,948	16,009	55,800	51,791

Since 1 January 2015, natural gas is accounted for in energy units for the purposes of payment for transmission services. Due to differences in the quality (calorific value) of the gas delivered to the gas system, a difference in the energy value arises between the gas volumes supplied by PAO Gazprom at the System Entry Point and the gas delivered to the Exit Point in Kaliningrad Region, at which gas transmission quantities are accounted in cubic meters. The current contract with PAO Gazprom under which transportation services provided in 2015 does not stipulate compensation for the energy value differences, therefore, an additional agreement with PAO Gazprom executed on 24 December 2015, under which the energy value difference (imbalance) that arose in 2015 has been compensated. In December 2015 revenues were recalculated and the actual amount of EUR 3,524,000 disclosed in 'Income from balancing in the transmission system' line of Revenues.

Also, under above mentioned additional agreement, gas transportation revenues for 2013 and 2014 have been recalculated, reducing them by EUR 1,065,000 due to the lower actual market prices for natural gas in those periods, as these prices determine transportation costs and prices, after a discount applied to the imported natural gas retrospectively since 2013. The recalculation of revenues performed in December 2015, disclosing it in 'Transmission of natural gas within the territory of Lithuania' line of Revenues.

17 Commitments and contingencies**Litigation**

1. According to the Republic of Lithuania Law on Liquefied Natural Gas Terminal and resolutions adopted by the NCC, natural gas system users that transport natural gas via the gas transmission system, when they pay for gas transmission services shall be also charged an inseparable price component of the natural gas transmission price – an LNGT-related extra tariff (surcharge). In the light of the fact that AB Achema, even though it is a gas transmission system user, has systemically failed to pay the LNGT-related extra tariff (surcharge), AB Lietuvos Dujos, being the administrator of the LNGT-funds, on 12 April 2013, filed a lawsuit with Kaunas Regional Court regarding the payment of the LNGT-related extra tariff (surcharge), award of default interest and the obligation to perform the contract. By the transfer and acceptance certificate as of 1 August 2013 AB Lietuvos Dujos transferred the aforesaid case to AB Amber Grid. On 17 September 2013, AB Amber Grid revised the amount of the claim.

By judgement as of 12 December 2013 the court of first instance granted AB Amber Grid's claim in part – the court awarded the total debt amount as requested and the procedural interest amount; nevertheless, the court reduced the rate of interest to be awarded from the original rate of 0.04 percent to 0.02 percent. AB Achema lodged an appeal, and AB Amber Grid also lodged an appeal concerning the award of interest. The Court of Appeal decided to

17 Litigation (cont'd)

apply to the Constitutional Court of the Republic of Lithuania with a request to investigate whether or not certain individual provisions of the Republic of Lithuania Law on Liquefied Natural Gas Terminal were consistent with the Constitution of the Republic of Lithuania, it also suspended the legal proceedings until the consideration of the aforesaid request by the Constitutional Court of the Republic of Lithuania. At the Constitutional Court session of 17 March 2015, the Constitutional Court examined the case and on 3 April 2015 issued a judgement declaring that neither the provisions on the LNGT-related-extra-tariff-component as provided for by Part 2 of Article 5 of the Law on LNGT, nor any other provisions of the Law on LNGT were found in breach of the Constitution.

On 2 July 2015, the Lithuanian Court of Appeal granted the claim of AB Amber Grid – awarded in full all the debt amount requested, EUR 11,073,428.80, for the period from January 2013 to end August 2013, the procedural interest and the late payment penalty amounting to EUR 488,678.17. In execution of the said judgment, on 9 July 2015, AB Achema paid out to AB Amber Grid EUR 12,953 thousand.

On 6 January 2016 the case was examined by the Supreme Court of the Republic of Lithuania. The verdict is due on 5 February 2016.

2. On 7 March 2014, AB Amber Grid addressed Kaunas Regional Court with a claim requesting to award from AB Achema its debt for the outstanding LNGT-related extra tariff (surcharge) amounting to EUR 3,188,444.81 for the period from 1 September 2013 to 31 December 2013 and to award the default interest for the LNGT-related extra tariff (surcharge) amounting to EUR 108,801.07 (that was not paid in a timely manner) for the said period. On 9 September 2014, a revised claim was filed, which additionally seeks the award of default interest in the amount of EUR 225,741.89. On 2 February 2015, Kaunas Regional Court adjourned the case until the Constitutional Court's verdict on the Lithuanian Court of Appeal's petition regarding the investigation of the compliance of Article 5 part 2 of the Law on the LNGT with the Constitution. At the Constitutional Court Session of 17 March 2015, the Constitutional Court examined the case and on 3 April 2015 gave its ruling stating that neither the LNGT-related extra tariff component provided for by the Law on LNGT Article 5 part 2, nor other provisions of the Law on LNGT were found in breach of the Constitution. On 26 March 2015, a revised claim was filed, which seeks the issuance of an order for the award of additional late payment penalty in the amount of EUR 210,437.36.

On 16 March 2015, AB Amber Grid filed a new claim with Kaunas Regional Court for the award from AB Achema of the debt in the amount of EUR 5,000,654.11 resulting from AB Achema's failure to pay the LNGT funds intended to cover the fixed operating costs of the LNG terminal, its infrastructure and connector (hereinafter referred to as the "additional security of supply-related price component") applicable with effect from 3 December 2014 and late payment penalty in the amount of EUR 68,387.57 for the failure to timely discharge its payment obligations related to the additional security of supply-related price component and 6 percent annual interest from AB Achema. By ruling as of 8 September 2015, the Court merged this case with the case of 7 March 2014. On 29 September 2015, Kaunas District Court granted in full the claim of AB Amber Grid and awarded from AB Achema repayment of the debt in amount of EUR 3,188,444.81 for the period from 1 September 2013 to 31 December 2013, the late payment penalty in amount of EUR 544,980.33, the procedural interest and the debt in amount of EUR 14,720,648.52 for the period from 3 December 2014 to 30 April 2015, the late payment penalty in the amount of EUR 304.823 and the procedural interest.

AB Achema appealed against the aforesaid court judgement. No hearing date has been appointed at the appeal institution.

3. On 19 November 2012, AB Achema addressed Vilnius Regional Administrative Court requesting revocation of Paragraphs 3.1 and 4 of Resolution No 03-317 as of 19 October 2012 "On Setting the Amount of Funds Aimed at Full or Partial Compensation of the Costs of Installation and Operation of the Liquefied Natural Gas Terminal, Infrastructure and Connector Thereof for the Year 2013" and requesting to repeal Paragraph 2 of the NCC's Resolution No 03-330 as of 26 October 2012 "On Adjustment of the Tariff Caps for Natural Gas Transmission and Distribution of AB Lietuvos Dujos and Setting of the Tariff Cap for the Inseparable Component of the Natural Gas Transmission Price (the LNGT-Related Extra Tariff (Surcharge)) for the Year 2013". AB Amber Grid is involved in the proceedings as a third party concerned. The case is heard in the court of first instance. On 13 October 2014, Vilnius Regional Administrative Court decided to apply to the Constitutional Court of the Republic of Lithuania with a request to investigate whether or not certain individual provisions of the Law on Liquefied Natural Gas Terminal were consistent with the Constitution of the Republic of Lithuania, and adjourned the case until the request is considered by the Constitutional Court of the Republic of Lithuania. On 17 March 2015, the Constitutional Court examined the case and on 3 April 2015 issued a ruling stating that neither the LNGT-Related Extra Tariff (Surcharge) as provided for by Article 5 Part 2 of the Law on LNGT, nor other provisions of the Law in question were in conflict

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17 Litigation (cont'd)

with the Constitution. On 28 May 2015, Vilnius Regional Court fully rejected AB Achema's complaint. AB Achema lodged an appeal.

4. On 22 December 2014, AB Achema addressed Vilnius Regional Administrative Court requesting annulment of the NCC Resolution No. O3-895 as of 20 November 2014 "On the Setting of a Price Cap of the Liquefaction of Natural Gas (Natural Gas Supply Security Extra Tariff Component Added to the Natural Gas Transmission Price) for 2015-2019" Paragraphs 1.1, 2.2.1, 2.3 and 3. By court judgement as of 7 July 2015 AB Amber Grid got involved in this case as a third interested party. By a court judgement as of 11 November 2015 the case was suspended. A separate appeal has been lodged.

18 Related party transactions

The parties are considered to be related where one party has a possibility to control the other one or may have a significant influence over the other party when it is making financial and operating decisions.

As of 31 December 2015 and as of 31 December 2014, the related parties of the Company were as follows:

- UAB GET Baltic (a joint venture in which the Company has a shareholding);
- UAB EPSO-G (the parent company);
- UAB LITGRID (co-shareholders);
- UAB Baltpool (a subsidiary of AB LITGRID);
- UAB Tetas (a subsidiary of AB LITGRID);
- UAB Tinklo Priežiūros Centras (a subsidiary of AB LITGRID);
- UAB Duomenų Logistikos Centras (an associated company of AB LITGRID Group);
- Lit Pol Link Sp.z.o.o. (a joint venture co-owned by LITGRID AB and the Polish electricity network operator PSE S.A.);
- The Management.

The tables below present the Company's balances and transactions with the related parties as of 31 December 2015 and as of 31 December 2014.

As of 31 December 2015 (unaudited)	Acquisitions	Sales	Accounts receivable	Accounts payable
UAB GET Baltic	-	6	1	-
	-	6	1	-
As of 31 December 2014 (audited)				
	Acquisitions	Sales	Accounts receivable	Accounts payable
UAB Tetas	3	-	-	2
UAB GET Baltic	300	-	-	-
	303	-	-	2

There were no guarantees either provided or received for receivables from the related parties or for payables to them. As at 31 December 2015, the Company had not accounted any impairment loss allowances for receivables from the related parties.

Benefits to the Management

During the period of 12 months ended 31 December 2015, the Company's benefits to the Management of the Company amounted to EUR 356 thousand (during the period of 12 months ended 31 December 2014: EUR 338 thousand). The Company's Management consists of the Chief Executive Officer (General Manager), his Deputies, and the Chief Accountant. The Management of the Company were not given any loans or guarantees and were not subject to any asset transfers.

19 Subsequent events

In January of 2016, the Company repaid to Swedbank AB before maturity part (EUR 10,000 thousand) of the loan. After the aforesaid repayment, the outstanding amount of the loan to Swedbank AB is EUR 103,000 thousand.

On 5 February 2016, the Supreme Court of Lithuania (SCL) rejected Achema's appeal and upheld the Court of Appeal's decision that had been adopted July 2015 according to which AB Achema had been ordered to repay the debt in the amount of EUR 11.073 million for the so-called LNG Terminal surcharge for the period from January to August of 2013, plus late payment penalty in the amount of EUR 488.7 thousand, plus legal interest, plus litigation costs in the amount of almost EUR 20 thousand.