



**AKCINĖ BENDROVĖ „LIETUVOS DUJOS“
JOINT STOCK COMPANY LIETUVOS DUJOS**

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CONFIRMATION OF RESPONSIBLE PERSONS

27 November 2013 No 7-31-1718

Following Art. 22 of the Law on Securities of the Republic of Lithuania and the Rules for the Drawing up and the Submission of Periodic and Additional Information approved by the Board of the Bank of Lithuania, we, Viktoras Valentukevičius, General Manager and Giedrė Glinskienė, Deputy General Manager-Chief Financial Officer of AB Lietuvos Dujos, hereby confirm that to the best of our knowledge, the attached AB Lietuvos Dujos Condensed Financial Statements for the Nine Months Ended 30 September 2013 Prepared 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 Lietuvos Dujos.

General Manager

Viktoras Valentukevičius

Deputy General Manager-
Chief Financial Officer

Giedrė Glinskienė

AB LIETUVOS DUJOS
CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013
PREPARED ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EU

Statements of financial position

		Company	Company	Group
		As of 30 September 2013 (pre-audited)	As of 31 December 2012 (audited)	As of 31 December 2012 (audited)
	Notes			
ASSETS				
A. Non-current assets		794,831	2,364,314	2,358,438
I. Intangible assets		2,150	2,623	2,624
II. Property, plant and equipment		792,217	2,351,181	2,354,535
II.1. Land		1	388	388
II.2. Buildings and structures		734,603	1,984,871	1,988,018
II.2.1. Buildings		56,235	82,851	85,998
II.2.2. Transmission networks and related installations		-	1,202,474	1,202,474
II.2.3. Distribution networks and related installations		676,246	676,000	676,000
II.2.4. Other buildings and structures		2,122	23,546	23,546
II.3. Machinery and equipment		14,519	250,785	250,785
II.4. Vehicles		10,261	15,376	15,437
II.5. Other equipment, tools and devices		18,327	29,024	29,129
II.6. Other property, plant and equipment		2,837	3,489	3,489
II.7. Construction in progress	5	11,669	67,248	67,289
III. Non-current financial assets		464	10,510	1,279
III.1. Investment into subsidiary	2	-	9,181	-
III.2. Investment into joint venture	1	460	1,320	1,270
III.3. Non-current accounts receivable		4	9	9
B. Current assets		206,709	564,249	569,745
I. Inventories and prepayments		48,732	80,651	80,653
I.1. Inventories		48,191	80,108	80,108
I.1.1. Raw materials, spare parts and other inventories		2,691	6,998	6,998
I.1.2. Goods for resale (including natural gas)	8	45,500	73,110	73,110
I.2. Prepayments		541	543	545
II. Accounts receivable		86,000	204,499	204,530
II.1. Trade receivables	9	83,928	191,352	191,352
II.2. Other receivables		2,072	13,147	13,178
III. Prepaid income tax		4,574	6,682	6,682
IV. Other current assets	10	20,000	160,000	165,423
V. Cash and cash equivalents		47,403	112,417	112,457
Total assets		1,001,540	2,928,563	2,928,183

(cont'd on the next page)

The accompanying notes are an integral part of these financial statements. The Notes to the financial statements are presented according to the restated Statements of financial position given in the Note 4.

CONDENSED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

(all amounts are in LTL thousand unless otherwise stated)

Statements of financial position (cont'd)

		Company As of 30 September 2013 (pre-audited)	Company As of 31 December 2012 (audited)	Group As of 31 December 2012 (audited)
	Notes			
EQUITY AND LIABILITIES				
C. Equity		680,035	2,058,261	2,057,846
I. Share capital		290,686	469,068	469,068
II. Reserves		357,082	1,513,229	1,513,844
II.1. Legal reserve		29,069	43,692	43,884
II.2. Other reserves		328,013	1,469,537	1,469,960
III. Retained earnings		32,267	75,964	74,934
D. Liabilities		321,505	870,302	870,337
I. Non-current liabilities		171,147	567,036	567,057
I.1. Non-current borrowings		-	180,000	180,000
I.2. Grants (deferred revenue)		133,525	230,805	230,805
I.3. Non-current employee benefits		7,964	9,097	9,097
I.4. Deferred tax liability		29,658	147,134	147,155
II. Current liabilities		150,358	303,266	303,280
II.1. Current portion of non-current borrowings		-	2,144	2,144
II.2. Trade payables	12	93,013	238,943	238,947
II.3. Prepayments received		27,827	9,738	9,739
II.4. Payroll related liabilities		10,814	11,052	11,056
II.5. Other payables and current liabilities	13	18,704	41,389	41,394
Total equity and liabilities		1,001,540	2,928,563	2,928,183

The accompanying notes are an integral part of these financial statements. The Notes to the financial statements are presented according to the restated Statements of financial position given in the Note 4.

General Manager	Viktoras Valentukevičius		27 November 2013
Chief Accountant	Žydrūnas Augutis		27 November 2013

Income statements

	Company		Group		Company		Group	
	Three months period ended 30 September 2013 (pre-audited)	Three months period ended 30 September 2012 (pre-audited, restated*)	Three months period ended 30 September 2013 (pre-audited, restated*)	Three months period ended 30 September 2012 (pre-audited, restated*)	Nine months period ended 30 September 2013 (pre-audited)	Nine months period ended 30 September 2012 (pre-audited, restated*)	Nine months period ended 30 September 2013 (pre-audited, restated*)	Nine months period ended 30 September 2012 (pre-audited, restated*)
	Notes							
I. Revenue		235,799	305,652	305,789	1,108,868	1,220,016	1,220,300	
I.1. Sales		234,715	304,741	304,873	1,105,483	1,217,107	1,217,386	
I.2. Other income		1,084	911	916	3,385	2,909	2,914	
II. Expenses		(244,726)	(304,694)	(304,842)	(1,075,186)	(1,179,585)	(1,180,623)	
II.1. Cost of natural gas		(203,411)	(265,623)	(265,623)	(953,806)	(1,063,686)	(1,063,686)	
II.2. Other expenses		(41,315)	(39,071)	(39,219)	(121,380)	(115,899)	(116,937)	
III. Operating profit		(8,927)	958	947	33,682	40,431	39,677	
IV. Financial activity		186	282	303	619	1,513	1,554	
IV.1. Income		251	283	306	1,237	1,515	1,558	
IV.2. Expense		(65)	(1)	(3)	(618)	(2)	(4)	
V. Profit before tax		(8,741)	1,240	1,250	34,301	41,944	41,231	
VI. Income tax	11	3,025	2,531	2,529	(2,034)	(2,770)	(3,391)	
VI.1. Current period income tax		1,158	2,327	2,327	(5,074)	(4,091)	(4,091)	
VI.2. Deferred income tax		1,867	204	202	3,040	1,321	700	
VII. Net profit from continuing operations		(5,716)	3,771	3,779	32,267	39,174	37,840	
VIII. Net profit from discontinued operations	7	(1,032)	7,944	7,941	9,996	20,821	20,818	
IX. Net profit total		(6,748)	11,715	11,720	42,263	59,995	58,658	
Basic and diluted earnings per share (LTL)	14	(0.017)	0.025	0.025	0.104	0.128	0.125	
Basic and diluted earnings per share (LTL) from continuing operations		(0.014)	0.008	0.008	0.080	0.094	0.081	

* Information has been restated by reflecting the transmission activity of the Group and the Company as discontinued operations, see Note 7 in the Notes to the financial statements. The accompanying notes are an integral part of these financial statements.


General Manager Viktoras Valentukevičius 27 November 2013


Chief Accountant Žydrūnas Augutis 27 November 2013

Statements of comprehensive income

	Company Three months period ended 30 September 2013 (pre-audited)	Company Three months period ended 30 September 2012 (pre-audited)	Group Three months period ended 30 September 2012 (pre-audited)	Company Nine months period ended 30 September 2013 (pre-audited)	Company Nine months period ended 30 September 2012 (pre-audited)	Group Nine months period ended 30 September 2012 (pre-audited)
I. Net profit	(6,748)	11,715	11,720	42,263	59,995	58,658
II. Total comprehensive income	(6,748)	11,715	11,720	42,263	59,995	58,658

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

General Manager Viktoras Valentukevičius  27 November 2013

Chief Accountant Žydrūnas Augutis  27 November 2013

CONDENSED FINANCIAL STATEMENTS



FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

(all amounts are in LTL thousand unless otherwise stated)

Statements of changes in equity

<u>Company</u>	<u>Notes</u>	<u>Share capital</u>	<u>Legal reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>
Balance as of 1 January 2012 (audited)		469,068	38,908	1,450,635	95,686	2,054,297
Transfer to legal reserves		-	4,784		(4,784)	-
Transfer to other reserves		-	-	18,902	(18,902)	-
Dividends declared		-	-	-	(72,000)	(72,000)
Total comprehensive income		-	-	-	59,995	59,995
<i>Net profit for the year</i>		-	-	-	59,995	59,995
Balance as of 30 September 2012 (pre-audited)		469,068	43,692	1,469,537	59,995	2,042,292
Balance as of 31 December 2012 (audited)		469,068	43,692	1,469,537	75,964	2,058,261
Transfer from other reserves		-	-	(160,000)	160,000	-
Transfer to legal reserves		-	3,215	-	(3,215)	-
Transfer to other reserves		-	-	15,749	(15,749)	-
Dividends declared	15	-	-	-	(217,000)	(217,000)
Total comprehensive income		-	-	-	42,263	42,263
<i>Net profit for the year</i>		-	-	-	42,263	42,263
Unbundling of transmission activity	7	(178,382)	(17,838)	(997,273)	(9,996)	(1,203,489)
Balance as of 30 September 2013 (pre-audited)		290,686	29,069	328,013	32,267	680,035

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

General Manager	Viktoras Valentukevičius		27 November 2013
Chief Accountant	Žydrūnas Augutis		27 November 2013

CONDENSED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

(all amounts are in LTL thousand unless otherwise stated)

Statements of cash flows

	Notes	Company	Company	Group
		Nine months period ended 30 September 2013 (pre-audited)	Nine months period ended 30 September 2012 (pre-audited)	Nine months period ended 30 September 2012 (pre-audited)
I. Cash flows from (to) operating activities				
I.1. Net profit		42,263	59,995	58,658
Adjustments of non-cash items and other corrections:				
I.2. Depreciation and amortisation		75,406	85,503	85,660
I.3. Loss (gain) on property, plant and equipment, doubtful trade accounts receivable and inventories write-off and disposal		(250)	(191)	110
I.4. Impairment losses (reversal of impairment) for property, plant and equipment, financial assets, allowance for doubtful trade accounts receivable and inventories		2,026	1,202	1,208
I.5. Income tax expenses		(257)	(1,989)	(1,368)
I.6. Interest (income)		(675)	(879)	(922)
I.7. Interest expenses		1,648	165	165
I.8. (Amortisation) of the grants (deferred revenue)		(4,351)	(4,177)	(4,177)
I.9. Elimination of other non-cash items		235	(8)	(8)
		116,045	139,621	139,326
Changes in working capital:				
I.10. Decrease (increase) in inventories		5,004	(3,631)	(3,620)
I.11. Decrease (increase) in trade accounts receivable		97,436	60,381	60,374
I.12. Decrease (increase) in other accounts receivable and prepayments		(40,735)	(288)	(295)
I.13. Increase (decrease) in trade accounts payable		(114,853)	(96,624)	(96,628)
I.14. Increase (decrease) in other accounts payable and other current liabilities		64,301	(17,107)	(17,126)
I.15. (Increase) decrease of other financial assets		(27,302)	-	-
I.16. Income tax (paid)		(3,530)	(4,406)	(4,406)
Total changes in working capital		(19,679)	(61,675)	(61,701)
Net cash flows from operating activities		96,366	77,946	77,625
Therein net cash flows from operating activities from discontinued operations		58,663	87,464	87,464
II. Cash flows from (to) investing activities				
II.1. (Acquisitions) of property, plant and equipment and intangible assets		(111,438)	(77,176)	(77,184)
II.2. Proceeds from sales of property, plant and equipment		353	337	3,842
II.3. (Acquisition) of investment in joint venture		-	(1,320)	(1,320)
II.4. Proceeds from investment into subsidiary		5,407	-	-
II.5. Decrease (increase) in term deposits		102,264	-	(3,447)
II.6. Receipt of non-current receivables and loans granted		5	-	-
II.7. Interest received		856	1,226	1,270
II.8. Disposal (acquisitions) of other short term investments		37,736	30,000	30,000
II.9. Cash transferred to AB Amber Grid due to unbundling of transmission activity	7	(10,860)	-	-
Net cash flows (to) investing activities		24,323	(46,933)	(46,839)
Therein net cash flows (to) investing activities from discontinued operations		(76,248)	(25,728)	(25,728)

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

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CONDENSED FINANCIAL STATEMENTS


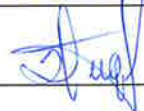
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

(all amounts are in LTL thousand unless otherwise stated)

Statements of cash flows (cont'd)

	Company	Company	Group
	Nine months period ended	Nine months period ended	Nine months period ended
	30 September 2013	30 September 2012	30 September 2012
	(pre-audited)	(pre-audited)	(pre-audited)
III. Cash flows from (to) financing activities			
III.1. Dividends (paid)	(216,825)	(72,045)	(72,045)
III.2. Loans (repaid)	(1,072)	(1,072)	(1,072)
III.3. Grants received	33,850	13,900	13,900
III.4. Interest (paid)	(1,656)	(132)	(132)
Net cash flows (to) financing activities	(185,703)	(59,349)	(59,349)
Therein net cash flows (to) financing activities from discontinued operations	7,532	(51,736)	(51,736)
IV. Net increase (decrease) in cash and cash equivalents	(65,014)	(28,336)	(28,563)
V. Cash and cash equivalents at the beginning of the period	112,417	95,569	95,884
VI. Cash and cash equivalents at the end of the period	47,403	67,233	67,321

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

General Manager	Viktoras Valentukevičius		27 November 2013
Chief Accountant	Žydrūnas Augutis		27 November 2013

CONDENSED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

(all amounts are in LTL thousand unless otherwise stated)

Notes to the financial statements

1 General information

As UAB Palangos Perlas is liquidated, AB Lietuvos Dujos does not prepare the consolidated financial statements of the Group as of 30 September 2013 and is only submitting the condensed financial statements of the Company for the nine months ended 30 September 2013. An investment into joint venture – UAB GET Baltic is accounted in the financial statements of the Company as of 30 September 2013 by the equity method.

The condensed financial statements of the Company, including the statements of financial position as of 30 September 2013 and the income statements, statements of comprehensive income, statements of cash flows and statements of changes in equity for the nine months ended 30 September 2013, and the condensed financial statements of the Group and the Company, including the income statements, statements of comprehensive income, statements of cash flows and statements of changes in equity for the nine months ended 30 September 2012, have not been audited. The consolidated financial statements of AB Lietuvos Dujos, its subsidiary UAB Palangos Perlas, and the joint-venture UAB GET Baltic, which is jointly controlled with the Finnish natural gas company Gasum Oy, (hereinafter referred to as „the Group“) as of 31 December 2012 and the financial statements of the Company as of 31 December 2012 have been audited and have been prepared in accordance with the International Financial Reporting Standards (IFRS). In order to better understand the information set forth in these financial statements, these condensed financial statements should be read together with the consolidated and the Company's annual financial statements of 2012.

The Company's shares are traded on the NASDAQ OMX Vilnius stock exchange on the Main trade list.

2 Other material information

In accordance with the Law on Natural Gas and the Law on the Implementation to the Law on Natural Gas, which are transposing the provisions of the 3rd Energy Package of the European Union to national law and other associated subordinate legal acts, the Company implemented the unbundling of the natural gas transmission activity. The actions related to the spin-off of the natural gas transmission activity, which have been completed by the Company, are described in detail in the annual Consolidated and Parent Company's financial statements 2012. On 11 June 2013, the extraordinary general meeting of the AB Lietuvos Dujos shareholders adopted the AB Lietuvos Dujos Unbundling Terms (hereinafter – Terms) and decided, according to the conditions provided for in the aforementioned Terms to unbundle from AB Lietuvos Dujos, which continues its activity, its portion (the natural gas transmission activity of AB Lietuvos Dujos) and to establish the new company Amber Grid on the bases of assets, rights, and obligations attributable to this portion. On 25 June 2013, the reduction of the AB Lietuvos Dujos authorized capital and the authorized capital of the AB Amber Grid were registered with the Register of Legal Entities. The Company's final spin-off balance sheet has been prepared as of 31 July 2013 and is indicating the assets, equity and liabilities transferred to the unbundled AB Amber Grid. On 1 August 2013, the assets, rights and obligations related to the transmission activity were transferred to AB Amber Grid by a Transfer-Acceptance Deed.

In accordance with the provisions of the Law on Natural Gas and other legal acts of the Republic of Lithuania regarding the spin-off of the distribution activity, on 28 May 2012, the extraordinary general meeting of shareholders of the Company adopted the decision to implement the unbundling of the Company's distribution activity by establishing the Company's subsidiary and by transferring to this subsidiary the Company's natural gas distribution activity (the complex of assets) with the assets, rights and obligations related thereto as a contribution-in-kind for the shares of the subsidiary within the time limits set by legal acts. On 30 October 2013, the AB Lietuvos Dujos Board of Directors adopted the decision to establish the subsidiary with the authorized capital amounting to LTL 1,000,000 (one million), the legal form of which is a private joint-stock company, to which the Company's natural gas distribution activity with the assets, rights and obligations related thereto will be transferred later on. In accordance with legal acts, the decision of the extraordinary general meeting of shareholders of the Company of 28 May 2012 and the Description of the Method for the Unbundling of the Natural Gas Transmission Activity and Control and the Method for the Unbundling the Natural Gas Distribution Activity with the plans of actions, which were adopted by the decision of the Company's Board of Directors of 28 May 2012, the legal, functional and organizational unbundling of the distribution activity should be completed not later than 31 October 2014.

On 30 January 2013, the AB Lietuvos Dujos Board of Directors adopted the decision to liquidate up the subsidiary UAB Palangos Perlas. In May 2013, all the assets of the subsidiary UAB Palangos Perlas were transferred to the Company: non-current assets totalling LTL 3,398 thousand and the cash totalling LTL 5,407 thousand. On 8 August 2013 UAB Palangos Perlas was liquidated up and removed from the Register of the Legal Entities.

3 Accounting principles

The Company's condensed financial statements as of 30 September 2013 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting.

From 1 January 2013 to 31 July 2013, the Company, in implementation the provisions of the Law on the Liquefied Natural Gas Terminal (hereinafter referred to as "the LNGT") and other subordinate legal acts, were collecting and administering the LNGT funds. In the collection and administration of the LNGT funds, the Company acted only as an intermediary and this activity did not generate any revenue / profit in the process of the ordinary activities of the Company. Since 31 July 2013, the LNGT funds have been administered by AB Amber Grid, which was established on the basis of the transmission activity unbundled from the Company.

Other accounting principles adopted in preparing the condensed financial statements for the nine months period ended 30 September 2013 were the same as these used for preparing the financial statements for 2012 according to the IFRS, as adopted in the European Union.

CONDENSED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

(all amounts are in LTL thousand unless otherwise stated)

4 Statements of financial position (restated)

To compare the data of statements of financial position as of 30 September 2013 and as of 31 December 2012, the statements of financial position as of 31 December 2012 presented herein have been restated so that they are separately indicating the aggregated data of the transmission activity (equivalent to discontinued operations) and the data of the Company's continuing operations. In the following Notes to the financial statements the values of corresponding items of statement of financial position as of 30 September 2013 are compared to the values of the restated statements of financial position as of 31 December 2012.

	Notes	Company	Company	Group
		As of 30 September 2013 (pre-audited)	As of 31 December 2012 (restated)	As of 31 December 2012 (restated)
ASSETS				
A. Non-current assets		794,831	796,132	790,256
I. Intangible assets		2,150	2,371	2,372
II. Property, plant and equipment		792,217	783,891	787,245
II.1. Land		1	1	1
II.2. Buildings and structures		734,603	732,723	735,870
II.2.1. Buildings		56,235	54,999	58,146
II.2.2. Distribution networks and related installations		676,246	675,613	675,613
II.2.3. Other buildings and structures		2,122	2,111	2,111
II.3. Machinery and equipment		14,519	14,721	14,721
II.4. Vehicles		10,261	10,245	10,306
II.5. Other equipment, tools and devices		18,327	20,044	20,149
II.6. Other property, plant and equipment		2,837	3,130	3,130
II.7. Construction in progress	5	11,669	3,027	3,068
III. Non-current financial assets		464	9,870	639
III.1. Investment into subsidiary	2	-	9,181	
III.2. Investment into joint venture	1	460	680	630
III.3. Non-current accounts receivable		4	9	9
B. Current assets		206,709	476,460	481,956
I. Inventories and prepayments		48,732	54,387	54,389
I.1. Inventories		48,191	53,844	53,844
I.1.1. Raw materials, spare parts and other inventories		2,691	1,487	1,487
I.1.2. Goods for resale (including natural gas)	8	45,500	52,357	52,357
I.2. Prepayments		541	543	545
II. Accounts receivable		86,000	173,887	173,918
II.1. Trade receivables	9	83,928	173,542	173,542
II.2. Other receivables		2,072	345	376
III. Prepaid income tax		4,574	6,682	6,682
IV. Other current assets	10	20,000	150,000	155,423
V. Cash and cash equivalents		47,403	91,504	91,544
C. Assets of transmission activity (discontinued operations)		-	1,655,971	1,655,971
Total assets		1,001,540	2,928,563	2,928,183

4 Statements of financial position (restated, cont'd)

	Notes	Company	Company	Group
		As of 30 September 2013 (pre-audited)	As of 31 December 2012 (restated)	As of 31 December 2012 (restated)
EQUITY AND LIABILITIES				
D. Equity		680,035	2,058,261	2,057,846
I. Share capital		290,686	290,686	290,686
II. Reserves		357,082	505,346	505,961
II.1. Legal reserve		29,069	25,853	26,045
II.2. Other reserves		328,013	479,493	479,916
III. Retained earnings		32,267	47,006	45,976
IV. Equity of transmission activity (discontinued operations)		-	1,215,223	1,215,223
E. Liabilities		321,505	870,302	870,337
I. Non-current liabilities		171,147	172,441	172,462
I.1. Grants (deferred revenue)		133,525	131,908	131,908
I.2. Non-current employee benefits		7,964	7,836	7,836
I.3. Deferred tax liability		29,658	32,697	32,718
II. Current liabilities		150,358	257,113	257,127
II.1. Trade payables	12	93,013	196,576	196,580
II.2. Prepayments received		27,827	9,738	9,739
II.3. Payroll related liabilities		10,814	9,924	9,928
II.4. Other payables and current liabilities	13	18,704	40,875	40,880
III. Liabilities of transmission activity (discontinued operations)		-	440,748	440,748
Total equity and liabilities		1,001,540	2,928,563	2,928,183

5 Construction in progress

Increase in the Company's construction in progress for the nine months period 2013 is amounting to LTL 8,642 thousand due to the commenced projects of construction of the distribution system (of which LTL 5,340 thousand increase is caused by the in progress project of upgrading the safety and supply reliability of the distribution system of the city of Klaipeda, which means the construction of the high pressure distribution pipeline and the interconnection of the Klaipeda Gas Distribution Station-2 and the distribution system of the city of Klaipeda). It is planned that the largest share of these projects will be accomplished by the end of the current year.

6 Segment information

The Company's business activities are organised based on the legal requirements for regulated activities. These activities are used to identify operating segments. The accounting principles used for in the segment accounting are the same as for the financial accounting of the Company.

Up to 31 July 2013 the Company had three main operating segments: natural gas transmission, distribution and supply, as well as segment of other activity:

- Transmission of natural gas comprises the transportation of natural gas through the transmission pipelines (discontinued operations). The transmission activity also includes transit of natural gas to the district of Kaliningrad of the Russian Federation. On 31 July 2013, the segment of the transmission activity complies with the criteria of the discontinued operations indicated by the IFRS. Information regarding the discontinued operations is presented in Note 7.
- Distribution of natural gas comprises the transportation of natural gas through the distribution gas pipelines;
- Supply of natural gas comprises the natural gas sales to end users;
- Other activity comprises other activity not related to main business.

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6 Segment information (cont'd)

On 31 July 2013, the natural gas transmission activity (the transmission activity segment) which was previously carried out by the Company was unbundled from the Company. In the income statements of the Company, the transmission activity which was carried out by the Company is referred to as "discontinued operations" (Note 7).

The Company's segment information for the periods ended 30 September 2013 and 30 September 2012 is presented below:

Nine months period ended 30 September 2013 (pre-audited)	Transmission (discontinued operations)*	Distribution	Supply	Other activity	Total
Sales	93,077	113,732	990,446	1,305	1,198,560
Profit before tax	7,705	(2,829)	36,526	604	42,006

Nine months period ended 30 September 2012 (pre-audited)	Transmission (discontinued operations)	Distribution	Supply	Other activity	Total
Sales	120,935	124,323	1,091,718	1,066	1,338,042
Profit before tax	16,062	18,309	23,058	577	58,006

*Information indicated data until the moment of the spin-off of the natural gas transmission activity: until 31 July 2013.

In the nine months of 2013 and in the nine months of 2012 the Company earned over 98 % of its revenue from Lithuanian customers. From 31 July 2013, upon unbundling from the Company the transmission activity assets, rights and obligations and transferring them to AB Amber Grid, all the revenue of the Company is earned from Lithuanian customers.

All the assets of the Company are allocated in the territory of Lithuania where the Company are operating, except for a part of natural gas accounted for in inventories and stored in Latvia gas storage.

7 Discontinued operations

In accordance with the provisions of the 3rd Energy Package of the European Union regarding the spin-off of the transmission activity, the transmission activity assets, rights and obligations related to the share of activity, which is unbundled from the Company, as of 31 July 2013 were transferred to the new AB Amber Grid company established during the spin-off procedure. All the revenue earned and expenses incurred from the transmission activity for 2013 have been assigned to discontinued operations.

The results of the natural gas transmission activity of the Company:

	Nine months period ended 30 September 2013 (pre-audited)*	Nine months period ended 30 September 2012 (pre-audited, restated)
Sales	93,077	120,935
Other income	1,973	1,902
Expenses	(85,698)	(106,757)
Operating profit	9,352	16,080
Financial activity	(1,647)	(18)
Profit from discontinued operations before tax	7,705	16,062
Income tax	2,291	4,759
Current period income tax	(582)	(78)
Deferred income tax	2,873	4,837
Net profit from discontinued operations	9,996	20,821

*The revenue earned and the expenses incurred from the transmission activity for the seven months 2013, until the completion of the spin-off of the natural gas transmission activity on 31 July 2013.

7 Discontinued operations (cont'd)

Earnings per share:

	Nine months period ended 30 September 2013 (pre-audited)	Nine months period ended 30 September 2012 (pre-audited)
Net profit attributable to the shareholders (in LTL thousand)	9,996	20,821
Weighted average number of shares in thousand	405,034	469,068
Basic earnings per share from discontinued operations (in LTL)	0.025	0.044

The reconciliation of the total net cash flows of the discontinued operations:

	Nine months period ended 30 September 2013 (pre-audited)	Nine months period ended 30 September 2012 (pre-audited)
Cash and cash equivalents at the beginning of the period	20,913	-
Net cash flows from operating activities	58,663	87,464
Net cash flows (to) investing activities	(76,248)	(25,728)
Net cash flows from (to) financial activities	7,532	(51,736)
Cash transferred to AB Amber Grid due to the unbundling of the transmission activity	(10,860)	-
Cash and cash equivalents at the end of the period	-	10,000

8 Goods for resale (including natural gas)

As of 30 September 2013, the accounting value of the natural gas stocks of the Company amounted to LTL 45,500 thousand (as of 31 December 2012, the accounting value of natural gas stocks of the Company amounted to LTL 52,357 thousand). As of 30 September 2013, the balance of natural gas decreased due to the lower volumes of natural gas stored in Latvia gas storage and due to the lower natural gas import price.

9 Trade receivables

	Company 30 September 2013 (unaudited)	Company 31 December 2012
Receivables for natural gas supply and distribution from non-household customers	83,795	162,847
Receivables for natural gas supply and distribution from household customers	9,371	18,648
Other trade receivables	191	513
Less: allowance for accounts receivable	(9,429)	(8,466)
	83,928	173,542

The Company's trade receivables for natural gas supply and distribution from non-household and household customers as of 30 September 2013 decreased due to the lower volumes of natural gas consumed, lower sales price and due to the consumers' past due debt repaid at the beginning of the January 2013.

10 Other current assets

As of 30 September 2013 the Company's other current assets consisted of the investments into debt securities amounting to LTL 20.000 thousand. As of 31 December 2012 the Company's other current assets consisted of LTL 57,736 thousand of debt securities and LTL 92,264 thousand term deposits. The term of term deposits is 3-12 months.

11 Income tax

Income tax rate of 15 % is used for the profit of the year 2013 and 2012.

12 Trade payables

	<u>Company</u> 30 September 2013 m. (un-audited)	<u>Company</u> 31 December 2012 m.
Suppliers of natural gas	75,428	189,851
Other	17,585	6,725
	<u>93,013</u>	<u>196,576</u>

As of 30 September 2013 the Company's trade payables decreased due to the lower volumes of natural gas bought and the lower import price. The Company's other trade payables as of 30 September 2013 increased comparing to 31 December 2012 mainly due increased payables to contractors for construction and reconstruction works.

13 Other payables and current liabilities

As of 30 September 2013 the Company's other payables and current liabilities amounted to LTL 18,704 thousand (as of 31 December 2012 - LTL 40,875 thousand respectively). The other payables and current liabilities as of 30 September 2013 saw a significant decrease, which mainly came as a result of the decreased VAT payable.

14 Earnings per share

Basic earnings per share reflect the Company's and the Group's 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:

	<u>Company</u> Nine months period ended 30 September 2013 (pre-audited)	<u>Company</u> Nine months period ended 30 September 2012 (pre-audited)	<u>Group</u> Nine months period ended 30 September 2012 (pre-audited)
Net profit attributable to the shareholders (in LTL thousand)	42,263	59,995	58,658
Weighted average number of shares in thousand	405,034	469,068	469,068
Basic earnings per share (in LTL)	<u>0.104</u>	<u>0.128</u>	<u>0.125</u>

15 Dividends

During the regular general shareholders' meeting on 25 April 2013, when approving the Company's 2012 profit and loss appropriation, the decision was made to pay to shareholders dividends in the amount of LTL 217 million (LTL 0.463 per ordinary registered share with the par value of LTL 1 per share) taking into account the redistribution of reserves formed in the previous year.

16 Commitments and contingencies

Legal disputes

On 25 March 2011 the Ministry of Energy of the Republic of Lithuania, which holds 17.7 percent of the Company's shares by the right of trust, applied to Vilnius Regional Court with an action for an investigation of activities of a legal person and indicated AB Lietuvos Dujos, the Company's board members delegated by OAO Gazprom and the general manager as defendants. This action requests initiation of an investigation of AB Lietuvos Dujos activities and satisfaction of the respective claims specified in the action, provided that the activities of the company AB Lietuvos Dujos and/or the above board members and/or the general manager are found inadequate. Following the investigation of the action regarding the initiation an investigation of activities of a legal person lodged by the claimant, the Ministry of Energy of the Republic of Lithuania, the Vilnius Regional Court by its ruling as of 3 September 2012 granted the claim and decided to start investigation of the AB Lietuvos Dujos activities. The Company lodged an appeal against the ruling of the Court of First Instance with the Court of Appeal of the Republic of Lithuania. The Court of Appeal of the Republic of Lithuania upheld the ruling of the Vilnius Regional Court. On 29 April 2013, the Company lodged a cassation appeal with the Lithuanian Supreme Court requesting reversal on appeal of the judgment of the Lithuanian Court of Appeal as of 21 February 2013 and requesting that the action brought by the plaintiff be either left unconsidered or dismissed altogether. On 20 November 2013, the Lithuanian Supreme Court rendered a judgment to suspend the lawsuit unless the issue of acknowledgement of the decision of the Arbitration Institute of the Stockholm Chamber of Commerce (hereinafter referred to as "the Arbitration Decision") is settled and the permit to satisfy the Arbitration Decision is given. The Arbitration Decision indicates that the courts of the Republic of Lithuania are entitled consider the lawsuit regarding the investigation of activities of AB Lietuvos Dujos. However, all the issues related to the natural gas supply and transit to the district of Kaliningrad, including prices and tariffs shall be subject to the exclusive competence of Arbitration. While examining the issue of acknowledgement of the Arbitration Decision, the Lithuanian Supreme Court appealed to the Court of Justice of the European Union requesting to award a preliminary (explanatory) judgement regarding the interpretation and application of the legal rules related to the acknowledgement of the Arbitration Decision. The outcome of the case is uncertain and can not be reasonably estimated.

On 19 November 2012 AB Achema appealed to the Vilnius Regional Administrative Court requesting revocation of items 3.1 and 4 of resolution No. O3-317 of 19 October 2012 "On fixing the fund amount to compensate in full or in part for the costs of the construction and operation of the Liquefied Natural Gas Terminal, its infrastructure and connector in the year 2013" and requesting repeal of the item 2 of the National Control Commission for Prices and Energy (hereinafter referred to as "NCCPE") Resolution No. O3-330 of 26 October 2012 "On the adjustment of AB Lietuvos Dujos natural gas transmission and distribution price caps and introduction of the complementary and inseparable component of the natural gas transmission price cap (the LNGT mark-up) for the year 2013". On 29 January 2013, by a court order AB Lietuvos Dujos was involved into the judicial dispute as an interested third party. On 1 August 2013, implementing the unbundling of the natural gas transmission activity, the aforesaid case was transferred by AB Lietuvos Dujos to AB Amber Grid by a Transfer-Acceptance Deed.

Implementing the legislation and as an administrator of LNGT funds, since 1 January 2013, the Company has been collecting the LNGT funds from all the natural gas system users through the application of the LNGT mark-up set up by the NCCPE. In view of the fact that Achema, which is a transmission system operator, has been systematically failing to pay the LNGT mark-up, on 12 April 2013, the Company, being the administrator of the LNGT funds, lodged a complaint with the Kaunas Regional Court regarding the payment of the LNGT mark-up, default interest and the obligation to perform the contract. On 1 August 2013, implementing the unbundling of the natural gas transmission activity, the aforesaid case was transferred by AB Lietuvos Dujos to AB Amber Grid by a Transfer-Acceptance Deed.

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17 Related party transactions

The parties are considered related when one party has the possibility to control the other one or have significant influence over the other party in making financial and operating decisions.

The related parties of the Company, transaction amounts and debts as of 30 September 2013 and 30 September 2012 were as follows:

- E.ON Ruhrgas International GmbH (one of the major shareholders of the Company);
- OAO Gazprom (one of the major shareholders of the Company);
- Ministry of Energy of the Republic of Lithuania (one of the major shareholders of the Company);
- UAB Palangos Perlas, related party previous to 8 August 2013 (subsidiary of the Company, liquidated on 8 August 2013);
- UAB GET Baltic (joint venture where the Company has an interest);
- AS Latvijas Gaze (the same shareholders);
- AB Amber Grid (the same shareholders);
- OAO Beltransgaz (same ultimate shareholders)
- UAB Kaunas Heat and Power Plant, related party previous to 14 March 2013 (same ultimate shareholder)

The tables below present the Company's balances and transactions with related parties as of 30 September 2013 and 30 September 2012.

As of 30 September 2013 (pre-audited)	Purchases	Sales	Accounts receivable	Accounts payable
OAO Gazprom	957,789	19,641	-	75,428
AS Latvijas Gaze	1,461	-	-	674
UAB GET Baltic	4	1,887	1,568	-
AB Amber Grid	4,937	2,323	1,050	2,166
	964,191	23,851	2,618	78,268

As of 30 September 2012 (pre-audited)	Purchases	Sales	Accounts receivable	Accounts payable
OAO Gazprom	1,079,320	25,571	2,369	84,031
OAO Beltransgaz	16	-	-	-
UAB Palangos Perlas	59	40	-	8
AS Latvijas Gaze	1,500	-	-	732
UAB Kaunas Heat and Power Plant	-	10,986	667	-
	1,080,895	36,597	3,036	84,771

There were no receivables from related parties and payables to them, for which the guarantees would be provided for or received. As of 30 September 2013 the Company has not accounted for any allowance for receivables from related parties.



AB Lietuvos Dujos pre-audited results for the nine months of 2013

In accordance with the AB Lietuvos Dujos Terms and Conditions of Spin-off adopted by the decision of the Extraordinary General Meeting of Shareholders of AB Lietuvos Dujos held on 11 June of 2013, on 31 July of 2013, AB Lietuvos Dujos transferred the natural gas transmission activity to AB Amber Grid. Therefore the data of discontinued operations – the natural gas transmission activity, is also disclosed in the AB Lietuvos Dujos financial statements for the nine months of 2013.

The pre-audited sales of the AB Lietuvos Dujos continuing operations for the nine months of 2013, compared to the relevant period of the previous year, decreased by 9% and amounted to LTL 1,105.5 million, for the nine months of 2012: LTL 1,217.1 million, respectively. Decrease in the sales was predetermined by reduction in gas sales and distribution volumes and lower non-household customer gas sales prices.

The pre-audited profit before tax from the AB Lietuvos Dujos continuing operations for the nine months of the current year amounted to LTL 34.3 million (the profit before tax from continuing operations for the nine months of 2012: LTL 41.9 million). The net profit for the nine months of 2013, in total, amounted to LTL 42.3 million (in the previous year: LTL 60.0 million), of which the net profit from continuing operations: LTL 32.3 million (in the previous year: LTL 39.2 million). The profit from discontinued operations for the seven months of 2013 in the amount of LTL 10.0 million was also shown in the net profit for the nine months of 2013. Reduction in the profit from continuing operations was predetermined by the worse results of the regulated distribution activity.

The EBITDA from continuing operations for the nine months of 2013, compared with the respective period of 2012, reduced by LTL 6.5 million and amounted to LTL 63.8 million (last year: LTL 70.3 million).

Investments in the Company's continuing operations for the nine months of 2013 amounted to LTL 36.4 million, in the previous year respectively: LTL 29.5 million.

The investments of the Company's continuing operations in the construction of the new pipelines of the distribution system for the nine months of the current year amounted to LTL 20.9 million, in the previous year: LTL 14.8 million, respectively. Investments for the nine months of 2013 have been allocated as follows: LTL 10.6 million in upgrading the safety of the gas distribution system and natural gas supply reliability (for the nine months of 2012: LTL 7.6 million), and LTL 10.3 million in the connection of new customers (for the nine months of 2012: LTL 7.2 million).

Major projects in progress include: the project of upgrading the safety and gas supply reliability of the gas distribution system of the city of Vilnius and the region of Vilnius by means of construction of a high pressure distribution pipeline and by means of interconnection of two major key M&R-stations: Vilnius and Rudamina ones, and the project of upgrading gas distribution reliability in the pipeline section from the Klaipeda M&R-station to the system of the city of Klaipeda by means of construction of a high pressure pipeline.

For the nine months of 2013, 50.9 km long distribution pipeline has been constructed (last year: 40.2 km, respectively) and 2.1 thousand new customers have been connected (last year: 1.3 thousand customers, respectively).

For the nine months of 2013, the Company has distributed 622.9 MCM of natural gas, which is 8.8% less than for the same period of the previous year.

For the nine months of 2013, the Company's natural gas sales volume has decreased by 8.6% and reached 737.5 MCM. Natural gas supply volumes, compared to the same period of 2012, have decreased mainly due to reduction in gas consumption by heat and electricity producers, which, in its turn, was predetermined by increase in the usage of alternative fuel types and the decision of state institutions to reduce the electricity production quotas and to replace the electricity of local production by imported one.

As of 30 September of 2013, the number of the Company's household and non-household customers was over 557.6 thousand. These customers include: energy, industrial and other companies, organizations and the population.

AB Lietuvos Dujos shares are quoted on the Main List of the stock exchange NASDAQ OMX Vilnius.

* LTL 3.45 = EUR 1