



Bank of Lithuania
Žirmūnų street 151,
LT-09128 Vilnius

31-05-2012

CONFIRMATION OF RESPONSIBLE PERSONS

Following Article 22 of the Law on Securities of the Republic of Lithuania and the Rules on Preparation and Submission of Periodic and Additional Information of the Securities Commission of the Republic of Lithuania, we, Arvydas Tarasevičius, Chief Executive Officer of LESTO AB, and, Ramutė Ribinskienė, Director of Finance and Administration Division, hereby do confirm that, to the best of our knowledge, the Interim Consolidated Unaudited Financial Statements of the three months of the year 2012 of LESTO AB have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position, profit or loss and cash flows of LESTO AB and the Group.

Chief Executive Officer

Arvydas Tarasevičius

Director of Finance and Administration
Division

Ramutė Ribinskienė



AB LESTO group
Interim report
for the three months of 2012

31 May 2012

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GENERAL INFORMATION

Reporting period covered by the report

Report covers January to March of 2012.

Key data on issuer

Company name	AB LESTO
Company code	302577612
Authorised capital	LTL 603 944 593
Registered address	Žvejų str. 14, LT-09310 Vilnius
Telephone	+370 5 277 7524
Fax	+370 5 277 7514
E-mail	info@lesto.lt
Website	www.lesto.lt
Legal- organisational form	Joint-stock company
Date and place of registration	27 December 2011, Register of Legal Entities of the Republic of Lithuania
Register in which data on the company is collected and stored	Register of Legal Entities
Register manager	State Enterprise Centre of Registers

Information availability

This report and other documents based on which it has been prepared are available at the company's office at Žvejų str. 14, Vilnius, Corporate Communication department (office No.118) from 7.30 to 16.30 Monday to Thursday and from 7.30 to 15.15 on Fridays. Report is available on company's website (www.lesto.lt) and on Stock exchange market NASDAQ OMX Vilnius website (<http://www.nasdaqomxbaltic.com>) .

Public announcements that AB LESTO must announce according to the valid Laws of the Republic of Lithuania, are published via Register of Legal Entities electronic edition for public announcements. Company also publishes announcements via company's website (www.lesto.lt) and Stock exchange market NASDAQ OMX Vilnius website (www.nasdaqomxbaltic.com).

Persons responsible for the information provided in the report

Office	Name, surname	Telephone
Chief Executive Officer	Arvydas Tarasevičius	+370 5 277 7524
Director of Finance and Administration division	Ramutė Ribinskienė	+370 5 277 7524
Director of Finance department	Artūras Paipolas	+370 5 277 7524
Director of Accounting department	Zina Chmieliauskienė	+370 5 277 7524

Report is prepared in accordance with Law on Securities of the Republic of Lithuania, decision of the Securities Commission of the Republic of Lithuania No. 1K-6 (29 July, 2010) on Rules of Drawing up and the Submission of the Periodic and Additional Information, and other valid laws and legal acts.

Report signature date

Report was prepared and signed on 31 May, 2012

LESTO activities

AB LESTO (hereinafter – LESTO, Company) was established on the basis of reorganized Lithuanian electricity distribution companies Rytų skirstomieji tinklai AB and “VST” AB that were merged and on 31 December, 2010, finished their activity as legal entities. LESTO took over assets, rights and obligations of merged companies and since 1 January, 2011 started its activity as electricity distributor and public supplier.

LESTO is Lithuanian distribution network operator. Company's main responsibilities include: provision of network service for customers; satisfaction of customers needs; effective connection of new users; exploitation, maintenance, management and expansion of distributive network; assurance of network security; optimization of operating costs and reduction of technological losses. LESTO geographical market is Lithuania.

LESTO values

COOPERATION: We work and take responsibility as a team.

RESPECT: We respect each individual and the surrounding environment.

DEDICATION: We are proud to represent energy sector and serve our community.

POSITIVE ATTITUDE: We are always looking ahead and constantly spread good mood.

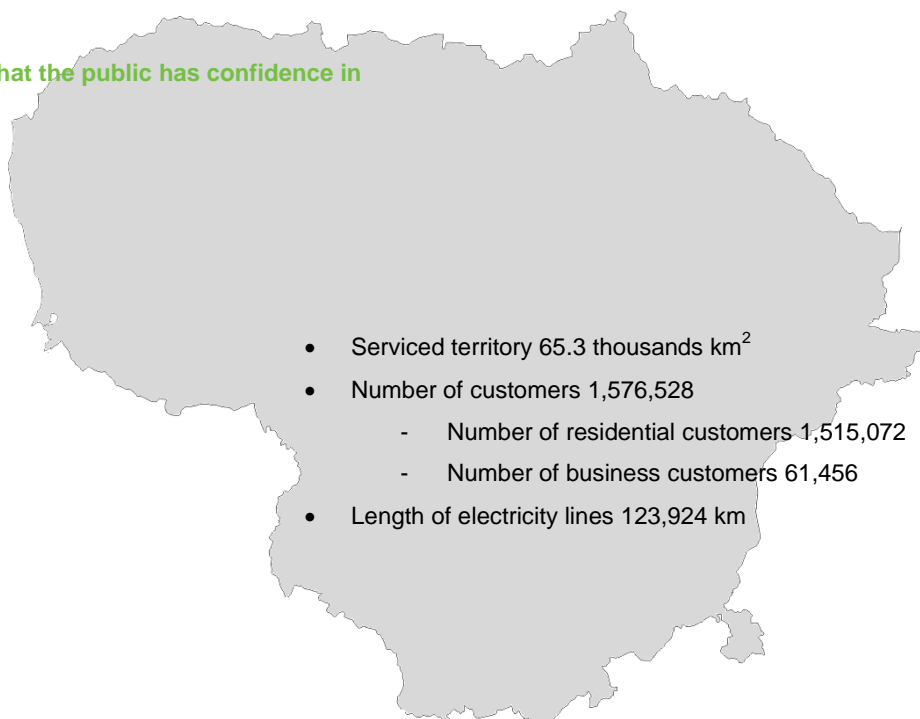
INNOVATIVENESS: We are seeking perfection and initiating changes.

LESTO mission

Reliable electricity for a meaningful life of everyone

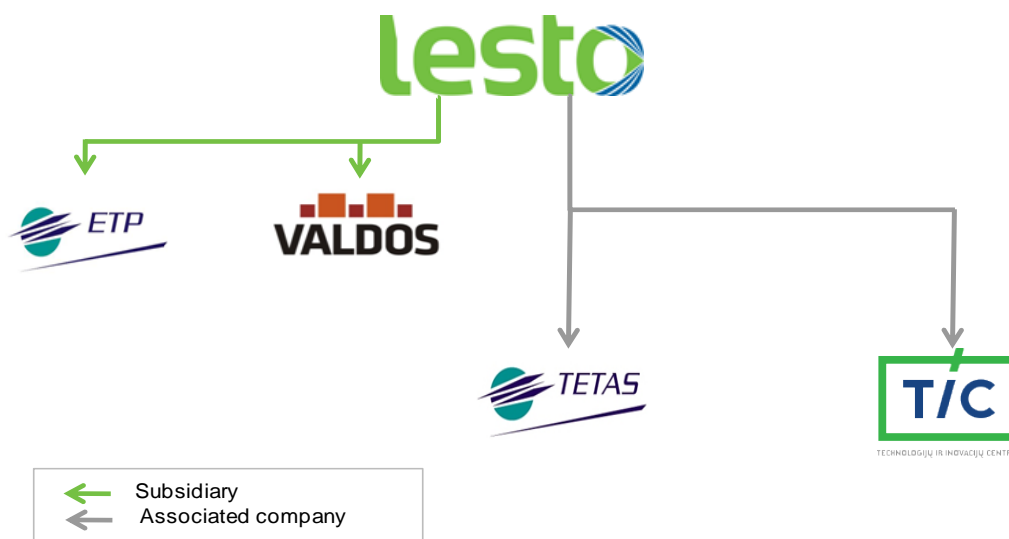
LESTO vision

A model company that the public has confidence in



LESTO company group

LESTO with its subsidiaries ELEKTROS TINKLO PASLAUGOS UAB, NT Valdოს UAB and associated companies Technologijų ir inovacijų centras UAB (On report signature date Technologijų ir inovacijų centras UAB had 100% Respublikinio energetikų mokymo centras Vsl, 100% Data logistics centre UAB, 0,59% NT Valdოს, UAB capital), TETAS UAB make up LESTO company group (hereinafter – LESTO group).



Key data on subsidiaries and associated companies

	Elektros tinklo paslaugos UAB	NT Valdოს UAB	Technologijų ir inovacijų centras UAB	TETAS UAB
Address	Motorų str. 2, Vilnius	Geologų str. 16, Vilnius	A.Juozapavičiaus str. 13, Vilnius	Senamiesčio str. 102B, Panevėžys
Registration date	8 December 2004	18 January 2007	9 July 2010.	8 December 2005
Company code	300072351	300634954	302527488	300513148
Telephone	+370 5 210 6809	+370 5 210 6539	+370 5 278 2272	+370 5 504 670
Fax	+370 5 216 7875	+370 5 210 6543	+370 5 278 2299	+370 5 504 684
E-mail	etp@etpa.lt	info@valdos.eu	info@etic.lt	info@tetas.lt
Website	www.elektrostinklopaslaugos.lt	www.valdos.eu	www.etic.lt	www.tetas.lt
LESTO ownership, %, on report signature date	74.97	57.30	24.94	38.87
Profile of activities	Power network engineering, construction, repair, maintenance and customer connection to the grid services.	Real estate and transport rental and administration services.	IT and communication services.	Power network engineering, construction, repair, maintenance and customer connection to the grid services

LESTO management

LESTO management bodies include General Meeting of Shareholders, Board and Chief Executive Officer. LESTO does not have Supervisory Board.

General Meeting of Shareholders

General Meeting of Shareholders is a supreme body of the Company.

The competence of the General Meeting of Shareholders and the procedure for convening the meeting and adopting decisions are governed by the law, other legal acts and Articles of Association.

During the reporting period shareholders of the Company had equal rights (property and non-property) defined in the law, other legal acts and Articles of Association. None of the LESTO shareholders had any special rights of control.

The managing bodies of the Company provided adequate conditions for exercise of the rights of the Company's shareholders during the reporting period.

Board

LESTO Board is a collegiate managing body of the Company.

The competence of the Board, the procedure for adoption of decisions, election and recall of members are governed by the law, other legal acts and Articles of Association. The Board consists of five Board members that are elected by the General Meeting of Shareholder for the term of four years. The Board members elect the chairman of the Board out of its members.

In the beginning of the reporting period the Board of the Company consisted of the chairman of the Board Arvydas Darulis and Board members: Kęstutis Žilėnas, Arvydas Tarasevičius, Aloyzas Vitkauskas.

On 3 January, 2012 the Board member Arvydas Darulis, who was also the chairman of the Board from 13 December, 2010 by the decision of the Board, was recalled by the decision of General Meeting of Shareholders. Rimantas Vaitkus and Darius Maikštėnas were elected as new members of the Board.

On 3 January, 2012 Kęstutis Žilėnas was elected as a chairman of the Board by the decision of the Board.

On the report signature day the Board of the Company consists of the chairman of the Board Kęstutis Žilėnas and Board members: Rimantas Vaitkus, Arvydas Tarasevičius, Aloyzas Vitkauskas, Darius Maikštėnas.

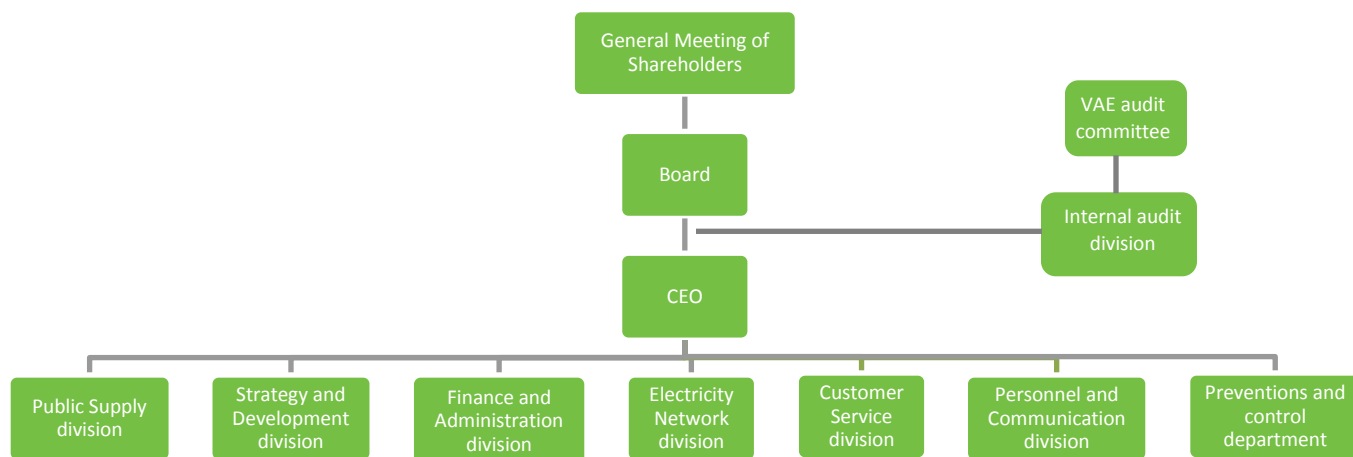
Chief Executive Officer

Chief Executive Officer (hereinafter – CEO) is a one-person managing body of the Company.

The competence of the Managing Director and the procedure for election and recall thereof are governed by the law, other legal acts and Articles of Association. CEO is elected and recalled by the Board of the Company. CEO organises the Company's activities, manages the Company, act on behalf of the Company and unilaterally conclude transactions.

On 13 December, 2010 Arvydas Tarasevičius was elected as a CEO of LESTO.

LESTO management structure from the 1st November, 2011



LESTO Board and CEO



Arvydas Darulis
Member of the Board,
chairman of the Board

In this position:

from 13 December, 2010 to
3 January, 2012

Education:

Vilnius University, Master in
Economics.

Dalhousie University, Baltic economic
management training programme.

Main occupation: Ministry of Energy
of the Republic of Lithuania, Vice-
minister



Kęstutis Žilėnas
Member of the Board,
chairman of the Board

In member of the Board position:

since 13 December, 2010

In chairman of the Board position:
since 3 January, 2012

Education:

Kaunas University of Technology,
Master in Computer Systems and
Network Engineering.

Mykolas Romeris University, Master
in Law.

Main occupation: Ministry of
Energy of the Republic of Lithuania,
Vice-minister



Aloyzas Vitkauskas
Member of the Board

In this position:

since 13 December, 2010

Education:

Vilnius Gediminas Technical University,
Master in Civil Engineering.

Main occupation: Ministry of Finance
of the Republic of Lithuania, Vice-
minister



Arvydas Tarasevičius
Member of the Board

In this position:

since 29 April, 2011

Education:

Vilnius University, Master in
Economic Cybernetics.

Vilnius University, Doctor of Social
Sciences.

Main occupation: LESTO AB, CEO



Rimantas Vaitkus
Member of the Board

In this position:

since 3 January, 2012

Education:

Vilnius University, Master in
Physics.

Vilnius University, Doctor of Natural
Science.

Main occupation:

UAB „Visagino atominė elektrinė“,
CEO.



Darius Maikštėnas
Member of the Board

In this position:

since 3 January, 2012

Education:

Kaunas University of Technology,
Master in Business Management.
Baltic Management Institute,
Executive MBA.

Harvard Business School,
GMP graduate.

Main occupation:

UAB „Omnitel“, Vice-president for
Marketing and Services.

Information on LESTO Board members participation in the activities of companies and organisations; shareholding in other companies exceeding 5% of capital/votes

Name, surname	Name of organisation, position	Capital held, %	Share of votes, %
Board			
Kęstutis Žilėnas	LESTO AB, chairman of the Board ¹	-	-
	Ministry of Energy of the Republic of Lithuania, Vice-minister	-	-
	Lietuvos energija AB, chairman of the Board	-	-
	AB "LIETUVOS DUJOS", member of the Board	-	-
Aloyzas Vitkauskas	LESTO AB, member of the Board	-	-
	Ministry of Finance of the Republic of Lithuania, Vice-minister	-	-
	Lietuvos energija AB, member of the Board	-	-
	UAB "Visagino atominė elektrinė", member of the Board	-	-
	State Enterprise Turto bankas, chairman of the Board	-	-
	State Enterprise Valstybės turto fondas, chairman of the Board	-	-
Rimantas Vaitkus	LESTO AB, member of the Board	-	-
	Lietuvos energija AB, member of the Board	-	-
	UAB "Visagino atominė elektrinė", CEO and member of the Board	-	-
	Association of Lithuania and Japan, chairman	-	-
Darius Maikštėnas	LESTO AB, member of the Board	-	-
	UAB "Omnitel", vice-president for Marketing and Services	-	-
	"TeliaSonera AB" mobile services, business manager of business and private clients of Lithuania	-	-
	Social organization "Gelbėkit vaikus", member of the Board	-	-
Arvydas Tarasevičius	LESTO AB, CEO and member of the Board	-	-
	Technologijų ir inovacijų centras UAB, member of the Board	-	-
	NT Valdosa UAB, member of the Board	-	-
	LITHUANIAN ELECTRIC ENERGY ASSOCIATION, member of the Council	-	-
	Homestead cooperative Žemyna, member of the Board	-	-
	VŠĮ Respublikinis energetikų mokymo centras, member of the Board	-	-
CEO			
Arvydas Tarasevičius	Look for the information above	-	-
Chief Accountant, Director of Accounting department			
Zina Chmieliauskienė	-	-	-

¹On 3 January, 2012 Kęstutis Žilėnas was elected as a chairman of the Board by the decision of the Board.

Information on payments to LESTO Board members, CEO and Director of Accounting department over reporting period

	Salaries, LTL	Other payments, LTL
CEO	59 700 (av. 19 900 Lt per month)	-
Director of Accounting department	38 926 (av. 12 975 Lt per month)	-

*Salaries for the activities at the LESTO Board for the Board members were not paid.

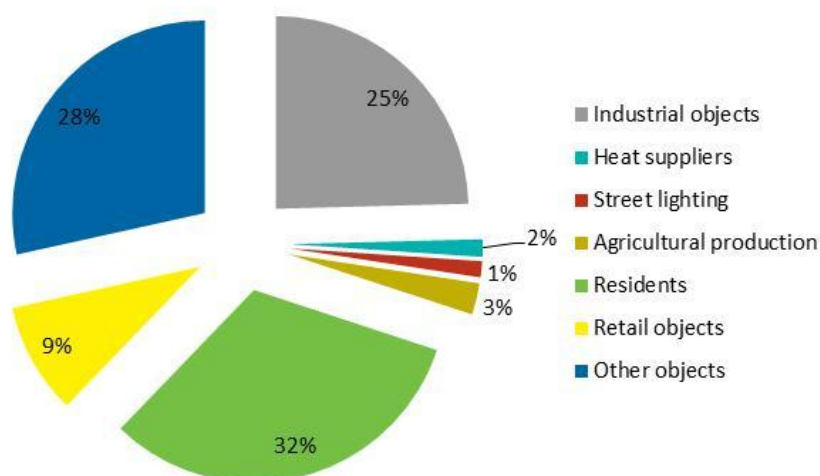
Electricity distribution network

Development and expansion of the activities

Activity indicators	2012 Q1	2011 Q1
Amount of electricity received to the distribution network, million. kWh	2419	2350
Technological losses in the distribution network, million kWh	204	247
Volume of network service, million kWh	2215	2102
Amount of electricity sold, million. kWh	1062	1251
Electricity quality indicators:		
SAIDI, minutes (with "force majeure")	34,26	96,6
SAIFI, times (with "force majeure")	0,40	0,51

During the three months of 2012 the amount of LESTO network service reached 2,215 million kWh. Electricity sales made up 47.95% of this amount, to the rest customers LESTO granted only network service. Technological losses experienced by the Company amounted to 204 million kWh. During the three months of 2012 technological losses totaled to 8.4 %.

Structure of network service volumes by objects



One third of electricity network service volume was allocated to residents. Industrial and retail objects consumed 25% and 9% respectively. The structure of electricity network service during the reporting period of 2012 changed insignificantly. The share of electricity transmitted to heat suppliers and other objects increased by 1 percentage point, and that of the residents and trading companies declined by 1 percentage point.

LESTO pays much attention to electricity network development and updating. This helps to provide the society with economic and social benefits, to increase the reliability and quality of electricity supply, to facilitate more rational use of energy, all this contributes to the Company's environmental policy.

In the first quarter of 2012, LESTO investments in electricity network expansion and modernization reached 35.76 million LTL. This was 114.65 per cent more compared to the investment in first quarter of 2011 (16.66 million LTL).

LESTO investment, LTL thousand

	2012 January - March	2011 January - March	Change, %	Structure, %	
				2012 January - March	2011 January - March
Investments in expansion	35.759	16.659	114,65	66,6	57,4
Connection of new customers	35.526	15.847	124,18	99,4	95,1
Buyout of electricity objects	232	812	-71,43	0,6	4,9
Investments in maintenance	17.921	12.362	44,97	33,4	42,6
Low voltage electricity grid	10.890	5.879	85,24	60,8	47,6
Medium voltage electricity grid	6.390	4.886	30,78	35,7	39,5
Other investments	641	1.596	-59,84	3,6	12,9
Total	53.679	29.021	84,97	100	100

During the first quarter of 2012, LESTO has connected 3,794 objects of new customers, 67 per cent more than in the first quarter of 2011 when it had 2,245 objects of new customers connected. The permissible power for new customers was equal to 53.853 kW, which is 60.5 per cent more than in the first quarter of 2011, when the permissible power was 33,553 kW.

In January - March of 2012 LESTO continued the redemption of networks of the gardeners communities in order to meet the rising demands for electricity consumption of the gardeners and the infrastructure maintenance needs and ensure reliable, safe supply of electricity and network upgrades. All networks have been redeemed by the natural state, the customers had individual electricity meters installed free of charge.

During the reporting period LESTO redeemed 12 networks of the gardeners communities, 71.05 thousand LTL had been designated for this purpose. From the beginning of the redemption process of the power networks (in 2003) to March 31 2012, LESTO redeemed 894 power networks or 92.6 per cent of the networks of the gardeners communities. For this purpose LESTO has invested a total of 10.2 million LTL. During January – March of 2012, the gardeners communities had 708 meters installed (during January – March of 2011, the gardeners communities had 1943 meters installed).

On March 29, 2012, Ministry of Agriculture of the Republic of Lithuania, the Lithuanian Business Support Agency and AB LESTO signed a finance and administration contract “AB LESTO Electricity Distribution Network Development - Electrification of Homesteads” for the electrification of 31 not electrified homesteads in the western part of Lithuania. The EU Structural Funds have allocated up to 933,211 LTL for the project funding.

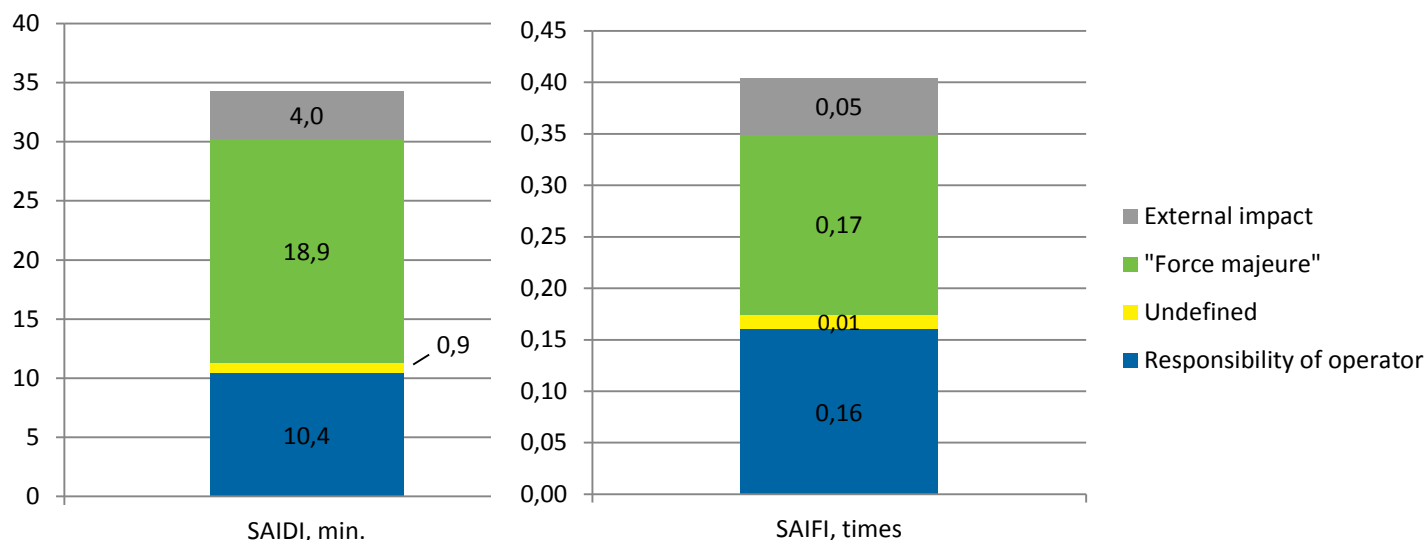
On March 29, 2012, Ministry of Agriculture of the Republic of Lithuania, the Lithuanian Business Support Agency and AB LESTO signed a funding and administration contract “AB LESTO Electricity Distribution Network Modernization and Expansion in the Gardeners’ Communities” for the modernization of the electricity networks of 76 gardeners’ communities. The EU Structural Funds have allocated up to 12,460,321 LTL for the project funding.

Quality of electricity supply (SAIDI, SAIFI)

In the first quarter of 2012, regardless of the influence of natural disasters (“force majeure”) the system average interruption duration index (SAIDI) per customer was equal to 15.35 minutes, the system average interruption frequency index (SAIFI) per

customer reached 0.23 times. In the first quarter of 2011 power supply quality indicators, regardless of natural disasters, were: SAIDI – 15.43 min. and SAIFI – 0.2 times.

In order to avoid damage of power air lines and any detriment during natural disasters, LESTO purposefully changes the air lines to underground cable lines. During the reporting period 172 kilometers of underground (cable) lines were laid. Cable lines significantly reduce the number of failures during the operation, their maintenance is less expensive. Moreover having changed the airlines to the cables the landscape becomes more attractive.



LESTO personnel

The main asset of a company is its employees, the most important link when pursuing the set objectives. The Company's personnel policy is focused occupational training of the workers and culture development of organization, ensuring the creation of greater value for the customers, partners and society.

In March 2012, the company was recognized as one of the most attractive employers in Lithuania, in the CV Market survey it took the fourth place.

Optimizing the management structure and separating indirect functions, the greatest decrease was in the number of managers and workers. The number of employees of LESTO AB decreased by 6.8 % during the year, from 2906 employees in 31 March 2011 to 2708 employees in 31 March 2012. The number of LESTO group employees decreased by 3.2 proc., from 3602 employees in 31 March 2011 to 3488 in 31 March 2012.

In the first quarter of 2012, when implementing Distribution network strategy, finished transferring electric energy repair and technical maintenance works to the market. Company sought to ensure all social guarantees to those employees, which they had working in LESTO AB, signed bilateral agreements with contractors which won in public procurement. 44 workers were transferred to new workplaces. This is the reason why the number of LESTO workers decreased.

Training

LESTO organizes three types of training courses. During formal and informal training sessions the employees improve their qualification and receive special work permit certificates. The employees participated in the trainings for construction managers and construction maintenance managers, workers, high-scalers, tree, shrub and branch reapers working in protection zones, and in other trainings. In the first quarter of 2012, the compulsory trainings involved 310 employees (2011 first quarter – 26 LESTO employees).

The Company organizes staff trainings for general education competencies. These trainings are organized in groups within the company, as well as individual employees are sent to the seminars and conferences organized by external suppliers. In 2012, one of the principal policies of personnel management was the development of the leadership skills. Based on the model generated for leadership competencies in 2011, on the carried out management “360 valuation”, employee opinion survey, and the results of annual interviews there were identified two main directions of manager education for 2012: from the second half of the year there will be developed the competences of transformational leadership and long-term goal formulation. As in 2011, much attention is paid to efficient and qualitative customer service: from May to September LESTO employees themselves will train 750 dispatchers and electricians of operational teams of the company on the subject. In the first quarter of 2012, open trainings in Lithuania (external conferences, seminars) were attended by 82 employees.

In 2012 Career planning and training program was started, which purpose is to ensure strategically important positions and executives shift and to keep potential and good results demonstrating employees. During the first quarter of 2012, the participants of the program were identified and interviewed.

The third type of LESTO trainings was internal training in the Company that were carried out by the employees themselves. Internal trainers taught the employees the particularities of a project management, effective leadership, successful recruitment and administration, effective time management and other. There are 15 internal trainers and courses on 18 subjects. The internal training involved 308 participants. (In 2011 first quarter in the internal trainings were 313 participants)

In the course of preparation of the training programs and in order to ensure the quality of the training, close cooperation is promoted with training suppliers, ongoing training evaluation surveys are carried out.

Payment system

The introduced remuneration system has placed LESTO among other most innovative companies of the country that compensate their employees for work performed by the results achieved, the value created for the organization and the team. The remuneration system is formed by applying Hay Group methodology which guaranteed an objective job evaluation on the basis of appropriate education, problem complexity and level of responsibility that falls on a particular position. This system allows the Company to effectively manage the costs and ensures LESTO strategic objectives and business management logics be reflected in the payroll system.

Collective agreement

The collective agreement was passed at the Conference of LESTO employees on March 10, 2011. The purpose of this agreement is to ensure effective activities of the Company and represent the rights of all employees of the Company and their

legitimate interests. The collective agreement specifies the scheme of remuneration of the employees, social, economic and occupational conditions and the guarantees that are not regulated by laws and other legal acts. The employees are offered additional guarantees (allowances in the cases of accidents, illness, death of immediate family members, birth of a child support, additional days of paid leave following the birth, marriage, and in other cases).

Internship

LESTO actively cooperates with educational institutions and allows university and college students to apply their theoretical knowledge and practical skills and to acquire practical skills from the Company's employees. In the first quarter of 2012, LESTO received 21 students for their internship. The Company received not only the student coming for the mandatory internship. The company was looking for motivated and enthusiastic students and provided the chosen ones with the opportunity to practice in the Company on a voluntary basis.

Customer Service

Customer Satisfaction

Customer satisfaction is measured through customer satisfaction survey based on TRIM methodology once a year. The annual action plan is drawn up on basis of the study results. During the first quarter, there have been implemented thirteen measures in order to increase the customer satisfaction. LESTO regularly carries out a survey "The Customers' Voice". The survey displays the customer opinion about service quality and the company, on the basis of the results, plans and implements activities on service quality improvement. The results of the first quarter of 2012 showed that the quality of LESTO customer service is high. Customers point out the attentive and kind servicing as a strong side of the service.

The Number of the Customers Serviced

At the end of the first quarter of 2012, LESTO had entered into more than 1.5 million contracts with private customers and more than 60 thousand contracts with commercial customers (in the first quarter the number of contracts increased by 7,150 units and 650 units, respectively).

Service Channel Development

Given the fact that since January 2012, the new electricity tariff rates came into effect, the customers of the company were actively using the company's services and information supplied. During the first quarter, via the short customer service number 1802, information was provided to more than 240 thousand customers, there was obtained and solved more than 106 thousand customer recourses on various issues. During the first quarter of 2012, the customer service centers in five major Lithuanian cities serviced about 80 thousand customers.

During the first quarter of 2012, the number of visitors of LESTO self-service site "My Electricity" (compared to the fourth quarter of 2011) during a month increased by about 17 thousand (from 133 thousand to 150 thousand, the number of unique visitors of the system, respectively, from 70 to 85 thousand). The most growth was determined by the increase of the number of private self-service site customers (those paying by the VAT invoices). About 80 percent (37 thousand) of commercial customers give electricity meter readings in the self-service site every month. The number of electronic accounts during the first quarter of 2012 increased by about 1 thousand, and now is 44.5 thousand units, i.e. 87 per cent of commercial customers use electronic accounts.

The self-service site has also been actively developed and expanded. The private clients of LESTO that settle their payments under the VAT invoices have the possibility to pay their bills directly from the self-service site. There was also introduced and developed the information section on the connection of new consumers. This service enables to see detailed information on the newly connected object (or equipment dismantled), to download the related documents, contracts, specifications.

Maintenance and Development of Accounting for Electricity

During the quarter, the company to new customers installed 4041 units of electrical metering devices, of which 25 per cent were for electricity metering in single-phase alternating current networks, while 75 per cent were in three-phase networks, and 42,559 units of electricity metering devices were replaced at the end of their metrological verification period. For the purpose that the electric energy metering devices ensure high level of metrological protection, that all interested parties could rely on the metering results, the company purchase new electronic electricity meters that are two times more accurate and considerably more sensitive, also multifunctional meters, accumulating detailed data, which allow the customers to control electricity consumption of the daily, monthly periods.

Further developing the electricity metering equipment automation, the company has appended 216 units of electrical metering devices of business customers to the automated reading system, and currently receives information by means of remote data reading from 15,551 units of energy metering devices that tally up electric energy consumption.

Customer Settlement Management

In 2012, during the first quarter there were about 13 thousand direct debit agreements with private and business customers. The customers were also actively choosing the payment plans "Home" and "Home Plus" proposed in 2011. More than 3.5 thousand contracts have been signed.

Direct debit is one of getting the most popular means in Lithuania for the payment of the consumed electric energy when each month a regular amount is paid and it automatically is read from the customer's bank account. Each customer paying for electricity by direct debit is personally informed about the size of an individual payment. The LESTO customers who choose direct debit payment methods, at their request, have the payments recalculated after periodic inspections and when the price for electricity is changed. In addition, the customers are free to determine the most convenient payment date when the bill for the electricity consumed has to be paid automatically.

Market liberalisation

On March 31, 2012, the independent supplier was chosen by 5,371 clients. On July 8, 2009, the Government of the Republic of Lithuania approved the Lithuanian electricity market development plan. In accordance with the plan, on March 31, 2012 an independent electricity supplier has been chosen by the following objects:

- With permissible power of 400 kW and more – about 85 per cent;
- With permissible power 100 kW and more – about 67 per cent;
- With permissible power 30 kW and more – about 47 per cent;
- With permissible power of less than 30 kW – about 15 per cent.

The remaining objects are further supplied with the electricity by the public supplier.

Projects and initiatives on social responsibility

LESTO is a member of the Global Compact initiated by the United Nations, and submits the annual progress report.

The main goal of LESTO social responsibility activities is to cultivate the skills of safe and rational use of electricity in the society, to contribute to the conservation of energy resources and their environmental impact, therefore all social responsibility activities initiated and carried out by LESTO contribute to these objectives.

The Company responsibility while acting in the market included responsible behavior in cooperation with all concerned: customers, suppliers, contractors, state agencies. Particular attention was paid to the company customer service quality; it expanded the spectrum of the services that help you save time and money. Work with customers was based on the principles of respect, understanding of their needs, professional and expeditious decisions.

LESTO implements three large-scale long-term projects on social responsibility: "Operation 2020", "To the extent required" and "Electro-Magic", they all are united by the involvement of active communities and target groups of the society.

“Operation 2020“

In 2012, LESTO continues the social initiative "Operation 2020". The long-term program is used to promote responsible behavior with electric network equipment and to reduce the negative outcome arising from irresponsible or malevolent behavior of the population.

The important part of "Operation 2020" was live meetings of LESTO staff with the local population of the regions, and a competition for them promoting to find ways how to solve the most pressing population problems related to security, updating of electric network or lighting, and how to increase public responsibility. During the project, an anonymous trust line +370 5 255 2555 of the electronic form "I want to declare" (www.lesto.lt) was made public in order to help clarify the power evaders or to inform about impaired network devices.

During the first quarter, there were active meetings of the LESTO employees with local self-government (administration, heads of local municipalities, police); the "Manual" for a responsible power user was reviewed and printed; preventive leaflets were prepared and printed with the numbers of LESTO that are relevant for the population: confidence line and 1802, with the encouragement to report crime on the network; the magnetic information cards with relevant numbers of LESTO - confidence line and 1802.

During the first quarter, there were received forty calls by the confidence line: seven cases were proved out, six inspection acts were drawn up in the locations of electricity consumption. Thirty nine reports were received online filling in the form "I would like to report": nine cases were proved out, six acts were drawn up.

A Project on Rational Use of Electricity „To the Extent Required“

The project "To the extent required" is designated to promote and realize the ideas of rational use of energy resources in order to develop the traditions for a rational society. The aim is to find out rational energy consumption patterns in daily life and for business.

In February, the company organized the second conference on rational use of energy for companies and organizations "Energy Efficiency Solutions - More Competitive Business." The conference where practical experience in implementation of sustainable solutions has been shared was visited by over 200 participants. 92 per cent of the participants that filled in the evaluation questionnaire of the event stated that their expectations were justified, and even 98 per cent indicated that they would participate in such an event again.

During the event, the companies were invited to join the "The Green Protocol". This is the company initiated agreement and the only of its kind; the companies confirm that they are familiar with sustainable ideas that promote rational use of electricity; they second the ideas and promise to apply them in practice. At the conference there was also notified and awarded one of the "The Green Protocol" companies that was a most rational user of electricity in 2011. A regularly updated list of the companies is published in the project site www.tiekkiekreikia.lt. At the end of 2012 first quarter, "The Green Protocol" was signed by 104 companies.

In March, "The Earth Day" promoting the environment-friendly behavior was actively celebrated. We have created an educational video about sustainable consumption at home, together with the National Consumer Federation there was conducted a survey of the population on the rational use of electricity. The results were published, and the persons showing most active interest in environmental protection and responsible use of electricity were awarded (kits with energy saving bulbs).

The promotion of rational use of energy is one of the priority directions of the social responsibility of the company, thus contributing to environmental sustainability and conservation of energy resources and to the obligations of the country pursuing the goals of the European Union climate change program.

Educational Project for Children and Young People "Electro-Magic"

Youth-oriented educational initiative "Electro-Magic" is designed to educate children and young people on energy use, threats, and safety problems. The initiative aim is to encourage students to learn how to safely handle with electricity and electric facilities, to promote interest in responsible use of energy, environmental and sustainable development ideas. During the project LESTO cooperate with the Lithuanian schools and their communities.

Long-term educational project aims to inform about the electric power and the risk arising from casual behavior with electricity or electrical devices and to promote interest in environmentally friendly technologies of the future. In the project site www.elektromagija.lt playful virtual characters tell about electricity, and children by playing interactive games acquire knowledge on safety, electricity threats and its potential.

A target educational project "LESTO - to Schools" (our staff familiarize the children with safety) was presented in the working group of the internal program "Ambassadors", the action plan was discussed, an electronic registration system developed, necessary educational material will be available soon (video about EE system ppt, versions of handout merchandise are discussed).

Comment for "Human Security Framework Program Project" organized by the Ministry of Education was passed: there was included the training on electrical safety and first aid after electric shock. Comment from the public is officially expected by May 17.

Environmental Projects

LESTO while implementing the environmental projects attempt to reduce the negative impact of energy facilities to people and the environment and to encourage a wider public participation in the initiatives. In the everyday activities, the Company encourages the application of the working tools which reduce labor expenditure and pollution, actively seeking for the ways how to reduce the negative impact of energy facilities to people and the environment. LESTO invest in environmentally friendly modern technology. The company when operating electric facilities follow the provisions of legal acts and agreements of the Republic of Lithuania and international legislation.

During the first quarter, LESTO arranged the creation of sustainable development strategy involving the employees: there were two meetings - workshops with the experts of environmental protection and sustainable development, who have purified the priorities of LESTO sustainable development. This initiative is carried out together with partners while implementing the project of the United Nations Development Program "Gateway: Social and Environmental Business Innovation." The project will be carried out until the middle of June, afterward the company will decide on the directions of sustainable development.

In order to contribute to environmental protection actions, LESTO together with the Association of Electrical and Electronic Equipment Manufacturers and Importers EEPA have signed an agreement on collection of energy-saving bulbs and small electronics waste in the company customer service centers; electronics collection boxes were placed in all customer service centers.

Natural heritage protection

LESTO together with the Lithuanian Ornithological Society and the Institute of Ecology for the Nature Research Center and the partners implement the project of the European Union Financial Instrument for the Environment LIFE + "The White Stork Protection in Lithuania. The stork nests built on the electricity poles are not safe either to birds or to people. When the storks touch the electrical wires they often get fatally injured; and LESTO incur losses due to electrical leakage and breaks in wires.

Therefore, the aim of the project is to ensure the protection of the white storks by installing special platforms on electric poles which were safe for birds and airlines. During the project until the end of 2012, LESTO committed to install 3260 artificial stork nets on electricity poles, and the Ornithological Society to shape 500 stork nets, located on the roofs of buildings.

INFORMATION ON THE ISSUER'S SECURITIES AND AUTHORISED CAPITAL

Authorised capital structure

Type of shares	Number of shares	Nominal value, LTL	Total nominal value, LTL	Share in authorized capital, %
Ordinary registered shares	603,944,593	1	603,944,593	100,00

Rights and obligations granted by shares

All ordinary registered shares grant the same rights. Property and non-property rights are defined in the law, other legal acts and Articles of Association.

Shareholders

On December 31, 2011 the number of LESTO shareholders totalled – 7,739.

On March 31, 2012 number of LESTO shareholders amounted to 7,749.

Shareholders of AB Rytų skirstomieji tinklai and AB "VST" that owned shares on 27 December, 2010 became LESTO shareholders. According to reorganization terms, one AB "VST" share granted 68.21 of LESTO shares and one AB Rytų skirstomieji tinklai share – 0.71 of LESTO share.

LESTO number of shareholders according to countries, 2012-03-31

Country	Number of shareholders
Lithuania	7556
Russia	47
Belarus	38
Estonia	37
United States	19
Latvia	14
Other	38
Total	7749

Shareholders who owned more than 5 % of the issuer's authorized capital on 31 March, 2012.

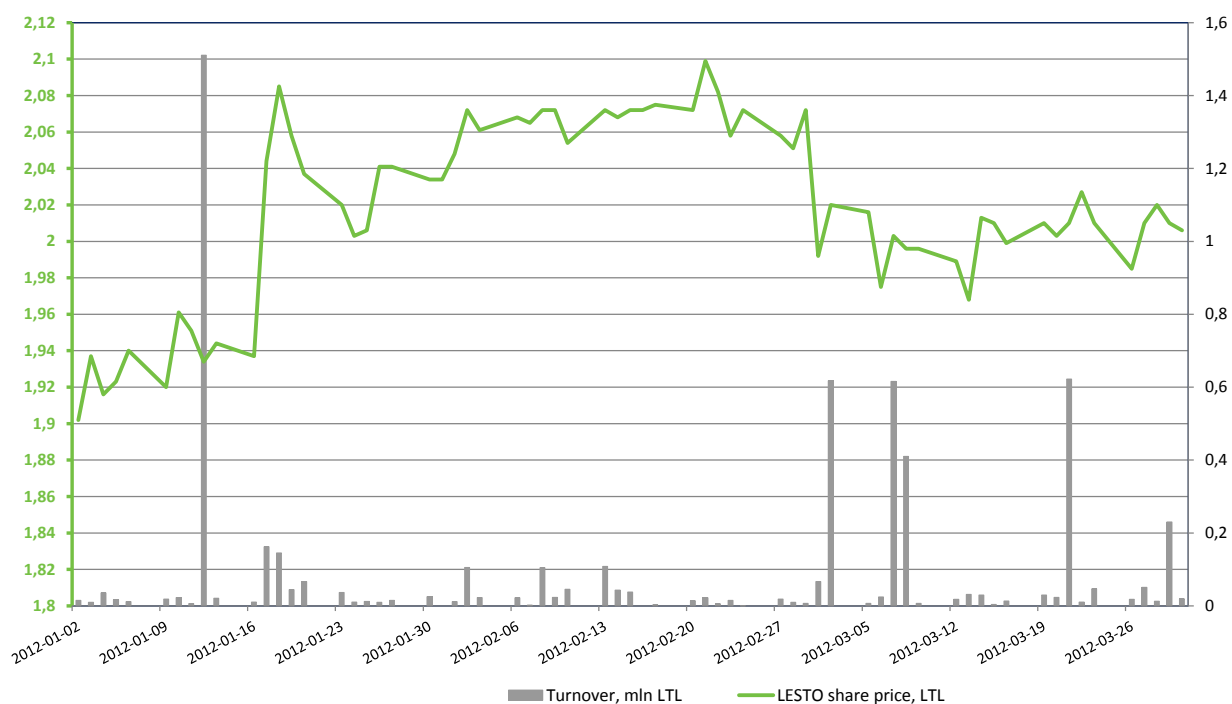
Full names of the shareholders (names of companies, types, headquarter addresses, company register code)	Number of ordinary registered shares	Share of authorized capital, %	Votes granted by shares owned, %
Visagino atominė elektrinė, UAB Žvejų str.14, Vilnius, company reg. No. 301844044	499,026,209	82.63	82.63
E.ON Ruhrgas International GmbH Brüsseler Platz 1 45131 Essen Vokietija HRB 21974	71,040,473	11.76	11.76

Information on issuer's securities

On 17 January, 2011 LESTO shares were included in the Main List of NASDAQ OMX Vilnius. LESTO shares are not traded in other regulated markets.

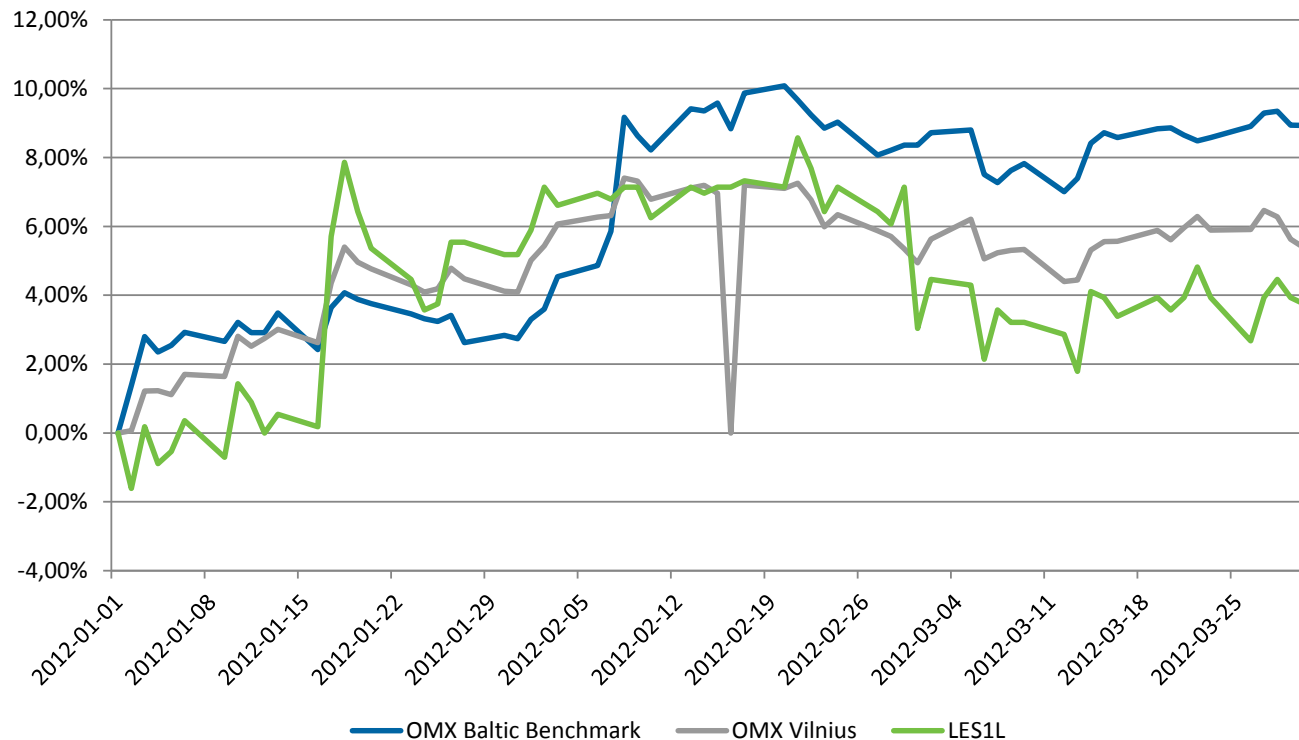
ISIN code	Trading list	Abbreviation of securities	Number of shares	Nominal value, LTL	Industry according to ICB standard	Supersector according to ICB standard
LT0000128449	BALTIC MAIN LIST	LES1L	603,944,593	1	7000 Utilities	7500 Utilities

LESTO share price dynamics and turnover, 30-03-2012



LESTO is one of the biggest companies by market capitalization in OMX Baltic securities exchange market. On 21 February, 2012 LESTO share price reached the highest point during the reporting period - LTL 2.10. LESTO share price reached the lowest point (LTL 1.90) on 2 January, 2012. During the reporting period LESTO share price increased by 5.84 %. On 30 March, 2012, the last trading day in 2012 first quarter, the price of LESTO share was LTL 2.01. The average price of LESTO share during the reporting period – LTL 2.02.

Dynamics of LESTO share price, OMX Vilnius and OMX Baltic Benchmark indexes, 30-03-2012



LESTO shares are included in both OMX Vilnius and OMX Baltic Benchmark indexes. Index OMX Vilnius consists of all the shares listed on the Main and Secondary lists of the Vilnius exchange market. The weight of LESTO shares in this index contains 17.02%.

OMX Baltic Benchmark index consists of a portfolio of the largest and most traded shares, representing all sectors available on the NASDAQ OMX Baltic Market. LESTO represents the utility sector. Since the beginning of 2012 until the 30 March, 2012, index OMX Vilnius increased by 5.38%, OMX Baltic Benchmark went up by 8.93%, while price of LESTO share increased by 3.75 %.

LESTO securities account manager

"Swedbank", AB is official manager of LESTO security account.

Contact details of Swedbank, AB:

Konstitucijos ave. 20 A, LT-03502 Vilnius

Tel. 1884, +370 5 268 4444, fax +370 5 258 2700

FINANCIAL STATUS

Unaudited financial statements of LESTO and consolidated unaudited financial statements of LESTO group presented in this chapter have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

Statement of financial position, LTL thousand

	LESTO group		Company	
	2012-03-31	2011-12-31	2012-03-31	2011-12-31
ASSETS				
Non-current assets				
Property, plant and equipment	4 773 123	4 823 970	4 626 647	4 676 010
Intangible assets	5 331	5 728	5 266	5 672
Prepayments for property plant and intangible assets	7 370	7 344	7 370	7 344
Investments in subsidiaries	-	-	195 628	191 018
Investment in associates	21 081	21 194	21 570	21 570
Investment property	139 829	135 588	-	-
Deferred income tax asset	142	-	-	-
Non-current receivables	2 397	2 369	2 397	2 369
	4 949 273	4 996 193	4 858 878	4 903 983
Current assets				
Inventories	13 230	14 404	6 787	11 817
Trade and other receivables	207 385	184 228	198 353	178 478
Prepayments, deferred charges and accrued income	24 481	24 230	24 133	23 921
Prepaid income tax	22	22	-	-
Short-term deposits	20 000	5 000	20 000	-
Cash and cash equivalents	26 397	58 708	12 669	44 161
	291 515	286 592	261 942	258 377
Non-current assets held for sale	760	760	-	-
	292 275	287 352	261 942	258 377
Total assets	5 241 548	5 283 545	5 120 820	5 162 360
EQUITY				
Equity and reserves attributed to owners of the Company				
Share capital	603 945	603 945	603 945	603 945
Revaluation reserve	1 786 931	1 837 060	1 753 865	1 803 976
Legal reserve	60 465	60 465	60 394	60 394
Other reserves	-	-	-	-
Retained earnings	1 058 739	1 014 492	1 106 664	1 060 429
	3 510 080	3 515 962	3 524 868	3 528 744
Non-controlling interest	130 669	127 380	-	-
Total equity	3 640 749	3 643 342	3 524 868	3 528 744
LIABILITIES				
Amounts payable after one year and non-current liabilities				
Borrowings	305 731	325 362	305 731	325 362
Deferred income tax liabilities	384 220	391 813	382 180	389 643
Deferred income	330 318	334 086	330 318	334 086
Grants and subsidies	47 189	46 370	47 189	46 370
Non-current employee benefits	3 452	3 452	3 346	3 346
Other non-current liabilities	587	510	587	510
	1 071 497	1 101 593	1 069 351	1 099 317
Amounts payable within one year and current liabilities				
Borrowings	132 409	119 366	132 409	119 366
Trade and other payables	272 382	300 419	271 909	298 280
Advances received and accrued liabilities	89 364	88 635	87 136	86 463
Derivative financial instruments	1 663	1 511	1 663	1 511
Current income tax liabilities	33 484	28 679	33 484	28 679
	529 302	538 610	526 601	534 299
Total liabilities	1 600 799	1 640 203	1 595 952	1 633 616
Total equity and liabilities	5 241 548	5 283 545	5 120 820	5 162 360

Statement of comprehensive income, LTL thousand

	LESTO group		Company	
	2012 Q1	2011 Q1	2012 Q1	2011 Q1
Sales revenue	625 783	615 848	623 947	608 856
Purchases of electricity	(454 389)	(452 355)	(454 389)	(452 355)
Depreciation and amortization	(100 534)	(109 082)	(97 982)	(106 399)
Employee benefits and related social security contributions	(42 593)	(41 672)	(35 492)	(34 991)
Repair and maintenance expenses	(12 541)	(12 242)	(15 678)	(12 812)
Transportation costs	(3 128)	(1 512)	(3 915)	(5 127)
Telecommunications and IT services	(6 183)	(5 619)	(5 747)	(5 258)
Rent and utilities	(3 477)	(3 269)	(3 211)	(3 244)
Revaluation of long-term assets	(372)	-	(372)	-
Other expenses	(9 791)	(1 461)	(11 729)	(1 004)
Operating profit (loss)	(7 225)	(11 364)	(4 568)	(12 334)
Finance income	688	1 584	679	1 573
Finance (costs)	(2 746)	(2 065)	(2 737)	(2 065)
Finance income/ (costs), net	(2 058)	(481)	(2 058)	(492)
Profit (loss) on investment in associates	(113)	396	-	-
Profit (loss) before income tax	(9 396)	(11 449)	(6 626)	(12 826)
Income tax	2 950	3 563	2 671	3 578
Profit (loss) for the year	(6 446)	(7 886)	(3 955)	(9 248)
Other comprehensive income(expense):				
Gain (loss) on revaluation of property, plant and equipment	93	-	93	-
Deferred income tax effect	(14)	-	(14)	-
Other comprehensive income (expense) for the year	79	-	79	-
Gross profit (loss) for the year	(6 367)	(7 886)	(3 876)	(9 248)
Profit (loss) for the year attributable to:				
Owners of the Company	(5 835)	(8 278)	(3 955)	(9 248)
Non-controlling interest	(611)	392	-	-
	(6 446)	(7 886)	(3 955)	(9 248)
Gross profit (loss) for the year attributable to:				
Owners of the Company	(5 756)	(8 278)	(3 876)	(9 248)
Non-controlling interest	(611)	392	-	-
	(6 367)	(7 886)	(3 876)	(9 248)
Earnings per share ratio	(0,010)	(0,014)	(0,007)	(0,015)

Statement of changes in equity, thousand LTL

LESTO group	Share capital	Revaluation reserve	Legal reserve	Other reserves	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 1 January 2011	603 945	2 037 875	60 574	271	927 753	3 630 418	133 600	3 764 018
Comprehensive income								
Profit (loss) for the year	-	-	-	-	(8 278)	(8 278)	392	(7 886)
Transfers to retained earnings	-	(57 072)	-	-	57 072	-	-	-
Total comprehensive income	-	(57 072)	-	-	48 794	(8 278)	392	(7 886)
Balance at 31 March 2011	603 945	1 980 803	60 574	271	976 547	3 622 140	133 992	3 756 132

LESTO group	Share capital	Revaluation reserve	Legal reserve	Other reserves	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 31 December 2011	603 945	1 837 060	60 465	-	1 014 492	3 515 962	127 380	3 643 342
Comprehensive income								
Profit (loss) for the year	-	-	-	-	(5 835)	(5 835)	(611)	(6 446)
Other comprehensive income (expense)	-	79	-	-	-	79	-	79
Transfers to retained earnings (depreciation, net of deferred income tax)	-	(50 208)	-	-	50 208	-	-	-
Total comprehensive income	-	(50 129)	-	-	44 373	(5 756)	(611)	(6 367)
Change in ownership in subsidiaries, which does not determine loss of control	-	-	-	-	(126)	(126)	126	-
Non-controlling contribution to share capital of subsidiaries	-	-	-	-	-	-	3 774	3 774
Total transactions with owners	-	-	-	-	(126)	(126)	3 900	3 774
Balance at 31 March 2012	603 945	1 786 931	60 465	-	1 058 739	3 510 080	130 669	3 640 749

Company	Share capital	Revaluation reserve	Legal reserve	Other reserves	Retained earnings	Total
Balance at 1 January 2011	603 945	2 032 898	60 394	-	939 141	3 636 378
Comprehensive income						
Profit (loss) for the year	-	-	-	-	(9 248)	(9 248)
Transfers to retained earnings (depreciation, net of deferred income tax)	-	(57 050)	-	-	57 050	-
Total comprehensive income	-	(57 050)	-	-	47 802	(9 248)
Balance at 31 March 2011	603 945	1 975 848	60 394	-	986 943	3 627 130

Company	Share capital	Revaluation reserve	Legal reserve	Other reserves	Retained earnings	Total
Balance at 1 January 2011	603 945	1 803 976	60 394	-	1 060 429	3 528 744
Comprehensive income						
Profit (loss) for the year	-	-	-	-	(3 955)	(3 955)
Other comprehensive income (expense)	-	79	-	-	-	79
Transfers to retained earnings (depreciation, net of deferred income tax)	-	(50 190)	-	-	50 190	-
Total comprehensive income	-	(50 111)	-	-	46 235	(3 876)
Reserves used	-	-	-	-	-	-
Dividends relating to 2011	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-
Balance at 31 March 2011	603 945	1 753 865	60 394	-	1 106 664	3 524 868

Statement of cash flows, thousand LTL

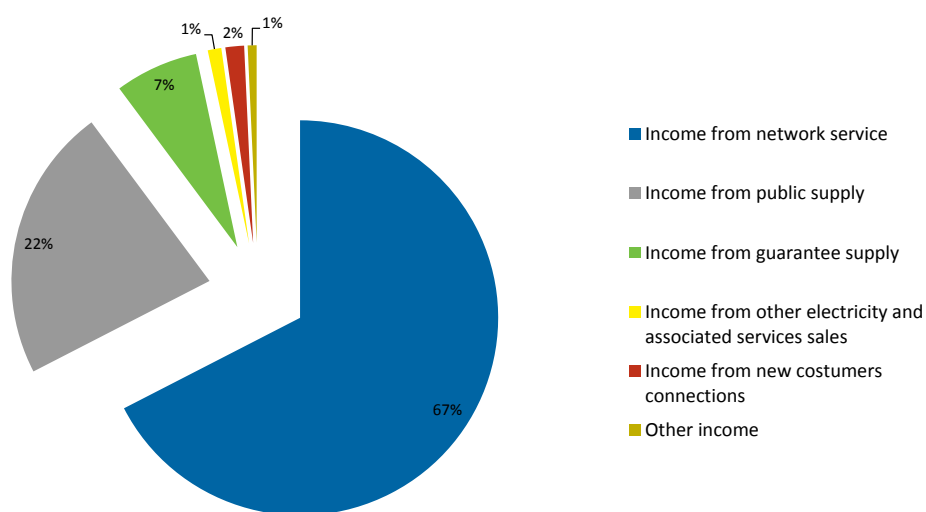
	LESTO group		Company	
	2012-03-31	2011-03-31	2012-03-31	2011-03-31
Cash flows from operating activities				
Profit (loss) for the year	(6 446)	(7 886)	(3 955)	(9 248)
Adjustment for:				
– Income tax	(2 950)	(3 563)	(2 672)	(3 579)
– Depreciation and amortisation	101 083	109 614	98 531	106 931
– Decrease in value of non current and financial assets	-	(530)	-	(530)
– Revaluation of non-current assets	372	-	372	-
– Amortisation of grants	(549)	(532)	(549)	(532)
– Gain (loss) on disposal and write-off property, plant and equipment	3 355	-	3 354	-
– Decrease in value of associates	113	(396)	-	-
– Finance (income)	(710)	(1 584)	(679)	(1 573)
– Finance costs	2 769	2 065	2 737	2 065
Changes in working capital:				
– Trade and other receivables	(22 534)	8 004	(19 935)	4 588
– Inventories, prepayments, deferred charges and accrued	944	827	1 474	2 712
– Trade and other payables, advances received, accrued charges and deferred income	908	(10 515)	2 161	(8 928)
– Paid income tax	-	(3 160)	-	(3 160)
Net cash generated from operating activities	76 355	92 344	80 839	88 746
Cash flows from investing activities				
– (Purchase) of property, equipment and intangible assets	(85 078)	(89 876)	(83 736)	(88 459)
– Proceeds from sale of property, plant and equipment	24	-	17	-
– Loans repayments received	33	(145)	33	(145)
– Term deposits	(15 000)	(60 816)	(20 000)	(57 816)
– Interest received	710	823	679	811
Net cash used in investing activities	(99 311)	(150 014)	(103 007)	(145 609)
Cash flows from financing activities				
– Proceeds of borrowings	(19 631)	(36 361)	(19 631)	(36 361)
– Dividends (paid) to the Company's shareholders	(22)	(71)	(22)	(71)
– Interest paid	(2 745)	(1 988)	(2 714)	(1 988)
Net cash used in financing activities	(22 398)	(38 420)	(22 367)	(38 420)
Net increase (decrease) in cash and cash equivalents	(45 354)	(96 090)	(44 535)	(95 283)
Cash and cash equivalents at the beginning of the year	57 846	111 370	43 299	101 880
Cash and cash equivalents at the end of the period	12 492	15 280	(1 236)	6 597

Income, costs and profitability

LESTO group profitability ratios	2012 Q1	2011 Q1
Net profit margin	-1.03	-1.28
Operating profit margin	-1.15	-1.85
EBITDA, LTL thousand	99 853	97 718
EBITDA margin	15.96	15.87
ROA	-0.12	-0.15
ROE	-0.18	-0.21

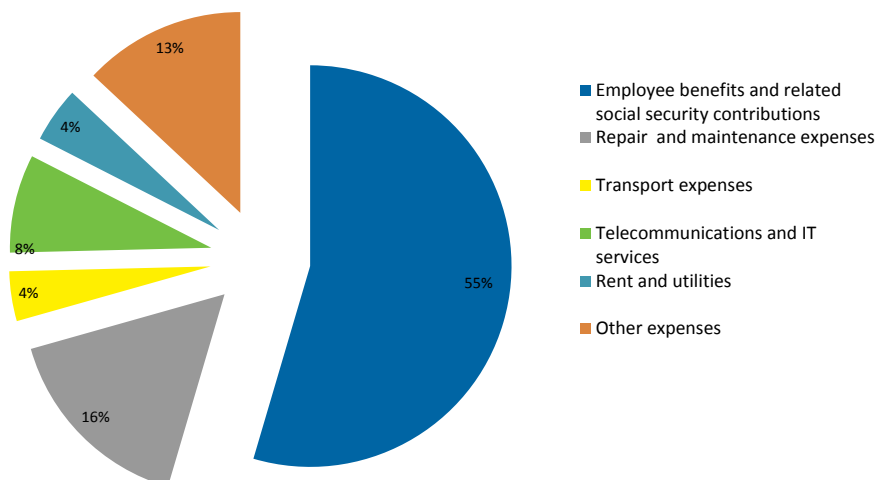
During the three months of 2012 LESTO group earned LTL 625.8 million, Company's income share made up 99.7% i.e. LTL 623.9 million. Comparing with 2011 LESTO group income increased by 1.6 %.

LESTO income structure



The main source of Company's income is income from network service that made up 67% of total income, income from public supply service consisted 22%, income from guarantee supply for the customers that have not chosen independent supplier amounted to 7 % of Company's income. Income from connection of new customers, other electricity and associated services and income form other sources made up only 4 %.

LESTO operating costs structure



During the reporting period, electricity purchase costs made up LTL 454.4 million i.e. 71.78% of total costs. Depreciation and amortization accounted to 15.8 % of total costs and the rest costs of the group that made up 12.34 % are classified as operating costs.

Other financial ratios and investments

LESTO group liquidity ratios	2012-03-31	2011-12-31
Current liquidity ratio	0.55	0.53
Acid test ratio	0.53	0.51
Cash liquidity ratio	0.09	0.12
Working capital, LTL thousand	-237 027	-251 258
Working capital to total assets ratio	-0.05	-0.05

LESTO group financial leverage ratios	2012-03-31	2011-12-31
Total liabilities to total assets ratio	0.31	0.31
Debt to assets ratio	0.08	0.08
Total liabilities to equity ratio	0.44	0.45
Debt to equity ratio	0.12	0.12
Net financial debt, LTL thousand	391 743	381 020
Net financial debt to equity ratio	0.11	0.10
Long-term debt to equity ratio	0.08	0.09
Equity to total liabilities ratio	2.27	2.22
Equity to total assets ratio	0.69	0.69

The value of LESTO group assets at the end of reporting period made up LTL 5,241.5 million. Non-current assets share in total assets was equal to 94.42%. Value of LESTO group assets shrank by 0.8 %. Short-term deposits and cash with cash equivalents accounted to LTL 46.4 million i.e. 15.9% of total current assets.

Equity of LESTO group exceeded liabilities 2.27 fold. At the end of reporting period, financial debts made up LTL 438.14 million or 27.37% of total liabilities. Non-current borrowings overweigh current borrowings by LTL 172.3 million. At the end of reporting period LESTO amounts payable within one year and current liabilities made up LTL 529.3 million.

Current liabilities exceeded current assets by LTL 237.8 million. Current liquidity ratio stood at 0.55. Inventories made up only 5.0 % of current assets, consequently acid test ratio do not differ significantly from current liquidity ratio. Financial debt reduced by the amount of the most liquid assets (short-term deposits and cash with cash equivalents) indicates net financial debt. Net financial debt of the LESTO group amounted to LTL 391.7 million and consisted only 10.8% of equity.

LESTO group earned 99,9 million profit before interest, taxes, depreciation and amortization and devaluation (EBITDA) during the first quarter of 2012. Comparing with 2011 first quarter EBITDA was 2,18 % higher. EBITDA margin increased from 15.87 % to 15.96 % comparing with 2012 first quarter.

LESTO group results for the three months of 2012 is a net loss of 6.45 million LTL, it is 18.26 % less than 2011 three months net loss. LESTO activity is regulated, therefore the main loss reason is that depreciation and amortization costs in financial statements are higher than those which are set by regulator. LESTO group income in 2012 first quarter amounted 625.8 million, which is 1.61% more than in 2011 first quarter.

ESSENTIAL EVENTS

In implementing its duties according to the binding legislation that regulates the securities market, LESTO announces material events (as well as all further regulated information) for the whole of the European Union. Information published by the Company is available on its website www.lesto.lt and the website of NASDAQ OMX Vilnius AB at www.nasdaqomxbaltic.com.

LESTO essential events in 2012:

Date	Essential event
03-01-2012	Regarding the decisions of the Extraordinary General Meeting of Shareholders of LESTO AB and the decisions of the Board of LESTO AB
20-01-2012	AB LESTO Investor' Calendar 2012
08-02-2012	Regarding New Wording of Law on Electricity
29-02-2012	Preliminary unaudited operating results of LESTO AB company group for twelve months of 2011
16-03-2012	Regarding the Preparation of the Separation Plan of Electricity Distribution Activity¹
30-03-2012	Regarding the Preparation of the Separation Plan of Electricity Distribution Activity²
03-04-2012	Regarding of the Ordinary General Meeting of Shareholders of LESTO AB
06-04-2012	Regarding the Separation of Electricity Distribution Activity
13-04-2012	Regarding supplement of agenda of Ordinary General Meeting of Shareholders of LESTO AB
27-04-2012	Decisions adopted in Ordinary General Meeting of Shareholders of LESTO AB on 27 April 2012.
27-04-2012	Annual information of LESTO AB company group of 2011
18-05-2012	AB LESTO Social responsibility report of 2011
25-05-2012	Regarding long-term loan agreement
30-05-2012	Regarding of the Extraordinary General Meeting of Shareholders of LESTO AB

¹ The National Control Commission for Prices and Energy has obligated AB LESTO to present to the Commission by 30 March 2012 a detailed description of the preferred method for separating operations and control from activities of the vertically-integrated undertaking that are not related to distribution, alongside with a detailed action plan.

² Following mandatory requirement set by the National Control Commission for Prices and Energy AB LESTO presented to the Commission a detailed action plan for separating operations and control from activities of the vertically-integrated undertaking that are not related to distribution.