

CONFIRMATION OF RESPONSIBLE PERSONS

May 24, 2012 Vilnius

Referring to the provisions of the Article 22 of the Law on Securities of the Republic of Lithuania and the Rules for the Drawing up and Submission of the Periodic and Additional Information of the Securities Commission of the Republic of Lithuania, we, the undersigned Virgilijus Poderys, Chief Executive Officer, Vytautas Tauras, Director of Finance Department and Lilijana Žiaunienė, Chief Financier-Division Manager at interim of LITGRID AB, hereby confirm that, to the best of our knowledge, the unaudited interim consolidated financial statements of LITGRID AB for the period ended 31 March 2012 are prepared in accordance with the International Financial Reporting Standards adopted by the European Union, give a true and fair view of the LITGRID AB and consolidated group assets, liabilities, financial position, profit (losses) and cash flows for the relevant period.

Virgilijus Poderys

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Chief Executive Officer

Vytautas Tauras

A handwritten signature in blue ink, appearing to read "Tauras", written over a horizontal line.

Director of Finance Department

Lilijana Žiaunienė

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Chief Financier at interim



LITGRID AB

CONSOLIDATED AND THE COMPANY'S
CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD
ENDED 31 MARCH 2012
(UNAUDITED)

LITGRID AB

Company code: 302564383 A. Juozapavičiaus g. 13, LT-09311 Vilnius

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The condensed interim financial information was signed on 24 May 2012.



Virgilijus Poderys
Chief Executive Officer



Vytautas Tauras
Director of Finance Department



Lilijana Žiaunienė
Chief Financier at interim

LITGRID UAB

Company code: 302564383 A. Juozapavičiaus g. 13, LT-09311 Vilnius

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

| | Note | Group As at 31 March 2012 (unaudited) | Company As at 31 March 2012 (unaudited) | Group As at 31 December 2011 restated | Company As at 31 December 2011 |
|--|------|---|---|---|---|
| Non-current assets: | | | | | |
| Intangible assets | 4 | 1,633 | 1,271 | 1,759 | 1,434 |
| Property, plant and equipment | 5 | 1,966,680 | 1,962,343 | 1,990,187 | 1,985,537 |
| Prepayments for property, plant, equipment | | 110,454 | 110,454 | 87,029 | 87,029 |
| Investments in subsidiaries | | - | 8,608 | - | 8,608 |
| Investments in associates and jointly controlled entities | | 21,230 | 21,332 | 20,804 | 21,332 |
| Deferred income tax assets | | 322 | - | 297 | - |
| Available-for-sale financial assets | | 1,084 | 1,084 | 1,084 | 1,084 |
| Total non-current assets | | 2,101,403 | 2,105,092 | 2,101,160 | 2,105,024 |
| Current assets: | | | | | |
| Inventories | | 4,325 | 2,203 | 4,202 | 2,214 |
| Prepayments | | 547 | 2,828 | 236 | 2,440 |
| Trade receivables | | 48,587 | 44,419 | 45,310 | 37,782 |
| Other accounts receivable | | 110,542 | 95,378 | 88,911 | 79,181 |
| Other financial assets | | 50,457 | 46,777 | 63,646 | 61,096 |
| Time deposits | | 45,078 | 45,078 | 115,079 | 115,079 |
| Held-to-maturity investments | | 84,691 | 84,691 | 21,539 | 21,539 |
| Cash and cash equivalents | | 106,541 | 100,554 | 62,635 | 57,131 |
| Total current assets | | 450,768 | 421,928 | 401,558 | 376,462 |
| TOTAL ASSETS | | 2,552,171 | 2,527,020 | 2,502,718 | 2,481,486 |
| EQUITY AND LIABILITIES | | | | | |
| Capital and reserves : | | | | | |
| Share capital | | 504,331 | 504,331 | 504,331 | 504,331 |
| Share premium | | 29,621 | 29,621 | 29,621 | 29,621 |
| Revaluation reserve | | 262,118 | 261,902 | 267,179 | 266,960 |
| Legal reserve | | 50,477 | 50,433 | 50,477 | 50,433 |
| Other reserves | | 979,738 | 979,654 | 979,738 | 979,654 |
| Retained earnings (deficit) | | 84,684 | 87,837 | 63,942 | 66,951 |
| Equity attributable to the shareholders of the parent company | | 1,910,969 | 1,913,778 | 1,895,288 | 1,897,950 |
| Non-controlling interest | | 3,922 | - | 4,253 | - |
| Total equity | | 1,914,891 | 1,913,778 | 1,899,541 | 1,897,950 |
| Non-current liabilities : | | | | | |
| Grants | 6 | 208,389 | 208,389 | 182,359 | 182,359 |
| Deferred income | | 14,470 | 14,470 | 14,642 | 14,642 |
| Other non-current accounts payable and liabilities | | 12,262 | 12,078 | 7,458 | 7,273 |
| Deferred income tax liabilities | | 175,644 | 175,644 | 178,588 | 178,588 |
| Total non-current liabilities | | 410,765 | 410,581 | 383,047 | 382,862 |
| Current liabilities : | | | | | |
| Trade payables | | 45,117 | 43,760 | 54,921 | 52,459 |
| Advance amounts received | | 6,159 | 2,005 | 4,340 | 1,363 |
| Income tax payable | | 13,008 | 12,625 | 7,162 | 6,800 |
| Other accounts payable | | 162,231 | 144,271 | 153,707 | 140,052 |
| Total current liabilities | | 226,515 | 202,661 | 220,130 | 200,674 |
| Total liabilities | | 637,280 | 613,242 | 603,177 | 583,536 |
| TOTAL EQUITY AND LIABILITIES | | 2,552,171 | 2,527,020 | 2,502,718 | 2,481,486 |

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

LITGRID AB

Company code: 302564383 A. Juozapavičiaus g. 13, LT-09311 Vilnius

STATEMENTS OF COMPREHENSIVE INCOME
FOR PERIOD ENDED 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

| | Notes | Group January- March 2012 (unaudited) | Company January- March 2012 (unaudited) | Group January- March 2011 (unaudited) | Company January- March 2011 (unaudited) |
|--|-------|---|---|---|---|
| Revenue | | | | | |
| Sales of electricity and related services | | 115,758 | 115,670 | 101,551 | 101,539 |
| Other revenue | | 8,717 | 1,826 | 6,930 | 831 |
| Total revenue | | 124,475 | 117,496 | 108,481 | 102,370 |
| Operating expenses | | | | | |
| Purchase of electricity and related services | | (54,826) | (55,326) | (52,633) | (53,239) |
| Depreciation and amortisation | 4,5,6 | (31,505) | (31,206) | (33,482) | (33,199) |
| Wages and salaries and related expenses | | (7,992) | (3,924) | (7,842) | (3,766) |
| Repair and maintenance expenses | | (1,868) | (3,128) | (3,795) | (6,535) |
| Telecommunications and IT systems expenses | | (3,743) | (3,486) | (4,142) | (3,954) |
| Write-off of property, plant and equipment | | (93) | (93) | (484) | (484) |
| Other expenses | | (7,633) | (2,545) | (6,974) | (2,302) |
| Total operating expenses | | (107,660) | (99,708) | (109,352) | (103,479) |
| OPERATING PROFIT (LOSS) | | 16,815 | 17,788 | (871) | (1,109) |
| Finance income | | 987 | 924 | 642 | 592 |
| Finance costs | | (2) | (2) | (2) | (2) |
| Finance income, net | | 985 | 922 | 640 | 590 |
| Share of profit/(loss) of associates and jointly controlled entities | | (54) | - | 524 | - |
| Gain on change in ownership interest in associate | | 480 | - | - | - |
| | | 426 | - | 524 | - |
| PROFIT (LOSS) BEFORE INCOME TAX | | 18,226 | 18,710 | 293 | (519) |
| Current year income tax expense | | (12,150) | (11,772) | (2,454) | (2,275) |
| Deferred tax income (expense) | | 15,085 | 14,960 | 1,874 | 1,819 |
| | | 2,935 | 3,188 | (580) | (456) |
| NET PROFIT (LOSS) FOR THE YEAR | | 15,349 | 15,828 | (5,047) | (5,751) |
| Other comprehensive income | | | | | |
| Other comprehensive income | | - | - | 5 | - |
| Other comprehensive income, net of deferred income tax | | - | - | 5 | - |
| COMPREHENSIVE INCOME (LOSS) | | 15,349 | 15,828 | (5,042) | (5,751) |
| NET PROFIT (LOSS) ATTRIBUTABLE TO : | | | | | |
| Owners of the Company | | 15,681 | 15,828 | (5,033) | (5,751) |
| Non-controlling interest | | (332) | - | (14) | - |
| | | 15,349 | 15,828 | (5,047) | (5,751) |
| TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO: | | | | | |
| Owners of the Company | | 15,681 | 15,828 | (5,028) | (5,751) |
| Non-controlling interest | | (332) | - | (14) | - |
| | | 15,349 | 15,828 | (5,042) | (5,751) |
| Basic and diluted earnings (deficit) per share (in LTL) | 9 | 0.03 | - | (0.01) | - |

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



LITGRID AB

Company code: 302564383 A. Juozapavičiaus g. 13, LT-09311 Vilnius

STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2012
(All amounts in LTL thousands unless otherwise stated)

| Group | Note | Equity attributable to owners of the Company | | | | | | Non- controlling interest | Total equity |
|---|------|--|------------------|----------------------------|------------------|-------------------|----------------------|---------------------------------|------------------|
| | | Share capital | Share premium | Revaluati on reserve | Legal reserve | Other reserves | Retained earnings | | |
| Balance at 1 January 2011 | | 504,331 | 29,621 | 296,353 | 47,730 | - | 1,035,947 | 3,359 | 1,917,341 |
| Comprehensive income | | | | | | | | | |
| Net profit (loss) | | - | - | - | - | - | (5,033) | (14) | (5,047) |
| Other transfers to/from the reserves | | - | - | - | - | - | 52 | 33 | 85 |
| Other comprehensive income | | - | - | - | - | - | 5 | - | 5 |
| Depreciation of revaluation reserve and amounts written off | | - | - | (6,504) | - | - | 6,504 | - | - |
| Total comprehensive income (loss) | | - | - | (6,504) | - | - | 1,528 | 19 | (4,957) |
| Balance at 31 March 2011 | | 504,331 | 29,621 | 289,849 | 47,730 | - | 1,037,475 | 3,378 | 1,912,384 |
| Balance at 1 January 2012 | | 504,331 | 29,621 | 267,179 | 50,477 | 979,738 | 63,942 | 4,253 | 1,899,541 |
| Comprehensive income | | | | | | | | | |
| Net profit (loss) | | - | - | - | - | - | 15,681 | (332) | 15,349 |
| Depreciation of revaluation reserve and amounts written off | | - | - | (5,061) | - | - | 5,061 | 1 | 1 |
| Total comprehensive income (loss) | | - | - | (5,061) | - | - | 20,742 | (331) | 15,350 |
| Balance at 31 March 2012 | | 504,331 | 29,621 | 262,118 | 50,477 | 979,738 | 84,684 | 3,922 | 1,914,891 |

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



LITGRID AB

Company code: 302564383 A. Juozapavičiaus g. 13, LT-09311 Vilnius

STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2012
(All amounts in LTL thousands unless otherwise stated)

| Company | Note | Share capital | Share premium | Revaluation reserve | Legal reserve | Other reserves | Retained earnings (deficit) | Total |
|---|------|----------------|---------------|---------------------|---------------|----------------|-----------------------------|------------------|
| Balance at 1 January 2011 | | 504,331 | 29,621 | 296,353 | 47,665 | - | 1,040,304 | 1,918,274 |
| Comprehensive income | | | | | | | | |
| Net profit (loss) | | - | - | - | - | - | (5,751) | (5,751) |
| Depreciation of revaluation reserve and amounts written off | | - | - | (6,504) | - | - | 6,504 | - |
| Total comprehensive income (loss) | | - | - | (6,504) | - | - | 753 | (5,751) |
| Balance at 31 March 2011 | | 504,331 | 29,621 | 289,849 | 47,665 | - | 1,041,057 | 1,912,523 |
| Balance at 1 January 2012 | | 504,331 | 29,621 | 266,960 | 50,433 | 979,654 | 66,951 | 1,897,950 |
| Comprehensive income | | | | | | | | |
| Net profit (loss) | | - | - | - | - | - | 15,828 | 15,828 |
| Depreciation of revaluation reserve and amounts written off | | - | - | (5,058) | - | - | 5,058 | - |
| Total comprehensive income (loss) | | - | - | (5,058) | - | - | 20,886 | 15,828 |
| Balance at 31 March 2012 | | 504,331 | 29,621 | 261,902 | 50,433 | 979,654 | 87,837 | 1,913,778 |

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

STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2012
(All amounts in LTL thousand, unless otherwise stated)

| | Note | Group as at 31 March 2012 (unaudited) | Company as at 31 March 2012 (unaudited) | Group as at 31 March 2011 restated | Company as at 31 March 2011 restated |
|--|------|---|---|--|--|
| Cash flows from operating activities | | | | | |
| Net profit (loss) | | 15,349 | 15,828 | (5,042) | (5,751) |
| Reversal of non-monetary expenses (income) and other adjustments | | | | | |
| Depreciation and amortisation expense | 4,5 | 31,934 | 31,635 | 33,956 | 33,426 |
| Share of profit/(loss) of associates and jointly controlled entities | | 54 | - | (524) | - |
| Gain on change in ownership interest in associate | | (480) | - | - | - |
| Income tax expense/(income) | | 2,877 | 2,882 | 7,049 | 5,232 |
| Loss on write-off of property, plant and equipment | 5 | 93 | 93 | 493 | 493 |
| Amortisation of grants | 6 | (429) | (429) | (474) | (474) |
| Interest income | | (976) | (922) | (368) | (368) |
| Finance costs | | (9) | - | - | - |
| Change in other financial assets | | 13,189 | 14,319 | (13,138) | (13,058) |
| Changes in working capital | | | | | |
| (Increase) decrease in trade receivables and other receivables | | (25,486) | (23,412) | 34,487 | 13,885 |
| (Increase) decrease in inventories and prepayments | | (432) | (376) | (1,676) | (3,041) |
| Increase (decrease) in accounts payable, grants and advance amounts received | | 6,764 | 1,766 | (44,416) | (23,139) |
| Cash flows from operations | | 42,448 | 41,384 | 10,347 | 7,205 |
| Income tax paid | | - | - | - | - |
| Net cash generated from operating activities | | 42,448 | 41,384 | 10,347 | 7,205 |
| Cash flows from investing activities | | | | | |
| Purchase of property, plant and equipment and intangible assets | | (33,413) | (32,769) | (49,105) | (48,967) |
| Grants received | 6 | 26,459 | 26,459 | 25,278 | 25,278 |
| Interest received | | 1,554 | 1,500 | 368 | 368 |
| Investments in time deposits | | 70,001 | 70,001 | (20,000) | (20,000) |
| Purchase of held-to-maturity investments | | (63,152) | (63,152) | - | - |
| Other | | 9 | - | - | - |
| Net cash used in investing activities | | 1,458 | 2,039 | (43,459) | (43,321) |
| Net increase/(decrease) in cash and cash equivalents | | 43,906 | 43,423 | (33,112) | (36,116) |
| Cash and cash equivalents at the beginning of the period | | 62,635 | 57,131 | 64,963 | 63,492 |
| Cash and cash equivalents at the end of the period | | 106,541 | 100,554 | 31,851 | 27,376 |

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

NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2012
(All amounts in LTL thousands unless otherwise stated)

1. General information

LITGRID AB (the name of the company was LITGRID Turtas AB until 14 March 2011) is a public company registered in the Republic of Lithuania. The address of its registered office is: A. Juozapavičiaus g. 13, LT-09311, Vilnius, Lithuania. LITGRID AB (hereinafter LITGRID or "the Company") is a limited liability profit-making entity established as a result of spin-off of Lietuvos Energija AB operations based the decision of the Extraordinary General Meeting of Shareholders of Lietuvos Energija AB dated 28 October 2010 which was passed to approve the spin-off of Lietuvos Energija AB. The Company was registered with the Register of Legal Entities managed by the public institution Registrų Centras on 16 November 2010. The Company's code is 302564383; VAT payer's code is LT100005748413.

In the financial statements of the Company the spin-off was accounted for using book values of assets and liabilities recorded in Lietuvos Energija AB financial statements as at the date of spin-off.

LITGRID is an operator of electricity transmission system operating electricity transmissions in the territory of Lithuania and ensuring the stability of operation of the whole electric power system. In addition, the Company is responsible for the integration and development of the Lithuanian electricity market, as well as for the maintenance and development of electricity transmission network – the strategic projects for electricity interconnections with Sweden and Poland that will ensure the country's energetic independence.

The principal objectives of the Company's activities include ensuring the stability and reliability of electric power system in the territory of Lithuania within its areas of competence, creation of objective and non-discriminatory conditions for the use of the transmission networks, management, use and disposal of electricity transmission system assets and its appurtenances, management of companies engaged in transmission trading and market operator's activities including management of companies owing electricity interconnections with other countries or those that develop, manage, use or dispose them.

On 24 February 2011, the Company was granted a license of the electricity transmission system operator by the National Control Commission for Prices and Energy (the Commission).

As at 31 March 2012 and 31 December 2011, the authorised share capital of the Company amounted to LTL 504,331,380 and was divided into 504,331,380 ordinary registered shares with par value of LTL 1 each. All shares are fully paid.

As at 31 March 2012 and 31 December 2011, the Company's shareholders were as follows:

| | Ownership interest (in LTL) | Number of shares held (%) |
|--------------------------------|--------------------------------|------------------------------|
| Visagino Atominė Elektrinė UAB | 491,736,153 | 97.5 % |
| Other shareholders | 12,595,227 | 2.5 % |
| Total | 504,331,380 | 100 % |

The ultimate controlling party of Visagino Atominė Elektrinė UAB is the Ministry of Energy of the Republic of Lithuania.

The shares of the Company are listed on the NASDAQ OMX Vilnius Stock Exchange.

As of the date of these financial information the Group included LITGRID and its directly controlled subsidiaries, which are listed below.

| Company | Address of the company's registered office | The Group's shareholding at 31 March 2011 | The Group's shareholding at 31 December 2011 | Profile of activities |
|-------------|---|--|---|---|
| BALTPOL UAB | A. Juozapavičiaus g. 13, Vilnius, Lithuania | 67% | 100% | Electricity market operator |
| TETAS UAB | Senamiesčio g. 102B, Panevėžys, Lithuania | 61% | 61% | Transformer substation, distribution station design, construction, repair and maintenance services |

NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2012
(All amounts in LTL thousands unless otherwise stated)

The structure of the Group's investments in the associates and the jointly controlled entity as at 31 March 2012 and 31 December 2011 was as follows:

| Company | Address of the company's registered office | The Group's shareholding at 31 March 2012 | The Group's shareholding at 31 December 2011 | Profile of activities |
|---------------------------------------|--|---|--|---|
| Technologijų ir Inovacijų Centras UAB | Žvejų g. 14, Vilnius, Lietuva | 20 proc. | 35% | IT services |
| Elektros Tinklo Paslaugos UAB | Motorų g. 2, Vilnius, Lietuva | 25 proc. | 29% | Power network and related equipment repair, maintenance and construction services |
| LitPol Link Sp.z.o.o | Wojciecha Gorskiego 900-033 Warsaw, Poland | 50 proc. | 50% | Designing of electricity transmission interconnection facilities |

As at 31 March 2012, the Group had 625 employees (31 December 2011: 623 employees), whereas the Company had 201 employees (31 December 2011: 205 employees).

1. Basis of preparation

This Company's and consolidated Group's condensed interim financial information as of 31 March 2012 has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and applicable to interim financial reporting (International Accounting Standard (IAS) 34, 'Interim financial reporting').

These financial statements have been prepared on a historical cost basis, except for property, plant and equipment which is recorded at revalued amount, less accumulated depreciation and estimated impairment loss, and available-for-sale financial assets which are carried at fair value.

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

2. Accounting policies

Except as described below, the accounting policies and calculation methods applied in the preparation of this condensed interim financial information are consistent with those of the annual financial statements for the year ended 31 December 2011. These policies have been consistently applied to all the periods presented.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

3.1. Change in accounting policies. Restatement of comparatives

Other financial assets

In Group's consolidated financial statements amounts, received by subsidiary BALTPOL UAB from the electricity market participants, as guarantee to secure fulfillment of obligation, are reclassified from cash and cash equivalents to other financial assets.

Information about the effect of changes in the accounting policy on the Group's current assets is given below.

| Group | As at 31 December 2011 (previously reported) | Effect of change in accounting policy | As at 31 December 2011 (restated) |
|-----------------------------|--|---------------------------------------|-----------------------------------|
| Current assets: | | | |
| Other financial assets | 61,096 | 2,550 | 63,646 |
| Cash and cash equivalents | 65,185 | (2,550) | 62,635 |
| Total current assets | 401,558 | - | 401,558 |
| TOTAL ASSETS | 2,502,718 | - | 2,502,718 |

3.25 Critical accounting estimates and uncertainties

**NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2012**

(All amounts in LTL thousands unless otherwise stated)

The preparation of interim financial information in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and costs and contingencies. The main areas where accounting estimates were used are described below:

Revaluation and impairment of property, plant and equipment

During the unbundling process that took place in 2010 the Company took over property, plant and equipment from Lietuvos Energija AB. The fair value of property, plant and equipment, depending on the type of asset, of Lietuvos Energija AB as at 31 December 2008 was determined by independent valuers who used either method of comparative prices, or depreciated replacement value, or discounted cash flows methods to determine the fair value of the assets.

As at 31 December 2009, Lietuvos Energija AB revised the carrying amounts of property, plant and equipment. Having assessed the fall in construction cost indices during the 11 months of 2009 of the relevant categories of assets as published by the Lithuanian Statistics Department, Lietuvos Energija AB reduced the carrying amount of property, plant and equipment. Lietuvos Energija AB applied a 12.27 per cent statistical index in respect of the category of buildings and a 9.68 per cent index in respect of other categories of property, plant and equipment that at 31 December 2008 were revalued based on the depreciated replacement cost method.

The previous version of the Lithuanian Law on Electricity effective as at 31 December 2008 stipulated that the price caps of electricity transmission services were determined based on the value of assets used in licensed activities of the service provider, with the value of such assets established on the grounds of data reported in the service provider's financial statements (Regulated Assets Base).

According to the amendment to the above-mentioned Law effective from 1 June 2009, the price caps of electricity transmission services are to be determined based on the value of assets used in licensed activities of the service provider with values being estimated and approved by the Commission in accordance with the principles of determination of the value of assets used in licensed activities of the service provider that have been drafted by the Commission and approved by the Government.

According to the Resolution on the Methodology of Determination of the Value of Assets used in Licensed Activities of the Electricity Service Provider, the determination of the price caps of electricity transmission services is to include the value of assets used in licensed activities of the service provider which is equal to net book value (carrying amount) of property, plant and equipment as at 31 December 2002 as increased by the amount of investments implemented and agreed with the Commission and reduced by the depreciation amount calculated pursuant to the procedure stipulated by the Lithuanian Law on Income Tax.

Due to the reasons specified, the values of property, plant and equipment reported in these financial statements may materially differ from those that would have been determined if the valuation of assets had been performed by independent valuers as required by International Valuation and Accounting Standards. It is probable that such valuation would have a negative effect on the results of the Company' and Group's operation and the shareholders' equity reported in the financial statements for the years 2010 and 2011.

The management of the Company, according to the guideline of Visagino atominė elektrinė UAB group, not performed the valuation of property, plant and equipment as at 31 March 2012 and 31 December 2011, as a substantial reorganisation of the whole state owned electricity sector took place in 2010 and 2011.

Useful lives of property, plant and equipment

When assessing the remaining useful life of property, plant and equipment, management takes into consideration the conclusions provided by employees responsible for technical maintenance of assets as to the actual useful lives of property, plant and equipment, as well as the manufacturer's technical documentation.

The underlying principles used for other significant estimates are outlined in the respective notes to the financial statements.

As at the date of these financial statements, there was no significant risk that the carrying amount of assets and liabilities will be subject to major adjustments in the following reporting year due to changes in management's assumptions and estimates, except for the adjustments which might be needed due to uncertainties in respect of the determination of the value of property, plant and equipment used in licensed activities as at 31 December 2011, as described above.

NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2012
(All amounts in LTL thousands unless otherwise stated)

4. Intangible assets

The structure of the Group's intangible assets is as follows:

| Group | Patents and licenses | Computer software | Other intangible assets | Total |
|--|----------------------|-------------------|-------------------------|--------------|
| At 31 December 2010 | | | | |
| Cost | 1 | 4,464 | 34 | 4,499 |
| Accumulated amortisation | (1) | (2,767) | (6) | (2,774) |
| Net book amount at 31 December 2010 | - | 1,697 | 28 | 1,725 |
| Opening net book amount | - | 1,697 | 28 | 1,725 |
| Amortisation charge | - | (153) | (2) | (155) |
| Net book amount at 31 March 2011 | - | 1,544 | 26 | 1,570 |
| Cost | 1 | 4,909 | 48 | 4,958 |
| Accumulated amortisation | (1) | (3,489) | (15) | (3,505) |
| Net book amount at 31 March 2011 | - | 1,420 | 33 | 1,453 |
| At 31 December 2011 | | | | |
| Cost | 1 | 5,228 | 48 | 5,277 |
| Accumulated amortisation | (1) | (3,502) | (15) | (3,518) |
| Net book amount at 31 December 2011 | - | 1,726 | 33 | 1,759 |
| Opening net book amount | - | 1,726 | 33 | 1,759 |
| Additions | - | 95 | - | 95 |
| Amortisation charge | - | (218) | (3) | (221) |
| Net book amount at 31 March 2012 | - | 1,603 | 30 | 1,633 |
| Cost | 1 | 5,323 | 48 | 5,372 |
| Accumulated amortisation | (1) | (3,720) | (18) | (3,739) |
| Net book amount at 31 March 2012 | - | 1,603 | 30 | 1,633 |

The structure of the Company's intangible assets is as follows:

| Company | Patents and licenses | Computer software | Other intangible assets | Total |
|--|----------------------|-------------------|-------------------------|--------------|
| At 31 December 2010 | | | | |
| Cost | 1 | 4,438 | 34 | 4,473 |
| Accumulated amortisation | (1) | (2,763) | (6) | (2,770) |
| Net book amount at 31 December 2010 | - | 1,675 | 28 | 1,703 |
| Opening net book amount | - | 1,675 | 28 | 1,703 |
| Amortisation charge | - | (150) | (2) | (152) |
| Net book amount at 31 March 2011 | - | 1,525 | 26 | 1,551 |
| Cost | 1 | 4,438 | 34 | 4,473 |
| Accumulated amortisation | (1) | (2,913) | (8) | (2,922) |
| Net book amount at 31 March 2011 | - | 1,525 | 26 | 1,551 |
| At 31 December 2011 | | | | |
| Cost | 1 | 4,879 | 48 | 4,928 |
| Accumulated amortisation | (1) | (3,478) | (15) | (3,494) |
| Net book amount at 31 December 2011 | - | 1,401 | 33 | 1,434 |
| Opening net book amount | - | 1,401 | 33 | 1,434 |
| Additions | - | 45 | - | 45 |
| Amortisation charge | - | (205) | (3) | (208) |
| Net book amount at 31 March 2012 | - | 1,241 | 30 | 1,271 |
| Cost | 1 | 4,924 | 48 | 4,973 |
| Accumulated amortisation | (1) | (3,683) | (18) | (3,702) |
| Net book amount at 31 March 2012 | - | 1,241 | 30 | 1,271 |

NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2012
(All amounts in LTL thousands unless otherwise stated)

5. Property, plant and equipment

The structure of the Group's property, plant and equipment is as follows:

| Group | Land | Buildings | Plant and machinery | Motor vehicles | Other PP&E | Constructi on in progress | Total |
|--|--------------|---------------|---------------------|----------------|---------------|---------------------------|------------------|
| At 31 December 2010 | | | | | | | |
| Cost or revaluated amount | 1,961 | 38,936 | 2,061,505 | 2,375 | 86,811 | 34,285 | 2,225,873 |
| Accumulated depreciation | - | (2,303) | (116,287) | (546) | (41,248) | - | (160,384) |
| Accumulated impairment | - | (145) | (1,225) | - | - | - | (1,370) |
| Net book amount at 31 December 2010 | 1,961 | 36,488 | 1,943,993 | 1,829 | 45,563 | 34,285 | 2,064,119 |
| Opening net book amount | 1,961 | 36,488 | 1,943,993 | 1,829 | 45,563 | 34,285 | 2,064,119 |
| Additions | - | - | - | 104 | 147 | 10,389 | 10,640 |
| Write-offs | - | - | (488) | - | (5) | - | (493) |
| Reclassification between categories | - | - | 1,371 | - | (420) | (951) | - |
| Depreciation charge | - | (579) | (30,825) | (118) | (2,276) | - | (33,798) |
| Net book amount at 31 March 2011 | 1,961 | 35,909 | 1,914,051 | 1,815 | 43,009 | 43,723 | 2,040,468 |
| Cost or revaluated amount | 1,961 | 38,935 | 2,062,110 | 2,450 | 86,532 | 43,723 | 2,235,711 |
| Accumulated depreciation | - | (2,881) | (146,834) | (635) | (43,523) | - | (193,873) |
| Accumulated impairment | - | (145) | (1,225) | - | - | - | (1,370) |
| Net book amount at 31 March 2011 | 1,961 | 35,909 | 1,914,051 | 1,815 | 43,009 | 43,723 | 2,040,468 |
| At 31 December 2011 | | | | | | | |
| Cost or revaluated amount | 1,961 | 39,539 | 2,070,777 | 2,395 | 87,286 | 72,353 | 2,274,311 |
| Accumulated depreciation | - | (4,543) | (228,329) | (757) | (49,125) | - | (282,754) |
| Accumulated impairment | - | (145) | (1,225) | - | - | - | (1,370) |
| Net book amount at 31 December 2010 | 1,961 | 34,851 | 1,841,223 | 1,638 | 38,161 | 72,353 | 1,990,187 |
| Opening net book amount | 1,961 | 34,851 | 1,841,223 | 1,639 | 38,160 | 72,353 | 1,990,187 |
| Additions | - | - | - | - | 48 | 8,253 | 8,301 |
| Write-offs | - | - | (95) | - | - | - | (95) |
| Reclassification between categories | - | 320 | 2,560 | - | 397 | (3,277) | - |
| Depreciation charge | - | (538) | (28,968) | (126) | (2,085) | 4 | (31,713) |
| Net book amount at 31 March 2012 | 1,961 | 34,633 | 1,814,720 | 1,513 | 36,520 | 77,333 | 1,966,680 |
| Cost or revaluated amount | 1,961 | 39,859 | 2,073,214 | 2,395 | 87,731 | 77,329 | 2,282,489 |
| Accumulated depreciation | - | (5,081) | (257,269) | (882) | (51,211) | 4 | (314,439) |
| Accumulated impairment | - | (145) | (1,225) | - | - | - | (1,370) |
| Net book amount at 31 March 2012 | 1,961 | 34,633 | 1,814,720 | 1,513 | 36,520 | 77,333 | 1,966,680 |

NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2012
(All amounts in LTL thousands unless otherwise stated)

The structure of the Company's property, plant and equipment is as follows:

| Company | Land | Buildings | Plant and machinery | Motor vehicles | Other PP&E | Constructi on in progress | Total |
|--|--------------|---------------|---------------------|----------------|---------------|---------------------------|------------------|
| At 31 December 2010 | | | | | | | |
| Cost or revaluated amount | 1,961 | 37,881 | 2,061,131 | 29 | 83,902 | 34,686 | 2,219,590 |
| Accumulated depreciation | - | (2,100) | (116,148) | (29) | (40,296) | - | (158,573) |
| Accumulated impairment | - | (145) | (1,225) | - | - | - | (1,370) |
| Net book amount at 31 December 2010 | 1,961 | 35,636 | 1,943,758 | - | 43,606 | 34,686 | 2,059,647 |
| Opening net book amount | 1,961 | 35,636 | 1,943,758 | - | 43,606 | 34,686 | 2,059,647 |
| Additions | - | - | - | - | 118 | 10,384 | 10,502 |
| Write-offs | - | - | (488) | - | (5) | - | (493) |
| Reclassification between categories | - | - | 1,371 | - | (420) | (951) | - |
| Depreciation charge | - | (562) | (30,814) | - | (2,145) | - | (33,521) |
| Net book amount at 31 March 2011 | 1,961 | 35,074 | 1,913,827 | - | 41,154 | 44,119 | 2,036,135 |
| Cost or revaluated amount | 1,961 | 37,881 | 2,061,735 | - | 83,593 | 44,119 | 2,229,289 |
| Accumulated depreciation | - | (2,662) | (146,683) | - | (42,439) | - | (191,784) |
| Accumulated impairment | - | (145) | (1,225) | - | - | - | (1,370) |
| Net book amount at 31 March 2011 | 1,961 | 35,074 | 1,913,827 | - | 41,154 | 44,119 | 2,036,135 |
| At 31 December 2011 | | | | | | | |
| Cost or revaluated amount | 1,961 | 38,019 | 2,069,995 | - | 84,523 | 72,763 | 2,267,261 |
| Accumulated depreciation | - | (4,261) | (228,143) | - | (47,950) | - | (280,354) |
| Accumulated impairment | - | (145) | (1,225) | - | - | - | (1,370) |
| Net book amount at 31 December 2011 | 1,961 | 33,613 | 1,840,627 | - | 36,573 | 72,763 | 1,985,537 |
| Opening net book amount | 1,961 | 33,613 | 1,840,627 | - | 36,573 | 72,763 | 1,985,537 |
| Additions | - | - | - | - | - | 8,328 | 8,328 |
| Write-offs | - | - | (95) | - | - | - | (95) |
| Reclassification between categories | - | 320 | 2,560 | - | 397 | (3,277) | - |
| Depreciation charge | - | (518) | (28,946) | - | (1,963) | - | (31,427) |
| Net book amount at 31 March 2012 | 1,961 | 33,415 | 1,814,146 | - | 35,007 | 77,814 | 1,962,343 |
| Cost or revaluated amount | 1,961 | 38,339 | 2,072,432 | - | 84,920 | 77,814 | 2,275,466 |
| Accumulated depreciation | - | (4,779) | (257,061) | - | (49,913) | - | (311,753) |
| Accumulated impairment | - | (145) | (1,225) | - | - | - | (1,370) |
| Net book amount at 31 March 2012 | 1,961 | 33,415 | 1,814,146 | - | 35,007 | 77,814 | 1,962,343 |

Write-offs mainly represent derecognition of replaced part of asset upon its reconstruction.

As at 31 March 2012 and 31 December 2011, the Group/Company had significant contractual commitments to purchase property, plant and equipment to be fulfilled in later periods.

| | At 31 March 2012 | At 31 December 2011 |
|---|------------------|---------------------|
| Interconnection between the electricity transmission systems of Lithuania and Sweden (NORDBALT) | 597,783 | 620,783 |
| Transformer substations | 83,465 | 60,778 |
| Interconnection between the electricity transmission systems of Lithuania and Poland (LitPolLink) | 841 | 1,706 |
| Other | 64,987 | 59,111 |
| Total | 747,076 | 742,378 |

NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2012
(All amounts in LTL thousands unless otherwise stated)

6. Grants

The balance of grants consists of grants related to the financing of assets acquisition. Movements in grants during three month period ended 31 March 2012 and 31 March 2011 were as follows:

| | Group | Company |
|--|----------------|----------------|
| Balance at 31 December 2010 | 42,349 | 42,349 |
| Grants received on spin-off | 25,278 | 25,278 |
| Recognised as income during the period | (474) | (474) |
| Balance at 31 March 2011 | 67,153 | 67,153 |
| Balance at 31 December 2011 | 182,359 | 182,359 |
| Grants received | 26,459 | 26,459 |
| Recognised as income during the period | (429) | (429) |
| Balance at 31 March 2012 | 208,389 | 208,389 |

Grants received during three month period ended 31 March 2012 included:
amounts received from the EU Structural Funds for financing reconstruction of the Company's property, plant and equipment LTL 4,343 thousand (2011: LTL 2,271 thousand);
funds from International Ignalina Decommissioning Support Fund for the preparation works and implementation of interconnection Lithuania-Poland (LitPolLink) project – 866 thousand LTL (0 thousand LTL);
funds from public service obligations for the preparation works and implementation of interconnection Lithuania-Sweden (NordBalt) project – 21,250 thousand LTL (23,008 thousand LTL).

In the statement of comprehensive income for the three month period ended 31 March 2012, depreciation and amortisation charges were reduced by income of grants of LTL 429 thousand (2011: LTL 474 thousand).

7. Segment information

The Group has distinguished the following 6 segments:

- electricity transmission;
- trade in balancing/regulating electricity;
- provision of capacity reserve services;
- provision of services under PSO (public service obligation) scheme;
- activities of the market operator;
- repair and maintenance activities

The electricity transmission segment is engaged in transmitting electricity over high voltage (330-110 kV) networks from producers to end users or suppliers not in excess of the limit established in the contract. The main objective of these activities is to ensure a reliable, effective, high quality, transparent and safe electricity transmission to distributions networks, large network users from power stations and neighbouring energy systems.

Trade in balancing/regulating electricity is a separate service of the transmission system operator ensuring the balancing of electricity generation/import and demand/export levels.

Provision of capacity reserve services: to ensure a reliable work of the system, the Company purchases from electricity producers the service of ensuring capacity reserve for power generation facilities and provides capacity reserve services to end users. The capacity reserve is required in case of unexpected fall in electricity generation volumes or increase in electricity consumption.

The Company's/Group's services provided under PSO scheme comprise as follows:

- development and implementation of strategic projects for the improvement of energy security with the help of interconnections Lithuania-Sweden and Lithuania-Poland, connection of the Lithuanian electric energy system to ENTSO-E continental Europe networks;
- connection of power generation facilities, which use wind, biomass, solar energy or hydroenergy in the process of electricity generation, to transmission networks, optimisation, development and/or reconstruction of transmission networks in relation to acceptance and transmission of electricity from producers that use the renewable energy resources;
- balancing of electricity generated using the renewable energy resources;
- administration of PSO service fees.

The activities of electricity market operator are carried out by the Company's subsidiary BALTPOL UAB. This subsidiary generates income mainly from the provision of market administration services.

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Repair and maintenance services are carried out by the Company's subsidiary TETAS UAB. These services include reconstruction, repair and technical maintenance of medium voltage transformer substations and distribution stations.

NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2012
(All amounts in LTL thousands unless otherwise stated)

The Group's information on segments for the three month period ended 31 March 2012 is presented in the table below:

The Group's information on segments for the three month period ended 31 March 2012 is presented in the table below.

| | Operating segments | | | | | | | |
|---|-------------------------------|---|---|---|-------------------------------------|--|---|---------|
| | Electricity trans- mission | Trade in balancing/ regulating electricity | Provision of capacity reserve services | Provision of services under PSO scheme | Activities of market operator | Repair and maintenanc e activities | Other inter- segment eliminations | Total |
| Revenue | 68,122 | 28,074 | 18,155 | 3,146 | 588 | 8,290 | - | 126,375 |
| Inter-segment revenue | | - | - | - | (521) | (1,303) | (76) | (1,900) |
| Revenue after elimination of intercompany revenue within the Group | 68,122 | 28,074 | 18,155 | 3,146 | 67 | 6,987 | (76) | 124,475 |
| Expenses | 59,836 | 19,846 | 16,881 | 3,146 | 486 | 9,294 | - | 109,489 |
| Operating profit (loss) | 8,286 | 8,228 | 1,274 | - | 102 | (1,004) | (71) | 16,815 |
| Finance income (costs), net | 922 | - | - | - | 58 | 5 | - | 985 |
| Share of result of associates and jointly controlled entities | (54) | - | - | - | - | - | - | (54) |
| Gain on change in ownership interest in associate | 480 | - | - | - | - | - | - | 480 |
| Profit (loss) before income tax | 9,634 | 8,228 | 1,274 | - | 160 | (999) | (71) | 18,226 |
| *Income tax | (2,882) | - | - | - | (22) | 27 | - | (2,877) |
| Net profit (loss) for the year | 6,752 | 8,228 | 1,274 | - | 138 | (972) | (71) | 15,349 |
| Depreciation and amortisation expense | 31,206 | - | - | - | 9 | 294 | (4) | 31,505 |
| Write-off of property, plant and equipment | 93 | - | - | - | - | - | - | 93 |

*Income tax is not allocated between Company's operating segments and is attributed to electricity transmission activity.

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NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2012
(All amounts in LTL thousands unless otherwise stated)

The Group's information on segments for the three month period ended 31 March 2011 is presented in the table below:

| | Operating segments | | | | | | | |
|---|-------------------------------|---|---|---|-------------------------------------|--|--|----------------|
| | Electricity trans- mission | Trade in balancing/ regulating electricity | Provision of capacity reserve services | Provision of services under PSO scheme | Activities of market operator | Repair and maintenanc e activities | Other inter- segment eliminatio ns | Total |
| Revenue | 62,166 | 23,784 | 15,265 | 1,154 | 620 | 8,888 | - | 111,877 |
| Inter-segment revenue | (56) | - | - | - | (600) | (2,740) | - | (3,396) |
| Revenue after elimination of intercompany revenue within the Group | 62,110 | 23,784 | 15,265 | 1,154 | 20 | 6,148 | - | 108,481 |
| Expenses | 66,027 | 19,123 | 15,577 | 2,751 | 416 | 8,859 | - | 112,753 |
| Operating profit (loss) | (3,861) | 4,661 | (312) | (1,597) | 204 | 29 | 5 | (871) |
| Finance income (costs), net | 590 | - | - | - | 50 | - | - | 640 |
| Share of result of associates and jointly controlled entities | 524 | - | - | - | - | - | - | 524 |
| Profit (loss) before income tax | (2,747) | 4,661 | (312) | (1,597) | 254 | 29 | 5 | 293 |
| *Income tax | (5,232) | - | - | - | (39) | (69) | - | (5,340) |
| Net profit (loss) for the year | (7,979) | 4,661 | (312) | (1,597) | 215 | (40) | 5 | (5,047) |
| Depreciation and amortisation expense | 33,199 | - | - | - | - | 283 | - | 33,482 |
| Write-off of property, plant and equipment | 484 | - | - | - | - | - | - | 484 |

*Income tax is not allocated between Company's operating segments and is attributed to electricity transmission activity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012
(All amounts in LTL thousands unless otherwise stated)

The Group operates in Lithuania and its revenue generated from customers in Lithuania accounts for 99% of total revenue.

The Company sells regulating electricity to transmission system operators in Latvia and Estonia and provides the electricity transit service to the Russian transmission system operator.

In 2012 and 2011, the Group's and the Company's revenue by geographical location of customers:

| Country | Group January-March 2012 | Company January-March 2012 | Group January-March 2011 | Company January-March 2011 |
|--------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|
| Lithuania | 123,643 | 116,664 | 108,156 | 102,045 |
| Russia | 540 | 540 | - | - |
| Estonia | 249 | 249 | 325 | 325 |
| Latvia | 43 | 43 | - | - |
| Total | 124,475 | 117,496 | 108,481 | 102,370 |

All assets of the Group and the Company are located in Lithuania.

During three month period ended 31 March 2012, the Group's revenue from its major external customer (Visagino Atominė Elektrinė UAB group companies) amounted to LTL 84,486 thousand (31 March 2011: LTL 78,780 thousand).

8. Related-party transactions

The Company's/Group's related parties in 2012 and 2011 were as follows:

- Visagino Atominė Elektrinė UAB (the controlling shareholder of the Company) and its subsidiaries. Visagino Atominė Elektrinė UAB is a wholly-owned by the Ministry of Energy of the Republic of Lithuania (ultimate controlling party of the Company/Group);
- Government-related entities;
- Subsidiaries of the Company;
- Associates and jointly controlled entities of the Company;
- Management of the Company.

During three month period ended 31 March 2012 and 31 March 2011, the major related-party transactions within the Group were conducted between the Company and LESTO AB and Lietuvos Energija AB (Visagino Atominė Elektrinė UAB group companies). The Group's purchases from these companies mainly comprised purchases of electricity, capacity reserve services and PSO services. Sales transactions mainly comprised sales of electricity, capacity reserve service, electricity transmission services and PSO services.

The Group's balances arising on transactions with related parties as at 31 March 2012 and 31 December 2011 were as follows:

| Related parties | As at 31 March 2012 Trade and other accounts payable and advances received | As at 31 March 2012 Trade and other receivables | As at 31 December 2011 Trade and other accounts payable and advances received | As at 31 December 2011 Trade and other receivables |
|--|---|---|--|---|
| Associates | 2,308 | 858 | 2,626 | 1,211 |
| The Group's parent company (Visagino Atominė Elektrinė UAB) | - | - | - | - |
| Other Visagino Atominė Elektrinė UAB group companies | 51,337 | 105,550 | 58,274 | 99,314 |
| Total | 53,645 | 106,408 | 60,900 | 100,525 |

NOTES TO THE FINANCIAL INFORMATION

FOR THE PERIOD ENDED 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

The Group's sales to related parties during three month period ended 31 March 2012 and 31 March 2011 were as follows:

| 2012 | Sale of electricity | Trading in balancing/regulating electricity | Electricity transmission services | Capacity reserve services | PSO fees received | Other | Total |
|---|---------------------|---|-----------------------------------|---------------------------|-------------------|--------------|----------------|
| Associates | - | - | - | - | - | 1,533 | 1,533 |
| The Group's parent company (Visagino Atominė Elektrinė UAB) | - | - | - | - | - | - | - |
| Other Visagino Atominė Elektrinė UAB group companies | 130,317* | 7,082 | 54,539 | 16,095 | 171,301 | 6,743 | 386,077 |
| Total | 130,317* | 7,082 | 54,539 | 16,095 | 171,301 | 8,276 | 387,610 |
| 2011 | | | | | | | |
| Associates | - | - | - | - | - | 258 | 258 |
| The Group's parent company (Visagino Atominė Elektrinė UAB) | - | - | - | - | - | - | - |
| Other Visagino Atominė Elektrinė UAB group companies | 115,929* | 9,108 | 48,948 | 13,674 | 141,942 | 7,036 | 336,637 |
| Total | 115,929* | 9,108 | 48,948 | 13,674 | 141,942 | 7,294 | 336,895 |

* Whereof: LTL 130,289 thousand (2011 – LTL 115,916 thousand) sales of electricity by BALTPPOOL UAB to related parties. The Group does not recognise revenue and expenses from electricity trading in power exchange.

The Group's purchases from related parties during three month period ended 31 March 2012 and 31 March 2011 were as follows:

| 2012 | Repair and maintenance of electricity network | Purchases of electricity | Purchasing of balancing electricity | Capacity reserve services | PSO fees | Purchases of PP&E | Other | Total |
|--|---|--------------------------|-------------------------------------|---------------------------|---------------|-------------------|--------------|----------------|
| Associates | 1,334 | - | - | - | - | 63 | 1,491 | 2,888 |
| Other Visagino Atominė Elektrinė UAB group companies | 107 | 38,066* | 12,067 | 16,881 | 89,058 | 4,028 | 2,191 | 162,398 |
| Total | 1,441 | 38,066* | 12,067 | 16,881 | 89,058 | 4,091 | 3,682 | 165,286 |
| 2011 | | | | | | | | |
| Associates | 3,244 | - | - | - | - | 19 | 3,644 | 6,907 |
| Other Visagino Atominė Elektrinė UAB group companies | 116 | 47,047* | 9,414 | 14,548 | 74,547 | 1,274 | 2,415 | 149,361 |
| Total | 3,360 | 47,047* | 9,414 | 14,548 | 74,547 | 1,293 | 6,059 | 156,268 |

*Whereof: 38,066 thousand (2011 – LTL 38,066 thousand) purchases of electricity on the power exchange by BALTPPOOL UAB from related parties. The Group does not recognise revenue and expenses from electricity trading in power exchange.

NOTES TO THE FINANCIAL INFORMATION

FOR THE PERIOD ENDED 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

The Company's balances arising on transactions with related parties as at 31 March 2012 and 31 December 2011 were as follows:

| Related parties | As at 31 March 2012 Trade and other accounts payable and advances received | As at 31 March 2012 Trade and other receivables | As at 31 December 2011 Trade and other accounts payable and advances received | As at 31 December 2011 Trade and other receivables |
|--|---|---|--|---|
| Associates | 2,245 | 858 | 4,706 | 2,573 |
| Subsidiaries | 2,631 | 2,564 | 2,576 | 804 |
| The Group's parent company (Visagino Atominė Elektrinė UAB) | - | - | - | - |
| Other Visagino Atominė Elektrinė UAB group companies | 50,167 | 95,594 | 56,711 | 87,451 |
| Total | 55,043 | 99,016 | 63,993 | 90,828 |

The Company's sales to related parties during three month period ended 31 March 2012 and 31 March 2011 were as follows:

| | Trading in balancing/ regulating electricity | Electricity transmis- sion services | Capacity reserve services | PSO fees received | Other | Total |
|--|---|--|---------------------------------|----------------------|--------------|----------------|
| 2012 | | | | | | |
| Associates | - | - | - | - | 1,533 | 1,533 |
| Subsidiaries | - | - | - | - | 28 | 28 |
| Other Visagino Atominė Elektrinė UAB group companies | 7,082 | 54,539 | 16,095 | 171,301 | 1,041 | 250,058 |
| Total | 7,082 | 54,539 | 16,095 | 171,301 | 2,602 | 251,619 |
| 2011 | | | | | | |
| Associates | - | - | - | - | 228 | 228 |
| The Group's parent company (Visagino Atominė Elektrinė UAB) | - | - | - | - | 50 | 50 |
| Other Visagino Atominė Elektrinė UAB group companies | 9,108 | 48,948 | 13,674 | 141,942* | 1,821 | 215,493 |
| Total | 9,108 | 48,948 | 13,674 | 141,942* | 2,099 | 215,771 |

The Company's purchases from related parties during three month period ended 31 March 2012 and 31 March 2011 were as follows:

| | Repair and mainte- nance of electricity network | Purchases of electricity | Purcha- sing of balancing electricity | Electricity transmiss ion services | Capacity reserve services | PSO fees | Purchases of PP&E | Other | Total |
|--|---|--------------------------------|--|---|---------------------------------|---------------|----------------------|--------------|----------------|
| 2012 | | | | | | | | | |
| Associates | 1,334 | - | - | - | - | - | 63 | 1,357 | 2,754 |
| Subsidiaries | 1,296 | 6,235 | - | 500 | - | - | 702 | 1 | 8,734 |
| Other Visagino Atominė Elektrinė UAB group companies | 107 | - | 12,067 | - | 16,881 | 89,058 | 4,028 | 1,051 | 123,192 |
| Total | 2,737 | 6,235 | 12,067 | 500 | 16,881 | 89,058 | 4,793 | 2,409 | 134,680 |

NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2012
(All amounts in LTL thousands unless otherwise stated)

| 2011 | Repair and maintenance of electricity network | Purchases of electricity | Purchasing of balancing electricity | Electricity transmission services | Capacity reserve services | PSO fees | Purchases of PP&E | Other | Total |
|--|---|--------------------------|-------------------------------------|-----------------------------------|---------------------------|---------------|-------------------|--------------|----------------|
| Associates | 3,244 | - | - | - | - | - | 19 | 3,598 | 6,861 |
| Subsidiaries | 2,740 | 9,034 | - | 600 | - | - | - | - | 12,374 |
| Other Visagino Atominė Elektrinė UAB group companies | - | - | - | - | - | - | - | - | - |
| Total | 116 | - | 9,414 | - | 14,548 | 74,547 | 1,274 | 1,086 | 100,985 |

Payments to key management personnel

| | Group January-March 2012 | Company January-March 2012 | Group January-March 2011 | Company January-March 2011 |
|---------------------------------------|--------------------------|----------------------------|--------------------------|----------------------------|
| Employment-related payments, whereof: | 623 | 352 | 565 | 321 |
| - Termination benefits | 18 | 14 | - | - |
| Number of key management personnel | 16 | 8 | 15 | 7 |

Key management consists of heads of administration and their deputies (directors of departments), and the chief financier

9. Basic and diluted earnings per share

In 2012 and 2011, basic and diluted earnings per share were as follows:

| | January-March 2012 | January-March 2011 |
|---|--------------------|--------------------|
| Net profit (loss) attributable to the Company's shareholders (thousand LTL) | 15,681 | (5,033) |
| Weighted average number of shares (units) | 504,331,380 | 504,331,380 |
| Basic and diluted earnings per share (in LTL) | 0.03 | (0.01) |

10. Significant events after the balance sheet date

Profit appropriation

On 30 April 2012 the ordinary general shareholders meeting of the Company decided to pay dividends in the amount of LTL 390,857 thousand, paying 0.775 LTL dividends per share.
