

CONFIRMATION OF RESPONSIBLE PERSONS

November 29, 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 Svetlana Sokolskytė, Chief Financier-Accounting Division Manager 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 30 September 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



Chief Executive Officer

Vytautas Tauras



Director of Finance Department

Svetlana Sokolskytė



Chief Financier



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## LITGRID AB

CONSOLIDATED AND THE COMPANY'S  
CONDENSED INTERIM  
FINANCIAL INFORMATION  
FOR A NINE-MONTH PERIOD  
ENDED 30 SEPTEMBER 2012  
(UNAUDITED)

TABLE OF CONTENTS

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	<b>PAGE</b>
<b>CONDENSED INTERIM FINANCIAL INFORMATION</b>	
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION	3
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME	4-5
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY	6-7
CONDENSED INTERIM STATEMENT OF CASH FLOWS	8
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION	9-19

The condensed interim financial information was signed on 29 November 2012.



Virgilijus Poderys  
Chief Executive Officer



Vytautas Tauras  
Director of Finance Department



Svetlana Sokol'skytė  
Chief Financier

LITGRID UAB

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

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2012

(All amounts in LTL thousands unless otherwise stated)

	Notes	Group at 30 September 2012	Company at 30 September 2012	Group at 31 December 2011	Company at 31 December 2011
		unaudited	unaudited		
<b>ASSETS</b>					
<b>Non-current assets:</b>					
Intangible assets		1,262	963	1,759	1,434
Property, plant and equipment	4	1,971,275	1,968,042	1,990,187	1,985,537
Prepayments for property, plant, equipment		111,427	111,427	87,029	87,029
Investments in subsidiaries		-	8,608	-	8,608
Investments in associates and joint ventures		21,313	21,332	20,804	21,332
Deferred income tax assets		235	-	297	-
Other financial assets		7,722	7,722	1,084	1,084
<b>Total non-current assets</b>		<b>2,113,234</b>	<b>2,118,094</b>	<b>2,101,160</b>	<b>2,105,024</b>
<b>Current assets</b>					
Inventories		13,126	2,291	4,202	2,214
Prepayments		1,417	285	236	2,440
Trade receivables		51,325	41,909	45,310	37,782
Other receivables		86,692	86,369	88,911	79,181
Other financial assets		85,723	85,663	61,096	61,096
Time deposits		-	-	115,079	115,079
Held-to-maturity investments		-	-	21,539	21,539
Cash and cash equivalents		119,402	117,628	65,185	57,131
<b>Total current assets</b>		<b>357,685</b>	<b>334,145</b>	<b>401,558</b>	<b>376,462</b>
<b>TOTAL ASSETS</b>		<b>2,470,919</b>	<b>2,452,239</b>	<b>2,502,718</b>	<b>2,481,486</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves:</b>					
Share capital		504,331	504,331	504,331	504,331
Share premium		29,621	29,621	29,621	29,621
Revaluation reserve		252,314	252,059	267,179	266,960
Legal reserve		50,465	50,433	50,477	50,433
Other reserves	5	654,738	654,654	979,738	979,654
Retained earnings	6	29,491	33,223	63,942	66,951
<b>Equity attributable to owners of the parent company</b>		<b>1,520,960</b>	<b>1,524,321</b>	<b>1,895,288</b>	<b>1,897,950</b>
<b>Non-controlling interests</b>		<b>4,092</b>	<b>-</b>	<b>4,253</b>	<b>-</b>
<b>Total equity</b>		<b>1,525,052</b>	<b>1,524,321</b>	<b>1,899,541</b>	<b>1,897,950</b>
<b>Non-current liabilities</b>					
Grants	7	257,227	257,227	182,359	182,359
Deferred income		14,127	14,127	14,642	14,642
Other non-current payables and liabilities		12,337	12,153	7,458	7,273
Deferred income tax liabilities		169,889	169,889	178,588	178,588
<b>Total non-current liabilities</b>		<b>453,580</b>	<b>453,396</b>	<b>383,047</b>	<b>382,862</b>
<b>Current liabilities</b>					
Trade payables		4,596	-	-	-
Advance amounts received		100,295	90,894	54,921	52,459
Income tax payable		2,873	1,694	4,340	1,363
Other payables		14,577	14,442	7,162	6,800
<b>Total current liabilities</b>		<b>369,946</b>	<b>367,492</b>	<b>153,707</b>	<b>140,052</b>
<b>Total liabilities</b>		<b>492,287</b>	<b>474,522</b>	<b>220,130</b>	<b>200,674</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>945,867</b>	<b>927,918</b>	<b>603,177</b>	<b>583,536</b>
<b>Current liabilities</b>		<b>2,470,919</b>	<b>2,452,239</b>	<b>2,502,718</b>	<b>2,481,486</b>

The accompanying notes form an integral part of this condensed interim financial information.



LITGRID AB

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

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR A NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2012**

(All amounts in LTL thousands unless otherwise stated)

	Notes	Group January - September 2012 unaudited	Company January - September 2012 unaudited	Group January - September 2011 unaudited	Company January - September 2011 unaudited
<b>Revenue</b>					
Sales of electricity and related services		315,947	315,647	279,982	279,906
Other operating income		43,893	6,269	33,259	3,767
<b>Total revenue</b>		<b>359,840</b>	<b>321,916</b>	<b>313,241</b>	<b>283,673</b>
<b>Operating expenses</b>					
Purchase of electricity and related services		(161,509)	(162,697)	(148,326)	(150,138)
Depreciation and amortisation		(94,427)	(93,450)	(100,504)	(99,660)
Wages and salaries and related expenses		(25,496)	(11,892)	(24,835)	(11,554)
Repair and maintenance expenses		(10,422)	(16,735)	(10,980)	(16,724)
Telecommunications and IT systems expenses		(11,011)	(10,198)	(10,842)	(10,252)
Write-offs of property, plant and equipment		(93)	(93)	(769)	(769)
Other expenses		(39,479)	(7,966)	(32,453)	(9,814)
<b>Total operating expenses</b>		<b>(342,437)</b>	<b>(303,031)</b>	<b>(328,709)</b>	<b>(298,911)</b>
<b>OPERATING PROFIT (LOSS)</b>		<b>17,403</b>	<b>18,885</b>	<b>(15,468)</b>	<b>(15,238)</b>
Finance income		2,291	2,173	2,111	1,956
Finance costs		(499)	(490)	(13)	(6)
<b>Finance income, net</b>		<b>1,792</b>	<b>1,683</b>	<b>2,098</b>	<b>1,950</b>
Share of profit (loss) of associates and joint ventures		277	-	878	-
Gain on change in ownership interests in associate		232	-	-	-
		509	-	878	-
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>		<b>19,704</b>	<b>20,568</b>	<b>(12,492)</b>	<b>(13,288)</b>
Current income tax expenses		(12,056)	(12,040)	(8,839)	(8,536)
Deferred income tax income		8,638	8,700	9,379	9,255
		(3,418)	(3,340)	540	719
<b>PROFIT (LOSS) FOR THE PERIOD</b>		<b>16,286</b>	<b>17,228</b>	<b>(11,952)</b>	<b>(12,569)</b>
<b>Other comprehensive income:</b>					
Impairment losses of property, plant and equipment		-	-	(3,111)	(3,111)
Deferred income tax related to components of other comprehensive income		-	-	466	466
<b>Other comprehensive income, net of tax</b>		<b>-</b>	<b>-</b>	<b>(2,645)</b>	<b>(2,645)</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>		<b>16,286</b>	<b>17,228</b>	<b>(14,597)</b>	<b>(15,214)</b>
<b>PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:</b>					
Owners of the Company		16,480	17,228	(12,082)	(12,569)
Non-controlling interest		(194)	-	130	-
		<b>16,286</b>	<b>17,228</b>	<b>(11,952)</b>	<b>(12,569)</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:</b>					
Owners of the Company		16,480	17,228	(14,727)	(15,214)
Non-controlling interest		(194)	-	130	-
		<b>16,286</b>	<b>17,228</b>	<b>(14,597)</b>	<b>(15,214)</b>
<b>Basic and diluted earnings (deficit) per share (in LTL)</b>	10	<b>0.03</b>	<b>-</b>	<b>(0.02)</b>	<b>-</b>

The accompanying notes form an integral part of this condensed interim financial information.

LITGRID AB

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

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR A THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2012**  
(All amounts in LTL thousands unless otherwise stated)

	Notes	Group July – September 2012 unaudited	Company July – September 2012 unaudited	Group July – September 2011 unaudited	Company July – September 2011 unaudited
<b>Revenue</b>					
Sales of electricity and related services		106,052	105,937	92,514	92,488
Other operating income		18,944	2,577	11,585	1,605
<b>Total revenue</b>		<b>124,996</b>	<b>108,514</b>	<b>104,099</b>	<b>94,093</b>
<b>Operating expenses</b>					
Purchase of electricity and related services		(55,069)	(55,329)	(51,618)	(52,221)
Depreciation and amortisation		(31,354)	(31,013)	(33,555)	(33,272)
Wages and salaries and related expenses		(8,224)	(3,742)	(7,890)	(3,411)
Repair and maintenance expenses		(3,921)	(6,688)	(4,719)	(6,780)
Telecommunications and IT systems expenses		(3,782)	(3,583)	(2,559)	(2,416)
Write-offs of property, plant and equipment		-	-	21	21
Other expenses		(16,747)	(2,709)	(12,557)	(4,911)
<b>Total operating expenses</b>		<b>(119,097)</b>	<b>(103,064)</b>	<b>(112,877)</b>	<b>(102,990)</b>
<b>OPERATING PROFIT (LOSS)</b>		<b>5,899</b>	<b>5,450</b>	<b>(8,778)</b>	<b>(8,897)</b>
Finance income		339	332	751	716
Finance costs		(277)	(271)	(4)	(2)
<b>Finance income, net</b>		<b>62</b>	<b>61</b>	<b>747</b>	<b>714</b>
Share of profit (loss) of associates and joint ventures		257	-	148	-
Gain on change in ownership interests in associate		-	-	-	-
		(174)	-	206	-
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>		<b>6,218</b>	<b>5,511</b>	<b>(7,883)</b>	<b>(8,183)</b>
Current income tax expenses		(3,860)	(3,861)	(1,754)	(1,676)
Deferred income tax income		2,674	2,742	3,610	3,569
		(1,186)	(1,119)	1,856	1,893
<b>PROFIT (LOSS) FOR THE PERIOD</b>		<b>5,032</b>	<b>4,392</b>	<b>(6,027)</b>	<b>(6,290)</b>
<b>Other comprehensive income</b>					
Impairment losses of property, plant and equipment		-	-	(3,111)	(3,111)
Deferred income tax related to components of other comprehensive income		-	-	466	466
<b>Other comprehensive income, net of deferred income tax</b>		<b>-</b>	<b>-</b>	<b>(2,645)</b>	<b>(2,645)</b>
<b>COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>		<b>5,032</b>	<b>4,392</b>	<b>(8,672)</b>	<b>(8,935)</b>
<b>PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:</b>					
Owners of the Company		4,701	4,392	(8,802)	(8,105)
Non-controlling interest		331	-	130	-
		<b>5,032</b>	<b>4,392</b>	<b>(8,672)</b>	<b>(8,935)</b>
<b>COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:</b>					
Owners of the Company		4,701	4,392	(8,802)	(10,750)
Non-controlling interest		331	-	130	-
		<b>5,032</b>	<b>4,392</b>	<b>(8,672)</b>	<b>(8,935)</b>
<b>Basic and diluted earnings (deficit) per share (in LTL)</b>		<b>0.01</b>	<b>-</b>	<b>(0.02)</b>	<b>-</b>

The accompanying notes form an integral part of this condensed interim financial information.



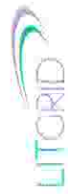


LITGRID AB

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

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR A NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2012  
(All amounts in LTL thousands unless otherwise stated)

Group	Note	Equity attributable to owners of the Company						
		Share capital	Share premium	Revaluation reserve	Legal reserve	Other reserves	Retained earnings	Total
<b>Balance at 1 January 2011</b>		<b>504,331</b>	<b>29,621</b>	<b>296,353</b>	<b>47,730</b>	-	<b>1,035,947</b>	<b>1,913,982</b>
<b>Comprehensive income</b>								
Profit (loss) for the period		-	-	-	-	-	(12,082)	(12,082)
Share of comprehensive income of associate		-	-	-	-	-	(1,638)	(1,638)
Depreciation of revaluation reserve and amounts written off		-	-	(19,403)	-	-	19,403	-
Other comprehensive loss		-	-	(2,645)	-	-	-	(2,645)
<b>Total comprehensive income (loss)</b>		<b>-</b>	<b>-</b>	<b>(22,048)</b>	<b>-</b>	<b>-</b>	<b>5,683</b>	<b>(16,365)</b>
<b>Transactions with owners</b>								
Decrease in ownership interests in subsidiary that does not result in a loss of control		-	-	-	2,747	-	(92)	(92)
Transfers to reserves		-	-	-	-	979,738	(982,485)	-
<b>Total transactions with owners</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>2,747</b>	<b>979,738</b>	<b>(982,577)</b>	<b>(92)</b>
<b>Balance at 30 September 2011 (unaudited)</b>		<b>504,331</b>	<b>29,621</b>	<b>274,305</b>	<b>50,477</b>	<b>979,738</b>	<b>59,053</b>	<b>1,897,525</b>
<b>Balance at 1 January 2012</b>		<b>504,331</b>	<b>29,621</b>	<b>267,179</b>	<b>50,477</b>	<b>979,738</b>	<b>63,942</b>	<b>1,895,288</b>
<b>Comprehensive income</b>								
Profit (loss) for the period		-	-	-	-	-	16,480	16,480
Depreciation of revaluation reserve and amounts written off		-	-	(14,914)	-	-	14,914	-
Revaluation of PPE		-	-	49	-	-	-	49
<b>Total comprehensive income (loss)</b>		<b>-</b>	<b>-</b>	<b>(14,865)</b>	<b>-</b>	<b>-</b>	<b>31,394</b>	<b>16,529</b>
<b>Transactions with owners</b>								
Dividends	5	-	-	-	-	-	(390,857)	(390,857)
Transfers to retained earnings	6	-	-	-	(44)	(325,000)	325,044	-
Transfers to reserves		-	-	-	32	-	(32)	-
<b>Total transactions with owners</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(12)</b>	<b>(325,000)</b>	<b>(65,845)</b>	<b>(390,857)</b>
<b>Balance at 30 September 2012 (unaudited)</b>		<b>504,331</b>	<b>29,621</b>	<b>252,314</b>	<b>50,465</b>	<b>654,738</b>	<b>29,491</b>	<b>1,520,960</b>
The accompanying notes form an integral part of this condensed interim financial information.								
							<b>4,092</b>	<b>1,525,052</b>



LITGRID AB

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CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR A NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2012  
(All amounts in LTL thousands unless otherwise stated)

Company	Note	Share capital	Share premium	Revaluation reserve	Legal reserve	Other reserves	Retained earnings	Total
<b>Balance at 1 January 2011</b>		<b>504,331</b>	<b>29,621</b>	<b>296,353</b>	<b>47,665</b>	-	<b>1,040,304</b>	<b>1,918,274</b>
<b>Comprehensive income</b>								
Profit (loss) for the period		-	-	-	-	-	(12,569)	(12,569)
Depreciation of revaluation reserve and amounts written off		-	-	(19,403)	-	-	19,403	-
Other comprehensive loss		-	-	(2,645)	-	-	-	(2,645)
<b>Total comprehensive income (loss)</b>		<b>-</b>	<b>-</b>	<b>(22,048)</b>	<b>-</b>	<b>-</b>	<b>6,834</b>	<b>(15,214)</b>
<b>Transactions with owners</b>								
Transfers to reserves		-	-	-	2,768	979,654	(982,422)	-
<b>Total transactions with owners</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>2,768</b>	<b>979,654</b>	<b>(982,422)</b>	<b>-</b>
<b>Balance at 30 September 2011 (unaudited)</b>		<b>504,331</b>	<b>29,621</b>	<b>274,305</b>	<b>50,433</b>	<b>979,654</b>	<b>64,716</b>	<b>1,903,060</b>
<b>Balance at 1 January 2012</b>		<b>504,331</b>	<b>29,621</b>	<b>266,960</b>	<b>50,433</b>	<b>979,654</b>	<b>66,951</b>	<b>1,897,950</b>
<b>Comprehensive income</b>								
Profit (loss) for the period		-	-	-	-	-	17,228	17,228
Depreciation of revaluation reserve and amounts written off		-	-	(14,901)	-	-	14,901	-
<b>Total comprehensive income (loss)</b>		<b>-</b>	<b>-</b>	<b>(14,901)</b>	<b>-</b>	<b>-</b>	<b>32,129</b>	<b>17,228</b>
<b>Transactions with owners</b>								
Transfers to reserves	5	-	-	-	-	(325,000)	325,000	-
Dividends	6	-	-	-	-	-	(390,857)	(390,857)
<b>Total transactions with owners</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(325,000)</b>	<b>(65,857)</b>	<b>(390,857)</b>
<b>Balance at 30 September 2012 (unaudited)</b>		<b>504,331</b>	<b>29,621</b>	<b>252,059</b>	<b>50,433</b>	<b>654,654</b>	<b>33,223</b>	<b>1,524,321</b>

The accompanying notes form an integral part of this condensed interim financial information.



LITGRID AB

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

CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR A NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2012  
(All amounts in LTL thousands unless otherwise stated)

	Notes	Group January - September 2012 unaudited	Company January - September 2012 unaudited	Group January - September 2011 unaudited	Company January - September 2011 unaudited
<b>Cash flows from operating activities</b>					
Profit (loss) for the period		16,286	17,228	(11,952)	(12,569)
<b>Reversal of non-monetary items and other adjustments for:</b>					
Depreciation and amortisation expenses	4	95,709	94,733	101,927	101,083
Revaluation of Property, plant & equipment		(83)	-	-	-
Impairment charge on assets		-	-	2,335	2,335
Share of profit (loss) of associates and joint ventures		(277)	-	(878)	-
Gain on change in ownership interests in associate		(232)	-	-	-
Income tax expenses /(income)		3,418	3,340	(571)	(719)
Loss on write-off of property, plant and equipment	4	93	93	824	808
(Depreciation) of grants	7	(1,283)	(1,283)	(1,423)	(1,423)
Interest income		(2,268)	(2,164)	(1,980)	(1,829)
Interest expense		410	401	-	-
Finance costs		66	80	(125)	(120)
Change in other financial assets		(24,627)	(24,567)	(57,842)	(57,842)
<b>Changes in working capital:</b>					
(Increase) decrease in trade receivables and other receivables		(7,341)	(14,860)	31,032	15,253
(Increase) decrease in inventories and prepayments		(10,103)	2,080	(1,655)	(1,789)
Increase (decrease) in accounts payable and advance amounts received		19,342	24,647	10,871	32,373
<b>Cash generated from operations</b>		<b>89,110</b>	<b>99,728</b>	<b>70,563</b>	<b>75,561</b>
Income tax paid		( 2 249)	( 2 005)	( 3 960)	( 3 960)
<b>Net cash generated from operating activities</b>		<b>86,861</b>	<b>97,723</b>	<b>66,603</b>	<b>71,601</b>
<b>Cash flows from investing activities</b>					
(Purchase) of property, plant and equipment and intangible assets		(57,333)	(57,128)	(118,487)	(119,054)
Grants received	7	76,151	76,151	74,327	74,327
Interest received		3,421	3,317	862	711
Investments in time deposits		108,441	108,441	(72,000)	(72,000)
Acquisition of held-to-maturity investments		21,539	21,539	-	-
Other		(66)	(80)	(4)	(4)
<b>Net cash generated from (used in) investing activities</b>		<b>152,153</b>	<b>152,240</b>	<b>(115,302)</b>	<b>(116,020)</b>
<b>Cash flows from financing activities</b>					
Non-controlling interests' contribution to the share capital of the subsidiary		-	-	260	-
Credit line facility (overdraft)		4,596	-	-	-
Interests paid		(410)	(401)	-	-
Dividends paid		(188,983)	(189,065)	-	-
<b>Net cash generated from (used in) financing activities</b>		<b>(184,797)</b>	<b>(189,466)</b>	<b>260</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>54,217</b>	<b>60,497</b>	<b>(48,439)</b>	<b>(44,419)</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>65,185</b>	<b>57,131</b>	<b>74,004</b>	<b>63,492</b>
<b>Cash and cash equivalents at end of the period</b>		<b>119,402</b>	<b>117,628</b>	<b>25,565</b>	<b>19,073</b>

The accompanying notes form an integral part of this condensed interim financial information.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR A NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2012  
(All amounts in LTL thousands unless otherwise stated)

## 1. General information

LITGRID AB (named as LITGRID Turtas AB until 14 March 2011) is a public limited liability 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 business entity established as a result of spin-off of Lietuvos Energija AB operations based on 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. On 16 November 2010, the Company was registered with the Register of Legal Entities managed by a public institution Centre of Registers. The Company's code is 302564383; VAT payer's code is LT100005748413.

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 fulfilling the functions and performing the activities of electricity market operator, including the companies that own electricity interconnections with other countries or those that develop, manage, use or dispose them.

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

With effect from 18 June 2012, LITGRID organises an additional trade session for electricity market participants as stipulated in the Electricity Trading Rules approved by the Order of the Lithuanian Minister of Energy.

As at 30 September 2012 and 31 December 2011, the Company's authorised share capital totalled 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 30 September 2012 the Company's shareholders structure was as follows:

	Ownership interest (in LTL)	Number of shares held (%)
EPSO-G UAB	491,736,153	97.5 %
Other shareholders	12,595,227	2.5 %
<b>Total</b>	<b>504,331,380</b>	<b>100 %</b>

At 31 December 2011:

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

Based on the Lithuanian Government's Resolution No. 826 of 4 July 2012 *On the establishment of a private limited liability company and investment of state-owned capital*, on 19 July 2012 was established and on 25 July 2012 was registered with the register of legal entities EPSO-G UAB. On 28 September 2012 the Company's shares owned by Visagino Atominė Elektrinė UAB were transferred to the EPSO-G UAB. The Ministry of Energy of the Republic of Lithuania is the sole shareholder of EPSO-G UAB.

The Company's shares are traded on NASDAQ OMX Vilnius Stock Exchange.



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR A NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2012  
(All amounts in LTL thousands unless otherwise stated)

**1. General information (continued)**

As at the date of this condensed interim financial information, the Group consisted of LITGRID and its directly controlled subsidiaries, which are listed below.

Subsidiary	Registered office address	Group's shareholding at 30 September 2012	Group's shareholding at 31 December 2011	Profile of activities
BALTPOL UAB	A. Juozapavičiaus g. 13, Vilnius, Lithuania	67%	67%	Energy source exchange
TETAS UAB	Senamiesčio g. 102B, Panevėžys, Lithuania	61%	61%	Transformer substation, distribution station design, construction, repair and maintenance services

The structure of the Group's investments in associates and joint venture as at 30 September 2012 and 31 December 2011 was as follows:

Company	Registered office address	Group's shareholding at 30 September 2012	Group's shareholding at 31 December 2011	Profile of activities
Technologijų ir Inovacijų Centras UAB	Žvejų g. 14, Vilnius, Lithuania	20%	20%	IT services
Elektros Tinklo Paslaugos UAB	Motorų g. 2, Vilnius, Lithuania	25%	29%	Power network and related equipment repair, maintenance and construction services
LitPol Link Sp.z.o.o	Wojciecha Gorskiego 900-033 Warsaw, Poland	50%	50%	Designing of electricity transmission interconnection facilities

As at 30 September 2012, the Group had 695 employees (31 December 2011: 623 employees), whereas the Company had 205 employees (31 December 2011: 205 employees).

Despite the increase in the Company's revenue from electricity transmission activities in the first and fourth quarters of the year, seasonal variations do not have significant impact on the Company's half-year financial information. The Company's revenue for the first, the second and the third quarters of 2011 amounted respectively to 26.3 %, 22.4 % and 24.2 % of the Company's annual revenue of 2011, whereas the Company's revenue of the first and second half-years amounted respectively to 48.7% and 51.3% of the Company's total annual revenue of 2011. The same tendency remains in 2012.

**2. Basis of preparation**

The Company's and consolidated Group's condensed interim financial information for a nine-month period ended 30 September 2012 has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable to interim financial reporting (International Accounting Standard (IAS) 34, 'Interim financial reporting').

This condensed interim financial information should be read together with the annual financial statements for the year ended 31 December 2011, which have been prepared in accordance with IFRS as adopted by the EU.

This condensed interim financial information has not been audited, but reviewed.

**3. Accounting policies**

Except as described below, the accounting policies applied in the preparation of this condensed interim financial information are consistent with those of the annual financial statements for the year 2011.

Income taxes for the interim reporting periods have been estimated using the tax rate that would be applicable to the estimation of income taxes on the expected gross profit for the year.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR A NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2012  
(All amounts in LTL thousands unless otherwise stated)

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### 3.1. New standards, amendments and interpretations

There are no new standards, amendments and interpretations that are mandatory for the Company and the Group with effect from 2012, and that have a significant impact on the Company's and the Group's financial information.

The Company's management do not believe the newly published standards, amendments and interpretations that are mandatory for the Company's and the Group's reporting periods beginning on or after 1 January 2013 will have a significant impact on the Company's and the Group's financial statements.

### 3.2. Critical accounting estimates

The preparation of condensed interim financial information in conformity with IFRS requires management to make estimates and assumptions that affect the accounting policies applied and the reported amounts of assets, liabilities, income and expenses and disclosure of contingencies. The actual results may ultimately differ from these estimates. Significant judgements made by management in relation to accounting policies and key sources of identification of contingencies were consistent with those applied in preparation of the financial statements for the year ended 31 December 2011.

#### Revaluation and impairment of property, plant and equipment

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

As at 31 December 2009, management of Lietuvos Energija AB revised the carrying amounts of property, plant and equipment. Having assessed the fall in the construction cost indices in respect of relevant categories of assets published by the Lithuanian Statistics Department for 11 months of 2009, Lietuvos Energija AB reduced the carrying amount of property, plant and equipment. Lietuvos Energija AB applied a 12.27% statistical index in respect of the category of buildings and a 9.68% index in respect of other categories of property, plant and equipment, which had been revalued under the depreciated replacement cost method as at 31 December 2008.

The previous version of the Lithuanian Law on Electricity effective as at 31 December 2008 stipulated that the price caps for 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 with reference to 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 for electricity transmission services are to be determined based on the value of assets used in licensed activities of the service provider, with the value of such assets being estimated and approved by the Commission in accordance with the principles for determination of the value of assets used in licensed activities of the service provider that had been drafted by the Commission and approved by the Government.

According to the Government's Resolution No. 1142 of 9 September 2009 *On the methodology for determination of the value of assets used in licensed activities of the electricity service provider*, the determination of the price caps for electricity transmission services is to include the value of assets used in licensed activities of the service provider, which is equal to the net book value (carrying amount) of property, plant and equipment as at 31 December 2002 as increased by the amount of capital expenditures implemented and agreed with the Commission and reduced by the depreciation amount calculated pursuant to the procedure stipulated in the Lithuanian Law on Corporate Income Tax.

For the above-mentioned reasons, the values of property, plant and equipment reported in this condensed interim financial information may significantly 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. Such valuation is likely to have a negative impact on the results of the Company' and Group's operations and the shareholders' equity reported in the financial statements for the years 2012 and 2011.

According to the Company's management plans, valuation of fair values of property, plant and equipment will be executed in the year 2013.



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR A NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2012  
(All amounts in LTL thousands unless otherwise stated)

**4. Property, plant and equipment**

Movements in the Group's PP&E account were as follows:

Group	Land	Buildings	Structures and machinery	Motor vehicles	Other PP&E	Construction in progress	Total
<b>At 31 December 2010</b>							
Opening net book amount	1,961	36,488	1,943,993	1,829	45,563	34,285	2,064,119
Additions	-	-	42	182	326	47,699	48,249
Disposals	-	-	-	(16)	-	-	(16)
Write-offs	-	(1)	(802)	-	(6)	-	(809)
Impairment	-	-	(5,446)	-	-	-	(5,446)
Reclassification from inventories	-	-	-	-	-	121	121
Reclassification between categories	-	96	13,556	-	(220)	(13,432)	-
Depreciation charge	-	(1,736)	(92,625)	(354)	(6,748)	-	(101,463)
<b>Net book amount at 30 September 2011</b>	<b>1,961</b>	<b>34,847</b>	<b>1,858,718</b>	<b>1,641</b>	<b>38,915</b>	<b>68,673</b>	<b>2,004,755</b>
<b>At 31 December 2011</b>							
Opening net book amount	1,961	34,851	1,841,223	1,638	38,161	72,353	1,990,187
Additions	-	-	26	43	8,566	67,472	76,107
Revaluation	-	83	-	-	-	-	83
Write-offs	-	-	(95)	-	-	-	(95)
Reclassification between categories	-	848	13,580	-	1,492	(15,920)	-
Depreciation charge	-	(1,638)	(86,769)	(374)	(6,231)	5	(95,007)
<b>Net book amount at 30 September 2012</b>	<b>1,961</b>	<b>34,144</b>	<b>1,767,965</b>	<b>1,307</b>	<b>41,988</b>	<b>123,910</b>	<b>1,971,275</b>

Movements in the Company's PP&E account were as follows:

Company	Land	Buildings	Structures and machinery	Other PP&E	Construction in progress	Total
<b>At 31 December 2010</b>						
Opening net book amount	1,961	35,636	1,943,758	43,606	34,686	2,059,647
Additions	-	-	-	232	48,704	48,936
Write-offs	-	(1)	(802)	(5)	-	(808)
Impairment	-	-	(5,446)	-	-	(5,446)
Reclassification from inventories	-	-	-	-	121	121
Reclassification between categories	-	96	13,556	(220)	(13,432)	-
Depreciation charge	-	(1,685)	(92,590)	(6,359)	-	(100,634)
<b>Net book amount at 30 September 2011</b>	<b>1,961</b>	<b>34,046</b>	<b>1,858,476</b>	<b>37,254</b>	<b>70,079</b>	<b>2,001,816</b>
<b>At 31 December 2011</b>						
Opening net book amount	1,961	33,613	1,840,627	36,573	72,763	1,985,537
Additions	-	-	-	8,253	68,454	76,707
Write-offs	-	-	(95)	-	-	(95)
Reclassification between categories	-	848	13,580	1,492	(15,920)	-
Depreciation charge	-	(1,558)	(86,703)	(5,846)	-	(94,107)
<b>Net book amount at 30 September 2012</b>	<b>1,961</b>	<b>32,903</b>	<b>1,767,409</b>	<b>40,472</b>	<b>125,297</b>	<b>1,968,042</b>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR A NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2012  
(All amounts in LTL thousands unless otherwise stated)

#### 4. Property, plant and equipment (continued)

As at 30 September 2012 and 31 December 2011, the Group/Company had significant contractual commitments to purchase property, plant and equipment, which would have to be fulfilled in later periods.

	At 30 September 2012	At 31 December 2011
Interconnection between the electricity transmission systems of Lithuania and Sweden (NORDBALT)	597,783	620,783
Transformer substations	73,551	60,778
Construction of 330 kV air line (AL) Telšiai-Klaipėda	49,366	58,210
Cabling of 110 kV AL near Viršuliškes	15,054	-
Interconnection between the electricity transmission systems of Lithuania and Poland (LitPolLink)	1,404	1,706
Replacement of section of 110 kV AL „Marios-Juodkrantė“	520	-
Other	3,961	901
<b>Total</b>	<b>741,639</b>	<b>742,378</b>

#### 5. Other reserves

The Ordinary General Meeting of Shareholders of LITGRID AB held on 30 April 2012 approved the proposed profit appropriation and resolved to transfer LTL 325,000 thousand from other reserves to retained earnings.

#### 6. Dividends

During the Ordinary General Meeting of Shareholders of LITGRID AB held on 30 April 2012, the decision was made in relation to the payment of dividends in amount of LTL 390,857 thousand. Dividends per share amounted to LTL 0.775.

#### 7. Grants

The grants balance consists of grants to finance acquisition of assets. Movements in grants during the nine-month period ended 30 September 2012 and 30 September 2011 were as follows:

	Group	Company
<b>Balance at 31 December 2010</b>	<b>42,349</b>	<b>42,349</b>
Received during the period	74,327	74,327
Recognised as income during the period	(1,423)	(1,423)
<b>Balance at 30 September 2011</b>	<b>115,253</b>	<b>115,253</b>
<b>Balance at 31 December 2011</b>	<b>182,359</b>	<b>182,359</b>
Received during the period	76,151	76,151
Recognised as income during the period	(1,283)	(1,283)
<b>Balance at 30 September 2012</b>	<b>257,227</b>	<b>257,227</b>

The grants received during the nine-month period of 2012 comprised as follows:

- amounts received from the EU structural funds to finance the reconstruction of the Company's property, plant and equipment totalling LTL 10,992 thousand (the first half of 2011: LTL 5,304 thousand);
- funds received from Ignalina International Decommissioning Support Fund to finance preparatory works and implementation of the project for interconnection Lithuania-Poland (LitPolLink) totalling LTL 1,409 thousand (first half of 2011: LTL 0);
- PSO service fees received to finance the preparatory works and implementation of the Project for interconnection Lithuania-Sweden (NordBalt) totalling LTL 63,750 thousand (the first half of 2011: LTL 69,023 thousand).

In the statement of comprehensive income for a nine-month period ended 30 September 2012, depreciation and amortisation charges were reduced by income from grants amounting to LTL 1,283 thousand (2011: LTL 1,423 thousand).



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR A NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2012  
(All amounts in LTL thousands unless otherwise stated)

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## 8. Segment information

Management distinguished operating segments based on the reports reviewed by the Board. The Board is a primary decision maker within the Group. The Board analyses business operations by types of services provided. Management analyses operating profit (loss) as a profitability indicator. The reports reviewed by the Board are in line with the financial statements prepared in accordance with IFRS, except for the format of presentation.

The Group has distinguished the following 6 segments:

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

The electricity transmission segment is involved in transmitting electricity over high voltage (330-110 kV) networks from producers to end users or suppliers not in excess of the contractual limit. The main objective of these activities is to ensure a reliable, effective, high quality, transparent and safe electricity transmission to distribution 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 liable 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 production 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 related to acceptance and transmission of electricity from producers who use the renewable energy resources;
- balancing of electricity produced using the renewable energy resources;
- administration of PSO service fees.

The Company's subsidiary BALTPool UAB carries out the activities of natural gas market operator and applies measures to secure against the fluctuations in electricity prices on power exchange. BALTPool UAB earns revenue mainly from turnover fees for trade in power exchange. Until 18 June 2012, BALTPool UAB used to act as power exchange operator.

Repair and maintenance services are carried out by the Company's subsidiary TETAS UAB. Its core line of business is reconstruction, repair and maintenance of medium voltage transformer substations and distribution stations.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR A NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2012  
(All amounts in LTL thousands unless otherwise stated)

**8. Segment information (continued)**

The table below shows the Group's information on segments for the period ended 30 September 2012:

	Operating segments							
	Electricity transmission	Trade in balancing/ regulating electricity	Provision of capacity reserve services	Provision of services under PSO scheme	Activities of market operator	Repair and maintenance activities	Other inter-segment eliminations	Total
Revenue	183,157	81,600	47,190	9,905	1,552	45,123	-	368,527
Inter-segment revenue	-	-	-	-	(1,216)	(6,489)	(982)	(8,687)
<b>Revenue after elimination of inter-company revenue within the Group</b>	<b>183,157</b>	<b>81,600</b>	<b>47,190</b>	<b>9,905</b>	<b>336</b>	<b>38,634</b>	<b>(982)</b>	<b>359,840</b>
<b>Operating profit (loss)</b>	<b>(512)</b>	<b>18,788</b>	<b>606</b>	-	<b>75</b>	<b>(577)</b>	<b>(977)</b>	<b>17,403</b>
<b>Finance income (costs), net</b>	<b>1,683</b>	-	-	-	<b>102</b>	<b>7</b>	-	<b>1,792</b>
Share of result of associates and joint ventures	277	-	-	-	-	-	-	277
Gain on change in ownership interests in associate	232	-	-	-	-	-	-	232
<b>Profit (loss) before income tax</b>	<b>1,680</b>	<b>18,788</b>	<b>606</b>	-	<b>177</b>	<b>(570)</b>	<b>(977)</b>	<b>19,704</b>
<b>*Income tax</b>	<b>(3,340)</b>	-	-	-	<b>(15)</b>	<b>(63)</b>	-	<b>(3,418)</b>
<b>Net profit (loss) for the period</b>	<b>(1,660)</b>	<b>18,788</b>	<b>606</b>	-	<b>162</b>	<b>(633)</b>	<b>(977)</b>	<b>16,286</b>
Depreciation and amortisation expenses	93,450	-	-	-	64	918	(5)	94,427
Write-offs of property, plant and equipment	93	-	-	-	-	-	-	93

\*Income tax and financial-investment activity is not allocated among the Company's operating segments and it is attributed to the activities of electricity transmission.



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR A NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2012  
(All amounts in LTL thousands unless otherwise stated)

**8. Segment information (continued)**

The table below shows the Group's information on segments for the period ended 30 September 2011:

	Operating segments							
	Electricity transmission	Trade in balancing/ regulating electricity	Provision of capacity reserve services	Provision of services under PSO scheme	Activities of market operator	Repair and maintenance activities	Other inter-segment eliminations	Total
Revenue	172,195	63,672	40,632	7,174	1,892	36,513	-	322,078
Inter-segment revenue	(171)	-	-	-	(1,812)	(5,849)	(1,005)	(8,837)
<b>Revenue after elimination of inter-company revenue within the Group</b>	<b>172,024</b>	<b>63,672</b>	<b>40,632</b>	<b>7,174</b>	<b>80</b>	<b>30,664</b>	<b>(1,005)</b>	<b>313,241</b>
<b>Operating profit (loss)</b>	<b>(24,095)</b>	<b>13,880</b>	<b>(4,838)</b>	<b>(185)</b>	<b>609</b>	<b>166</b>	<b>(1,005)</b>	<b>(15,468)</b>
<b>Finance (income) costs, net</b>	<b>1,765</b>	-	-	185	148	-	-	2,098
Share of result of associates and joint ventures	878	-	-	-	-	-	-	878
<b>Profit (loss) before income tax</b>	<b>(21,452)</b>	<b>13,880</b>	<b>(4,838)</b>	-	<b>757</b>	<b>166</b>	<b>(1,005)</b>	<b>(12,492)</b>
<b>*Income tax</b>	<b>829</b>	-	-	-	<b>(98)</b>	<b>(191)</b>	-	<b>540</b>
<b>Net profit (loss) for the period</b>	<b>(20,623)</b>	<b>13,880</b>	<b>(4,838)</b>	-	<b>659</b>	<b>(25)</b>	<b>(1,005)</b>	<b>(11,952)</b>
Depreciation and amortisation expenses	99,660	-	-	-	1	843	-	100,504
Write-offs of property, plant and equipment	769	-	-	-	-	-	-	769

\* Income tax and financial-investment activity is not allocated among the Company's operating segments and it is attributed to the activities of electricity transmission.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR A NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2012  
(All amounts in LTL thousands unless otherwise stated)

**8. Segment information (continued)**

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 customer was as follows:

Country	Group January – September 2012	Company January – September 2012	Group January – September 2011	Company January – September 2011
Lithuania	356,445	318,521	310,128	280,560
Russia	1,482	1,482	1,475	1,475
Estonia	1,068	1,068	745	745
Latvia	845	845	893	893
<b>Total</b>	<b>359,840</b>	<b>321,916</b>	<b>313,241</b>	<b>283,673</b>

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

The Group's revenue from its major external customer (Visagino Atominė Elektrinė UAB group companies) amounted to LTL 253,572 thousand during a nine-month period ended 30 September 2012 (30 September 2011: LTL 219,931 thousand).

**9. Related-party transactions**

Since UAB Visagino atominė elektrinė was Company's/Group's parent company until 28 September 2012, therefor transactions with UAB Visagino atominė elektrinė group companies are presented in the transactions with related parties.

During a nine-month period ended 30 September 2012 and 2011, the major purchases and sales between related parties within the Group were conducted between the Company and LESTO AB or Lietuvos Energija AB (Visagino Atominė Elektrinė UAB group companies). The Group mostly purchased electricity and paid PSO service fees. Sale transactions mostly comprised sales of electricity, provision of capacity reserve services, electricity transmission services, and collection of PSO service fees.

The Group's transactions with related parties during a nine-month period ended 30 September 2012 and the balances arising on these transactions as at 30 September 2012 are presented below.

Related parties	Trade and other payables and prepayments	Trade and other receivables	Purchases	Sales
Other Visagino Atominė Elektrinė UAB group companies	119,835	96,011	556,965	983,236
The Group's associates	2,612	1,433	16,543	4,616
Visagino Atominė Elektrinė UAB	200,000	-	717	-
<b>Total</b>	<b>322,447</b>	<b>97,444</b>	<b>574,225*</b>	<b>987,852**</b>

\*Whereof: LTL 346,252 thousand PSO service fees paid to related parties and LTL 110,904 thousand purchases of electricity on the power exchange from related parties. The Group acts as an agent in these transactions. The Group does not recognise revenue and expenses from electricity trading in power exchange and administration of PSO service fees with respect to those transactions in which it acts as an agent on behalf of the Commission/Government.

\*\*Whereof: LTL 455,893 thousand PSO service fees received from related parties and LTL 278,387 thousand sales of electricity on the power exchange to related parties.



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR A NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2012  
(All amounts in LTL thousands unless otherwise stated)

**9. Related-party transactions (continued)**

The Company's transactions with related parties during a nine-month period ended 30 September 2012 and the balances arising on these transactions as at 30 September 2012 are presented below.

<b>Related parties</b>	<b>Trade and other payables and prepayments</b>	<b>Trade and other receivables</b>	<b>Purchases</b>	<b>Sales</b>
Other Visagino Atominė Elektrinė UAB group companies	118,307	87,250	466,706	701,538
The Company's subsidiaries	10,103	18	29,290	83
The Company's associates	2,376	1,428	15,763	4,609
Visagino Atominė Elektrinė UAB	200,000	-	717	-
<b>Total</b>	<b>130,786</b>	<b>88,696</b>	<b>511,759*</b>	<b>706,230**</b>

\*Whereof: LTL 346,252 thousand PSO service fees paid to related parties and LTL 24,767 thousand purchases of electricity on the power exchange from related parties. The Company acts as an agent in these transactions. The Company does not recognise revenue and expenses from electricity trading in power exchange and administration of PSO service fees with respect to those transactions in which it acts as an agent on behalf of the Commission/Government.

\*\*Whereof: LTL 455,893 thousand PSO service fees received from related parties and LTL 24,767 thousand sales of electricity on the power exchange to related parties.

The Group's transactions with related parties during a nine-month period ended 30 September 2011 and the balances arising on these transactions as at 30 September 2011 are presented below.

<b>Related parties</b>	<b>Trade and other payables and prepayments</b>	<b>Trade and other receivables</b>	<b>Purchases</b>	<b>Sales</b>
Other Visagino Atominė Elektrinė UAB group companies	58,274	99,314	492,766	963,303
The Group's associates	2,626	1,211	18,150	2,897
Visagino Atominė Elektrinė UAB	-	-	-	-
<b>Total</b>	<b>60,900</b>	<b>100,525</b>	<b>510,916*</b>	<b>966,200**</b>

\*Whereof: LTL 241,345 thousand PSO service fees paid to related parties and LTL 161,553 thousand purchases of electricity on the power exchange from related parties. The Group acts as an agent in these transactions. The Group does not recognise revenue and expenses from electricity trading in power exchange and administration of PSO service fees with respect to those transactions in which it acts as an agent on behalf of the Commission/Government.

\*\*Whereof: LTL 379,062 thousand PSO service fees received from related parties and LTL 367,207 thousand sales of electricity on the power exchange to related parties.

The Company's transactions with related parties during a nine-month period ended 30 September 2011 and the balances arising on these transactions as at 30 September 2011 are presented below.

<b>Related parties</b>	<b>Trade and other payables and prepayments</b>	<b>Trade and other receivables</b>	<b>Purchases</b>	<b>Sales</b>
Other Visagino Atominė Elektrinė UAB group companies	56,711	87,451	326,953	574,636
The Company's subsidiaries	2,576	804	28,078	168
The Company's associates	4,706	2,573	17,760	2,860
Visagino Atominė Elektrinė UAB	-	-	-	-
<b>Total</b>	<b>63,993</b>	<b>90,828</b>	<b>372,791*</b>	<b>577,664**</b>

\*Whereof: LTL 241,345 thousand PSO service fees paid to related parties.

\*\*Whereof: LTL 379,062 thousand PSO service fees received from related parties.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR A NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2012  
(All amounts in LTL thousands unless otherwise stated)

**9. Related-party transactions (continued)**

**Payments to key management personnel**

	<b>Group January – September 2012</b>	<b>Company January – September 2012</b>	<b>Group January – September 2011</b>	<b>Company January – September 2011</b>
Employment-related payments	2,084	1,273	2,065	1,266
Whereof: termination benefits	246	177	293	254
Number of key management personnel	15	8	15	8

Key management personnel includes heads of administration and their deputies (directors of departments) and chief financier.

**10. Basic and diluted earnings per share**

Basic and diluted earnings (deficit) per share for a nine-month period ended 30 September 2012 and 2011 were as follows:

	<b>January – September 2012</b>	<b>January – September 2011</b>
Net profit (loss) attributable to the owners of the Company (LTL thousands)	16,480	(12,082)
Weighted average number of shares (units)	504,331,380	504,331,380
<b>Basic and diluted earnings (deficit) per share (in LTL)</b>	<b>0.03</b>	<b>(0.02)</b>

**11. Contingent liabilities**

Litigations

The investigation of a civil case conducted at Kaunas Regional Court based on the Company's claim for compensation of debt and interest from Achema AB, was suspended by the Court's resolution dated 14 June 2012 until the completion of investigation of the civil case at Vilnius Regional Court. The management believe this litigation will have no negative impact on the Company's/Group's financial statements.

**12. Significant events after the balance sheet date**

On 5 October 2012 LITGRID AB has signed an agreement with Finnish bank Pohjola for a EUR 58 million credit. The loan was used to pay dividends and finance the company's working capital.

On 7 November 2012, the Government of the Republic of Lithuania issued a decision No 1338, whereby it appointed BALTPool UAB the administrator of public obligation services (hereinafter referred to as POS) in the electricity sector. Under the decision, LITGRID AB will cease to perform POS administrator's functions as of 1 January 2013.

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