

AB INTER RAO LIETUVA

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AND UNAUDITED CONSOLIDATED INTERIM REPORT
FOR THE 9 MONTH PERIOD ENDED 30 SEPTEMBER 2015,
prepared in accordance with International Financial Reporting Standards,
as adopted by the European Union

13 November 2015

Vilnius

Content

I. Unaudited Consolidated Interim Report	3
II. Unaudited Consolidated Interim Financial Statements	14
III. Confirmation of Responsible Persons	26

AB INTER RAO Lietuva Unaudited Consolidated Interim Report for the 9 Month Period Ended 30th September 2015

I. General Information

Reporting period

9 month period ended 30th September 2015

Company and its contact details

Company name	AB INTER RAO Lietuva (hereinafter - IRL or „the Company“)
Company code	126119913
Legal form	Public company (joint-stock company)
Date of registration	21 st December 2002
Name of register of Legal Entities	State Enterprise Centre of Registers
Registered office	A.Tumėno g. 4, block B, LT-01109 Vilnius
Telephone number	+370 5 242 11 21
Fax number	+370 5 242 11 22
E-mail	info@interrao.lt
Internet address	www.interrao.lt

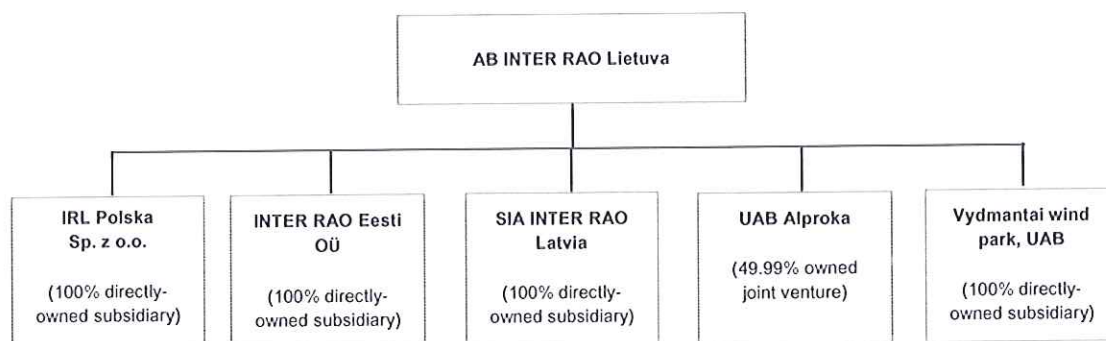
AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM REPORT
FOR THE 9 MONTH PERIOD ENDED 30th September 2015
(all amounts are in EUR thousand unless otherwise stated)

The Group structure

As of 30th September 2015, INTER RAO Lietuva Group consisted of the Company and the below described directly and indirectly controlled subsidiaries and joint venture (hereinafter - the Group):

Company	Company code	Directly and indirectly held effective attributable interest	Equity as of 30 September 2015	Registration address	Activity (including planned)
INTER RAO Eesti OÜ - subsidiary	11879805	100 %	(859)	Vaikare-Karja 3/Sauna 2, Tallinn, Estonia	Trade of electricity
SIA INTER RAO Latvia - subsidiary	40103268639	100 %	(775)	Ropažu 10, LV 1039, Riga, Latvia	Trade of electricity
IRL Polska Sp. z.o.o. - subsidiary	0000436992	100 %	8,648	Emilii Plater 53. Warsaw, Poland	Trade of electricity
UAB Alproka - joint venture	125281684	49,99 %	266	Verkių Str. 25C, Vilnius, Lithuania	Operations with real estate
Vydmantai Wind Park, UAB - subsidiary	302666616	100 %	11,616	A.Tumėno Str. 4, Vilnius, Lithuania	Generation of electricity

The following chart sets out the Group' subsidiaries and interest in those subsidiaries, as well as the structure of the Group as of 30th September 2015:



Main activities of the Group

The Group of INTER RAO Lietuva (hereinafter - “the Group”) is an independent supplier of electricity and, as such, may engage in various forms of electricity trading. Moreover, the Group is also present in electricity generation operations, as it owns a wind farm in Western Lithuania.

The Group is engaged in various forms of electricity trading: the purchase and sale of electricity under bilateral contracts with other electricity suppliers, as well as on the power exchange; supply of electricity to end-users; provision of balancing services for end-users and other wholesalers of electricity; sale and purchase of regulating and balancing electricity for the transmission system operators; cross-border electricity trading.

The Group has permission to import and export electricity to and from Lithuania, it is engaged in the import of electricity from Russia and, to a lesser extent, from Belarus, as well as in export to these countries. The Group is also active in cross-border electricity trading between Lithuania and other EU Member States, namely Latvia and Estonia.

The Group sells all of the electricity it cross-border from the third countries delivers to the Lithuanian internal market on the power exchange since, in accordance with respective regulations, all electricity cross-border delivered to the Lithuanian internal electricity market has to be sold on the power exchange. Then the Group buys the electricity on the power exchange in a volume corresponding to its contractual obligations with clients. Sale and purchase orders are submitted for the same prices and trades are executed at the market price. Some portion of electricity is also sold through Nord Pool Spot AS in Lithuania to other market participants. Trades on the power exchange are executed at the market price.

The price of electricity sold under bilateral contacts is the market price, adjusted for variances depending on the electricity trading or consumption pattern of the customer and contractual arrangements (e.g., fixed on annual or monthly basis or agreed in daily delivery schedules).

Apart from importing electricity, the Group also purchases the electricity from other wholesalers of electricity in Lithuania and Latvia under bilateral contracts based on various pricing arrangements, as well as on Nord Pool Spot AS in Lithuania, Latvia and Estonia based on market price. In order to manage its trading risks the Group is using electricity price hedging instruments.

The Group is also present in the electricity trading market in Poland, where it started its operations in 2014 and is involved in buying and selling electricity on the Polish Power Exchange.

The Group history and development

- 2002 The Company was incorporated as UAB Energijos realizacijos centras.
- 2003 The Company received its license as independent electricity supplier with permission to export electricity.
- The Company signed sale-purchase agreements with INTER RAO UES and Lietuvos energija AB.
- The Company began electricity trading activities by exporting electricity to Russia and Belarus.
- 2004 Permission to import electricity was granted to the Company.
- 2005 The Company began importing electricity to Lithuania.
- RAO Nordic OY, a wholly owned subsidiary of INTER RAO UES, acquired 18 per cent of the Company's share capital from UAB VB rizikos kapitalo valdymas.
- 2006 The Company acquired a 49.99 per cent stake in UAB Alproka, a company engaged in real estate development in the Lithuanian seaside resort of Palanga.
- 2007 UAB Scaent Baltic acquired an 82 per cent stake in the Company's share capital from Scaent Holdings Cooperatie UA and Bengtsbädd Förvaltning AB.
- 2008 RAO Nordic OY increased its shareholding in the Company by acquiring a 33per cent stake from UAB Scaent Baltic. The stake of RAO Nordic OY in the Company's share capital reaches 51 per cent, while the stake of UAB Scaent Baltic decreases to 49 per cent.
- 2009 The Company signed electricity sale-purchase agreements with the Belarusian company, Belenergo and the Latvian company, Latvenergo.
- Cooperation regarding the sale of electricity with the largest electricity consumer in the Baltic States, Orlen Lietuva, was established. Delivery was initiated in 2010.
- The Company changed its name to UAB INTER RAO Lietuva.
- 2010 The Company established two wholly-owned subsidiaries, one in Latvia (SIA INTER RAO Latvia) and the second in Estonia (INTER RAO Eesti OU).
- SIA INTER RAO Latvia received its license for electricity trading in Latvia.
- 2011 SIA INTER RAO Latvia begins electricity trading operations.
- The Company begins trading activities in the Estonian area of NordPool Spot.
- The Company begins operations in electricity generation from renewable energy sources by acquiring the wind park in Vydmantai.
- The Company signs an agreement with INTER RAO UES on potential export of electricity generated in Baltiiskaya NPP under construction in Kaliningrad Oblast.

AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM REPORT
FOR THE 9 MONTH PERIOD ENDED 30th September 2015
(all amounts are in EUR thousand unless otherwise stated)

- 2012 Decision on public offering and listing of the Company's shares on the Warsaw Stock Exchange was made.
- Business entity (IRL POLSKA Sp. z o.o.) in Poland was established.
- 2013 AB INTER RAO Lietuva shareholders decided to distribute 27 million Lit as dividends.
- In July 2013, the Company has completed a merger of its two subsidiary companies UAB IRL Wind and Vydmantai wind park, UAB. Subsidiary companies were reorganised by merging UAB IRL Wind, which ceased its activities as a legal entity after the merger, into Vydmantai wind park, UAB which continued its activities after the merger.
- On 4th December 2013, the statutory capital of subsidiary company of AB INTER RAO Lietuva in Poland IRL Polska Sp.z o.o. was increased from PLN 2 million to PLN 10 million.
- 2014 On 3rd January 2014, the subsidiary company of AB INTER RAO Lietuva in Poland IRL Polska Sp.z o.o. was granted the license for trade in electricity in Poland. The term of the license is from 9th January 2014 till 9th January 2024.
- On 30th of April 2014, the General Annual Meeting of shareholders has adopted the decision to pay dividends to the shareholders of the Company in the amount of 13 million Lit.
- On 22nd of May 2014, IRL Polska Sp. z o.o. begins electricity trading operations.
- 2015 After Lithuania joined the euro zone, AB INTER RAO Lietuva shareholders fixed a nominal value of one share 0.29 EUR, share capital equal to 5.8 million EUR. Articles of Association were amended respectively.
- AB INTER RAO Lietuva shareholders decided to distribute 11.2 million EUR as dividends.

Agreements with intermediaries of public trading in securities

Since 29th October 2012 the Company and UAB FMĮ Orion Securities (code 122033915), A. Tumėno str. 4, LT-01109 Vilnius, have an agreement on accounting of the Company's securities and services related to the accounting of securities.

Data about securities traded on regulated market

The following securities of the Company are included into the Main List of Warsaw stock exchange (symbol: IRL):

Types of shares	Number of shares	Nominal value (in EUR)	Total nominal value (in EUR)	Issue Code
Ordinary registered shares	20,000,000	0.29	5,800,000	LT0000128621

In December 2012, the initial public offering of the Company's ordinary shares was completed on the Warsaw Stock Exchange. The total oversubscription for the Company's ordinary shares exceeded 26 per cent. Given the ordinary share offer price of PLN 24.17 the value of the offering exceeded PLN 96.7 million. The Company's ordinary shares were included into the Main list of the Warsaw Stock Exchange.

AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM REPORT
FOR THE 9 MONTH PERIOD ENDED 30th September 2015
(all amounts are in EUR thousand unless otherwise stated)

Trading in the Company's securities on Warsaw Stock Exchange:



Securities of the Group's subsidiaries are not traded publicly.

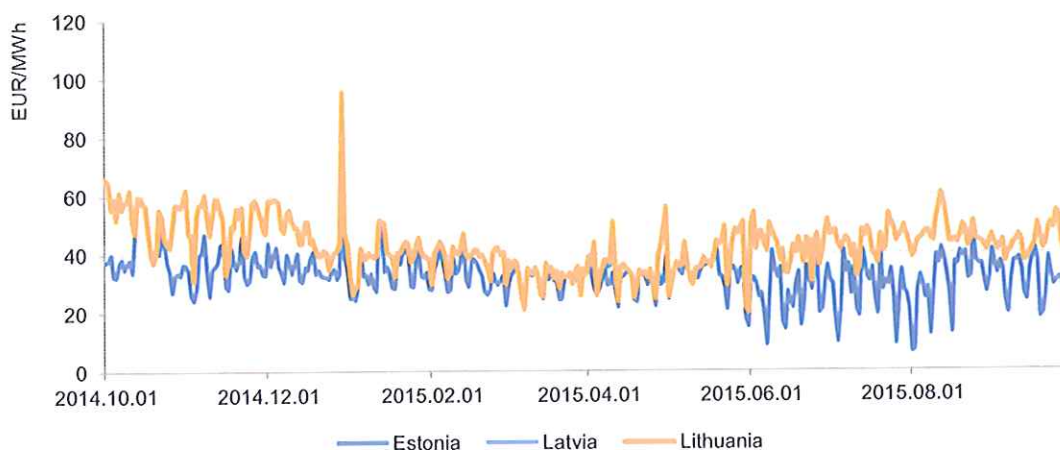
As of 30th September 2015 the shareholder structure of the Company was as following:

Shareholder	Number of shares/votes	Percentage of shares
RAO Nordic Oy	10,200,000	51%
UAB Scaent Baltic	5,800,000	29%
Other shareholders	4,000,000	20%
Total	20,000,000	100%

II. Financial information

Revenues

The total consolidated Group's sales revenue in January-September of 2015 was equal to EUR 137 million, a 12.77 per cent less than in the first 9 months of 2014. Total revenue declined due to lower amount of electricity traded in Lithuania and Latvia, which was facilitated by the continuous trend of historically low electricity prices in the Nordpool system as well as by lower prices of electricity sold. Despite the revenue decline the amounts of electricity traded in Estonia and especially in Poland were higher.



The consolidated financial statements of the Group have been prepared according to the International Financial Reporting Standards as adopted by the European Union.

Key figures of IRL Group

Financial figures	9 months 2015	9 months 2014
Sales (EUR thousand)	136,724	156,746
Gross profit (EUR thousand)	21,356	15,004
Gross profit margin (%)	15.62%	9.57%
Operating profit (EUR thousand)	16,337	10,416
Operating profit margin (%)	11.95%	6.65%
EBITDA (EUR thousand)	18,256	12,410
EBITDA profit margin (%)	13.35%	7.92%
Net profit (EUR thousand)	13,494	8,132
Net profit margin (%)	9.87%	5.19%
Number of shares (thousand)	20,000	20,000
Earnings per share (EUR)	0.67	0.41

Group's sales decreased by 12.77 per cent in first 9 months of 2015, compared to the same period in 2014. Decrease in cost of sales was a higher than decrease in sales - 18.61 per cent change, if compared to 9 months of 2014. Such a decrease in costs of sales was mainly due to the continuous changes in trading structure, further diversification of trading portfolio between countries and lower electricity prices in the markets. Therefore, despite the decrease in sales, the Group's gross profitability equaled to 15.62 per cent in the accounting period, if compared to 9.57 per cent in January-September 2014.

AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM REPORT
FOR THE 9 MONTH PERIOD ENDED 30th September 2015
(all amounts are in EUR thousand unless otherwise stated)

Company's gross profit margin in 2015 accounts to 15.29 per cent, compared to 9.29 per cent in the first 9 months of 2014. Operating profit of the Company for the January-September of 2015 was equal to EUR 14 million compared to EUR 9.1 million a year ago.

The increase in Groups profitability was also attributable to the changes in trading structure, further expansion, diversification and development of trading activities in other countries and more effective risk management policies, which the Group undertook to cope with uncertainties and risks arising from the technical limitations of interconnection links. The increase in profitability was partly attributable to the more favorable weather conditions, which resulted in higher profits from sales of electricity generated in the wind park.

Group's and Company's EBITDA for the first 9 months of 2015 was EUR 18.3 million and EUR 14.2 million respectively. Group's EBITDA profit margin increased from 7.92 per cent in first 9 months of 2014 to 13.35 per cent in the same period in 2015. Company's EBITDA profit margin increased in the same manner - from 7.08 per cent in January-September of 2014 to 12.47 per cent in the accounting period. In the 9 months of 2015, Group's net profit increased to EUR 13.5 million from EUR 8.1 million in 2014. As a result, Group's net profit margin during the accounting period was equal to 9.87 per cent, compared to 5.19 per cent a year ago. Despite the decrease in sales, net profit of the Company in first 9 months of 2015 increased to EUR 12 million compared to EUR 7.6 million in January-September 2014.

Sales revenues by operating segments, thous. EUR	9 months 2015	9 months 2014
Electricity purchases and sales	132,669	153,335
Electricity production and sales	4,055	3,414
Total	136,724	156,746

Group's revenue from purchases and sales of electricity in the first 9 months of 2015 amounted to EUR 136.7 million. Revenue from produced electricity sales accounted for EUR 4.1 million, the 18.76 per cent more than in the same period a year ago. During the accounting period Vydmantai wind park, UAB has produced a higher amount of electricity compared to long-term average, due to positive meteorological conditions: higher wind speeds. The better wind conditions than the estimated long-term average lead to one of the best results of Vydmantai wind park, UAB since the beginning of performance of the wind park in 2006.

Company's revenue during January-September 2015 were lower by 13.65 per cent and was equal to EUR 114.1 million compared to EUR 132.1 million in the same period in 2014.

The tables below present data on the electricity trading activities of the Group for the 9 months period ended on 30th September 2015 and the 3rd quarter of 2015, with a breakdown by each country for the periods indicated (S - sale, P - purchase).

	For the 9 months of 2015		For the 9 months of 2014	
	S	P	S	P
	GWh		GWh	
Lithuania*	2 460	103	2 666	154
Latvia	200	200	381	419
Estonia	197	331	108	108
Russia	88	2 182	34	2 105
Belarus	-	129	-	403
Poland	207	207	20	20
Total*	3 152	3 152	3 209	3 209

* Excluding equivalent trades on the power exchange

Differences between purchased and sold electricity total values is due to rounding

AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
 UNAUDITED CONSOLIDATED INTERIM REPORT
 FOR THE 9 MONTH PERIOD ENDED 30th September 2015
 (all amounts are in EUR thousand unless otherwise stated)

	For the 3 rd quarter of 2015		For the 3 rd quarter of 2014	
	S	P	S	P
	GWh		GWh	
Lithuania*	881	21	1 025	42
Latvia	52	52	148	157
Estonia	68	93	36	36
Russia	25	799	14	855
Belarus	-	61	-	133
Poland	79	79	16	16
Total*	1 105	1 105	1 239	1 239

* Excluding equivalent trades on the power exchange
 Differences between purchased and sold electricity total values
 is due to rounding

Expenses

COGS by operating segments, thous. EUR	9 months 2015	9 months 2014
Electricity purchases and sales	114,025	140,362
Electricity production and sales	1,343	1,380
Total	115,368	141,742

Group's cost of sales in January-September of 2015 accounted to EUR 115.4 million, the 18.61 per cent less than during the first nine months of 2014. The decline in cost of sales was due to several reasons: (1) the lower amount of electricity traded by the Group, (2) lower electricity purchase price in the Nordpool system and the third countries.

Cost of sales of the Company was lower by 19.37 per cent if compared the accounting period and the same period a year ago and amounted to EUR 96.6 million.

Group's cost of purchased electricity in the first 3 quarters of 2015 amounted to EUR 112.4 million. Group's cost of purchased electricity comprised 97.41 per cent of total cost of sales, Company's - 98.38 per cent.

Group's operating expenses in the nine-month period of 2015 amounted to EUR 5 million, a 9.39 per cent increase over a year ago. Company's operating expenses amounted to EUR 3.4 million in January-September 2015 compared to EUR 3.2 million in the same period a year ago (7.06 per cent increase).

Earnings

Gross profit of the Group in January-September of 2015 amounted to EUR 21.4 million, while the gross profit margin increased to 15.62 per cent (9.57 per cent a year ago). Gross profit of the Company in the same period accounted to EUR 17.5 million. Company's gross profit margin increased from 9.29 per cent in January-September 2014 to 15.29 per cent in the first nine months of 2015.

Group's operating profit over the same period accounted to EUR 16.3 million, while the operating profit margin increased to 11.95 per cent from 6.65 per cent a year ago. Operating profit in the first 3 quarters of 2015 of the Company increased to EUR 14 million, compared to EUR 9.1 million in the same period a year ago.

Net loss of financial activities of the Group in the first 3 quarters of 2015 amounted to minus EUR 0.7 million, equal to the net financial loss for the same period a year ago. Financial expenses were mainly comprised of interest expenses that were due for the stand-alone financing of the wind park. Net loss of financial activities of the Company in the 3 quarters of 2015 was mainly comprised from interest expenses.

Group's net profit in the January-September of 2015 amounted to EUR 13.5 million, if compared to the profit of EUR 8.1 million for the same period year ago. The profit margin increased from 5.19 per cent a year ago to 9.87 per cent in the accounting period. Increase in profit was due to the set of risk management policies, change in trading structure the Group undertook in a response to the uncertainties associated with technical limitations of interconnection links, further expansion and diversification of trading activities in all the countries and better results from sales of electricity generated in the wind park.

Balance sheet and Cash Flows

During January-September 2015 total assets of the Group increased by 2.46 per cent and of the Company increased by 9.95 per cent. The most significant influence to the change of the assets was caused by increase of cash and cash equivalents in the Group and in the Company.

Total non-current assets of the Company increased by 0.24 per cent and of the Group decreased by 6.26 per cent. The most significant change in assets in the Group was related to depreciation of patents and licenses held by subsidiary Vydmantai wind park, UAB. Total non-current assets amounted to 29 per cent of the total assets for the Company and to 47 per cent of total assets for the Group.

During the year, shareholders' equity of the Company and of the Group increased by 4.83 per cent and 8.44 per cent respectively and amounted to 41 per cent of the total equity and liabilities of the Company and to 29 per cent of the total equity and liabilities of the Group. Increase in equity was caused by the better operating activities of the Company and the Group in the accounting period. Total dividends distributed in 2015 reached EUR 11.2 million.

At the end of September 2015, total amount of borrowings, including financial liabilities related to finance lease and bank financing, amounted to EUR 9 million for the Company and EUR 27.6 million for the Group. Cash, cash equivalents amounted to EUR 13.8 million for the Company and EUR 16.4 million for the Group.

Net cash flows from operating activities of the Group were higher in the first 3 quarters of 2015 and amounted to EUR 13.5 million, compared to EUR 11.1 million in the same period a year ago. Net cash flows from operating activities of the Company in the first 9 months of 2015 equaled to EUR 10.7 million compared to EUR 8.3 million a year ago.

Net cash flows from investing activities of the Group and the Company were in the January-September of 2015 at the level of net cash flows from investing activities of the Group in the same period of 2014.

Net cash flows from financing activities of the Group in the first 3 quarters of 2015 amounted to EUR (8.4) million outflow, compared to EUR (9.2) million outflow in the same period a year ago. Net cash flows from financing activities of the Company in the first 9 months of 2015 equaled to EUR (5.3) million outflow compared to EUR (-5.8) million outflow in the same period a year ago.

AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM REPORT
FOR THE 9 MONTH PERIOD ENDED 30th September 2015
(all amounts are in EUR thousand unless otherwise stated)

Personnel

As of 30th September 2015 there were 43 employees in the Group and 27 in the Company. The employment structure by category is provided in the table below.

Employee category	Number of employees			
	As of 30 th September 2015		As of 30 th September 2014	
	Group	Company	Group	Company
Management	8	8	8	8
Sales Managers, including Traders	15	8	14	7
PR & Marketing Staff	2	2	2	2
Project managers	4	1	4	1
Technical staff	2	1	2	1
Office Staff	12	7	11	6
Total	43	27	41	25

On 30th September 2015 Company's personnel consisted of 8 managers and 19 specialists, as Group's personnel consisted of 8 managers and 35 specialists.

AB INTER RAO Lietuva Unaudited Consolidated Interim Financial Statements for the 9 Month Period Ended 30th September 2015

Statement of financial position

	Notes	Group		Company	
		As at 30 th September 2015	As at 31 st December 2014	As at 30 th September 2015	As at 31 st December 2014
ASSETS					
Non-current assets					
Intangible assets					
Goodwill		1,716	1,716	-	-
Patents and licenses		6,348	7,258	-	-
Other intangible assets		60	83	60	82
Total intangible assets		8,124	9,057	60	82
Property, plant and equipment					
Land		706	737	-	-
Buildings and structures		3,964	3,221	-	-
Machinery and equipment		16,494	18,049	-	-
Office premises		867	924	867	924
Other property, plant and equipment		62	78	58	70
Total property, plant and equipment		22,093	23,009	925	994
Investment property		149	158	149	158
Interest in a joint venture		133	195	11,382	11,382
Other non-current financial assets		1,000	1,227	43	212
Derivative financial instruments		66	26	326	26
Total non-current assets		31,565	33,672	12,885	12,854
Current assets					
Inventories and prepayments		327	141	1,859	4,288
Accounts receivable		-	-	-	-
Trade receivables		16,863	17,239	15,465	15,306
Receivables from subsidiaries		-	-	4	4
Other receivables		1,115	2,246	-	-
Total accounts receivable		17,978	19,485	15,469	15,310
Prepaid income tax		-	189	-	-
Other current assets		335	250	206	187
Derivative financial instruments		-	57	872	57
Cash and cash equivalents		16,415	11,228	13,841	8,352
Total current assets		35,055	31,350	32,247	28,194
Total assets		66,619	65,022	45,132	41,048

(cont'd on the next page)

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

AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 30th September 2015
(all amounts are in EUR thousand unless otherwise stated)

Statement of financial position (cont'd)

	Notes	Group		Company	
		As at 30 th September 2015	As at 31 st December 2014	As at 30 th September 2015	As at 31 st December 2014
EQUITY AND LIABILITIES					
Equity					
Share capital		5,800	5,792	5,800	5,792
Legal reserves		831	798	580	580
Cash flow hedge reserve		(1,249)	(427)	97	48
Retained earnings		14,073	11,813	12,024	11,228
Foreign exchange effect		(31)	(63)	-	-
Total equity		19,424	17,913	18,501	17,648
Liabilities					
Non-current liabilities					
Non-current borrowings		14,575	17,050	-	-
Financial lease obligations		708	708	-	-
Derivative financial instruments		653	476	299	-
Deferred income tax liability		818	833	-	-
Total non-current liabilities		16,754	19,067	299	-
Current liabilities					
Current portion of non-current borrowings		3,300	3,300	-	-
Current portion of financial lease obligations		42	68	-	-
Derivative financial instruments		1,049	323	789	34
Financial debts		9,018	3,051	9,018	3,051
Trade payables		12,192	16,076	12,140	15,910
Income tax payable		1,857	1,115	1,851	1,115
Advances received		71	188	70	181
Other current liabilities		2,912	3,921	2,464	3,109
Total current liabilities		30,441	28,042	26,332	23,400
Total equity and liabilities		66,619	65,022	45,132	41,048

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

General Director

Giedrius Balčiūnas

13 November 2015

Director of Economics

Paulius Vazniokas

13 November 2015

AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 30th September 2015
(all amounts are in EUR thousand unless otherwise stated)

Statement of comprehensive income
For the 9 months ended 30th September 2015

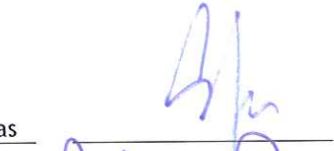
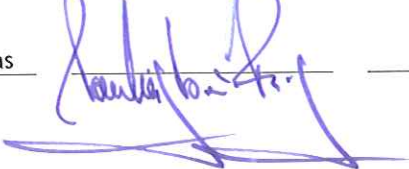
	Notes	Group	Group	Company	Company
		2015	2014	2015	2014
Sales		136,724	156,746	114,099	132,143
Cost of sales		115,368	141,742	96,649	119,870
Gross profit		21,356	15,004	17,450	12,273
General and administrative expenses		5,019	4,588	3,410	3,185
Profit from operations		16,337	10,416	14,040	9,088
Other activities		23	28	11	14
Financing and investing activities profit		(650)	(650)	(14)	110
Finance income		22	42	69	156
Finance expenses		678	748	83	46
Share of result of joint venture		6	56	-	-
Profit before tax		15,710	9,794	14,037	9,212
Income tax		2,216	1,662	2,041	1,594
Net profit		13,494	8,132	11,996	7,618
Total comprehensive income, net of tax		12,704	7,791	12,045	7,618

AB INTER RAO LIETUVA, company code 126119913, A. Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 30th September 2015
(all amounts are in EUR thousand unless otherwise stated)

Statement of comprehensive income

Notes	Group	Group	Company	Company
	3 rd quarter 2015	3 rd quarter 2014	3 rd quarter 2015	3 rd quarter 2014
Sales	50,638	63,052	42,454	53,405
Cost of sales	43,123	58,434	35,631	49,314
Gross profit	7,515	4,618	6,823	4,091
General and administrative expenses	1,626	1,532	1,080	1,061
Profit from operations	5,889	3,086	5,743	3,030
Other activities	4	8	3	4
Financing and investing activities profit	(225)	(240)	(43)	(12)
Finance income	6	10	-	5
Finance expenses	234	244	43	17
Share of result of joint venture	3	(7)	-	-
Profit before tax	5,668	2,854	5,703	3,022
Income tax	814	669	839	637
Net profit	4,854	2,185	4,864	2,385

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

General Director	Giedrius Balčiūnas		13 November 2015
Director of Economics	Paulius Vazniokas		13 November 2015

AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 30th September 2015
(all amounts are in EUR thousand unless otherwise stated)

Statement of changes in equity
For the 9 months ended 30th September 2015

Group

	Share capital	Legal reserve	Cash flow hedge reserve	Currency translation reserve	Retained earnings	Total
Balance as at 1 st January 2015	5,792	798	(427)	(63)	11,813	17,913
Nominal value of shares conversion into euros	8	-	-	-	-	8
Profit for the period	-	-	-	-	13,494	13,494
Other comprehensive income, net of tax	-	-	(822)	-	-	(822)
Foreign exchange effect	-	-	-	32	-	32
Total comprehensive income	-	-	(822)	32	13,494	12,704
Dividends declared	-	-	-	-	(11,200)	(11,200)
Transfer to legal reserve	-	33	-	-	(33)	-
Balance as at 30 th September 2015	5,800	831	(1,249)	(31)	14,073	19,424

	Share capital	Legal reserve	Cash flow hedge reserve	Currency translation reserve	Retained earnings	Total
Balance as at 1 st January 2014	5,792	670	(201)	18	3,364	9,643
Profit for the period	-	-	-	-	8,131	8,131
Other comprehensive income, net of tax	-	-	(319)	-	-	(319)
Foreign exchange effect	-	-	-	(21)	-	(21)
Total comprehensive income	-	-	(31)	(21)	8,131	7,791
Dividends declared	-	-	-	-	(3,765)	(3,765)
Transfer to legal reserve	-	128	-	-	(128)	-
Balance as at 30 th September 2014	5,792	798	(520)	(3)	7,602	13,669


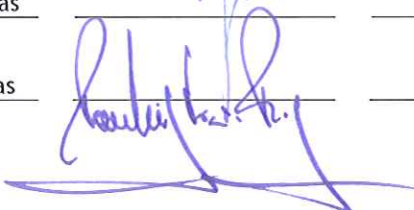
AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 30th September 2015
(all amounts are in EUR thousand unless otherwise stated)

Company

	Share capital	Legal reserve	Cash flow hedge reserve	Retained earnings	Total
Balance as at 1 st January 2015	5,792	580	48	11,228	17,648
Nominal value of shares conversion into euros	8	-	-	-	8
Profit for the period	-	-	-	11,996	11,996
Other comprehensive income	-	-	49	-	49
Total comprehensive income	-	-	49	11,996	12,045
Dividends declared	-	-	-	(11,200)	(11,200)
Transfer to legal reserve	-	-	-	-	--
Balance as at 30 th September 2015	5,800	580	97	12,024	18,501

	Share capital	Legal reserve	Cash flow hedge reserve	Retained earnings	Total
Balance as at 1 st January 2014	5,792	580	-	3,792	10,164
Profit for the period	-	-	-	7,618	7,618
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	7,618	7,618
Dividends declared	-	-	-	(3,765)	(3,765)
Transfer to legal reserve	-	-	-	-	-
Balance as at 30 th September 2014	5,792	580	-	7,645	14,017

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

General Director	Giedrius Balčiūnas		13 November 2015
Director of Economics	Paulius Vazniokas		13 November 2015

AB INTER RAO LIETUVA, company code 126119913, A. Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 30th September 2015
(all amounts are in EUR thousand unless otherwise stated)

Statements of cash flows
For the 9 months ended 30th September

Notes	Group		Company	
	2015	2014	2015	2014
Cash flows from (to) operating activities				
Net profit	13,494	8,132	11,996	7,618
Adjustments for non-cash items:				
Income tax expenses	2,216	1,662	2,041	1,594
Depreciation and amortisation	1,868	1,854	110	93
Interest and dividend (income)	(17)	(20)	(69)	(133)
Share of net profit of joint venture	(6)	(56)	-	-
Interest and dividend expenses	668	744	74	46
Result of non-current assets sold	-	-	-	(3)
Other	9	(11)	8	(8)
	18,232	12,305	14,160	9,207
Changes in working capital:				
(Increase) decrease in inventories and prepayments	(186)	(233)	2,430	(1,816)
(Increase) decrease in accounts receivable and other current assets	1,423	(2,332)	(179)	(1,634)
Decrease in other non-current assets	161	(739)	167	(14)
Increase (decrease) in trade payables	(4,001)	2,293	(3,880)	2,686
Income tax (paid)	(1,357)	(56)	(1,305)	-
(Decrease) in other current liabilities	(791)	(159)	(657)	(163)
Unrealized foreign currency exchange	32	(21)	-	-
Net cash flows from operating activities	13,513	11,058	10,736	8,266
Cash flows from (to) investing activities				
(Acquisition) of non-current assets	(10)	(52)	(9)	(48)
Proceeds from sale of non-current assets	-	3	-	3
Interest and dividends received	86	150	69	133
Loans repaid	-	1	-	1
Other investing activities	-	-	-	-
Net cash flows (to) investing activities	76	102	60	89

(cont'd on the next page)


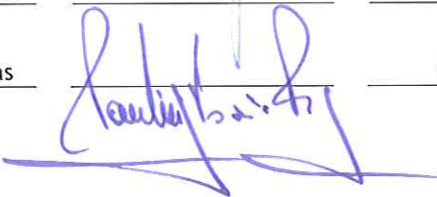
The accompanying notes are an integral part of these financial statements.

AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 30th September 2015
(all amounts are in EUR thousand unless otherwise stated)

Statements of cash flows (cont'd)

	Group		Company	
	2015	2014	2015	2014
Cash flows from (to) financing activities				
Dividends (paid)	(2,240)	(753)	(2,240)	(753)
Proceeds from loans	(5,487)	(7,673)	(3,012)	(4,924)
Interest (paid)	(675)	(781)	(55)	(75)
Net cash flows (to) financing activities	(8,402)	(9,207)	(5,307)	(5,752)
Net increase (decrease) in cash and cash equivalents	5,187	1,953	5,489	2,603
Cash and cash equivalents at the beginning of the year	11,228	4,403	8,352	990
Cash and cash equivalents as at the end of the period	16,415	6,356	13,841	3,593

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

General Director	Giedrius Balčiūnas		13 November 2015
Director of Economics	Paulius Vazniokas		13 November 2015

Notes to financial statements

1 General information

AB INTER RAO Lietuva (hereinafter “the Company”) is a private limited liability company registered in the Republic of Lithuania. The Company’s core line of business is trade of electricity. The Group companies operate in electricity trading and production sectors.

2 Segment information

Operating segments

The following tables present information regarding the Group’s operating segments for the 9 months ended 30th September 2015.

9 month ended 30 th September 2015	Electricity purchases and sales	Electricity production and sales	Total Segments	Adjustments and eliminations	Consolidated
Revenue					
External customers	132,669	4,055	136,724	-	136,724
Total revenue	132,669	4,055	136,724	-	136,724
Results					
Depreciation and amortisation	114	1,754	1,868	-	1,868
Interest income	-	17	17	-	17
Interest expenses	74	594	668	-	668
Share of profit of associate joint venture				6	6
Segment operating profit	14,689	1,648	16,337	-	16,337
Segment assets	34,693	31,926	66,619	-	66,619
Segment liabilities	27,024	19,353	46,377	818	47,195

Segment assets and liabilities are presented after elimination of intercompany assets and liabilities within the segment, which are eliminated on consolidation.

Other disclosures

Interest in a joint venture	-	-	-	133	133
Capital expenditure	10	-	10	-	10

Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries.

AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 30th September 2015
(all amounts are in EUR thousand unless otherwise stated)

The following tables present information regarding the Group's operating segments for the 9 months ended 30th September 2014.

9 month ended 30 th September 2014	Electricity purchases and sales	Electricity production and sales	Total Segments	Adjustments and eliminations	Consolidated
Revenue					
External customers	153,332	3,414	156,746	-	156,746
Total revenue	153,332	3,414	156,746	-	156,746
Results					
Depreciation and amortisation	95	1,759	1,854	-	1,854
Interest income	-	17	17	-	17
Interest expenses	46	698	744	-	744
Share of profit of associate joint venture	-	-	-	56	56
Segment operating profit	9,421	995	10,416	-	10,416
Segment assets	25,898	33,626	59,524	1,004	60,528
Segment liabilities	23,156	22,918	46,074	786	46,860

Segment assets and liabilities are presented after elimination of intercompany assets and liabilities within the segment, which are eliminated on consolidation.

Other disclosures

Interest in a joint venture	-	-	-	195	195
Capital expenditure	51	1	52	-	52

Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries.

Adjustments and eliminations

Finance income and expenses are allocated to individual segments as the underlying instruments are managed on each separate Company basis.

Taxes and certain financial liabilities are not allocated to operating segments as they are managed on a Group basis.

Related party transactions

The parties are considered related when one party has the possibility to control the other one or have significant influence over the other party in making financial and operating decisions. The related parties of the Group during the 9 month periods ending 30 September 2015 and as at 30 September 2014 were as follows:

PJSC Inter RAO UES (ultimate parent);
RAO Nordic Oy (one of the shareholders);
UAB Scaent Baltic (one of the shareholders);
UAB Alproka (associate);
Other related parties include:
UAB Scaent Baltic Group companies (the same shareholder).
Management

3 Related party transactions

For the 9 month period
ended 30th September
2015

		Purchases	Sales	Paid (received) dividends	Receivables	Payables, including loans granted
PJSC Inter RAO UES	a)	81,538	884	-	78	10,924
RAO Nordic Oy	c)	291	-	5,715	-	6,656
UAB Scaent Baltic	c)	27	-	3,248	-	3,269
UAB Alproka		-	-	(68)	-	-
Other related parties		49	-	-	-	7
		81,905	884	8,895	78	20,856

For the 9 month period
ended 30th September
2014

		Purchases	Sales	Paid (received) dividends	Receivables	Payables, including loans granted
PJSC Inter RAO UES	a)	86,986	492	-	30	12,917
RAO Nordic Oy	c)	122	-	1,920	64	1,935
UAB Scaent Baltic	b), c)	30	-	1,092	-	1,102
UAB Alproka		-	-	(130)	-	-
Other related parties		63	-	-	-	8
		86,957	492	2,882	94	15,962

- a) The Group performs electricity trading transactions with PJSC Inter RAO UES.
- b) The Group purchased rent of premises and interest from UAB Scaent Baltic.
- c) The Group's payables to shareholders RAO Nordic Oy and UAB Scaent Baltic as at 30th September 2015 represent loans granted and accrued interest (loan currency - EUR, interest rate - 1.9%).

Confirmation of Responsible Persons

Following the Article No. 22 of the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information of the Central Bank of the Republic of Lithuania, I, Giedrius Balčiūnas, the General Director of AB INTER RAO Lietuva hereby confirm that, to the best of my knowledge, AB INTER RAO Lietuva Unaudited Consolidated Financial results for the 3rd quarter of 2015 as set out on above are prepared in accordance with International Financial Reporting Standards as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and profit or loss and cash flows of the Company and the Group.

Giedrius Balčiūnas

General Director

