

AB INTER RAO LIETUVA

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AND UNAUDITED CONSOLIDATED INTERIM REPORT
FOR THE 6 MONTH PERIOD ENDED 30 JUNE 2016,
prepared in accordance with International Financial Reporting Standards,
as adopted by the European Union

31 August 2016

Vilnius

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AB INTER RAO Lietuva Unaudited Consolidated Interim Report for the 6 Month Period Ended 30 June 2016

I. General Information

Reporting period

1st half of year ended 30th June 2016

Company and Its contact details

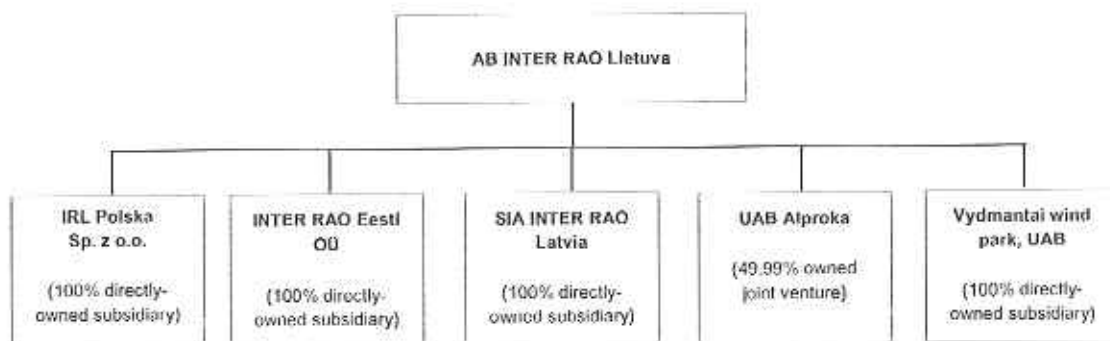
Company name	AB INTER RAO Lietuva (hereinafter - IRL or „the Company“)
Company code	126119913
Legal form	Public company (joint-stock company)
Date of registration	21 st December 2002
Name of register of Legal Entities	State Enterprise Centre of Registers
Registered office	A.Tumėno g. 4, block B, LT-01109 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

The Group structure

As of 30th June 2016, 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 June 2016	Registration address	Activity (including planned)
INTER RAO Eesti OÜ - subsidiary	11879805	100 %	(46)	Vaikare-Karja 3/Sauna 2, Tallinn, Estonia	Trade of electricity
SIA INTER RAO Latvia - subsidiary	40103268639	100 %	(441)	Ropažu 10, LV 1039, Riga, Latvia	Trade of electricity
IRL Polska Sp. z.o.o. - subsidiary	0000436992	100 %	1,897	Emilii Plater 53, Warsaw, Poland	Trade of electricity
UAB Alproka - joint venture	125281684	49,99 %	241	Verkių Str. 25C, Vilnius, Lithuania	Operations with real estate
Vydmantai Wind Park, UAB subsidiary	302666616	100 %	11,572	A.Tumėno Str. 4, Vilnius, Lithuania	Generation of electricity

The following chart sets out the Group¹ subsidiaries and interest in those subsidiaries, as well as the structure of the Group as of 30th June 2016:



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 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 AS in Lithuania, Latvia and Estonia.

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.
- 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 as.
- 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.
- AB INTER RAO Lietuva shareholders decided to distribute 11.2 million EUR as dividends.
- 2016 AB INTER RAO Lietuva shareholders decided to distribute 16.1 million EUR as dividends.

Agreements with Intermediaries of public trading in securities

Since 29th October 2012 the Company and UAB FMJ 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.

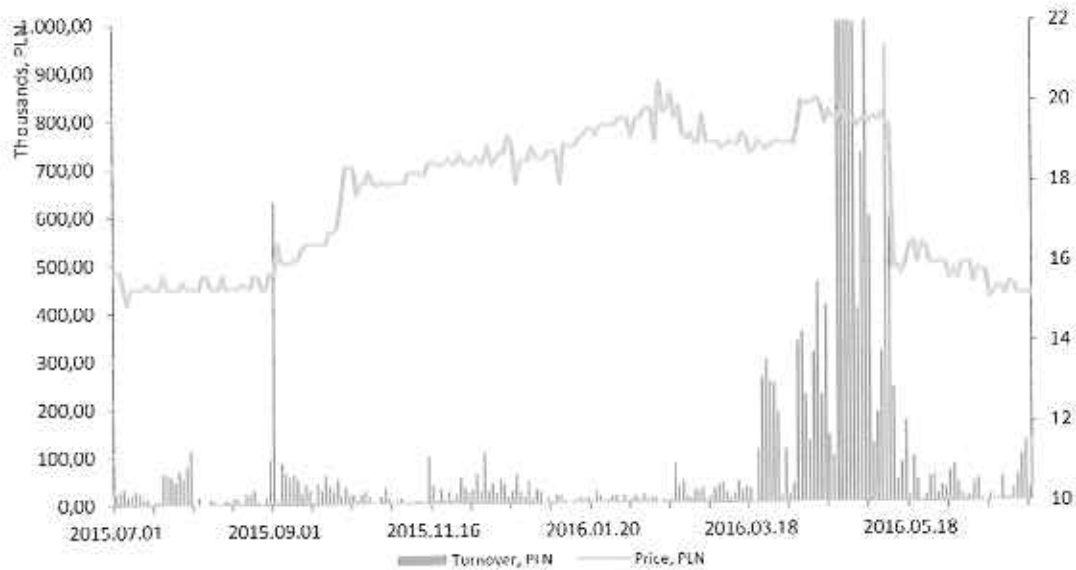
Data about securities traded on regulated market

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.

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



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

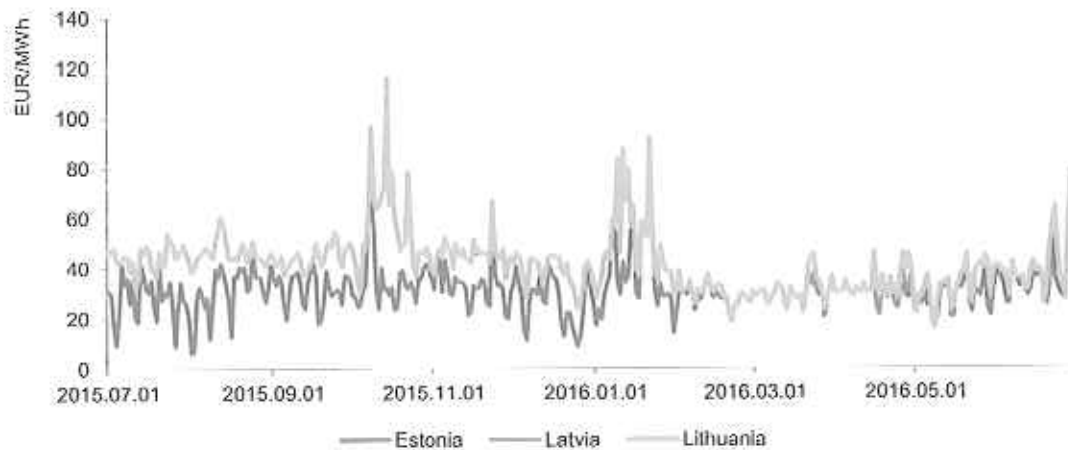
As of 30th June 2015 the shareholder structure of the Company was as following:

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-June of 2016 was equal to EUR 83 million, a 3.84 per cent less than in the first half of 2015. Total revenue decreased due to on average lower and highly volatile electricity prices in the market, after introducing NordBalt and LitPol Link power interconnections and their multiple unplanned disconnecting during first half of 2016 (the NordBalt was not operational approx. 60% of time during the first half of 2016). The decline was also caused by much worse meteorological conditions, which negatively affected electricity generation and sale from the wind park owned by the Group. The slight increase in the amount of electricity traded was mainly influenced by Estonian and Polish subsidiaries as those companies signed more contracts with their clients. Company's sales revenue in the 1st half 2016 was equal to EUR 63.4 million - decreased by 11.47 per cent, compared to the same period in 2015 due to the same reasons - there were less electricity traded in Lithuania, its price on the Nordpool system was lower and electricity prices were highly volatile.



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	1 st half 2016	1 st half 2015
Sales (EUR thousand)	82,783	86,086
Gross profit (EUR thousand)	10,755	13,841
Gross profit margin (%)	12.99%	16.08%
Operating profit (EUR thousand)	7,248	10,448
Operating profit margin (%)	8.76%	12.14%
EBITDA (EUR thousand)	8,521	11,692
EBITDA profit margin (%)	10.29%	13.58%
Net profit (EUR thousand)	5,881	8,640
Net profit margin (%)	7.10%	10.04%
Number of shares (thousand)	20,000	20,000
Earnings per share (EUR)	0.29	0.43

Gross profit margin = Gross profit / Sales

Operating profit margin = Operating profit / Sales

EBITDA profit margin = EBITDA / Sales

Net profit margin = Net profit / Sales

Earnings per shares = Net profit / Number of shares

Group's sales decreased by 3.84 per cent in 1st half 2016, compared to the same period in 2015. At the same time Group's cost of sales remained almost at the same level if compared to the 1st half of 2015. Despite the decrease in sales and invariable cost of sales, the Group's gross profitability equaled to 12.99 per cent in the accounting period, if compared to 16.08 per cent in January-June 2015.

Company's gross profit margin in 2016 accounts to 13.83 per cent, compared to 14.83 per cent in the 1st half of 2015. Operating profit of the Company for the 1st half of 2016 was equal to EUR 6.3 million compared to EUR 8.3 million a year ago.

Group's and Company's EBITDA for the 1st half 2016 was EUR 8.5 million and EUR 7.4 million respectively. Group's EBITDA profit margin decreased from 13.58 per cent in 1st half 2015 to 10.29 per cent in 1st half of 2016. Company's EBITDA profit margin stayed at almost the same level of 11.69 per cent in the accounting period. In the 1st half of 2016, Group's net profit decreased to EUR 5.9 million from EUR 8.6 million in 2015. As a result, Group's net profit margin during the accounting period was equal to 7.1 per cent, if compared to 10.04 per cent a year ago. As a result of the decrease in sales, net profit of the Company in 1st half 2016 decreased by 10.6 per cent and was equal to EUR 6.4 million compared to EUR 7.1 million in January-June 2015.

Sales revenues by operating segments, thous. EUR	6 months 2016	6 months 2015
Electricity purchases and sales	80,535	83,069
Electricity production and sales	2,248	3,017
Total	82,783	86,086

Group's revenue from purchases and sales of electricity in the 1st half of 2016 amounted to EUR 80.5 million. Revenue from produced electricity sales accounted for EUR 2.2 million, a 25.5 per cent less than in the same period a year ago. During the accounting period Vydmantai wind park, UAB has produced a lower

AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
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amount of electricity compared to long-term average, due to highly negative meteorological conditions: historically low wind speeds.

Company's revenue during January-June 2016 were lower by 11.5 per cent and was equal to EUR 63.4 million compared to EUR 71.6 million in the same period in 2015.

The tables below present data on the electricity trading activities of the Group for the 6 months period ended on 30th June 2016 and the 2nd quarter of 2016, compared with the same periods in 2015, with a breakdown by each country for the periods indicated (S - sale, P - purchase).

	For the 1 st half of 2016		For the 1 st half of 2015	
	S	P	S	P
	GWh		GWh	
Lithuania*	1 548	143	1 579	82
Latvia	76	76	148	148
Estonia	260	329	129	238
Russia	57	1 329	63	1 383
Belarus	-	64	-	68
Poland	190	190	128	128
Total*	2 131	2 131	2 047	2 047

* Excluding equivalent trades on the power exchange

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

	For the 2 nd quarter of 2016		For the 2 nd quarter of 2015	
	S	P	S	P
	GWh		GWh	
Lithuania*	650	100	653	56
Latvia	38	38	65	65
Estonia	113	152	55	117
Russia	25	524	35	542
Belarus	-	12	-	28
Poland	112	112	68	68
Total*	938	938	876	876

* 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	6 months 2016	6 months 2015
Electricity purchases and sales	71,129	71,346
Electricity production and sales	899	899
Total	72,028	72,245

Group's cost of sales in January-June of 2016 accounted to EUR 72 million, a 0.3 per cent less than during the first six months of 2015. Despite the higher amount of electricity traded, the cost of sales remained at the same level compared to the results a year ago, due to on average lower electricity purchase price in

the market and high volatility of electricity prices, caused by unplanned disconnection of NordBalt and LitPol Link power interconnections.

Cost of sales in 1st half of 2016 of the Company was lower by 10.42 per cent if compared to the accounting period a year ago.

Group's and Company's cost of purchased electricity in the 1st half of 2016 amounted to EUR 69.8 million and EUR 53.8 million respectively. Group's cost of purchased electricity comprised 96.9 per cent of total cost of sales, Company's - 98.4 per cent.

Group's operating expenses in the 1st half of 2016 amounted to EUR 3.5 million, a 3.36 per cent increase over a year ago. Company's operating expenses amounted to EUR 2.5 million in January-June 2016 compared to EUR 2.3 million in the same period a year ago (a 5.36 per cent increase).

Earnings

Gross profit of the Group in January-June of 2016 amounted to EUR 10.8 million, while the gross profit margin decreased to 12.99 per cent (16.08 per cent a year ago). Gross profit of the Company in the same period accounted to EUR 8.8 million, Company's gross profit margin decreased from 14.83 per cent in January-June of 2015 to 13.83 per cent in the 1st half of 2016.

Group's operating profit over the same period accounted to EUR 7.2 million, while the operating profit margin decreased to 8.76 per cent from 12.14 per cent a year ago. Operating profit in the 1st half of 2016 of the Company decreased by 23.9 per cent compared to the same period in 2015. It amounted to EUR 6.3 million in 1st half of 2016 compared to EUR 8.3 million in the same period a year ago.

Net loss of financial activities of the Group in the 1st half of 2016 amounted to minus EUR 0.35 million, a 17.2 per cent decrease over the net financial loss during 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 profit of financial activities of the Company in the 1st half of 2015 arose from dividend income from the wind park.

As a result, profit before tax for the Group and the Company in the accounting period amounted to EUR 6.9 million and EUR 7.3 million compared to EUR 10 million and EUR 8.3 million in the 1st half in 2015 respectively.

Group's net profit in the 1st half of 2016 amounted to EUR 5.9 million, if compared to the profit of EUR 8.6 million for the same period year ago. The profit margin decreased from 10.04 per cent a year ago to 7.1 per cent in the accounting period.

Balance sheet and Cash Flows

During January-June 2016 total assets of the Group decreased by 14.47 per cent and of the Company decreased by 17.84 per cent. The most significant influence to the assets was caused by decrease of cash and cash equivalents and trade receivables in the Group and in the Company.

Total non-current assets of the Company decreased by 0.16 per cent and of the Group decreased by 4.03 per cent. The most significant change in non-current assets in the Group was related to depreciation of wind farm machinery and equipment and amortization of patents and licenses held by subsidiary Vydmantai wind park, UAB.

At the end of June 2016, total amount of borrowings, including financial liabilities related to finance lease and bank financing, amounted to EUR 12.9 million for the Company and EUR 29 million for the Group. Cash, cash equivalents amounted to EUR 11.4 million for the Company and EUR 13.6 million for the Group.

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Net cash flows from operating activities of the Group were higher in the 1st half of 2016 and amounted to EUR 5.4 million, compared to EUR 3.4 million in the same period a year ago. Net cash flows from operating activities of the Company in the 1st half 2016 equaled to EUR 4.2 million compared to EUR 1.1 million a year ago.

Net cash flows from investing activities of the Company in the 1st half 2016 equaled to EUR 1 million. Such a result was due to the dividends received from the Company's subsidiary Vydmantai wind park UAB.

Net cash flows from financing activities of the Group in the 1st half of 2016 amounted to EUR (-11.6) million outflow, compared to EUR (-7.4) million outflow in the same period a year ago. Net cash flows from financing activities of the Company in the 1st half 2016 equaled to EUR (-9.5) million outflow compared to EUR (-5.3) million outflow in the same period a year ago.

Personnel

As of 30th June 2016 there were 44 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 June 2016		As of 30 th June 2015	
	Group	Company	Group	Company
Management	8	8	8	8
Sales Managers, including Traders	16	8	15	8
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	44	27	42	26

On 30th June 2016 Company's personnel consisted of 8 managers and 19 specialists, as Group's personnel consisted of 8 managers and 36 specialists.

III. Corporate governance

The corporate bodies of the Company are as follows: General Shareholders Meeting, a collegial supervisory body Supervisory council, a collegial management body Board, and single-person management body Chief Executive Officer.

Members of Supervisory council



Alexander Pakhomov
Member of the Supervisory Council at INTER RAO Lietuva

Member of the Management Board, Head of the Legal Affairs Unit
at PJSC Inter RAO

Education:

Academy of Public Administration under the President of the Russian Federation
Military University of the Ministry of Defence of the Russian Federation

Career over the last five years:

2012 - present: Member of the Supervisory Council at INTER RAO Lietuva
2011 - present: Member of the Board of Directors at RazTES
2011: Member of the Board of Directors at LLC INTER RAO Electrogeneration
2008 - 2011: Director of the Department of Law at INTER RAO



Evgeniya Popova
Member of the Supervisory Council

Head of Operational Analysis and Trading Activity Forecasting
Department at PJSC Inter RAO

Education:

Moscow State Institute of International Relations qualification - Finance and Credit, and MBA at
Kingston University and Academy of National Economy under the Government of the Russian Federation

Career over the last five years:

2011 - present: Head of Operational Analysis and Trading Activity Forecasting Department at PJSC
Inter RAO



Jonas Garbaravičius
Member of the Supervisory Council at INTER RAO Lietuva

Partner at Riegel Capital Partners LLP

Education:

Vytautas Magnus University

Career over the last five years:

2015 - present: Partner at Riegel Capital Partners LLP
2013 - 2015: Partner at CEE Resources & Investments LLP
2012 - present: Board member at Vilnius City Opera
2012 - present: Member of the Supervisory Council at INTER RAO Lietuva
2011 - present: Member of the Management Board at Inter Green Renewables and Trading
2007 - 2013: Chairman of the Board at Scaent Baltic
2009 - 2011: Chairman of the Board at Scaent Holdings Cooperatie
2008 - 2009: Chairman of the Board at SC Baltic Media (at the time called Express Media)
2008 - 2009: Member of the Board at Onergo



Rytis Davidovičius
Member of the Supervisory Council

CEO at JG Investment Management UAB

Education:

Bachelor degree, History and Political science at Vytautas Magnus University
Licence of consultant, Bank of Lithuania

Career over the last five years:

Since 2013 CEO, JG Investment Management UAB, Lithuania;
Since 2013 President, Lithuanian Rugby Federation, Lithuania;
2014 - 2016 Adviser of the Chairman of the Board, Orion Asset Management UAB, Lithuania.
2011 - 2014 CEO, Orion Asset Management UAB, Lithuania.



Vasily Kulikov
Member of the Supervisory Council

Head of Risk management and internal control department PJSC
Inter RAO

Education:

Bachelor degree in Management at Non State Educational Institution Modern University for the Humanities

Career over the last five years:

2014 - present: Head of Risk management and internal control department PJSC Inter RAO
2012 - 2014: Head of audit procurement activity department JSC Inter RAO Electric Power Plants
2010 - 2012: Head of audit procurement activity department JSC Inter RAO UES

Members of the Board



Karina Tsurkan

Chairman of the Board at INTER RAO Lietuva (term: 2013.04.08 -2017.04.08)
Member of the Management Board, Head of the Trading Unit of PJSC Inter RAO

Education:

Bachelor's degree at the International Independent University of Moldova
MBA degree at the University Consortium of Spain (IUP)

Career over the last five years:

2012 - present: Chairman of the Board at INTER RAO Lietuva
2012 - present: Member of the Management Board, Head of the Trading Unit at Inter RAO
2011 - 2012: Head of the Geographic Division "Europe" at INTER RAO
2010 - 2011: Head of the Geographic Division "Moldova, Ukraine, Romania" at INTER RAO
2009 - 2010: Head of the Department of Management and Development, the Geographic Division "Europe" at INTER RAO



Ilnar Mirsiyapov

Member of the Board at INTER RAO Lietuva (term: 2013.04.08 -2017.04.08)
Member of the Management Board, Head of the Strategy and Investment Unit of PJSC Inter RAO

Education:

Ph.D. Moscow State Institute of International Relations
Almetyevsk State Oil Institute

Kutafin Moscow State Law Academy

Career over the last five years:

2012 - present: Member of the Board at INTER RAO Lietuva

2010 - present: Head of the Strategy and Investment Unit at INTER RAO

2009 - present: Advisor to CEO at Inter RAO

2009 - 2010: Associated Head of the Department of Law and Corporate Affairs at Rosatom

2008 - 2009: Associated Head of the Department of Corporate Governance and Development at Rosatom



Dmitrij Palunin

Member of the Board at INTER RAO Lietuva (term: 2013.04.08 -2017.04.08)

Member of the Management Board, Financial Director (CFO) at PJSC Inter RAO

Education:

Moscow State Aviation Institute

Academy of National Economy, Graduate School of International Business

Career over the last five years:

Presently: Member of the Management Board, Financial Director (CFO) at Inter RAO

2012 - present: Member of the Board, INTER RAO Lietuva

2007 - 2009: Associated Financial Director (CFO), Head of the Department of Corporate Finance at INTER RAO UES

2006 - 2007: Head of the Treasury Department at INTER RAO UES

2005 - 2006: Associated Head of the Department of Economics and Finance at INTER RAO UES



Giedrius Balčiūnas

Member of the Board at INTER RAO Lietuva (term: 2013.04.08 -2017.04.08)

Director General (CEO) at INTER RAO Lietuva

Career over the last five years:

2012 - present: Member of the Management Board at INTER RAO Lietuva

2010 - present: Member of the Management Board at INTER RAO Eesti OÜ

2006 - present: Chairman of the Management Board at Alproka

2003 - present: Director General (CEO) at INTER RAO Lietuva

2011: Member of the Management Board at Vėjų spektras (Vydmantai Wind Park)



Vidas Čebatariūnas
Member of the Board at INTER RAO Lietuva (term: 2013.04.08
2017.04.08)
Director of Commerce of AB INTER RAO Lietuva

Education:

Master of Economic Analysis and Planning awarded by Vilnius University

Career over the last five years:

2012 - present: Member of the Management Board at IRL Polska
2012 present: Chairman of the Management Board at INTER RAO Latvia
2010 present: Member of the Management Board at INTER RAO Eesti
2010 - 2013: Member of the Management Board at Scaent Baltic
2007 - present: Member of the Management Board at INTER RAO Lietuva
2005 - present: Director of Commerce at INTER RAO Lietuva
2011: Member of the Management Board at Vėjų spektras (Vydantai Wind Park)
2009 - 2011: Member of the Management Board at SC Baltic Media (at the time called Express Media)
2008 - 2010: Member of the Management Board at UAB Versus aureus leidykla

CEO

The chief executive officer of the company is Giedrius Balčiūnas. Term in the position: 2003.05.21 unlimited

Chief accountant

Chief accountant of the Company is Edita Vagonienė. Term in the position: 2012.10.01 unlimited

Audit committee

On 12th December 2013 the Company has formed an audit committee. The term of committee will end on 2016.10.22.

The members of the audit committee are the following: Mr Nerijus Dagilis, Mr Mikhail Konstantinov and Mr Aleksandr Pakhomov.

IV. Publicly announced information

During the period from the start of 2016 to 30th June 2016 Company publicly announced and broadcasted through Warsaw Stock Exchange information system and on own webpage the following information:

Title	Category of announcement	Language	Date
Regarding Interim information publication	Investor news	EN, LT	07-Jan-2016
AB INTER RAO Lietuva announces about partial repayment of loans' amounts to its major shareholders	Notification on material event	EN, LT	12-Feb-2016
Publication date of the results for the 4th quarter of 2015 and the Annual Information for 2015 of AB INTER RAO Lietuva	Investor news	EN, LT	17-Feb-2016
Announcement of the results for the 4th quarter of 2015 and the Annual Information for 2015 of AB INTER RAO Lietuva	Annual information	EN, LT	19-Feb-2016
Statement on corporate governance	Investor news	EN, LT	03-Mar-2016
AB INTER RAO Lietuva announces about full repayment of loans' amounts to its major shareholders	Notification on material event	EN, LT	04-Mar-2016
AB INTER RAO Lietuva decisions of the Management Board	Notification on material event	EN, LT	29-Mar-2016
Announcement of the transactions concluded by managers in AB INTER RAO Lietuva securities	Notification on transactions concluded by managers	EN, LT	29-Mar-2016
Announcement of the transactions concluded by managers in AB INTER RAO Lietuva securities	Notification on transactions concluded by managers	EN, LT	30-Mar-2016
Announcement of the transactions concluded by managers in AB INTER RAO Lietuva securities	Notification on transactions concluded by managers	EN, LT	31-Mar-2016
Announcement of the transactions concluded by managers in AB INTER RAO Lietuva securities	Notification on transactions concluded by managers	EN, LT	04-Apr-2016
AB INTER RAO Lietuva decisions of the Supervisory Board	Notification on material event	EN, LT	04-Apr-2016
Notice on convocation of the Annual General Meeting of Shareholders	Notification on material event	EN, LT	07-Apr-2016
The decisions adopted by the Annual General Meeting of Shareholders of AB INTER RAO Lietuva	Notification on material event	EN, LT	29-Apr-2016

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Notice on the procedure for the payment of dividends	Notification on material event	EN, LT	10-May-2016
Publication date of the results for the 1st quarter of 2016 of AB INTER RAO Lietuva	Investor news	EN, LT	11-May-2016
Announcement of the results for the 1st quarter of the year 2016 of AB INTER RAO Lietuva	Interim information	EN, LT	13-May-2016
AB INTER RAO Lietuva announces about financing received from its major shareholders	Notification on material event	EN, LT	24-May-2016
Announcement of the transactions concluded by managers in AB INTER RAO Lietuva securities	Notification on transactions concluded by managers	EN, LT	30-May-2016
Announcement of the transactions concluded by managers in AB INTER RAO Lietuva securities	Notification on transactions concluded by managers	EN, LT	06-Jun-2016
Announcement of the transactions concluded by managers in AB INTER RAO Lietuva securities	Notification on transactions concluded by managers	EN, LT	13-Jun-2016
Announcement of the transactions concluded by managers in AB INTER RAO Lietuva securities	Notification on transactions concluded by managers	EN, LT	20-Jun-2016
Announcement of the transactions concluded by managers in AB INTER RAO Lietuva securities	Notification on transactions concluded by managers	EN, LT	22-Jun-2016
Announcement of the transactions concluded by managers in AB INTER RAO Lietuva securities	Notification on transactions concluded by managers	EN, LT	28-Jun-2016

Contents of above mentioned announcements can be obtained on Company's webpage <http://www.interrao.lt/eng/For-Investors2/Reports/Current-Reports/2016>.

AB INTER RAO Lietuva Unaudited Consolidated Interim Financial Statements for the 6 Month Period Ended 30th June 2016

Statement of financial position	Notes	Group	Group	Company	Company
		As at 30 th June 2016	As at 31 st December 2015	As at 30 th June 2016	As at 31 st December 2015
ASSETS					
Non-current assets					
Intangible assets					
Goodwill		1,716	1,716		
Patents and licenses		5,438	6,045		
Other intangible assets		41	56	37	52
Total intangible assets		7,195	7,817	37	52
Property, plant and equipment					
Land		675	696		
Buildings and structures		2,973	3,055		
Machinery and equipment		16,673	17,132		
Office premises		811	849	811	849
Other property, plant and equipment		50	56	42	51
Total property, plant and equipment		21,182	21,788	853	900
Investment property		141	146	141	146
Interest in a joint venture		120	129	10,927	10,927
Other non-current financial assets		1,053	1,058	38	41
Derivative financial instruments		-	-	260	232
Deferred income tax asset		-	-	121	99
Total non-current assets		29,691	30,938	12,377	12,397
Current assets					
Inventories and prepayments		482	197	1,619	2,984
Accounts receivable					
Trade receivables		12,956	15,252	10,945	13,181
Receivables from subsidiaries		-	-	504	2
Other receivables		1,034	1,164	8	-
Total accounts receivable		13,990	16,416	11,457	13,183
Prepaid income tax		6	-	-	-
Other current assets		162	379	30	250
Derivative financial instruments		-	-	246	650
Cash and cash equivalents		13,559	19,755	11,383	15,707
Total current assets		28,199	36,747	24,735	32,772
Total assets		57,890	67,685	37,112	45,171

(cont'd on the next page)

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

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Statement of financial position (cont'd)

	Notes	Group	Group	Company	Company
		As at 30 th June 2016	As at 31 st December 2015	As at 30 th June 2016	As at 31 st December 2015
EQUITY AND LIABILITIES					
Equity					
Share capital		5,800	5,800	5,800	5,800
Legal reserves		910	831	579	579
Cash flow hedge reserve		(820)	(981)	(54)	73
Currency translation reserve		(131)	(43)		
Retained earnings		9,092	19,391	6,416	16,140
Total equity		14,851	24,998	12,741	22,592
Liabilities					
Non-current liabilities					
Non-current borrowings		12,100	13,750		
Financial lease obligations		667	727		
Derivative financial instruments		554	533	242	205
Deferred income tax liability		1,034	918		
Total non-current liabilities		14,355	15,928	242	205
Current liabilities					
Current portion of non-current borrowings		16,196	9,597	12,896	6,297
Current portion of financial lease obligations		42	33		
Derivative financial instruments		616	865	327	564
Financial debts					
Trade payables		9,274	11,108	8,949	11,054
Income tax payable		180	2,265	180	2,146
Advances received		60	98	52	98
Other current liabilities		2,316	2,793	1,725	2,215
Total current liabilities		28,684	26,759	24,129	22,374
Total equity and liabilities		57,890	67,685	37,112	45,171

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

General Director	Giedrius Balčiūnas		31 August 2016
Director of Economics	Paulius Vazniokas		31 August 2016

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Statement of comprehensive Income
For the six months ended 30th June


	Notes	Group	Group	Company	Company
		2016	2015	2016	2015
Sales		82,783	86,086	63,429	71,645
Cost of sales		72,028	72,245	54,658	61,018
Gross profit		10,755	13,841	8,771	10,627
General and administrative expenses		3,507	3,393	2,455	2,330
Profit from operations		7,248	10,448	6,316	8,297
Other activities		4	19	8	8
Financing and investing activities profit		(352)	(425)	983	29
Finance income		35	16	1,020	70
Finance expenses		378	444	37	41
Share of result of joint venture		(9)	3	-	-
Profit before tax		6,900	10,042	7,307	8,334
Income tax		1,019	1,402	931	1,202
Net profit		5,881	8,640	6,376	7,132
Other comprehensive income(expenses)					
Net (loss) on cash flow hedges		190	(292)	(150)	35
Income tax effect		(28)	31	23	-
Effect of currency exchange		(89)	54	-	-
Other comprehensive income, net of tax		73	(207)	(127)	35
Total comprehensive income, net of tax		5,954	8,433	6,249	7,167

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Statement of comprehensive income

	Notes	Group	Group	Company	Company
		2nd quarter 2016	2nd quarter 2015	2nd quarter 2016	2nd quarter 2015
Sales		36,725	37,277	26,319	30,071
Cost of sales		32,216	31,334	22,574	25,405
Gross profit		4,509	5,943	3,745	4,666
General and administrative expenses		1,873	1,702	1,340	1,216
Profit from operations		2,636	4,241	2,405	3,450
Other activities		4	6	4	4
Financing and investing activities profit		(175)	(208)	991	45
Finance income		18	-	1,008	62
Finance expenses		186	214	17	17
Share of result of joint venture		(7)	6	-	-
Profit before tax		2,465	4,039	3,400	3,499
Income tax		354	557	340	495
Net profit		2,111	3,482	3,060	3,004
Total comprehensive income, net of tax		2,598	3,443	3,293	3,016

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

General Director	Giedrius Balčiūnas		31 August 2016
Director of Economics	Paulius Vazniokas		31 August 2016

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Statement of changes in equity
For the six months ended 30th June 2016

Group

	Share capital	Legal reserve	Cash flow hedge reserve	Currency translation reserve	Retained earnings	Total
Balance as at 1 st January 2016	5,800	831	(981)	(43)	19,391	24,998
Profit for the period	-	-	-	-	5,881	5,881
Other comprehensive income, net of tax	-	-	161	-	-	161
Foreign exchange effect	-	-	-	(89)	-	(89)
Total comprehensive income	-	-	161	(89)	5,881	5,953
Dividends declared	-	-	-	-	(16,100)	(16,100)
Transfer to legal reserve	-	80	-	-	(80)	-
Balance as at 30 th June 2016	5,800	911	(820)	(132)	9,092	14,851

	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	-	-	-	-	8,640	8,640
Other comprehensive income, net of tax	-	-	(261)	-	-	(261)
Foreign exchange effect	-	-	-	54	-	54
Total comprehensive income	-	-	(261)	54	8,640	8,433
Dividends declared	-	-	-	-	(11,200)	(11,200)
Transfer to legal reserve	-	33	-	-	(33)	-
Balance as at 30 th June 2015	5,800	831	(688)	(9)	9,219	15,153

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Company

	Share capital	Legal reserve	Cash flow hedge reserve	Retained earnings	Total
Balance as at 1 st January 2016	5,800	579	73	16,140	22,592
Profit for the period	-	-	-	6,376	6,376
Other comprehensive income	-	-	(127)	-	(127)
Total comprehensive income	-	-	(127)	6,376	6,249
Dividends declared	-	-	-	(16,100)	(16,100)
Transfer to legal reserve	-	-	-	-	-
Balance as at 30 th June 2016	5,800	579	(54)	6,416	12,741

	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	-	-	-	7,132	7,132
Other comprehensive income	-	-	35	-	35
Total comprehensive income	-	-	35	7,132	7,167
Dividends declared	-	-	-	(11,200)	(11,200)
Transfer to legal reserve	-	-	-	-	-
Balance as at 30 th June 2015	5,800	580	83	7,160	13,623

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

General Director Giedrius Balčiūnas 31 August 2016

Director of Economics Paulius Vazniokas 31 August 2016

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Statements of cash flows
For the six months ended 30th June

Notes	Group		Company	
	2016	2015	2016	2015
Cash flows from (to) operating activities				
Net profit	5,881	8,640	6,376	7,132
Adjustments for non-cash items:				
Income tax expenses	1,019	1,402	931	1,202
Depreciation and amortisation	1,243	1,236	73	73
Interest and dividend (income)	(12)	(12)	(1,001)	(69)
Share of net profit of joint venture	9	(3)	-	-
Interest and dividend expenses	375	445	34	35
	8,515	11,708	6,413	8,373
Changes in working capital:				
(Increase) decrease in inventories and prepayments	(285)	(349)	1,363	2,003
(Increase) decrease in accounts receivable and other current assets	2,637	2,775	1,944	1,429
Decrease in other non-current assets	-	284	-	168
Increase (decrease) in trade payables	(1,872)	(8,667)	(2,156)	(8,549)
Income tax (paid)	(2,902)	(1,276)	(2,896)	(1,239)
(Decrease) in other current liabilities	(627)	(1,177)	(454)	(1,055)
Unrealized foreign currency exchange	(88)	53	-	-
Net cash flows from operating activities	5,378	3,351	4,214	1,130
Cash flows from (to) investing activities				
(Acquisition) of non-current assets	(10)	(5)	(5)	(5)
Interest and dividends received	12	80	1,001	69
Net cash flows (to) investing activities	2	75	996	64

(cont'd on the next page)

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Statements of cash flows (cont'd)

	Group		Company	
	2016	2015	2016	2015
Cash flows from (to) financing activities				
Dividends (paid)	(3,220)	(2,240)	(3,220)	(2,240)
Loans repaid	(7,933)	(4,662)	(6,283)	(3,012)
Interest (paid)	(372)	(444)	(31)	(55)
Financial lease (payments)	(51)	(51)	-	-
Net cash flows (to) financing activities	(11,576)	(7,397)	(9,534)	(5,307)
Net increase (decrease) in cash and cash equivalents	(6,196)	(3,971)	(4,324)	(4,113)
Cash and cash equivalents at the beginning of the year	19,755	11,228	15,707	8,352
Cash and cash equivalents as at the end of the period	13,559	7,257	11,383	4,239

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

General Director	Giedrius Balčiūnas		31 August 2016
Director of Economics	Paulius Vazniokas		31 August 2016

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 six months ended 30th June 2016.

Six month ended 30 th June 2016	Electricity purchases and sales	Electricity production and sales	Total Segments	Adjustments and eliminations	Consolidated
Revenue					
External customers	80,535	2,248	82,783		82,783
Total revenue	80,535	2,248	82,783		82,783
Results					
Depreciation and amortisation	74	1,169	1,243		1,243
Interest income	1	11	12		12
Interest expenses	-	375	375		375
Share of profit of associate joint venture	-	-	-	(9)	(9)
Segment operating profit	5,647	234	5,881	-	5,881
Segment assets	27,633	30,251	57,884	6	57,890
Segment liabilities	24,420	17,585	42,005	1,034	43,039

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	-	-	-	120	120
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.

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The following tables present information regarding the Group's operating segments for the six months ended 30th June 2015.

Six month ended 30 th June 2015	Electricity purchases and sales	Electricity production and sales	Total Segments	Adjustments and eliminations	Consolidated
Revenue					
External customers	83,069	3,017	86,086	-	86,086
Total revenue	83,069	3,017	86,086	-	86,086
Results					
Depreciation and amortisation	86	1,150	1,236	-	1,236
Interest income	1	11	12	-	12
Interest expenses	9	436	445	-	445
Share of profit of associate joint venture				3	3
Segment operating profit	9,018	1,430	10,448	-	10,448
Segment assets	24,152	32,714	56,866	15	56,881
Segment liabilities	20,593	20,255	40,848	880	41,728

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	-	-	-	130	130
Capital expenditure	5	-	5	-	5

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 six month periods ending 30 June 2016 and as at 30 June 2015 were as follows:

PJSC Inter RAO (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

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3 Related party transactions

For the six month period ended 30th June 2016

		Purchases	Sales	Paid (received) dividends	Receivables	Payables, including loans granted
PJSC Inter RAO	a)	44,706	374	-	23	8,151
RAO Nordic Oy	c)	265	-	8,211	-	8,663
UAB Scaent Baltic	c)	12	-	4,669	-	4,675
Other related parties		39	-	-	-	7
		45,022	374	12,880	23	21,496

For the six month period ended 30th June 2015

		Purchases	Sales	Paid (received) dividends	Receivables	Payables, including loans granted
PJSC Inter RAO	a)	51,555	633	-	64	6,823
RAO Nordic Oy	c)	157	-	5,712	-	6,116
UAB Scaent Baltic	c)	11	-	3,248	-	-
UAB Alproka		-	-	(68)	-	-
Other related parties		33	-	-	-	-
		51,756	633	8,892	64	12,939

- a) The Group performs electricity trading transactions with PJSC Inter RAO.
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 June 2016 and 30th June 2015 represent loans granted and accrued interest (loan currency - EUR, interest rate in 2016 - 1.24%, interest rate in 2015 - 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 Interim Financial statements for the 6 month period ended 30 June, 2016 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. The Unaudited Consolidated Interim Report of the Company include a fair review of the development and performance of the business of the Company and the Group.

Giedrius Balčiūnas
General Director

