

CERTIFICATION STATEMENT

In following with Article 22 of the Law on Securities of the Republic of Lithuania, we, Lietuvos Energija, AB Chief Executive Officer Dalius Misiūnas, Finance and Legal Department Director Artūras Jočius, and Chief Financier Giedruolė Guobienė, certify that, to our knowledge, the unaudited Lietuvos Energija, AB and consolidated 2012 interim financial statement prepared in accordance with the International Financial Reporting Standards applicable in the European Union corresponds to reality and fairly presents the assets, liabilities, financial condition, period profit or losses and cash flow of Lietuvos Energija, AB and its consolidated enterprises.

Chief Executive Officer



Dalius Misiūnas

Finance and Legal Department Director



Artūras Jočius

Chief Financier



Giedruolė Guobienė

LIETUVOS ENERGIJA, AB

CONSOLIDATED AND COMPANY'S
CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2012
(unaudited)

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This condensed interim financial information has been prepared in Lithuanian and English languages. In all matters of interpretation of information, views or opinions, the Lithuanian language version of condensed interim financial information takes precedence over the English language version.

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The condensed interim financial information was approved by the General Director, Director of Finance and Law Department and Chief Financier of Lietuvos Energija AB on 28 February 2013.



Dalius Misiūnas
General Director



Artūras Jočius
Director of Finance and Law
Department



Giedruolė Guobienė
Chief Financier

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
 AT 31 DECEMBER 2012
 All amounts in LTL thousands unless otherwise stated

ASSETS	Note	Group at 31 December 2012 <i>(unaudited)</i>	Company at 31 December 2012 <i>(unaudited)</i>	Group at 31 December 2011	Company at 31 December 2011
Non-current assets					
Intangible assets		58,541	56,060	39,735	36,345
Property, plant and equipment		3,198,382	3,146,388	3,114,410	3,054,247
Prepayments for property, plant, equipment		14	14	2,769	2,769
Investment property		-	-	1,824	1,824
Investments in subsidiaries		-	54,651	-	54,651
Investments in associates and joint ventures		152,495	155,427	146,966	151,648
Deferred income tax assets		622	-	81	-
Other long term assets		23,723	23,723	9,657	9,657
Amounts receivable		10,927	10,927	1,426	1,426
Total non-current assets		3,444,704	3,447,190	3,316,868	3,312,567
Current assets					
Inventories		63,636	61,427	125,537	123,721
Prepayments		1,884	1,489	2,936	1,909
Trade receivables		288,831	253,916	233,479	207,498
Other receivables		23,793	23,549	7,007	12,648
Prepaid income tax		4,262	4,148	3,157	3,147
Other financial assets		20	-	267	-
Cash and cash equivalents		34,345	8,157	27,907	8,281
		416,771	352,686	400,290	357,204
Non-current assets classified as held for sale		1,693	-	3,283	1,543
Total current assets		418,464	352,686	403,573	358,747
TOTAL ASSETS		3,863,168	3,799,876	3,720,441	3,671,314

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CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AT 31 DECEMBER 2012
All amounts in LTL thousands unless otherwise stated

EQUITY AND LIABILITIES	Note	Group at 31 December 2012 <i>(unaudited)</i>	Company at 31 December 2012 <i>(unaudited)</i>	Group at 31 December 2011	Company at 31 December 2011
Capital and reserves:					
Share capital		635,084	635,084	635,084	635,084
Share premium		295,767	295,767	295,767	295,767
Revaluation reserve		12,055	7,774	13,735	8,395
Legal reserve		36,145	35,867	35,972	35,867
Other reserves		717,775	717,775	717,775	717,775
Retained earnings		(15,383)	(10,572)	(67,183)	(44,656)
Total equity attributable to owners of the Company		1,681,443	1,681,695	1,631,150	1,648,232
Non-controlling interest		25,439		39,951	
Total equity		1,706,882	1,681,695	1,671,101	1,648,232
Non-current liabilities:					
Borrowings		552,370	544,098	247,006	247,006
Finance lease liabilities		44	-	319	-
Grants		1,100,461	1,100,461	1,008,569	1,008,569
Provisions		58	-	-	-
Other non-current accounts payable and liabilities		34,477	32,403	46,137	45,863
Deferred income tax liabilities		128,984	128,815	125,431	124,311
Total non-current liabilities		1,816,394	1,805,777	1,427,462	1,425,749
Current liabilities:					
Borrowings		126,409	116,492	395,160	393,991
Finance lease liabilities		327	-	584	-
Trade payables		138,555	128,130	116,830	103,759
Advance amounts received		15,935	15,035	17,628	14,885
Income tax payable		542	-	1,787	-
Provisions for emission allowances		13,915	13,915	61,931	61,931
Other accounts payable and liabilities		44,209	38,832	27,958	22,767
Total current liabilities		339,892	312,404	621,878	597,333
Total liabilities		2,156,286	2,118,181	2,049,340	2,023,082
TOTAL EQUITY AND LIABILITIES		3,863,168	3,799,876	3,720,441	3,671,314

CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012
All amounts in LTL thousands unless otherwise stated

	Note	Group 2012 <i>(unaudited)</i>	Company 2012 <i>(unaudited)</i>	Group 2011	Company 2011
Revenue					
Sales revenue		1,347,634	1,172,696	1,374,155	1,365,573
Other operating income		96,441	3,895	55,352	23,480
		1,444,075	1,176,591	1,429,507	1,389,053
Operating expenses					
Purchase of electricity or related services		(665,127)	(494,716)	(707,978)	(707,824)
Gas and oil expenses		(463,690)	(463,690)	(452,367)	(452,367)
Depreciation and amortisation		(78,938)	(64,879)	(60,513)	(57,763)
Salaries and related expenses		(64,056)	(32,417)	(48,554)	(37,029)
Repair and maintenance expenses		(5,628)	(14,630)	(7,089)	(15,124)
Expenses of revaluation and provisions for emission allowances		(12,113)	(12,113)	(52,288)	(52,288)
Provisions for onerous contracts (expense) / recovery		(12,824)	(12,824)	(16,688)	(16,688)
Impairment write-down of other long term assets		(606)	(606)	(9,169)	(9,169)
Impairment write-down of inventories		363	363	(1,631)	(1,631)
Impairment of Investments in subsidiaries and associates		-	-	(916)	-
Damage Reversal / (loss) on revaluation of property, plant and equipment and impairment		-	-	8,405	(281)
Other expenses		(86,687)	(30,081)	(67,558)	(23,743)
Total operating expenses		(1,389,306)	(1,125,593)	(1,416,346)	(1,373,907)
OPERATING PROFIT		54,769	50,998	13,161	15,146
Finance income		2,237	4,776	1,362	2,358
Finance (costs):					
Share of result of operations of associates and joint ventures		1,867	-	(6,048)	-
Finance (costs)		(13,757)	(13,454)	(6,200)	(5,913)
		(9,653)	(8,678)	(10,886)	(3,555)
PROFIT BEFORE INCOME TAX		45,116	42,320	2,275	11,591
Current year income tax expense		(6,066)	(4,606)	(5,594)	(3,891)
Deferred income tax income/(expense)		(3,069)	(4,466)	4,845	3,056
		(9,135)	(9,072)	(749)	(835)
PROFIT FOR THE PERIOD		35,981	33,248	1,526	10,756

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**CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2012**

All amounts in LTL thousands unless otherwise stated

Other comprehensive income (loss)				
Loss for the period from revaluation of fixed assets	253	253	6,590	2,653
Deferred income tax due to revaluation of fixed assets, investment and asset impairment	55	(38)	(989)	(398)
Associates fixed asset revaluation surplus, net of deferred income tax	-	-	657	-
Other comprehensive income less deferred income tax	(919)	215	6,258	2,255
COMPREHENSIVE INCOME	35,370	33,463	7,784	13,011
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:				
Owners of the Company	34,726	33,248	1,526	10,756
Non-controlling interest	1,255	-	-	-
	35,981	33,248	1,526	10,756
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:				
Owners of the Company	34,115	33,463	7,784	13,011
Non-controlling interest	1,255	-	-	-
	35,370	33,463	7,784	13,011
Basic and diluted earnings per share (in LTL)	0.06		0.00	

CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012
All amounts in LTL thousands unless otherwise stated

	Note	Group October – December 2012 <i>(unaudited)</i>	Company October – December 2012 <i>(unaudited)</i>	Group October – December 2011 <i>(unaudited)</i>	Company October – December 2011 <i>(unaudited)</i>
Revenue					
Sales revenue		341,054	302,990	374,841	372,503
Other operating income		23,811	1,574	18,205	22,021
		364,865	304,564	393,046	394,524
Operating expenses					
Purchase of electricity or related services		(174,666)	(138,512)	(188,055)	(187,931)
Gas and oil expenses		(95,559)	(95,559)	(138,742)	(138,742)
Depreciation and amortisation		(24,254)	(20,892)	(15,167)	(14,457)
Salaries and related expenses		(16,328)	(8,771)	(12,105)	(8,422)
Repair and maintenance expenses		(2,122)	(3,952)	(3,268)	(9,079)
Expenses of revaluation and provisions for emission allowances		(7,582)	(7,582)	(42,342)	(42,342)
Provisions for onerous contracts (expense) / recovery		(5,996)	(5,996)	(8,897)	(8,897)
Impairment write-down of other long term assets		(606)	(606)	(9,169)	(9,169)
Impairment write-down of inventories		1,080	1,080	124	124
Investments in subsidiaries and associates		-	-	(916)	-
Impairment		-	-	(916)	-
Damage Reversal / (loss) on revaluation of property, plant and equipment and impairment		(77)	-	8,405	(281)
Other expenses		(23,920)	(8,418)	(24,744)	(4,217)
Total operating expenses		(350,030)	(289,208)	(434,876)	(423,413)
OPERATING PROFIT		14,835	15,356	(41,830)	(28,889)
Finance income		763	618	334	371
Finance (costs):					
Share of result of operations of associates and joint ventures		(1,118)	-	(7,998)	-
Finance (costs)		(9,043)	(8,975)	(1,746)	(1,684)
		(9,398)	(8,357)	(9,410)	(1,313)
PROFIT BEFORE INCOME TAX		5,437	6,999	(51,240)	(30,202)
Current year income tax expense		2,432	2,565	4,638	5,621
Deferred income tax income/(expense)		(7,985)	(8,697)	5,007	2,590
		(5,553)	(6,132)	9,645	8,211
PROFIT FOR THE PERIOD		(116)	885	(41,595)	(21,991)
Comprehensive income					
Other comprehensive income		(85)	215	6,258	2,225
COMPREHENSIVE INCOME		(201)	1,100	(35,337)	(19,736)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:					
Owners of the Company		(116)	885	(41,595)	(21,991)
Non-controlling interest		-	-	-	-
		(116)	885	(41,595)	(21,991)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:					
Owners of the Company		(201)	1,100	(35,337)	(19,736)
Non-controlling interest		-	-	-	-
		(201)	1,100	(35,337)	(19,736)
Basic and diluted earnings per share (in LTL)		0.00		(0.06)	

LIETUVOS ENERGIJA AB
Company code 302648707, Elektrinės g. 21, LT-26108 Elektrėnai

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012**

All amounts in LTL thousands unless otherwise stated

Group	Equity attributable to shareholders of the Company							Total equity
	Share capital	Share premium	Revaluation reserve	Legal reserve	Other reserves	Retained earnings (deficit)	Total	
Balance at 1 January 2011	635,084	295,767	8,583	35,867	717,775	35,107	1,728,183	1,728,183
Depreciation of revaluation reserve	-	-	(800)	-	-	800	-	-
Formation of reserves	-	-	-	105	-	(105)	-	-
Acquisition of subsidiaries	-	-	-	-	-	(5,778)	(5,778)	26,179
Decrease in ownership interest in subsidiary not resulting in loss of control	-	-	-	-	-	-	-	-
Share of changes of associates and joint ventures recognised directly in equity	-	-	-	-	-	(7,994)	(7,994)	7,994
Adjustment of revaluation reserve	-	-	351	-	-	(2,346)	(2,346)	(2,346)
Dividends paid	-	-	-	-	-	(89,050)	(89,050)	351
Comprehensive income	-	-	5,601	-	-	2,183	7,784	(89,050)
Balance at 31 December 2011	635,084	295,767	13,735	35,972	717,775	(67,183)	1,631,150	1,671,101
Balance at 1 January 2012	635,084	295,767	13,735	35,972	717,775	(67,183)	1,631,150	1,671,101
Depreciation of revaluation reserve	-	-	(1,154)	-	-	1,154	-	-
Increase of revaluation reserve, less deferred income tax	-	-	(526)	-	-	-	(526)	(526)
Share of changes of subsidiaries recognised directly in equity	-	-	-	173	-	15,767	15,767	(15,767)
Formation of reserves	-	-	-	-	-	(173)	-	326
Other adjustments	-	-	-	-	326	326	326	326
Comprehensive income	-	-	-	-	-	34,726	34,726	1,255
Balance at 31 December 2012 (unaudited)	635,084	295,767	12,055	36,145	717,775	(15,383)	1,681,443	1,706,882

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LIETUVOS ENERGIJA AB
Company code 302648707, Elektrinės g. 21, LT-26108 Elektrėnai

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012**

All amounts in LTL thousands unless otherwise stated

Company	Share capital	Share premium	Revaluation reserve	Legal reserve	Other reserves	Retained earnings (deficit)	Total equity
Balance at 1 January 2011	635,084	295,767	6,604	35,867	717,775	33,174	1,724,271
Depreciation of revaluation reserve			(464)			464	-
Dividends paid						(89,050)	(89,050)
Comprehensive income			2,255			10,756	13,011
Balance at 31 December 2011	635,084	295,767	8,395	35,867	717,775	(44,656)	1,648,232
Balance at 1 January 2012	635,084	295,767	8,395	35,867	717,775	(44,656)	1,648,232
Depreciation of revaluation reserve			(621)			621	-
Other adjustments						215	215
Comprehensive income						33,248	33,248
Balance at 31 December 2012 (unaudited)	635,084	295,767	7,774	35,867	717,775	(10,572)	1,681,695

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

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CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

All amounts in LTL thousands unless otherwise stated

	Group 2012	Company 2012	Group 2011	Company 2011
	<i>(unaudited)</i>	<i>(unaudited)</i>		
Profit for the period	35,981	33,248	1,525	10,755
Adjustments for non-cash items and other adjustments:				
Depreciation and amortisation expenses	97,489	83,430	72,248	69,498
Loss for the period from revaluation of fixed assets	(526)	-	281	281
Impairment write-down of inventories/ (income)	(457)	(457)	2,188	1,596
Gain on disposal of investments in subsidiaries and associates	-	-	-	(21,566)
Expenses of revaluation and provisions for emission allowances	12,113	12,113	52,286	52,286
Other Impairments	4,675	3,445	-	1,403
Share of (profit) of associates and joint ventures	(1,867)	-	6,048	-
Income tax expenses	6,066	4,606	5,604	3,891
Change in deferred income tax liability	3,069	4,466	(4,845)	(3,056)
(Income) from grants	(13,040)	(13,040)	(1,151)	(1,301)
Decrease in other provisions	58,545	58,583	22,160	27,511
Loss on write-off of non-current assets	188	308	767	267
Elimination of results of financing and investing activities:				
- Interest (income)	(550)	(724)	(996)	(988)
- Interest expense	9,148	(8,971)	3,223	3,078
- Other finance costs (expense)	2,925	431	2,611	1,465
Changes in working capital				
(Increase) decrease in trade receivables and other amounts receivable	(86,976)	(76,671)	(17,097)	(39,276)
Decrease in inventories and prepayments	65,999	65,592	14,172	11,034
(Decrease) increase in accounts payable, grants and advance amounts received	(8,360)	(4,971)	(43,167)	(15,268)
Income tax (paid)	(7,646)	(5,608)	(9,434)	(8,230)
Net cash generated from operating activities	176,776	173,722	106,423	93,380
Cash flows from investing activities				
(Purchase) of property, plant and equipment (PPE) and intangible assets	(233,228)	(223,675)	(181,114)	(198,757)
Proceeds from sale of PPE and intangible assets	1,431	-	39,045	39,575
Borrowings	-	6,500	-	-
Term deposits	-	-	(24)	-
Interest received	231	90	955	947
Net cash used in investing activities	(231,566)	(217,085)	(141,138)	(158,235)
Cash flows from financing activities				
Proceeds from borrowings and overdrafts	68,760	52,040	135,449	135,436
Repayments of borrowings and overdrafts	(32,155)	(32,155)	(16,779)	(16,779)
Finance lease payments	(532)	-	(459)	-
Interest (paid)	(32,166)	(31,674)	(33,500)	(33,021)
Dividends (paid)	(12)	(12)	(89,050)	(89,050)
Dividends received	-	3,000	-	774
Net cash (used in)/ generated from financing activities	(3,895)	(8,801)	(4,339)	(2,640)
Net increase in cash and cash equivalents	(50,895)	(52,164)	(39,054)	(67,495)
Cash and cash equivalents at the beginning of the period	21,349	2,893	60,403	70,388
Cash and cash equivalents at the end of the period	(29,546)	(49,271)	21,349	2,893

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2012**
All amounts in LTL thousands unless otherwise stated

1 General information

Lietuvos Energija AB is a public limited liability company registered in the Republic of Lithuania. Lietuvos Energija AB (hereinafter referred to as the "Company") is a limited liability profit-making entity, registered with the Register of Legal Entities managed by a public institution Centre of Registers. The Company's registration date is 21 July 2011, company code 302648707, VAT payer's code LT100006256115. The Company has been established for an unlimited period. The address of the Company's registered office is Elektrinės g. 21, LT-26108, Elektrėnai, Lithuania.

Lietuvos Energija AB was established as a result of implementation of the National Energy Strategy, as a result of reorganisation by way of merger of the following two public companies: Lietuvos Energija AB, company code 220551550, including its branch offices Kruonis Pumped Storage Power Plant, Kaunas Hydro Power Plant, and Lietuvos Elektrinė AB, company code 110870933.

Lietuvos Energija AB and Lietuvos Elektrinė AB were reorganised by way of merger pursuant to paragraph 4 of Article 2.97 of the Lithuanian Civil Code by merging the companies under reorganisation, which ceased their activities as legal entities after the reorganisation, into new company Lietuvos Energija AB, which continues the activities of the reorganised companies after the reorganisation and to which all assets, rights and obligations of the companies under reorganisation were transferred, i.e. a new legal entity Lietuvos Energija AB was formed which continues its activities on the basis of companies which ceased their activities.

The reorganisation was aimed at combining and optimising electricity generation capacities that are under the state's control by way of forming a single electricity generation block. As a result, electricity generation activities were singled out and concentrated in one company, electricity generation capacities were reorganised and centralised in order to ensure energetic independence of the Republic of Lithuania.

The authorised share capital of Lietuvos Energija AB amounts to LTL 635,083,615 and it is divided into 635,083,615 ordinary registered shares with par value of LTL 1 each. There were no changes in the Company's authorised share capital during 2011 and 2012. All the shares issued are fully paid. With effect from 1 September 2011, the shares of Lietuvos Energija AB were included in the Main List of NASDAQ OMX Vilnius stock exchange. As at 31 December 2012 and 31 December 2011, the Company had not acquired any own shares.

In 2012 and 2011, the Company was engaged in electricity generation, electricity trading and export activities. In addition to these principal activities, the Company can be engaged in any other business activities not forbidden under the laws and stipulated in the Company's Articles of Association.

The Company has permits of unlimited validity to engage in electricity generation activities at the Lithuanian Power Plant, Kaunas Hydro Power Plant and Kruonis Pumped Storage Power Plant, as well as in electricity import and export activities. The Company also holds permits to expand electricity generation capacities at the Lithuanian Power Plant and Kruonis Pumped Storage Power Plant, and certificates entitling to engage in maintenance and operation of electric, thermal power, natural gas and oil facilities. On 29 July 2011, based on the decision of the National Control Commission for Prices and Energy, Lietuvos Energija AB obtained a licence of an independent electricity supplier. The Company's subsidiary Energijos Tiekimas UAB also holds a licence of an independent electricity supplier.

As of the date of these financial statements, the Company directly participated (had control or significant influence) in the management of the following companies: Kauno Energetikos Remontas UAB (Lithuania), Energijos Tiekimas UAB (Lithuania), Technologijų ir Inovacijų Centras UAB (Lithuania), Nordic Energy Link AS (Estonia), Geoterma UAB (Lithuania), NT Valdos UAB (Lithuania). Indirectly, the Company had the majority of votes in Gotlitas UAB (Lithuania) through Kauno Energetikos Remontas UAB, and the majority of votes in VŠĮ Respublikinis Energetikų Mokymo Centras (Lithuania) through Technologijų ir Inovacijų Centras UAB, and exercised significant influence over Enmašas UAB (Lithuania).

The consolidated financial statements of Lietuvos Energija AB and its subsidiaries and the stand-alone financial statements of Lietuvos Energija AB as a parent company are presented in these financial statements.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2012**

All amounts in LTL thousands unless otherwise stated

1 General information (continued)

As at 31 December 2012 and 31 December 2011, the Group consisted of Lietuvos Energija AB and the following directly and indirectly controlled subsidiaries:

Company	Address of the company's registered office	The Group's shareholding at 31 December 2012	The Group's shareholding at 31 December 2011	Profit (loss) 2012	Equity at 31 December 2012	Profile of activities
UAB „Kauno energetikos remontas“	Chemijos g. 17, Kaunas, Lietuva	100 proc.	100 proc.	562	21,740	Repair of energy equipment, production of metal constructions
UAB „Gotlitas“	R.Kalantos g. 119, Kaunas, Lietuva	100 proc.	100 proc.	(115)	1,435	Accommodation services, trade
UAB "Energijos tiekimas"	Žvejų g. 14, Vilnius, Lietuva	100 proc.	100 proc.	573	7,415	Independent electricity supply
UAB "Technologijų ir inovacijų centras"	Juozapavičiaus g. 13, Vilnius, Lietuva	54.04 proc.	54.04 proc.	3,001	56,756	IT services
UAB "Data Logistics Center"	Juozapavičiaus g. 13, Vilnius, Lietuva	-	54.04 proc.	-	-	IT services
VŠĮ Respublikinis energetikų mokymo centras	Jeruzalės g. 21, Vilnius, Lietuva	54.04 proc.	54.04 proc.	(270)	(1,406)	Professional development of energy specialists and continual professional training

As at 31 December 2012 and 31 December 2011, Group's investments into associates and joint ventures consisted:

Company	Address of the company's registered office	The Group's shareholding at 30 June 2012	The Group's shareholding at 31 December 2011	Profile of activities
UAB „Geoterma“	Lypkių g. 53, LT-94100 Klaipėda, Lietuva	23.44 proc.	23.44 proc.	Geothermal energy production
UAB „NT Valdos“	Geologų g. 16, LT-02190 Vilnius, Lietuva	42.06 proc.	41.42 proc.	Asset management services
AS Nordic Energy Link	Laki 24, Tallinn 12915	25.00 proc.	25.00 proc.	Management of electricity transmission line between Finland and Estonia

As at 31 December 2012, the number of employees of the Group was 1,175 (31 December 2011 – 1,179). As at 31 December 2012, the number of employees of the Company was 511 (31 December 2011 - 509).

The Company's and Group's operations are not affected by seasonality.

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2 Accounting policies

The Company's and consolidated Group's condensed interim financial information for a one year period ended 31 December 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.

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

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 ended 31 December 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.

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, as future events can amend assumptions that were used. Such changes in estimates will be recorded in the financial statements when determinable. Significant judgments 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.

Tax audits

The tax authorities may at any time inspect the books and records within 5 years subsequent to the reported tax year, and may impose additional tax assessments and penalties. The Company's and Group's management is not aware of any circumstances which may give rise to a potential material liability in this respect.

Depreciation rates of property, plant and equipment

When assessing the remaining useful life of property, plant and equipment, management takes into consideration the conclusions provided by employees responsible for technical maintenance of assets.

Revaluation of property, plant and equipment

On 31 December 2011 an independent property valuator Census Optimus UAB carried out a valuation of market value of the Company's assets stated at revaluated amount. The valuation was performed using the replacement cost method.

On 31 December 2011, revaluation was carried out for property, plant and equipment of the Company's subsidiary Kauno Energetikos Remontas UAB. Property, plant and equipment were revaluated on 31 December 2011 based on the report submitted by an independent property valuator Latmas Nekilnojamosis Turtas UAB on changes in the fair values of immovable property in Lithuania by region. This report was based on observable market evidence on prices of immovable property.

In October 2010, independent property valutors carried out the revaluation of non-current assets which were transferred as in-kind contribution to the share capital of subsidiaries and associates.

Considering the date of the last revaluation of these assets and the periods of their acquisition, in the opinion of management, the fair value of the Group's/Company's property, plant and equipment stated at revaluated amounts as at 31 December 2012 and 31 December 2011 did not significantly differ from its carrying amounts.

Write-down of inventory to net realisable value

Write-down of inventory to the net realisable value was determined based on the management's estimates on inventory obsolescence and estimated possible selling prices. This determination requires significant judgment. Judgment is exercised based on historical and future usage of spare parts and materials as well as estimated possible selling price and other factors.

Provisions for emission allowances

The Group/Company estimates the provisions for emission allowances based on actual quantity of emission during the reporting period multiplied by the market price of one emission allowance. The actual quantity of emission is approved by the responsible regulating state authority within 4 months after the year-end. Based on historical experience, the management of the Group does not expect any material differences between the amount of estimated provisions as at 31 December 2012 and emission quantities which will be approved in 2013.

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3 Intangible assets

The movements of the Group's intangible assets were as follows:

Group	Patents and licenses	Computer software	Emission allowances	Other intangible assets	Total
At 31 December 2011					
Opening net book amount	11	82	37,811	7	37,911
Additions	7	287	126,826	-	127,120
Purchase of subsidiaries	1,084	1,875	-	133	3,092
Grant received	-	-	26,701	-	26,701
Disposals	-	-	(38,948)	(7)	(38,955)
Emission allowances utilised	-	-	(54,212)	-	(54,212)
Revaluation income of emission allowances	-	-	(62,721)	-	(62,721)
Reclassified from property, plant and equipment	-	1,099	-	-	1,099
Amortisation	(10)	(290)	-	-	(300)
Net book amount at 31 December 2011	1,092	3,053	35,457	133	39,735
At 31 December 2012					
Opening net book amount	1,092	3,053	35,457	133	39,735
Additions	370	387	112,752	6	113,515
Grant received	-	-	14,832	-	14,832
Reclassification from tangible assets	-	148	-	63	211
Emission allowances utilised	-	-	(16,265)	-	(16,265)
Amortisation	(586)	(1,534)	-	(4)	(2,124)
Lending of emission allowances	-	-	(15,239)	-	(15,239)
Revaluation income of emission allowances	-	-	(76,124)	-	(76,124)
Net book amount at 31 December 2012	876	2,054	55,413	198	58,541

The movement of the Company's intangible assets is presented below:

Company	Computer software	Emission allowances	Other intangible assets	Total
At 31 December 2011				
Opening net book amount	-	37,811	-	37,811
Additions	134	126,826	-	126,960
Grant received	-	26,701	-	26,701
Write-offs and disposals	-	(38,948)	-	(38,948)
Emission allowances utilised	-	(54,212)	-	(54,212)
Revaluation costs of emission allowances	-	(62,721)	-	(62,721)
Reclassification from tangible assets	942	-	-	942
Amortisation	(188)	-	-	(188)
Net book amount at 31 December 2011	888	35,457	-	36,345
At 31 December 2012				
Opening net book amount	888	35,457	-	36,345
Additions	51	112,752	6	112,809
Grant received	-	14,832	-	14,832
Reclassification from tangible assets	-	-	63	63
Emission allowances utilised	-	(16,265)	-	(16,265)
Amortisation	(357)	-	(4)	(361)
Lending of emission allowances	-	(15,239)	-	(15,239)
Revaluation costs of emission allowances	-	(76,124)	-	(76,124)
Net book amount at 31 December 2012	582	55,413	65	56,060

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4 Property, plant and equipment

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

Group	Land	Buildings	Structures and equipment	Structures and equipment of Hydro Power Plant and Pumped Storage Power Plant	Structures and equipment of Reserve Power Plant	Combined cycle gas turbine	Motor vehicles	Other PP&E	Construction in progress	Total
At 31 December 2011										
Opening net book amount	5,867	10,443	11,488	560,084	1,372,371	-	1,330	12,567	902,819	2,876,969
Additions	-	619	678	198	708	-	115	76	268,665	271,059
Reclassification to assets held for sale	-	(1,531)	2,063	-	-	-	41	213	-	786
Purchase of subsidiaries	-	-	3,352	-	-	-	29	21,006	-	24,387
Write-offs	-	-	(4)	(133)	(134)	-	-	(20)	-	(291)
Sales	-	-	-	(16)	(292)	-	(168)	-	-	(476)
Reclassifications between groups	-	-	1,060	4,508	(1,319)	-	-	1,048	(5,297)	-
Reclassification to intangible assets	-	-	-	-	-	-	-	(157)	(942)	(1,099)
Revaluation	(130)	7,928	10,816	214	-	-	41	(6,149)	2,275	14,995
Depreciation	-	(363)	(1,841)	(27,535)	(40,667)	-	(350)	(1,164)	-	(71,920)
Net book amount at 31 December 2011	5,737	17,096	27,612	537,320	1,330,667	-	1,038	27,420	1,167,520	3,114,410
At 31 December 2012										
Opening net book amount	5,737	17,096	27,612	537,320	1,330,667	-	1,038	27,420	1,167,520	3,114,410
Additions	-	-	95	207	965	-	127	4,671	174,462	180,527
Disposals	-	-	(2)	(16)	(18)	(201)	(6)	(15)	-	(258)
Write-offs	-	(1)	(52)	(5)	(68)	-	-	(15)	-	(141)
Revaluation	-	(619)	-	-	-	-	-	-	-	(619)
Reclassifications between groups	-	167	-	1,398	-	1,329,353	-	32	(1,330,950)	-
Reclassification to intangible assets	-	-	-	-	-	-	-	(113)	(98)	(211)
Reclassification from inventories	-	-	-	-	-	-	-	39	-	39
Depreciation	-	(537)	(3,632)	(27,365)	(42,044)	(12,615)	(275)	(8,897)	-	(95,365)
Net book amount at 31 December 2012	5,737	16,106	24,021	511,539	1,289,502	1,316,537	884	23,122	10,934	3,198,382

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4 Property, plant and equipment(continued)

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

Company	Land	Buildings	Structures and equipment	Structures and equipment of Hydro Power Plant and Pumped Storage Power Plant	Structures and equipment of Reserve Power Plant	Combined cycle gas turbine	Motor vehicles	Other PP&E	Construction in progress	Total
At 31 December 2011										
Opening net book amount	5,867	264	10,474	560,298	1,372,371	-	667	416	902,986	2,853,343
Additions	-	-	-	198	708	-	16	15	268,562	269,499
Write-offs	-	-	-	(133)	(134)	-	-	-	-	(267)
Sales	-	-	-	(16)	(292)	-	(168)	-	-	(476)
Reclassification between groups	-	-	-	4,508	(1,319)	-	-	-	(3,189)	-
Reclassification to intangible assets	-	-	-	-	-	-	-	-	(942)	(942)
Revaluation	(130)	1,179	1,425	-	-	-	(20)	(82)	-	2,372
Depreciation	-	(5)	(746)	(27,535)	(40,667)	-	(152)	(177)	-	(69,282)
Net book amount at 31 December 2011	5,737	1,438	11,153	537,320	1,330,667	-	343	172	1,167,417	3,054,247
At 31 December 2012										
Opening net book amount	5,737	1,438	11,153	537,320	1,330,667	-	343	172	1,167,417	3,054,247
Additions	-	-	-	207	1,055	-	77	40	174,202	175,581
Sales	-	-	-	(16)	(18)	(201)	-	-	-	(235)
Write-offs	-	-	-	(5)	(68)	-	-	-	-	(73)
Reclassification between groups	-	92	-	1,398	(90)	1,329,353	-	32	(1,330,785)	-
Reclassification to intangible assets	-	-	-	-	-	-	-	-	(63)	(63)
Depreciation	-	(110)	(782)	(27,365)	(42,044)	(12,615)	(124)	(29)	-	(83,069)
Net book amount at 31 December 2012	5,737	1,420	10,371	511,539	1,289,502	1,316,537	296	215	10,771	3,146,388

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5 Share capital

As at 31 December 2012 and 31 December 2011, the share capital of the Company was LTL 635,083,615 and it was divided into 635,083,615 ordinary registered shares with the par value of LTL 1 each. All the shares are fully paid. The highest share price at the Stock Exchange trading session in 2012 was EUR 0,455 per share (2011 – 0,499), and the lowest share price was EUR 0,373 per share (2011 – 0,33). The total number of shareholders as at 31 December 2012 was 6,406 (31 December 2011 – 6,589).

The shareholders' structure of the Company is as follows:

Shareholders	Share capital at 31 December 2012		Share capital at 31 December 2011	
	(litai)	Proc.	(litai)	Proc.
UAB "Visagino atominė elektrinė"	610,515,515	96.13	610,515,515	96.13
Other shareholders	24,568,100	3.87	24,568,100	3.87
Total:	635,083,615	100.00	635,083,615	100.00

Visagino Atominė Elektrinė UAB is wholly owned by the State of Lithuania represented by the Lithuanian Ministry of Economy (100.00%).

6 Borrowings

The Group's and the Company's borrowings by maturity grouping are presented below:

	Group at 31 December 2012	Company at 31 December 2012	Group at 31 December 2011	Company at 31 December 2011
Non-current borrowings				
Syndicated loan (Swedbank AB, SEB Bankas AB, Nordea Bank Finland Plc, Lithuania Branch and DnB NORD Bankas AB,) in EUR, to be repaid by 9 November 2020	59,940	59,940	-	-
Loan from the European Bank for Reconstruction and Development, in EUR, to be repaid by 18 February 2025	224,720	224,720	245,149	245,149
Syndicated loan (Swedbank AB, SEB Bankas AB, Nordea Bank Finland Plc, Lithuania Branch, DnB NORD Bankas AB and Danske Bank A/S, Lithuania Branch) in EUR, to be repaid by 3 June 2016	259,438	259,438	-	-
Loan from DnB NORD AB, in EUR, to be repaid by 1 May 2013	-	-	1,857	1,857
Kauno energetikos remontas UAB, loan from Nordea Bank, in EUR, to be repaid by 1 December 2017	8,272			
Total non-current borrowings	552,370	544,098	247,006	247,006
Current borrowings				
Syndicated loan (Swedbank AB, SEB Bankas AB, Nordea Bank Finland Plc, Lithuania Branch and DnB NORD Bankas AB) in EUR, to be repaid by 9 November 2020	14,553	14,253	89,635	89,635
Overdrafts	63,890	57,428	6,557	5,388
Loan from DnB NORD AB, in EUR, to be repaid by 1 May 2013	1,857	1,857	3,714	3,714
Loan from the European Bank for Reconstruction and Development, accrued interest	21,334	21,334	1,196	1,196
Syndicated loan (Swedbank AB, SEB Bankas AB, Nordea Bank Finland Plc, Lithuania Branch, DnB NORD Bankas AB and Danske Bank A/S, Lithuania Branch) in EUR, to be repaid by 3 June 2016	21,620	21,620	281,058	281,058
UAB „Kauno energetikos remontas“, Nordea Bank Finland PIC branch, factoring agreement	3,155	-	-	-
Credit line from Swedbank AB, maturity term – 1 March 2012	-	-	13,000	13,000
Total current borrowings:	126,409	116,492	395,160	393,991

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7 Borrowings (continued)

As at 31 December 2011, Lietuvos Energija AB did not comply with the covenant stipulated in the Syndicated Loan Agreement No. 10-021291-IN signed on 31 March 2010 with Swedbank AB, SEB Bankas AB, Nordea Bank Finland Plc Lithuania Branch, DNB Bankas AB and Danske Bank A/S Lithuania Branch (hereinafter collectively "the Banks"). The requirement to maintain debt to EBITDA ratio not higher than 7 was breached. This ratio was exceeded by 1.6. In addition, the Company has a commitment not to make investments in other companies (including, but not limited to, investments in equity shares, bonds or other securities of companies), and not to establish new companies (separately or jointly with other partners) without obtaining a written consent from the majority of the Banks. On 23 December 2011, the Company signed an agreement for the subscription of shares of Technologijų ir Inovacijų Centras UAB. The Company did not refer to the Banks to obtain their consent for this transaction, which was in breach of the above-mentioned covenant. Based on the provisions of the Syndicated Loan Agreement, the Banks have a right to require a prior repayment of the loan in full or in part. In view of these provisions, the balance of the loan amounting to LTL 281,058 thousand as at 31 December 2011 was reclassified in the Company's financial statements as current borrowings.

As at 31 December 2011, the Company did not comply with the above-mentioned covenant not to make any investments in other companies without obtaining a written consent from the majority of the Banks as stipulated in the Syndicated Loan Agreement signed on 30 June 2004 with Swedbank AB, SEB Bankas AB, Nordea Bank Finland Plc Lithuania Branch, DNB Bankas AB (hereinafter collectively "the Banks"). In view of these provisions, the balance of the loan amounting to LTL 74,194 thousand as at 31 December 2011 was reclassified as current borrowings.

On 8 March 2012, the Company received a letter from the Banks confirming that the Banks will not exercise their right to require a prior repayment of credit in full or in part in 2012.

As at 31 December 2012, Lietuvos Energija AB comply with all covenants, stipulated in the Loan Agreements.

8 Grants

The grants balance consists of grants to finance acquisition of assets. Movements in grants during the one year period ended 31 December 2012 and 31 December 2011 were as follows:

Group/Company	Assets-related grants			Total
	Fuel combustion equipment and other assets	Project for renovation, improvement of environmental and safety standards	Grants for emission allowances	
Balance at 1 January 2011	26,795	846,162	-	872,957
Grants received	69,167	78,180	26,701	174,048
Depreciation of property, plant and equipment	(2,109)	(9,626)	-	(11,735)
Utilisation of grant for emission allowances			(26,701)	(26,701)
Balance at 31 December 2011	93,853	914,716	-	1,008,569
Balance at 1 January 2012	93,853	914,716	-	1,008,569
Grants received	(35)	110,487	16,211	126,663
Depreciation of property, plant and equipment	(2,089)	(16,471)	-	(18,560)
Utilisation of grant for emission allowances			(16,211)	(16,211)
Balance at 31 December 2012	91,729	1,008,732	-	1,100,461

During 2012, Company's assets-related grants decreased by LTL 18,560 thousand, i.e. by the amount of depreciation of property, plant and equipment (one year period ended 31 December 2011 - LTL 11,735 thousand). Depreciation expenses of property, plant and equipment were reduced by this amount in the statement of comprehensive income.

In 2012, the Company received a grant of LTL 37,420 thousand from the International Fund for Support of Decommissioning of Ignalina Nuclear Power Plant for the construction of a new unit of 400 MW combined cycle gas turbine, as well as LTL 16,211 thousand for emission allowances.

During 2012 the company received LTL 72,900 thousand of PSO funds for the construction of a new unit of 400 MW combined cycle gas turbine.

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9 Provisions for emission allowances

Provisions for emission allowances were accounted for as follows:

	Group	Company
Balance at 31 December 2010	67,282	67,282
Emission allowances utilised	(54,212)	(54,212)
Provisions for pollution emitted	16,268	16,268
Provisions for onerous contracts	32,593	32,593
Balance at 31 December 2011	61,931	61,931
Balance at 31 December 2011	61,931	61,931
Provisions for pollution emitted*	13,895	13,895
Increase of other provisions	78	20
Provisions for onerous contracts	(45,666)	(45,666)
Emission allowances utilised	(16,265)	(16,265)
Balance at 31 December 2012	13,973	13,915

*For the purpose of the statement of comprehensive income, expenses related to provisions for emission rights utilised are accounted for net of government grants utilised.

10 Investments in associates

On 31 January 2012, share subscription agreement was signed between Lietuvos energija AB and NT Valdos UAB. According to the agreement, the Company subscribed for 37,790 ordinary NT Valdos UAB shares of LTL 100 par value each. The total emission price was LTL 3,779,000 thousand. The total issue price has been paid in non-monetary contribution, consisting of real estate and other assets. After this transaction, the Company's share in NT Valdos UAB increased by 0.64% and as at 31 December 2012 was 41.74%.

11 Segment information

In 2012, 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 separating activities to regulated and commercial. Operating profit (loss) is a profitability measure analysed by the Board. The reports reviewed by the Board are in line with the financial statements prepared in accordance with IFRS, except for the format of presentation.

As at 31 December 2012 and 2011, the Board analyses the operations of the Company separating activities to regulated and commercial. The regulated activities include revenue from heat and electricity production of the Lithuanian Thermal Power Plant, revenue from balancing and regulating activities, power reserve, including electric power reservation income of Kruonis Pumped Storage Power Plant. Commercial activities include electricity trade in the market, export / import, electricity production in Kaunas Hydro Power Plant and Kruonis Pumped Storage Power Plant, including related regulatory and balancing services. Administrative costs are allocated between the regulated and commercial activities with a reference to operating expenses, number of employees and purchase volumes. The operations of Energijos Tiekimas UAB representing trade in electricity also constitute a separate segment. Other activities within the Group include repair services of energy facilities and IT services.

Inter-company transactions within the Group are conducted at market prices, except for trade in electricity and related services, the prices of which are established by the National Control Commission for Prices and Energy.

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11 Segment information (continued)

The table below presents the Group's information on segments for the year ended 31 December 2012:

2012	Electricity production and trade (including export/import)			Other activities	Total
	Lietuvos Energija, AB		Energijos Tiekimas, UAB		
	Regulated activities	Commercial activities			
Total segment revenue	596,657	579,934	328,920	106,655	1,612,166
Inter-segment revenue			(153,982)	(14,109)	(168,091)
Revenue from external clients	596,657	579,934	174,938	92,546	1,444,075
Expenses after elimination of turnover among the Group companies	(597,749)	(527,843)	(174,826)	(88,890)	(1,389,306)
Including depreciation and amortisation expenses	(47,317)	(17,563)	(1)	(14,058)	(78,938)
Operating profit	(1,092)	52,090	112	3,656	54,768
Finance income	835	3,941	582	(3,121)	2,237
Finance costs	(12,517)	(937)	(113)	(189)	(13,756)
Share of result of associates and joint ventures				1,867	1,867
Profit before income tax	(12,773)	55,093	581	2,213	45,116
Income tax					(9,135)
Profit for the period					35,981

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11 Segment information (continued)

The table below presents the Group's information on segments for the year ended 31 December 2011:

2011	Electricity production and trade (including export/import)			Other activities	Total Regulated activities
	Lietuvos energija, AB		Energijos Tiekimas, UAB		
	Regulated activities	Commercial activities			
Total segment revenue	541,035	848,018	211,397	62,155	1,662,605
Inter-segment revenue			(202,838)	(30,260)	(233,098)
Revenue from external clients	541,035	848,018	8,559	31,895	1,429,507
Expenses after elimination of turnover among the Group companies	(633,087)	(740,821)	(2,827)	(39,613)	(1,416,346)
including depreciation and amortisation expenses	(40,061)	(17,700)	-	(2,751)	(60,512)
Operating profit	(92,051)	107,197	5,732	(7,718)	13,161
Finance income		2,358	95	18	1,362
Finance costs	(5,660)	(254)	(76)	(546)	(6,200)
Share of result of associates and joint ventures				(6,048)	(6,048)
Profit before income tax	(97,711)	109,301	5,751	(14,294)	2,275
Income tax					(749)
Profit for the period					1,526

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

The Group's revenue received from a single external client during the year ended 31 December 2012 amounted to LTL 512,198 thousand (the year ended 31 December 2011 - LTL 594,748 thousand).

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
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12 Related-party transactions

Purchase and sale of goods and services:

The Group's transactions with related parties during the period of January to December 2012 and the balances arising on these transactions as at 31 December 2012 are presented below:

Related parties	Payables and accrued expenses	Receivables and unbilled revenue	Purchases	Sales
Entities controlled by the Ministry of the Energy and the Ministry of Economy of the Republic of Lithuania (including subsidiaries of Visagino Atominė Elektrinė UAB)	6,569	68,796	351,622	1,164,650
Visagino Atominė Elektrinė UAB	-	68	-	563
Associates of the Group	1,342	313	13,156	2,476
Total	7,911	69,177	364,778	1,167,689

The Company's transactions with related parties during the period of January to December 2012 and the balances arising on these transactions as at 31 December 2012 are presented below:

Related parties	Payables and accrued expenses	Receivables and unbilled revenue	Purchases	Sales
Subsidiaries of the Company	3,426	20,551	13,687	156,925
Entities controlled by the Ministry of the Energy and the Ministry of Economy of the Republic of Lithuania (including subsidiaries of Visagino Atominė Elektrinė UAB)	6,549	65,326	258,327	1,110,994
Visagino Atominė Elektrinė UAB	-	-	-	-
Associates of the Company	62	-	8,701	7
Total	10,037	85,877	280,715	1,267,926

The Group's transactions with related parties during the period of January to December 2011 and the balances arising on these transactions as at 31 December 2011 are presented below:

Related parties	Payables and accrued expenses	Receivables and unbilled revenue	Purchases	Sales
Entities controlled by the Ministry of the Energy of the Republic of Lithuania (including subsidiaries of Visagino Atominė Elektrinė UAB)	11,620	88,890	538,758	1,189,707
Visagino Atominė Elektrinė UAB	70	-	-	393
Associates of the Group	1,216	326	2,268	1,892
Total	12,906	89,216	541,026	1,191,992

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
 FOR THE YEAR ENDED 31 DECEMBER 2012**

All amounts in LTL thousands unless otherwise stated

12 Related-party transactions (continued)

The Company's transactions with related parties during the period of January to December 2011 and the balances arising on these transactions as at 31 December 2011 are presented below

Related parties	Payables and accrued expenses	Receivables and unbilled revenue	Purchases	Sales
Subsidiaries of the Company	6,830	24,633	8,037	202,980
Entities controlled by the Ministry of the Energy of the Republic of Lithuania (including subsidiaries of Visagino Atominė Elektrinė UAB)	10,128	81,456	531,212*	1,185,664*
Visagino Atominė Elektrinė UAB	-	-	-	-
Associates of the Company	226	-	2,175	494
Total	17,184	106,089	541,424	1,389,138

The major related-party sale and purchase transactions in 2012 and 2011 comprised transactions with the entities controlled by the Ministry of Energy and the Ministry of Economy of the Republic of Lithuania: Lesto AB, Litgrid AB. The Group's purchases from these entities mainly included purchases of electricity, capacity, and PSO services. Sales transactions mainly included sales of electricity, capacity, electricity transmission services and PSO services.

Transactions with state-owned entities other than those controlled by the Ministry of Energy included regular business transactions and therefore they are not disclosed.

The Company sold capacity to its associate Nordic Energy Link AS, paid capacity, operation, transmission and balancing fees to this company, and purchased capacity from it.

Payments to key management personnel

	Group 2012	Company 2012	Group 2011	Company 2011
Employment-related payments	4,134	1,533	4,350	1,701
Termination benefits	114	-	143	31
Number of key management personnel	27	10	31	11

Management consists of heads of administration and their deputies, and the chief financier.

13 Commitments and contingencies

Guarantees issued and received

Under the agreements signed the Group's commitments to acquire and construct tangible fixed assets amounted to LTL 73 million as at 31 December 2012 (31 December 2011 - LTL 115 million).

14 Events subsequent to the end of the reporting period

On 26 February 2013, pursuant to implementation of the Resolution of the Government 'Regarding the transfer of the state owned shares and amendment of the Resolution of the Government of the Republic of Lithuania dated 4 July 2012 'Regarding the establishment of a private limited liability company and also on the investment of state assets', dated 13 February 2013, No 141, a total of 4,067,163,632 state-owned registered ordinary book-entry shares of UAB Visagino atominė elektrinė, each with a nominal value of LTL 1, which award 100% of votes in the general meeting of shareholders of UAB Visagino atominė elektrinė, and which had been previously in trust of the Ministry of Energy, were transferred to the Ministry of Finance of the Republic of Lithuania. UAB Visagino atominė elektrinė has been currently controlling 96.13% of the shares of Lietuvos energija, AB.
