



PRESS RELEASE

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Pre-audited results of AB Lietuvos Dujos for 2013

In the implementation of the provisions of the EU Third Energy Package and pursuant to the unbundling conditions, on 31 July 2013 AB Lietuvos Dujos transferred the natural gas transmission activity to AB Amber Grid. Thus, financial statements for 2013 also disclose data of the discontinued natural gas transmission activity.

Pre-audited sales revenues of AB Lietuvos Dujos continued activity in 2013, compared with 2012, decreased by 10% and amounted to LTL 1,532.6 million (in 2012 – 1,703.1 million). The decrease in revenues was caused by lower volumes of gas sold and distributed as well as lower gas sales price to non-household consumers.

Pre-audited profit before tax of the continued activity of AB Lietuvos Dujos amounted to LTL 57.1 million (in 2012 – LTL 50.5 million). The increase in profit was determined by better supply activity results. In 2012, result of the said activity was significantly adversely affected by the difference between forecasted gas prices included in the pricing for household customers and actual gas import price. In 2013, compensation was received for losses incurred in this activity in 2012.

The EBITDA (earnings before interest, taxes, depreciation and amortization) increased accordingly by LTL 8.8 million (10%) and totalled LTL 97.2 million, while in 2012 it was LTL 88.4 million.

In 2013, pre-audited net profit accounted for LTL 63.3 million (last year it was LTL 76.0 million), of which net profit of continued activities was LTL 53.3 million (last year – LTL 47.0 million). The net profit for 2013 also reflects the profit of the discontinued transmission activity of 7 months in the amount of LTL 10.0 million (in 2012, net profit of discontinued activities was LTL 29.0 million).

According to the data of the State Tax Inspectorate the Company was the fifth largest tax payer in Lithuania in 2013.

In 2013, investments into the construction of new gas distribution systems amounted to LTL 26.7 million (in 2012 – LTL 21.3 million), and 88.5 km of gas distribution pipelines were built, of which LTL 11.8 million and 15.9 km of gas pipelines – for the ensurance of the reliability of gas supply by looping gas pipelines systems. This ensures continuous and reliable natural gas supply and reduces the probability of interruptions in gas supply in case of accidents or repairs to the minimum.

Investments for connecting new customers in 2013 amounted to LTL 14.9 million (in 2012 – LTL 12.1 million). A total of 3.0 thousand new consumers were connected in 2013, i.e. 36% more than in 2012, when 2.2 thousand customers were connected. Increased number of connections was mainly determined by the country's economic recovery and declined connection fees.

In 2013, investments into the reconstruction and modernization of the distribution system accounted for LTL 22.2 million, in 2012 – LTL 24.9 million was invested. Main investments were made into the reconstruction of pipelines in 2013.

In 2013, the Company's natural gas distribution volumes totalled 856.3 MCM, which is 12.8 per cent less than in 2012 (982.1 MCM).

In 2013, LD purchased natural gas from OAO Gazprom in accordance with the long-term agreement on natural gas supply, on the natural gas exchange, from UAB GET Baltic. Small quantity was purchased from AB Amber Grid for technical balancing of the transmission system.

Besides LD, natural gas is imported to Lithuania by other natural gas market participants as well. The market share of AB Lietuvos Dujos in the Lithuanian natural gas market accounted for 37% in 2013.

In 2013, LD supplied to consumers 1,035.3 MCM of natural gas, or 8% less than in 2012, when its supply volumes totalled 1,125.6 MCM of natural gas. Volumes supplied to non-household consumers amounted to 881.4 MCM, and to household consumers – 153.9 MCM of natural gas.

In 2013, compared with 2012, gas distribution and supply volumes decreased mainly due to lower electricity production in heat and electric power generation plants, replacement of natural gas with other fuel types and state subsidies for renewable energy sources and renovation (a number of consumers having installed biofuel or alternative fuel boilers increased).

The Company operated 8.3 thousand km of gas distribution pipelines. Over the past year, the number of the Company's customers increased to 559 thousand. Those were energy, industrial and other companies, organizations and residents.

High quality and professional customer service continues to be a top priority and one of the most important objectives of the Company. In 2013, the Company's employees served natural gas consumers in their holdings, Company's divisions, by phone or e-mail more than 600 thousand times.

The shares of AB Lietuvos Dujos are listed on the Main List of the Stock Exchange NASDAQ OMX Vilnius.

The major shareholder structure did not change during 2013 and was as follows as of 31 December 2013: E.ON Ruhrgas International GmbH – 38.9%, OAO Gazprom – 37.1%, Ministry of Energy of the Republic of Lithuania – 17.7% and small shareholders controlled 6.3% of the Company's shares.

On 20 February 2014, the Ministry of Energy transferred to the Ministry of Finance to be managed, used and disposed of by the right of trust shares of AB Lietuvos Dujos which belong to the state, and on 21 February 2014 the Ministry of Finance transferred to Lietuvos Energija, UAB, shares of AB Lietuvos Dujos as a contribution in kind to pay for the newly issued shares of Lietuvos Energija, UAB.

* LTL 3.45 = EUR 1