

Independent auditor's report to the shareholders of AB Lietuvos Dujos

Report on the Interim Condensed Financial Statements

We have audited the accompanying interim condensed financial statements of AB Lietuvos Dujos, a public limited liability company registered in the Republic of Lithuania (hereinafter "the Company"), which comprise the interim condensed statement of financial position as at 30 June 2014, the interim condensed statements of income, comprehensive income, changes in equity and cash flows for the 6 months period then ended, and interim condensed notes (comprising a summary of significant accounting policies and other explanatory information).

Management's Responsibility for the Interim Condensed Financial Statements

The Company's management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union applicable to interim financial reporting (IAS 34 "Interim financial reporting"), and for such internal control as management determines is necessary to enable the preparation of interim condensed financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these interim condensed financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as set forth by the International Federation of Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the interim condensed financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the interim condensed financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the interim condensed financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the interim condensed financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the interim condensed financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

As at 30 June 2014 the Company has evaluated the recoverable values of property, plant and equipment attributable to distribution and supply activities as separate cash generating units and accounted for an impairment of property, plant and equipment, attributable to distribution activity, amounting to LTL 196 million in the income statement for the 6 months period ended 30 June 2014. The Company did not perform impairment test for the property, plant and equipment according to the separate activities as required by IFRS in prior periods; therefore we were unable to assess what part of this impairment should be accounted for in the prior periods.

Qualified Opinion

In our opinion, except for the possible effect of the matter described in the section Basis for Qualified Opinion above, the accompanying interim condensed financial statements present fairly, in all material respects, the financial position of AB Lietuvos Dujos as at 30 June 2014, and its financial performance and cash flows for the 6 months period then ended in accordance with International Financial Reporting Standards as adopted by the European Union applicable to interim financial reporting (IAS 34 "Interim financial reporting").

Emphasis of matter

Without further qualifying our opinion, we draw your attention to the note 20 Events after the reporting period, which refers to decision taken after balance sheet date regarding recording of provision which is not in compliance with IFRS requirements.

Other

The comparative information of the interim condensed statements of income, comprehensive income, changes in equity, cash flows and the related notes of the Company for the 6 months period ended 30 June 2013 was not audited.

Report on Other Legal and Regulatory Requirements

Furthermore, we have read the Interim Report for the 6 months period ended 30 June 2014 and have not noted any material inconsistencies between the financial information included in it and the interim condensed financial statements for the 6 months period ended 30 June 2014.

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The audit was completed on 28 August 2014.