

**CONFIRMATION OF RESPONSIBLE PERSONS**

27 February 2015 No. 5-9

Following Article 22 of the Law on Securities of the Republic of Lithuania and the Rules for Drawing up and Submission of Periodic and Additional Information approved by Resolution No 03-48 of the Board of the Bank of Lithuania of 28 February 2013, we, Saulius Bilys, the General Manager of AB Amber Grid, and Rimantas Šukys, the Financial Director of AB Amber Grid, hereby confirm that, to the best of our knowledge, the attached condensed financial statements of the company AB Amber Grid as of 31 December 2014 drawn up according to International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position, profit or loss and cash flows of AB Amber Grid.

General Manager

Saulius Bilys

Financial Director

Rimantas Šukys

AB AMBER GRID

**CONDENSED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2014 PREPARED ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION**

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2014

(all amounts are in LTL thousand unless stated otherwise)

Statement of financial position

		As of 31 December 2014 (unaudited)	As of 31 December 2013 (audited)
	Notes		
ASSETS			
A.	Non-current assets	1,102,410	1,583,740
I.	Intangible assets	2,253	1,679
II.	Non-current tangible assets	1,099,733	1,581,582
II.1.	Land	389	387
II.2.	Buildings and structures	802,670	1,320,544
II.2.1.	Buildings	23,045	27,898
II.2.2.	Gas transmission pipelines and related installations	760,401	1,271,669
II.2.3.	Gas distribution pipelines and related installations	370	379
II.2.4.	Other buildings and structures	18,854	20,598
II.3.	Machinery and equipment	218,961	230,417
II.4.	Vehicles	4,713	5,172
II.5.	Other equipment, tools and devices	12,945	13,845
II.6.	Other non-current tangible assets	758	886
II.7.	Construction in progress	59,297	10,331
III.	Non-current financial assets	424	479
III.1.	Investment into subsidiary	-	-
III.2.	Investment into joint venture	424	479
III.3.	Non-current accounts receivable	-	-
B.	Current assets	186,535	165,187
I.	Inventories and prepayments	24,674	26,862
I.1.	Inventories	24,434	26,714
I.1.1.	Raw materials, spare parts and other inventories	4,469	4,541
I.1.2.	Natural gas	19,947	22,173
I.1.3.	Assets held for sale	18	-
I.2.	Prepayments	240	148
II.	Accounts receivable	105,475	73,302
II.1.	Trade receivables	23,676	16,169
II.2.	Other receivables	81,799	57,133
III.	Other financial assets	50,466	45,305
IV.	Cash and cash equivalents	5,920	19,718
	Total assets	1,288,945	1,748,927



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

Statement of financial position (cont'd)

		Notes	As of 31 December 2014 (unaudited)	As of 31 December 2013 (audited)
EQUITY AND LIABILITIES				
C.	Equity		816,986	1,208,560
I.	Authorised share capital		178,382	178,382
II.	Reserves		1,015,111	1,015,111
II.1.	Legal reserve		17,838	17,838
II.2.	Other reserves		997,273	997,273
III.	Retained earnings		(376,507)	15,067
D	Amounts payable and liabilities		471,959	540,367
I.	Amounts payable after one year and non-current liabilities		178,126	374,872
I.1.	Non-current borrowings	9	35	135,118
I.2.	Grants (deferred income)	10	151,356	131,072
I.3.	Non-current employee benefits		1,572	1,131
I.4.	Deferred tax liability		25,163	107,551
II.	Accounts payable within one year and short-term liabilities		293,833	165,495
II.1.	Short-term loans	9	135,000	-
II.2.	Current portion of non-current borrowings	9	83	45,083
II.3.	Current year portion of non-current employee benefits		296	260
II.4.	Trade payable	12	40,020	12,673
II.5.	Income tax payable		3,566	1,388
II.6.	Payroll related liabilities		2,525	2,224
II.7.	Other payables and current liabilities	13	112,343	103,867
Total equity and liabilities			1,288,945	1,748,927



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

<u>General Manager</u>	<u>Saulius Bilys</u>		<u>27 February 2015</u>
<u>Chief Accountant</u>	<u>Dzintra Tamulienė</u>		<u>27 February 2015</u>

Income statement

	Notes	For the period of three months ended 31 December 2014 (unaudited)	For the period of twelve months ended 31 December 2014 (unaudited)	For the period of three months ended 31 December 2013 (unaudited)	For the period of five months ended 31 December 2013 (audited)
I. Revenue	14	56,439	183,322	47,728	74,101
II. Expenses		(538,878)	(650,864)	(41,877)	(70,574)
II.1. Cost of natural gas		(9,285)	(22,189)	(4,542)	(8,012)
II.2. Depreciation and amortization		(20,257)	(80,413)	(19,449)	(32,221)
II.3. Payroll and related social security tax expenses		(7,400)	(24,943)	(6,358)	(10,314)
II.4. Repair and technical maintenance expenses		(8,258)	(21,573)	(8,230)	(14,860)
II.5. Taxes, other than income tax		(1,308)	(5,047)	(1,174)	(1,959)
II.6. Non-current assets impairment expenses	2	(490,079)	(490,079)	-	-
II.7. Other expenses		(2,291)	(6,620)	(2,124)	(3,208)
III. Profit (loss) from operations		(482,439)	(467,542)	5,851	3,527
IV. Financial activity		(74)	(2,051)	(622)	(1,102)
IV.1. Income		75	168	34	63
IV.2. Expense		(149)	(2,219)	(656)	(1,165)
V. Profit (loss) before tax		(482,513)	(469,593)	5,229	2,425
VI. Income tax	11	76,299	78,019	1,004	2,646
VI.1. Current period income tax		(1,335)	(4,370)	(1,130)	(1,388)
VI.2. Deferred income tax on impairment of non-current assets		73,500	73,500	-	-
VI.3. Other deferred income tax		4,134	8,889	2,134	4,034
VII. Net profit (loss)		(406,214)	(391,574)	6,233	5,071


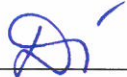
The accompanying notes are an integral part of these financial statements.

General Manager	Saulius Bilys		27 February 2015
Chief Accountant	Dzintra Tamulienė		27 February 2015

Statement of comprehensive income

	For the period of three months ended 31 December 2014 (unaudited)	For the period of twelve months ended 31 December 2014 (unaudited)	For the period of three months ended 31 December 2013 (unaudited)	For the period of five months ended 31 December 2013 (audited)
I. Net profit (loss)	(406,214)	(391,574)	6,233	5,071
II. Total comprehensive income	(406,214)	(391,574)	6,233	5,071



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

General Manager	Saulius Bilys		27 February 2015
Chief Accountant	Dzintra Tamulienė		27 February 2015

Statement of changes in equity

	Share capital	Legal reserve	Other reserves	Retained earnings	Total
Balance as of 31 July 2013 (unaudited)	178,382	17,838	997,273	9,996	1,203,489
Total comprehensive income	-	-	-	5,071	5,071
<i>Net profit (loss) for the year</i>	-	-	-	5,071	5,071
Balance as of 31 December 2013 (audited)	178,382	17,838	997,273	15,067	1,208,560
Total comprehensive income	-	-	-	(391,574)	(391,574)
<i>Net profit (loss) for the year</i>	-	-	-	(391,574)	(391,574)
Balance as of 31 December 2014 (unaudited)	178,382	17,838	997,273	(376,507)	816,986

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

General Manager	Saulius Bilys		27 February 2015
Chief Accountant	Dzintra Tamulienė		27 February 2015

Statement of cash flows



	31 December 2014 (unaudited)	31 December 2013 (audited)
I. Cash flows from (to) operating activities		
I.1. Net profit (loss)	(391,574)	(5,071)
Adjustments of non-cash items and other corrections:		
I.2. Depreciation and amortisation	80,413	32,221
I.3. Loss (gain) on property, plant and equipment, doubtful trade accounts receivable and inventories write-off and disposal	(7)	1
I.4. Impairment losses (reversal of impairment) for property, plant and equipment, financial assets, allowance for doubtful trade accounts receivable and inventories	490,116	(59)
I.5. Income tax expenses (income)	(78,019)	(2,646)
I.6. Interest (income)	(78)	(12)
I.7. Interest expenses	2,162	1,172
I.8. Amortisation of grants (deferred income)	(4,623)	(1,428)
I.9. Elimination of other non-cash items	533	223
	98,923	34,543
Changes in working capital:		
I.10. Decrease (increase) in inventories	2,324	243
I.11. Decrease (increase) in trade accounts receivable	(7,500)	(7,792)
I.12. Decrease (increase) in other accounts receivable and prepayments	(4,506)	(17,930)
I.13. Increase (decrease) in trade accounts payable	(17)	4,004
I.14. Increase (decrease) in other accounts payable and other current liabilities	8,777	38,155
I.15. Decrease (increase) in other financial assets	(5,162)	(18,002)
I.16. Income tax (paid)	(1,370)	-
Total changes in working capital	(7,454)	(1,322)
Net cash flows from operating activities	91,469	33,221
II. Cash flows from (to) investing activities		
II.1. (Acquisitions) of property, plant and equipment and intangible assets	(60,449)	(39,038)
II.2. Proceeds from sales of property, plant and equipment	12	-
II.3. Acquisition of investments in joint venture	-	-
II.4. Acquisition of held-to-maturity investment	-	-
II.5. Sale of held-to-maturity investment	-	-
II.6. Interest received	78	12
II.7. Disposal (acquisition) of other short term investments	-	-
Net cash flows (to) investing activities	(60,359)	(39,026)

The accompanying notes are an integral part of these financial statements.
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Statements of cash flows (cont'd)

	31 December 2014 (unaudited)	31 December 2013 (audited)
III. Cash flows from (to) financing activities		
III.1. Loan repayment	(45,083)	(1,072)
III.2. Grants received	2,701	15,625
III.3. Interest (paid)	(2,526)	(1,172)
Net cash flows from (to) financing activities	(44,908)	13,381
IV. Net increase (decrease) in cash and cash equivalents	(13,798)	7,576
V. Cash and cash equivalents at the beginning of the period	19,718	12,142
VI. Cash and cash equivalents at the end of the period	5,920	19,718

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

General Manager	Saulius Bilys		27 February 2015
Chief Accountant	Dzintra Tamulienė		27 February 2015

Notes to the Financial Statements

1 General information

AB Amber Grid (hereinafter referred to as the "Company") was registered on 25 June 2013; after the spin-off from AB Lietuvos Dujos of its natural gas transmission activities with the assets, rights and duties attributed to these activities.

By a transfer certificate, AB Lietuvos Dujos transferred to AB Amber Grid the assets, rights and duties attributed to the natural gas transmission activities as of 31 July 2013. The operations of AB Amber Grid were started on 1 August 2013 with the coming into effect of the temporary natural gas transmission licence issued to the Company by the National Control Commission for Prices and Energy. As the unbundling of activities falls into the category of transactions made between companies under common control, and as the Company was to continue the same activities as the ones that were carried out when it still belonged to AB Lietuvos Dujos, AB Amber Grid recognised all the assets and liabilities transferred to it at the book value as recorded at the moment of transfer by the transferor (i.e. AB Lietuvos Dujos) itself.

During the second quarter of 2014, the then two major shareholders of the Company sold off their shares held in AB Amber Grid, thus losing their voting rights at the Company:

- On 21 May 2014, E.ON Ruhrgas International GmbH transferred and UAB EPSO-G acquired 69,416,233 ordinary registered non-certificated shares of AB Amber Grid;
- On 19 June 2014, as a result of a takeover bid, OAO Gazprom transferred and UAB EPSO-G acquired 66,112,761 ordinary registered non-certificated shares of AB Amber Grid.

After the acquisition by UAB "EPSO-G" of the control of AB Amber Grid and after the changing of the composition of the Board of Directors of the Company by the the Company's Extraordinary General Meeting of Shareholders Resolution as of 30 June 2014, the Company's activity and ownership were unbundled from natural gas companies engaged in gas production and supply activities.

As of 31 December 2014, the Company's shareholders were as follows:

	Number of shares owned	Ownership share (percent)
UAB EPSO-G (302826889)	172,279,125	96.58
Other shareholders	6,103,389	3.42
	178,382,514	100.0

The Company's share capital is LTL 178,382,514 divided into 178,382,514 ordinary registered shares with par value of one LTL each.

On 13 January 2015, the National Commission for Energy Control and Prices (hereinafter referred to as the "NCC") stated that AB Amber Grid's transmission activity unbundling was compliance with provisions of the Law on Natural Gas and that AB Amber Grid could be designated a Transmission System Operator. Upon the obtaining of a positive decision from the European Commission, the NCC will adopt its decision on the Company's certification and on the issuance in respect to the Company of an open-ended license for the engagement in Transmission System Operator's activities.

The Company, which is engaged in the natural gas transmission system operator's activities, provides system users, other operators, and gas market players with the following services:

- transmission of natural gas in the territory of the Republic of Lithuania;
- balancing of flows of natural gas in the transmission system;
- administration of funds aimed to compensate for the installation and operation of the Liquefied Natural Gas (hereinafter referred to as the "LNG") Terminal, its infrastructure and connector.

1 General information (continued)

AB Amber Grid condensed financial statements; including the financial statements as of 31 December 2014, the profit (loss) account, the comprehensive income statement, the cash flow statement and the statement of changes in equity are unaudited. The Company's financial statements as of 31 December 2013 were audited; they were prepared in accordance with International Financial Reporting Standards (IFRS). For a better understanding of the information contained in these condensed financial statements it is highly recommended to read this statement in conjunction with the Company's annual financial statements for the year ended 31 December 2013.

The Company's ordinary registered shares are traded on the regulated market; they are listed on the Secondary Trading List of the stock exchange NASDAQ OMX Vilnius.

In the Company's financial statements as of 31 December 2014, the Company's investment in GET Baltic UAB, the joint venture co-owned with AB Lietuvos Dujos and the Finnish gas company Gasum Oy, was accounted by applying the equity method. The condensed financial statements as of 31 December 2014 drawn up by UAB GET Baltic in accordance with International Financial Reporting Standards (IFRS) are unaudited.

2 Accounting principles

In case of signs of impairment of the value of non-current assets, the usual practise is to make an assessment of the recoverable value the non-current assets using the value in use (discounted cash flows) method. The assessment established the recoverable value of the cash-generating unit – the Company's total non-current assets. The discount rate used in the appraisal of the discounted cash flows was 7.51% before tax, and the assumptions for its selection was broadly consistent with the assumptions used for setting the rate of return applied in the NCC's price regulation. The changes in the discount rate and the changes in the value of regulated assets as well as the changes in the regulatory environment mostly impact the recoverable value of the Company's non-current assets.

Sensitivity analysis shows that should the discount rate increase by 1%, the recoverable amount of assets that was determined would decrease by LTL 143,710 thousand and should the discount rate decrease by 1%, the recoverable amount of assets that was determined would increase by LTL 207,910 thousand.

When the Company was drawing up its financial statements for 2013, it conducted an impairment test by the value in use method and at that time no asset impairment was found, but, nevertheless, there was a significant uncertainty in the assumptions that were used in the preparation of the cash flows forecasts. The uncertainties of the forecast were related to the pending changes in the gas markets resulting from the implementation of a number of large-scale gas system infrastructure projects, resulting from the entry into service of the Liquefied Natural Gas Terminal in Klaipėda and from the pending changes in the regulatory environment to be introduced as from 1 January 2015.

The impairment test carried of in the end of 2014 took into account the following changes of the gas markets and of the regulatory environment:

- The launch into operation of December 2014 of the Liquefied Natural Gas Terminal in Klaipėda and the emergence of an alternative supply source to the gas imports coming from Russia; part of the imported gas supplies were started to be procured by customers of other Baltic states;
- The start of 2014 and the completion scheduled for end 2015 of the construction of a second line of Klaipėda - Kuršėnai gas transmission pipeline, which is significantly co-funded by the EU funds, that will facilitate further increase in gas volume transportation through the gas transmission system to other Baltic states;
- As from 1 January 2015, in implementation of the EU legislation, the gas transmission service pricing model, which used to be based on the so-called "postage stamp" principle is discarded and replaced by a new model of transmission system entry and exit point-based capacity allocation and pricing. According to the new model, natural gas transmission service prices shall be set and adjusted for each individual gas transmission system entry and exit point;
- The service of natural gas transmission from a third country to a third country through the territory of the Republic of Lithuania (in transit to Kaliningrad Region of the Russian Federation) acquires the status of an integral part of the regulated transmission activity. In respect of this service, the NCC by its decision established a transitional period in order to determine the level of annual revenues collected through the entry and exit points used for the provision of this service. The transitional period was determined upon taking into consideration the duration of the price regulation period and with a view to ensuring the payback of investments made within the period from the

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2014

(all amounts are in LTL thousand unless stated otherwise)

2 Accounting principles (continued)

start of the implementation of the entry and exit points capacity allocation and pricing model to the full implementation of this model.

The aforesaid changes were taken into account when making the assumptions used in the preparation of cash flows forecasts for the year 2015 and for subsequent periods. After discounting the cash flows, it was determined that as at 31 December 2014 the non-current assets showed an impairment of LTL 490 million.

In the Company's view, the non-current assets value impairment should be shown in financial statements for the year 2014 and subsequent periods, rather than retrospectively. The retrospective method, through the adjustment of the comparative financial statements, may only be used for the correction of any material accounting errors. As previously mentioned, the Company, when it was drawing up its financial statements for the year 2013 did not establish any asset value impairment. It is not seen as accounting error, because the fixed assets value impairment was established only as at 31 December 2014 upon taking into consideration of reasonable changes effective as from 1 January 2015 and subsequent periods.

The Company's condensed financial statements as of 31 December 2014 were prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

The financial statements are presented in thousand litas. The financial statements were prepared drawing up on the historical cost basis.

The Company's accounting policies are consistent with the accounting principles used the previous year.

3 Information according to segments

The Company conducts natural gas transmission activity and operates as one segment.

All non-current assets of the Company are in Lithuania where the Company carries out its activities.

During the twelve months of 2014 the Company earned 78,39 per cent of its revenue from the Lithuanian system users and 21,61 per cent of revenue was received from the transit service, i.e. transport of gas to the Kaliningrad region of the Russian Federation.

4 Construction in progress

Major objects of construction in progress of the Company as of 31 December 2014 were as follows:

Object	31 December 2014 m. (unaudited)	31 December 2013 m. (audited)
Installation of an intelligent pig launcher and receiver chambers and replacement of line block valves No. 2, 3 on the gas transmission pipeline directed to Alytus M&R Station.	-	1.742
Installation of an intelligent pig launcher and receiver chambers and replacement of line block valve No. 3 on the gas transmission pipeline directed to Marijampolė M&R Station.	-	1.598
Procurement of environmental pollution reduction equipment	-	1.395
Replacement of line block valves on the transmission pipeline branch directed towards Pajėšmeniai and Biržai M&R Stations and connection to the SCADA system	-	941
Procurement of an intelligent pig launcher chamber equipment for Panevėžys-Šiauliai-Klaipėda gas transmission pipeline	-	762
Reconstruction of an odorant warehouse	-	967
Construction of Klaipėda-Kuršėnai gas transmission pipeline DN800 (Capacity enhancement of Klaipėda-Kiemėnai gas transmission pipeline)	55.135	-
Reconstruction of Panevėžys M&R Station No. 1	2.510	-
Other	1.652	2.926
	59.297	10.331

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(all amounts are in LTL thousand unless stated otherwise)

5 Trade receivables

	31 December 2014 (unaudited)	31 December 2013 (audited)
Receivables from gas transmission system users for gas transmission	23,715	16,225
Other trade receivables	18	8
Less: allowance for the decrease in value of trade receivables	(57)	(64)
	23,676	16,169

The Company's trade receivables from the system users for natural gas transmission as of 31 December 2014 increased due to the increase in gas transmission volumes.

The trade receivables do not include interest, the time limit for payment thereof is 15 calendar days.

6 Other receivables

	31 December 2014 (unaudited)	31 December 2013 (audited)
LNGT funds receivable (administered by the Company)	59,981	56,500
Other receivables	21,818	633
Less: allowance for the decrease in value of other receivables	-	-
	81,799	57,133

Total accounts receivable of the LNGT-funds include AB Achema debt of LTL 49,243 thousand for the year 2013. For more information about AB Achema liabilities see Note 15 "Commitments and contingencies".

Other accounts receivable of 2014 increased due to the EU financial assistance under the European Union Facility (CEF) to the Project "Construction of Klaipėda - Kuršėnai gas transmission pipeline" – LTL 21,400 thousand.

7 Other financial assets

Acting in accordance with provisions of the Republic of Lithuania Law on Liquefied Natural Gas Terminal Art. 5 par. 2, the Company performs the functions of an administrator of the Liquefied Natural Gas Terminal (hereinafter referred to as the "LNGT")-funds. The administration of the LNGT-funds is performed in accordance with the Procedures for the Administration of Funds Aimed to Compensate for the Installation Costs and Fixed Operating Costs of the Liquefied Natural Gas Terminal Facility, its Infrastructure and its Connector as approved by the NCC Resolution No. O3-294 as of 9 October 2012 as subsequently amended (the title was changed by the NCC Resolution No. 03-750 of 23 December 2013 effective from 1 January 2014).

As of 31 December 2014, the Company's Other Financial Assets consisted of the cash received from the natural gas supply security-related extra tariff component added to the natural gas transmission price (surcharge). These funds are aimed to be paid out to the LNGT funds beneficiaries and are kept in a separate bank account opened for the LNGT-funds, which was selected and opened in compliance with applicable legislative requirements. The natural gas supply safety related extra price component was applicable to the natural gas transmission throughout the year 2013 and from 3 December 2014.

8 Cash and cash equivalents

	31 December 2014 (unaudited)	31 December 2013 (audited)
Cash at bank	5,920	19,718
	5,920	19,718

The Company keeps its cash in the bank accounts or (where possible) invests in the deposits with the shortest term (overnight). Overnight interest rates are floating or fixed. The floating interest rate is related to VILIBOR inter-bank interest rate published by the Bank of Lithuania.

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(all amounts are in LTL thousand unless stated otherwise)

9 Loans

	31 December 2014 (unaudited)	31 December 2013 (audited)
Long-term loans		
Loans from credit institutions of Lithuania	-	135,000
Leasing	35	118
Short-term loans		
Loans from credit institutions of Lithuania	135,000	-
Current portion of long-term loans	-	45,000
Leasing	83	83
	135,118	180,201

By a separate notification the Company informed Swedbank AB that all the outstanding amount of the loan, i.e. LTL 135.0 million (EUR 39.1 million) in accordance of the long-time credit agreement as of 22 October 2012 will be repaid to the bank prior to maturity, i.e. on 22 January 2015.

To balance the working capital, on 14 May 2014 the Company concluded an overdraft contract with Danske Bank A/S Lithuania branch for the amount of up to EUR 5.8 million (LTL 20 million). As at 31 December 2014 the overdraft was not used.

On 30 December 2014, the Company entered into a new credit agreement with Swedbank AB regarding a long-term loan in the amount of up to EUR 113.0 million (LTL 390,2 million). The contract terms provide for the final date closing the period until which it will be possible to use the loan as being 30 June 2015. As at 31 December 2014, the loan was not used.

10 Grants (deferred revenue)

	Deferred revenue	Grants	Total
Balance at the end of the period 31 December 2013	5,656	125,416	131,072
Received during the period of 12 months ended on 31 December 2014	-	24,907	24,907
Written off during the period of 12 months ended 31 December 2014.	-	-	-
Amortisation during the period of 12 months ended on 31 December 2014	(119)	(4,504)	(4,623)
Balance as at 31 December 2014	5,537	145,819	151,356

Grants receivable in 2014 saw an increase resulting from the EU's financial assistance under the European Union Facility (CEF) to the Project "Construction of Klaipėda - Kuršėnai gas transmission pipeline" –LTL 21,400 thousand.

11 Income tax

In 2014, the standard corporate income tax rate applicable to the companies of the Republic of Lithuania was 15 per cent (in 2013: 15 per cent).

The income tax expenses for the period comprise the current income tax and the deferred income tax.

Following the amendments to the Law on Corporate Income Tax which provide for a possibility to take advantage of the corporate income tax relief, after investment in new technologies, in 2014 the Company calculated the corporate income tax relief amounting to LTL 4,398 thousand (in 2013: LTL 1,388 thousand).

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(all amounts are in LTL thousand unless stated otherwise)

12 Trade payables

	31 December 2014 (unaudited)	31 December 2013 (audited)
Payables to suppliers in according to the Construction programme	31,428	31
Payables to suppliers according to the Reconstruction programme	3,916	7,949
Payables to suppliers for services received	1,307	1,244
Payables to suppliers of repairs of non-current assets	1,415	1,688
Other	1,954	1,761
	40,020	12,673

Payables to suppliers under the Construction Programme increased due to the procurement of the piping for the Project "Construction of Klaipėda - Kuršėnai gas transmission pipeline" – LTL 14,293 thousand and to the gas pipeline construction and installation company for the works carried out – LTL 17,046 thousand.

13 Other payables and current liabilities

	31 December 2014 (unaudited)	31 December 2013 (audited)
LNGT funds (administered by the Company) payable	50,466	45,270
Accrued LNGT funds (administered by the Company) *	60,074	54,644
Real Estate Tax payable	1,145	1,838
Value Added Tax payable	-	1,452
Other payables	658	663
	112,343	103,867

* The accrued LNGT funds administered by the Company are attributed to the LNGT funds payable account only when the gas transmission system users pay them to the Company.

14 Revenue

	For the period of three months ended 31 December 2014 (unaudited)	For the period of twelve months ended 31 December 2014 (unaudited)	For the period of three months ended 31 December 2013 (unaudited)	For the period of twelve months ended 31 December 2013 (audited)
Transmission and transit of natural gas	51,684	171,938	45,895	70,006
Income from balancing	3,421	6,138	832	2,508
Grants recognised as income	1,200	4,623	904	1,428
Income from LNGT fund administration	82	327	76	126
Other income	52	296	21	33
	56,439	183,322	47,728	74,101

15 Commitments and contingencies

Legal disputes

According to the Republic of Lithuania Law on Liquefied Natural Gas Terminal and resolutions adopted by the NCC, natural gas system users that transport natural gas via the gas transmission system, when paying for gas transmission services are charged an inseparable component of the natural gas transmission price – an LNGT-related extra tariff (surcharge)

In the light of the fact that AB Achema, despite the fact of being a gas transmission system user, has systemically failed to pay the LNGT-related extra tariff (surcharge), AB Lietuvos Dujos, being the administrator of the LNGT-funds, on 12 April 2013, filed a lawsuit with Kaunas Regional Court for the payment of the LNGT-related extra tariff (surcharge), award of default interest and the obligation to perform the contract. By the transfer and acceptance certificate as of 1 August 2013 AB Lietuvos Dujos transferred the aforesaid case to AB Amber Grid.

On 17 September 2013, AB Amber Grid revised the amount of the claim. By 12 December 2013 judgement the court of first instance partially satisfied the claim by AB Amber Grid – the court awarded the total requested debt and procedural interest; nevertheless, the court reduced the interest to be awarded from 0.04 percent to 0.02 percent. AB Achema lodged an appeal, and AB Amber Grid also lodged an appeal concerning the award of interest. The Court of Appeal decided to apply to the Constitutional Court of the Republic of Lithuania with a request to investigate whether or not certain individual provisions of the Republic of Lithuania Law on Liquefied Natural Gas Terminal were consistent with the Constitution of the Republic of Lithuania, it also suspended the legal proceedings until the consideration of the aforesaid request by the Constitutional Court of the Republic of Lithuania. The outcome will have no financial impact on the Company, because, should the court uphold AB Amber Grid's action, the amount of money awarded would afterwards have to be transferred to the beneficiary of the LNGT-funds.

On 7 March 2014, AB Amber Grid addressed Kaunas Regional Court with a claim requesting to award from AB Achema the debt for the outstanding LNGT-related extra tariff (surcharge) amounting to LTL 11,009,062.23 for the period from 1 September 2013 to 31 December 2013 and award the default interest for the LNGT-related extra tariff (surcharge) amounting to LTL 375,668.35 not paid in a timely manner for the afore-mentioned period. The case is heard in the court of first instance. The outcome of the case will have no financial impact on the Company because should the court satisfy the claim brought by Amber Grid AB, the awarded amount of money afterwards would have to be remitted to the beneficiary of the LNGT-related extra tariff (surcharge).

On 19 November 2012, AB Achema addressed Vilnius Regional Administrative Court requesting to revoke Paragraphs 3.1 and 4 of Resolution No 03-317 of 19 October 2012 "On Setting the Amount of Funds Aimed at Full or Partial Compensation of the Costs of Installation and Operation of the Liquefied Natural Gas Terminal, Infrastructure and Connector Thereof for the Year 2013" and requesting to repeal Paragraph 2 of the NCC's Resolution No 03-330 as of 26 October 2012 "On Adjustment of the Tariff Caps for Natural Gas Transmission and Distribution of AB Lietuvos Dujos and Setting of the Tariff Cap for the Inseparable Component of the Natural Gas Transmission Price (the LNGT-Related Extra Tariff (Surcharge)) for the Year 2013". AB Amber Grid is involved in the proceedings as a third party concerned. The case is heard in the court of first instance. On 13 October 2014 Vilnius Regional Administrative Court decided to apply to the Constitutional Court of the Republic of Lithuania with a request to investigate whether or not of certain individual provisions of the Law on Liquefied Natural Gas Terminal were consistent with the Constitution of the Republic of Lithuania, it also adjourned the case until the request is considered by the Constitutional Court of the Republic of Lithuania. In the opinion of the Management, the outcome of the case is not clear and cannot be reasonably estimated.

In 10 July 2013, Panevėžys District Court received a claim brought according to the plea raised by a prosecutor at the Public Interest Protection Department of Panevėžys Regional Prosecutor's Office against the defendants, namely, the Ministry of Economy of the Republic of Lithuania, AB Lietuvos Dujos, the third parties concerned, namely, the Lithuanian Road Administration under the Ministry of Transport and Communications of the Republic of Lithuania, and the state enterprise Panevėžio Regiono Keliai, regarding the revocation of the orders of the Minister of Economy in the part concerning transfer of a road of national significance, application of restitution, which is attributable to the general competence courts or the administrative court. By the transfer and acceptance certificate as of 1 August 2013, AB Lietuvos Dujos transferred the afore-mentioned case to AB Amber Grid. A part of the road belonging to AB Amber Grid by ownership right which leads to the Panevėžys Gas Compressor Station falls within a section of Piniava-Paliūniškis Road which has the status of a road of national significance. As all roads of national significance shall be

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(all amounts are in LTL thousand unless stated otherwise)

15 Commitments and contingencies (continued)

owned by the right of exclusive ownership exclusively by the State itself, the prosecutor requests annulment of the orders adopted by the Minister of Economy and the acceptance certificates in question whereby the above road was registered as the property of AB Lietuvos Dujos and is currently registered as property of AB Amber Grid. The claim has been revised several times, as the prosecutor revised his pleas. On 19 November 2014, the court upheld the action in part: it recognized registration of the property rights to the road as made by the state enterprise Centre of Registers invalid. The outcome of the case could have a financial impact on the Company as the Company seeks that the Company would be awarded a compensation should the court cancel AB Amber Grid ownership rights to at least a portion (6,534 sq. meters.) of the road. In the opinion of the Management, the outcome of the case is not clear and cannot be reasonably estimated.

16 Related party transactions

The parties are considered to be related where one party has a possibility to control the other one or may have a significant influence over the other party in making financial and operating decisions.

On 31 December 2014, the related parties of the Company were as follows:

- UAB GET Baltic (joint venture in which the Company has an interest);
- UAB EPSO-G (main shareholder of the Company);
- UAB LITGRID (co-shareholders);
- UAB Baltpool (subsidiary of LITGRID AB);
- UAB Tetas (subsidiary of LITGRID AB);
- UAB Tinklo priežiūros centras (subsidiary of AB LITGRID);
- UAB Duomenų logistikos centras (associated company of AB LITGRID Group);
- Lit Pol Link Sp.z.o.o. (joint venture co-owned by LITGRID AB and the Polish electricity network operator PSE S.A.);
- Management.

The related parties of the Company, transaction amounts and debts as of 31 December 2013 were as follows:

- E.ON Ruhrgas International GmbH (one of the major shareholders of the Company);
- OAO Gazprom (one of the major shareholders of the Company);
- Ministry of Energy of the Republic of Lithuania (one of the major shareholders of the Company);
- UAB GET Baltic (joint venture where the Company has an interest);
- AB Lietuvos Dujos (the same shareholders);
- AS Latvijas Gaze (the same shareholders).

The Company's balances and transactions with related parties are listed in the table below. The tables below present the Company's balances and transactions with related parties as of 31 December 2014 and as of 31 December 2013.

As of 31 December 2014 (unaudited)	Purchases	Sales	Accounts receivable	Accounts payable
UAB Tetas	9	-	-	7
UAB GET Baltic	1,037	-	-	-
	1,046	-	-	7

COMPANY'S CONDENSED FINANCIAL STATEMENTS

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(all amounts are in LTL thousand unless stated otherwise)

16 Related party transactions (continued)

As of 31 December 2013 (audited)	Purchases	Sales	Accounts receivable	Accounts payable
OAO Gazprom	-	20,166	9,320	-
AB Lietuvos Dujos	5,590	14,137	1,523	1
<i>of which the LNGT funds</i>	-	4,822	1,379	-
UAB GET Baltic	232	221	-	280
AS Latvijas Gaze	26	-	-	-
	5,848	34,524	10,843	281

There were no guarantees provided for or received for receivables from the related parties or for payables to them. As at 31 December 2014, the Company had not accounted any impairment loss allowances for receivables from the related parties.

Benefits for the top executives

During the period of 12 months ended 31 December 2014 the Company's benefits to the top executives of the Company amounted to LTL 1,167 thousand. The top executives are the Chief Executive Officer, the Deputies thereof, and the Chief Accountant. The top executives of the Company were not given any loans, guarantees or property transfers.

17 Post-balance sheet events

On 13 January 2015, the National Commission for Energy Control and Prices (hereinafter referred to as the "NCC") stated that the unbundling of AB Amber Grid's transmission activity complied with the provisions of the Law on Natural Gas of the Republic of Lithuania (transposing provisions of the EU Third Energy Package) and issued in respect to AB Amber Grid a preliminary Transmission System Operator's certificate. The law stipulates that the NCC shall inform the European Commission about the decision and furnish supporting documentation. After a positive decision is communicated by the European Commission, the NCC will make its decision on the issuance in respect of the Company of an open-ended Gas Transmission System Operator's license.

On 22 January 2015 Company repaid EUR 39.1 million (LTL 135.0 million) "Swedbank", AB loan and in the same time Company used EUR 36.5 million (LTL 126 million) loan under credit agreement signed with Swedbank, AB on 30 December 2014.

On 2 February 2015, Kaunas District Court issued a ruling in the case concerning the award of LNGT-extra price component funds regarding AB Achema requests to suspend the proceedings and to refer the case to the Constitutional Court regarding the consistency of Article 5 part 2 of the Law on LNGT and paragraph 14 of the Republic of Lithuania Government Resolution No. 199 as of 15 February 2012 "On the Implementation of the Republic of Lithuania Law on Liquefied Natural Gas Terminal" with the Constitution. The Court decided not to grant the request by AB Achema regarding the referral to the Constitutional Court, but it also decided to suspend the proceedings until the Constitutional Court examines the Lithuanian Court of Appeal's application regarding the consistency of Article 5 part 2 of the Law on LNGT to the Constitution. The Republic of Lithuania Government (at Cabinet Meeting as of 9 February 2015, see Minutes No 5) instructed the Ministries of Energy and Finance to take the decisions required to merge the Energy Resource Exchange, Baltpool UAB, and the Natural Gas Exchange, Get UAB Baltic.

1 January 2015 was the day of the introduction of the Euro into the Republic of Lithuania, therefore, on this day the Company's functional currency was to change. The recalculation of the litas to the euro was based on the conversion exchange rate equal to LTL 3.45280 for EUR 1, which was irrevocably set by the Council of the EU.

17 Post-balance sheet events (continued)

In 2015, the Company transferred to AB Klaipėdos Nafta collected cash the natural gas supply security-related additional price component to the natural gas transmission price for December of 2014 and January 2015 in the amount of EUR 4,554 thousand.