



Interim report of AB Lietuvos Dujos for 3
months of 2015 (pre-audited)

29 May 2015



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KEY INDICATORS OF AB LIETUVOS DUJOS

Key performance indicators of AB Lietuvos Dujos		2015.03.31	2014.03.31	Change +/-	%
Performance indicators					
Volume of gas distributed to customers	thousand m ³	252.171	300.958	-48.787	-16%
Volume of gas distributed to customers	MWh	2.649.623	-		
Gas supply quality indicators					
SAIDI, min. (at the responsibility of the operator)	min.	0,0835	0,0864	-0,0029	
SAIFI, pcs. (at the responsibility of the operator)	pcs.	0,0009	0,0010	-0,0001	

Note: The National Control Commission for Prices and Energy has set annual indicators for 2014 - 2018

		Unplanned terminations			
SAIDI, min. (at the responsibility of the operator)	min.	0,4410			
SAIFI, min. (at the responsibility of the operator)	vnt.	0,0056			

Key financial indicators of AB Lietuvos Dujos		2015.03.31	2014.03.31*	Change +/-	%
Earnings	thousand EUR	20.778	20.397	381	2%
Natural gas purchase expenses	thousand EUR	1.419	2.230	-811	-36%
Other expenses	thousand EUR	9.670	10.314	-644	-6%
EBITDA (1)	thousand EUR	11.976	10.840	1.136	10%
EBITDA margin (2)	%	57,6%	53,1%		
Net profit	thousand EUR	8.241	6.782	1.459	22%
Net profit (including the terminated activity)			9.562		

		2015.03.31	2014.03.31**	Change +/-	%
Total assets	thousand EUR	223.862	309.310	-85.448	-28%
Equity	thousand EUR	173.942	212.599	-38.657	-18%
Financial debt	thousand EUR	0	0		
Net financial debt (3)	thousand EUR	-35.769	-27.015		
Return-to-equity ratio (ROE) (4)	%	0,0%	18,0%		
Equity level (5)	%	77,7%	68,7%		

* Financial data of the continued distribution activity

** Financial data together with the terminated supply activity

1)EBITDA (earnings before financial activity result, taxes, depreciation and amortization) = profit (loss) before taxes + financial expenses- financial income- dividends received+depreciation and amortization expenses

+ impairment expenses + long-term tangible asset write-offs;

2) EBITDA margin = EBITDA / Earnings;

3) Net financial debt = financial debt - cash and cash equivalents - short-term investments and fixed-term deposits – a share of other long-term financial assets comprising investments in debt securities;

4)Return on equity (ROE) = net profit (loss), recalculated annual expression/equity at the end of the period;

5) Equity level = equity at the end of the period/total assets at the end of the period;



A WORD FROM THE CHIEF EXECUTIVE OFFICER

Changes recently implemented in AB Lietuvos Dujos provide us with an exceptional possibility to prove that a company in the hands of the state can be well managed. Transformation undergoing in the company in 2015 has set processes in motion: we have been adapting in our activities modern governance rules applicable in the Lietuvos Energija group, which has had a positive impact on the organization. In the beginning of the year, we undertook internal reforms facilitating the management of the company. During that time, we have prepared for an important change: since 1 June, regional divisions of the Company will become more integrated, start operating as regional gas network departments of the same company - Lietuvos Dujos - rather than individual legal units. We thereby seek to create a more flexible company, make the company's structure flatter and thus accelerate the decision-making process, speed up the service of gas consumers and make operations of the entire company more efficient.

Projects for the centralization of functions serving core business were implemented during the first quarter of 2015. They will increase the Company's operating efficiency and help it to better integrate into Lietuvos Energija group. Administration functions of public procurement and labour relations of Lietuvos Dujos were successfully transferred to the group company UAB Verslo Aptarnavimo Centras. We are preparing to transfer the accounting function to UAB Verslo Aptarnavimo Centras and the ITT function to UAB Technologiju Inovaciju Centras in the nearest future. Seeking for a better operating efficiency, some activities were centralized within the company.

In March, the programme for clearing up the value chain of Lietuvos Energija was announced, the aim whereof is to ensure the creation of the maximum value added increasing the efficiency of main activities. Upon the implementation of the programme, two companies serving gas and electricity distribution networks Lietuvos Dujos and LESTO will be merged by the beginning of 2016. The benefit of merging the companies is reasoned by the reduction of costs, more convenient customer service and the development of new services, and it provides a great opportunity for employees to improve their skills and realize emerging career possibilities. By more efficient management of energy distribution networks, reduction of operating costs and creation of new services we will contribute to increasing competitiveness of the country and the creation of the added value for customers, which we believe in the long run to help us increase the company's earnings and value.

One of more significant changes implemented this spring is the provision of services to consumers in joint customer service centres of Lietuvos Dujos, Lietuvos Duju Tiekinas and LESTO started on 30 March. Customers are already able to receive all gas and electricity-related services at one point, they are served by competent specialists advising them on payment, installation of gas and electricity and other related issues, thus allowing users to save their time.

The first quarter of 2015 was successful to the company because of its improved financial performance results. Operating costs were lower than planned, while the company's revenues grew by 2 percent. Net profit increased by one fifth, while EBITDA grew by one tenth. Such results were achieved by rationally using company's resources and making its core activity more efficient. I am happy with the fact that our minority shareholders appreciate positive changes occurring in the company - the price of shares of the Company increased by 20 percent in Q1 of this year.

Even though this quarter gas distribution volumes continued to decrease, the interest of customers in turning back to the use of natural gas has been significantly increasing. During the first quarter, we connected 49 percent more new customers than in 2014 Q1. I believe that the measures for attracting customers implemented by the company, such as the illustration of the gas network online at www.regia.lt, the preparation of an electronic application form for connecting to the gas network on the company's website, more active advertising campaigns and participation in construction exhibitions will render positive results, and the number of gas consumers will consistently increase, which will allow to increase the volume of distributed gas and reduce gas distribution tariffs in the future, thus increasing the appeal of gas as a fuel type to the end user.

Liudas Liutkevičius
Chairman of the Board and CEO, AB Lietuvos Dujos

REPORTING PERIOD FOR WHICH THE REPORT WAS PREPARED

The report was prepared for January - March of 2015.

MAIN DATA ABOUT THE COMPANY

Name	Public Company Lietuvos Dujos (hereinafter - the Company)
Legal form	Public company
Date and place of registration	23 November 1990, Register of Legal Entities
Legal entity code	120059523
Registrar of the Register of Legal Entities	SE Centre of Registers
Authorized capital	LTL 290.685.740
Registered office address	Aguonų St. 24, LT-03212 Vilnius, Lithuania
Telephone	+370 5 236 0210
Fax	+370 5 236 0200
E-mail address	ld@lietuvosdujos.lt
Website	www.lietuvosdujos.lt

MAJOR DEVELOPMENTS OF THE REPORTING PERIOD

On 1 January 2015, AB Lietuvos Dujos started publishing the data on calorific value of gas supplied to the network. Consumed gas is accounted for in euro per kilowatt-hour for gas system users. Before 1 January 2015, the consumed natural gas was accounted for in litas per cubic meter.

In making the activities of Lietuvos Dujos more efficient, the Company's legal, personnel management, office administration and work safety functions have been centralized since 1 January.

A member of the Board of the Company and Head of the Gas Network Division Tomas Šidlauskas resigned on 30 January. He held this position since 3 November 2014.

On 9 February, the Supervisory Board of Lietuvos Dujos elected Dalius Svetulevičius a new member of the Board till the end of term of office of the operating Board of the Company, who was also appointed to the post of Head of the Gas Network Division.

Seeking for operating efficiency, on 1 March the public procurement function conducted by Lietuvos Dujos was transferred to UAB Verslo Aptarnavimo Centras.

Information on the planned merger of Lietuvos Dujos and LESTO - companies managing gas and electricity distribution network - was announced on 3 March, which is planned to be implemented by the end of 2015. A decision on the merger of the companies was made by Lietuvos Energija, UAB, which owns 96.64 percent of shares of AB Lietuvos Dujos.

On March 10, the Board of Lietuvos Dujos made a decision to abolish the legal status of the Company's branches by 1 June 2015. In order to facilitate the Company's management and make it more efficient, since 1 June all branches of the Company (in Vilnius, Kaunas, Klaipėda, Šiauliai and Panevėžys) will be reorganized to gas network departments.

Since 30 March, customers of Lietuvos Dujos have been serviced together with customers of LESTO and Lietuvos Dujų Tiekinas in joint customer service centres operating in Vilnius, Kaunas, Klaipėda, Šiauliai, Panevėžys, Alytus and Utena. With focusing customer service in one point, electricity and gas consumers will be able to receive the services faster and more conveniently.

MAJOR DEVELOPMENTS AFTER THE REPORTING PERIOD

In cooperation between Lietuvos Dujos and the Centre of Registers, on 20 April, the publication of a gas distribution pipeline managed by the Company was started online at www.regia.lt. This is one of the steps towards a shorter and more convenient connection to the gas network.

In the General Meeting of Shareholders of AB Lietuvos Dujos held on 27 April a decision was made to allocate the profit of 2014 and pay EUR 28 million, or EUR 0.0963 per share, in dividends. On 30 September 2014, the Extraordinary Meeting of Shareholders of AB Lietuvos Dujos made a decision on the allocation of interim dividends to shareholders of AB Lietuvos Dujos. The amount of dividends allocated at the time was EUR 20.2 million, or EUR 0.07 per share.

ANALYSIS OF FINANCIAL AND PERFORMANCE RESULTS

In the implementation of the provisions of the European Union Third Energy Package on the unbundling of natural gas sector activities, the assets, rights and obligations of the natural gas supply activity were sold to UAB Lietuvos Duju Tiekinas under the contract on the purchase-sale of a part of Company of 15 October 2014 as at 31 October 2014. For purposes of comparability of information, the statement of comprehensive income for three months of 2014 was rearranged to reflect the supply activity as discontinued operations.

REVENUE

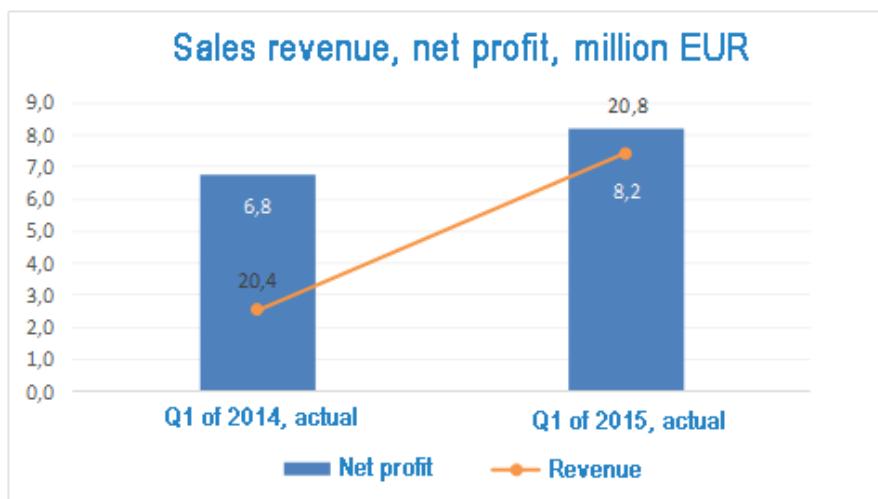
Compared to the respective period of last year, the Company's revenue for three months of 2015 increased by 2 percent and accounted for EUR 20.8 million (in 3 months of 2014: EUR 20.4 million). The increase in revenue was determined by increased distribution service prices. In recent years, gas distribution volumes decreased due to a warmer winter season, decreased electricity production in heat and electricity production companies and the replacement of natural gas with biofuel. Such a situation encourages the Company to focus more on OPEX reduction, responsibly planning the necessary expenses for maintaining proper network condition. Pursuant to the Methodology for Prices subject to Regulation in the Natural Gas Sector, the decrease of distribution volumes is assessed each year by setting distribution service price caps for the upcoming year, which allows maintaining a stable level of income.

EXPENSES

During 3 months of 2015, operating expenses of the Company decreased by 11.6 percent compared to the respective period of last year and amounted to EUR 11.1 million (in 3 months of 2014: EUR 12.5 million). This decrease was mainly determined by the reduction of costs of purchase of natural gas due to a lower natural gas purchase price.

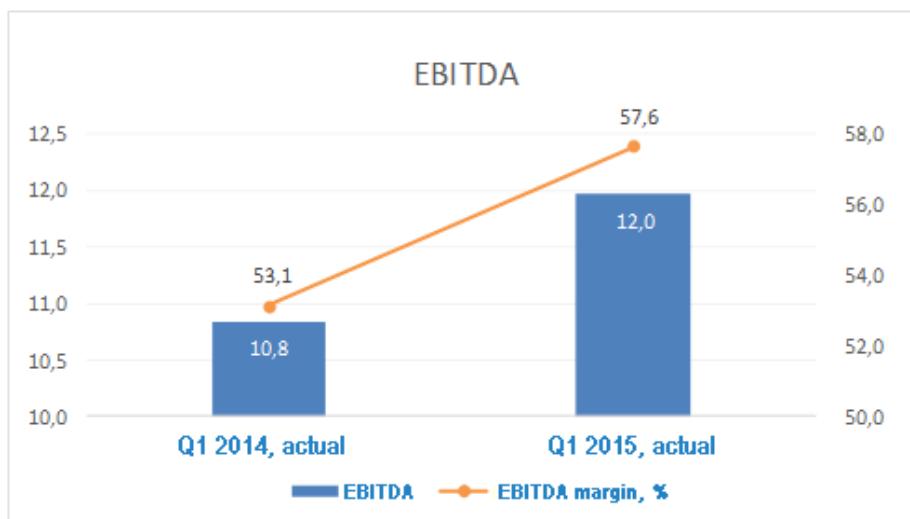
OPERATING EXPENSES

During 3 months of 2015, net profit of the Company totalled EUR 8.2 million (in 3 months of 2014, net profit accounted for a total of EUR 9.6 million, of which net profit of the continued distribution activity was EUR 6.8 million and of discontinued supply activity - EUR 2.8 million). When comparing net profit earned from gas distribution activity, it was 21.5 percent greater this year compared to the same time last year.



*Continued distribution activity.

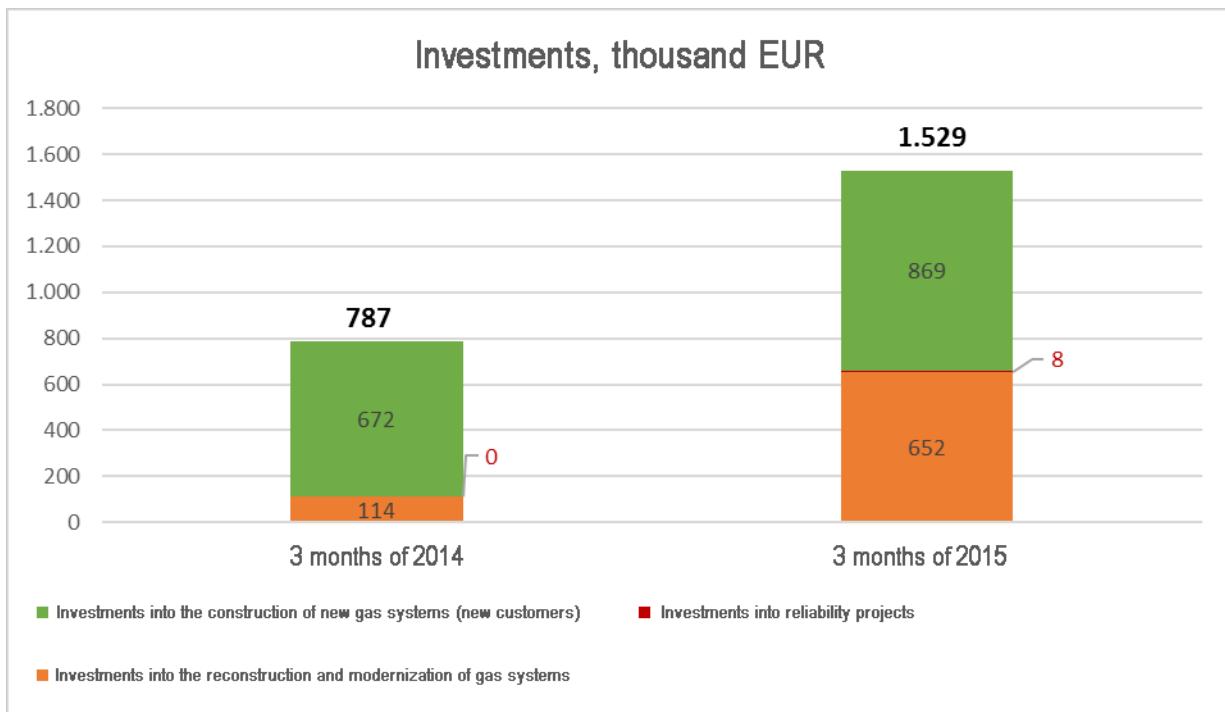
The Company's EBITDA of 3 months of 2015 accounted for EUR 12 million (EBITDA of 3 months of 2014 was EUR 10.8 million). This change was determined by better operating results due to lower costs of purchase of natural gas for technologic needs.



*Continued distribution activity.

INVESTMENTS

In 3 months of 2015, the Company's investments totalled EUR 1 529 000, which was EUR 742 000, or 94.3% more compared to investments of the continued activity made in 3 months of 2014. The increase in investments in 2015 was determined by higher investments into the construction of new gas systems due to the completion of works started last year and finished earlier than planned. Favourable weather conditions allowed for a faster implementation of the planned projects. Investments also increased due to the changed policy providing for the accounting for gas meters and the installation thereof as investments into the long-term assets.



During three months of 2015, investments in the amount of EUR 0.9 million were made into the construction of new gas systems and works for the connection of customers (compared to EUR 0.7 million in 3 months of 2014) and 14 km of gas distribution network was built (10 km in 3 months of 2014) connecting 736 new customers to gas pipelines, which was 49 percent more compared to 3 months of 2014, when 494 new customers were connected to gas distribution systems.

One of the major investment projects into the construction of new gas systems completed in Q1 of 2015 was the construction of a medium-pressure distribution pipeline in Pramonės Avenue, Kaunas. The pipeline was constructed for a business customer planning to use about 93.6 gigawatt-hours (GWh) of natural gas per year. The investments into this project amounted to almost EUR 85 000, 0.9 km of

pipeline was built for connecting the new customer. Also, an almost 2 km-long gas pipeline was built in Noreikiškės neighbourhood, Kaunas district. Project investments amounted to more than EUR 63 000.

More information on the Company's financial performance results is disclosed in the Company's condensed interim financial statements for the period of three months ended on 31 March 2015.

DIVIDENDS

On 30 September 2014, the Extraordinary General Meeting of Shareholders of AB Lietuvos Dujos made a decision on the allocation of dividends to shareholders of AB Lietuvos Dujos for a period shorter than the financial year. Shareholders were allocated dividends of EUR 0.07 per share. The total allocated dividend amount was EUR 20.2 million.

On 27 April 2015, the General Meeting of Shareholders of AB Lietuvos Dujos made a decision on the distribution of profit of 2014. EUR 28 million, or EUR 0.0963 per share, was allocated for dividends.

ACTIVITIES OF AB LIETUVOS DUJOS

Lietuvos Dujos - a company owned by the largest energy group Lietuvos Energija listed on NASDAQ OMX Vilnius Stock Exchange - is a natural gas distribution system operator. The Company provides natural gas distribution services and is responsible for natural gas distribution infrastructure, the safety, renovation and development thereof, takes care of the attraction of new customers and their connection to the gas distribution system, provides emergency gas maintenance and other natural gas system-related services. The natural gas distribution activity of the Company is subject to regulation by setting price caps. The National Control Commission for Prices and Energy has been performing the function of a regulator.

Lietuvos Dujos started a new stage of its life in autumn of 2014 after the unbundling of the gas supply - the acquisition of gas as a commodity and its purchase to customers - function. This step completed the implementation of the European Union's Third Energy Package requiring for the separation of gas infrastructure from the supply activity. Since that time, the activity of Lietuvos Dujos has been cleared up, which includes the provision of natural gas distribution services, maintenance and development of distribution pipelines, search and attraction of new customers and their connection to the gas distribution network.

In mid-2014, the state acquired 96.6% of shares of the Company through Lietuvos Energija and became the major shareholder of AB Lietuvos Dujos. The remaining part of shares of the Company, i.e. 3.4%, is owned by minority shareholders.

In the creation of customer-friendly environment, the Company serves its customers together with electricity distribution system operator LESTO and gas supply company UAB Lietuvos Duju Tiekinas in their joint customer service centres in seven major cities of Lithuania. Now customers are able to receive all electricity and gas infrastructure-related services in one place.

Having announced about the planned merger of gas and electricity system operators Lietuvos Dujos and LESTO in March 2015, this year will be a cornerstone year for the preparation of joint activities of the companies.

Natural gas distribution system operated by Lietuvos Dujos is well-developed, new gas customers can be connected thereto. In order to continue providing high-quality services, the Company must regularly invest in network maintenance, renovation of infrastructure and construction of new gas pipelines. In order to increase its operating efficiency and decrease network maintenance costs, the Company has been investing in network modernization.

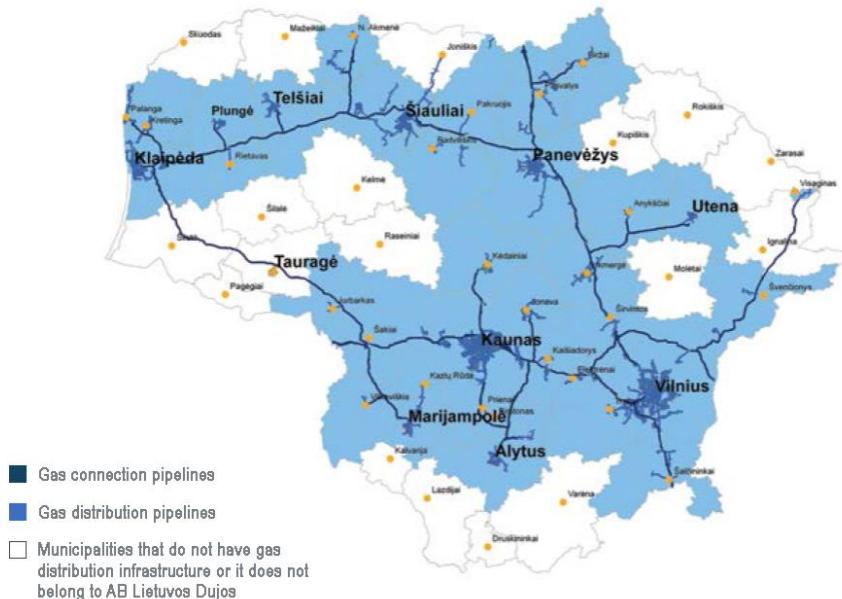
Lietuvos Dujos operates 8.5 thousand km of gas distribution pipelines and holds a natural gas distribution license, which grants it the right to conduct natural gas distribution activity in the territory of 41 municipalities. There are 5 other distribution system operators holding natural gas distribution licenses, however there are a few cities and towns in Lithuania still unable to use gas. There still aren't any gas distribution network branches in Raseiniai, Kelmė, Šilalė, Šilutė, Pagėgiai, Lazdijai, Varėna, Molėtai, Ignalina, Zarasai, Rokiškis, Kupiškis, Skuodas and Tauragė. The latter is one of the cities, where AB Lietuvos Dujos is negotiating with partners on the construction of a new gas pipeline.

556 000 home consumers - objects and about 9 000 objects of businesses and public sector consumers were connected to the system of Lietuvos Dujos. About 84 000 customers use gas for heating houses,

while the majority, about 472.000 customers, use gas for cooking. Gas is used in production activities of companies and for generation of heat, thus the greatest volume of gas - about 520 MCM per year - is used by industrial companies, public sector objects and heat producers. Home consumers use about 150 MCM of gas per year: about 120 MCM for heating houses and about 30 MCM in stoves.

Natural gas is the cleanest type of fossil fuel. Environmental impact of natural gas used for heat production in households, industrial and energy sectors is the lowest compared to other types of fuel. Burning natural gas does not emit any unpleasant odor and does not cause smog.

Natural gas distribution system operated by the Company



JOINT VENTURES

According to the data of 31 March 2015, AB Lietuvos Dujos owned UAB GET Baltic and UAB Verslo Aptarnavimo Centras jointly with other companies, and has acquired shares of UAB Technologiju ir Inovaciju Centras.

Key information about the companies:

Key data of joint ventures	UAB GET Baltic	UAB Verslo Aptarnavimo Centras	UAB Technologiju ir Inovaciju Centras
Legal form	Private limited liability company	Private limited liability company	Private limited liability company
Company code	302861178	303359627	303200016
Registered office address	Savanorių pr. 28, Vilnius	P. Lukšio g. 5B, Vilnius	A. Juozapavičiaus g. 13, Vilnius
Telephone number	+370 236 0000	(8 5) 259 4400	(8 5) 278 2272
Fax	+370 236 0001	(8 5) 259 4401	(8 5) 278 2299
E-mail	info@getbaltic.lt	vac@le.lt	info@etic.lt
Website	www.getbaltic.lt	www.vac.le.lt	www.etic.lt
Authorized capital	EUR 580.000	EUR 580.000	EUR 6.438.152
Share of the authorised capital owned by AB Lietuvos Dujos, percent as at 31 March 2015	34 percent	7.25 percent	9 percent*
Core business of the company	Organization of trading on the Natural Gas Exchange	Provision of services of the organization and execution of public procurement procedures, accounting and personnel administration services	Provision of information technology and telecommunication services to companies operating in the energy sector

* The part of shares signed but not fully paid by Lietuvos Dujos.

NATURAL GAS BUSINESS ENVIRONMENT

Upon the implementation of the provisions of the EU Third Energy Package providing for the separation of gas sector activities, the management of the Lithuanian gas sector was established. Natural gas transmission network is managed and maintained by the Lithuanian natural gas transmission system operator AB Amber Grid, natural gas distribution network is under the management and supervision of the Lithuanian natural gas distribution system operator AB Lietuvos Dujos, while the natural gas supply to customers is ensured by UAB Lietuvos Duju Tiekimas and other suppliers operating in the Lithuanian market. AB Lietuvos Dujos and UAB Lietuvos Duju Tiekimas are owned by the largest energy group Lietuvos Energija, UAB.

NATURAL GAS SUPPLY MARKET RESEARCH

Pursuant to the Law on Energy of the Republic of Lithuania, the NCCPE conducts market research aimed at the ensurance of efficient competition in the energy sector and preventing the abuse of power of highly influential persons in a certain market.

In light of the official appeal of market participants regarding the validity of prices of natural gas applied by AB Lietuvos Dujos to non-household customers during the period from 1 January 2013 till 30 April 2014, on 19 December 2014, the NCCPE started an investigation of the natural gas supply market, at the time of which year 2013, 2014 and first half of 2015 were investigated. The natural gas supply market investigation initiated on 19 December 2014 had to be completed on 19 April 2015, however, on 8 April 2015 a decision was made to extend the investigation of the market till 19 July 2015.

Given the fact that the investigation was conducted for the past period as well, AB Lietuvos Dujos also took part therein by presenting data for the period starting from 1 January 2013 till the sale of the natural gas supply activity on 1 November 2014.

NATURAL GAS ACCOUNTING PROCEDURE

In the implementation of requirements of the Description of the Natural Gas Accounting Procedure approved by Order of the Minister of Energy of the Republic of Lithuania of 27 December 2013 and subsequent amendments thereto, since 1 January 2015, gas volume in the natural gas distribution system has been accounted for in units of volume and/or units of energy (kilowatt-hours, kWh), using upper calorific value of gas. For the settlement with business and public sector users as well as system users for gas and the provided gas distribution services, the volume of gas has been accounted for in units of energy - kilowatt-hours. The Company has been publishing gas calorific value every day on its website at www.lietuvosdujos.lt.

LICENSING

The Law on Natural Gas stipulates that the activity of natural gas distribution of the Company is subject to licensing. Licences are issued and the supervision of the licensed activities is executed by the NCCPE. The natural gas distribution licence grants the Company the right to engage in the gas distribution activities in the territory of 41 municipalities (out of 60). Currently, the Company is evaluating the possibilities of investing into the construction of a new gas pipeline in the city of Tauragė.

The Company also holds a natural gas supply license, which grants the Company the right to engage in the natural gas supply activity in the territory of the Republic of Lithuania, however, the Company is not engaged in this activity.

SITUATION IN THE GAS MARKET

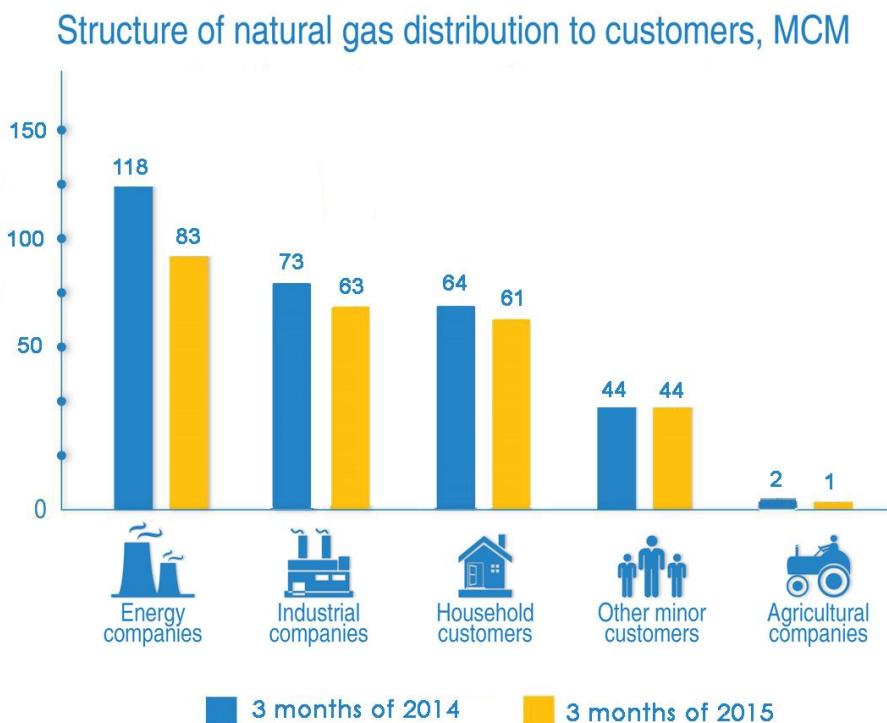
Main factors affecting the perspective of the natural gas consumption is the development of the use of renewable energy sources and the promotion thereof as well as the price level of competing energy sources (biofuel, oil, etc.). The National Energy Independence Strategy establishes that by 2020 renewable energy sources (RES) shall constitute at least 23 percent in the final energy consumption (at least 20 percent in the electricity sector, at least 60 percent in the district heating sector and at least 10 percent in the transport sector). RES development is subsidized both at the EU and the national level, using support provided by EU structural funds, etc., and a large share of energy sector and business companies have been actively investing in the replacement of the fuel used, transferring to the use of RES, which has led to decreased consumption of natural gas in Lithuania.

PRICING AND NATURAL GAS PRICES

Natural gas distribution prices applicable to all customers are subject to regulation. Regulated price caps are set for a five-year regulatory period and may be adjusted by a decision of the NCCPE, but no more often than once per year and in cases provided for in the Law on Natural Gas.

The Company sets specific natural gas distribution prices once per year and presents them for the NCCPE's approval. More detailed information on the prices of gas distribution services presented by the Company is presented on the website at www.lietuvosdujos.lt.

NATURAL GAS DISTRIBUTION



During 3 months of 2015, AB Lietuvos Dujos transported 252.2 MCM of natural gas via its distribution networks, which is 2.6 terawatt-hours (TWh), or about 16 percent, less than during the same period last year.

Compared to the same period of 2014, in January - March 2015, gas distribution volumes decreased mainly due to warm winter weather, reduced electricity production in heat and electricity production companies and the replacement of natural gas with biofuel.

BUSINESS PLANS AND FORECASTS

Given consumer needs, AB Lietuvos Dujos has continued the development of its gas distribution network. The plan is to connect more than 3 000 new users in 2015 and build about 95 km of distribution pipelines.

The plan is to construct a 5.5 km-long high-pressure gas pipeline in Marijampolė Free Economic Zone. Another planned large investment project is the construction of a medium pressure gas pipeline to Kaunas Airport located in Karmėlava, Kaunas district, the length thereof is about 4.1 km.

RISK MANAGEMENT

In Q1 of 2015, the Company underwent a risk management system reform according to the common risk management policy of Lietuvos Energija, UAB Group. In January 2015, a Risk Management Committee was formed in Lietuvos Dujos, which monitors, supervises and ensures risk management process, also, risk assessment groups responsible for the determination of respective process groups and operating risks and the analysis thereof, were brought together, and an employee responsible for the coordination of the risk assessment process was appointed.

In the beginning of 2015, an updated risk management methodology was approved, in accordance with which an assessment of risks of 2015 was conducted. By managing risks the plan is to maintain a sufficient level of control of operating processes, reduce the possibilities of occurrence of events causing risk and possible negative consequences and to ensure that risks did not increase the acceptable level of risk of Lietuvos Dujos, also, to have implemented the goals of the Company.

The Company faces the following risks in its activities: competition-related risk, external regulation-related risk, ITT services-related risk, organizational development, insufficient technical maintenance and other risks.

In order to eliminate the risks or reduce the level of their manifestation, in March 2015, the Risk Management Committee approved a risk management action plan for 2015, whereby it determined measures for mitigating the identified risks, the implementation whereof was planned by the beginning of 2016.

COMPANY'S SHARE PRICE DYNAMICS AND TURNOVER

The Company's shares are traded on the regulated market; they are quoted on the Main List of the stock exchange NASDAQ OMX Vilnius.

Main data about shares of AB Lietuvos Dujos

ISIN code	LT0000116220
Abbreviation	LDJ1L
Number of shares (pcs.)	290.685.740

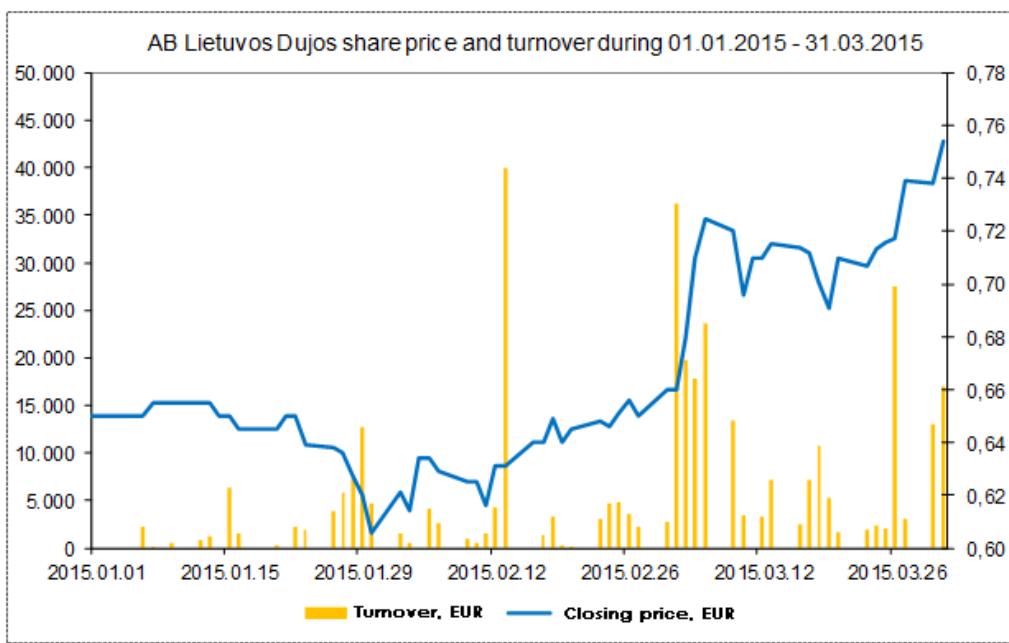
During 3 months of 2015, the total turnover of trading in the Company's shares on the NASDAQ OMX Vilnius amounted to EUR 353.6 thousand, 518.371 shares were disposed of through the concluded transactions.

The Company is not aware of any made shareholders' agreements, which may restrict the disposal of its securities and/or voting rights.

The Company has not acquired its own shares and during 3 months of 2015 had not concluded any transactions related to the acquisition or disposal of own shares.

Share price dynamics at NASDAQ OMX Vilnius in Q1 of 2015

Highest price per share, EUR	0,790
Lowest price per share, EUR	0,606
Weighted average price per share, EUR	0,682
Price per share as at the end of the period, EUR	0,780
Market capitalization as at the end of the period, mln. EUR	226,7



STRUCTURE OF THE COMPANY'S AUTHORIZED CAPITAL, ISSUED SECURITIES THEREOF

According to data of 31 March 2015, there were 290.685.740 ordinary registered shares of the Company on the NASDAQ OMX Vilnius Main List with par value of EUR 0.29 (ISIN code LT0000116220), which have been fully paid for and the total par value whereof amounted to EUR 84.298.865.

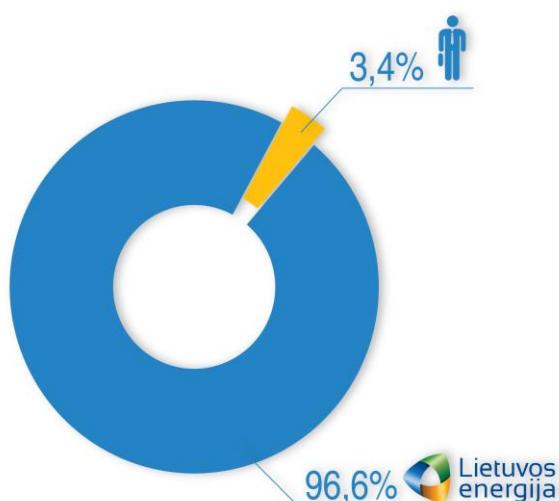
According to data of 31 March 2015, there were 2468 shareholders of the company. All AB Lietuvos Dujos shares entitle to equal property and non-property rights.

According to the Bylaws of the Company, decisions on the issuance of new shares and redemption of own shares rest solely with the General Meeting of Shareholders of the Company.

STRUCTURE OF AB LIETUVOS DUJOS SHAREHOLDERS

The structure of shareholders has not changed since the last reporting period (31.12.2014). 96.6 percent of shares of AB Lietuvos Dujos are owned by Lietuvos Energija, UAB, and the remaining 3.4 percent - by minority shareholders.

Structure of AB Lietuvos Dujos shareholders as of 31-03-2015



AGREEMENTS WITH INTERMEDIARIES OF PUBLIC TRADING IN SECURITIES

On 16 March 2012, AB Lietuvos Dujos concluded an agreement with AB SEB Bank regarding the accounting of the securities issued by the Company and the provision of services related to the securities accounts with effect from 1 April 2012.

AB SEB bank requisites	
Company cod	112021238
Banking license No.	2 (issued by the Bank of Lithuania on 29 November 1990, as subsequently amended)
Registered office address	Gedimino Ave. 12, Vilnius, Lithuania
Telephone numbers	+370 5 268 2800, short number 1518
E-mail	info@seb.lt
Website	www.seb.lt

CUSTOMER SERVICE

In cooperation with the Lithuanian electricity distribution network operator AB LESTO, renovated joint customer service centres were opened up on 30 March 2015 in Kaunas, Klaipėda, Šiauliai, Panevėžys, Alytus and Utena. Here customers are provided with services of AB LESTO, AB Lietuvos Dujos and UAB Lietuvos Duju Tiekinas during one visit.

During the first quarter of 2015, the Company received about 990 applications for connecting new users. The number of applications submitted by customers willing to use gas in Q1 of 2015 was 17 percent lower than in January - March of 2014, when almost 1.2 thousand applications were received. During the first three months of 2015, more than 700 new customers were connected to the gas distribution network, which is 49 percent more than during Q1 of 2014, when about 500 new customers joined the ranks of gas customers in Lithuania.

Conditions were created for real estate developers planning construction works and owners of private land plots to check on the website of the Centre of Registers www.regia.lt whether a gas pipeline is built nearby their land plot and the possibilities for connecting to the gas distribution network. Future gas consumers are also allowed to submit their applications for connecting to gas pipelines by completing an electronic application form published on the Company's website at www.lietuvosdujos.lt.

RESEARCH AND DEVELOPMENT ACTIVITY

In order to achieve efficient development of gas distribution system and connection of new customers, information about potential new customers has been collected and analysed, real estate market development trends, formation of new residential, commercial and production territories have been observed. Also, analysis of applications for connecting to gas networks has been conducted and customers have been surveyed seeking to clear up their needs for connecting to gas networks and to encourage them to do that. Moreover, the analysis of the connection process of new customers has been conducted and new methods for shortening and facilitating it have been searched for.

MEMBERSHIP IN ASSOCIATED STRUCTURES

In Q1 of 2015, the Company was a member of the following organizations:

- the Lithuanian Gas Association;
- Association Eurogas;
- the Lithuanian Association of Thermal Engineers;
- the Lithuanian Welders Association
- the Chamber of Industry, Commerce and Crafts of Šiauliai and Panevėžys.

The Company does not participate in the capital of any of the aforesaid associated structures.

AUDIT COMMITTEE OF THE COMPANY

The Company does not have a formed Audit Committee pursuant to the provision of Article 52(6) of the Law on Audit of the Republic of Lithuania establishing that a public interest entity which is a subsidiary and the financial statements whereof are consolidated may waive the requirements of this Article (to have an Audit Committee formed in the company), if the parent company thereof is registered in the Republic of Lithuania or in any member state and forms the Audit Committee.

CORPORATE GOVERNANCE AND ORGANIZATIONAL STRUCTURE

The activities of the Company are governed by laws of the Republic of Lithuania, other legislation and Bylaws of the Company. The competence of the General Meeting of Shareholders, procedure for the convocation and decision-making thereof is as prescribed by laws, other legal acts of the Republic of Lithuania and the Bylaws of the Company.

The Company has disclosed the information regarding the observance of the provisions of the Code of Governance. Information is available on the Company's website www.lietuvosdujos.lt and the Central Database of Regulated Information www.crib.lt

The Company has five natural gas distribution branches in the regions of Lithuania: Vilnius, Kaunas, Klaipėda, Šiauliai, and Panevėžys. Since 1 June 2015, with the simplification of the Company's management structure and having abolished the legal status of branches, regional divisions of the Company will function as regional gas network departments, while Panevėžys and Šiauliai branches will be merged into one – gas network department of the Northern region. After 1 June, the Company will have operating natural gas network departments of Vilnius, Kaunas, Klaipėda and the Northern region.

According to the Bylaws of the Company, the bodies of the Company comprise the General Meeting of Shareholders, collegial supervisory body - the Supervisory Board, collegial executive body - the Board and the sole executive body - the Chief Executive Officer.

GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY

The General Meeting of Shareholders of the Company is the supreme body of the Company.

The competence of the General Meeting of Shareholders of the Company, procedure for the convocation and decision-making thereof is as prescribed by laws, other legal acts and the Bylaws of the Company.

During the reporting period, shareholders of the Company had equal (property and non-property) rights established by laws, other legal acts and the Bylaws of the Company. None of the shareholders of the Company had any special control rights; all shareholders have equal rights.

SUPERVISORY BOARD

The Supervisory Board of AB Lietuvos Dujos is a collegial supervisory body.

The competence, procedure for decision-making, election and recall of its members is as prescribed by laws, other legal acts and the Bylaws of the Company. The Supervisory Board of AB Lietuvos Dujos comprises three members elected by the General Meeting of Shareholders for the term of office of four years. Independent members form at least one third of the Supervisory Board of AB Lietuvos Dujos.

The Supervisory Board elects the Chairman of the Supervisory Board from among its members. In Q1 of 2015, the composition of the Supervisory Board remained unchanged. On 29 October 2014, the General Meeting of Shareholders elected Darius Kašauskas (Chairman of the Supervisory Board), Ilona, Daugėlaitė and Petras Povilas Čėsna (independent member of the Supervisory Board) as members of the Supervisory Board for the term of office of four years.



Darius Kašauskas
Chairman of the Supervisory Board

Date of appointment:

3 November 2014

End of term:

29 October 2018.

Ilona Daugėlaitė
Member of the Supervisory Board

Date of appointment:

24 October 2014

End of term:

29 October 2018.

Petras Povilas Česna
Member of the Supervisory Board

Date of appointment:

24 October 2014

End of term:

29 October 2018.

Education

ISM University of Management and Economics,
BI Norwegian Business school,
Master's Degree in Management. Vilnius University,
Master's Degree in Economics

Vilnius University, Hydrogeology and Geology Engineering.
Academia Istropolitana Bratislava,
Business Planning and Management

Vilnius University,
Master's Degree in Economics

Main place of employment

Lietuvos Energija, UAB,
Director of Finance and Treasury Service

Lietuvos energija, UAB,
Director of Organizational Development Service

Lithuanian Exhibition and Congress Centre LITEXPO,
Chairman of the Board

Cash amounts calculated for members of the Supervisory Board during Q1 of 2015, EUR

304

Participation in the activities of companies and organizations, also a held share of capital and votes of other companies greater than 5 percent

Name of the company, institution or organization, position	Held share of capital and votes, percent	Name of the company, institution or organization, position	Held share of capital and votes, percent	Name of the company, institution or organization, position	Held share of capital and votes, percent
Chairman of the Supervisory Board of AB Lietuvos Dujos	-	Member of the Supervisory Board of AB Lietuvos Dujos	-	Independent member of the Supervisory Board of AB Lietuvos Dujos	-
Chairman of the Supervisory Board of LESTO	-	Member of the Supervisory Board of LESTO	-	Independent member of the Supervisory Board of LESTO	-
Member of the Board of Lietuvos Energija, UAB and Director of Finance and Treasury Service	-	Member of the Board of Lietuvos Energija, UAB and Director of Organizational Development Service	-	Lithuanian Exhibition and Congress Centre LITEXPO, Chairman of the Board	-
Chairman of the Board of UAB NT Valdos	-	Chair of the Board of UAB Technologiju ir Inovaciju Centras	-	Social assistant of the member of Seimas of the Republic of Lithuania I. Šiaulienė	-
Member of the Board of UAB Kauno Energetikos Remontas	-	Member of the Board of UAB Elektros Tinklo Paslaugos	-		
Chairman of the Board of UAB Verslo Aptarnavimo Centras	-	Chair of the Board of UAB Duomenų Logistikos Centras	-		

BOARD OF THE COMPANY

The Board of AB Lietuvos Dujos is a collegial executive body of the Company.

On the day of the submission of this report, the Board of the Company comprises Liudas Liutkevičius (Chairman of the Board, CEO), Nemunas Biknius, Valentina Birulienė, Giedrė Glinskienė and Dalius Svetulevičius.

Liudas Liutkevičius Chairman of the Board and Chief Executive Officer Holds the position since: 03 11 2014 End of term: 03 11 2018	Nemunas Biknius Member of the Board Holds the position since: 03 11 2014 End of term: 03 11 2018	Valentina Birulienė Member of the Board Holds the position since: 03 11 2014 End of term: 03 11 2018	Giedrė Glinskienė Member of the Board Holds the position since: 03 11 2014 End of term: 03 11 2018	Dalius Svetulevičius Member of the Board Holds the position since: 09 02 2015 End of term: 03 11 2018

Education

Vilnius University, Master's Degree in International Business Finance	Vilnius Gediminas Technical University, Master's Degree in Energy and Thermal Engineering Sciences	Vilnius University, Bachelor's Degree in Management and Business Administration	Vilnius University, Master's Degree in Economics	Kaunas University of Technology, Master's Degree in Measurement Engineering; Vilnius University, Master's Degree in Management and Business Administration
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Main place of employment

AB Lietuvos Dujos, CEO	AB Lietuvos Dujos, Director of the Services and Development Division	AB Lietuvos Dujos, Director of the Organizational Development Division	AB Lietuvos Dujos, Director of the Finance and Treasury Division	AB Lietuvos Dujos, Director of the Gas Network Division
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Cash amounts calculated for members of the Board during Q1 of 2015, EUR

4344	2607	2607	2607	1509
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Participation in the activities of companies and organizations, also a held share of capital and votes of other companies greater than 5 percent

Name of the company, position	Held share of capital and votes, percent	Name of the company, position	Held share of capital and votes, percent	Name of the company, position	Held share of capital and votes, percent	Name of the company, position	Held share of capital and votes, percent	Name of the company, position	Held share of capital and votes, percent
AB Lietuvos Dujos, Chairman of the Board, CEO	-	AB Lietuvos Dujos, member of the Board, Director of the Services and Development Division	0,001	AB Lietuvos Dujos, member of the Board, Director of the Organizational Development Division	-	AB Lietuvos Dujos, member of the Board, Director of the Finance and Treasury Division	-	AB Lietuvos Dujos, member of the Board, Director of the Gas Network Division	-

The competence of the Board of the Company, procedure for the convocation and decision-making thereof is as prescribed by laws, other legislation and the Bylaws of the Company. The Board of AB

Lietuvos Dujos consists of five members elected by the General Meeting of Shareholders for the term of office of four years. The Board elect the Chairman of the Board from its members.

The powers of the members of the Board and areas of operation of the Chief Executive Officer of the Company are as prescribed by laws and Bylaws of the Company; there are no exceptions with regard to any powers of the members of the Board or the Chief Executive Office subject to additional notification.

On 3 November 2014, the Supervisory Board of the Company elected Liudas Liutkevičius, Nemunas Biknius, Tomas Šidlauskas, Giedrė Glinskienė and Valentina Birulienė for the term of office of 4 years. In its meeting of 3 November 2014, the Board of the Company elected Liudas Liutkevičius the Chairman of the Board and appointed him as the Chief Executive Officer of the Company.

On 30 January 2015, a member of the Board of AB Lietuvos Dujos Tomas Šidlauskas resigned from his post.

On 9 February 2015, Dalius Svetulevičius was elected a member of the Board of the Company.

CHIEF EXECUTIVE OFFICER

Chief Executive Officer is the sole executive body of the Company.

The competence of the Chief Executive Officer, procedure for his election and recall is as prescribed by laws, other legal acts and the Bylaws of the Company. The Board of the Company elect, recall and dismiss the Chief Executive Officer. The CEO organizes the Company's activities, manages it, acts on the Company's behalf and unilaterally concludes transactions, except for cases provided for in Bylaws of the Company and legal acts.

Since 4 November 2014, Liudas Liutkevičius has held the post of the Chief Executive Officer of AB Lietuvos Dujos by the decision of the Board.

In accordance with the Policy of Top and Medium-Level Managers of the Lietuvos Energija Group, the payment calculated for the Chief Executive Officer for the period from 1 January 2015 till 31 March 2015 was EUR 13 039 while payments for the Chief Financial Officer and Head of the Accounting Department totalled EUR 11 424 in Q1 of 2015.

TRANSACTIONS OF ASSOCIATED PARTIES

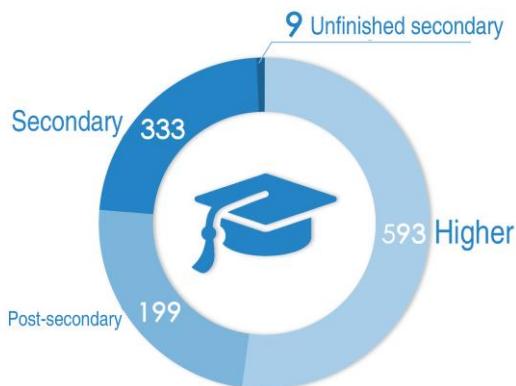
Information is presented in the financial statements of the Company for Q1 of 2015. During the reporting period, the Issuer has not concluded any detrimental transactions (non-compliant with the Company's objectives, the existing normal market conditions, in breach of interests of the shareholders or other groups of persons, etc.) or transactions concluded in presence of a conflict of interest between the obligations to the Issuer of the executives, controlling shareholders or other related parties of the Issuer and their private interest and (or) other obligations.

HUMAN RESOURCES OF THE COMPANY

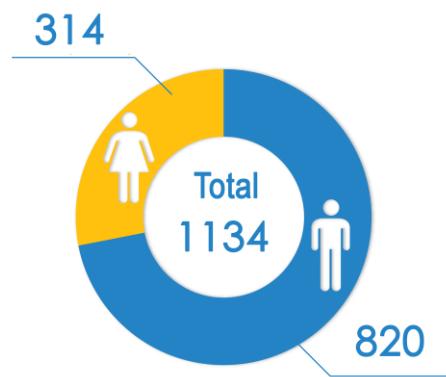
In the first quarter of this year, the Company had 1 134 employees, i.e. 16 percent less compared to Q1 of 2014. This change in the number of employees was determined by unbundling of the natural gas supply activity completed in 2014 in the implementation of requirements of the European Union's Third Energy Package. In the implementation thereof, 134 employees were transferred to UAB Lietuvos Duju Tiekinas on 31 October 2014.

The Company currently employs skilled professionals in their field. More than half of all employees hold a higher education degree, another 200 employees have acquired a higher non-university (post-secondary) education.

Breakdown of the company's employees by their educational background



Number of men and women in the company



ORGANIZATIONAL CULTURE, SKILLS DEVELOPMENT, TRAININGS, INTERSHIP POSSIBILITIES

All employees constantly improve and maintain their skills. The organization of mandatory and professional trainings in the Company is one of priority areas of the development of skills of employees. During the first three months of 2015, 91 employee of the Company took part in mandatory trainings or certifications. 1 070 employees participated in civil safety trainings held company-wide and 1 030 employees took part in the customer service standard trainings newly implemented in the Company. 107 training participants were trained under formal training programmes and certified in the Company's certification centre, which was engaged in training activities and operated in the Company till 31 March 2015.

In other fields of training, the main focus was placed on the development of competencies of employee safety and health and of the skills of welders.

In addition to training its employees, the Company has been devoting great attention to future specialists as well - this year the Company participated in career fairs of 4 universities (KTU, ISM, VGTU, VU), communicated with students, invited them to engage in the Company's apprenticeship programme. In Q1 of 2015, the Company had one intern developing his administration skills.

AVERAGE SALARY OF THE COMPANY'S EMPLOYEES

Employees	Number of employees as at 31.03.2015	Average monthly salary, EUR
Chief Executive Officer	1	4346
Executives	81	2021
Specialists	671	941
Workers	381	873
Total:	1134	967

COLLECTIVE BARGAINING AGREEMENT, TRADE UNIONS OF EMPLOYEES

Branches of AB Lietuvos Dujos have their trade union subunits that are united into the Lithuanian Gas Sector Employees Trade Union Association, which the Company closely cooperates with. The Company has a signed Collective Bargaining Agreement, which establishes labour, professional, social and economic conditions and guarantees.

SOCIAL RESPONSIBILITY

Acting in pursuit of its strategic goals, AB Lietuvos Dujos has been implementing its social responsibility through targeted activities in four key areas: environmental protection, relations with employees and the

public, and activities in the market.

ENVIRONMENTAL PROTECTION

In order to reduce the overall environmental impact of AB Lietuvos Dujos in the most efficient way, the Company is committed to focus its efforts in the areas of the greatest impact, where its actions would allow achieving best results. Based on these principles, each year the Company sets its environmental protection goals and forms tasks, which are in turn integrated into the overall objective of the Company's operations. The Company has approved its Environmental Protection Policy, whereby it undertook to:

- Efficiently and securely supply to customers natural gas - the cleanest type of fossil fuel;
- Rationally use material resources necessary for its operations, apply preventive measures for reducing the consumption thereof;
- Continuously improve the efficiency of environmental management system and apply pollution prevention actions;
- Comply with legal requirements applicable to the Company's activities and other obligations assumed by the Company (to its shareholders and associations which it belongs to);
- Reduce adverse environmental impact of the Company's activities applying economically viable measures;
- Constantly monitor, periodically analyse and evaluate the Company's performance results and environmental impact and to set environmental protection goals and form tasks based thereon;
- Regularly check the efficiency of the applied environmental protection management system, develop employee skills as well as their responsible approach to work and environmental protection;
- Cooperate and exchange information on environmental protection-related issues with business partners, state authorities and other stakeholders and institutions in order to improve the state of the environment and the quality of life.

The task of AB Lietuvos Dujos is secure and reliable distribution of natural gas, which is the least polluting type of fossil fuel used for energy, to customers.

In March 2015, UAB Bureau Veritas conducted a recertification audit of the environmental management system implemented in the Company under the ISO 14001 standard. One discrepancy was identified during the audit, a corrective action plan was drawn up for the elimination whereof. On 8 April 2015, the Company was awarded the certificate. With the ongoing compliance of the Company's management system with requirements of the said standard, the certificate will be valid till 7 April 2018.

The Company's aim to minimize the negative impact on the environment done by its activities is reflected in annually drawn up environmental protection goals.

One of the main objectives of the Company in the field of control and minimization of atmospheric pollution using technical measures is the control of any possible gas leaks in the process of natural gas distribution. In order to ensure the reliability of the gas systems, the Company carries out maintenance, repair, reconstruction and modernization of gas pipelines and the equipment thereof. In order to avoid disruptions in gas transportation at the fault of third persons, the Company supervises excavation works, distributes information about the earthworks in the pipeline protection zone and so on.

Gas emissions into the atmosphere at the fault of third persons (MWh)	
3 months of 2015	3 months of 2014
400 (0,038 mln. m ³)	165 (0,016 mln. m ³)

Due to the very nature of the natural gas operation maintenance system and because of the occupational safety system requirements for carrying out repair and maintenance works, a small proportion of gas volumes are emitted from the gas pipeline system into the atmosphere, however, these volumes are insignificant in comparison of gas volumes that can be possibly emitted into the atmosphere in case of accidents or disruptions.

Gas consumption for technological needs related to gas emissions into the atmosphere (MWh)	
3 months of 2015	3 months of 2014
30936 (2,95 mln. m ³)	30544 (2,937 mln. m ³)

Number of natural gas-fuelled vehicles in divisions of the Company in 2015

Vilnius	
Kaunas	
Klaipėda	
Šiauliai	
Panevėžys	

diesel-fuelled car.

In order to minimize the pollution of the atmosphere from mobile sources, AB Lietuvos Dujos uses in its business economical cars and every year renovates its car fleet so that the rate of emissions would correspond to the high requirements of quality standards.

In order to minimize adverse environmental impact, the Company has been installing technical measures for the ensurance of gas system reliability and renovating its car fleet each year. The Company acquired 14 new cars using the cleanest fossil fuel - natural gas - as fuel. CO₂ emission of gas-fuelled 80 kW cars is 157 g/km as compared to 191 g/km of a 59 kW petrol-fuelled or 167 g/km of a 55 kW

CO₂ emission:



EMPLOYEES

Branches of AB Lietuvos Dujos have their trade union subunits that are united into the Lithuanian Gas Sector Employees Trade Union Association, which the Company closely cooperates with. The Company has a signed Collective Bargaining Agreement, which establishes labour, professional, social and economic conditions and guarantees. Neither employment contracts, nor the Collective Bargaining Agreement provide for any extraordinary rights or duties for the Company's employees – rights and duties usually applied in practice have been set therein. The continuous dialogue between the Company administration and trade union representatives ensures the social interests of the work team and the transparency and efficiency.

The Company is constantly focusing on strengthening skills of employees, especially of its technical staff, also, supervision of contractors, because smooth direct activities of the Company and safety depends on the quality of work, while the made mistakes can result in damage done to the environment, people and property. Relevant seminars, professional excellence competitions, trainings, preventive material and safety days are periodically arranged for employees.

The development of environmental awareness of employees has rendered results: proper waste management, sorting, rational resource management and use, participation in environmental projects for them is a must.

MARKET

AB Lietuvos Dujos promotes ethical, transparent and honest cooperation with customers, suppliers and investors; it cooperates with partners helping to implement the principles of socially responsible business.

In 2014, AB Lietuvos Dujos approved a new Customer Service Standard applicable in all companies of Lietuvos Energija Group. This is a step taken by the Company towards the enhanced customer service quality and mutual cooperation.

The selection of business partners has been conducted following the Law on Public Procurement and Simplified Procurement Rules of Lietuvos Dujos. Qualification of new contractors is verified in the

selection procedure, regular assessment of contractors cooperating with the Company is carried out. Also, verification of qualification of suppliers is performed during the selection procedure. Compliance with legal requirements and environmental integrity are one of the most important advantages of the Company's business partners and requirements set in contracts.

A Zero-Tolerance Policy against Corruption is applicable in the Company.

SOCIETY

AB Lietuvos Dujos supports and promotes business and public cooperation based on common interests of sustainable development, seeks to ensure long-term progress of business and the society, contributes to social development and creation of well-being of the society, accounting to the public for activities conducted thereby.

The Company's employees are involved in public activities, actively contributing to the assistance and support for socially vulnerable groups of society.

The Company regularly holds and participates in social activities. Continuing a long-term tradition, a charity fair was held for pupils of PE Mažoji Gubojai on April 1.

MATERIAL EVENTS

In the implementation of its duties under applicable laws governing securities market, AB Lietuvos Dujos publishes its material events and other regulated information at the European Union level. Information published by the Company can be found on its website at www.lietuvosdujos.lt and on the website of AB NASDAQ OMX Vilnius at www.nasdaqomxbaltic.com.

AB Lietuvos Dujos has published the following material events since 1 January 2015:

Date	Material event
30 01 2015	Regarding resignation of a member of the Board of AB Lietuvos Dujos
09 02 2015	Dalius Svetulevičius was elected a new member of the Board
10 02 2015	Regarding the periodicity of the publication of preliminary financial results
13 02 2015	Preliminary pre-audited financial indicators of AB Lietuvos Dujos for 12 months of 2014
27 02 2015	Cleared-up and more efficient activities of the Company allowed Lietuvos Dujos to achieve better results in 2014
03 03 2015	Regarding a planned merger of AB Lietuvos Dujos and AB LESTO
10 03 2015	Regarding the change of the legal status of branches of AB Lietuvos Dujos
03 04 2015	Regarding the convocation of General Meeting of Shareholders of AB Lietuvos Dujos
14 04 2015	Regarding the resolutions of the Supervisory Board of AB Lietuvos Dujos
27 04 2015	Regarding the resolutions of General Meeting of Shareholders of AB Lietuvos Dujos
27 04 2015	Annual information of AB Lietuvos Dujos for the year 2014
04 05 2015	Regarding the convocation of the Extraordinary General Meeting of Shareholders of AB Lietuvos Dujos
15 05 2015	Preliminary pre-audited financial indicators for three months of 2015: operating results of the Company are improving



**AKCINĖ BENDROVĖ „LIETUVOS DUJOS“
JOINT STOCK COMPANY LIETUVOS DUJOS**

Aguonų g. 24, LT-03212 Vilnius, Lithuania

Tel. + 370 5 236 0210 Fax + 370 5 236 0200 E-mail ld@lietuvosdujos.lt Home page <http://www.lietuvosdujos.lt>

CONFIRMATION OF RESPONSIBLE PERSONS

29 May 2015 No

Following Art. 22 of the Law on Securities of the Republic of Lithuania and the Rules for the Drawing up and the Submission of Periodic and Additional Information approved by the Board of the Bank of Lithuania, we, Liudas Liutkevičius, Chief Executive Officer and Giedrė Glinskienė, Finance and Treasury Director of AB Lietuvos Dujos, hereby confirm that to the best of our knowledge, the attached AB Lietuvos Dujos Pre-audited Condensed Interim Financial Statements for the Three Months Period Ended 31 March 2015 prepared according to International Financial Reporting Standards as adopted by the European Union presents a true and fair view of the assets, liabilities, financial position, profit or loss and cash flows of AB Lietuvos Dujos and Interim Report of AB Lietuvos for the Three Months of 2015 (pre-audited) presents a true and fair review of the business development and business activities, the Company's status including the description of the key risks and uncertainties.

Chief Executive Officer

Liudas Liutkevičius

Finance and Treasury Director

Giedrė Glinskienė

2015

AB Lietuvos Dujos
PRE-AUDITED CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD
ENDED 31 MARCH 2015



LIETUVOS DUJOS



Energetikos įmonių grupė | www.le.lt

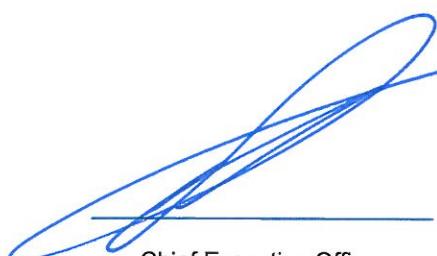


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AB Lietuvos Dujos pre-audited condensed interim financial statements for the three months period ended 31 March 2015 were approved by the Chief Executive Officer of AB Lietuvos Dujos, the Finance and Treasury Director and the Chief Accountant on 29 May 2015.



Chief Executive Officer
Liudas Liutkevičius



Finance and Treasury
Director
Giedrė Glinskienė



Chief Accountant
Žydrūnas Augustis

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
for the three months period ended 31 March 2015**

All amounts in EUR thousand unless stated otherwise

ASSETS	Notes	As at 31 March 2015	As at 31 December 2014
		(pre-audited)	(audited)
Non-current assets:			
Intangible assets	2	571	623
Property, plant and equipment	2	172,683	173,413
Investment into joint venture	6	131	123
Deferred income tax assets		2,541	3,670
Other non-current assets		632	632
Total non-current assets		176,558	178,461
Current assets:			
Inventories		698	770
Prepayments		114	157
Trade receivables	7	6,069	10,758
Other receivables		44	50
Prepaid income tax		4,263	4,910
Cash and cash equivalents		35,769	19,751
Non-current assets classified as held for sale		347	421
Total current assets		47,304	36,817
TOTAL ASSETS		223,862	215,278

(Continued on the next page)

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
for the three months period ended 31 March 2015

All amounts in EUR thousand unless stated otherwise

EQUITY AND LIABILITIES	Notes	As at 31 March	As at 31 December
		2015 (pre-audited)	2014 (audited)
Capital and reserves:			
Share capital	4	84,299	84,188
Revaluation reserve		4,443	4,672
Legal reserve		8,419	8,419
Retained earnings		76,781	68,311
Total equity		173,942	165,590
Non-current liabilities:			
Grants (deferred revenue)		41,040	40,874
Non-current employee benefits		1,756	1,756
Total non-current liabilities		42,796	42,630
Current liabilities:			
Trade payables		1,023	1,340
Advances received		1,270	1,320
Payroll related liabilities		3,156	1,953
Other payables and current liabilities		1,675	2,445
Total current liabilities		7,124	7,058
Total liabilities		49,920	49,688
TOTAL EQUITY AND LIABILITIES		223,862	215,278

CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME
for the three months period ended 31 March 2015

All amounts in EUR thousand unless stated otherwise

	Notes	Three months period ended 31 March 2015 (pre-audited)	Three months period ended 31 March 2014 (pre-audited, restated*)
Revenue			
Sales revenue		20,519	20,162
Other income		259	235
Total revenue		20,778	20,397
Operating expenses			
Cost of natural gas and transmission services bought		(1,665)	(2,380)
Depreciation and amortisation		(2,298)	(2,957)
Payroll and related expenses		(5,383)	(5,283)
Repair and maintenance expenses		(842)	(990)
Taxes, other than income tax		(433)	(440)
Other expenses		(468)	(494)
Total operating expenses		(11,089)	(12,544)
OPERATING PROFIT		9,689	7,853
Income of financial activity:			
Share of joint venture results		7	
Other income of financial activity		16	12
Other expense of financial activity		(111)	
		(88)	12
PROFIT BEFORE INCOME TAX		9,601	7,865
Current period income tax expense		(230)	(1,270)
Deferred income tax benefit (expense)		(1,130)	187
		(1,360)	(1,083)
NET PROFIT FROM CONTINUING OPERATIONS		8,241	6,782
DISCONTINUED OPERATIONS	5		
Profit from discontinued operations, net of income tax		-	2,780
NET PROFIT		8,241	9,562

(Continued on the next page)

*Restated for the purpose of comparability of information, presenting supply activities of the Company as discontinued operations and following the regrouping of income items for the 31 March 2014 as described in the annual financial statements 2014.

**CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME
for the three months period ended 31 March 2015**

All amounts in EUR thousand unless stated otherwise

	Notes	Three months period ended 31 March 2015 (pre-audited)	Three months period ended 31 March 2014 (pre-audited)
Other comprehensive income			
Other comprehensive income less deferred income tax		-	-
COMPREHENSIVE INCOME		8,241	9,562
NET PROFIT ATTRIBUTABLE TO:			
Owners of the company		8,241	9,562
Non-controlling interest		-	-
		8,241	9,562
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the company		8,241	9,562
Non-controlling interest		-	-
		8,241	9,562
Basic and diluted earnings per share (EUR)			
Basic and diluted earnings per share (EUR) from continuing operations		0.028	0.033
		0.028	0.023

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
for the three months period ended 31 March 2015

All amounts in EUR thousand unless stated otherwise

	Notes	Equity	Reva-luation reserve	Legal reserve	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2014 (audited)		84,188	-	8,419	94,999	15,431	203,037
Total comprehensive income		-	-	-	-	9,562	9,562
Balance as at 31 March 2014 (pre-audited)		84,188	-	8,419	94,999	24,993	212,599
Balance as at 1 January 2015 (audited)		84,188	4,672	8,419	-	68,311	165,590
Depreciation of revaluation reserve		-	(229)	-	-	229	-
Total comprehensive income		111	-	-	-	8,241	8,352
Balance as at 31 March 2015 (pre-audited)		84,299	4,443	8,419	-	76,781	173,942

CONDENSED INTERIM STATEMENTS OF CASH FLOWS
for the three months period ended 31 March 2015

All amounts in EUR thousand unless stated otherwise

	Notes	Three months period ended 31 March 2015	Three months period ended 31 March 2014 (pre-audited, restated*)
Profit for the period		8,241	9,562
Adjustments for non-cash items and other adjustments:			
Depreciation and amortisation		2,298	3,048*
(Gain) on property, plant and equipment, doubtful trade accounts receivable and inventories write-off and disposal	(4)	(48)	
Impairment losses for property, plant and equipment, financial assets, allowance for doubtful trade accounts receivable and inventories	(9)	175	
Income tax expenses	1,360	1,561	
(Amortisation) of grants (deferred revenue)	(192)	(182)*	
Company's share of joint venture (profit) loss	(7)	16	
Elimination of other non-cash items	-	(2,386)	
Elimination of results of financing and investing activities:			
- Interest (income)	(7)	(48)	
- Interest expenses	-	2	
- Other financial expenses (loss from LTL conversion to EUR)	111	-	
Changes in working capital			
Decrease in trade account receivable	4,683	1,279	
Decrease (increase) in inventories	90	(229)	
Decrease in other accounts receivable and prepayments	49	240	
Increase (decrease) in trade accounts payable	258	(6,939)	
Increase in other accounts payable and other current liabilities	1,250	3,733	
Income tax (paid)	-	(356)	
Net cash flows from operating activities	18,121	9,428	
Cash flows from (to) investing activities			
(Acquisition) of property, plant and equipment and intangible assets	(2,104)	(1,980)	
Disposal of property, plant and equipment	8	88	
(Acquisition) of investments in other companies	(31)	-	
Interest received	7	44	
Net cash flows to investing activities	(2,120)	(1,848)	

(Continued on the next page)

*Restated for the purpose of comparability of information following the regrouping of income items in the Statements of Comprehensive Income for the 31st of March 2014 as described in the annual financial statements 2014.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS
for the three months period ended 31 March 2015

All amounts in EUR thousand unless stated otherwise

	Notes	Three months period ended 31 March 2015 (pre-audited)	Three months period ended 31 March 2014 (pre-audited)
Cash flows from (to) financing activities			
Dividends (paid)		(3)	(2)
Grants received		20	23
Interest (paid)		-	(2)
Net cash flows from financing activities		17	19
Net increase in cash and cash equivalents*		16,018	7,599
Cash and cash equivalents at the beginning of the period*		19,751	19,416
Cash and cash equivalents at the end of the period *		35,769	27,015

*Reconciliation of Company's cash and cash equivalents balance at the beginning and the end of the period and their change during three months ended 31 March 2014 with the discontinued and continuing operations is presented in the Note 5.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS for the three months period ended 31 March 2015

All amounts in EUR thousand unless stated otherwise

1 Accounting policies

The Company's pre-audited condensed interim financial statements for the three months period ended 31 March 2015 have been prepared in accordance with International Accounting Standards as adopted by the European Union and applicable to interim financial reporting (International Accounting Standard 34 Interim Financial Reporting). For better understanding of the information provided in those financial statements, the Company's condensed interim financial statements must be read together with the Company's financial statements for the year ended 31 December 2014 prepared according to International Financial Reporting Standards as adopted by the European Union.

Financial year of the Company coincides with the calendar year.

The accounting policies applied in the preparation of this condensed interim financial statements are consistent with those of the annual financial statements for the year ended 31 December 2014.

Income tax applied accounting for profit in 2015 and 2014 is 15 %.

2 Intangible assets and property, plant and equipment

The movement of the intangible assets and property, plant and equipment is presented below:

Three months period ended 31 March 2015	Intangible assets	Property plant and equipment
Opening net book amount	623	173,413
Additions	8	1,521
Reclassification to property, plant and equipment/ from property, plant and equipment		62
Depreciation/ amortisation	(60)	(2,313)
Net book value as at 31 March 2015	571	172,683

3 Segment reporting

The Company's business activities are organised based on the legal requirements for regulated activities. These activities are used to identify operating segments. The accounting principles used for in the segment accounting are the same as for the financial accounting of the Company.

Until 31 October 2014 the Company had two main operating segments: natural gas distribution and supply, as well as a segment of other activity:

Distribution of natural gas comprises the transportation of natural gas through the distribution gas pipelines;

Supply of natural gas comprises the natural gas sales to end users;

Other activity comprises other activity not related to main business.

The Company's natural gas supply activity (supply segment) was transferred on 31 October 2014. Since 31 December 2014 as separately insignificant and related to distribution activity the other activities segment is no longer separated.

Since 31 December 2014 there is left one – distribution – segment in the Company.

The segment information of the Company for the three months period ended 31 March 2015 is provided below:

2015 m.	Distribution	Total
Sales	20,519	20,519
Profit before tax	9,601	9,601
Assets	223,862	223,862

The segment information of the Company for the three months period ended 31 March 2014 is provided below:

2014 m.	Supply	Distribution (Distribution and Other activity segments are aggregated for comparison)	Total
Sales	128,742	20,162	148,904
Profit before tax	3,258	7,865	11,123
Assets	76,135	233,175	309,310

All the assets of the Company are located in the territory of Lithuania where the Company is operating.

In 2015 and 2014 the Company earned all of its revenue from Lithuanian customers.

In three months period ended 31 March 2015 revenue from one customer of the Company in distribution segment amounted to EUR 14,109 thousand.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
for the three months period ended 31 March 2015**

All amounts in EUR thousand unless stated otherwise

4 Share capital

Following the adoption of the euro on 1 January 2015 in the Republic of Lithuania, in accordance with the Law on the Expression of Nominal Value of Authorised Capital and Securities of Joint-Stock Companies and Private Limited Liability Companies in Euros and on the Amendment of Articles of Association of Such Companies, in Q1 2015, the Company recognised the loss of EUR 111 thousand due to the exchange of nominal value of the Company's one share in litas to the nominal value in euros and to the recalculation of the nominal value of the authorised capital. The new value of the authorised capital was registered on 15 May 2015 following the re-registration of the Articles of Association in the State Enterprise Centre of Registers.

5 Discontinued operations

All revenue earned from supply activity during the three months period ended 31 March 2014 and all costs incurred have been attributed to the discontinued operations.

	Three months period ended 31 March 2014 (pre-audited)
Sales	128,742
Other income	-
Expenses	(125,564)
Operating profit	3,178
Financial activity	80
Profit before tax from discontinued operations	3,258
Income tax total	(478)
Current period income tax	(510)
Deferred income tax	32
Net profit from discontinued operations	2,780

Reconciliation of the Company's cash and cash equivalents' flows with the cash flows of discontinued operations and continued operations on 31 March 2014.

	Three months period ended 31 March 2014 (pre-audited)
Discontinued operations	
Net cash flows from operating activities	(1,335)
Net cash flows (to) from investing activities	(40)
Net cash flows from financing activities	6,798
Net decrease in cash and cash equivalents from discontinued operations	5,423
Cash and cash equivalents at the beginning of the period	19,416
Cash and cash equivalents at the end of the period	24,839
Continuing operations	
Net increase in cash and cash equivalents from continuing operations	2,176
Cash and cash equivalents at the beginning of the period	0
Cash and cash equivalents at the end of the period	2,176
Total net increase in cash and cash equivalents	7,599
Cash and cash equivalents at the beginning of the period	19,416
Cash and cash equivalents at the end of the period	27,015
Earnings per share from discontinued operations	
	31 March 2014 (pre-audited)
Net profit from discontinued operations attributable to the shareholders (in EUR thousands)	2,780
Weighted average number of shares in thousands	290,686
Basic earnings per share from discontinued operations (EUR)	<u>0.010</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS for the three months period ended 31 March 2015

All amounts in EUR thousand unless stated otherwise

6 Investment into joint venture

During the three months ended 31 March 2015 and during the three months ended 31 March 2014 the results of the joint venture UAB GET Baltic were immaterial.

7 Trade receivables

Trade receivables are non-interest bearing and are generally due in 15 days.

Trade receivables as at 31 March 2015 amounted to EUR 6,069 thousand (as at 31 December 2014 - EUR 10,758 thousand). Trade receivables decreased due to the decrease of the trade debt for natural gas distribution: the amounts of distributed natural gas in March 2015 decreased to compare to December 2014.

8 Capital investment commitments

As at 31 March 2015 the Company had the contracts for non-current assets acquisition, which are not recognised in these financial statements and amount to EUR 2,773 thousand (as at 31 December 2014 - EUR 1,556 thousand accordingly).

9 Commitments and contingencies

Legal disputes

On 14 July 2014 the Prosecution Service of the Republic of Lithuania filed the indictment to Vilnius Regional Court, according to which AB Lietuvos dujos and its former employees are charged with setting off the wrong tariffs for natural gas supply activity for household customers resulting in alleged damage to users. Vilnius Regional Court started investigating this case on 13 August 2014. The general prosecutor required that the court imposes the fine in the amount of 25,000 of basic social benefit, i.e. EUR 950 thousand, to AB Lietuvos dujos. AB Lietuvos dujos did not agree with the accusations and demands of general prosecution. On 27 February 2015 Vilnius Regional Court ruling absolved AB Lietuvos dujos of charges as the incriminated activity had not been identified. On 18 March, 2015, the public prosecutor submitted an appeal against the acquittal. Presently, the case is examined in accordance with the appeals procedure. AB Lietuvos Dujos holds the view that the judgement of the court of first instance is lawful and reasoned; it, therefore, should not be modified.

10 Related party transactions

The parties are considered related when one party has the ability to control the other one or have significant influence over the other party in making financial and operating decisions.

The related parties of the Company:

The Ministry of Energy of the Republic of Lithuania, since 21 February 2014 - Lietuvos Energija, UAB, and its Group companies, hereinafter - Lietuvos Energija, UAB (one of the major shareholders of the Company until 21 May 2014, main Shareholder since 21 May 2014);

UAB GET Baltic (joint venture where the Company has an interest);

E.ON Ruhrgas International GmbH (one of the major shareholders of the Company until 21 May 2014);

OAO Gazprom (one of the major shareholders of the Company until 19 June 2014);

AB Amber Grid (common shareholder until 19 June 2014);

AS Latvijas Gaze (common shareholder until 19 June 2014).

Purchases and sales of goods and services:

The Company's transactions with related parties during the three months period ended 31 March 2015 and the balances arising on these transactions as at 31 March 2015 are presented below:

Related party	Payables and accrued expenses	Receivables and unbilled revenue	Purchases	Sales
UAB GET Baltic	-	-	1	-
Lietuvos energija, UAB	564	3,868	1,170	14,219
	<u>564</u>	<u>3,868</u>	<u>1,171</u>	<u>14,219</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
for the three months period ended 31 March 2015**

All amounts in EUR thousand unless stated otherwise

The Company's transactions with related parties during the three months period ended 31 March 2015 and the balances arising on these transactions as at 31 March 2015 are presented below:

Related party	Payables and accrued expenses	Receivables and unbilled revenue	Purchases	Sales
OAO Gazprom	30,304	-	123,608	-
AB Amber Grid	38	-	2,772	1,750
AS Latvijas Gaze	2	-	7	-
UAB GET Baltic	-	-	-	1
Lietuvos energija, UAB	20	372	17	301
	<u>30,364</u>	<u>372</u>	<u>126,404</u>	<u>2,052</u>

Transactions of the Company with Lietuvos Energija, UAB, sales and purchases are disclosed for the period 1 March 2014 – 31 March 2014.

The sales and purchase transactions with UAB GET Baltic do not include the purchase and sales of natural gas, since UAB GET Baltic is only intermediary, providing intermediary services for certain commission fee. Accounts receivable from UAB GET Baltic are specified with the natural gas value.

There were no receivables from related parties and payables to them, for which the guarantees would be provided for or received. As at 31 March 2015 the Company has not accounted for any allowance for receivables from related parties.

11 Payments to key management personnel

	Three months period ended 31 March 2015 (pre-audited)	Three months period ended 31 March 2014 (pre-audited)
Payroll related payments and other short term benefits to key management personnel	150	265
Number of key management personnel at the end of the period	11	11

Key management personnel in the table above shall be deemed chief executive officer, his deputies, directors of affiliates and the chief accountant.

12 Events after the reporting period

The General Meeting of Shareholders held on 27 April 2015 approved profit distribution of the Company for the year 2014. It was decided to pay dividends for the shareholders in the amount of EUR 27,993 thousand, i.e. EUR 0.096 per share (in the Extraordinary General Meeting of Shareholders of the Company held on 30 September 2014 it was decided to allocate for shareholders interim dividends EUR 20,205 thousand for the period shorter than the financial year). Total dividends allocated to the shareholders for the year 2014 amounted EUR 48,198 thousand.