



# Litgrid AB

4 June 2015, Vilnius

The background features a large, light blue watermark of the Litgrid logo, which consists of a central circle with four diagonal lines extending from its center to the corners of the frame, creating a stylized 'X' or star shape.

# Litgrid - electricity transmission system operator

## Litgrid mission:

ensure reliable electricity transmission and enable competition in the open electricity market

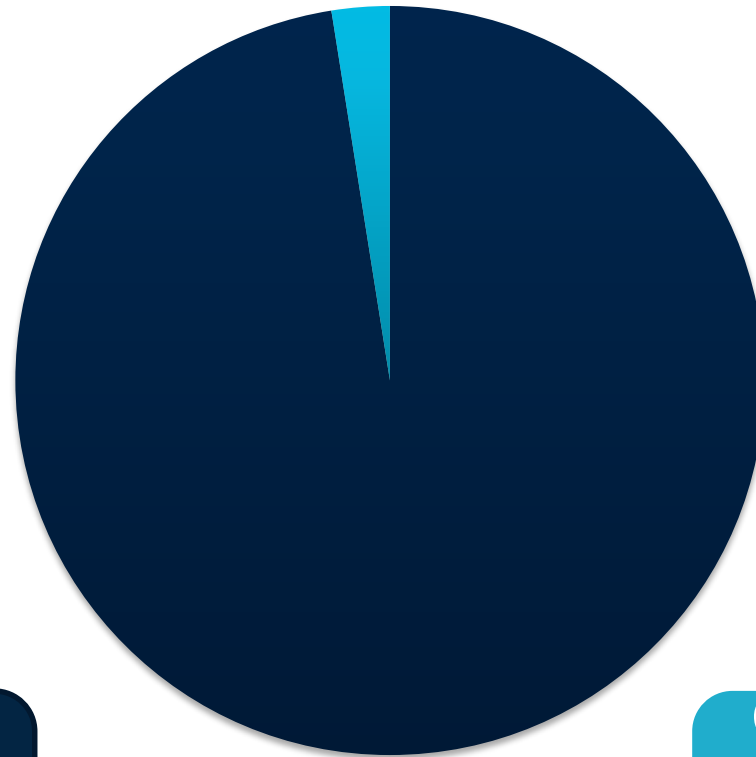
## Litgrid vision:

full-fledged integration of Lithuania's electricity system into the European electricity infrastructure and the common electricity market, by creating opportunities for competitive economy



# Litgrid AB shares listed on NASDAQ OMX Vilnius Exchange since 22-12-2010 (Baltic secondary list) Litgrid AB shares

Authorized share capital  
€ 146 million  
Market capitalization  
€ 350 million



97,50%

UAB EPSO-G:  
491 736 153 ordinary  
registered shares

2,50%

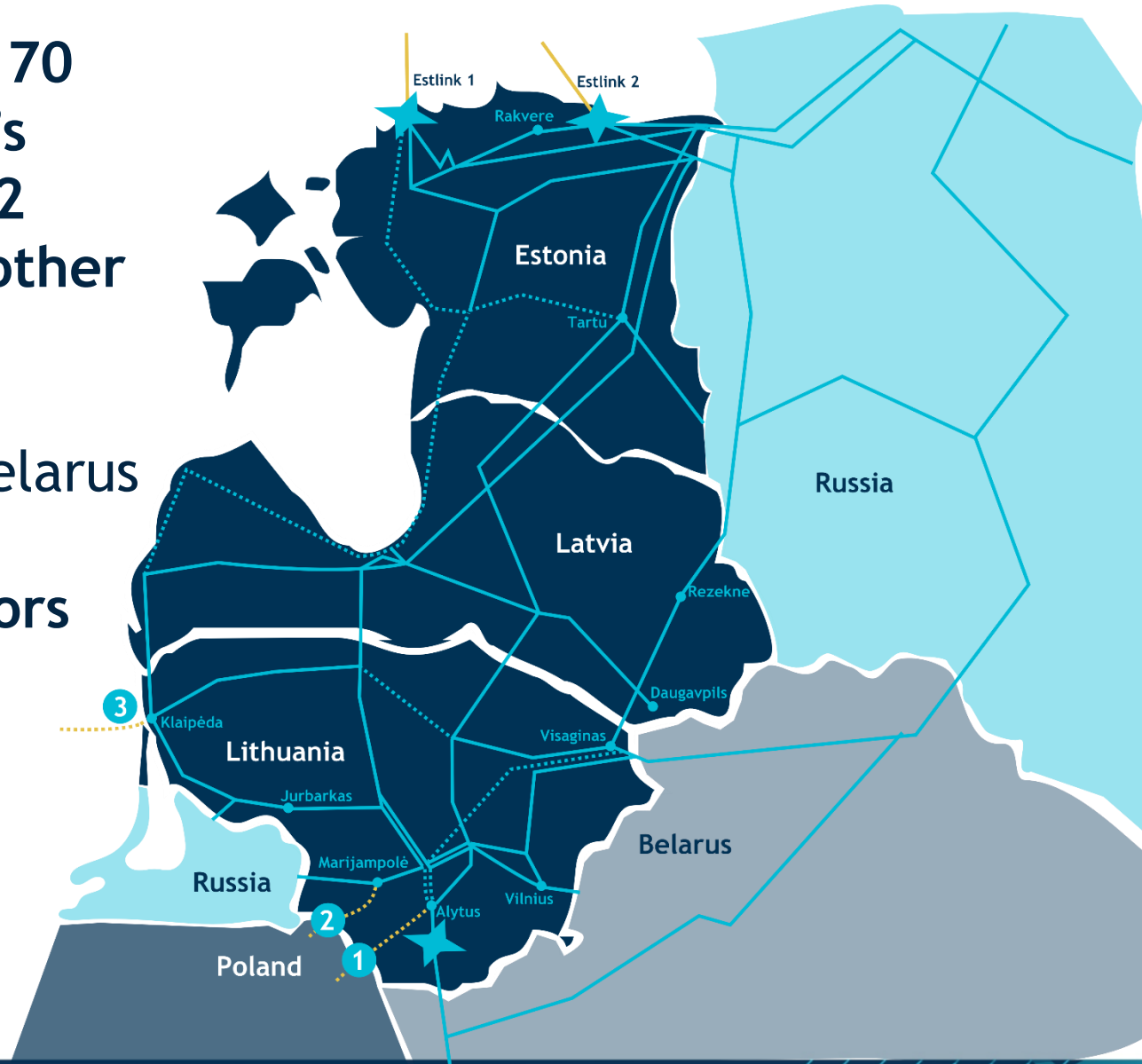
Other shareholders  
(5 627): 12 595 227  
ordinary registered  
shares



Since the beginning 70 years ago Lithuania's power system has 12 interconnectors to other systems:

- 4 to Latvia
- 8 to Russia and Belarus

2 new interconnectors will help diversify electricity supply

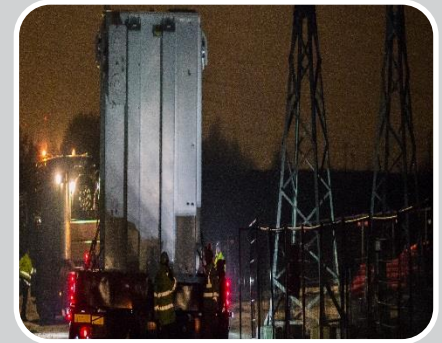
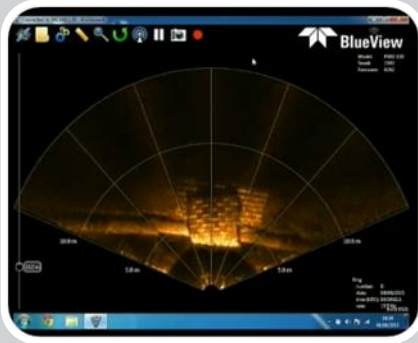


Strategic Projects



# NordBalt

- First electricity interconnection between Lithuania and Sweden
- 450 km long undersea cable
- 700 MW capacity
- HVDC direct current converters in Klaipėda and Nibru (Sweden)



2004

Completion of the Feasibility Study on Interconnection of the Lithuanian and Swedish power systems

2009

The Baltic Seabed Survey

In 2010, agreements between Lithuanian and Swedish TSOs were signed, in December - contract on the link-related works concluded.

In 2011, agreement on the intersection of NordBalt and Nord Stream was signed.

In 2011, construction of Klaipėda-Telšiai line launched.

In 2012, manufacture of the undersea cable launched.

In 2014, undersea cable laying works, direct current converter station construction works launched.

In 2014, TS reconstruction in Klaipėda completed.

In 2015, current converter equipment delivered to Klaipėda. Manufacture of the undersea cable completed. Cable laying in the sea continued. 90 % of the link-related works completed.





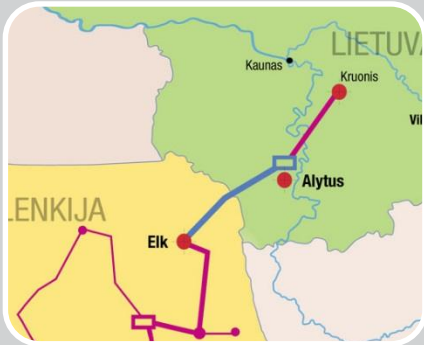
# NordBalt

- Estimated project value: € 552 million, Lithuania's part - €222 million
- Powerful link between Lithuanian and Swedish power systems to meet the demand of alternative energy sources
- Already - lower prices on futures on the electricity market

- First power link between Lithuanian and Western European power grids
- Power line Alytus-Elk (Poland)
- 500 MW power capacity as of 2015
- HVDC direct current converter station near Alytus



LitPol Link



Since 1992

Possible options of the link project studied, feasibility studies conducted

2006

Political declaration by Lithuania and Poland on interconnection of the power systems

In 2011, TSO agreements on project implementation signed between Lithuania and Poland

In 2013, contracts signed for the launch of works related to line and current converter station construction

In 2014, line and converter station construction works launched

Construction of overhead line supports, building of the converter station

Reconstruction of Alytus TS

In 2015, equipment for direct current converter station delivered

75 % of the link-related works completed

- Estimated project value: €370 million, Lithuania's share - €108 million
- Finally, the homestretch of the project planned for almost 20 years
- First direct energy link between the Baltic States and Western Europe



# LitPol Link

# Electricity links - strategic projects of the European Union, the Baltic Sea Region, and Lithuania

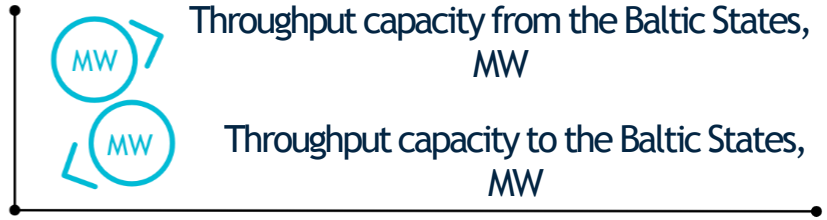
- LitPol Link and NordBalt offers Lithuania an opportunity to choose energy resources and guarantee energy independence
- Put on the European energy map they mean the implementation of the Baltic Energy Market Interconnection Plan (BEMIP)



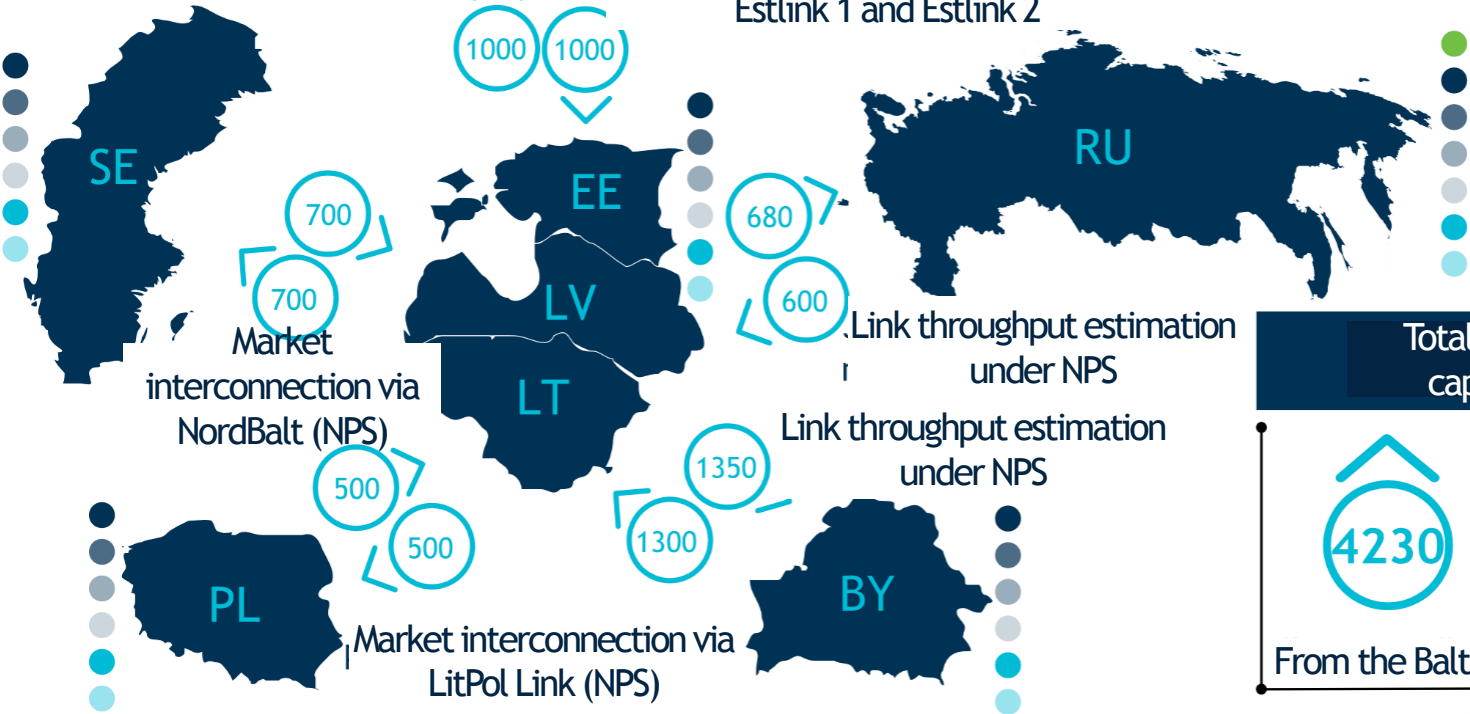
# In 2016 we are to become the crossroad of power flows

## Wholesale market

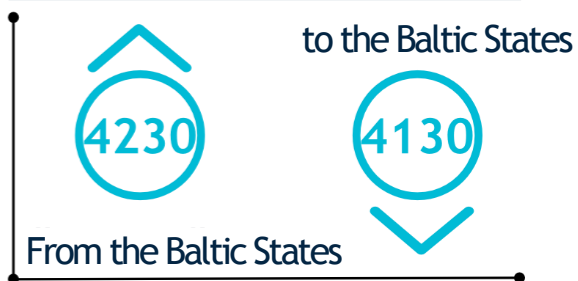
- Capacity market
- Physical electricity market
- Day ahead market
- Intraday market
- Balancing market
- Bilateral transactions
- Financial market



Interconnection between markets via Estlink 1 and Estlink 2



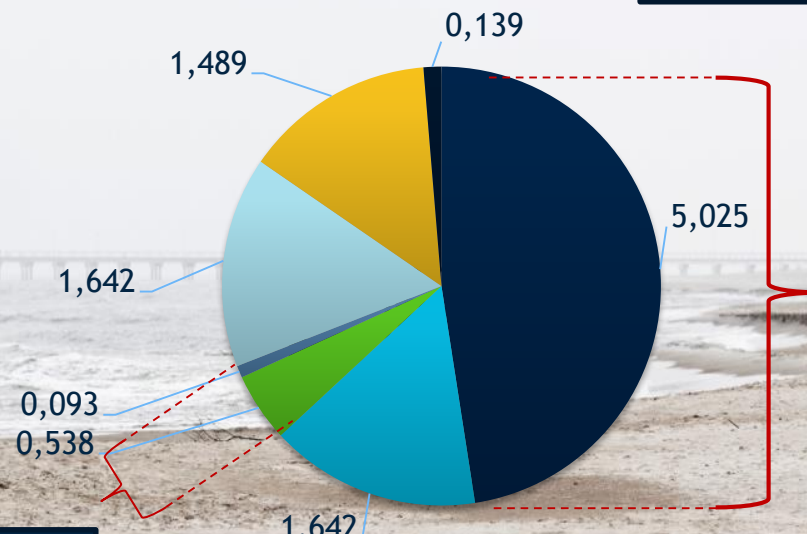
## Total throughput capacity, MW



Results

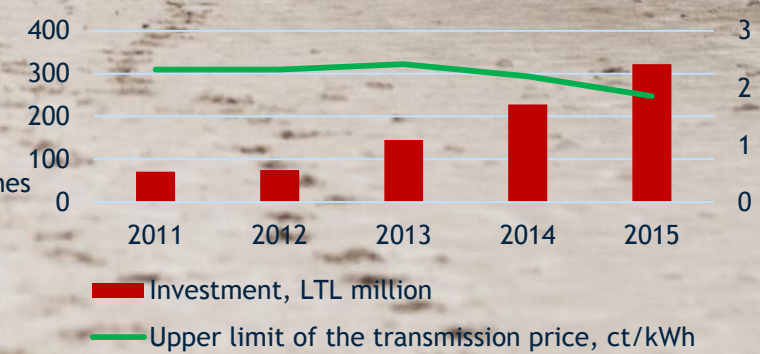
Consumer price on electricity in 2015– 12.787 euro cents/kWh

The value of investment into strategic power infrastructure (...) is expected to cut the major share of the electricity price “pie” and offer unparalleled opportunity to boost competitive abilities of the national industry and business several decades ahead



Litgrid share in the electricity bill - 0.631 euro cent/kWh, or less than 5 % of the rate fixed

- Acquisition price
- PSO
- Transmission services
- System services
- Distribution services through medium voltage lines
- Distribution services through low voltage lines
- Public supply services

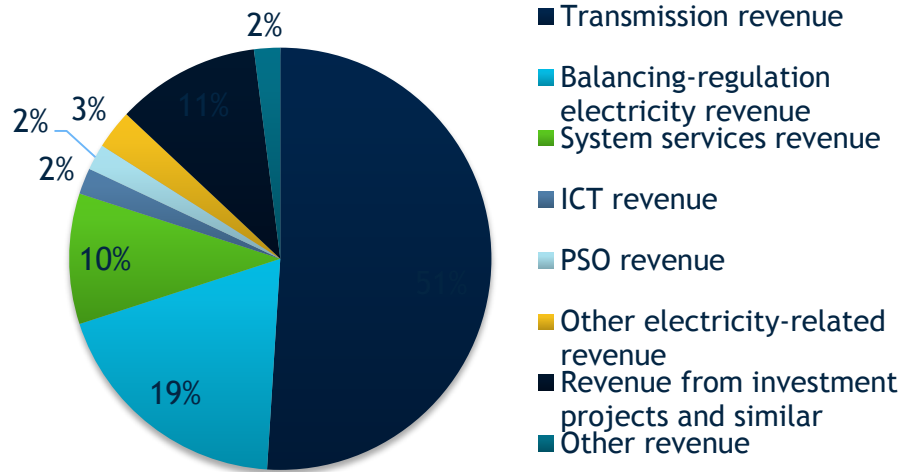




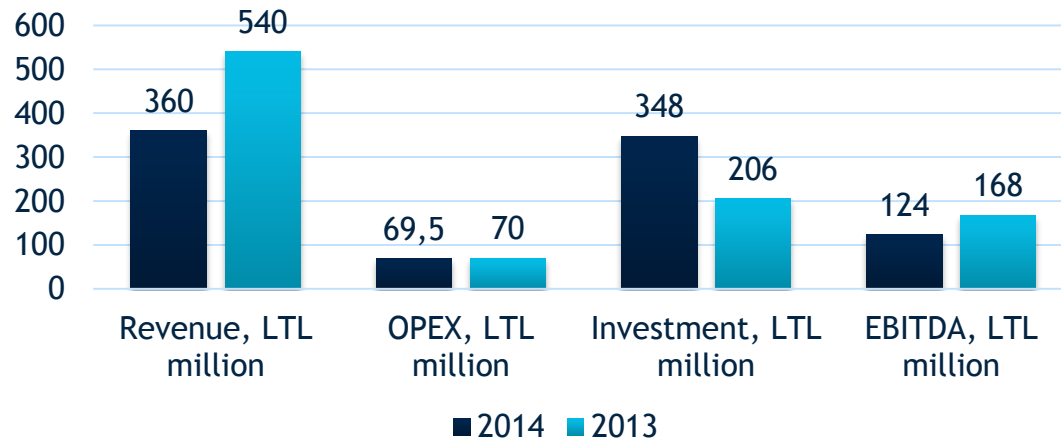
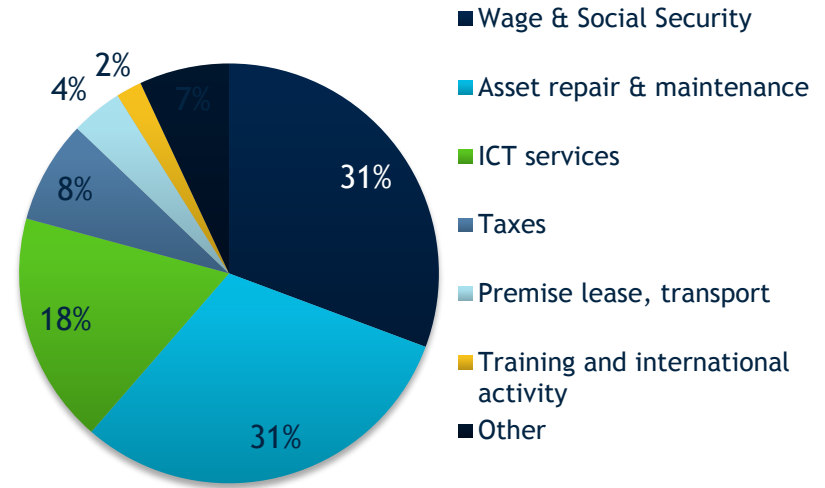


# Key financial indicators, revenue and cost structure in 2014

## Revenue structure



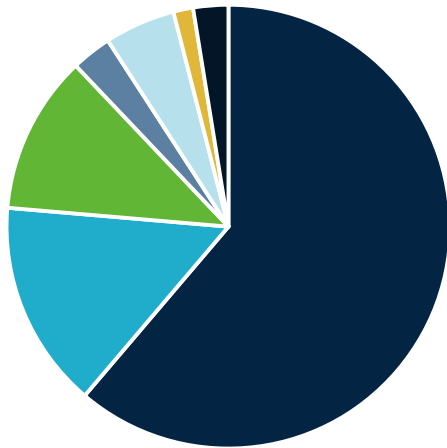
## Operating expense (OPEX) structure





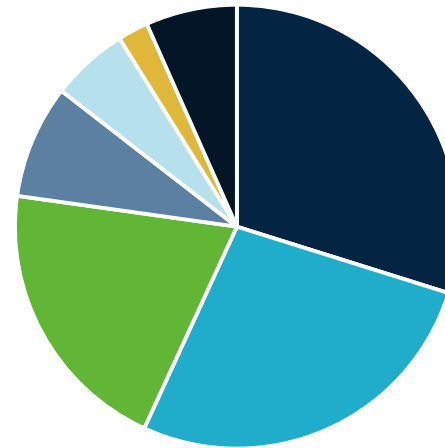
# Key financial indicators, revenue and cost structure of 2015 Q1

## Revenue Structure

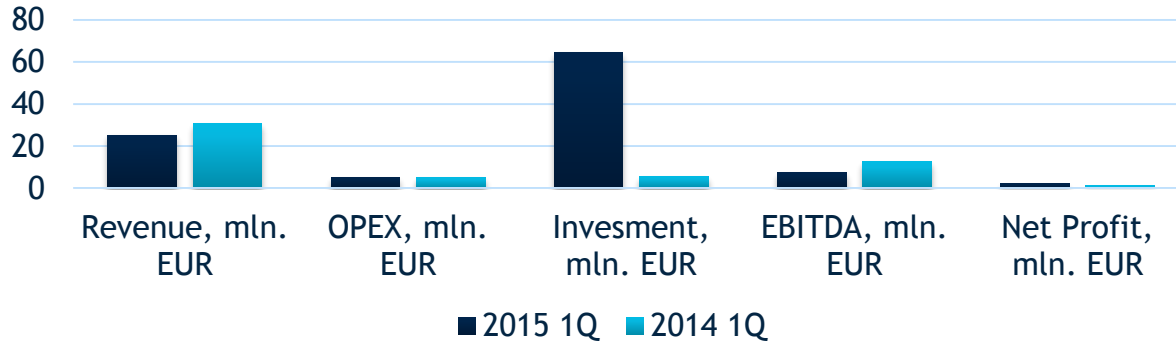


- Transmission income
- Balancing electricity income
- Auxiliary service income
- ITC income
- PSO income
- Other electricity related income
- Other income

## OPEX Structure



- Wage & social security
- Repair & maintenance
- ITC services
- Taxes
- Premise & transport lease
- Training & international activity
- Other



# Litgrid price of share and trading volumes



# Upcoming Tasks and Challenges



# Integration of the Baltic States into the Continental Europe - path guided by the experience of Poland and other Central European countries

## 1951-1958

European Continental Network (ECN) was established in 1951, when Austria, Belgium, France, West Germany, Italy, Luxembourg, the Netherlands, and Switzerland agreed to join their power grids into a common synchronous area. The common grid was completed in 1958.

## 1995-2004

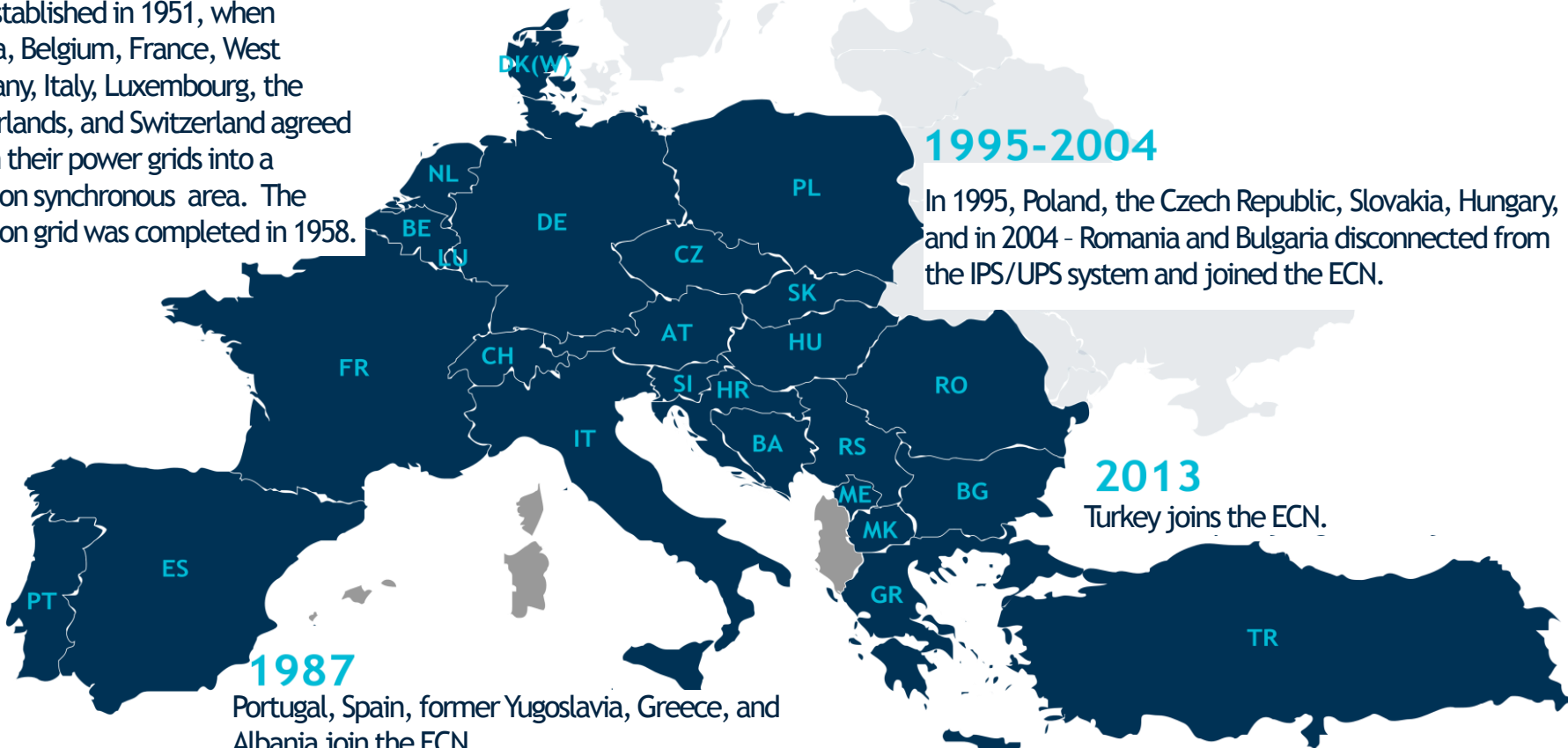
In 1995, Poland, the Czech Republic, Slovakia, Hungary, and in 2004 - Romania and Bulgaria disconnected from the IPS/UPS system and joined the ECN.

## 2013

Turkey joins the ECN.

## 1987

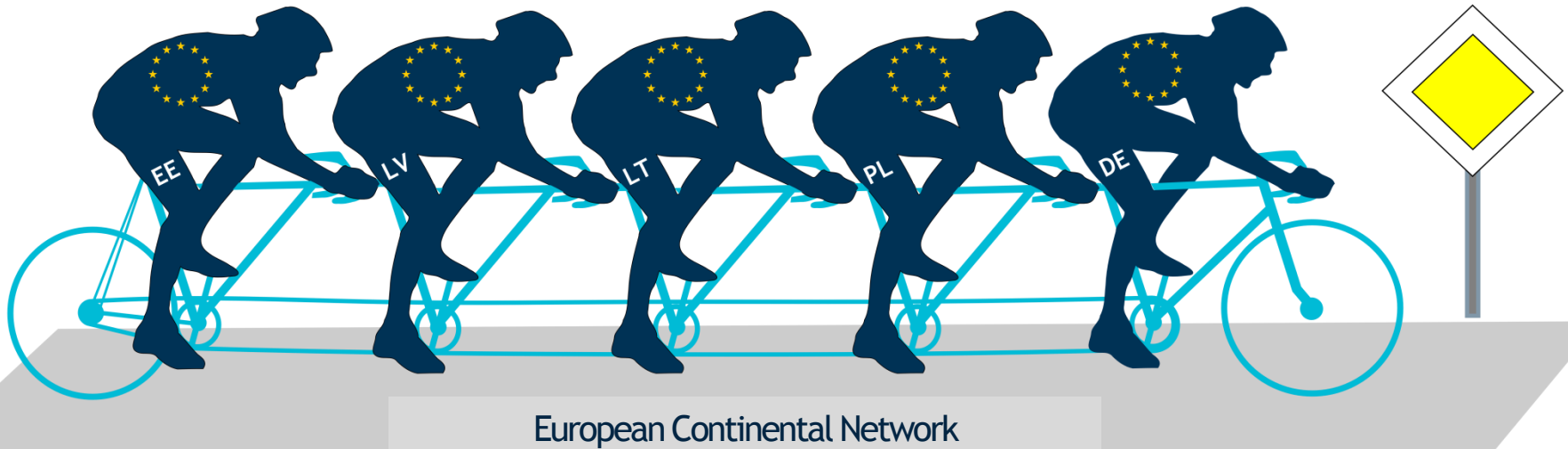
Portugal, Spain, former Yugoslavia, Greece, and Albania join the ECN.



# Baltic States to Join the ECN Team

## Benefits of integration of the Baltic States into the ECN:

- Reliable operations of the power grids and secure power transmission.
- Coordinated actions in maintenance of installations and planning of further network development.
- Common power grid management regulations: network codes common for all countries of the European Union.
- Guaranteed power availability from the Western European grids.



Our Team at Litgrid



TIME.F.LAN.

URBAN  
PROFIT





Empowering the growth of  
Lithuania