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## CONFIRMATION OF RESPONSIBLE PERSONS

November 25, 2015 Vilnius

Following Article 22 of the Law on Securities of the Republic of Lithuania and the Rules on Preparation and Submission of Periodic and Additional Information of the Bank of Lithuania, we, Daivis Virbickas, Chief Executive Officer of LITGRID AB, Rimantas Busila, Director of Finance Department of LITGRID AB and Jūratė Vyšniauskienė, Chief Financier-Accounting Division Manager of LITGRID AB, hereby confirm that, to the best of our knowledge, the attached unaudited interim consolidated financial statements of LITGRID AB for the nine months period ended 30 September 2015 is prepared in accordance with the International Financial Reporting Standards adopted by the European Union, give a true and fair view of the LITGRID AB and consolidated group assets, liabilities, financial position, profit (losses) and cash flows for the relevant period, the Consolidated Interim Report for the nine months period ended 30 September 2015 includes a fair review of the development and performance of the business.

Daivis Virbickas

Chief Executive Officer

Rimantas Busila

Director of Finance Department

Jūratė Vyšniauskienė

Chief Financier

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The condensed interim financial statements was signed on 25 November 2015.

  
\_\_\_\_\_  
Daivis Virbickas  
Chief executive officer  
\_\_\_\_\_  
Rimantas Busila  
Director of the Finance Department  
\_\_\_\_\_  
Jūratė Vyšniauskienė  
Chief Financier



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CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015  
(All amounts in EUR thousands unless otherwise stated)

	No- tes	Group		Company	
		30.09.2015	31.12.2014	30.09.2015	31.12.2014
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible assets	3	756	944	737	915
Property, plant and equipment	3	403,145	364,401	402,339	363,431
Prepayments for property, plant and equipment		188,877	82,228	188,877	82,228
Investments in subsidiaries	4	-	-	2,854	2,796
Investments in associates and jointly controlled entities	4	1,099	1,088	1,047	1,047
Deferred income tax assets		61	91	-	-
Other non-current assets		126	-	126	-
Available-for-sale financial assets		1,923	2,237	1,923	2,237
<b>Total non-current assets</b>		<b>595,987</b>	<b>450,989</b>	<b>597,903</b>	<b>452,654</b>
<b>Current assets</b>					
Inventories		2,224	2,259	1,136	1,005
Prepayments		258	275	176	248
Trade receivables		8,669	14,456	7,639	10,741
Other accounts receivable		49,306	51,253	10,752	21,245
Prepaid income tax		1,203	31	1,172	-
Other financial assets		4,614	3,263	400	1,751
Held-to-maturity investments	5	-	15,929	-	15,929
Cash and cash equivalents		2,143	25,293	1,604	25,003
<b>Total current assets</b>		<b>68,417</b>	<b>112,759</b>	<b>22,879</b>	<b>75,922</b>
Non-current assets held for sale		3	-	-	-
<b>TOTAL ASSETS</b>		<b>664,407</b>	<b>563,748</b>	<b>620,782</b>	<b>528,576</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	6	146,256	146,064	146,256	146,064
Share premium		8,579	8,579	8,579	8,579
Revaluation reserve		6,397	6,840	6,304	6,739
Legal reserve		14,606	14,609	14,606	14,606
Other reserves		62,747	171,355	62,747	171,355
Retained earnings (loss)		4,598	(107,931)	5,427	(107,036)
<b>Equity attributable to the shareholders of the parent company</b>		<b>243,183</b>	<b>239,516</b>	<b>243,919</b>	<b>240,307</b>
Non-controlling interest		126	57	-	-
<b>Total equity</b>		<b>243,309</b>	<b>239,573</b>	<b>243,919</b>	<b>240,307</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Grants received in advance		130,967	108,140	130,967	108,140
Non-current loans	7	112,459	88,600	112,459	88,600
Deferred income tax liabilities		11,033	11,669	11,033	11,669
Other non-current accounts payable and liabilities		2,958	2,958	2,907	2,907
<b>Total non-current liabilities</b>		<b>257,417</b>	<b>211,367</b>	<b>257,366</b>	<b>211,316</b>
<b>Current liabilities</b>					
Current portion of non-current borrowings	7	67,941	30,200	67,941	30,200
Current loans	7	41,306	10,580	16,482	-
Trade payables		18,714	34,997	22,188	34,740
Advances received		6,251	2,919	2,037	1,394
Income tax payable		17	316	-	315
Other accounts payable		29,452	33,796	10,849	10,304
<b>Total current liabilities</b>		<b>163,681</b>	<b>112,808</b>	<b>119,497</b>	<b>76,953</b>
<b>Total liabilities</b>		<b>421,098</b>	<b>324,175</b>	<b>376,863</b>	<b>288,269</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>664,407</b>	<b>563,748</b>	<b>620,782</b>	<b>528,576</b>

The accompanying notes are an integral part of this condensed interim financial statements.

CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME FOR A NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2015  
(All amounts in EUR thousands unless otherwise stated)

	No- tes	Group		Company	
		2015 9 months	2014 9 months	2015 9 months	2014 9 months
<b>Revenue</b>					
Sales of electricity and related services		60,127	76,660	60,127	76,660
Other revenue		13,049	10,415	1,979	1,453
<b>Total revenue</b>	8	<b>73,176</b>	<b>87,075</b>	<b>62,106</b>	<b>78,113</b>
<b>Operating expenses</b>					
Purchase of electricity and related services		(26,465)	(36,864)	(26,465)	(36,864)
Depreciation and amortisation	3	(16,285)	(29,772)	(16,068)	(29,482)
Wages and salaries and related expenses		(8,584)	(7,863)	(4,217)	(3,961)
Repair and maintenance expenses		(3,285)	(3,659)	(4,738)	(4,831)
Telecommunications and IT systems expenses		(2,680)	(2,786)	(2,576)	(2,652)
Write-off of property, plant and equipment		(786)	(324)	(777)	(324)
Other expenses		(10,527)	(9,660)	(2,858)	(3,267)
<b>Total operating expenses</b>		<b>(68,612)</b>	<b>(90,928)</b>	<b>(57,699)</b>	<b>(81,381)</b>
<b>Operating profit (loss)</b>		<b>4,564</b>	<b>(3,853)</b>	<b>4,407</b>	<b>(3,268)</b>
<b>Financial operations</b>					
Finance income		280	371	280	370
Finance expenses		(753)	(728)	(726)	(689)
<b>Total finance income</b>		<b>(473)</b>	<b>(357)</b>	<b>(446)</b>	<b>(319)</b>
Share of profit (loss) of associates and jointly controlled entities		11	30	-	-
<b>Profit (loss) before income tax</b>		<b>4,102</b>	<b>(4,180)</b>	<b>3,961</b>	<b>(3,587)</b>
<b>Income tax</b>					
Current year income tax (expense)		(1,194)	(2,827)	(1,177)	(2,827)
Deferred tax income (expense)		607	2,890	636	2,899
<b>Total income tax</b>		<b>(587)</b>	<b>63</b>	<b>(541)</b>	<b>72</b>
<b>Net profit (loss) for the year</b>		<b>3,515</b>	<b>(4,117)</b>	<b>3,420</b>	<b>(3,515)</b>
Other comprehensive income		-	-	-	-
<b>Total other comprehensive income</b>		<b>3,515</b>	<b>(4,117)</b>	<b>3,420</b>	<b>(3,515)</b>
<b>Net profit (loss) attributable to:</b>					
Owners of the Company		3,475	(4,066)	3,420	(3,515)
Non-controlling interest		40	(51)	-	-
		<b>3,515</b>	<b>(4,117)</b>	<b>3,420</b>	<b>(3,515)</b>
<b>Total comprehensive income (loss) attributable to:</b>					
Owners of the Company		3,475	(4,066)	3,420	(3,515)
Non-controlling interest		40	(51)	-	-
		<b>3,515</b>	<b>(4,117)</b>	<b>3,420</b>	<b>(3,515)</b>
<b>Basic and diluted earnings (deficit) per share (in EUR)</b>	10	<b>0.007</b>	<b>(0.008)</b>	<b>0.007</b>	<b>(0.007)</b>

The accompanying notes are an integral part of this condensed interim financial statements.



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CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME FOR A THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2015  
(All amounts in EUR thousands unless otherwise stated)

	Group		Company	
	2015 III quarter	2014 III quarter	2015 III quarter	2014 III quarter
<b>Revenue</b>				
Sales of electricity and related services	20,351	24,035	20,351	24,035
Other revenue	4,307	4,452	586	605
<b>Total revenue</b>	<b>24,658</b>	<b>28,487</b>	<b>20,937</b>	<b>24,640</b>
<b>Operating expenses</b>				
Purchase of electricity and related services	(8,919)	(11,948)	(8,919)	(11,948)
Depreciation and amortisation	(5,511)	(8,983)	(5,441)	(8,882)
Wages and salaries and related expenses	(2,773)	(2,629)	(1,284)	(1,260)
Repair and maintenance expenses	(1,157)	(1,320)	(1,694)	(1,750)
Telecommunications and IT systems expenses	(769)	(966)	(738)	(925)
Write-off of property, plant and equipment	(368)	(1)	(368)	(1)
Other expenses	(3,705)	(3,946)	(1,226)	(1,179)
<b>Total operating expenses</b>	<b>(23,202)</b>	<b>(29,793)</b>	<b>(19,670)</b>	<b>(25,945)</b>
<b>Operating profit (loss)</b>	<b>1,456</b>	<b>(1,306)</b>	<b>1,267</b>	<b>(1,305)</b>
<b>Financial operations</b>				
Finance income	20	76	25	76
Finance expenses	(175)	(284)	(168)	(268)
<b>Total finance income</b>	<b>(155)</b>	<b>(208)</b>	<b>(143)</b>	<b>(192)</b>
Share of profit (loss) of associates and jointly controlled entities	(37)	1	-	-
<b>Profit (loss) before income tax</b>	<b>1,264</b>	<b>(1,513)</b>	<b>1,124</b>	<b>(1,497)</b>
<b>Income tax</b>				
Current year income tax (expense)	(343)	(752)	(341)	(752)
Deferred tax income (expense)	228	799	228	807
<b>Total income tax</b>	<b>(115)</b>	<b>47</b>	<b>(113)</b>	<b>55</b>
<b>Net profit (loss) for the year</b>	<b>1,149</b>	<b>(1,466)</b>	<b>1,011</b>	<b>(1,442)</b>
Other comprehensive income	-	-	-	-
<b>Total other comprehensive income</b>	<b>1,149</b>	<b>(1,466)</b>	<b>1,011</b>	<b>(1,442)</b>
<b>Net profit (loss) attributable to:</b>				
Owners of the Company	1,116	(1,450)	1,011	(1,442)
Non-controlling interest	33	(16)	-	-
	<b>1,149</b>	<b>(1,466)</b>	<b>1,011</b>	<b>(1,442)</b>
<b>Total comprehensive income (loss) attributable to:</b>				
Owners of the Company	1,116	(1,450)	1,011	(1,442)
Non-controlling interest	33	(16)	-	-
	<b>1,149</b>	<b>(1,466)</b>	<b>1,011</b>	<b>(1,442)</b>
<b>Basic and diluted earnings (deficit) per share (in EUR)</b>	<b>0.002</b>	<b>(0.003)</b>	<b>0.002</b>	<b>(0.003)</b>

The accompanying notes are an integral part of this condensed interim financial statements.



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CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY FOR A NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2015  
(All amounts in EUR thousands unless otherwise stated)

Group	No-tes	Equity attributable to owners of the Group							Non-control-ling interest	Total
		Share capital	Share premium	Revalua-tion reserve	Legal reserve	Other reserves	Retained earnings	Subtotal		
<b>Balance at 1 January 2014</b>		<b>146,064</b>	<b>8,579</b>	<b>65,504</b>	<b>14,616</b>	<b>189,601</b>	<b>12,464</b>	<b>436,828</b>	<b>75</b>	<b>436,903</b>
Comprehensive income (loss) for the period		-	-	-	-	-	(4,066)	(4,066)	(51)	(4,117)
Depreciation of revaluation reserve and amounts written off		-	-	(4,054)	-	-	4,054	-	-	-
Transfers to retained earnings		-	-	-	(8)	(18,246)	18,254	-	-	-
Dividends		-	-	-	-	-	(32,674)	(32,674)	-	(32,674)
Change in ownership interest in subsidiary		-	-	-	-	-	-	-	38	38
<b>Balance at 30 September 2014</b>		<b>146,064</b>	<b>8,579</b>	<b>61,450</b>	<b>14,608</b>	<b>171,355</b>	<b>(1,968)</b>	<b>400,088</b>	<b>62</b>	<b>400,150</b>
<b>Balance at 1 January 2015</b>		<b>146,064</b>	<b>8,579</b>	<b>6,840</b>	<b>14,609</b>	<b>171,355</b>	<b>(107,931)</b>	<b>239,516</b>	<b>57</b>	<b>239,573</b>
Comprehensive income (loss) for the period		-	-	-	-	-	3,475	3,475	40	3,515
Depreciation of revaluation reserve and amounts written off		-	-	(443)	-	-	443	-	-	-
Transfers to retained earnings		-	-	-	(3)	(108,608)	108,611	-	-	-
Conversion of the share capital into euros	6	192	-	-	-	-	-	192	-	192
Change in ownership interest in subsidiary		-	-	-	-	-	-	-	29	29
<b>Balance at 30 September 2015</b>		<b>146,256</b>	<b>8,579</b>	<b>6,397</b>	<b>14,606</b>	<b>62,747</b>	<b>4,598</b>	<b>243,183</b>	<b>126</b>	<b>243,309</b>
<b>Company</b>	<b>No-tes</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Revalua-tion reserve</b>	<b>Legal reserve</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total</b>		
<b>Balance at 1 January 2014</b>		<b>146,064</b>	<b>8,579</b>	<b>65,399</b>	<b>14,606</b>	<b>189,601</b>	<b>14,701</b>	<b>438,950</b>		
Comprehensive income (loss) for the period		-	-	-	-	-	(3,515)	(3,515)		
Depreciation of revaluation reserve and amounts written off		-	-	(4,047)	-	-	4,047	-		
Transfers to retained earnings		-	-	-	-	(18,246)	18,246	-		
Dividends		-	-	-	-	-	(32,674)	(32,674)		
<b>Balance at 30 September 2014</b>		<b>146,064</b>	<b>8,579</b>	<b>61,352</b>	<b>14,606</b>	<b>171,355</b>	<b>805</b>	<b>402,761</b>		
<b>Balance at 1 January 2015</b>		<b>146,064</b>	<b>8,579</b>	<b>6,739</b>	<b>14,606</b>	<b>171,355</b>	<b>(107,036)</b>	<b>240,307</b>		
Comprehensive income (loss) for the period		-	-	-	-	-	3,420	3,420		
Depreciation of revaluation reserve and amounts written off		-	-	(435)	-	-	435	-		
Transfers to retained earnings		-	-	-	-	(108,608)	108,608	-		
Conversion of the share capital into euros	6	192	-	-	-	-	-	192		
<b>Balance at 30 September 2015</b>		<b>146,256</b>	<b>8,579</b>	<b>6,304</b>	<b>14,606</b>	<b>62,747</b>	<b>5,427</b>	<b>243,919</b>		

The accompanying notes are an integral part of this condensed interim financial statements.



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CONDENSED INTERIM STATEMENTS OF CASH FLOWS FOR A NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2015  
(All amounts in EUR thousands unless otherwise stated)

	No- tes	Group		Company	
		2015 9 months	2014 9 months	2015 9 months	2014 9 months
<b>Cash flows from operating activities</b>					
Net profit (loss)		3,515	(4,117)	3,420	(3,515)
<b>Reversal of non-monetary expenses (income) and other adjustments</b>					
Depreciation and amortization expense	3	16,285	29,772	16,068	29,482
Impairment of assets (impairment reversal)		(839)	-	(839)	-
Share of profit/(loss) of associates and jointly controlled entities		(11)	(30)	-	-
Income tax expense		587	(63)	541	(72)
Loss on write-off of property, plant and equipment		786	325	777	324
Elimination of results of financing and investing activities:					
Interest income		(16)	(168)	(16)	(167)
Interest expenses		487	715	462	678
Dividends income		(122)	(150)	(122)	(150)
Other finance (income)/expenses		124	(40)	122	(42)
<b>Changes in working capital</b>					
(Increase) decrease in trade receivables and other receivables		6,769	(7,003)	12,731	933
(Increase) decrease in inventories and prepayments		114	(1,132)	-	(151)
Increase (decrease) in accounts payable, grants and advance amounts received		(9,379)	(4,721)	(3,607)	(1,353)
Other financial assets		(1,037)	3,202	1,665	(290)
Income tax (paid)		(1,164)	(2,796)	(1,164)	(2,796)
<b>Net cash flows generated from operating activities</b>		<b>16,099</b>	<b>13,794</b>	<b>30,038</b>	<b>22,881</b>
<b>Cash flows from investing activities</b>					
(Purchase) of property, plant and equipment and intangible assets		(173,928)	(42,336)	(173,877)	(42,164)
Disposal of property, plant and equipment and intangible assets		-	1	-	1
Grants received		26,497	23,400	26,497	23,400
Investments in time deposits		-	(11,585)	-	(11,585)
Purchase of subsidiary(associate)		-	-	(58)	(150)
Disposal of subsidiaries (associates)		-	2,654	-	2,654
Proceeds from redemption of held-to-maturity investments	5	15,929	4,344	15,929	4,344
Interest received		93	174	93	172
Dividends received		122	150	122	150
Other cash flows from investing activities		-	76	-	40
<b>Net cash flows generated from investing activities</b>		<b>(131,287)</b>	<b>(23,122)</b>	<b>(131,294)</b>	<b>(23,138)</b>
<b>Cash flows from financing activities</b>					
Received loans		63,800	40,000	63,800	40,000
(Repayment) of loans		(2,200)	(8,200)	(2,200)	(8,200)
Overdraft		30,726	9,092	16,482	-
Interest paid		(280)	(715)	(217)	(678)
Dividends paid		(8)	(32,683)	(8)	(32,683)
<b>Net cash flows generated from financing activities</b>		<b>92,038</b>	<b>7,494</b>	<b>77,857</b>	<b>(1,561)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(23,150)</b>	<b>(1,834)</b>	<b>(23,399)</b>	<b>(1,818)</b>
Cash and cash equivalents at the beginning of the period		25,293	23,622	25,003	23,387
<b>Cash and cash equivalents at the end of the period</b>		<b>2,143</b>	<b>21,788</b>	<b>1,604</b>	<b>21,569</b>

The accompanying notes are an integral part of this condensed interim financial statements.



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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR A NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2015  
(All amounts in EUR thousands unless otherwise stated)

## 1. General information

LITGRID AB is a public limited liability company registered in the Republic of Lithuania. The address of its registered office is: A. Juozapavičiaus str. 13, LT-09311, Vilnius, Lithuania. LITGRID AB (hereinafter LITGRID or “the Company”) is a limited liability profit-making entity established as a result of spin-off of Lietuvos Energija AB operations based the decision of the Extraordinary General Meeting of Shareholders of Lietuvos Energija AB dated 28 October 2010 which was passed to approve the spin-off of Lietuvos Energija AB. The Company was registered with the Register of Legal Entities on 16 November 2010. The Company’s code is 302564383; VAT payer’s code is LT100005748413.

LITGRID is an operator of electricity transmission system operating electricity transmissions in the territory of Lithuania and ensuring the stability of operation of the whole electric power system. In addition, the Company is responsible for the integration and development of the Lithuanian electricity market, as well as for the maintenance and development of electricity transmission network - the strategic projects for electricity interconnections with Sweden and Poland that will ensure the country’s energetic independence.

The principal objectives of the Company’s activities include ensuring the stability and reliability of electric power system in the territory of Lithuania within its areas of competence, creation of objective and non-discriminatory conditions for the use of the transmission networks, management, use and disposal of electricity transmission system assets and its appurtenances.

As at 30 September 2015 and 31 December 2014, the Company’s shareholders structure was as follows:

Company’s shareholders	Number of shares held	Number of shares held (%)
UAB EPSO-G	491,736,153	97.5
Other shareholders	12,595,227	2.5
<b>Total:</b>	<b>504,331,380</b>	<b>100</b>

The ultimate controlling shareholder of UAB EPSO-G (company code 302826889, address A. Juozapavičiaus g. 13, Vilnius) is the Ministry of Energy of the Republic of Lithuania.

The shares of the Company are listed on the additional trading list of NASDAQ OMX Vilnius Stock Exchange, issue ISIN code LT0000128415.

As at the date of these financial statements the Group included LITGRID and its directly controlled subsidiaries listed below:

Company	Address of the company’s registered office	Shareholding as at 30 September 2015	Shareholding as at 31 December 2014	Profile of activities
BALTPOL UAB	A. Juozapavičiaus str. 13, Vilnius, Lithuania	67%	67%	Electricity market operator, PSO funds administrator
UAB TETAS	Senamiesčio str. 102B, Panevėžys, Lithuania	100%	100%	Specialised transformer substation and distribution point technical maintenance, repair, and installation services; testing and trial work; energy site design
UAB Tinklo Priežiūros Centras	A. Juozapavičiaus str. 13, Vilnius, Lithuania	100%	100%	Preparation for installation, management, and operation of high voltage direct current electricity links with the electricity systems of Poland and Sweden

The structure of the Group’s investments in the associates and the jointly controlled entity as at 30 September 2015 and 31 December 2014 was as follows:

Company	Address of the company’s registered office	The Group’s shareholding as at 30 September 2015	The Group’s shareholding as at 31 December 2014	Profile of activities
UAB Duomenų Logistikos Centras	Žvejų str. 14, Vilnius, Lithuania	20%	20%	IT services
LitPol Link Sp.z.o.o	Wojciecha Gorskiego 900-033 Warsaw, Poland	50%	50%	The coordinator of LitPol Link inter-system power link project

As at 30 September 2015, the Group had 664 employees (31 December 2014: 707), as at 30 September 2015, the Company had 235 employees (31 December 2014: 226).

The Company’s management approved these financial statements on 25 November 2015.





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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR A NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2015  
(All amounts in EUR thousands unless otherwise stated)

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## **2. Summary of principal accounting policies**

The principal accounting policies adopted in the preparation of the Company's and the Group's condensed interim financial statements for the nine-month period ending 30 September 2015 is:

### **2.1 Basis of preparation**

The Company's and the Group's condensed interim financial statements for the nine-month period ending 30 September 2015 is prepared in accordance with the 34<sup>th</sup> International Accounting Standard (hereinafter - IAS) "Interim Financial Reporting".

The condensed interim financial statements is presented in thousands of euros, unless otherwise stated. Comparative information from the previous year is recalculated in accordance with the official euro exchange rate: 1 EUR = 3.4528 Lt.

In order to better understand the data presented in this condensed interim financial statements, this financial statements should be read in conjunction with the Consolidated and Company's 2014 financial statement, prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

This condensed interim financial statements has been prepared on a historical cost basis, except for property, plant and equipment, which is recorded at revalued amount, less accumulated depreciation and estimated impairment losses, and available-for-sale financial assets which are carried at fair value.

The financial year of the Company and other Group companies coincides with the calendar year.

The accounting principles applied in preparing the condensed interim financial statements are the same as those applied in preparing the financial statements for 2014.

### **2.2 New and amended standards, and interpretations**

There were no new standards, amendments to standards and interpretations applicable to the Company and the Group since 2015 and having a significant impact on this financial statements.

### **2.3 Principles of consolidation**

Subsidiary is an entity directly or indirectly controlled by the Company. The Company controls an entity when it can or has a the right to receive a variable returns from this relation and it can have impact on these returns due to the power to govern the entity to which the investment is made.

The consolidated financial statements of the Group include LITGRID AB and its subsidiaries. The financial statements of the subsidiaries have been prepared for the same reporting periods, using uniform accounting policies.

Subsidiaries are consolidated from the date from which effective direct or indirect control is transferred to the Company. They are de-consolidated from the date that control ceases. All intercompany transactions, balances and unrealized gains and losses on transactions among the Group companies are eliminated.

### **2.4 Business combinations between entities under common control**

IFRS 3, 'Business combinations' is not applied to business combinations between entities under common control, therefore such business combinations are accounted for using the pooling of interest method of accounting. The Group does not restate assets and liabilities to their fair value as at the acquisition date, instead the Group combines the acquired assets and liabilities at their carrying amounts. No goodwill arises and the excess of the consideration paid or the carrying amount of net assets transferred over the consideration received or the carrying amount of net assets acquired is recorded directly in equity in the financial statements.

### **2.5 Functional currency**

The Group's functional currency changed on 1 January 2015, the date of the introduction of the euro into the Republic of Lithuania. The recalculation of the litas to the euro has been applied at the litas to euro exchange rate of 3.45280 litas for 1 euro, which was irrevocably set by the EU Council.



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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR A NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2015  
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### 3. Intangible assets and property, plant, and equipment

Group	Intangible assets	Property, plant, and equipment
Net book amount at 31 December 2013 (adjusted)	684	531,397
Additions	342	34,783
Disposals	-	(1)
Write-offs	-	(347)
Transfer from inventories	-	41
Reclassification	149	(149)
Offsetting grants with non-current assets	-	(6,696)
Depreciation and amortization charge	(149)	(29,623)
<b>Net book amount at 30 September 2014 (adjusted)</b>	<b>1,026</b>	<b>529,405</b>
Net book amount at 31 December 2014	944	364,401
Additions	107	59,253
Write-offs	(1)	(858)
Transfer to inventories	-	10
Offsetting grants with non-current assets	-	(3,670)
Depreciation and amortization charge	(294)	(15,991)
<b>Net book amount at 30 September 2015</b>	<b>756</b>	<b>403,145</b>
Company	Intangible assets	Property, plant, and equipment
Net book amount at 31 December 2013 (adjusted)	630	530,409
Additions	334	34,609
Disposals	-	(1)
Write-offs	-	(347)
Transfer from inventories	-	41
Reclassification	149	(149)
Offsetting grants with non-current assets	-	(6,696)
Depreciation and amortization charge	(119)	(29,363)
<b>Net book amount at 30 September 2014 (adjusted)</b>	<b>994</b>	<b>528,503</b>
Net book amount at 31 December 2014	915	363,431
Additions	100	59,204
Write-offs	-	(849)
Transfer from inventories	-	13
Offsetting grants with non-current assets	-	(3,670)
Depreciation and amortization charge	(278)	(15,790)
<b>Net book amount at 30 September 2015</b>	<b>737</b>	<b>402,339</b>

Fixed tangible assets value are shown as the acquisition value less the grants received to acquire these assets value. As at 30 September 2015 the residual value of these grants amounted to EUR 51 943 thousand (as at 30 September 2014 - EUR 43 035 thousand).

### 4. Investments in subsidiaries (of the Company) and investments in associates and jointly controlled entities (of the Company and the Group)

#### *Investments in subsidiaries in the Company's financial statements*

As at 30 September 2015 the Company directly controlled the following subsidiaries:

Subsidiaries	Investment cost	Impairment	Carrying amount	Ownership interest (%)
UAB TETAS	4,356	(1,981)	2,375	100
BALTPOL UAB	305	-	305	67
UAB Tinklo Priežiūros Centras	174	-	174	100
	<b>4,835</b>	<b>(1,981)</b>	<b>2,854</b>	



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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR A NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2015  
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According to a share subscription agreement of 22 January 2015, the Company acquired 53,600 UAB BALTPPOOL shares with a value of €1.45 each for €77,720. The company will pay for the purchased shares in instalments up to 15 December 2015. €58,290 was paid on 30 September 2015.

As at 31 December 2014 the Company directly controlled the following subsidiaries:

Subsidiaries	Investment cost	Impairment	Carrying amount	Ownership interest (%)
UAB TETAS	4,356	(1,981)	2,375	100
BALTPPOOL UAB	247	-	247	67
UAB Tinklo Priežiūros Centras	174	-	174	100
	<b>4,777</b>	<b>(1,981)</b>	<b>2,796</b>	

#### Investments in associates and jointly controlled entities in the Company's and the Group's financial statements

Movement in the account of investments in associates and jointly controlled entities is given in the table below:

	Group		Company	
	30.09.2015	31.12.2014	30.09.2015	31.12.2014
Opening balance	1,088	4,611	1,047	4,437
Shares cancelled	-	(2,654)	-	(2,654)
Impairment of investments	-	(959)	-	(736)
Share of profit (loss) of associates and jointly controlled entities	11	90	-	-
Closing balance	<b>1,099</b>	<b>1,088</b>	<b>1,047</b>	<b>1,047</b>

#### 5. Held-to-maturity investments

	Group		Company	
	30.09.2015	31.12.2014	30.09.2015	31.12.2014
Swedbank AB bonds in LTL, maturity as at 22 January 2015	-	15,929	-	15,929
Closing balance	<b>-</b>	<b>15,929</b>	<b>-</b>	<b>15,929</b>

#### 6. Equity

##### Share capital

On 30 September 2015 the Company's share capital, converted into euros, was €146,256,100.20. It consists of 504,331,380 ordinary shares with a nominal value of €0.29 per share.

##### Other reserves

The Ordinary General Meeting of Shareholders of LITGRID AB held on 24 April 2015 approved the proposed profit appropriation and resolved to transfer EUR 108 607 507 from other reserves to retained earnings.

#### 7. Loans

Loans of the Group/Company were as follows:

	Group		Company	
	30.09.2015	31.12.2014	30.09.2015	31.12.2014
<b>Non-current borrowings</b>				
Bank loans	112,459	88,600	112,459	88,600
<b>Current borrowings</b>				
Current portion of non-current borrowings	67,941	30,200	67,941	30,200
Overdraft	41,306	10,580	16,482	-
<b>Total</b>	<b>221,706</b>	<b>129,380</b>	<b>196,882</b>	<b>118,800</b>



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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR A NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2015  
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#### Terms of repayment of non-current borrowings

	Group		Company	
	30.09.2015	31.12.2014	30.09.2015	31.12.2014
Between 1 and 2 years	8,082	29,082	8,082	29,082
From 2 to 5 years	30,247	24,247	30,247	24,247
After 5 years	74,130	35,271	74,130	35,271
<b>Total</b>	<b>112,459</b>	<b>88,600</b>	<b>112,459</b>	<b>88,600</b>

#### 8. Segment information

The Group has distinguished the following 6 segments:

- electricity transmission;
- trade in balancing/regulating electricity;
- provision of system (capacity reserve) services;
- provision of services under PSO (public service obligation) scheme;
- activities of the Energy Resources Market Operator;
- repair and maintenance activities.

The segments of the Company coincide with the electricity transmission, trade in balancing/regulating electricity, provision of system (capacity reserve) services and provision of services under PSO (public service obligation) scheme segments presented by the Group.

The electricity transmission segment is engaged in transmitting electricity over high voltage (330-110 kV) networks from producers to users or suppliers not in excess of the limit established in the contract. The main objective of these activities is to ensure a reliable, effective, high quality, transparent and safe electricity transmission to distributions networks, large network users from power stations and neighbouring energy systems.

Trade in balancing/regulating electricity is a service ensuring the balancing of electricity generation/import and demand/export levels.

Provision of system (capacity reserve) services. In order to ensure a reliable work of the system, the Company purchases from electricity producers the service of ensuring capacity reserve for power generation facilities, reaction power and voltage control, breakdown and disorder prevention and its liquidation and provides capacity reserve services to users. The capacity reserve is required in case of unexpected fall in electricity generation volumes or increase in electricity consumption.

The Company's/Group's services provided under PSO scheme comprise as follows:

- development and implementation of strategic projects for the improvement of energy security, installing interconnections between the electricity transmission systems abroad and (or) connecting the electricity transmission systems in the Republic of Lithuania with the electricity transmission systems in foreign countries (interconnections Lithuania-Sweden and Lithuania-Poland, connection of the Lithuanian electric energy system to continental Europe networks);
- connection of power generation facilities that use the renewable energy resources to transmission networks; optimisation, development and/or reconstruction of transmission networks ensuring the development of power generation that uses the renewable energy resources;
- balancing of electricity generated using the renewable energy resources.

The Energy Resources Market Operator's functions are carried out by the Company's subsidiary UAB BALTPPOOL. As part of this activity, UAB BALTPPOOL also conducts the PSO administrator function.

Repair and maintenance activities are carried out by the Company's subsidiary UAB TETAS and UAB Tinklo priežiūros centras (*Network Service Centre*). The main activity of UAB TETAS is specialised maintenance of transformer substations and distribution points, repair and installation services, testing and experimental work, and design of energy facilities. The activities of UAB Tinklo priežiūros centras (*Network Service Centre*) consist of preparations for the installation, operation and management of the high-voltage DC power system interconnection with the Polish and Swedish power systems.



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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR A NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2015  
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The Group's information on segments for the period ended 30 September 2015 is presented in the table below:

	Operating segments						Total
	Electricity transmission	Trade in balancing/ regulating electricity	Provision of system services	Provision of services under PSO scheme	Activities of the energy resource market operator	Repair and maintenance activities	
Revenue	42,473	9,628	6,873	3,132	389	14,652	77,147
Inter-segment revenue	-	-	-	-	-	(3,971)	(3,971)
Revenue after elimination of intercompany revenue within the Group	42,473	9,628	6,873	3,132	389	10,681	73,176
<b>Operating profit (loss)</b>	1,655	3,430	(727)	50	122	34	4,564
Income (expenses) from financing activities, net*	x	x	x	x	x	x	(473)
Share of result of associates and jointly controlled entities*	x	x	x	x	x	x	11
Profit (loss) before income tax	x	x	x	x	x	x	4,102
Income tax*	x	x	x	x	x	x	(587)
<b>Net profit (loss) for the year</b>	x	x	x	x	x	x	3,515
Depreciation and amortisation expenses	16,068	-	-	-	12	205	16,285

\* Income tax, share of result of associates and jointly controlled entities and financing income and expenses are not allocated between the Company's operating segments.

The Group's information on segments for the period ended 30 September 2014 is presented in the table below:

	Operating segments						Total
	Electricity trans-mission	Trade in balancing/ regulating electricity	Provision of system services	Provision of services under PSO scheme	Activities of the energy resource market operator	Repair and maintenance activities	
Revenue	50,456	16,361	9,056	2,241	150	16,457	94,721
Inter-segment revenue	-	-	-	-	-	(7,646)	(7,646)
Revenue after elimination of intercompany revenue within the Group	50,456	16,361	9,056	2,241	150	8,811	87,075
<b>Operating profit (loss)</b>	(5,236)	4,039	(2,069)	-	(157)	(430)	(3,853)
Income (expenses) from financing activities, net*	x	x	x	x	x	x	(357)
Share of result of associates and jointly controlled entities*	x	x	x	x	x	x	30
Profit (loss) before income tax	x	x	x	x	x	x	(4,180)
Income tax*	x	x	x	x	x	x	63
<b>Net profit (loss) for the year</b>	x	x	x	x	x	x	(4,117)
Depreciation and amortisation expenses	29,482	-	-	-	26	266	29,774

\* Income tax, share of result of associates and jointly controlled entities and financing income and expenses are not allocated between the Company's operating segments.

The Group operates in Lithuania and its revenue generated from customers in Lithuania accounts for 97% of total revenue.

In 2015 and 2014, the Group's and the Company's revenue by geographical location of customers:

	Group		Company	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
Lithuania	70,730	85,958	59,660	76,996
Russia	357	239	357	239
Estonia	1,373	424	1,373	424
Latvia	431	453	431	453
Norway	225	1	225	1
Sweden	60	-	60	-
<b>Total:</b>	<b>73,176</b>	<b>87,075</b>	<b>62,106</b>	<b>78,113</b>

All assets of the Group and the Company are located in Lithuania.

## 9. Related-party transactions

The Company's/Group's related parties in 2015 and 2014 were as follows:

- EPSO-G (the parent of the Company). 100% of EPSO-G share capital is owned by the Ministry of Energy of the Republic of Lithuania;
- Subsidiaries of the Company (related party of the Company);
- Associates and jointly controlled entities of the Company;
- AB Amber Grid (subsidiary of EPSO-G);
- Management of the Company and Group.



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Transactions with related parties are carried out in accordance with market conditions and the tariffs approved under legislation or in accordance with the requirements of the law on public procurement.

Sales of goods and services

	Group		Company	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
Subsidiaries of the Company	-	-	16,872	20,320
The Group's parent company (UAB EPSO-G)	14	-	14	-
Group's associates and jointly controlled entities	1,167	1,073	1,167	1,073
	<b>1,181</b>	<b>1,073</b>	<b>18,053</b>	<b>21,393</b>

Purchases of goods and services

	Group		Company	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
Subsidiaries of the Company	-	-	15,617	21,618
Group's associates and jointly controlled entities	401	284	401	284
	<b>401</b>	<b>284</b>	<b>16,018</b>	<b>21,902</b>

Amounts receivable from related parties

	Group		Company	
	30.09.2015	31.12.2014	30.09.2015	31.12.2014
Subsidiaries of the Company	-	-	1,857	2,350
The Group's parent company (UAB EPSO-G)	2	3	2	3
Group's associates and jointly controlled entities	158	158	158	158
	<b>160</b>	<b>161</b>	<b>2,017</b>	<b>2,511</b>

Amounts payable to related parties

	Group		Company	
	30.09.2015	31.12.2014	30.09.2015	31.12.2014
Subsidiaries of the Company	-	-	3,178	5,522
The Group's parent company (UAB EPSO-G)	-	-	-	-
Group's associates and jointly controlled entities	20	76	20	76
	<b>20</b>	<b>76</b>	<b>3,198</b>	<b>5,598</b>

**Payments to the key management personnel**

	Group		Company	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
Employment-related payments, whereof:	555	458	334	259
- Termination benefits	15	-	14	-
Average number of the key management personnel	15	14	6	6

Key management consists of heads of administration and their deputies/directors of departments and chief financiers.

**10. Basic and diluted earnings per share**

In 2015 and 2014, basic and diluted earnings per share of the Group were as follows:

	30.09.2015	30.09.2014
Net profit (loss) attributable to the Company's shareholders (thousand EUR)	3,475	(4,066)
Weighted average number of shares (units)	504,331,380	504,331,380
Basic and diluted earnings per share (in EUR)	<b>0.007</b>	<b>(0.008)</b>



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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR A NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2015  
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## **11. Contingent liabilities**

### Litigations

The State Prices and Energy Control Commission adopted Resolution No. O3-224 of 26 March 2015 concerning AB LITGRID breaches of regulated conditions of activity, which imposed on AB LITGRID a fine of €100,000 and ordered the Appellant to pay the fine within 30 calendar days from the date of entry into force of the Appeal Judgement and to correct by 26 May 2015 the regulated usage statements for the years 2011-2013, presenting them to the Commission. On 24 April 2015, AB LITGRID appealed against this decision of the Commissions to the Vilnius Regional Administrative Court. The contested decision is unjustified and illegal; therefore the applicant submits this protest, requesting that the appeal decision be set aside.

## **12. Subsequent events**

### Electricity transmission rate for 2016 set

National Commission for Energy Control and Prices has published prices for electricity transmission and system services and the procedure for their application, as approved by Litgrid Management Board on 22nd October. The approved average electricity transmission rate as of 1st January 2016 is 0.691 ct/kWh, system services rate - 0.203 ct/kWh.

### Company and INEA signed an agreement on partial LitPol Link funding

Company and European Union Innovation and Networks Executive Agency (INEA) have signed an agreement on partial LitPol Link project funding. Financial support of EUR 27 million from Connecting Europe Facility (CEF) were approved for the project in July. The CEF framework provides funding to energy, transport and telecommunication projects listed under the EU Projects of Common Interest.

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CONSOLIDATED INTERIM REPORT  
FOR THE FIRST NINE MONTHS AS OF 30 SEPTEMBER 2015.  
(all amounts are stated in thousand euro, if not indicated otherwise)

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## CONSOLIDATED INTERIM REPORT OF LITGRID AB AND ITS SUBSIDIARIES FOR THE FIRST NINE MONTHS OF 2015

### I. General information about the group of companies

The consolidated interim report was prepared for the first nine months of 2015.

#### The Issuer and its contact details:

Name	LITGRID AB (hereinafter referred to as 'Litgrid' or the 'Company')
Legal form	AB (public company)
Registration date and location	2010-11-16, Register of Legal Entities of the Republic of Lithuania
Company code	302564383
Headquarters address	A. Juozapavičiaus g. 13, LT-09311, Vilnius
Telephone	+370 5 278 2777
Fax	+370 5 272 3986
E-mail	<a href="mailto:info@litgrid.eu">info@litgrid.eu</a> ; <a href="http://www.litgrid.eu">www.litgrid.eu</a>

#### Litgrid's operations

Litgrid, Lithuania's electricity transmission system operator (the 'TSO'), maintains stable operation of the country's electricity system, manages electricity flows, and enables competition in the open electricity market. Litgrid is responsible for the integration of Lithuania's electricity system into Europe's electricity infrastructure and the common market for electricity. The Company is implementing the strategic NordBalt (Lithuania-Sweden) and LitPol Link (Lithuania-Poland) power link projects. In seeking to enhance the country's energy independence, we foster a culture of responsibility, rational creativeness, and dialogue.

Litgrid's mission is to ensure reliable electricity transmission and enable competition in the open electricity market.

Litgrid's vision is the full-fledged integration of Lithuania's electricity system into Europe's electricity infrastructure and the common market for electricity, creating conditions for a competitive economy.

Litgrid's values are cooperation, respect, responsibility, professionalism, and initiative.

Litgrid's strategy is to ensure energy independence while creating public value.

As the backbone of the Lithuanian electricity sector, Litgrid not only is responsible for the maintenance of the balance of the electricity consumed and produced in the system and the reliable transmission of electricity, but also implements strategic Lithuanian electricity projects. Its vision and strategic operating guidelines are based on the long-term goals identified in the National Energy Independence Strategy. The Lithuanian TSO's most important operational areas and responsibilities are the maintenance of the country's electricity infrastructure and its integration with the Western and Northern European electricity infrastructure, development of the electricity market and participation in the creation of a common Baltic and European electricity market, and the integration of the Lithuanian and continental European electricity systems for synchronous operations.

#### Litgrid's operating plans and forecasts

Litgrid works actively and responsibly in the following key directions:

##### *European integration of the country's electricity system*

Once Lithuania becomes a full-fledged participant of the European electricity system, European system management standards will be introduced in the electricity sector, and electricity flow management based on market principles and participation in maintaining the system's frequency will be ensured. The desired result is the Baltic countries' synchronous operation within continental European grids.





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### *A common European market for electricity*

The integration of the Lithuanian electricity market into the Baltic and Nordic electricity market, and later the common European electricity market, will ensure transparent wholesale electricity prices, competition, and freedom of choice for all market participants as well as equitable trade in electricity with neighbouring European states. Being part of a large electricity market will allow for the most effective use of networks and generation infrastructure and for ensuring electricity transmission security.

### *Integration of the transmission grid into Europe's electricity infrastructure*

Lithuania's electricity transmission grid is strong and well connected with the electricity transmission infrastructure of the neighbouring Eastern states; by the power links to be established with Sweden (NordBalt) and Poland (LitPol Link) by the end of 2015, it will be connected to the electricity grids of Northern and Western Europe. The development of reliable high capacity inter-system links with neighbour countries will create opportunities to sell electricity between different energy systems. Optimal investment into the country's grid will ensure the integration of new electricity generators, the safe transmission of electricity, and the reliability of the system's operations.

In implementing strategic projects that help ensure the country's energy independence, and working in a strict regulatory environment, Litgrid makes every effort to rationally and effectively use existing financial resources and European Union (EU) support while contributing to increasing the country's economic competitiveness and improving consumer welfare.

### **The most important activities of the first nine month of 2015 in implementing strategic projects and other electricity sector projects**

#### *LitPol Link inter-system power link project implementation*

From January to September, key activities of the project took place at the construction site of the HVDC back-to-back converter station near Alytus. The transformers that are among critical equipment for the operation of the station were delivered from the global technology company ABB production site in Sweden in February and installed before the beginning of summer. The station is the most important and complex installation of the power link. This back-to-back station converting the alternating current to direct and backwards will enable electricity transmission between Lithuania's and Poland's power systems.

The construction works of the 400 kV overhead electricity transmission line from Alytus to Lithuania-Poland border continued: electricity pylons were built and wires installed. The schedule of the construction was adjusted after an accident that took place on the 1st of April 2015. In July 28, after additional investigation was carried out and new technical designs for the foundations of anchor pylons prepared, the construction works were renewed. Anchor pylons are the metal structures that support an overhead power line in the turning points. A total length of the upcoming power link with Poland stretches 51 kilometre through Lithuania and includes 150 pylons, 30 of them are anchor pylons.

In September 2015, the reconstruction of Alytus transformer substation was finished. LitPol Link interconnection consists of three parts - transformer substations near Elk in Poland and Alytus in Lithuania, HVDC back-to-back converter station near Alytus substation and high-voltage double-circuit transmission line. In July of 2015, the European Commission approved the support of EUR 27 million for LitPol Link project in the territory of Lithuania.

#### *Implementation of interconnection project NordBalt*

NordBalt submarine cable was finished in February. The construction of the HVDC converter station was completed by mid February, while the equipment of direct current, valves, and reactors halls was finished and the systems of cooling, grounding and lightning protection were installed in October.

By 9 June 2015, the entire interconnection cable has been laid and entrenched. The NordBalt cable was protected using two methods: entrenching via high pressure water jet or covering with stone chippings. In the areas of intensive vessel traffic, the entrenching reaches 1.5 meters. However, where the bottom is rocky, the entrenching is not possible. In such places, the cable was covered with stone chippings.

Based on the experience of other submarine interconnection operators, possible cable repair costs in a case of damages (EUR 4-15 million), and repair duration when interconnection is out of operation, and taking into account that NordBalt



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can satisfy almost the entire electricity demand of an average warm summer day in Lithuania, it has been chosen to invest into additional protection with the implementation cost of EUR 17.36 million. All cable entrenching works were completed till October.

#### *Transmission grid development and reconstruction projects*

During nine months of 2015, the reconstruction of the following transformer substations was completed: Petrašiūnai, Palemonas, and Šilainiai in Kaunas; Taika and Marios in Klaipėda; Šakyna, Gruzdžiai and Šiauliai in Šiauliai; Verkiai in Vilnius; Krekenava in Panevėžys district. The reconstructed substations ensure reliable electricity supply to the residents of Šiauliai, Kaunas, Vilnius, Klaipėda, Panevėžys, and Utena districts. The reconstruction of all these substations was partly financed (up to 40%) by the European Regional Development Fund.

The power transmission lines are under reconstruction. In nine months of 2015, the 271 reinforced concrete pylons, or 38% of all pylons planned for replacement in 2015-2016, and the 76,655 km of lightning protection wire were replaced in high voltage power transmission lines.

In September 2015, the contract for designing and constructing new 330 kV electric power transmission line from Alytus to the Kruonis Pumped Storage Hydroelectric Plant was signed. The contract has been awarded to the winner of the public tender A. Žilinskio ir ko, UAB. The contract value is EUR 19 million; all works are planned for completion by June 2018. Litgrid applied to the Lithuanian Business Support Agency for possible co-funding of this project from the EU funds; the requested support amounts to 50% of the project value. The new line is a component of the first interconnection between Lithuania and Poland LitPol Link, and it will allow to use the capacity of the interconnection to the maximum extent.

#### *Electricity market integration of Baltic and Nordic countries*

Since the beginning of 2015 three operators jointly calculate differences in Lithuanian, Latvian and Estonian energy systems between the planned and actual electricity consumption in order to manage the costs of power system control and balancing more efficiently.

In June 2015 the Baltic electricity transmission system operators Litgrid, Augstsprieguma tīkls, Elering, and the representative of the Nordic countries Finnish transmission system operator Fingrid signed an agreement on terms of reference regarding the development of the Baltic-Nordic balancing market. According to this agreement a common Baltic electricity balancing market should be created by the end of 2017. This will be a significant step towards the Baltic-Nordic electricity balancing market integration which is foreseen in 2018-2020.

The scenarios on how to integrate the Baltic and Nordic balancing markets were analysed in the feasibility study performed in 2014. A summary of the study results can be found on the website: <http://www.litgrid.eu/index.php/electricity-market/market-development-/eu-internal-market-for-electricity-/558>

On 11 September 2015, Lithuanian, Latvian, and Estonian electricity transmission system operators signed the methodology on cross-border capacity calculation and management, which will come into effect on 1 January 2016. The regulators of all Baltic countries plan to approve the methodology during the last quarter of this year. This is the last time when the methodology on cross-border capacity and management is the issue of three states; later the methodology shall be discussed between Lithuanian, Latvian, Estonian, Swedish, Finish, and Poland electricity transmission system operators.

During the third quarter of 2015, the average price for electricity in the Nord Pool Spot Lithuanian bidding area was 45 EUR/MWh. Compared to the same period of 2014, the price of electricity decreased by 21%.

During the third quarter, Lithuania imported 65% of the electricity it consumed. This is 2% more than during the same period in 2014. Almost half of the electricity was imported from Nordic countries and the rest from the third countries.

#### *The use of LitPol Link and NordBalt connections for trade in electricity*

On September 22, Lithuanian and Polish electricity transmission system operators Litgrid and PSE, and the electricity exchanges operating in Lithuania TGE and Nord Pool Spot agreed on the LitPol Link market operation agreement. In September, the agreement was reached also on the NordBalt market operation agreement to be signed by Lithuanian and Swedish electricity transmission system operators Litgrid and Svenska kraftnät and the electricity exchange operator Nord Pool Spot.



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The market operation agreements were prepared based on the principles laid down in the Commission Regulation (EU) 2015/1222 dated 24 July 2015 stating general guidelines for the distribution of capacities and congestion management. The agreements state that the transmission system operators shall provide and guarantee the cross-border capacity, while the electricity exchanges shall distribute it for trading in a manner of the implicit auction. The day-ahead and the intraday trading will be performed from the first day of the NordBalt operation. Through the LitPol Link, the day-ahead trading will be performed only, and the intraday trading will be introduced in 2016.

#### *Electric power system's reorientation to synchronous operation with the continental Europe networks*

In 2012, the Parliament of the Republic of Lithuania established the law on the Lithuania's electric power system's integration into the European electricity system thus confirming its strategic objective to reorient electric power system of Lithuania to synchronous operation with the continental Europe networks. The full-fledged Lithuania's electric power system's integration into the European electricity infrastructure and common market, thus ensuring independent system control, is one of strategic Litgrid's objectives, whose implementation requires complete understanding, acknowledgement, and coordination of national and international interests.

Out of all studies on the possibilities of connecting the electricity systems of the Baltic states and the continental Europe performed in 1998-2013, in 2014 the scenario of synchronisation via infrastructure links laid down through the territories of the EU states was chosen. The value of this complex project is from EUR 435 to 1,071 million, depending on detailed scenarios.

In 2014, the project of connecting the electricity systems of the Baltic countries with the continental Europe for synchronous operation was listed among the projects of common interest by the European Commission, and in 2015, the European Council highlighted that all dimensions of the European energy union are important for the energy security of the region.

#### *Litgrid membership in international organisations*

Awareness and support at the international level for projects implemented by Litgrid is ensured through participation in international associations, specifically, the European Network of Transmission System Operators for Electricity (ENTSO-E) and Central Europe Energy Partners (CEEP).

ENTSO-E (*European Network of Transmission System Operators for Electricity*) unites 41 electricity transmission system operators from 34 countries. Its main functions are: to resolve European-level issues on transmission grid management and development and the electricity market; to promote regional collaboration among TSOs; to make proposals regarding draft legislation prepared by the European Commission; and to prepare the Ten-Year Network Development Plan (TYNDP) and network codes. Litgrid representatives are on the organisation's System Operations, System Development, Market, and R&D committees as well as in related working groups. Participation in ENTSO-E activities is aimed at representing national interests and those of Litgrid in the making of European and regional decisions related to system management, the planning and implementation of projects to develop Lithuania's electricity infrastructure, electricity market connections and electricity transmission systems integration.

CEEP (*Central Europe Energy Partners*) unites 26 organisations from five Central and Eastern Europe countries. CEEP's main objective is to support integration of the energy sector of newest European Union member states in the context of common EU energy and energy security policy. Litgrid uses its participation in CEEP to contribute to the development of regional positions on EU energy policy issues, to take part in energy and industry forums organised by partners, and to present and seek support for key projects.

Litgrid delivers the information and organises the information and the education seminars on the subject of electric energy for public and associated business structures in Lithuania and abroad. In January-September of 2015, the company conducted the explicit presentations to the experts of the electricity market on such subjects as the electricity markets, electricity system re-orientation to synchronous work with the networks of the continental Europe, electricity transmission network development, and the introduction of new energy resources into the network in the international conferences in Czech Republic, Poland, and Sweden, regional conference by NATO Energy Security Centre in Vilnius, the meetings with the members of the Invest Lithuania and the Lithuanian Confederation of Industrialists.



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### Litgrid subsidiaries and the nature of their operations

As of 30 September 2015, the Litgrid group of companies consisted of Litgrid AB, Baltpool UAB, Tetas UAB, and Tinklo priežiūros centras UAB.

Name	BALTPOOL UAB	UAB TETAS	UAB Tinklo priežiūros centras
<b>Legal form</b>	UAB (private company limited by shares)	UAB (private company limited by shares)	UAB (private company limited by shares)
<b>Registration date and location</b>	2009-12-10, Register of Legal Entities of the Republic of Lithuania	2005-12-08, Register of Legal Entities of the Republic of Lithuania	2014-02-24, Register of Legal Entities of the Republic of Lithuania
<b>Country where company was established</b>	Republic of Lithuania	Republic of Lithuania	Republic of Lithuania
<b>Company code</b>	302464881	300513148	303249180
<b>Headquarters address</b>	A. Juozapavičiaus g.9-3, LT-09311, Vilnius	Senamiesčio g. 102B, LT-35116, Panevėžys	A. Juozapavičiaus g.13, LT-09311, Vilnius
<b>Telephone</b>	+370 5 278 2762	+370 45 504 670	+370 5 278 2766
<b>Fax</b>	+370 5 278 2707	+370 45 504 684	+370 5 272 3986
<b>Type of operations</b>	Energy resource market operator	Specialised design, installation, technical maintenance, repair, and testing services for transformer substations and distribution stations	Preparation for installation, management, and operation of high voltage direct current electricity links with the electricity systems of Poland and Sweden
<b>Country of operations</b>	Lithuania	Lithuania	Lithuania
<b>Share ownership by Litgrid</b>	67%	100%	100%

As at 30 September 2015, Litgrid Group also had shares in these companies:

Name	LitPol Link Sp.z.o.o	UAB Duomenų logistikos centras	UAB Technologijų ir inovacijų centras	Nord Pool Spot AS
<b>Country where company was established</b>	Republic of Poland	Republic of Lithuania	Republic of Lithuania	Kingdom of Norway
<b>Headquarters address</b>	ul. Wojciecha Gorskiego 9, 00-33 Warszawa, Lenkija	Žvejų g. 14, LT-09310 Vilnius	A. Juozapavičiaus g.13, LT-09311, Vilnius	PO Box 121, NO-1325 Lysaker, Norway
<b>Country of operations</b>	Lithuania and Poland	Lithuania	Lithuania	Norway, Sweden, Finland, Denmark, Lithuania, Latvia, Estonia
<b>Share ownership by Litgrid</b>	50 % of shares and voting rights	20.36 % of shares and voting rights	0.01 % of shares and voting rights	2 % of shares and voting rights and rotating board member



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## Services rendered by Litgrid Group companies

Litgrid, an electricity transmission system operator, renders the following services:

- Electricity transmission
- System services (capacity reserve)
- Trading in balancing and regulating electricity
- Public service obligation services (hereinafter referred to as PSO)
- Maintenance and repairs of the electricity grid
- Maintenance, operation, and management of HVDC links

### *Electricity transmission*

Electricity transmission services are the transmission of electricity over high voltage (330-110 kV) electric energy equipment. The transmission system operator transmits electricity from producers to consumers who are connected to the transmission grid, and to distribution network operators. Electricity transmission is a regulated activity.

The main function of the TSO is to manage the high voltage electricity transmission grid and ensure reliable, effective, high-quality, transparent and safe electricity transmission.

### *System services*

In order to maintain reliable system operations, Litgrid purchases services from energy producers for capacity reserve assurance at power generation facilities, reactive capacity and voltage management, and the prevention and recovery from accidents and breakdowns, and provides consumers with system (capacity reserve) services. Capacity reserves are needed when electricity production suddenly and unexpectedly falls or its consumption increases.

### *Trading in balancing and regulating electricity*

Litgrid ensures the country's electricity production and consumption balance. Balancing electricity is electricity that is consumed or produced outside of established electricity consumption and production schedules. Litgrid organises trading in balancing electricity, buying and selling balancing electricity that is necessary to ensure the country's electricity production and consumption balance.

Regulating electricity is electricity that is bought and/or sold on the instructions of the TSO as necessary for performing the function of balancing the country's electricity consumption and production. Litgrid organises trading in regulating electricity by auction. The auction participants are suppliers of regulating energy and TSOs of other countries with the technical means to quickly change power generation and consumption routines who have signed a corresponding agreement with Litgrid.

### *Public service obligation services*

Public service obligations (PSO) in the electricity sector are services that ensure and increase national energy security and the integration and usage of electricity produced from renewable resources. The list of public service obligations, their providers, and provisioning procedures are approved by the Government of the Republic of Lithuania, or an institution it has authorised, on the basis of public interests in the electricity sector. PSO funds are funds that are paid to providers of PSO services.

Litgrid provides these PSO services:

- Preparation and implementation of strategic projects related to increasing energy security (the Lithuania-Sweden and Lithuania-Poland electricity interconnections and integration of the Lithuanian electricity system into continental European grids)
- Connection of power generation equipment that uses wind, biomass, solar energy, or hydropower to the transmission grid as well as transmission-grid optimisation, development, and/or renovation related to the reception and transmission of electricity generated by producers who use renewable resources
- Balancing of electricity produced from renewable energy resources

The Government of the Republic of Lithuania, by its Resolution No. 1338 of 7 November 2012, designated Baltpool as a PSO fund administrator effective 1 January 2013.

PSO provisioning procedures are established by the Public Service Obligation Provisioning Procedure Description, approved by Resolution No. 916 of the Government of the Republic of Lithuania of 18 July 2012. PSO fund administration procedures are established by the Public Service Obligation Fund Administration Procedure Description, approved by



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the Lithuanian Government's Resolution No. 1157 of 19 September 2012. The PSO provisioning description provides that public service obligation funds are collected and transferred to the public service obligation fund administrator under procedures and conditions established by the Public Service Obligation Fund Administration Procedure Description. As the transmission system operator, Litgrid collects PSO funds from grid users whose electricity production and/or consumption equipment is connected to the electricity transmission grid, and transfers them to the PSO fund administrator.

#### *Electricity grid technical maintenance and repair*

Litgrid subsidiary UAB TETAS offers the following technical maintenance and repair services for electricity grid equipment:

- Maintenance and repair work for electrical equipment that is part of the grid
- Construction of new energy facilities and renovation of existing energy facilities
- Design services for electrical equipment and facilities

UAB TETAS operations comply with ISO 9001:2008 and ISO 14001:2004 requirements. A system for quality management and environmental protection management introduced in 2007 is applied in operating electrical equipment of up to 400 kilovolts and in performing design and construction work for extraordinary structures.

#### *Maintenance, operation, and management of HVDC links*

On 24 February 2014, Litgrid established the subsidiary "Tinklo priežiūros centras" with the purpose to create a highly qualified specialised engineering competency centre for the management and operation of high voltage direct current links. HVDC technology is required for electricity transmission in high volumes between distinct electricity systems. The company is managed as an internal unit of Litgrid.

In June of 2015, strategic operation guidelines of "Tinklo priežiūros centras" were approved.

#### **Environmental protection**

Procedures for environmental impact assessment or selection are carried out for planned power transmission lines and the conclusions are taken into account when preparing technical designs. Environment protection requirements are established during the design process for the construction of new or reconstruction of existing transformer substations and switchyards. In all cases, efforts are made to select the equipment that is less harmful to the environment. For example, reconstructing the substations, recently used oil units are being replaced by modern gas equipment. They are less risky to the environment in case of an accident and need less maintenance. Contractors are obliged to organise works so as to eliminate or reduce any impact on the environment, and construction waste is cleaned up in a documented process. Purchasing the services, the contractors are required to have the Environmental management standard LST EN ISO 14001 installed. Accepting the works performed, the contractors are checked for the fulfilment of the requirements, due waste management, the presence of confirmatory documents.

In cooperation with Lithuanian Ornithological Society, Litgrid implements the project "Safety of Birds in Electricity Transmission Lines". The objective of this project is to reduce deaths of migratory birds, improve breeding conditions of kestrels in Lithuania, monitor bird death cases on high voltage electricity transmission lines, and deliver recommendations for their protection. Electricity transmission lines are made more visible equipping them with bird-diverting devices in places of the most intensive bird migration. In pre-migratory areas of white storks, specific protection devices are installed aiming to protect them from the short circuit. 500 nesting-boxes for kestrels will be installed in total.

#### **Customers of the transmission system operator**

Litgrid's direct customers are electricity transmission grid users and suppliers of balancing and regulating electricity.

Transmission grid users include:

- Lesto, the distribution grid operator
- Electricity consumers whose electrical equipment is connected to the electricity transmission grid and who purchase electricity for consumption
- Electricity producers

Suppliers of balancing and regulating electricity are electricity producers and suppliers.



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## Employees

As of 30 September 2015, Litgrid group had 664 employees: 235 Litgrid employees, 396 TETAS employees, 10 Baltpool employees, and 23 Tinklo priežiūros centras employees.

Litgrid's wage bill for the reporting period was EUR 3,826 thousand.

	Number of employees as of 30 September 2015	Average monthly salary, Eur
Professionals	229	1,684
Management	6	5,926
<b>Total</b>	<b>235</b>	<b>1,794</b>

Litgrid group's wage bill for the reporting period was EUR 7,560 thousand.

	Number of employees at 30 September 2015	Average monthly salary, Eur
Labourers	226	723
Professionals	424	1,463
Management	14	4,062
<b>Total</b>	<b>664</b>	<b>1,262</b>

Litgrid employees are energy specialists of the highest level. Three-fourths of them have a university education in engineering, and average professional experience is 14 years. Putting their theoretical and practical knowledge to work, employees realize their personal aspirations and contribute to ambitious strategic national objectives in building up the country's energy independence.

The company periodically performs employee engagement studies aiming to analyse the level of employee satisfaction and engagement, identifies possibilities of deeper and more efficient employee engagement in work processes. The 2015 study results revealed that in a year employee engagement has increased by 6% and reached 52%.

Working for the company that is responsible for the safety, reliability, and responsible development of Lithuania's energy system, Litgrid's professionals are guides and mentors for young specialists who want to enter the energy realm. Litgrid is open to employing not only experienced professionals, but also young people who lack experience but are eager to work hard with all their heart and develop into future specialists. In order to attract to the energy sector young people who are talented, educated, ambitious and ready to take responsibility, Litgrid collaborates with educational institutions and youth organisations.

## Remuneration policy and performance appraisal

The goal of Litgrid's remuneration policy is to contribute to realising the mission and vision of an organization with contemporary and effective management, to mobilise people to work together and motivate them to achieve strategic priorities, to form and imbue the attitude that employees are the company's main asset, and to foster the corporate values of professionalism, cooperation, responsibility, initiative, and respect. Remuneration depends on an employee's position, work performance, achievement of individual annual goals, level of competencies, and sharing of organisational values. The remuneration policy is based on the principle that those who create greater value for the organisation and embody the organisation's values in their everyday activity should be paid more. Employee remuneration package consists of financial and non-financial elements: base salary, variable remuneration, additional benefits, and emotional remuneration.



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Performance appraisal takes place constantly at Litgrid as one of the most important tools for effective corporate management, helping to link personal and organisational goals, show the importance of each employee's work for the attainment of common objectives, make career planning possible, and motivate employees by ensuring an objective basis for promotion.

### **Training**

One of Litgrid's strategic goals is to become a managerial and technical competence centre for the energy sector in the Baltic countries. With this in mind, the company pays particular attention to the competences of each employee. Believing that every employee wants to become an expert in his/her field and wishes to work among other high level specialists, Litgrid creates conditions for its employees to improve their competences and qualification in the following ways:

- Organising the internal training
- 'Enriching' the content of work with new projects
- Offering opportunities to participate in unique, non-standard projects
- Participating in external trainings and conferences
- Actively participating in the activities of professional organisations

### **Collective bargaining agreement**

In 2015, Litgrid signed a collective bargaining agreement with its labour union. The agreement defines and ensures an honest remuneration policy and work-life balance while also regulating social and economic relations between the employer and employee. It also ensures support for employees during important or painful life events.

### **Litgrid social responsibility activities**

Litgrid bases its activities on the principles of social responsibility, sustainable development, transparency, and forward-looking environmental protection. The company's operations are crucial for the successful functioning of the country's economy, while its long-term strategic goals and the strategic electricity projects it is implementing contribute to ensuring the country's energy independence.

The importance of the projects that are underway encourages the company, its employees, and its management to demand the highest professional and ethical standards, and to take responsibility for developing society's awareness, sense of responsibility, and desire to actively participate in promoting the country's welfare. Our social responsibility policy puts the greatest stress on ensuring conscientious and motivating working conditions, cultivating responsibility and public spirit, and helping the society in which we work to grow and develop in many ways.

A number of projects have been initiated to foster cooperation between separate Litgrid units and employee engagement in lateral processes that encompass multiple units. The goal is not just to get employees to perform tasks directly related to their work functions, but also to engage them in activities unrelated to work. Such activities foster organisational values, broaden employees' horizons, encourage professional and personal growth, spark desires to contribute to achieving the organisation's goals and increase the prestige of the energy and engineering professions, and build pride in the company and its highly significant projects. In 2015, the company implemented new initiatives of internal communication: the Circle of Ideas, which stimulates its employees not only to suggest new internal communication projects, but also to actively participate in their organisation.

Litgrid collaborates with institutions of higher education seeking to encourage young people to study engineering. Our employees periodically visit schools and make presentations, and we invite young people and other groups for tours of the company.

We devote our energy and resources to helping society to develop economically, to supporting the communities in which we work, to ensuring conditions that motivate and encourage personal growth for the people who work with us, and to protecting nature which provides us with resources. We are implementing strategic projects of high-value and historic significance, and we understand that great tasks carry great responsibility. Maintaining and encouraging high-quality dialogue with the society for whom and among whom we work is a cornerstone of Litgrid's daily operations.

### **About Litgrid Group's development and research activities**

Each year Litgrid organises power system development and research programmes aimed at expanding and enhancing the efficiency of the transmission grid. The reconstruction of energy facilities involves the replacement of old equipment





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with the new and the implementation of modern systems for relay protection, system automation, management, and data collection and transfers. Plans for the construction and renewal of facilities, based on scientific research and studies, are made for a 10-year period and updated annually.

After the agreement of Lithuanian, Latvian and Estonian electricity transmission system operators, the regional study as the overview of renewable energy generators in the Baltic countries was launched under the leadership of Litgrid.

Litgrid initiated a study of “Technical specifications and cost identification of high power source integration into the Baltic electricity system while working synchronously with the continental European grids” in 2014. The objective of the study was to examine the possibilities of a high capacity generator integration into the Lithuanian electricity transmission grid, to identify the appropriate grid-building and security measures to ensure a reliable and stable work of a generation source and a power system, to provide provisional deadline for implementation of planned measures, to evaluate the associated investments, to analyse the international requirements and standards applied for the integration of power generation sources into a system and to take into account the European Union codes. A high-power 1400 MW generator was analysed for research purposes.

The study examining the integration of a large scale generating unit into the Baltic states’ power system operating synchronously with the Continental Europe Network was completed in 2015. It revealed that in order to connect a large scale generating unit into the system of the Baltic countries working synchronously with the continental European electricity network, the Lithuanian electricity system should be strengthened with a new 330 kV power transmission line. It is also recommended to use certain specific measures for the improvement of dynamic stability and ensuring the necessary reserves for frequency control. The implementation of these measures would take around eight years and the price would be approximately EUR 60 million.

Consultations with Latvian, Estonian and Polish transmission system operators were carried out during a study. Summary of the study results can be found on the website:

<http://www.litgrid.eu/index.php/grid-development-/studies-and-reviews/2964>

The study was partly financed by the European Union via Connecting Europe Facility.

### **Main features of internal control and risk management systems related to the preparation of the consolidated financial statements**

Litgrid Group’s consolidated financial statements are prepared according to International Financial Reporting Standards as adopted by the EU. Litgrid’s internal control process includes the control of business processes related to service provision, IT system operations, and financial statement preparation.

Consolidated financial reporting is regulated by Litgrid’s formal Accounting Policy and Procedures Description, which ensures that accounting practices are in accordance with International Financial Reporting Standards as adopted by the EU and the laws of the Republic of Lithuania. The procedures identify possible risks associated with accounting and financial reporting with methods and principles for managing them, as well as the employees responsible for risk management.

### **Development of ITT competences**

Effective information technology and telecommunications solutions play an ever more important role in ensuring smooth and constant operations. IT has become an inseparable part of the fields of electricity system planning and management, equipment control, and service. In implementing the EU’s Third Energy Package, which requires separating electricity production, transmission, and distribution operations, Litgrid gave importance to the need to independently manage IT and telecommunications operations.

Until June 2013, all of Litgrid’s IT services were provided by Technologijų ir inovacijų centras. In 2013, the company started forming a division, which took over some of the main IT systems: maintenance of dispatcher management, substation tele-information collection and transfer, repair, and operations management. Transparent procurement of ITT assisting services in the market begun in 2013, meeting the needs of business units.

In the beginning of 2014 the company established an Information Technology and Telecommunication Centre (ITT Centre) as a new unit focused on the following areas of activity:

- Development, maintenance, and security of information systems used to manage the power system
- Automation of the electricity transmission grid, including the company’s strategic projects
- Business IT systems development, maintenance, security and continuity
- Delivery of quality ITT services to internal units and transparent acquisition of assisting services in the market to ensure uninterrupted operation of ITT systems in vital processes of corporate operations.



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Litgrid's ITT Centre employs 24 specialists. Beyond the ITT competences, the unit also concentrates expert knowledge in the automation of energy system management. It will ensure the continuity of IT solutions at Litgrid as well as security control and operational transparency.

The reserve backing up and recovery system was completely installed and started to use before 30 September 2015. The central system does not only allow to manage data saving and recovery processes, but also to easily and effectively develop it according to the needs of the company. The system involves double data base: data from one data centre are additionally transferred to another geographically remote centre. After transferring all information systems to the company infrastructure, the system became the most important one for continuous operation of the company.

One of the stages of creating ITT competence centre was successfully completed in 2015: the entire IT system management was successfully transferred from an external company to a data managed centre of Litgrid. IT systems maintenance services were purchased in the market through 19 contracts with service providers, as well as through the use of internal resources and competence of the ITT centre. Getting back the IT competences, creation of the ITT centre in the company and the purchase of IT services in the market will allow Litgrid to optimise costs and ensure safety and reliability requirements.



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## II. Financial information

The table shows the operating results of the group and the company.

	January-September 2015		January-September 2014		January-September 2013	
	Group	Company	Group	Company	Group	Company
<b>Financial indicators (amounts in EUR thousands)</b>						
Revenues related to electricity	60,127	60,127	76,660	76,660	111,337	111,227
Other operating income	13,049	1,979	10,415	1,453	10,315	1,467
EBITDA*	20,794	20,430	26,434	26,731	39,542	39,872
Profit (loss) before taxes	4,102	3,961	-4,180	-3,587	9,990	10,496
Net profit (loss)	3,515	3,420	-4,117	-3,515	8,471	8,928
Cash flow from operating activity	16,099	30,038	13,794	22,881	35,549	36,159
<b>Ratios</b>						
EBITDA margin (%)	28.4	32.9	30.4	34.2	32.5	35.4
Operating margin (%)	6.2	7.1	-4.4	-4.2	7.5	8.4
Return on equity (%)	1.9	1.9	-2.3	-2.0	2.6	2.7
Return on assets (%)	0.7	0.7	-1.0	-0.9	1.5	1.7
Shareholders' equity / assets (%)	36.6	39.3	42.5	45.5	59.2	62.0
Financial liabilities / equity (%)	91.1	80.7	54.0	49.4	11.9	11.4
Liquidity ratio	0.42	0.19	1.00	0.99	1.31	1.44
<b>TSO performance indicators</b>						
Transmitted quantity of electricity, million kWh		6,777		6,844		6,859
Transmission grid process costs (%)		1.94		1.90		1.95
END (electricity not delivered due to disconnections), MWh **		4.98		3.65		6.72
AIT (average interruption time), min. ** ~		0.25		0.17		0.31

\* The calculation of EBITDA does not include impairment of investments, fixed assets, inventories or previous-year receivables, nor costs for long-term asset disposal and revaluation;

\*\* Only for when the operator was responsible or the cause was undetermined.

### Revenue

Litgrid Group's revenue in nine months of 2015 was EUR 73.2 million, a decrease of 16% compared to the same period of 2014.



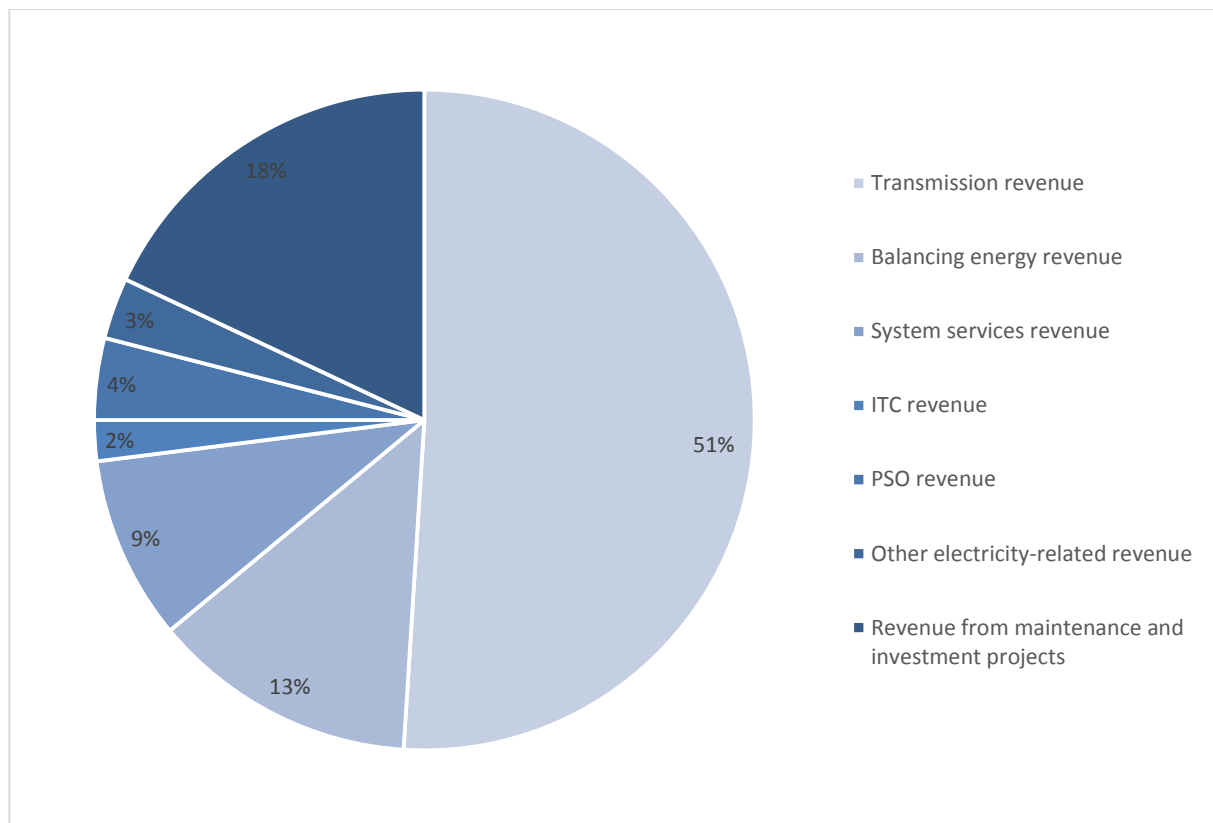
Revenue for electricity transmission decreased 16%, to EUR 37 million compared to 2014. Revenue from electricity transmission made up 51% of group's revenue. The decrease in revenue was caused by the decision of the National Commission for Energy Control and Prices to reduce electricity transmission tariff by 19% since 1 January 2015. During January-September 2015, Litgrid's high voltage electricity transmission grid transmitted 6,777 million kilowatt-hours (kWh) of electricity for the country needs, or 1% more compared to the same period of 2014.

6.150 million kWh were delivered to Lesto, the distribution grid operator, or 0.1% more than last year, while 627 million kWh were delivered to other users, or 10.4% less than in January-September of 2014.

Revenue for balancing and regulating electricity decreased 34% to EUR 9.6 million. Common balancing energy market for Baltic countries operating since 1<sup>st</sup> January 2015 allowed TSO to decrease the prices of balancing electricity by 31%. Another reason for the decrease was that balancing energy suppliers met a greater share of their customers' needs from other sources than balancing energy delivered by the TSO in 2015.

Revenue from system services decreased 24% to EUR 6.9 million. The decrease in revenue was caused by the decision of the National Commission for Energy Control and Prices to reduce electricity transmission rate by 24% since 1 January 2015. The fee for electricity imported to or exported from countries not belonging to the EU (ITC revenue, or revenue from participation in the European Inter-TSO Compensation mechanism) was EUR 1.5 million. Public service obligation (PSO) revenue was EUR 3.1 million. Other revenue related to electricity totalled EUR 1.9 million, including reactive energy, transit, and new user connections.

### Revenue structure





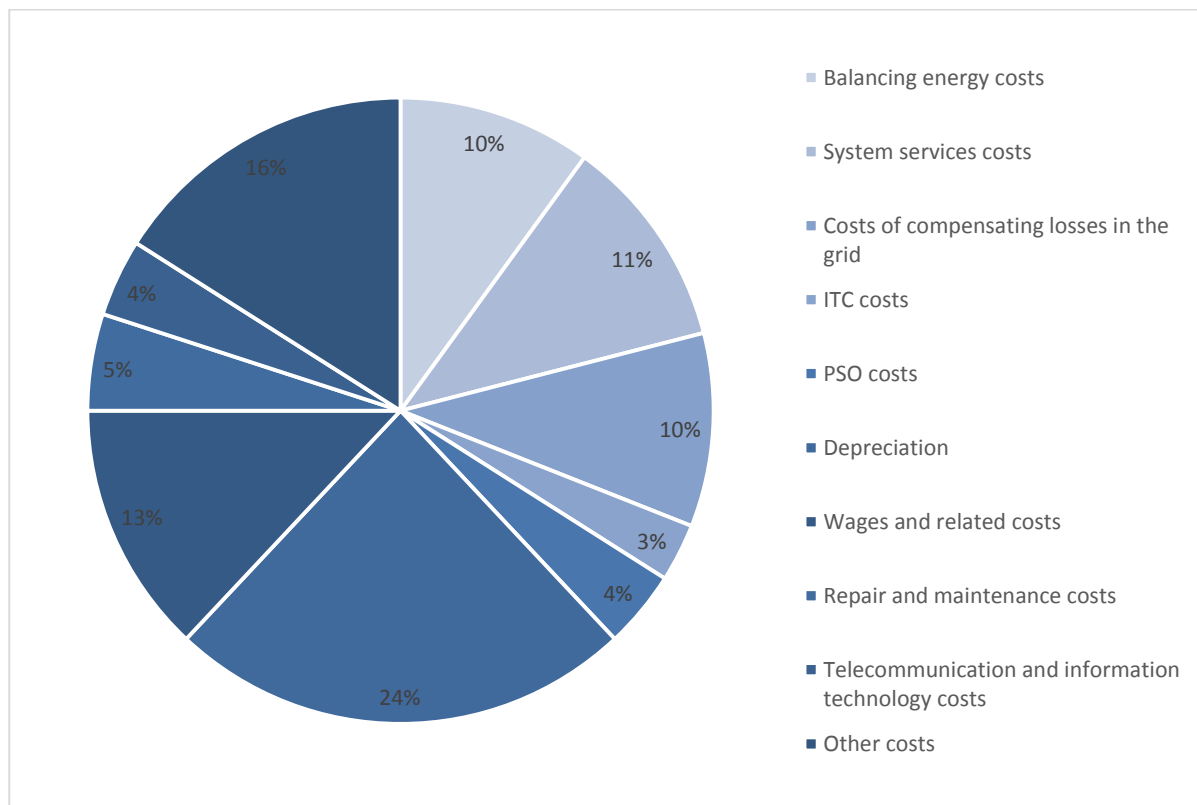
## Costs

During the first nine months of 2015, group costs totalled to EUR 68.6 million, or decreased by 25%, compared to the same period of 2014.

Purchases of electricity and related services accounted for the largest part of Group costs, i.e. EUR 26.5 million or 39%. In comparison to 2014, the costs decreased 28%. The costs for energy balancing and regulating decreased 34% (to EUR 7 million), there was a 32% decrease in system services costs (to EUR 7.6 million), and a 17% decrease in the cost of compensating for technical losses of electricity in the grid (to EUR 6.8 million). Costs of transit (participation in the Inter-TSO Compensation mechanism) were EUR 2 million, while PSO provision costs were EUR 3.1 million.

Depreciation and amortization costs decreased 45% to EUR 16.3 million. The main reason for the decrease - a revaluation of Company's tangible assets at the end of 2014. Other operating costs increased by 6% to EUR 25.9 million compared with the same period of 2014.

## Cost structure



## Profit

Group profit before taxes amounted to EUR 4.1 million for the first nine months of 2015. Group losses excluding taxes were EUR 4.2 million for the same period of 2014. The profit increase was mainly due to lower depreciation costs which resulted from the decline in the value of assets after the evaluation of a long-term tangible asset in the end of 2014.

The Group's profit for the first nine months of 2015 comprised of: transmission segment profit EUR 1.7 million (EUR 5 million loss was in 2014), system services losses EUR 0.7 million (2014: EUR 2.1 million loss), balancing and regulating electricity segment profit EUR 3.4 million (2014: 4 million profit), other activities loss EUR 0.3 million (2014: EUR 0.9 million loss).



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During the first nine months of 2015 group's EBITDA was EUR 20.8 million. It decreased by 21% compared to the same period of 2014. EBITDA margin decreased to 28.4%. (during first nine months of 2014 it was 30.4%).

### **Investments in fixed assets**

During the first nine months of 2015 the investments of the transmission system operator Litgrid amounted to EUR 165.2 million. 92% percent of these investments were designated to the implementation of strategic electricity projects, 8% of the investments were designated to the reconstruction and development of the country's power transmission grid.

Eighteen electricity transmission grid's investment projects, implemented by transmission system operator Litgrid, were allocated EUR 29.8 million from the European Structural Funds of 2007-2013 assigned for Lithuania. By 31 December 2014 the company had received EUR 22.5 million and during the first nine months of 2015 it received EUR 5.7 million. In addition, the implementation of the NordBalt project was allocated EUR 65.5 million from the European energy programme for recovery. By 31 December 2014 the company had received EUR 12.2 million and during the reference period of 2015 it received EUR 7.5 million. On 14 July 2015, European Commission and the EU member states approved EUR 27.4 million financial support for the power link with Poland LitPol Link. The project will be financed under the Connecting Europe Facility (CEF), an instrument for funding European infrastructure networks development.

### **TSO performance indicators**

Based on the requirements for electricity transmission reliability and service quality approved by the National Commission for Energy Control and Prices, two indicators are used to determine the electricity transmission reliability level: END – energy not delivered due to disconnections, and AIT – average interruption time. Litgrid's actually reached indicators in 2015: energy not delivered, END - 4.98 MWh, average interruption time, AIT, - 0.25 min.

### **References and explanations for information in the Consolidated Financial Statements**

Detailed explanations of financial information are provided in the Explanatory Notes of condensed interim financial information for the nine-month period of 2015.

### **Dividend policy**

The Government of the Republic of Lithuania, which indirectly through EPSO-G UAB controls 97.5% of Litgrid shares, has established the principles for the allocation of dividends for shares owned by the State in its Resolution No. 20 of 14 January 1997, the revised text of which is Resolution No. 359 of 4 April 2012.

The general meeting of shareholders of Litgrid held on 24 April 2015 declared not to pay dividends for the year 2014.

### **Risks and their management**

#### **Political, regulatory and compliance risks**

The power sector is a vitally important part of the economy with considerable influence on political and economic interests. The structure and management of the power sector and the operation of the companies in the energy sector are governed by the Law on Electricity of the Republic of Lithuania and its implementing legislation. Any amendments to national or European Union energy legislation can have an impact on the results of Litgrid Group. In order to reduce the impact of the risk on the performance results, the Company's representatives actively participate in discussions, inform about the decisions that have to be taken and / or submit proposals to institutions that prepare legislations. The company also responds immediately to the questions posed by public or control authorities regarding the Company's activities.

Prices for electricity are regulated with the price ceilings set by the National Commission for Energy Control and Prices. The operating results of Litgrid are directly dependent on these decisions. These controller solutions directly affect not only Litgrid performance results but also funds that the Company allocate for the necessary performance tasks, investments that maintain a reliability of the transmission grid, as well as opportunities to finance strategic projects from the Company's own or borrowed funds. In order to reduce the impact of regulatory risks on performance results, the Company is actively cooperating with the Commission, participate in discussions regarding legislative revisions, grounding its proposals by focusing on future decision-effects and long-term strategic objectives of the Company.



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While reducing a risk of compliance, the Company's legal team carefully supervises processes of decision-making, internal legislation and contractual obligations for the management.

### **Operational / performance risk**

One of the main functions and responsibilities of the Company's performance is ensuring the reliability of electricity transmission and preventing disruptions of energy supply. Main operational / performance risks that could affect the reliability of the transmission are caused by external environmental factors: natural disasters, performance disruptions of main contractors, criminal acts of third parties, as well as internal factors - disruptions in information systems. The Company has implemented solutions which meet the requirements of physical and information technology security which are applied for enterprises that have strategic or important role for national security and modern information systems are installed.

Emergency management plans that ensure business continuity are prepared and kept up to date. In order to avoid potential delays of grid reconstruction and development projects, Litgrid uses the project management system. Up-to-date and highly selective requirements for qualifications of contractors ensure that they are able to implement complex projects.

The company focuses on the attraction and retention of highly competent employees that are able to implement objectives of ambitious operational and complex strategic plans. For that purpose, educational and substitutability plans are being developed, a policy of remuneration and motivation is updated.

### **Financial risk**

Companies in the Litgrid Group encounter financial risk in their operations, including credit risk, liquidity risk and market risk (currency exchange risk, interest rate risk). In managing this risk, the Group's companies seek to minimise the effects of factors that can have an adverse impact on financial results of the Group. The Company has a significant concentration of credit risk. The Company requires the clients / third parties to provide adequate measures to ensure the execution of contracts (measures are applied according to the client's / third party's risk level) for credit risk management.

### **Technical risks**

Lithuania's energy system has 12 connecting lines with neighbouring energy systems. The available means for power and energy balance control are limited, and the power and energy balance control process is complicated. See the section about lack of availability of risk management in balancing measures "Baltic and Nordic electricity market integration" (page 18).

More than 52% of high-voltage electricity transmission grid equipment is older than 45 years. Malfunction or failure of the most important technological equipment can have a negative impact on Litgrid's operation and financial results. In order to avoid disruption of power supply, Litgrid carries out monitoring of a condition of a transmission grid, creates monitoring plans and schedules new investments in the grid respectively. Investment in equipment and materials has a direct impact on financial results. The Company ranks investments in the grid, taking into account objective criteria and specific evaluation methodology so they can optimize and ensure a smooth investment.

### **Environmental risks**

Companies of the Group comply with the environmental regulations for appropriate labelling, use and storage of any hazardous materials and for ensuring that equipment operated by the companies meets the established requirements. At facilities that pose an increased risk to the environment due to pollutants or waste, work is organised according to the conditions set out in the Integrated Pollution Prevention and Control Permits issued by regional environmental protection departments.

## **III. Information regarding authorised share capital and shareholders**

Litgrid has not acquired any of its own shares. There were no acquisitions or disposals of own shares during the reporting period. Subsidiaries of the Company have not acquired shares of the Company either.

Since 22 December 2010, Litgrid's shares are included on the Baltic Secondary List at the NASDAQ OMX Vilnius exchange, issue ISIN code LT0000128415.



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Litgrid AB share capital is EUR 146,064,463.62, which is divided into 504,331,380 ordinary registered shares. Value per share is EUR 0.29. The number of shares for the voting right - 504,331,380 pieces.

On 31 October 2015, the company had 5,599 (five thousand five hundred ninety nine) shareholders. 97.50% of Litgrid shares are owned by UAB EPSO-G (A. Juozapavičiaus g. 13, LT-09310 Vilnius, company code 302826889), 100% of which are owned by the Ministry of Energy. On 28 September 2012, to fulfil the provisions of the European Union's Third Energy Package, Litgrid as the transmission system operator, was separated from the other companies in the electricity sector.

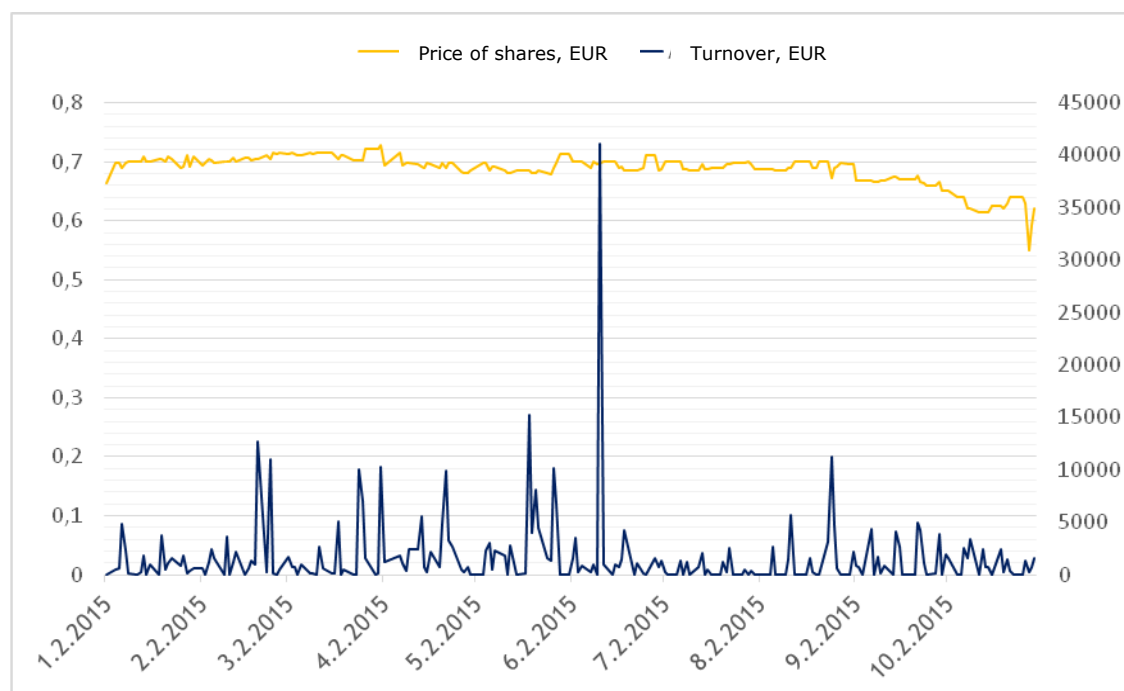
On 28 December 2012, Litgrid concluded an agreement with Swedbank AB on accounting for the Company's securities and related services for the period from 1 February 2013 until 31 January 2016.

Securities of subsidiaries of the Company are not traded on any securities exchange.

#### Trading in Litgrid securities in regulated markets:

Indicator	2012	2013	2014	2015
Opening price, EUR	0.403	0.523	0.593	0.698
Highest price, EUR	0.685	0.608	0.750	0.740
Lowest price, EUR	0.385	0.520	0.582	0.550
Closing price, EUR	0.523	0.592	0.664	0.640
Turnover, pcs	1,306,805	726,551	1,176,548	540,915
Turnover, EUR m	0.74	0.42	0.80	0.37
Capitalisation, EUR m	263.77	298.56	334.88	322.77

#### Turnover and price of Litgrid shares during the reporting period:



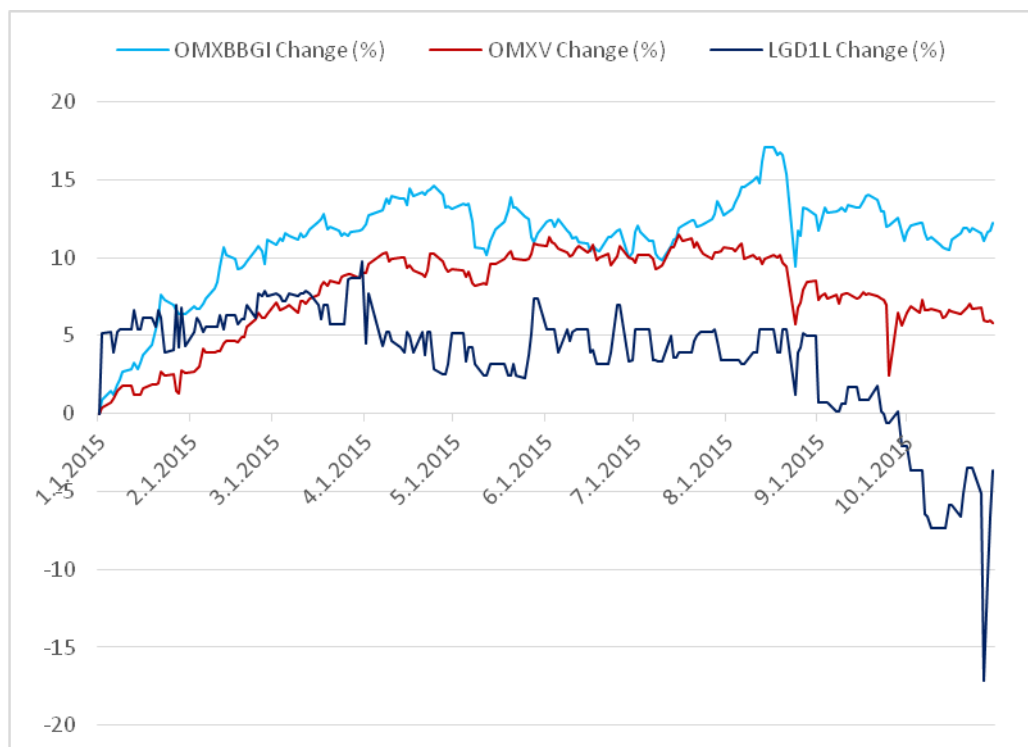




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**Comparison of the price of Litgrid shares (LGD1L) with the OMX Baltic Benchmark GI (OMXBBGI) and OMX Vilnius (OMXV) indexes during the reporting period:**



### Articles of Association

The Articles of Association of Litgrid may be amended according to the procedure established by the Law on Companies of the Republic of Lithuania. Adoption of an amendment requires a majority vote of at least two-thirds of the voting shares of the shareholders participating in a general meeting of shareholders.

### The General Meeting of Shareholders

The general meeting of shareholders is the supreme management body of the Company.

The scope of competence of the general meeting of shareholders and the procedure for its convention and adopting of decisions is established by the laws, other legal acts and the Articles of Association.

### The Supervisory Board

The Supervisory Board is a standing collegiate body that exercises supervision of the Company's operations.

The Supervisory Board reports to the general meeting of shareholders.

The Supervisory Board is headed by the chairperson elected by the Supervisory Board itself from among its members.

The Supervisory Board has three members including the chairperson. Independent members can also be elected to the Supervisory Board. Independence of a member of the Supervisory Board (or its committee) is determined according to the procedure established by the laws, and if such procedures do not exist, the Supervisory Board of the Company decides on the independence of the member of the Supervisory Board (or its committee). The Supervisory Board is elected for a term of office of four years. The Supervisory Board or its members start their activities after the end of the general meeting of shareholders that has elected the supervisory board/its members.



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The shareholder (or his representative) that puts up a candidate for the position of member of the Supervisory Board must submit to the general meeting of shareholders a written statement about the candidate's qualifications, experience in managing positions, and fitness for the position of member of the Supervisory Board including explanations concerning the meeting of the requirements set out in the Articles of Association of the Company, and providing conclusions by competent bodies and/or other documents demonstrating suitability.

#### *Areas of activities of the Supervisory Board*

The Supervisory Board is authorised to monitor the implementation of the Company's strategy and the transmission grid development plan; submit to the general meeting of shareholders feedback and proposals on the implementation of the transmission grid development plan; submit to the Board and the general meeting of shareholders (if the relevant issue is considered by the general meeting of shareholders) feedback and proposals on the decisions adopted by the Board as stated in the Articles of Association; adopt decisions on agreements with the Members and Chairperson of the Board concerning work in the Board, set standard terms and conditions of such agreements, and appoint a person authorised to sign such agreements on behalf of the Company; adopt decisions on the size of remuneration to Board Members (if it is decided to pay such remuneration); ensure the effectiveness of the internal control system in place at the Company.

#### *Audit Committee*

On 24 February 2014, the Supervisory Board of Litgrid AB decided to elect three members to the Company's Audit Committee, two of whom are independent: independent member Aušra Pranckaitytė, independent member Rima Kvietkauskaitė, and Litgrid Financial Analyst Ana Tursienė.

The Audit Committee analysed corporate risk management, internal auditing plans, IT security, and the process for auditing the financial statements. Duration of the Audit Committee term of office is the same as for the Supervisory Board which approved the composition of the Audit Committee.

#### **The Board**

The Board consists of five members and is elected for a four-year term of office. The term of the Board starts after the end of the general meeting of shareholders at which the Board was elected and ends on the date of the ordinary general meeting of shareholders held in the last year of the Board's term.

If the Board or a Board Member is recalled, resigns or ceases to perform its duties for any other reason, a new Board/Board Member is elected for the remainder of the Board's term. The person that puts up a candidate for the position of Member of the Board must submit to the Supervisory Board a written statement about the qualifications of the candidate, his/her experience in management positions, and fitness for the position of the Member of the Board including explanations concerning the meeting of the requirements set out in the Articles of Association of the Company, and providing conclusions by competent bodies and/or other documents demonstrating suitability.

The Board elects the Chairperson from among its members.

The Board works in accordance with the laws and other legal acts, the Articles of Association, decisions of the general meeting of shareholders and Work Regulations of the Board.

The Board is a collegiate management body of the Company. The scope of competence of the Board and the procedure for adoption of decisions and electing and recalling of its members is established by the laws, other legal acts and the Articles of Association.

The Board reports to the Supervisory Board and the general meeting of shareholders.

#### *Areas of activities of the Board*

The Board is authorised to consider and approve a three-year action plan for the implementation of the Company's strategy, a ten-year plan for the development of the Company's transmission grid, the budget of the Company, the procedure for granting support and charity, and other documents governing strategic operations of the Company. The Board adopts decisions on the Company's undertaking of new types of activities or ceasing to carry out certain activities to the extent to which this does not contradict the purpose of the Company's operations. It also adopts decisions on the issuing of bonds, restructuring of the Company and transfer of the Company's shares to other persons, and decides on financial transactions exceeding LTL 10 million (2,8962 million EUR) in value. The Board also adopts decisions on other matters as stated in the Articles of Association.



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#### *Areas of activities of the Chief Executive Officer*

The Chief Executive Officer (CEO) is the single-person management body of the Company. The CEO organises and directs the Company's activities, acts on behalf of the Company, and concludes agreements at his/her sole discretion.

The scope of competence of the CEO, as well as the procedure for his/her election and recall, is established in the laws, other legal acts and the Articles of Association.

#### **Members of the Supervisory Board, Audit Committee and the Board, CEO, and Chief Financial Officer of Litgrid:**

Position	Name	Start date	End date	Number of shares held by the issuer
<b>Supervisory Board</b>				
Chairperson	Aleksandras Spruogis	24/04/2013		-
Member	Audrius Misevičius	24/04/2013		-
Independent member	Mindaugas Vaičiulis	07/04/2014	24/04/2015	-
Member	Rolandas Zukas	24/04/2015		-
<b>Audit Committee</b>				
Member	Aušra Pranckaitytė	24/02/2014		-
Member	Rima Kvietkauskaitė	24/02/2014		-
Member	Ana Tursienė	24/02/2014		-
<b>Board</b>				
Chairperson	Daivis Virbickas	10/09/2013		-
Member	Karolis Sankovski	10/09/2013		-
Member	Vidmantas Grušas	10/09/2013		-
Member	Rimantas Busila	10/09/2013		1421
Member	Rolandas Masilevičius	18/12/2013		-
Chief Executive Officer	Daivis Virbickas	10/09/2013		-
Chief Financier	Svetlana Sokolskytė	02/07/2012	30/06/2015	-
Chief Financier at interim	Raimonda Duobuvienė	01/07/2015	18/10/2015	-
Chief Financier	Jūratė Vyšniauskienė	19/10/2015		-

#### **Members of the Supervisory Board of Litgrid**

**Dr. Aleksandras Spruogis, Chairman of the Supervisory Board**

Born in 1963. Civil engineer qualifications (diploma cum laude): Faculty of Construction, Vilnius Civil Engineering Institute, 1985. Master of Environmental Engineering: Faculty of Environmental Engineering, Vilnius Gediminas Technical University, 1992. Doctor of Technical Sciences in Environmental Engineering, Vilnius Gediminas Technical University, 1996. Research Assistant at Environment and Working Conditions Research Laboratory and Assistant at the Environmental Protection Department of Vilnius Civil Engineering Institute (Vilnius Gediminas Technical University), 1990-1997. Senior Adviser to the Parliament Environmental Protection Committee and Chairman of the Parliament Panel of Advisers, 1997-2003. Secretary of the Ministry of Environment, 2003-2009. Senior Adviser to the Ministry of Environment, 2009. Vice-Minister of Environment, 2009-2012.

**Audrius Misevičius, Member of the Supervisory Board**

Born in 1959. Economist qualification, Vilnius University, 1982. Doctor of Social Sciences, St Petersburg Institute of Finances and Economics. Associate Professor, Vilnius University, 1993. Work experience: Trainee, Assistant, Associate Professor at Finance Department of Vilnius University, 1982-2005. Deputy Minister of Social Security, 1990-1992. Minister of Finance, 1992. Assistant/secretary to Member of Parliament A. Rudys, 1993. Financier, UAB Stern von Litauen AG, 1993-1995. Head of Tax Department, TŪB J. Kabašinskas ir Partneriai, 1996. Deputy Chairman of the Board, Member of



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the Board of the Bank of Lithuania, 1996-2013. Adviser to the Prime Minister of the Republic of Lithuania, since 2013. Member of the Board of VĮ Indėlių ir Investicijų Draudimas and Curator of UAB Lietuvos Monetų Kalykla, 1998-2013.

**Rolandas Zukas, Member of the Supervisory Board**

Born in 1974. Transport Engineering Economics and Management qualification, worked at AB Klaipėdos Nafta as a Director of liquefied natural gas terminal (LNG), as member of the Board and CEO at UAB Energijos tiekimas. R. Zukas is a Managing Director of UAB EPSO-G, the company which owns 97.5% of Litgrid AB shares.

#### **Members of the Board of Litgrid**

**Daivis Virbickas, Chairman of the Board**

Born in 1978. Responsible for strategic management and power system control. Responsible for strategic management and power system management. Has experience of many years in the development and management of long-term strategies for power transmission system development, analysis of electricity markets, and corporate governance. Until 2013: Director of Commerce at Alpiq Energija Lietuva representing Alpiq AG, a Swiss holding company, in the Baltic States. Until 2011: Technical Director at Litgrid.

Mr Virbickas holds a master degree in Energy systems management from Kaunas University of Technology (KTU) (graduated in 2002), bachelor degree in Business management from KTU and Corporate governance certificate (2008) from Baltic Management Institute and IMD Business School (Switzerland).

**Karolis Sankovskis, Member of the Board**

Born in 1985. Responsible for strategic electricity grid projects. Has comprehensive experience working at power companies and with strategic international interconnector projects.

Mr Sankovskis holds a master degree in Environmental science from Aix-Marseille University (graduated in 2008) and bachelor degree in law from Mykolas Romeris University (2007).

**Vidmantas Grušas, Member of the Board**

Born in 1962. Responsible for management of electricity transmission grid. Has experience of many years in the operation of high voltage electricity transmission grid equipment, development of grid facilities and power system control.

Mr Grušas holds a diploma in Managing Energy Business (2009) from Scandinavian International Management Institute in Denmark. He also graduated Riga University of Technology with energy engineering qualification in 1985.

**Rimantas Busila, Member of the Board**

Born in 1958. Responsible for finance management. Experienced in financial, investment and securities management.

Mr Busila graduated from Vilnius Gediminas Technical University in 1981 with engineer-economist qualification. In 1993 Mr Busila deepened his knowledge in Paris stock exchange (Basics of capital markets functioning. Financial instruments trading.), in 1996 studied in American association of lawyers and commercial law centre (Stock market legal regulation), in 1998 - in U.S. Securities and Exchange Commission (Financial regulation and supervision).

**Dr Rolandas Masilevičius, Member of the Board**

Born in 1972. Responsible for information technology and telecommunications, electrical transmission infrastructure cyber and physical security as well as administration of the Company's general affairs. R. Masilevičius has an extensive managerial experience in state institutions. Since January 2014 he is employed at Litgrid AB as a Director of information technology, telecommunications and Administration Department.

Mr Masilevičius has doctor's degree from Vilnius Gediminas Technical University (VGTU) (awarded in 2001), a master degree in Environment engineering (1997).

No payments were made to the CEO of the Company or the Members of the Board for their work on the Board. No payments for work on the Supervisory Board were made to the other Members of the Board. Members of the Audit Committee received EUR 1,020.90 for work in the Committee in nine months of 2015.

Over the reporting period, the gross amount of pay to the CEO and Chief Financier of the Company amounted to EUR 119,521.13 (including a severance grant of EUR 14,456.53 for the chief financier).



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Information on major related-party transactions, their amounts, types of related-party relationships and other information on transactions which is necessary for an understanding of the Company's financial position is provided in the Note 9 of the Financial Statements.

### Transparency

The Company complies with all the main provisions of Sections IV-VIII of the Transparency Guidelines except that:

- the Company does not publish the salaries of managers and employees;
- the Company does not have the practice of specifying the average monthly pay by division.

### Notices on material events published by Litgrid from 1 January till 25 November 2015:

Date	Notice
20/01/2015	Price cap for electricity transmission rate set
27/02/2015	Litgrid Group financial results for 2014 announced
04/03/2015	Information regarding notification of resignation
26/03/2015	Litgrid did not breach terms of regulated activities
31/03/2015	Convocation of Ordinary General Meeting of Litgrid Shareholders
03/04/2015	Litgrid AB Supervisory Board's Response and Suggestions to the Ordinary General Meeting of Shareholders
24/04/2015	Decisions adopted at the Ordinary General Shareholders Meeting of LITGRID AB, 24 April 2015
28/04/2015	Litgrid seeks partial European Union funding for electricity interconnection with Poland
28/04/2015	Consolidated Annual Report of Litgrid AB and its subsidiaries for 2014
30/04/2015	Regarding the sale of shares of NT Valdós, UAB
29/05/2015	Litgrid Group's results for the first quarter of 2015 announced
04/06/2015	Litgrid presentation at the event "CEO meets investor"
02/07/2015	Ten-year grid development plan: investments into integration and security of supply
08/07/2015	Litgrid plans to borrow
14/07/2015	LitPol Link to receive EUR 27 million of EU funding
28/08/2015	Litgrid Group's results for the first half of 2015 announced
14/09/2015	Planned changes in Litgrid corporate governance structure
16/09/2015	Intention to conclude long-term loan agreement



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29/09/2015	Due to loan agreement
16/10/2015	Commission for Prices and Energy set the price cap for electricity transmission
30/10/2015	Electricity transmission rate for 2016 set
03/11/2015	Litgrid and INEA signed an agreement on partial LitPol Link funding
20/11/2015	Litgrid AB Investor's Calendar for 2016

Detailed notices on the material events published in 2015 are available on the website of the Nasdaq OMX Vilnius Securities Exchange [http://www.nasdaqomxbaltic.com/market/?pg=news&issuer=LGD&start\\_d=1&start\\_m=1&start\\_y=1996](http://www.nasdaqomxbaltic.com/market/?pg=news&issuer=LGD&start_d=1&start_m=1&start_y=1996) and the Litgrid website <http://www.litgrid.eu/index.php/apie-litgrid/investuotojams/esminiai-ivykiai-/478>.