

2015

AB LESTO CONSOLIDATED AND COMPANY'S CONDENSED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED AND COMPANY'S CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER AND FOR THE NINE-MONTH PERIOD OF 2015, PREPARED ACCORDING TO INTERNATIONAL ACCOUNTING STANDARD 34, 'INTERIM FINANCIAL REPORTING' AS ADOPTED BY THE EUROPEAN UNION (UNAUDITED)

lesto



Group of energy
companies

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CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Notes	Group		Company	
		2015-09-30	2014-12-31	2015-09-30	2014-12-31
ASSETS					
Non-current assets					
Property, plant, and equipment	2	726.974	722.038	726.974	682.634
Intangible assets	2	2.768	2.578	2.768	2.553
Investments in subsidiaries	3	-	-	-	58.982
Investments in associates	3	1.483	1.446	1.374	1.374
Investment property		-	44.791	-	-
Deferred income tax assets		-	2.041	-	2.041
Non-current amounts receivable		22.828	1.463	22.828	480
		754.053	774.357	753.944	748.064
Current assets					
Inventories		2.423	2.316	2.423	1.604
Trade and other receivables		73.928	58.731	73.928	56.210
Prepayments, deferred charges and accrued income		6.258	6.530	6.258	6.264
Prepaid income tax		394	-	394	-
Cash and cash equivalents		3.001	10.401	3.001	4.109
		86.004	77.978	86.004	68.187
Non-current assets classified as held for sale		-	42	-	-
		86.004	78.020	86.004	68.187
Total assets		840.057	852.377	839.948	816.251
EQUITY AND LIABILITIES					
Total equity attributable to owners of the Company					
Share capital		175.144	174.915	175.144	174.915
Revaluation reserve		56.642	69.997	56.642	61.324
Legal reserve		17.491	17.493	17.491	17.491
Retained earnings		170.513	129.329	170.404	140.390
		419.790	391.734	419.681	394.120
Non-controlling interest		-	37.556	-	-
Total equity		419.790	429.290	419.681	394.120
Liabilities					
Non-current liabilities					
Borrowings		148.908	99.855	148.908	99.855
Deferred income tax liability		1.496	1.160	1.496	-
Deferred income		80.389	83.663	80.389	83.663
Grants and subsidies		15.738	8.983	15.738	8.983
Non-current employee benefits		1.138	1.261	1.138	1.158
Other non-current liabilities		169	107	169	107
		247.838	195.029	247.838	193.766
Current liabilities					
Borrowings		63.105	122.223	63.105	122.223
Trade and other payables		91.467	80.030	91.467	81.810
Advance amounts received, accrued charges and deferred income		17.857	22.930	17.857	21.543
Income tax payable		-	2.875	-	2.789
		172.429	228.058	172.429	228.365
Total liabilities		420.267	423.087	420.267	422.131
Total equity and liabilities		840.057	852.377	839.948	816.251

The accompanying notes form an integral part of this condensed interim financial information.

27 November 2015


Aidas Ignatavičius
Chief Executive Officer

27 November 2015


Andrius Bendikas
Director of Finance and Administration
division

27 November 2015


Giedruolė Guobienė
Verslo aptarnavimo centras UAB, Head of
Reporting, Tax Accounting and Control
Division acting under Order No V-020 of 24
April 2015

CONDENSED INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Group	2015 Q I-III	2015 3Q	2014 Q I-III	2014 3Q
Revenue	438.927	137.879	489.370	158.308
Purchase of electricity and other related services	(270.053)	(89.709)	(316.424)	(102.089)
Depreciation and amortisation	(27.651)	(8.817)	(76.147)	(25.594)
Employee benefits and related social security contributions	(28.629)	(8.229)	(32.932)	(10.227)
Repair and maintenance expenses	(17.776)	(6.110)	(16.907)	(5.840)
Transportation expenses	(2.038)	(1.035)	(2.624)	(855)
Telecommunications and IT services	(5.209)	(1.766)	(5.031)	(1.657)
Rent and utility services	(1.936)	(588)	(2.376)	(722)
Result of valuation of other assets	-	-	(156)	-
Other expenses	(10.333)	(2.463)	(9.264)	(3.018)
Operating profit	75.302	19.162	27.509	8.306
Finance income	674	309	222	91
Finance costs	(1.791)	(473)	(1.737)	(602)
Finance costs – net	(1.117)	(164)	(1.515)	(511)
Gain on investments in associates	37	30	101	63
Profit before tax	74.222	19.028	26.095	7.858
Income tax	(10.348)	(2.885)	(3.983)	(1.202)
Net profit	63.874	16.143	22.112	6.656
Other comprehensive income (expenses):				
Gain (loss) on revaluation of property, plant and equipment	(65)	-	-	-
Effects of deferred income tax	10	-	-	-
Other comprehensive income (expenses)	(55)	-	-	-
Total comprehensive income for the period	63.819	16.143	22.112	6.656
Net profit for the year attributable to:				
Owners of the Company	63.569	16.144	21.240	6.255
Non-controlling interest	305	-	872	401
	63.874	16.144	22.112	6.656
Total comprehensive income attributable to:				
Owners of the Company	63.539	16.144	21.240	6.255
Non-controlling interest	280	-	872	401
	63.819	16.144	22.112	6.656
Basic and deluted earnings per share (in EUR)	0,105	0,027	0,035	0,010

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27 November 2015


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Verslo aptarnavimo centras UAB,
Head of Reporting, Tax Accounting
and Control Division acting under
Order No V-020 of 24 April 2015

AB LESTO, company code 302577612 Abugonų str. 26, Vilnius, Lithuania
CONDENSED INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the nine-month period ended 30 September 2015

All amounts are in EUR thousands unless otherwise stated

**CONDENSED INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME (CONTINUATION)**

Company	2015 Q I-III	2015 3Q	2014 Q I-III	2014 3Q
Revenue	430.511	137.879	478.738	154.517
Purchase of electricity and other related services	(270.053)	(89.709)	(316.424)	(102.089)
Depreciation and amortisation	(26.349)	(8.817)	(73.867)	(24.839)
Employee benefits and related social security contributions	(26.071)	(8.229)	(26.908)	(8.288)
Repair and maintenance expenses	(18.196)	(6.110)	(17.870)	(5.985)
Transportation expenses	(3.087)	(1.035)	(3.285)	(1.092)
Telecommunications and IT services	(5.118)	(1.766)	(4.817)	(1.665)
Rent and utility services	(1.896)	(588)	(2.039)	(657)
Other expenses	(8.936)	(2.462)	(8.142)	(2.738)
Operating profit	70.805	19.163	25.386	7.164
Finance income	681	309	297	91
Finance costs	(1.775)	(473)	(1.697)	(570)
Finance costs – net	(1.094)	(164)	(1.400)	(479)
Profit before tax	69.711	18.999	23.986	6.685
Income tax	(10.558)	(2.885)	(3.630)	(1.023)
Net profit	59.153	16.114	20.356	5.662
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	59.153	16.114	20.356	5.662
Basic and diluted earnings per share (in EUR)	0,098	0,027	0,034	0,009

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AB LESTO, company code 302577612 Aguonų str. 26, Vilnius, Lithuania
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
For the nine-month period ended 30 September 2015

All amounts are in EUR thousands unless otherwise stated

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group	Equity attributable to owners of the Company					Non-controlling interest	Total equity
	Share capital	Revaluation reserve	Legal reserve	Retained earnings	Total		
Balance at 1 January 2014	174.915	424.745	17.491	321.833	938.984	36.776	975.760
Comprehensive income							
Net profit for the period	-	-	-	21.240	21.240	872	22.112
Total comprehensive income for the period	-	-	-	21.240	21.240	872	22.112
Transfers to retained earnings (transfer of depreciation, net of deferred income tax)	-	(33.737)	-	33.737	-	-	-
Transfers to reserves	-	-	2	(2)	-	-	-
Dividends relating to 2013	-	-	-	(52.475)	(52.475)	-	(52.475)
Balance at 30 September 2014	174.915	391.008	17.493	324.333	907.749	37.648	945.397
Balance at 1 January 2015	174.915	69.997	17.493	129.329	391.734	37.556	429.290
Comprehensive income							
Net profit for the period	-	-	-	63.569	63.569	305	63.874
Other comprehensive income (expenses)	-	(31)	-	-	(31)	(24)	(55)
Total comprehensive income for the period	-	(31)	-	63.569	63.538	281	63.819
Transfers to retained earnings (transfer of depreciation, net of deferred income tax)	-	(4.840)	-	4.840	-	-	-
Disposal of subsidiaries	-	(8.484)	(32)	6.626	(1.890)	(37.837)	(39.727)
Result of share capital conversion	229	-	-	-	229	-	229
Transfers to reserves	-	-	30	(30)	-	-	-
Dividends relating to 2014	-	-	-	(33.821)	(33.821)	-	(33.821)
Balance at 30 September 2015	175.144	56.642	17.491	170.513	419.790	-	419.790

Continued on next page

The accompanying notes form an integral part of this condensed interim financial information.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONTINUATION)

Company	Notes	Share capital	Revaluation reserve	Legal reserve	Retained earnings	Total equity
Balance at 1 January 2014		174.915	416.406	17.491	333.864	942.676
Comprehensive income						
Net profit for the period		-	-	-	20.356	20.356
Total comprehensive income for the period		-	-	-	20.356	20.356
Transfers to retained earnings (transfer of depreciation, net of deferred income tax)		-	(33.706)	-	33.706	-
Dividends relating to 2013		-	-	-	(52.475)	(52.475)
Balance at 30 September 2014		174.915	382.700	17.491	335.451	910.557
Balance at 1 January 2015		174.915	61.324	17.491	140.390	394.120
Comprehensive income						
Net profit for the period		-	-	-	59.153	59.153
Total comprehensive income for the period		-	-	-	59.153	59.153
Transfers to retained earnings (transfer of depreciation, net of deferred income tax)		-	(4.682)	-	4.682	-
Result of share capital conversion	4	229	-	-	-	229
Dividends relating to 2014	5	-	-	-	(33.821)	(33.821)
Balance at 30 September 2015		175.144	56.642	17.491	170.404	419.681

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27 November 2015

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27 November 2015

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27 November 2015

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CONDENSED INTERIM STATEMENTS OF CASH FLOWS

Notes	Group		Company	
	2015 Q I-III	2014 Q I-III	2015 Q I-III	2014 Q I-III
Cash flows from operating activities				
Net profit	63.874	22.112	59.153	20.356
Adjustments for:				
Income tax expense	10.348	3.983	10.558	3.630
Depreciation and amortisation expenses	27.995	76.822	26.693	74.542
Result of valuation of assets	-	156	-	-
Depreciation of grants	(344)	(675)	(344)	(675)
(Gain)/loss on disposal and write-off of property, plant and equipment	1.607	2.265	1.600	2.554
(Gain)/loss on disposal of investments in subsidiaries	(4.598)	-	76	-
(Gain)/loss on investments in associates	(37)	(101)	-	-
Dividend income	-	-	-	(49)
Finance (income)	(674)	(222)	(681)	(248)
Finance costs	1.791	1.737	1.775	1.697
Changes in working capital:				
Trade and other receivables	3.629	6.897	8.840	5.211
Inventories, prepayments, deferred expenses and accrued income	(1.408)	(373)	(812)	217
Trade and other payables, advance amounts received, accrued expenses and deferred income	(3.362)	(19.154)	(12.762)	(19.207)
Cash generated from operating activities	98.821	93.447	94.096	88.028
Income tax paid	(10.204)	(7.130)	(10.204)	(7.079)
Net cash generated from operating activities	88.617	86.317	83.892	80.949
Cash flows from investing activities				
Acquisition of property, plant and equipment and intangible assets	(80.752)	(67.523)	(79.178)	(65.016)
Acquisition of subsidiaries and associates	-	(1.292)	-	(1.292)
Disposal of subsidiaries and associates	12.214	5.526	12.214	5.526
Net cash outflow from disposal of subsidiary	(7.721)	-	-	-
Proceeds from sale of property, plant and equipment and investment property	157	735	49	264
Grants received	5.384	2.812	5.384	2.812
Loan repayments received	47	100	47	75
Dividends received	-	-	-	49
Interest received	136	59	133	85
Net cash used in investing activities	(70.535)	(59.583)	(61.351)	(57.497)
Cash flows from financing activities				
Proceeds from borrowings	91.500	42.652	91.500	42.652
Repayments of borrowings	(101.564)	(11.737)	(99.736)	(11.737)
Dividends paid to the Company's shareholders	(12.039)	(33.584)	(12.039)	(33.584)
Interest paid	(1.551)	(1.724)	(1.546)	(1.684)
Net cash used in financing activities	(23.654)	(4.393)	(21.821)	(4.353)
(Decrease) increase in cash and cash equivalents	(5.572)	22.341	720	19.099
Cash and cash equivalents at the beginning of the year (including overdraft balance)	(2.409)	(12.777)	(8.701)	(17.945)
Cash and cash equivalents at the end of the period (including overdraft balance)	(7.981)	9.564	(7.981)	1.154

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27 November 2015

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27 November 2015

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

1 Accounting policies

Condensed consolidated interim financial information of LESTO AB (hereinafter - The Company) and its subsidiaries (hereinafter – Group) for a nine-month period ended 30 September 2015 has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable to interim financial reporting (International Accounting Standard (IAS) 34, 'Interim financial reporting'). This unaudited condensed interim financial information should be read together with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with IFRS as adopted by the European Union.

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

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

Income taxes for the interim reporting periods have been estimated using the tax rate that would be applicable to the estimation of income taxes on the expected gross profit for the year.

2 Intangible assets and property, plant, and equipment

Movements in the Group's account of the intangible assets and property, plant and equipment are presented below:

Group	Intangible assets	Property, plant and equipment
The period ended at 30 September 2015		
Net book value at the beginning of the period	2.578	722.038
Additions	1.208	74.306
Sales	-	(165)
Write-offs	-	(1.599)
Revaluation	-	(65)
Reclassifications to the financial assets	-	(420)
Reclassifications to/from investment property	-	(21)
Sale of subsidiary	(28)	(40.095)
Depreciation / amortisation	(990)	(27.005)
Net book value at 30 September 2015	2.768	726.974

Movements in the Company's account of the intangible assets and property, plant and equipment are presented below:

Company	Intangible assets	Property, plant and equipment
The period ended at 30 September 2015		
Net book value at the beginning of the period	2.553	682.634
Additions	1.202	71.695
Sales	-	(51)
Write-offs	-	(1.598)
Depreciation / amortisation	(987)	(25.706)
Net book value at 30 September 2015	2.768	726.974

3 Investments

Investments in subsidiaries and associates are listed below:

Subsidiary or associate	Country	Year of acquisition	Group's ownership (%)		Profile of activities
			2015-09-30	2014-12-31	
UAB ELEKTROS TINKLO PASLAUGOS	Lithuania	2004	-	100%	Construction, reconstruction, repair and maintenance of electricity facilities
NT Valdos, UAB	Lithuania	2010	-	57.30%	Real estate management services
UAB Technologijų ir inovacijų centras	Lithuania	2013	20.02%	20.02%	Information technology, telecommunication and other services provided to shareholders
UAB Verslo aptarnavimo centras	Lithuania	2014	15.00%	15.00%	Organisation and execution of public procurement procedures, accounting and personnel administration services provided to the shareholders

Investments to subsidiaries at the periods ended on 30 September, 2015 and 31 December, 2014 are summarised below:

Company	2015-09-30	2014-12-31
UAB ELEKTROS TINKLO PASLAUGOS	-	6.873
NT Valdos, UAB	-	52.109
Closing balance at the end of the period	-	58.982

AB LESTO, company code 302577612 Aguonų str. 26, Vilnius, Lithuania
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the nine-month period ended 30 September 2015

All amounts are in EUR thousands unless otherwise stated

On 31 March 2015, the Company sold to Lietuvos Energija, UAB 18.904.252 (eighteen million, nine hundred and four thousand, two hundred and fifty-two) shares of UAB ELEKTROS TINKLO PASLAUGOS for the total consideration of EUR 7.695 thousand. The EUR 822 thousand gain from the share sale transaction was accounted for under the line item 'Revenue' in the statement of comprehensive income.

On 27 April 2015, the Company sold to Lietuvos Energija, UAB 1.692.666 (one million, six hundred ninety two thousand, six hundred and sixty-six) shares of NT Valdos, UAB. The basic sale price of these shares amounts to EUR 41.176 thousand and the basic sale price premium amounts to EUR 11.120 thousand. The EUR 898 thousand loss on the share sale transaction was accounted for under the line item 'Other expenses' in the Company's statement of comprehensive income. The result comprised gain of EUR 188 thousand from the disposal of shares and expenses of EUR 1.086 thousand related to the adjustment of the fair value of the sale price premium. The share sale agreement stipulates that the sale price premium will be paid to the Company by 31 March 2019, if in 2018 NT Valdos, UAB meets financial covenants set forth in the agreement.

After the completion of these transactions the Company had no subsidiaries at 30 September, 2015.

Movements of investments in subsidiaries during the periods ended 30 September, 2015 and 31 December, 2014 are summarised below:

Company	2015 Q I-III	2014
Opening balance on 1 January	58.982	58.982
Disposal of subsidiaries	(58.982)	-
Closing balance at the end of the period	-	58.982

Gain from the disposal of subsidiaries was accounted for under the line item 'Revenue' in the statement of comprehensive income of the Group, while the carrying value of assets and liabilities sold were as follows:

	UAB ELEKTROS TINKLO PASLAUGOS	NT Valdos, UAB	Adjustments	Total
Intangible assets	9	19	-	28
Property, plant and equipment	3.167	25.307	(1.031)	27.443
Investment property	-	57.443	-	57.443
Deferred income tax assets	73	-	-	73
Non-current amounts receivable	-	1.219	-	1.219
Inventories	1.414	27	-	1.441
Non-current assets classified as held for sale	-	40	-	40
Current receivables	4.049	2.943	(68)	6.924
Cash and cash equivalents	2.039	5.682	-	7.721
Non-current liabilities	(52)	(52)	-	(104)
Deferred income tax liability	-	(1.102)	96	(1.006)
Income tax liability	(59)	(43)	-	(102)
Trade and other payables	(4.209)	(2.877)	-	(7.086)
Net value of assets	6.431	88.606	(1.003)	94.034
Selling price	7.695	51.210	-	58.905
Difference accounted by the Group	1.264	(37.396)	1.003	(35.129)
The difference accounted for:				
In the statement of comprehensive income	1.523	2.072	1.003	4.598
In the items of equity attributable to non-controlling interest	-	(37.837)	-	(37.837)
In the items of equity	(259)	(1.631)	-	(1.890)

Movements of investments in associates during the periods ended 30 September, 2015 and 31 December, 2014 are summarised below:

	Group 2015 Q I-III	Company 2015 Q I-III	Group 2014	Company 2014
Opening balance on 1 January	1.446	1.374	5.645	5.527
Acquisition of associates	-	-	1.373	1.373
Disposal of associates	-	-	(5.682)	(5.526)
Gain/(loss) on investments in associates	37	-	110	-
Closing balance at the end of the period	1.483	1.374	1.446	1.374

4 Share capital

As at 31 December 2014, the Company's authorised share capital comprised 603.944.593 ordinary registered shares with par value of LTL 1 each. All the shares are fully paid. According to the Law on the Amendment of Articles 2, 40 and 78 of Law No VIII-1835 on Companies and the Law on Redenomination to the Euro of the Capital and of the Nominal Value of Securities of Public Limited Liability Companies and Private Limited Liability Companies that came into force, on 1 January 2015 the nominal value of the Company's shares was converted to the euro and the value of the ordinary registered share is equal to EUR 0,29. The EUR 229 thousand change in the amount of the authorised share capital resulting from the rounding of the nominal value of the share in the euro to the nearest cent was recognised as the Company's finance costs.

5 Dividends

On 27 April 2015, the Ordinary General Meeting of LESTO AB Shareholders made a decision to pay out dividends for the period from 1 July to 31 December of 2014, dividends per share amounted to EUR 0,02. On 24 September 2015, the Extraordinary General Meeting of LESTO AB Shareholders made a decision to pay out dividends for for the six months period ended on 30 June 2015, dividends per share amounted to EUR 0,0360.

6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board that makes strategic decisions.

According to the management, the Company has a single operating segment, i.e. supply and distribution of electric power. The Company has a single geographical segment – territory of Republic of Lithuania. The chief operating decision-maker monitors the results with reference to the financial reports that have been prepared using the same accounting policies as those used for the preparation of the financial statements in accordance with IFRS, i.e. information on profit or loss, including the reported amounts of income and expenses, assets and liabilities.

7 Related-party transactions

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

- Lietuvos Energija, UAB (the main shareholder of the Company) and its subsidiaries and associates;
- Subsidiaries of the Company;
- Associates of the Company;
- Management of the Company including companies in which they hold executive positions or companies which are controlled by them or over which a significant influence is exercised;
- All companies which are owned by the state or over which the state exercises a significant influence (transactions with these companies are disclosed when they are material).

Purchase and sale of goods and services:

The Group's transactions with related parties between January and September of 2015 and the balances arising on these transactions as at 30 September 2015 are presented below:

Related parties	Payables and accrued expenses	Receivables and unbilled revenue	Purchases	Sales
Associates	869	-	5.884	308
Companies of Lietuvos Energija, UAB group	17.525	46.908	112.909	65.623
Companies of Litgrid AB group	21.079	5.027	113.659	5.581
Total	39.473	51.935	232.452	71.512

The Company's transactions with related parties between January and September of 2015 and the balances arising on these transactions as at 30 September 2015 are presented below:

Related parties	Payables and accrued expenses	Receivables and unbilled revenue	Purchases	Sales
Subsidiaries	-	-	5.665	244
Associates	869	-	7.394	-
Companies of Lietuvos Energija, UAB group	17.525	46.908	111.843	60.555
Companies of Litgrid AB group	21.079	5.027	113.657	4.208
Total	39.473	51.935	238.559	65.007

Until 31 March 2015, transactions with UAB ELEKTROS TINKLO PASLAUGOS were reported under the line item 'the Company's subsidiaries' and from 1 April 2015 they are reported under the line item 'Companies of Lietuvos Energija, UAB group'. Until 30 April 2015, transactions with NT Valdos, UAB were reported under the line item 'the Company's subsidiaries' and from 1 May 2015 they are reported under the line item 'Companies of Lietuvos Energija, UAB group'.

AB LESTO, company code 302577612 Aguonų str. 26, Vilnius, Lithuania
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the nine-month period ended 30 September 2015

All amounts are in EUR thousands unless otherwise stated

The Group's transactions with related parties between January and September of 2014 and the balances arising on these transactions as at 31 December 2014 are presented below:

Related parties	Payables and accrued expenses	Receivables and unbilled revenue	Purchases	Sales
Associates	1.616	76	5.394	591
Companies of Lietuvos Energija, UAB group	3.532	293	108.135	2.709
Companies of Litgrid AB group	30.277	4.057	150.778	5.226
Total	35.425	4.426	264.307	8.526

The Company's transactions with related parties between January and September of 2014 and the balances arising on these transactions as at 31 December 2014 are presented below:

Related parties	Payables and accrued expenses	Receivables and unbilled revenue	Purchases	Sales
Subsidiaries	5.970	97	15.218	609
Associates	1.534	-	5.093	45
Companies of Lietuvos Energija, UAB group	3.401	62	106.342	366
Companies of Litgrid AB group	30.241	2.820	150.738	654
Total	41.146	2.979	277.391	1.674

Compensation to key management personnel

Group / Company	2015 Q I-III	2014 Q I-III
Wages and salaries and other short-term benefits to management personnel	319	372
Number of key management personnel	6	8

Management consists of heads of administration and their deputies, and the chief financier. The chief financier has been included in key management personnel until 30 November 2014. With effect from 1 December 2014, accounting services are provided by UAB Verslo Aptarnavimo Centras.

8 Events after the reporting period

Regarding the long-term loan agreement

On 19 November, 2015, the Company and Pohjola Bank Plc. signed a long-term loan agreement in respect of a loan of EUR 70 million. The funds will be used to refinance the Company's financial liabilities and also for the working capital needs. Maturity of the loan will be 5 years, floating interest rate - 1 month EURIBOR.

The Company has committed to use the loan within 12 calendar months since the signing of the credit agreement.

During the contract period the Company may be granted an additional credit, which cannot exceed 30 percent of the loan amount.

Reorganization of AB LESTO and public limited liability company Lietuvos Dujos

The terms of reorganization of LESTO AB (hereinafter – LESTO) and public limited liability company Lietuvos dujos (hereinafter – Lietuvos dujos), which were discussed and approved by the Boards of LESTO AB and public limited liability company Lietuvos Dujos on 31 August 2015, were published in accordance with Article 65 of the Law on Companies.

On the basis of the reorganization terms of LESTO and Lietuvos Dujos (hereinafter - the Reorganization Terms), the Companies are reorganised by way of merger, as laid down in Article 2.97 (4) of the Civil Code of the Republic of Lithuania.

The establishment of a new company is planned after the reorganization - AB Energijos Skirstymo Operatorius (legal entity code to be attributed in accordance with the procedure established in the legislation of the Republic of Lithuania following the registration of AB Energijos Skirstymo Operatorius with the Register of Legal Entities, legal form – public limited liability company, future registered address - Aguonų St. 24, LT-03212, Vilnius, Republic of Lithuania, the ISIN code of the issue of shares will be attributed following the registration of the issue of AB Energijos Skirstymo Operatorius shares with the Central Securities Depository) (hereinafter - ESO).

The General Meetings of Shareholders of LESTO and Lietuvos Dujos will take a decision on the reorganization of LESTO and Lietuvos Dujos, on the approval of the Reorganization Terms and other related issues in accordance with the procedure established in the legislation of the Republic of Lithuania. The new company, which will be incorporated and will commence its activities after the reorganization, is ESO.

The shares of LESTO and Lietuvos Dujos will be exchanged to the shares of ESO, the company to be acting after the Reorganization, in accordance with the procedure and on the grounds established in the Reorganization Terms.

ESO will immediately apply for the issuance of the electrical energy distribution license, license for public supply of electrical energy and natural gas distribution license after its registration with the Register of Legal Entities.

ESO, the company to be acting after the reorganization, will take over all non-current and current assets of LESTO and Lietuvos Dujos also non-current and current financial and other liabilities, accounts receivable and payable in accordance with agreements concluded by LESTO and Lietuvos Dujos or obligations arising on other grounds (hereinafter - Transferred Assets, Rights and Obligations).

The intended commencement of ESO's activities after the takeover of the Transferred Assets, Rights and Obligations from LESTO and Lietuvos Dujos is 1 January 2016.

2015

AB LESTO GROUP CONSOLIDATED INTERIM REPORT

REPORT FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER, 2015

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AB LESTO GROUP INTERIM REPORT
Report for the nine-month period ended 30 September, 2015

Reporting period covered by the report

Report covers January to September of 2015.

Information availability

This report and other documents based on which it has been prepared are available at the company's office at Aguonų str. 26, Vilnius, Corporate Communication department (office No. 527) from 7.30 to 16.30 Monday to Thursday and from 7.30 to 15.15 on Fridays. Report is available on company's website (www.lesto.lt) and on Stock exchange market NASDAQ OMX Vilnius website (<http://www.nasdaqomxbaltic.com>).

Public announcements that AB LESTO must announce according to the valid Laws of the Republic of Lithuania, are published via company's website (www.lesto.lt) and Stock exchange market NASDAQ OMX Vilnius website (www.nasdaqomxbaltic.com).

Persons responsible for the information provided in the report

Office	Name, surname	Telephone
Chief Executive Officer	Aidas Ignatavičius	+370 5 277 7524
Director of Finance and Administration division	Andrius Bendikas	+370 5 277 7524
Director of Finance department	Artūras Paipolas	+370 5 277 7524

Consolidated LESTO AB (hereinafter – LESTO, Company) and its subsidiaries (hereinafter LESTO and its subsidiaries – LESTO group) report is prepared in accordance with Law on Securities of the Republic of Lithuania, decision of the Board of the Bank of Lithuania No. 03-48 (28 February, 2013) on Rules of Drawing up and the Submission of the Periodic and Additional Information, and other valid laws and legal acts.

Report signature date

Report was prepared and signed on 27 November, 2015.

KEY OPERATIONAL AND FINANCIAL FIGURES AND RATIOS OF LESTO

AB LESTO key activity indicators					
		2014	2015	Change	
		9 months	9 months	+/-	%
Activity indicators					
Distributed electricity through medium- and low-voltage grids	TWh	6.18	6.29	0.11	1.7
Public and guaranteed supply	TWh	2.38	2.32	-0.07	-2.8
Electricity quality indicators					
SAIDI, minutes (with „force majeure“)	minutes	113.38	80.14		
SAIFI, times (with „force majeure“)	times	1.02	0.81		

AB LESTO key financial indicators					
		2014	2015	Change	
		9 months	9 months	+/-	%
Sales revenue	thousand EUR	478,738	430,511	-48,227	-10.1
Purchases of electricity and other related services	thousand EUR	316,424	270,053	-46,371	-14.7
Operating costs (1)	thousand EUR	59,341	61,246	1,905	3.2
EBITDA (2)	thousand EUR	102,973	99,212	-3,761	-3.7
EBITDA margin (3)	%	21.51%	23.05%		
Net profit (loss)	thousand EUR	20,356	59,153	38,797	190.6
		2014	2015		
		9 months	9 months		
Total assets	thousand EUR	1,422,196	839,948	-582,248	-40.9
Equity	thousand EUR	910,557	419,681	-490,876	-53.9
Financial debt	thousand EUR	196,320	212,013	15,693	8.0
Net financial debt (4)	thousand EUR	187,551	209,012	21,461	11.4
Return on equity (ROE) (5)	%	2.93%	19.38%		
Equity capital level (6)	%	64.02%	49.97%		
Net financial debt / EBITDA of 12 months	%	142.28%	167.04%		
Net financial debt / Equity	%	20.60%	49.80%		

(1) Operating expenses (OPEX) = operating expenses, excluding the costs of purchase of electricity and related services, costs of depreciation, amortisation and value impairment and costs write-offs of tangible fixed assets;

(2) EBITDA (earnings before interest, taxes, depreciation and amortisation) = pre-tax profit (loss) + finance costs – finance income – received dividends + costs of depreciation and amortisation + value impairment costs + write-offs of tangible fixed assets (3) EBITDA margin = EBITDA / revenue;

(3) EBITDA margin = EBITDA / revenue;

(4) Net financial debts = financial debts – cash and cash equivalents – short-term investments and time deposits – share of other non-current financial assets comprising investments in debt securities;

(5) Return on equity (ROE) = net profit (loss) for the reporting period * 4/3 / [(equity capital in the beginning of the reporting period + equity capital in the end of the reporting period) / 2];

(6) Equity capital level = equity capital at the end of period / total assets at the end of period.

CEO LETTER

Dear investors,

This year we continued to enhance network's reliability and improve our operational efficiency. Compared to last year, our electrical distribution network has become more reliable, the introduction of electricity for new customers quicker and easier.

As we have set out in our 10 year investment plan, this year we increased our investments in network modernization. During the nine months of 2015 our investments in network upgrade and modernization reached EUR 72.8 million – 13.2% more compared to the same period of 2014. Compared to January-September of 2014, investments in low voltage network renovation and reconstruction increased by most – 51.5% to EUR 30.3 million.

This year we have laid more than a thousand kilometres of underground electricity power distribution cable lines – 52% more than in the nine months last year. We have also built over 1.6 thousand modern transformer stations - four times the amount built in the nine months last year.

During the third quarter we have launched new distribution network management system installation project. This modern system, which will be installed by the contract winning company IGE Energy Management Services Limited of US-based industry and energy corporation General Electric, will become a new tool for our dispatchers. We will use it to monitor and manage the network in real time. The system is expected to be completed in the first quarter of 2017.

Staying ahead of the latest technologies, we take a step forward toward a smart network which will open more opportunities for market participants. During the summer we prepared systems for electricity exchange with producing clients who plan to install small solar power plants and undertake production. It is a turning point in electricity market, replacing the traditional view of a consumer. Now any private client can also become an energy producer. Actual trade with producing clients began in October.

At the same time, we are seeking to improve our customer service by investing in convenient and time-saving solutions and by strengthening our cooperation with partners in the most remote areas. By cooperating with public libraries, we have expanded the number of locations of self-service website www.manoelektra.lt and we have also made it possible to take out a free paybook or check readings at 47 conveniently located Lithuanian post offices. Moreover, in order to encourage economical and rational use of energy, in September we organised events at 15 libraries across the country.

This year we have significantly simplified and quickened the introduction of electricity for new customers. Compared to last year, the average duration for connecting a business to the electricity distribution network has been reduced by ten calendar days, while connecting a private client now takes four days less. Our progress was confirmed by the World Bank, which announced the countries' business environment ranking "Doing Business 2016", where Lithuania's "Getting electricity" rate rose from 66th to 54th place.

We work in a dynamic and challenging environment with full of changing needs. In order to create more added value for clients, reorganisation of LESTO and Lietuvos Dujos, natural gas distribution system operator, has been initiated. It is expected that new company Energijos Skirstymo Operatorius or ESO will be launched on 1st January 2016. The synergy of merger of two companies will improve operational efficiency, reduce costs and create more additional benefits for electricity and natural gas customers.

Respectfully,

Aidas Ignatavičius

Chief Executive Officer of LESTO AB



MATERIAL EVENTS FOR THE COMPANY IN THE REPORTING PERIOD

Regarding LESTO investment plan for 2015-2025

On 3 February 2015 LESTO announced the investment plan for the period 2015-2025: over the coming decade LESTO plans to carry out substantial modernization of its distribution network. Seeking to ensure reliable, safe and smartly managed services, the company intends to invest 1.7 billion euros into the modernization and renewal of the network by 2025. LESTO aims to make the investments gradually, so as to minimize the effect on electricity rates. Investments will have a positive impact on the national economy. The company plans to finance the investments using the profit and long term credits.

Regarding the Transfer of Shares of UAB "ELEKTROS TINKLO PASLAUGOS"

Following the decision of the Board of LESTO, LESTO and "Lietuvos energija", UAB concluded a Share purchase – sale Agreement on 31 March 2015. Under the Share purchase – sale Agreement, LESTO transferred shares of UAB "ELEKTROS TINKLO PASLAUGOS" owned by LESTO and equal to 100 percent of authorised capital of UAB "ELEKTROS TINKLO PASLAUGOS" to "Lietuvos energija", UAB. Shares of UAB "ELEKTROS TINKLO PASLAUGOS" was sold for share market value – 7,695,493.51 EUR, set by the independent property appraisers.

Regarding the Transfer of Shares of UAB NT Valdos

Following the decision of the Board of LESTO, LESTO and "Lietuvos energija", UAB concluded a Share purchase – sale Agreement on 27 April 2015. Under the Share purchase – sale Agreement, LESTO transferred shares of NT Valdos, UAB owned by LESTO and equal to 57.30 percent of authorized capital of NT Valdos, UAB to "Lietuvos energija", UAB. Shares of NT Valdos, UAB was sold for share market value – EUR 41,176,000, set by the independent property appraisers.

Regarding candidates nominated to the Board of a new electricity and gas distribution company which will continue in operation after reorganisation of AB LESTO and AB Lietuvos dujos

At the meeting of 28 July 2015 the Supervisory Board of „Lietuvos energija“, UAB approved the nominations of Aidas Ignatavičius (the Chairman of the Board and the General Manager), Dalia Andrulionienė (area – services), Eglė Čiužaitė (area – finance), Rytis Borkys (area – development of network) and Dalius Svetulevičius (area – operation of networks) to the to the Board of the new electricity and gas distribution company which will continue in operation after the pending reorganisation of LESTO and AB Lietuvos dujos.

Regarding the reorganization of AB LESTO and AB Lietuvos Dujos

The meetings of the Boards of AB LESTO and AB Lietuvos Dujos held on 31 August 2015 discussed and approved the draft Reorganization Terms of AB LESTO and AB Lietuvos Dujos. The new company which will be incorporated and will commence its activities after the Reorganization is AB Energijos Skirstymo Operatorius (hereinafter - ESO). The shares of LESTO and Lietuvos Dujos will be exchanged for the shares of ESO, the company to be active after the Reorganization, in accordance with the procedure and on the grounds established in the Reorganization Terms.

ESO, the company to be active after the Reorganization, will take over all fixed and current assets of LESTO and Lietuvos Dujos also long-term and current financial and other liabilities, accounts receivable and payable in accordance with agreements concluded by LESTO and Lietuvos Dujos or obligations arising on other grounds. ESO will also take over all rights to licences, permits and certificates used by LESTO and Lietuvos Dujos, if legislation provides for the possibility to transfer such rights, and other rights and obligations of LESTO and Lietuvos Dujos assumed according to other transactions and obligations arising on other grounds (including the rights and obligations under collective and employment contracts, funds kept in bank accounts of LESTO and Lietuvos Dujos, agreements with the newest and existing consumers of electrical energy and gas distribution services, producers of electrical energy, independent suppliers, also suppliers of goods, services and (or) works) and rights and obligations under other documents drawn up by LESTO and Lietuvos Dujos (technical specifications, design specifications, etc.), except for those rights and obligations of LESTO and Lietuvos Dujos which are

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prohibited to be transferred or which cannot be transferred to another person during the Reorganization in accordance with the imperative provisions of the Republic of Lithuania (hereinafter the above listed assets, rights and obligations taken over by ESO are referred to as Transferred Assets, Rights and Obligations). ESO will take over all the Transferred Assets, Rights and Obligations from LESTO and Lietuvos Dujos, and all transactions of LESTO and Lietuvos Dujos will be included in ESO accounting.

The intended commencement of ESO's activities after the takeover of the Transferred Assets, Rights and Obligations from LESTO and Lietuvos Dujos is 1 January 2016.

ANALYSIS OF PERFORMANCE RESULTS

Since 31 March, 2015, after the transfer of ELEKTROS TINKLO PASLAUGOS, UAB shares and since 27 April, 2015 after the transfer of NT valdos, UAB shares, LESTO has no subsidiaries. For this reason, in order to ensure comparability, the financial ratios of the company LESTO are analysed.

Sales, EBITDA, EBITDA margin

During the nine months of 2015 LESTO earned EUR 430.5 million. Comparing with the nine months of 2014 LESTO income decreased by 10.1 %, comparing with the same period of 2013 declined by 15.9 %, comparing with the same period of 2012 decreased by 10.5 % and comparing with the same period of 2011 decreased by 8.9 % (during the nine months of 2014 LESTO earned EUR 478.7 million, during the same period of 2013 – EUR 511.8 million, during the nine months of 2012 – EUR 480.9 million and during the same period of 2011 – EUR 472.6 million).

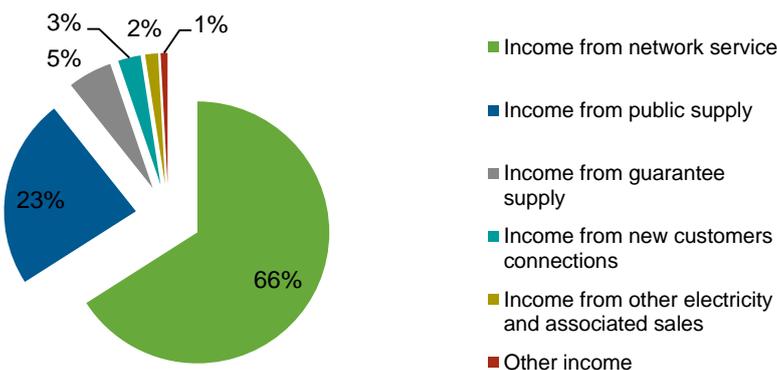
LESTO EBITDA ratios

	2013 January - September	2014 January - September	2015 January - September
EBITDA, EUR thousand	99,647	102,973	99,212
EBITDA margin, %	19.47	21.51	23.05

* EBITDA (earnings before interest, taxes, depreciation and amortisation) = pre-tax profit (loss) + finance costs – finance income – received dividends + costs of depreciation and amortisation + value impairment costs + write-offs of tangible fixed assets

EBITDA of LESTO during the nine months of 2015 was EUR 99.2 million – 3.7 % less than during the same period in 2014.

LESTO income structure



The main source of Company's income is income from network service. During the nine months of 2015 income from network service made up 66 % of total Company's income. Income from public supply service consisted 23 %, income from guarantee supply for the customers that have not chosen independent supplier amounted to 5 % of Company's income. Income from connection of new customers, other electricity and associated services and income from other sources made up 6 %.

Costs

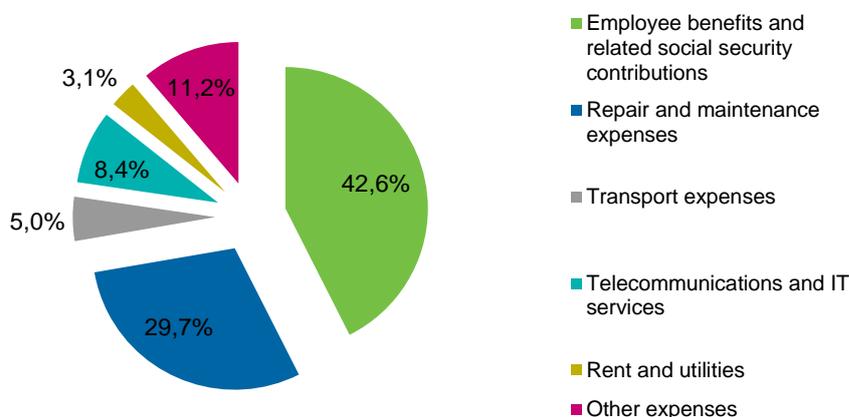
During the nine months of 2015, electricity purchase and related services costs made up EUR 270.1 million and, compared with the same period of 2014, decreased by 14.7 %. During the reporting period electricity purchase and related services costs made up 75.1 % of total costs, depreciation and amortization accounted to 7.3 % of total costs. Operating expenses¹

¹ Operating expenses (OPEX) = operating expenses, excluding the costs of purchase of electricity and related services, costs of depreciation, amortisation and value impairment and costs write-offs of tangible fixed assets

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accounted to 17.0 % of total costs, the remaining share of costs (0.6 %) consisted of revaluation and write-offs of fixed tangible assets expenses. During the nine months of 2015, employee benefits and related social security contributions made up 42.6 % of total operating expenses, repair and maintenance accounted to 29.7 % of total operating expenses.

LESTO operating expenses structure



The results of the nine months of 2015 shows that LESTO operating expenses increased by 3.2 % compared with the same period of 2014. During the reporting period repair and maintenance expenses increased by 1.8 % compared with the same period of 2014 and amounted to EUR 18.2 million, while telecommunications and IT services increased by 6.2 % and amounted to EUR 5.1 million. LESTO rent and utilities costs decreased by 7.0 % compared with the same period of 2014 and were equal to EUR 1.9 million, while transport expenses declined by 6.0 % and amounted to EUR 3.1 million. During the nine months of 2015, employee benefits and related social security contributions declined by 3.1 % compared with the same period of last year and amounted to EUR 26.1 million.

Profit, loss and profitability ratios

LESTO results for the nine months of 2015 is a net profit of EUR 59.2 million, while LESTO net profit amounted to EUR 20.4 million in the same period of 2014 and a net profit of EUR 11.3 million in the same period of 2013. During the nine months of 2012, LESTO net loss amounted to EUR 7.8 million and a net loss of the nine months of 2011 was equal to EUR 11.6 million.

LESTO profitability ratios

	2013	2014	2015
	January - September	January - September	January - September
Net profit margin, %	2.22	4.25	13.74
Operating profit margin, %	2.70	5.30	16.45
Profit before tax margin, %	2.56	5.01	16.19
ROA, %	1.05	1.90	9.52
ROE, %	1.59	2.93	19.38

* ROA = net profit (loss) for the reporting period * 4/3 / [(total assets at the beginning of the reporting period + total assets at the end of the reporting period) / 2];

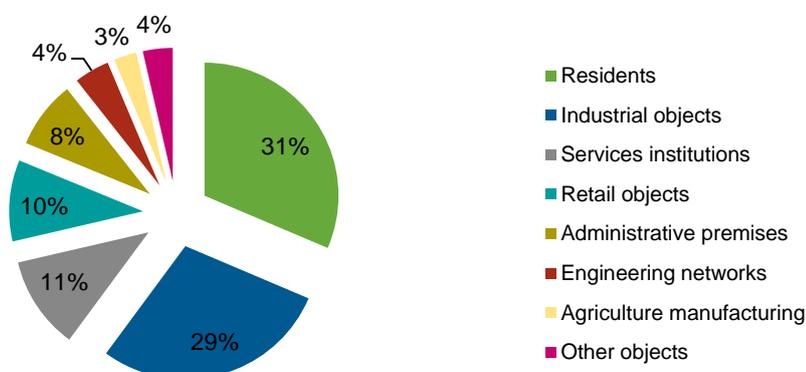
** Return on equity (ROE) = net profit (loss) for the reporting period * 4/3 / [(equity capital in the beginning of the reporting period + equity capital in the end of the reporting period) / 2].

Activity indicators

	2014 January - September	2015 January - September
Amount of electricity received to the distribution network, million kWh	6,619	6,693
Technological losses in the distribution network, million kWh	441	408
Volume of network service, million kWh	6,178	6,286
Amount of electricity sold, million kWh	2,382	2,315
Electricity quality indicators:		
SAIDI, minutes (with "force majeure")	113.38	80.14
SAIFI, times (with "force majeure")	1.02	0.81

During the nine months of 2015 the amount of LESTO network service reached 6,286 million kWh. Electricity sales made up 36.8 % of this amount, to the rest customers LESTO granted only network service. Comparing with the same period of 2014, the amount of electricity sold decreased by 2.8 %, while the volume of network service increased by 1.7 %. Technological losses experienced by the Company during the nine months of 2015 amounted to 408 million kWh and this totalled to 6.1 % from the amount of electricity received while during the same period of 2014 technological losses totalled to 6.7 % from the amount of electricity received.

Structure of network service volumes by objects



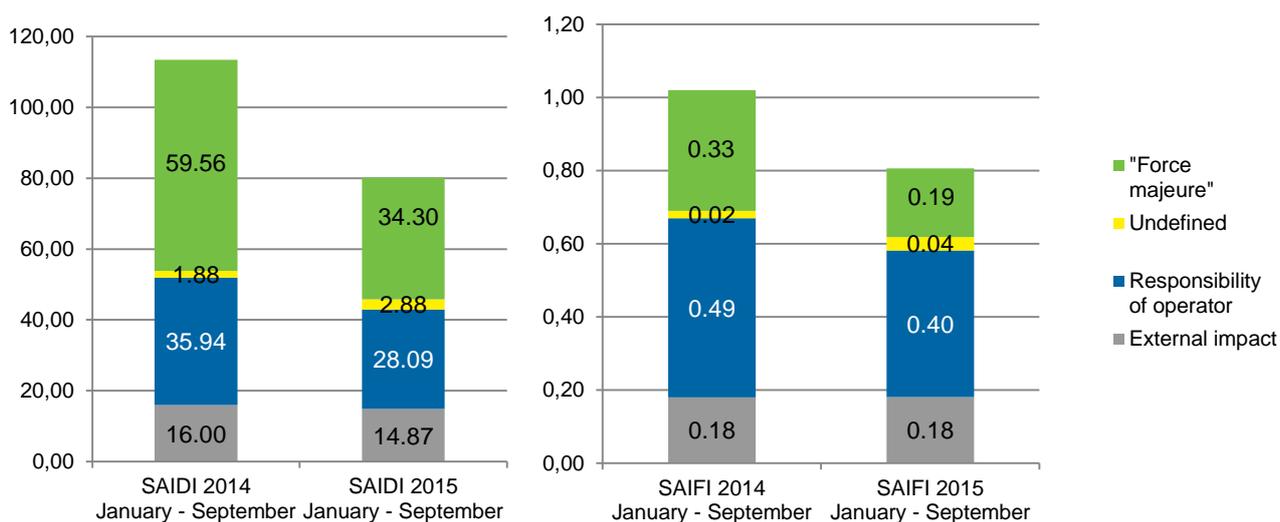
31 % of electricity network service volume was allocated to residents. Industrial and service institutions consumed 29% and 11 % respectively. In comparison with the nine months of 2014 data, the structure of electricity network service has changed insignificantly. The share of electricity transmitted to industrial objects increased by 1 percentage point, and that of residents declined by 1 percentage point.

Distribution network reliability indexes

In the nine months of 2015, with the influence of natural disasters ("force majeure") the system average interruption duration index (SAIDI) per customer amounted to 80.14 minutes and, compared with the same period of 2014, it has decreased by 33.24 minutes (SAIDI for the nine months of 2014 was equal to 113.38 minutes). Natural phenomena omitted, SAIDI index declined during the nine months of 2015 and amounted to 45.84 minutes (SAIFI for the nine months of 2014 was equal to 53.82 minutes). The system average interruption frequency index (SAIFI) per customer reached 0.62 times and, compared with the same period of 2014, it has slightly decreased (SAIFI for the nine months of 2014 amounted to 0.69 times).

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Quality of electricity supply (SAIDI, SAIFI) 2014 January – September and 2015 January – September



Investments

LESTO pays much attention to the development and maintenance of the electricity network. This guarantees that society is provided with economic and social benefits, that the reliability and the quality of the electricity supply are increased, that the more rational use of energy is facilitated, all of which contributes to the Company's environmental policy.

In the nine months of 2015, LESTO investments in electricity network expansion and modernization reached EUR 72.8 million. This is 13.2 % more compared to the investment during the same period of 2014.

During the nine months of 2015, compared with the same period of 2014, the biggest increase was in the low voltage electricity grid (51.5 %), while investment in the medium voltage electricity grid increased by 18.2 % compared with the same period of 2014. Investment in the buyout of electricity objects decreased by 58.8 %, while investment in the connection of new objects decreased by 10.1 %.

LESTO investment, EUR thousand

	2014	2015	Change, %	Structure, %	
	January - September	January - September		2014	2015
Investments in expansion	36,488	32,644	-10.5	56.8	44.9
Connection of new customers	36,192	32,522	-10.1	56.3	44.7
Buyout of electricity objects	296	122	-58.8	0.5	0.2
Investments in maintenance	27,771	40,114	44.4	43.2	55.1
Low voltage electricity grid	19,992	30,290	51.5	31.1	41.6
Medium voltage electricity grid	7,000	8,274	18.2	10.9	11.4
Other investments	779	1,550	99.0	1.2	2.1
Total	64,259	72,758	13.2	100.0	100.0

During the nine months of 2015, LESTO has connected 20,477 new customers, 7.3 % more than in the same period of 2014 when it had 19,078 new customers connected. The permissible power for new customers was equal to 288,710 kW, which is 26.9 % more than in the nine months of 2014, when the permissible power was 227,436 kW.

On 13 December 2013 the Company signed a funding and administration agreement for project "The replacement of AB LESTO complete transformer substations with pole-mounted transformer substations" with the Ministry of Economy of the Republic of Lithuania and Public Institution Lithuanian Business Support Agency (hereinafter – LBSA). Hereunder, the amount of funding from EU structural funds is EUR 2.25 million. The total value of the project until 28 August 2015 is EUR

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5.2 million. During the distribution network modernisation works during the project, 707 physically and morally worn-out complete transformer substations were replaced by modern pole-mounted transformer substations. It will allow to meet the increasing loads and the reliability and quality requirements for electricity supply. The works were performed throughout Lithuania. The completed project also contributed to the development of the regions.

Pursuant to the funding and administration agreement for project "The modernisation and development of AB LESTO power distribution network in gardeners' communities" concerning the modernisation and development of power networks of 76 gardeners' communities within LESTO-supplied Lithuanian territory by the end of July 2015, signed between the Ministry of Economy of the Republic of Lithuania, the LBSA and LESTO on 29 March 2012, the modernisation and development works for power networks were completed in all 76 gardeners' communities. The amount of funding from EU structural funds is EUR 2.65 million.

Pursuant to the funding and administration agreement for project "The replacement of AB LESTO overhead power lines by cable ones" (36 objects), signed between the Ministry of Economy of the Republic of Lithuania, the LBSA and LESTO, power network modernisation and development works in 36 objects were completed by the end of July 2015. The amount of funding from EU structural funds is EUR 1.57 million.

Pursuant to the funding and administration agreement for project "The modernisation and development of AB LESTO power distribution network in gardeners' communities" (in 17 gardeners' communities), signed between the Ministry of Economy of the Republic of Lithuania, the LBSA and LESTO on 28 December 2012, the works were fully completed by the end of September 2015. The amount of funding from EU structural funds is EUR 1.01 million.

Pursuant to the funding and administration agreement for projects "The modernisation of AB LESTO transformer substations" (7 transformer substations), signed between the Ministry of Economy of the Republic of Lithuania, the LSBA and LESTO on 28 December 2012, a total of 7 transformer substations were modernised by the end of June 2015. The amount of funding from EU structural funds is EUR 2.73 million.

Financial ratio analysis

The value of LESTO assets at the end of the reporting period made up EUR 839.9 million. Non-current assets share in total assets was equal to 89.8 %. From the beginning of the year till 30 September, 2015, the value of LESTO non-current assets shrank by 0.8 %. Cash with cash equivalents accounted to EUR 3.0 million i.e. 3.5 % of total current assets.

LESTO liquidity ratios

	31.12.2014	31.03.2015	30.06.2015	30.09.2015
Current liquidity ratio	0.30	0.57	0.62	0.50
Acid test ratio	0.29	0.55	0.61	0.48
Cash liquidity ratio	0.02	0.01	0.09	0.02
Working capital, EUR thousand	-160,178	-93,863	-60,465	-86,425
Working capital to total assets ratio	-0.20	-0.11	-0.07	-0.10

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LESTO financial leverage ratios

	31.12.2014	31.03.2015	30.06.2015	30.09.2015
Total liabilities to total assets ratio	0.52	0.49	0.49	0.50
Debt to assets ratio	0.27	0.27	0.26	0.25
Total liabilities to equity ratio	1.07	0.95	0.96	1.00
Debt to equity ratio	0.56	0.52	0.52	0.51
Net financial debt, EUR thousand	217,969	218,352	203,983	209,012
Net financial debt to equity ratio	0.55	0.52	0.48	0.50
Long-term debt to equity ratio	0.25	0.22	0.35	0.35
Equity to total liabilities ratio	0.93	1.05	1.04	1.00
Equity to total assets ratio	0.48	0.51	0.51	0.50

Equity of LESTO is equal to liabilities. At the end of reporting period, financial debts made up EUR 212.0 million or 50.4 % of total liabilities. Non-current borrowings were EUR 148.9 million and made up 70.2 % of all borrowings. At the end of reporting period LESTO amounts payable within one year and current liabilities made up EUR 172.4 million.

Current liabilities exceeded current assets by EUR 86.4 million. Current liquidity ratio stood at 0.50. Inventories made up only 2.8 % of current assets, consequently acid test ratio do not differ significantly from current liquidity ratio. Financial debt reduced by the amount of the most liquid assets (short-term deposits and cash with cash equivalents) indicates net financial debt. Net financial debt of the LESTO amounted to EUR 209.0 million and consisted only 49.8 % of equity.

References and additional explanations of disclosures in the annual financial statements

Other information is presented in LESTO AB consolidated and Company's financial statements: condensed interim financial information for the nine-month period ended 30 September 2015.

FACTORS, AFFECTING THE COMPANY'S FINANCIAL RESULTS

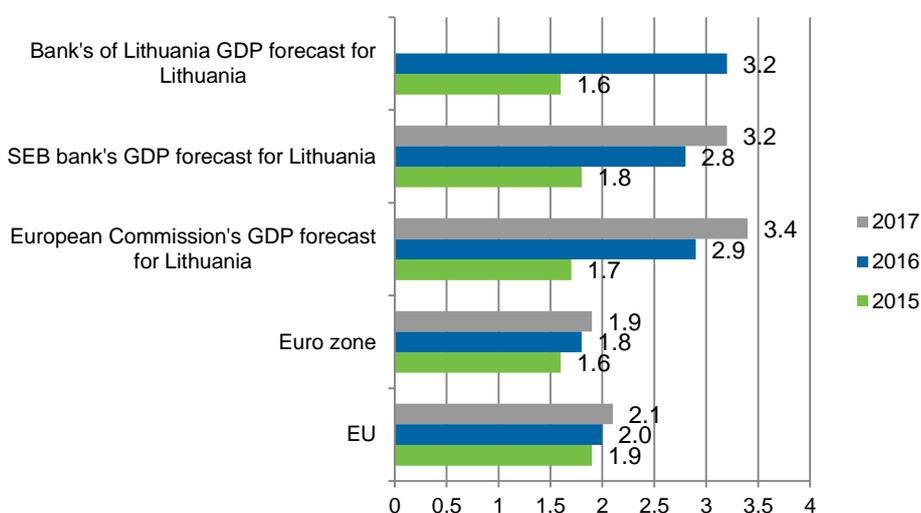
Business environment

The European economy remains on recovery course. Growth is largely backed by external factors such as low oil prices, a weaker euro exchange rate comparing with dollar and the ECB's accommodative monetary policy. In the forecast, published in November of 2015, the European Commission predicts that the European Union's gross domestic product growth will reach 1.9 %, while the euro zone's – 1.6 % in 2015. Meanwhile, in 2016 it is expected the economic growth of 2.0 % and 1.8 % and in 2017 – 2.1 % and 1.9 % respectively².

The European Commission forecasts that due to major fall in exports to Russia Lithuania's economy will grow less than expected earlier– growth for 2015 is forecast at 1.7%. According to the forecasts of the European Commission, the Lithuania's real gross domestic product growth is forecast to accelerate to 2.9% and 3.4% in 2016 and 2017, respectively.

In the autumn of 2015, the economists of Lithuanian banks has reviewed Lithuania's economic growth prospects and lowered them. According to the forecasts of SEB banks' analysts it is expected that the growth of Lithuania's gross domestic product will reach 1.8 % in 2015, 2.8 % in 2016 and 3.2% in 2017³. While Bank of Lithuania forecasts that Lithuania's gross domestic product will grow by 1.6 % in 2015 and 3.2⁴ % in 2016.

The gross domestic product growth forecast for Lithuania, European Union and euro zone in 2015 - 2017, %



Since electricity consumption is closely related to the gross domestic product growth, the economic growth will affect the results of LESTO. According to the economists' macroeconomic forecasts and the results of the first three quarters of the year, it is planned that the volume of network service will increase in 2015.

Situation in electricity market

During the period from January to September of 2015, the average price of electricity in Nord Pool Spot Exchange Lithuanian trade zone was lower than in the same period last year.

The average price of electricity in Nord Pool Spot Exchange Lithuanian trade zone was 39.78 EUR/MWh in January of 2015 (7 % lower than in January of 2014), in February – 39.44 EUR/MWh (8 % lower than in February of 2014). While during March – June the average price of electricity, comparing with the same period of last year, was even lower. The average price of electricity in Nord Pool Spot Exchange Lithuanian trade zone was 32.22 EUR/MWh in March of 2015 (23 % lower

² Data source: European Commission. European Economic Forecast Autumn 2015.

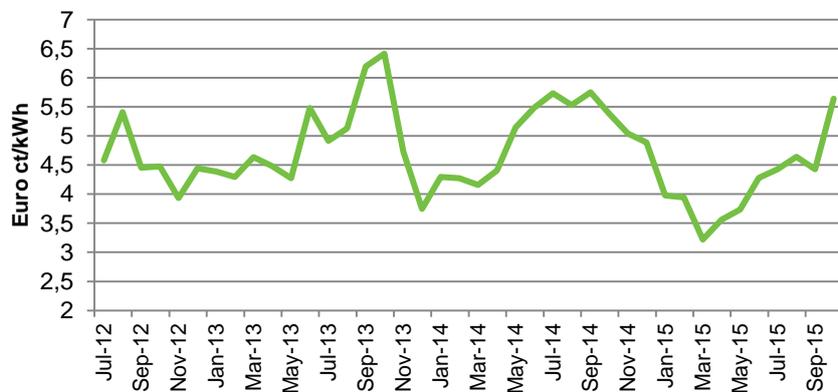
³ Data source: SEB bank. Lithuanian Macroeconomic Overview No. 60, November, 2015

⁴ Data source: Lietuvos bankas. Economic Outlook for Lithuania, 8 September, 2015.

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than in March of 2014), in April – 35.61 EUR/MWh (19 % lower than in April of 2014), in May – 37.36 EUR/MWh (27 % lower than in May of 2014) in June – 42.80 EUR/MWh (22 % lower than in June of 2014), in July – 44.26 EUR/MWh (23 % lower than in July of 2014), in August – 46.4 EUR/MWh (16 % lower than in August of 2014) and in September – 44.30 EUR/MWh (23 % lower than in September of 2014).

The average monthly prices in the electricity market



INFORMATION ON THE ISSUER'S SECURITIES AND AUTHORISED CAPITAL

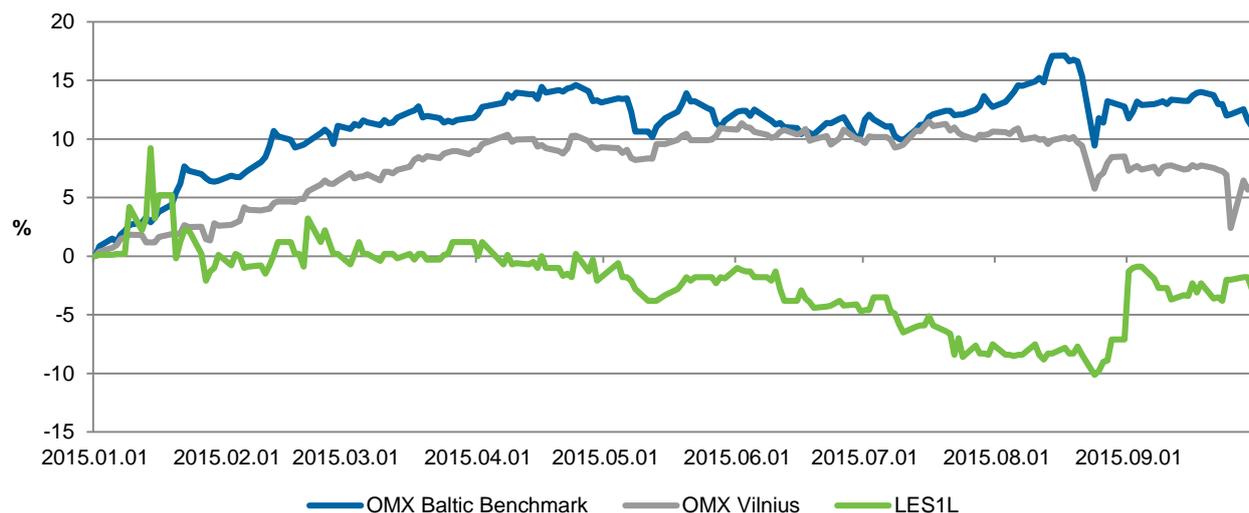
LESTO share price dynamics and turnover

LESTO share price dynamics and turnover, 01-01-2015 - 30-09-2015



LESTO is one of the biggest companies by market capitalization in OMX Baltic securities exchange market. During the nine months of 2015 LESTO share price decreased by 2.9 %. The lowest LESTO share price was recorded on 24 August, 2015, the price of LESTO share was EUR 0.897. The highest point (EUR 1.09) during the reporting period was reached on 14 January, 2015. The weighted average price of LESTO share during the reporting period was EUR 0.964.

Dynamics of LESTO share price, OMX Vilnius and OMX Baltic Benchmark indexes, 01-01-2015 - 30-09-2015



Since the beginning of the year until 30 September, 2015, index OMX Vilnius increased by 6.06 %, OMX Baltic Benchmark increased by 11.07 %, while the price of LESTO share decreased by 2.9 % during the nine months of 2015.

Authorised capital structure

Type of shares	Number of shares	Nominal value, EUR	Total nominal value, EUR	Share in authorized capital, %
Ordinary registered shares	603,944,593	0.29	175,143,931.97	100,00

On December 31, 2014 the Company's share capital amounted to LTL 603,944,593.

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On April 27, 2015, the Ordinary General Meeting of Shareholders approved a new version of the Articles of the Association, in which, in addition to other changes, the nominal value of one ordinary registered share and the Company's authorized capital expression of litas was changed into expression of euros, i.e. it was determined that the nominal value of one ordinary registered share amounts to EUR 0.29 and the Company's authorized capital is equal to EUR 175,143,931.97.

All shares of the Company are fully paid.

Information on issuer's securities

On 17 January, 2011 LESTO shares were included in the Main List of NASDAQ OMX Vilnius. LESTO shares are not traded in other regulated markets.

ISIN code	Trading list	Abbreviation of securities	Number of shares	Nominal value, EUR	Industry according to ICB standard	Supersector according to ICB standard
LT0000128449	BALTIC MAIN LIST	LES1L	603,944,593	0.29	7000 Utilities	7500 Utilities

Shareholders

On December 31, 2014 the number of LESTO shareholders totalled – 7,065.

On September 30, 2015 the number of LESTO shareholders amounted to 7,134.

Shareholders of AB Rytų skirstomieji tinklai and AB "VST" that owned shares on 27 December, 2010 became LESTO shareholders.

LESTO number of shareholders according to countries, 30-09-2015

Country	Number of shareholders
Lithuania	6,932
Russia	49
Belarus	39
Estonia	34
United States	20
Latvia	18
Other countries	42
Total	7,134

Shareholders who owned more than 5 % of the issuer's authorized capital on 30 September, 2015

Full names of the shareholders (names of companies, types, headquarter addresses, company register code)	Number of ordinary registered shares	Share of authorized capital, %	Votes granted by shares owned, %
Lietuvos energija, UAB Žveju str.14, Vilnius, company reg. No. 301844044	570,066,682	94.39	94.39

Dividends

On 24 September, 2015, the Extraordinary General Meeting of Shareholders made a decision to pay out dividends for the period shorter than financial year. The Company's distributable profit for the six months period ended on 30 June, 2015 was EUR 21.7 million. Dividends for the six months period ended on 30 June, 2015, per share amounted to EUR 0.0360.

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LESTO securities account manager

Bank SEB, AB is official manager of LESTO security account.

Contact details of SEB, AB:

Gediminas ave. 12, LT-01103 Vilnius

Tel. 1528 or +370 5 268 2800

CUSTOMER SERVICE, SERVICE ASSESSMENT

The Number of the Customers Served

On 30 September 2015 LESTO had 1.577 million agreements with private clients and 67.9 thousand agreements with business clients (on 30 September 2014 the numbers were 1.561 million agreements with private clients and 65.8 thousand agreements with business clients).

Service Channel Development

During the nine months of 2015, the number of clients using remote service channels (self-service website www.manoelektra.lt and customer support number 1802) increased further, while the flows of electrical energy users at LESTO customer service centres in smaller cities decreased.

On 30 September 2015 there was a total of 628 thousand users registered on self-service website www.manoelektra.lt, 564 thousand of which were private clients. During the nine months of 2015, the number of visits on self-service website www.manoelektra.lt increased from 2.063 to 2.920 million compared to the same period in 2014.

During the nine months of 2015, a total of over 745 thousand clients used the short customer service number 1802 (during the nine months of 2014 information was provided to 739 thousand clients), a total of over 351 thousand customer enquiries on various matters were received and resolved (during the corresponding period in 2014, the number was 325 thousand).

During the nine months of 2015 more than 185,846 clients were served at the customer service centres in the seven largest Lithuanian cities (during the nine months of 2014 a total of 216,080 clients were served).

Maintenance and Development of Accounting for Electricity

During the nine months of 2015 the Company installed 16,202 power metering devices for new clients, 28 percent of which were designed for power metering in single-phase AC power networks, while the remaining 72 percent – in three-phase networks, and replaced 69,515 power metering devices with expired metrological verification periods: 70 percent of them were used for power metering in single-phase AC power networks, while the remaining 30 percent – in three-phase networks. By constantly upgrading power metering devices, the Company and its authorised persons also performed over 878 thousand works on power metering device usage (metering device checks, troubleshooting, display control works).

By investing in power metering device modernisation and their automation, the Company added 1,283 power metering devices to the existing automated data reading system, increasing the number of power metering devices used in the objects of power-consuming and power-producing clients of the Company, whose data is captured remotely, to a total of 26,393. The automation of power metering devices allows to automatically invoice business clients for the energy consumption during the period, without the need for the clients themselves to submit readings of consumed electricity.

By increasing the number of automated power meters, the Company also upgraded its information technology (IT) systems. Additional capabilities provided by installed EMCOS software will allow to service more automated meters installed in the objects of LESTO and business clients. The project will pave the way for the Company to further expand its smart network by installing smart meters.

Customer Settlement Management

LESTO allows clients to pay for electricity according to the average electricity consumption. Billing according to the average electricity consumption allows to plan costs evenly, regardless of seasonality and any changes in the amount of energy consumption, as the same amount is paid each month. Moreover, consumers with multiple objects can make a single payment for electricity consumed in multiple accommodations owned by the consumer (the option to receive a single bill is available). The amount of monthly electricity payments is calculated to the client according to the average electricity consumption by the previous client (in kilowatt-hours, kWh), which is adjusted according to the readings submitted by the client or according to the periodic meter reading checks. Customers can see and check their monthly average by logging in to the constantly updated self-service website www.manoelektra.lt, calling the customer support line or arriving at on of the

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LESTO customer service centres. Almost 17 percent of LESTO clients pay according to the received VAT invoices. Within the nine months of 2015, the number of payments for consumed energy made according to received VAT invoices increased by 13 percent as compared to the respective period in 2014.

Clients who choose energy metering according to average consumption also choose payment by direct debit, meaning that the due amount is automatically debited from client's bank account each month. 13 percent of LESTO clients use direct debit.

Market liberalization

As of 30 September 2015 independent suppliers provide power to 63,419 objects. Under the Lithuanian Electricity Market Development Plan approved by the Government of the Republic of Lithuania on 08 July 2009, an independent energy provider as of 30 September 2015 was selected by:

- Around 92 percent of objects with permissible power of 400 kW and more;
- Around 85 percent of objects with permissible power of 100 kW and more;
- Around 73 percent of objects with permissible power of 30 kW and more;
- Around 53 percent of objects with permissible power of less than 30 kW;

The remaining objects were provided by warranted supplier (LESTO).

SOCIAL RESPONSIBILITY

The responsibility to contribute to the public good is implemented by LESTO primarily by ensuring a continuous electricity supply and distribution. Also by actively participating in civic education on the matters of safe and rational power consumption. We are in a hurry to install and develop new, promising and environmentally-friendly technologies.

Environmental Projects

LET'S DO IT 2015. LESTO employees from five regions, namely Vilnius, Kaunas, Šiauliai, Alytus and Panevėžys, joined the cleaning campaign „Let's Do It 2015“ and collected rubbish which contaminated the environment.

Landscape protection. By implementing a project partially funded by the EU, LESTO replaces old electricity overhead lines with new cables in areas where the overhead lines' wires are thin and dangerous if they get closer to the greenery (the obsolete infrastructure caused many failures). Cable lines ensure a more reliable electricity supply to residents and are safer as well as add to the landscape.

Public initiatives

LESTO implements a wide range long-term social responsibility projects aimed at children, youth and the general public united by active communities, target group participation, safe and effective use of energy and environment protection.

Project Competition for Local Authorities and Communities. Together with the Association of Local Authorities Heads of Lithuania, LESTO invited local authorities and their communities to submit applications for the competition of projects on the increase of safety near devices of the electric network and public responsibility. Communities were to suggest plans to solve the problems related to safe and sustainable use of electricity and involve as many residents into the project as possible. Projects aimed at encouraging education and raising the sense of public responsibility among locals, especially among youth, were particularly desirable. This year 30 applications were received from local authorities and communities. The representatives of LESTO, the Association of Local Authorities Heads of Lithuania, associations of Lithuanian municipalities and VšĮ Rūpi evaluated the submitted applications. 7 educational and practical projects were announced as winners. All planned events took place within the first half of 2015 and increased community members' awareness of safe treatment of electrical equipment and safe behaviour near it through interactive lectures, quizzes, competitions and other events.

Loss reduction and public education initiative „Operation 2020“. Program „Operation 2020“ aims to encourage responsible treatment of electricity network units, increase public awareness of safe treatment of electrical equipment and decrease negative consequences arising out of irresponsible and malicious behaviour by residents.

Since the main linchpin in the fight against thefts is the public spirit, LESTO continued cooperating with the Association of Local Authorities Heads of Lithuania – in September Company's representatives met 38 representatives of the Association of Local Authorities Heads of Lithuania from Jurbarkas, Pagėgiai, Šilalė and Tauragė Districts. They introduced the situation and discussed the topics of transformer thefts and accident prevention in the districts.

National Education Programme “Sustainable School”. In order to increase the awareness of school communities to contribute to the development of a sustainable, energy- and environmentally-friendly Lithuanian society, Lithuanian Youth Centre and LESTO together with partners invited national educational institutions to participate in a year-long educational program “Sustainable School”. The first task – the footprint study – was completed by 70 educational institutions participating in the program, while all yearly changes allowing to reduce the footprint were implemented by 17 schools. The final event took place in April 2015, during which the best-performing and the most creative participants were awarded by the commission (which also included a LESTO representative).

"As much as needed" project enhancing electricity efficiency. The encouragement of rational energy consumption is one of LESTO's social responsibility priority directions, adding to the preservation of environmental and energy resources and the obligations of the country in implementing the European Union climate change program. The project aims to develop traditions of a rational society by seeking ways of rational electricity consumption both in households and in business.

Modern street lighting project. Over a year ago, LESTO and Italian public education company Enerl Sole started a pilot project on the efficiency of LED lights in Birštonas called „As much as the city needs“. During the project, 14 traditional street lights were replaced by LED lights. The results of the year-long pilot project, during which 14 LED lights were installed on one of Birštonas streets, were presented in the public press in April. LED lights consumed only 7,601 kWh of electricity, while the 14 old sodium lamps across the street used 13,324 kWh of electricity within the same period.

Energy Day events to the public. The National Lithuanian Electricity Association uniting the largest energy companies, including LESTO, invited to celebrate the Energy Day which took place on 17-18 April at the Energy and Technology Museum of Lithuania. The visitors were given a chance to learn Lithuanian energy history for free, including an interactive orientation-detective game and an introduction of the photo exhibition of the employees of the group companies called “Daily life and adventures at work”. Younger visitors were offered a performance “The love of horse Dominic”, while all visitors were entertained by a cello trio from Latvia.

Rational and safe electricity consumption days in Lithuanian libraries. In order to encourage the public to contribute to the preservation of environmental and energy resources, in September 2015 LESTO held a second rational and safe energy consumption event cycle at 15 libraries across the country. During the event, residents were advised by LESTO specialists how to conveniently analyse and evaluate household electricity consumption, what habits, according to the experts and their studies, have the greatest effect on their bills.

For a clearer picture on how economical the event participants were in their energy consumption compared to the remaining national population, the results of the latest surveys on consumption habits were presented. The participants received energy preservation "Prescription Books" which should help them to remember the advise learnt during the event better. The younger participants of the project were introduced to the characters of the youth educational initiative Elektromagija, who not only solved various tests related to safe energy consumption but also played with the children and gave them various prizes.

In September the events of the rational and safe electricity consumption day took place in the libraries of Šalčininkai, Kazlų Rūda, Rokiškis, Tauragė, Marijampolė, Raseiniai, Jonava, Kalvarija, Biržai, Jurbarkas, Druskininkai, Švenčionys, Ukmergė, Plungė and Mažeikiai Districts and attracted over half a thousand participants, including both adults and children.

Market, customers and investors

In the business environment LESTO seeks to maintain transparent relationships with all market participants, including clients, partners, contractors and investors. Each year, to show that it cares about the safety and economic and social benefits of energy consumption to the society, LESTO directs a lot of its efforts to distribution network development and modernisation. An important contribution of this activity in terms of environment is better conditions to preserve energy and use it more rationally.

Cooperation with Lithuanian libraries. In March 2015 LESTO and Lithuanian National Martynas Mažvydas Library signed an agreement to cooperate in implementing social project “Innovations at libraries 2”. It will allow to develop common public education projects at the National Martynas Mažvydas as well as other public libraries and will ensure further development of computerised LESTO self-service website www.manoelektra.lt locations. Project “Innovations at libraries 2” aims to expand the cooperation of public libraries with the business sector, local authorities and non-governmental organisations as well as strengthen the library network in Lithuania. At the moment, computerised LESTO self-service website www.manoelektra.lt locations have been opened and library employees have been trained in over forty public libraries across the country. LESTO self-service website www.manoelektra.lt services can be used in Vilnius, Šalčininkai, Trakai, Kaunas, Jonava, Jurbarkas, Kaišiadorys, Šakiai, Prienai, Klaipėda, Plungė, Tauragė, Kretinga, Skuodas, Telšiai, Šilutė, Šilalė, Šiauliai, Raseiniai, Mažeikiai, Kelmė, Joniškis, Pakruojis, Radviliškis, Naujoji Akmenė, Panevėžys, Biržai, Rokiškis, Pasvalys, Kupiškis, Alytus, Druskininkai, Marijampolė, Varėna, Lazdijai and Vilkaviškis.

Interactive map for investors. An interactive available power map uploaded on LESTO website in spring 2015, which shows all available powers of Lithuanian power transformer substations.

Employees

Employee engagement. Employees are informed and engaged in planned changes, i.e. the merging of two group companies in 2016. Internal Company channels are used to constantly distribute information on the progress of the changes; the employees participated in selecting the name for the new company, allowed to ask questions of the management team. Since the autumn of 2015 the employees are encouraged to be more active "supervisors" of a safe electricity network. The participants of the internal Company initiative "Security agents" reported potentially unsafe electricity network objects, dangerously bent overhead line wires, etc., even outside working hours. Within the first two weeks over 10 reports with photos were received (most of the cases were outside LESTO networks; therefore, they were reported to the responsible authorities).

Employees – organisers of social initiatives. The employee-suggested socially responsible initiatives that took place in 2015 were received with active interest: the employees participated in events for communities and students as active lecturers spreading knowledge on energy preservation. Within the first nine months of 2015 LESTO employees held lessons and lectured for over three hundred children and students.

Blood donation campaigns. One of the group companies values – responsibility – is promoted by LESTO employees not only at work but also by regularly participating in blood donation campaigns. One of them, which took place in the beginning of the summer, collected enough blood for saving health or lives of 72 people.

Amongst the best employees of Lietuvos Energija company group – LESTO representatives. Amongst the winners of Lithuanian Energy Medal of Honour Award, the Acknowledgement of Lithuanian Minister of Energy, the Acknowledgement of Lithuanian Chairman of Seimas and the Employee of the Year Award, which were held during a ceremony on the Energy Day, are six LESTO employees.

Accident prevention at work. The organisational prevention measures are supplemented by a communication: the Company's intranet is used to regularly publish information on accidents at the Company and contractors' workplaces, introduce their causes and distribute social advertising materials. In summer of 2015, in order to educate LESTO and contractors' employees working with electrical equipment by the most appealing measures, 4 brief animated films were created on the following topics: Preparation for Work; Use of Safety Measures; Work at Power Lines; and Work at Overhead Lines. The four series of under two minutes included the most important rules and introduced the safety measures, the non-observance of which has caused multiple dire consequences. The videos were distributed and showed during meetings, checks and trainings. Another material to further remind of safety rules – posters which repeat the rules presented in the videos – were also distributed to all units which employ engineers, members of operational engineering teams.

LESTO employees are amongst the most professional. In May this year, at the Training Centre for Energy Employees, energy employees took part in a professionalism competition. Following the completion of the tasks and the summary of results, the first place and the title of the most professional energy employees went to LESTO Šiauliai District team, in the second place was LESTO Kaunas District team, while in the third – LESTO Vilnius District team. This year, over 11 teams with more than 100 participants took part in the competition.

The event aims to encourage LESTO and contractors' employees to improve their qualifications and excel, update their knowledge and practical skills. It also aims to increase the safety of LESTO and contractors' employees in dangerous situations, such as a fire or an accident.

This year LESTO team also participated in another professionalism competition which was held by Lithuanian Industry Trade Unions' Federation in September. In the final standings, which were compiled according to the efficiency coefficient, calculated by the total score of the winners in the team and the number of prize seeds won by a team, LESTO team was third.

Fighting corruption

LESTO has zero tolerance for any forms of corruption and supports fair business and transparent communication with state authorities. The risk is minimised by complex internal control mechanisms designed to identify possible corruption risk factors. Corruption prevention is one of the functions of the Prevention and Control Division of the Company. LESTO constantly performs activity control, improves operational processes and takes measures to fix identified breaches, eliminate threats to maintain Company's good name.

Reporting to the public

LESTO published a Social Responsibility Progress Report for 2014. LESTO, a member of the United Nations Global Compact, published an annual social responsibility progress report. In 2014 LESTO expanded its cooperation with industrial and manufacturing companies, started partnering with national libraries as well as engaged school communities in the practical, long-term energy saving activity, namely the calculation and reduction of the ecological footprint.

Population electricity use habits research results have been presented. LESTO ordered Baltijos Tyrimai to perform a population survey on electricity consumption habits. It showed that the percentage of electricity savers since the last survey two years ago remained high (75 percent); however, the number of electricity savers due to electricity prices decreased by a fifth. Electricity saving is increasingly done out of habit and because of environmental preservation, as indicated by 15 percent of the respondents. There was a 7 percent increase in energy-saving light bulb users as well as those who buy energy-saving household appliances.

COMPANY AND ITS MANAGEMENT BODIES

Company's organizational structure

Company name	AB LESTO
Company code	302577612
Authorised capital	EUR 175,143,931.97
Registered address	Aguonų str. 26, LT-03212 Vilnius
Telephone	+370 5 277 7524
Fax	+370 5 277 7514
E-mail	info@lesto.lt
Website	www.lesto.lt
Legal- organisational form	Joint-stock company
Date and place of registration	27 December 2011, Register of Legal Entities of the Republic of Lithuania
Register in which data on the company is collected and stored	Register of Legal Entities
Register manager	State Enterprise Centre of Registers

LESTO was established on the basis of reorganized Lithuanian electricity distribution companies Rytų skirstomieji tinklai AB and "VST" AB that were merged and on 31 December, 2010, finished their activity as legal entities. LESTO took over assets, rights and obligations of merged companies and since 1 January, 2011 started its activity as electricity distributor and public supplier.

LESTO is Lithuanian distribution network operator. Company's main responsibilities include: provision of network service for customers; satisfaction of customers' needs; effective connection of new users; exploitation, maintenance, management and expansion of distributive network; assurance of network security; optimization of operating costs and reduction of technological losses. LESTO geographical market is Lithuania.

Licences

LESTO main activity is considered electricity distribution and supply, as defined in the Republic of Lithuania Law on Energy and LESTO activities in existing licenses: on 30 December, 2010 issued licence on the electricity distribution, licence No. L1-10 (EU) and on 30 December, 2010 issued licence on the public electricity supply, licence No. L1-8 (VET).

LESTO values

RESPONSIBILITY

COOPERATION

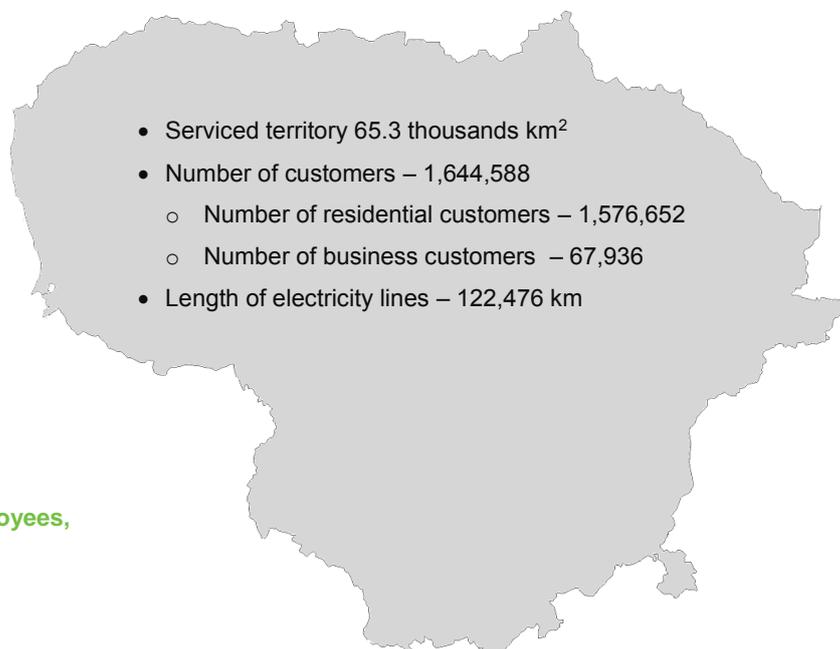
RESULT

LESTO mission

**Reliable electricity energy creating
value for everyone**

LESTO vision

**The company with high reputation that employees,
shareholders and the public are proud of**



LESTO associated companies

On the report signature date, LESTO together with other companies own shares of Technologijų ir inovacijų centras UAB and Verslo aptarnavimo centras UAB.



← Associated company

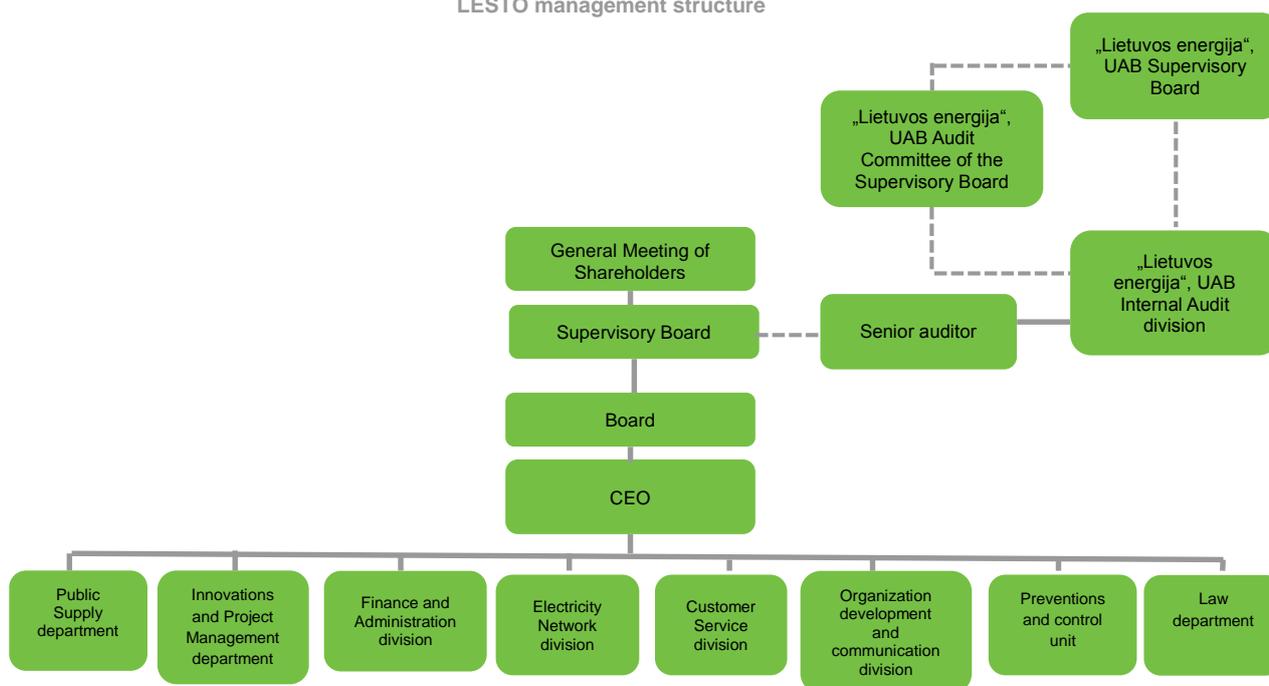
Key data on LESTO owned shares of other companies during the reported period

	Elektros tinklo paslaugos UAB *	NT Valdos UAB **	Technologijų ir inovacijų centras UAB	Verslo aptarnavimo centras UAB
Address	Motorų str. 2, Vilnius	Geologų str. 16, Vilnius	A.Juozapavičiaus str. 13, Vilnius	P. Lukšio str. 5B, Vilnius
Registration date	8 December 2004	18 January 2007	4 December 2013	30 July 2014
Company code	300072351	300634954	303200016	303359627
Telephone	+370 5 210 6809	+370 5 210 6539	+370 5 278 2272	+370 5 259 4400
Fax	+370 5 216 7875	+370 5 210 6543	+370 5 278 2299	+370 5 259 4401
E-mail	etp@etpa.lt	info@valdos.eu	info@etic.lt	vac@le.lt
Website	www.elektrostinklopaslaugos.lt	www.valdos.eu	www.etic.lt	http://vac.le.lt
LESTO ownership, %, on 1 January, 2015	100	57.30	20.02	15
LESTO ownership, %, on 30 September, 2015	0	0	20.02	15
Profile of activities	Power network engineering, construction, repair, maintenance and customer connection to the grid services.	Real estate and transport rental and administration services.	IT services and maintenance for the companies operating in the sector of electric energy.	Procurement organization and execution, accounting and personnel administration services.

* Following the decision of the Board of LESTO, LESTO and "Lietuvos energija", UAB (legal entity code 301844044) concluded a Share purchase – sale Agreement on 31 March 2015. Under the Share purchase – sale Agreement, LESTO transferred shares of UAB "ELEKTROS TINKLO PASLAUGOS" owned by LESTO and equal to 100 percent of authorised capital of UAB "ELEKTROS TINKLO PASLAUGOS" to "Lietuvos energija", UAB.

** Following the decision of the Board of LESTO, LESTO and "Lietuvos energija", UAB concluded a Share purchase – sale Agreement on 27 April 2015. Under the Share purchase – sale Agreement, LESTO transferred shares of NT Valdos, UAB owned by LESTO and equal to 57.30 percent of authorized capital of NT Valdos, UAB to "Lietuvos energija", UAB.

LESTO management structure



LESTO management

On the report signature date according the Articles of Association LESTO management bodies includes General Meeting of Shareholders, a collegiate supervisory body – Supervisory Board, a collegiate managing body – Board, and one-person managing body – Chief Executive Officer.

General Meeting of Shareholders

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

The competence of the General Meeting of Shareholders and the procedure for convening the meeting and adopting decisions are governed by the law, other legal acts and Articles of Association.

During the reporting period shareholders of the Company had equal rights (property and non-property) defined in the law, other legal acts and Articles of Association. None of the LESTO shareholders had any special rights of control.

The managing bodies of the Company provided adequate conditions for exercise of the rights of the Company's shareholders during the reporting period.

Four General Meeting of Shareholders took place during the nine months of 2015. CEO and chairman of the Board Aidas Ignatavičius, Director of Finance and Administration division (CFO) and member of the Board Andrius Bendikas and LESTO chairman of the Supervisory Board Darius Kašauskas participated in the Ordinary General Meeting of Shareholders which took place on 27 April, 2015.

Supervisory Board

LESTO Supervisory Board is a collegiate supervisory body.

The competence of the Supervisory Board, the procedure for adoption of decisions, election and recall of members are governed by the law, other legal acts and Articles of Association. LESTO Supervisory Board consists of three members who are elected by the General Meeting of Shareholders for the term of four years. At least one-third of LESTO Supervisory Board composes of independent members. The Supervisory Board members elect the chairman of the Supervisory Board out of its members.

There were no changes in the composition of the Supervisory Board in 2015. On the report signature date the Supervisory Board consists of the chairman of the Supervisory Board Darius Kašauskas and the Supervisory Board members Ilona

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Daugėlaitė and Petras Povilas Čėsna (independent Supervisory Board member). Ending of term of the Supervisory Board is 31 July, 2017.

During the nine months of 2015 seven meetings of the Supervisory Board took place which were attended by all the members of the Supervisory Board.



Darius Kašauskas (born in 1972)
Chairman of the Supervisory Board

In this position:
 Since 31 July, 2013
Ending of term:
 31 July, 2017



Ilona Daugėlaitė (born in 1970)
Member of the Supervisory Board

In this position:
 Since 31 July, 2013
Ending of term:
 31 July, 2017



Petras Povilas Čėsna (born in 1945)
Independent member of the Supervisory Board

In this position:
 Since 30 September 2013
Ending of term:
 31 July, 2017

Education					
ISM University of Management and Economics, BI Norwegian Business school, Master in Management Vilniaus university, Master in Economics.		Vilnius university, Master in Hydrogeology and Engineering Geology.		Vilnius university, Qualification of Economist	
Main occupation					
UAB „Lietuvos energija“, Director of Finance and Treasury		UAB „Lietuvos energija“, Director of Organizational Development		Lithuanian centre of Exhibition and Congress LITEXPO, chairman of the Board	
Information on payments* to LESTO Supervisory Board members during the nine months of 2015, EUR					
-		-		869	
Information on LESTO Supervisory Board members participation in the activities of companies and organisations; shareholding in other companies exceeding 5% of capital/votes					
Name of organisation, position	Capital held and share of votes, %	Name of organisation, position	Capital held and share of votes, %	Name of organisation, position	Capital held and share of votes, %
LESTO, chairman of the Supervisory Board	-	LESTO, member of the Supervisory Board	-	LESTO, independent member of the Supervisory Board	-
Lietuvos dujos, UAB, chairman of the Supervisory Board	-	Lietuvos dujos, UAB, member of the Supervisory Board	-	Lietuvos dujos, UAB, independent member of the Supervisory Board	-
„Lietuvos energija“, UAB, member of the Board, Director of Finance and Treasury	-	„Lietuvos energija“, UAB, member of the Board, Director of Organizational Development	-	Lithuanian centre of Exhibition and Congress LITEXPO, chairman of the Board	-
NT valdos, UAB, chairman of the Board	-	Technologijų ir inovacijų centras, UAB, chairman of the Board	-	Republic of Lithuania Seimas, public assistant of parliamentary I. Šiaulienė	-
Kauno energetikos remontas, UAB, member of the Board	-	ELEKTROS TINKLO PASLAUGOS, UAB, member of the Board	-		
Verslo aptarnavimo centras, UAB, chairman of the Board	-	Duomenų logistikos centras, UAB, chairman of the Board	-		
Gotlitas, UAB (currently Elektroninių mokėjimų agentūra, UAB), CEO, for the period 03-08-2015 – 15-10-2015	-	Spouse has 3,150 ordinary registered shares of UAB SOLUTIONLAB PRODUCTION (company code 300629188)	63		
Elektroninių mokėjimų agentūra, UAB, member of the Board, since 06-11-2015	-				

* LESTO Articles of Association indicates: „Agreements with members of the Supervisory Board can be signed for factual work in the Supervisory Board; rights, duties and responsibilities are set out in such agreements. Independent members of the Board can get remuneration for their work in the Supervisory Board by the decision of the General Meeting of Shareholders. The terms of the Supervisory Board members' agreements and the criteria of independence are determined by the General Meeting of Shareholders in accordance with requirements of legal acts and good corporate governance practices“. On 2 August, 2013 the agreements of the Supervisory Board member's factual work were signed with Darius Kašauskas and Ilona Daugėlaitė. On 30 September, 2013 the agreement of the Supervisory Board independent member's factual work was signed with Petras Povilas Čėsna. There were no loans, guarantees and sponsorship granted to the management bodies by the Company during the nine months of 2015.

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Board

LESTO Board is a collegiate managing body of the Company.

The competence of the Board, the procedure for adoption of decisions, election and recall of members are governed by the law, other legal acts and Articles of Association. The Board consists of five Board members that are elected by the General Meeting of Shareholders for the term of four years. The Board members elect the chairman of the Board out of its members.

On 1 January, 2015 the Board of the Company consisted of the chairman of the Board Aidas Ignatavičius and the Board members: Virgilijus Žukauskas, Andrius Bendikas, Sergejus Ignatjevas and Dalia Andrulionienė. On 25 February, 2015, the Supervisory board of LESTO decided to recall Dalia Andrulionienė from the Board of LESTO from February 27, 2015.

On the report signature date the Board of the Company consists of the chairman of the Board Aidas Ignatavičius and the Board members: Virgilijus Žukauskas, Andrius Bendikas and Sergejus Ignatjevas. Ending of term of the Board is 17 September, 2017.

During the reporting period 26 meetings of the Board took place which were attended by all the members of the Board.



Aidas Ignatavičius
(born in 1974)
Chairman of the Board
CEO

In the position of Chairman:
Since 17 September, 2013
Ending of term:
17 September, 2017
In the position of CEO:
Since 23 September, 2013



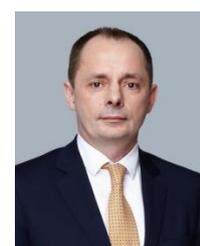
Andrius Bendikas
(born in 1973)
Member of the Board

In this position:
Since 17 September, 2013
Ending of term:
17 September, 2017



Virgilijus Žukauskas
(born in 1961)
Member of the Board

In this position:
Since 17 September, 2013
Ending of term:
17 September, 2017



Sergejus Ignatjevas
(born in 1965)
Member of the Board

In this position:
Since 17 September, 2013
Ending of term:
17 September, 2017

Education

Vilnius university,
Master in Business Administration
and Management

Baltic Management Institute (BMI),
Master in Business Administration

Kaunas University of
Technology,
Master in Electricity Supply for
Industry,
Cities and Agriculture.

Vilnius university,
Master in Finance and Credit

Main occupation

LESTO, CEO

LESTO, Director of Finance and
Administration division

LESTO, Director of Electricity
Network division-vice CEO

LESTO, Director of Customer
Service division

Information on payments* to LESTO Board members during the nine months of 2015, EUR**

13,033

7,820

7,820

7,820

Information on LESTO Board members participation in the activities of companies and organisations; shareholding in other companies exceeding 5% of capital/votes

Name of organisation, position	Capital held and share of votes, %	Name of organisation, position	Capital held and share of votes, %	Name of organisation, position	Capital held and share of votes, %	Name of organisation, position	Capital held and share of votes, %
LESTO, chairman of the Board, CEO Technologijų ir inovacijų centras, UAB, member of the Board	-	LESTO, member of the Board, Director of Finance and Administration division	-	LESTO, member of the Board, Director of Electricity Network division-vice CEO	0,000012	LESTO, member of the Board, Director of Customer Service division	-
Support fund of Lietuvos energija, member of the Board	-	Verslo aptarnavimo centras, UAB, member of the Board	-			Pylimo str. 36 Association of the First block of flats owners, chairman	-
National Lithuanian Association of electricity, council member	-						

* During the reporting period EUR 1,738 was counted for Dalia Andrulionienė, who was recalled from the Board of LESTO from February 27, 2015.

** LESTO Articles of Association indicates: „Agreements with members of the Board can be signed for factual work in the Board before taking up the position; rights (including the right to get remuneration for the work in the Board, if there is a decision to remunerate), duties and responsibilities are set out in such agreements. The Supervisory Board determines the conditions of agreements with the members of the Board“. On 17 September, 2013 the agreements of the Board members' factual work were signed with Andrius Bendikas, Sergejus Ignatjevas, Virgilijus Žukauskas and Dalia Andrulionienė. On 17 September, 2013 the agreement of the Board chairman's factual work was signed with Aidas Ignatavičius. LESTO has not transferred any assets to members of management bodies. There were no loans, guarantees and sponsorship granted to the management bodies by the Company during the nine months of 2015.

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Chief Executive Officer

Chief Executive Officer (hereinafter – CEO) is an one-person managing body of the Company.

The competence of the Managing Director and the procedure for election and recall thereof are governed by the law, other legal acts and Articles of Association. CEO is elected and recalled by the Board of the Company. CEO organises the Company's activities, manages the Company, acts on behalf of the Company and unilaterally conclude transactions, except for the cases the Company's Articles of Association and other legal acts provide.

Since 23 September, 2013, Aidas Ignatavičius acts as CEO of LESTO by the decision of the Board.

Information on payments to LESTO CEO over reporting period*

	Salaries, EUR
CEO Aidas Ignatavičius	48,892

* LESTO has not transferred any assets to members of management bodies. There were no loans, guarantees and sponsorship granted to the management bodies by the Company during the nine months of 2015.

Information on LESTO administration members participation in the activities of companies and organisations; shareholding in other companies exceeding 5% of capital/votes

Name, surname	Name of organisation, position	Capital held, %	Share of votes, %
Aidas Ignatavičius	Look for the information above	-	-

LESTO personnel

Company's main asset – its employees – is the key link towards achieving the Company's goals. Company's personnel policy is directed towards developing professional skills of the employees and the formation of organisational culture, ensuring better values creation for clients, partners and the public.

During the first quarter of 2015 the internal audit function was centralised and outsourced to UAB Lietuvos Energija, resulting in 3 redundancies. The Services and Debt Management Department in the Customer Service was closed, leaving the debt management function to the CEO and transferring the service development function to the Customer Service Management Department. The Information Technology and Telecommunications Division was moved to the Finance and Administration Service. The above changes had no effect on the number of employees.

During the second quarter of 2015 the personnel administration function was centralised and outsourced to UAB Verslo Administravimo Centras, resulting in 5 redundancies. As of 1 June the Electricity Metering Data and Consumption Management Division of Electricity Metering Management Department of Customer Service underwent reallocation of jobs, as 2 new Electricity Metering Control Groups were established. The total number of employees was unaffected.

At the beginning of 2015 2,229 of employees were working in the Company. During the nine months of 2015 the total number of LESTO employees decreased by 14 or 0.6 %, and it was equal to 2,215 by the end of September, 2015.

LESTO employees by categories

Category	Number of employees
	30 09 2015
CEO	1
Top-level managers	5
Mid-level managers	148
Experts, specialist, workers	2,061
Total	2,215

Remuneration system

LESTO implemented a remuneration policy which placed LESTO amongst other most advanced national companies which remunerate employees according to their results and value added to the organisation and the team. The remuneration system was designed by using Hay Group methodology which ensures objective evaluation of positions according to the required education, the complexity of problems and the level of responsibility required by each position. The system allows to effectively manage Company's expenses and ensures that LESTO strategic objectives and business management logic is reflected in the remuneration system.

The remuneration package of Company's employees includes financial, non-financial and emotional remuneration. The financial remuneration system includes a fixed salary specified in the employee's employment agreement, also compensation for achieved results, variable compensation paid in the procedure set out within the Company, as well as bonuses provided in the Collective Agreement and other internal legislation (for overtime, night shifts, etc.). Non-financial remuneration is an indirect form of employee compensation, which the Company uses to promote efforts, engagement and loyalty of its employees and the enrichment of employee well-being and activity at the Company. These are various events, greetings on special occasions, acknowledgement and appreciation by rewarding employees who have achieved outstanding results, health promotion, employee development and education. Emotional remuneration is hard to measure, yet is significant for employee engagement in Company's activities, encompassing Company's reputation, organisational culture and values, availability for career opportunities, various internal communication programs, allowing the employees to share their ideas, ask questions and meet their clients on the internal website.

Average wages of LESTO employees

Category	Average gross wage, EUR
	2015 January - September
CEO	5,432
Top-level managers	5,098
Mid-level managers	1,981
Experts, specialist, workers	954
Total	1,035

Collective agreement

On 7 March, 2014, at LESTO employee conference, a new edition of the collective agreement was approved, ensuring greater protection of LESTO employees and more additional benefits which are not provided in the Labour Code of the Republic of Lithuania.

The Collective Agreement aims to ensure effective work of the Company and represent the rights and legitimate interests of all Company's employees. The agreement sets out work, remuneration, social, economic and professional conditions and guarantees which are not governed by laws and other normative legal acts. Employees are granted additional guarantees (benefits in cases of accident, illness, death of relatives, support in case of child birth, additional paid leave days in case of child birth, marriage, death of a relative and others).

Following the introduction of euro on 01 January 2015, an agreement was signed on 29 January regarding the amendment of the Collective Agreement as of 07 March 2014.

Trade Unions

The Company supports employee groupment into voluntary trade unions and maintains close cooperation with them. Each quarter the Company holds meetings during which strategical projects carried out at the Company are discussed. Trade union representatives always participate in working groups which address employee-related issues (work life, employee retraining, remuneration and social matters).

A meeting was held with the members of the trade unions on 08 April 2015, during which the Principles of Remuneration Profile were reviewed.

Training

LESTO organises various trainings for Company employees. In order to ensure effective, high-quality maintenance of electricity distribution networks, effective customer service and work safety, LESTO invests in employee education. Within the nine months of 2015, mandatory trainings, which upgrade employees' professional qualification and issue certificates allowing to carry out special works, were attended by 607 employees. The employees took part in trainings on emergency electric station diesel operator; worker performing high-altitude works; manager of isolation and grounding resistance, forest preparation works; electrician of 0.4-10 kV overhead lines with non-isolated wires and overhead lines with isolated wires/cables; self-propelled lift operation; and on first aid and hygiene skills.

During January-September of 2015 the general and professional trainings intended for developing general and professional competences were attended by 1,295 participants. The trainings are organised both within the Company and also by inviting employees to seminars and conferences held by external suppliers (in Lithuania and abroad). The Company pays a great deal of attention on developing managers' leadership competence – a long-term management program which involves some Company's managers. This year, LESTO provided partial or full funding for studies of 18 employees in Lithuanian higher education schools.

The Company seeks to engage internal employees with specific knowledge and skills and willing to share them with others in competence building programs. Within the nine months of 2015 the internal trainings held by LESTO internal lecturers were attended by 3,882 participants. The majority of these internal trainings were intended for the development of electrical staff, in order to increase work safety and the quality of customer service. The Company also constantly cooperates with manufacturers, equipment providers who share their knowledge with the employees of LESTO electricity network service and electricity metering group by introducing market trends and latest novelties in the energy field. Such trainings were attended by 266 participants during January-September 2015.

In order to ensure the quality of the trainings, the training programs are developed in close cooperation with training providers and by performing training evaluation surveys.

Internship

LESTO actively cooperates with educational institutions and allows university and college students to apply their theoretical knowledge and acquire practical skills. Within the nine months of 2015 a total of 88 students completed internships at LESTO throughout Lithuania. Internships were performed not only by students who were required to do a placement, as the Company also searched for and selected motivated and enthusiastic students and provided them with the opportunity to do an internship at the Company voluntarily. When in need of new employees, we remember the most enthusiastic interns and invite the most suitable of them to join LESTO team (within the nine months of 2015, 9 LESTO interns took advantage of this opportunity).

ESSENTIAL EVENTS

Essential events during the reported period

In implementing its duties according to the binding legislation that regulates the securities market, LESTO announces material events (as well as all further regulated information) for the whole of the European Union. Information published by the Company is available on its website www.lesto.lt and the website of NASDAQ OMX Vilnius AB at www.nasdaqomxbaltic.com.

LESTO essential events from 2015-01-01:

Date	Essential event
13-01-2015	Regarding new service pricing methodology of electricity sector
19-01-2015	Regarding the electricity distribution price caps for 2016 and asset valuation
23-01-2015	Regarding the initiated legal proceedings by LESTO AB
03-02-2015	Regarding LESTO investment plan for 2015-2025
10-02-2015	Due to the frequency of the publication of preliminary financial results
13-02-2015	Preliminary unaudited 2014 LESTO AB company financial results: twice – up to 24 million EUR increased net profit and growth of EBIDTA margin
18-02-2015	LESTO performed a valuation of tangible fixed assets as of 31 December 2014
25-02-2015	Recall of the Member of the Board of LESTO AB
27-02-2015	LESTO group unaudited financial results 2014: due to increased operational efficiency EBITDA up by 1.5% to LTL 468 million
03-03-2015	Regarding a planned merger of LESTO AB and Lietuvos Dujos AB
10-03-2015	Regarding the initiated legal proceedings by LESTO AB
31-03-2015	Regarding the Transfer of Shares of UAB “ELEKTROS TINKLO PASLAUGOS”
03-04-2015	Regarding of the Ordinary General Meeting of Shareholders of LESTO AB
15-04-2015	Due to public procurement of a long-term loan
24-04-2015	Regarding the intention to sign long-term loan agreement
27-04-2015	Decisions adopted in Ordinary General Meeting of Shareholders of LESTO AB on 27 April 2015
27-04-2015	Shareholders approved LESTO group’s audited financial results 2014
27-04-2015	Regarding the Transfer of Shares of NT Valdosa, UAB
04-05-2015	Regarding of the Extraordinary General Meeting of Shareholders of LESTO AB
15-05-2015	Preliminary unaudited 1Q 2015 LESTO AB results: net profit increased more than twice to EUR 27.6 million
15-05-2015	Due to long-term loan agreement
29-05-2015	Decisions adopted in Extraordinary General Meeting of Shareholders of LESTO AB on 29 May 2015
29-05-2015	LESTO group Q1 2015 results: record investments and better client service
04-06-2015	Regarding the decision by National Control Commission for Prices and Energy

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04-06-2015	CEO of Lietuvos Energija, UAB, made a presentation at the event “CEO Meets Investors”
08-06-2015	Regarding of the Extraordinary General Meeting of Shareholders of LESTO AB
12-06-2015	LESTO AB published 2014 CSR activities report
01-07-2015	The Extraordinary General Meeting of Shareholders of LESTO AB adopted a decision on the election of the audit company
10-07-2015	Regarding the initiated legal proceedings by LESTO AB
28-07-2015	Regarding candidates nominated to the Board of a new electricity and gas distribution company which will continue in operation after reorganisation of AB LESTO and AB Lietuvos dujos
14-08-2015	Preliminary unaudited LESTO AB results for six months of 2015: EBITDA increased by 2 % to EUR 71 million
31-08-2015	LESTO results for six months of 2015: the company’s EBITDA up by 1.8% to EUR 71 million, investments increased 21% to EUR 42 million
31-08-2015	Regarding of the Extraordinary General Meeting of Shareholders of LESTO AB
31-08-2015	Regarding the reorganization of AB LESTO and public limited liability company Lietuvos Dujos
08-09-2015	Regarding the resolutions of the Supervisory Board of AB LESTO
24-09-2015	Regarding the resolutions of Extraordinary General Meeting of LESTO AB Shareholders
02-10-2015	Regarding the reorganization of AB LESTO and public limited liability company Lietuvos Dujos
30-10-2015	Regarding the intention to sign long-term loan agreement
30-10-2015	Regarding the electricity distribution price caps, and supply service price cap and the public electricity price cap for 2016
02-11-2015	Regarding the reorganization of AB LESTO and public limited liability company Lietuvos Dujos
06-11-2015	Regarding the public electricity price cap for 2016
10-11-2015	Regarding of the Extraordinary General Meeting of Shareholders of LESTO AB and the General Meeting of Shareholders of “Energijos skirstymo operatorius” AB
16-11-2015	Preliminary unaudited LESTO results for nine months of 2015: EBITDA reached EUR 99.2 million, EBITDA margin increased to 23 %
19-11-2015	Due to long-term loan agreement

Essential events after the reporting period

On 30 October the National Control Commission for Prices and Energy (hereinafter – Commission) approved electricity distribution price caps for 2016 in accordance with the methodology of the electricity transmission, distribution and public transmission services and public price cap updated on 21 September, 2015:

- in medium - voltage networks 1,000 EUR ct/kWh,
- in low - voltage networks 1,766 EUR ct/kWh.

Currently electricity distribution price cap in medium-voltage networks is 1,178 EUR ct/kWh, in low-voltage networks – 1,550 EUR ct/kWh.

On 30 October Commission approved public supply service price cap for 2016 – 0,165 EUR ct/kWh.

Currently public supply service price cap is 0,139 EUR ct/kWh.

On 6 November 2015 the National Control Commission for Prices and Energy (hereinafter - Commission) approved public electricity price cap for 2016 for domestic consumers:

- in medium - voltage networks 7,851 ct/kWh (VAT excluded),

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- in low - voltage networks 9,617 ct/kWh (VAT excluded).

Public electricity price cap composes of these components: electricity cost, PSO price, price of system services, transmission service price cap, public supply service price cap and distribution price cap.

Currently public electricity price cap for domestic consumers, who buy electricity from medium voltage networks is 8,616 ct/kWh (VAT excluded) and from low voltage networks - 10,165 ct/kWh (VAT excluded).

On 3 December, 2015, it is planned to elect the members of the Supervisory Board of AB Energijos skirstymo operatorius in the General Meeting of Shareholders of AB Energijos skirstymo operatorius. The candidates to the Superavisory Board are the following: Dalius Misiūnas, Ilona Daugėlaitė and Petras Povilas Čėsna (as independent member).

Following the end of purchase procedures mandatory 15-day postponement, on 19 November, 2015 LESTO and Pohjola Bank Plc. signed a long-term loan agreement according to which LESTO will be granted a loan of EUR 70 million. The Commission of the tender has decided that Pohjola Bank Plc. has offered the best bid. The funds will be used to refinance the Company's financial liabilities and also, for the working capital needs. Maturity of the loan will be 5 years. The base interest rate - 1 month EURIBOR. During the contract period the Company may be granted an additional credit, which cannot exceed 30 percent of the loan amount.



Lietuvos bankas
Žirmūnų street 151,
LT-09128 Vilnius

27-11-2015

Nr. 30200

CONFIRMATION OF RESPONSIBLE PERSONS

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, Aidas Ignatavičius, Chief Executive Officer of LESTO AB, and, Andrius Bendikas, director of Finance and Administration division of LESTO AB, hereby do confirm that, to the best of our knowledge, unaudited LESTO AB company and consolidated unaudited LESTO AB group financial statements of the nine months of the year 2015 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position, profit or loss and cash flow of LESTO AB and its consolidated enterprises.

Chief Executive Officer

Aidas Ignatavičius

Director of Finance and
Administration division

Andrius Bendikas

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Įmonės kodas: 302577612 | PVM kodas: 100005809812 | VĮ Registrų centras Registro tvarkytojas |