



eso

Merger of companies LESTO and Lietuvos Dujos

30 November, 2015

Aidas Ignatavičius, CEO of LESTO

Liudas Liutkevičius, CEO of Lietuvos Dujos

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*Hereinafter – ESO;

** Hereinafter – LESTO;

*** Hereinafter – Lietuvos Dujos.

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**AB Energijos
skirstymo
operatorius**

lesto



LIETUVOS DUJOS



eso

BENEFITS OF MERGER

Increase of efficiency

Lower operating costs

Added value for customers

OBJECTIVE AND OBJECT OF ACTIVITIES



OBJECTIVE

reliable and efficient performance of the functions of the operator of electricity and natural gas distribution system and the public supplier of electrical energy



OBJECT OF ACTIVITIES :

- transmission of electrical energy via distribution networks;
- transportation and delivery of natural gas via distribution networks;
- operation, maintenance, control and development of natural gas distribution system and electricity distribution networks;
- public supply of electrical energy;
- guarantee supply of electrical energy and natural gas.

VALUES

RESPONSIBILITY

Responsibility starts with each of us

COOPERATION

By working together we strive to create the best possible result

RESULT

By increasing the value of the energy industry we promote the country's economic and social development



AUTHORISED CAPITAL STRUCTURE

Type of shares	Ordinary registered shares
Number of shares	894,630,333
Nominal value, EUR	0.29
Total nominal value, EUR	259,442,796.57

SHARES EXCHANGE RATIO

Ratio between the values of all Lietuvos
Dujos and LESTO shares is

26.276942 : 73.723058

**1 LESTO share will
equal to**

**1.09206846 ESO
share**

**1 Lietuvos Dujos
share will
equal to**

**0.80871354 ESO
shares**

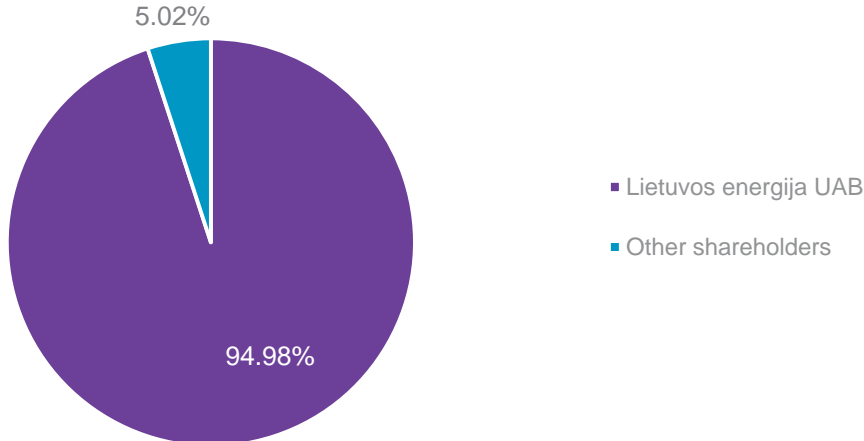


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**ESO organizational
structure**

SHAREHOLDERS

Structure of ESO shareholders



Shareholders who own more than 5 % of ESO authorized capital

Shareholders' names, types, headquarter addresses, company register code	Number of shares	Share of authorized capital and votes granted by shares, %
Lietuvos energija, UAB Žvejų str.14, Vilnius, company reg. No. 301844044	849,743,792	94.98



SUPERVISORY BOARD

Composition of ESO Supervisory Board

3 members

Requirements for the composition of the Supervisory Board

at least 1/3 of independent members

more than 1/2 of members are not in working relations with ESO

Tenure of the Supervisory Board

4 years

Election date of ESO Supervisory Board's members

03-12-2015

CANDIDATES FOR THE MEMBERS OF THE SUPERVISORY BOARD



Dr. Dalius Misiūnas

Positions

Lietuvos energija, UAB, chairman of the Board, CEO

Education

Lund university, Doctor's degree in Technological Sciences

Work experience

Lietuvos Energijos Gamyba, AB, chairman of the Supervisory Board.
KTU Alumni and National Lithuanian Energy Associations, president. Association Eurelectric, member of the Board of Directors.
Previously: Visagino atominė elektrinė, UAB, the member of the Board; Lietuvos energijos gamyba, AB, the member of the Board, CEO.

CANDIDATES FOR THE MEMBERS OF THE SUPERVISORY BOARD



Ilona Daugėlaitė

Positions

Lietuvos energija, UAB, Director of Organizational Development

Education

Vilnius university, Master in Hydrogeology and Engineering Geology

Work experience

AB LESTO and AB Lietuvos dujos, the member of the Supervisory Board.
Duomenų logistikos centras, UAB and Technologijų ir inovacijų centras, UAB, the chairman of the Boards; Elektros tinklo paslaugos, UAB, the member of the Board.
Previously: Lietuvos energijos gamyba, AB, director of Personnel and Administration.

CANDIDATES FOR THE MEMBERS OF THE SUPERVISORY BOARD



Petras Povilas Čėsna (as independent member)

Positions

Lithuanian centre of Exhibition and Congress LITEXPO, chairman of the Board

Education

Vilnius university, Qualification of Economist

Work experience

Lithuanian centre of Exhibition and Congress LITEXPO, chairman of the Board.

Former Minister of Ministry of Transport and Minister of Ministry of Economy of the Republic of Lithuania.

Long-term management experience acquired in companies Vilniaus baldų kombinatas, AB, Medienos plaušas, AB and others.

BOARD

Composition of ESO Board

5 members

Tenure of the Board

4 years

Election date of ESO Board's members

03-12-2015

On 28 July, 2015, the Supervisory Board of Lietuvos energija, UAB, approved (nominated) the following nominees to the Board of ESO:

- Aidas Ignatavičius (the chairman of the Board and CEO);
- Dalia Andrulionienė (area – services);
- Eglė Čiužaitė (area – finance);
- Rytis Borkys (area – development of network);
- Dalius Svetulevičius (area – operation of networks).

NOMINATED CANDIDATES FOR THE MEMBERS OF THE BOARD

Chairman of the
Board and CEO



Aidas Ignatavičius

Education

Vilnius university, Master in Business Administration and Management

Work experience

AB LESTO, CEO.

Previously worked as director of Danske Bank A/S Lithuania's branch Corporate Banking division.

Until 2009 managed for electricity distribution company VST, AB.

Long-term management experience acquired in companies Lietuvos paštas, AB, and Swedbank, AB.

NOMINATED CANDIDATES FOR THE MEMBERS OF THE BOARD

Member of the Board
(area – services)



Dalia Andrulionienė

Education

Vilnius university, Master in Economics
ISM University of Management and
Economics, Master in Management

Work experience

Lietuvos energija, UAB, member of the Board,
director of Production and Service Department.
Previously: AB LESTO, member of the Board,
director of Organization Development and
Communications division.

Long-term management experience acquired
in the group of Alma littera, UAB, and in
companies PZU Lietuva, UAB, Avon
Cosmetics, UAB, and others.

NOMINATED CANDIDATES FOR THE MEMBERS OF THE BOARD

Member of the Board
(area – finance)



Eglė Čiužaitė

Education

Aarhus School of Business, Master of Science in Finance and International Business

Work experience

Lietuvos energijos gamyba, AB, director of Finance and Administration Department.
Currently act as member of the Boards of Lietuvos energijos gamyba, AB, Verslo aptarnavimo centras, UAB, and Geoterma, UAB.

Previously: member of the Board of Kauno Energetikos remontas, UAB, and Energijos tiekimas, UAB.

NOMINATED CANDIDATES FOR THE MEMBERS OF THE BOARD

Member of the Board
(area – development of
network)



Rytis Borkys

Education

Kaunas University of Technology, higher university education in engineering

Work experience

AB LESTO, director of Network Management of Kaunas Region department.

Previously: VST, AB, Director of Electricity Network division, the member of the Board.

NOMINATED CANDIDATES FOR THE MEMBERS OF THE BOARD

Member of the Board
(area – operation of
networks)



Dalius Svetulevičius

Education

Vilnius university, Master in Business Administration and Management

Work experience

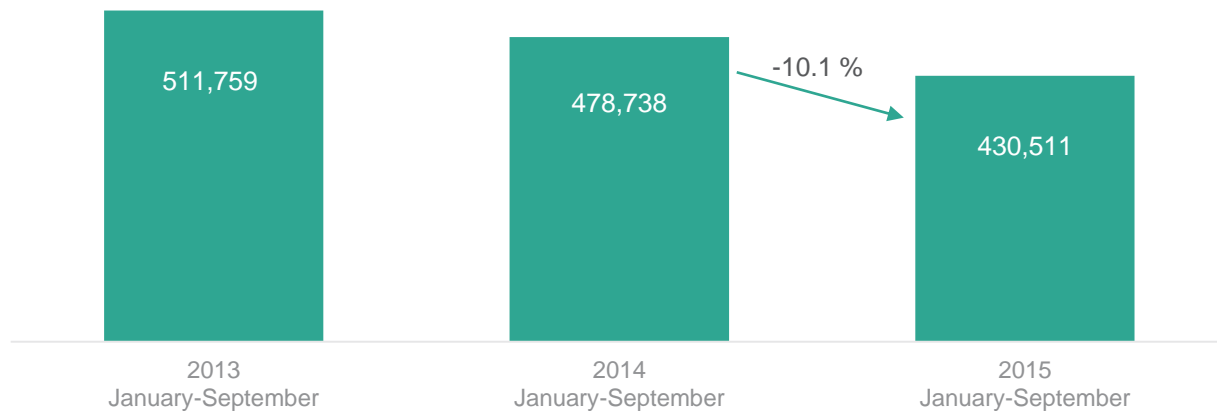
Lietuvos dujos, AB, Director of the Gas Network Service, the member of the Board.
Previously: Lietuvos dujos, AB, head of Operational Control Center, head of Gas Protection Against Corrosion division.

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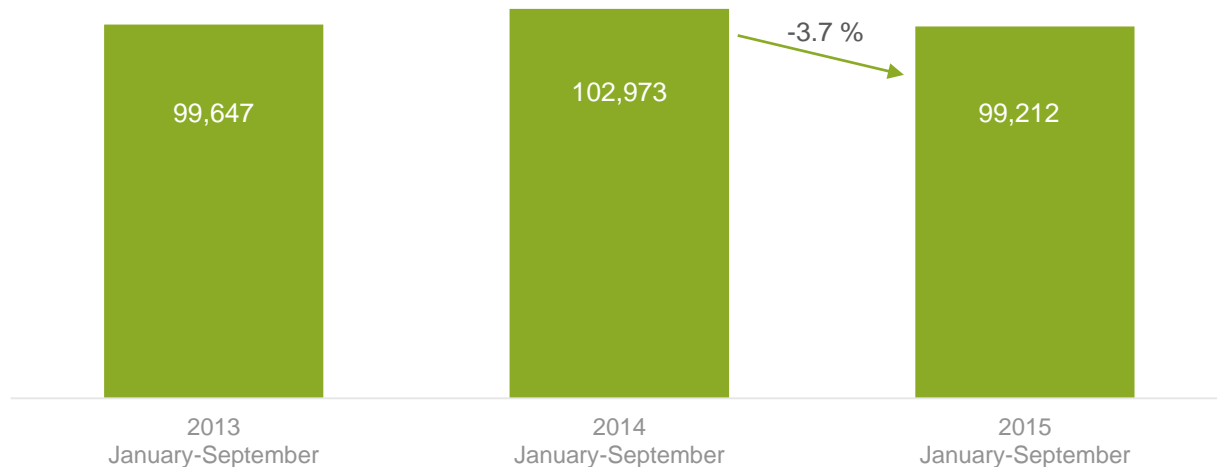
**LESTO and Lietuvos
Dujos:
financial ratios and
share price**

REVENUE AND EBITDA OF LESTO

Dynamics of LESTO revenue, thousand EUR

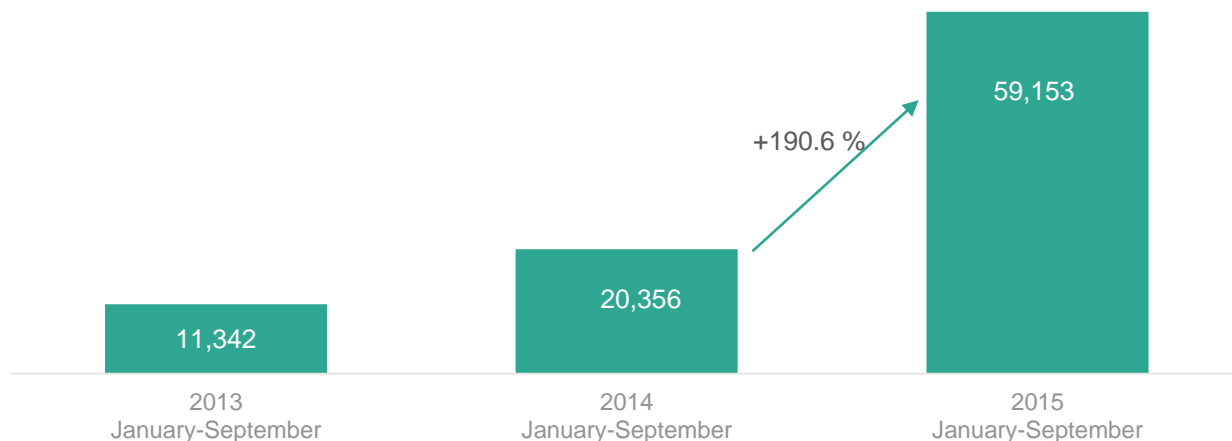


Dynamics of LESTO EBITDA*, thousand EUR



NET PROFIT AND PROFITABILITY RATIOS OF LESTO

LESTO net profit, thousand EUR



LESTO profitability ratios, %

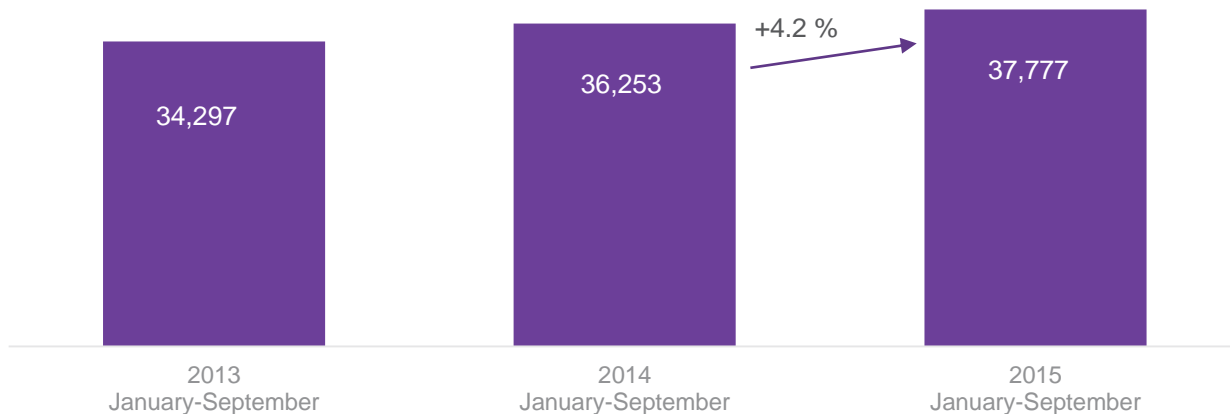
	2013 January- September	2014 January- September	2015 January- September
Net profit margin	2.22	4.25	13.74
Operating profit margin	2.70	5.30	16.45
EBITDA margin	19.47	21.51	23.05

REVENUE AND EBITDA OF LIETUVOS DUJOS

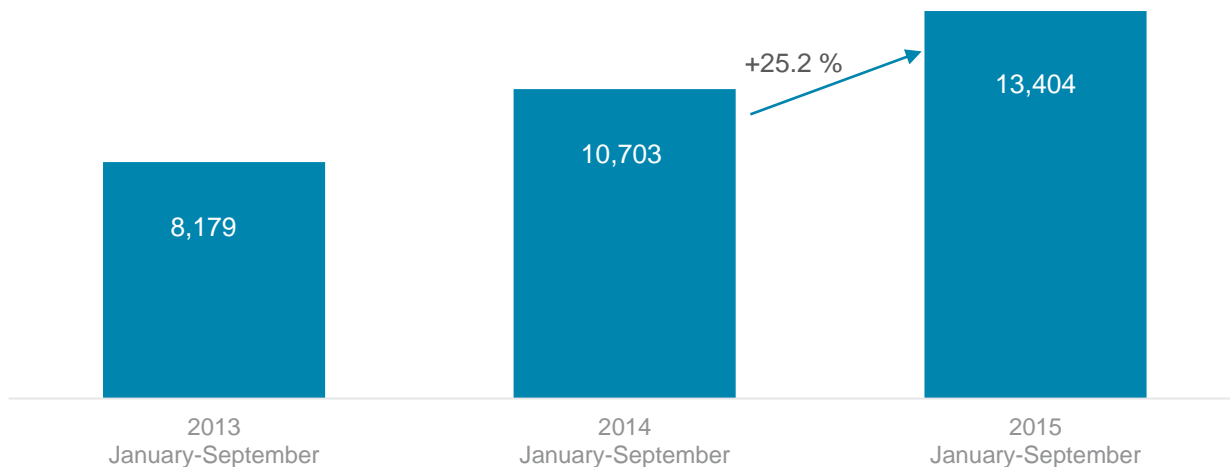
Presented continued
distribution activity of
Lietuvos Dujos



Dynamics of Lietuvos Dujos revenue, thousand EUR



Dynamics of Lietuvos Dujos EBITDA*, thousand EUR



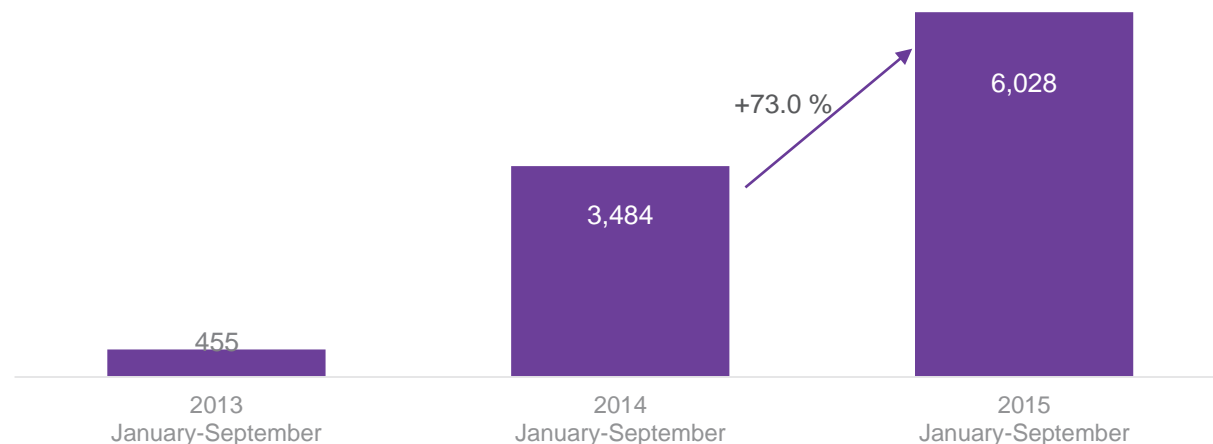
* EBITDA (earnings before interest, taxes, depreciation and amortisation) = pre-tax profit (loss) + finance costs – finance income – received dividends + costs of depreciation and amortisation + value impairment costs + write-offs of tangible fixed assets.

NET PROFIT AND PROFITABILITY RATIOS OF LIETUVOS DUJOS

Presented continued distribution activity of Lietuvos Dujos



Lietuvos Dujos net profit, thousand EUR



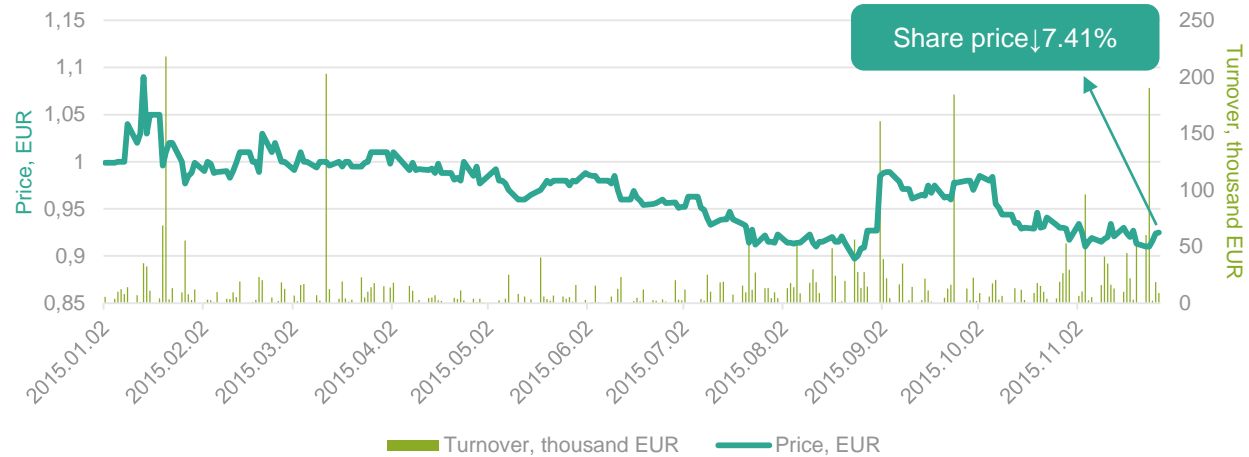
Lietuvos Dujos profitability ratios, %

	2013 January- September	2014 January- September	2015 January- September
Net profit margin	1.33	9.61	15.96
Operating profit margin	-1.60	10.02	17.96
EBITDA margin	23.85	29.52	35.48

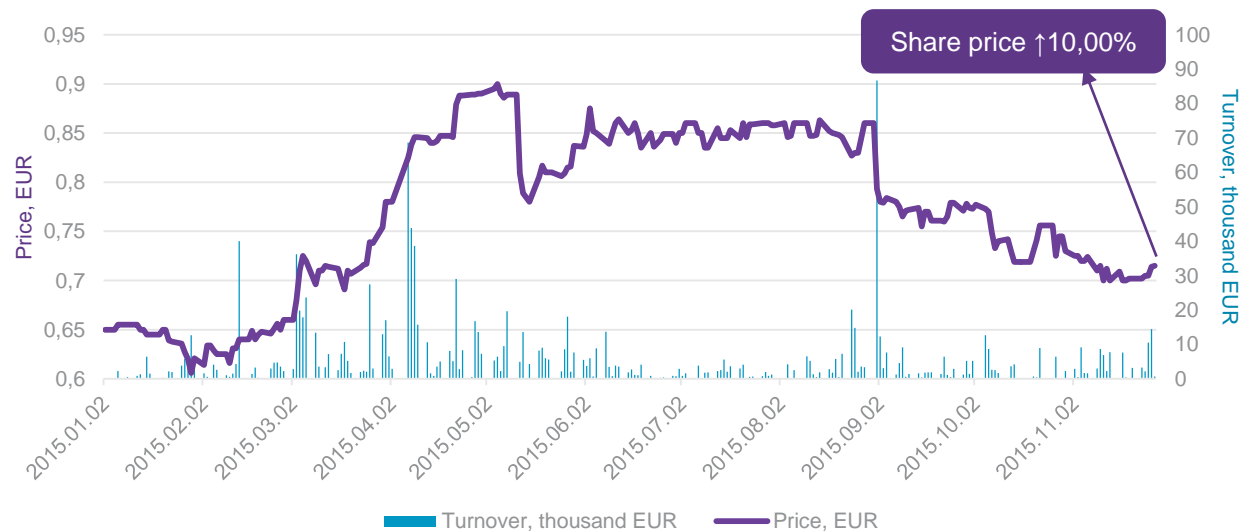
DYNAMICS OF LESTO AND LIETUVOS DUJOS SHARE PRICE



LESTO share price and turnover (01-01-2015 – 27-11-2015)



Lietuvos Dujos share price and turnover (01-01-2015 – 27-11-2015)



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**Important events and
their dates to
investors.**

**ESO securities
account manager**

IMPORTANT EVENTS AND THEIR DATES TO INVESTORS

3 December,
2015

1st ESO General Meeting of
Shareholders

3 December,
2015

Suspension of trading with Lietuvos
Dujos and LESTO shares

4 December,
2015

Resumption of trading with Lietuvos
Dujos and LESTO shares

11 December,
2015

Suspension of trading with Lietuvos
Dujos and LESTO shares

31 December,
2015

Signing the deeds of transferring
LESTO and Lietuvos Dujos assets,
rights, obligations and employees to
ESO

3rd week of
2016

Beginning of trading with ESO
shares in NASDAQ OMX Vilnius

SECURITIES ACCOUNT MANAGER

**Bank SEB, AB will be official manager
of ESO security account**

Contact details of SEB, AB:

Gediminas ave. 12, LT-01103 Vilnius

Tel. 1528 or +370 5 268 2800



Questions?

Please contact info@lesto.lt
or ld@lietuvosdujos.lt