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CONFIRMATION OF RESPONSIBLE PERSONS

February 26, 2015 Vilnius

Following Article 22 of the Law on Securities of the Republic of Lithuania and the Rules on Preparation and Submission of Periodic and Additional Information of the Bank of Lithuania, we, Daivis Virbickas, Chief Executive Officer of LITGRID AB, Rimantas Busila, Director of Finance Department of LITGRID AB and Jūratė Vyšniauskienė, Chief Financier-Accounting Division Manager of LITGRID AB, hereby confirm that, to the best of our knowledge, the attached unaudited interim consolidated financial statements of LITGRID AB for the year ended 31 December 2015 is prepared in accordance with the International Financial Reporting Standards adopted by the European Union, give a true and fair view of the LITGRID AB and consolidated group assets, liabilities, financial position, profit (losses) and cash flows for the relevant period.

Daivis Virbickas

Chief Executive Officer

Rimantas Busila

Director of Finance Department

Jūratė Vyšniauskienė

Chief Financier



Litgrid

LITGRID AB

CONDENSED CONSOLIDATED AND THE COMPANY'S
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2015, PREPARED ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS AS
ADOPTED BY THE EUROPEAN UNION (UNAUDITED)

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The condensed interim financial statements was signed on 26 February 2016.



Daivis Virbickas
Chief executive officer



Rimantas Busila
Director of the Finance Department



Jūratė Vyšniauskienė
Chief Financier

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2015
 (All amounts in EUR thousands unless otherwise stated)

	No- tes	Group		Company	
		31.12.2015	31.12.2014	31.12.2015	31.12.2014
ASSETS					
Non-current assets					
Intangible assets	3	876	944	870	915
Property, plant and equipment	3	409,643	364,401	408,757	363,431
Prepayments for property, plant and equipment		56,298	82,228	56,298	82,228
Investments in subsidiaries	4	-	-	4,089	2,796
Investments in associates and jointly controlled entities	4	1,063	1,088	1,047	1,047
Deferred income tax assets		63	91	-	-
Available-for-sale financial assets		1,923	2,237	1,923	2,237
Total non-current assets		469,866	450,989	472,984	452,654
Current assets					
Inventories		2,588	2,259	1,227	1,005
Prepayments		240	275	203	248
Trade receivables		14,065	14,456	8,720	10,741
Other accounts receivable		19,130	51,253	22,318	21,245
Prepaid income tax		1,489	31	1,467	-
Other financial assets		2,574	3,263	2,574	1,751
Held-to-maturity investments	5	-	15,929	-	15,929
Cash and cash equivalents		791	25,293	483	25,003
Total current assets		40,877	112,759	36,992	75,922
Assets of disposal group classified as held for sale	1	43,726	-	325	-
TOTAL ASSETS		554,469	563,748	510,301	528,576
EQUITY AND LIABILITIES					
Equity					
Share capital	6	146,256	146,064	146,256	146,064
Share premium		8,579	8,579	8,579	8,579
Revaluation reserve		6,228	6,840	6,138	6,739
Legal reserve		14,606	14,609	14,606	14,606
Other reserves		62,747	171,355	62,747	171,355
Retained earnings (loss)		3,050	(107,931)	5,877	(107,036)
Equity attributable to the shareholders of the parent company		241,466	239,516	244,203	240,307
Non-controlling interest		133	57	-	-
Total equity		241,599	239,573	244,203	240,307
Liabilities					
Non-current liabilities					
Grants received in advance		3,870	108,140	3,870	108,140
Non-current loans	7	124,518	88,600	124,518	88,600
Deferred income tax liabilities		10,670	11,669	10,670	11,669
Other non-current accounts payable and liabilities		203	2,958	151	2,907
Total non-current liabilities		139,261	211,367	139,209	211,316
Current liabilities					
Current portion of non-current borrowings	7	8,082	30,200	8,082	30,200
Current loans	7	70,838	10,580	69,842	-
Trade payables		28,068	34,997	25,301	34,740
Advances received		2,014	2,919	2,014	1,394
Income tax payable		4	316	-	315
Other accounts payable		23,160	33,796	21,650	10,304
Total current liabilities		132,166	112,808	126,889	76,953
Total liabilities		271,427	324,175	266,098	288,269
Liabilities of disposal group classified as held for sale	1	41,443	-	-	-
TOTAL EQUITY AND LIABILITIES		554,469	563,748	510,301	528,576

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

CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015
(All amounts in EUR thousands unless otherwise stated)

	No- tes	Group		Company	
		2015	2014	2015	2014
Continuing operations					
Revenue					
Sales of electricity and related services		83,480	104,238	83,480	104,238
Other revenue		17,017	15,465	2,085	1,759
Total revenue	8	100,497	119,703	85,565	105,997
Expenses					
Purchase of electricity and related services		(37,793)	(50,670)	(37,793)	(50,670)
Depreciation and amortisation	3	(21,774)	(38,735)	(21,511)	(38,392)
Wages and salaries and related expenses		(12,540)	(11,421)	(6,685)	(6,153)
Repair and maintenance expenses		(4,213)	(4,641)	(6,031)	(6,283)
Telecommunications and IT systems expenses		(3,396)	(3,889)	(3,283)	(3,716)
Revaluation of property, plant and equipment		-	(123,199)	-	(123,200)
Write-off of property, plant and equipment		(2,223)	(1,472)	(2,214)	(1,471)
Other expenses		(15,449)	(16,180)	(3,014)	(8,063)
Total expenses		(97,388)	(250,207)	(80,531)	(237,948)
Operating profit (loss)		3,109	(130,504)	5,034	(131,951)
Financial operations					
Finance income		287	437	287	437
Finance expenses		(816)	(709)	(783)	(653)
Total finance income		(529)	(272)	(496)	(216)
Share of profit/(loss) of associates and jointly controlled entities		(25)	90	-	-
Profit (loss) before income tax		2,555	(130,686)	4,538	(132,167)
Income tax					
Current year income tax (expense)		(1,654)	(3,323)	(1,641)	(3,322)
Deferred tax income (expense)		973	22,638	999	22,640
Total income tax		(681)	19,315	(642)	19,318
Net profit (loss) for the year from continuing operations		1,874	(111,371)	3,896	(112,849)
Profit (loss) for the year from discontinued operations	1	114	(228)	-	-
Net profit (loss) for the year		1,988	(111,599)	3,896	(112,849)
Other comprehensive income that will not be reclassified subsequently to profit or loss					
Revaluation of property, plant and equipment		-	(62,487)	-	(62,494)
Effect of deferred income tax		-	9,373	-	9,374
Total other comprehensive income that will not be reclassified subsequently to profit or loss		-	(53,114)	-	(53,120)
Total comprehensive income (loss) of the period		1,988	(164,713)	3,896	(165,969)
Net profit (loss) for the year attributable to:					
Parent shareholders		1,950	(111,524)	3,896	(112,849)
Non-controlling interest		38	(75)	-	-
		1,988	(111,599)	3,896	(112,849)
Total comprehensive income (loss) for the year attributable to:					
Parent shareholders		1,950	(164,638)	3,896	(165,969)
Non-controlling interest		38	(75)	-	-
		1,988	(164,713)	3,896	(165,969)
Basic and diluted earnings (deficit) per share (in EUR)		0.004	(0.221)	0.008	(0.224)

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

CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME FOR A THREE MONTH PERIOD ENDED 31 DECEMBER 2015
 (All amounts in EUR thousands unless otherwise stated)

	Group		Company	
	2015 IV quarter	2014 IV quarter	2015 IV quarter	2014 IV quarter
Continuing operations				
Revenue				
Sales of electricity and related services	23,353	27,578	23,353	27,578
Other revenue	4,357	5,200	106	306
Total revenue	27,710	32,778	23,459	27,884
Expenses				
Purchase of electricity and related services	(11,328)	(13,806)	(11,328)	(13,806)
Depreciation and amortisation	(5,502)	(8,990)	(5,443)	(8,910)
Wages and salaries and related expenses	(4,138)	(3,766)	(2,468)	(2,192)
Repair and maintenance expenses	(928)	(982)	(1,293)	(1,452)
Telecommunications and IT systems expenses	(738)	(1,122)	(707)	(1,064)
Revaluation of property, plant and equipment	-	(123,199)	-	(123,200)
Write-off of property, plant and equipment	(1,437)	(1,148)	(1,437)	(1,147)
Other expenses	(4,972)	(6,573)	(156)	(4,796)
Total expenses	(29,043)	(159,586)	(22,832)	(156,567)
Operating profit (loss)	(1,333)	(126,808)	627	(128,683)
Financial operations				
Finance income	7	67	7	67
Finance expenses	(63)	19	(57)	36
Total finance income	(56)	86	(50)	103
Share of profit/(loss) of associates and jointly controlled entities	(36)	60	-	-
Profit (loss) before income tax	(1,425)	(126,662)	577	(128,580)
Income tax				
Current year income tax (expense)	(460)	(496)	(464)	(495)
Deferred tax income (expense)	366	19,748	363	19,741
Total income tax	(94)	19,252	(101)	19,246
Net profit (loss) for the year from continuing operations	(1,519)	(107,410)	476	(109,334)
Profit (loss) for the year from discontinued operations	1 (8)	(72)	-	-
Net profit (loss) for the year	(1,527)	(107,482)	476	(109,334)
Other comprehensive income that will not be reclassified subsequently to profit or loss				
Revaluation of property, plant and equipment	-	(62,487)	-	(62,494)
Effect of deferred income tax	-	9,373	-	9,374
Total other comprehensive income that will not be reclassified subsequently to profit or loss	-	(53,114)	-	(53,120)
Total comprehensive income (loss) of the period	(1,527)	(160,596)	476	(162,454)
Net profit (loss) for the year attributable to:				
Parent shareholders	(1,525)	(107,458)	476	(109,334)
Non-controlling interest	(2)	(24)	-	-
	(1,527)	(107,482)	476	(109,334)
Total comprehensive income (loss) for the year attributable to:				
Parent shareholders	(1,525)	(160,572)	476	(162,454)
Non-controlling interest	(2)	(24)	-	-
	(1,527)	(160,596)	476	(162,454)
Basic and diluted earnings (deficit) per share (in EUR)	(0.003)	(0.213)	0.001	(0.217)

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

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015
 (All amounts in EUR thousands unless otherwise stated)

Group	No-tes	Equity attributable to owners of the Group						Non-control-ling interest	Total	
		Share capital	Share premium	Revalua-tion reserve	Legal reserve	Other reserves	Retained earnings			Subtotal
Balance at 1 January 2014		146,064	8,579	65,504	14,616	189,601	12,464	436,828	75	436,903
Comprehensive income (loss) for the period		-	-	(53,114)	-	-	(111,524)	(164,638)	(75)	(164,713)
Depreciation of revaluation reserve and amounts written off		-	-	(5,550)	-	-	5,550	-	-	-
Transfers to retained earnings		-	-	-	(7)	(18,246)	18,253	-	-	-
Dividends		-	-	-	-	-	(32,674)	(32,674)	-	(32,674)
Change in ownership interest in subsidiary		-	-	-	-	-	-	-	57	57
Balance at 31 December 2014		146,064	8,579	6,840	14,609	171,355	(107,931)	239,516	57	239,573
Balance at 1 January 2015		146,064	8,579	6,840	14,609	171,355	(107,931)	239,516	57	239,573
Comprehensive income (loss) for the period		-	-	-	-	-	1,950	1,950	38	1,988
Depreciation of revaluation reserve and amounts written off		-	-	(612)	-	-	612	-	-	-
Conversion of the share capital into euros	6	192	-	-	-	-	(192)	-	-	-
Transfers to retained earnings		-	-	-	(3)	(108,608)	108,611	-	-	-
Change in ownership interest in subsidiary		-	-	-	-	-	-	-	38	38
Balance at 31 December 2015		146,256	8,579	6,228	14,606	62,747	3,050	241,466	133	241,599

Company	No-tes	Share capital	Share premium	Revalua-tion reserve	Legal reserve	Other reserves	Retained earnings	Total
		Balance at 1 January 2014		146,064	8,579	65,399	14,606	189,601
Comprehensive income (loss) for the period		-	-	(53,120)	-	-	(112,849)	(165,969)
Depreciation of revaluation reserve and amounts written off		-	-	(5,540)	-	-	5,540	-
Transfers to retained earnings		-	-	-	-	(18,246)	18,246	-
Dividends		-	-	-	-	-	(32,674)	(32,674)
Balance at 31 December 2014		146,064	8,579	6,739	14,606	171,355	(107,036)	240,307
Balance at 1 January 2015		146,064	8,579	6,739	14,606	171,355	(107,036)	240,307
Comprehensive income (loss) for the period		-	-	-	-	-	3,896	3,896
Depreciation of revaluation reserve and amounts written off		-	-	(601)	-	-	601	-
Transfers to retained earnings		-	-	-	-	(108,608)	108,608	-
Conversion of the share capital into euros	6	192	-	-	-	-	(192)	-
Balance at 31 December 2015		146,256	8,579	6,138	14,606	62,747	5,877	244,203

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

CONDENSED INTERIM STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015
 (All amounts in EUR thousands unless otherwise stated)

	No- tes	Group		Company	
		2015	2014	2015	2014
Cash flows from operating activities					
Net profit (loss)		1,988	(111,599)	3,896	(112,849)
Reversal of non-monetary expenses (income) and other adjustments					
Depreciation and amortization expense	3	21,774	38,735	21,511	38,393
Revaluation of property, plant and equipment		-	123,199	-	123,200
Impairment of assets (impairment reversal)		(769)	2,854	(2,309)	4,612
Share of profit/(loss) of associates and jointly controlled entities		25	(90)	-	-
Income tax expense		687	(19,315)	642	(19,318)
Loss on write-off of property, plant and equipment		2,212	1,472	2,214	1,471
Elimination of results of financing and investing activities:					
Interest income		(17)	(216)	(17)	(216)
Interest expenses		669	663	638	639
Dividends income		(122)	(150)	(122)	(150)
Other finance (income)/expenses		(3)	(55)	(3)	(59)
Changes in working capital					
(Increase) decrease in trade receivables and other receivables		2,489	(22,102)	153	(16,544)
(Increase) decrease in inventories and prepayments		60	273	180	(26)
Increase (decrease) in accounts payable, grants and advance amounts received		16,440	23	16,336	(422)
Other financial assets		(509)	4,248	(509)	(350)
Income tax (paid)		(1,914)	(2,820)	(1,913)	(2,796)
Net cash flows generated from operating activities from continuing operations		43,010	15,120	40,697	15,585
Net cash flows generated from operating activities from discontinued operations		(13,321)	(7,775)	-	-
Cash flows from investing activities					
(Purchase) of property, plant and equipment and intangible assets		(211,901)	(79,311)	(211,704)	(78,903)
Disposal of property, plant and equipment and intangible assets		-	3	-	1
Grants received		47,373	34,308	47,373	34,308
Purchase of subsidiary(associate)		-	-	(78)	(290)
Disposal of subsidiaries (associates)		-	2,654	-	2,654
Acquisition of held-to-maturity investments		-	(15,929)	-	(15,929)
Proceeds from redemption of held-to-maturity investments		15,929	20,273	15,929	20,273
Interest received		94	237	94	237
Dividends received		122	150	122	150
Other cash flows from investing activities		-	113	-	58
Net cash flows generated from investing activities from continuing operations		(148,383)	(37,502)	(148,264)	(37,441)
Net cash flows generated from investing activities from discontinued operations		(16)	(13)	-	-
Cash flows from financing activities					
Received loans		65,000	111,000	65,000	111,000
(Repayment) of loans		(51,200)	(54,200)	(51,200)	(54,200)
Overdraft		68,098	542	69,842	-
Interest paid		(613)	(663)	(582)	(639)
Dividends paid		(13)	(32,689)	(13)	(32,689)
Net cash flows generated from financing activities from continuing operations		81,272	23,990	83,047	23,472
Net cash flows generated from financing activities from discontinued operations		12,936	7,851	-	-
Net increase/(decrease) in cash and cash equivalents		(24,502)	1,671	(24,520)	1,616
Cash and cash equivalents at the beginning of the period		25,293	23,622	25,003	23,387
Cash and cash equivalents at the end of the period		791	25,293	483	25,003

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

1. General information

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

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

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

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

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

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

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

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

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

The Company’s Board on December 1, 2015 approved the transfer of 67 percent stake in BALTPPOOL UAB owned by LITGRID AB to UAB “EPSO-G” for the price not less than set by an independent property assessor. The Company’s investment in this subsidiary is reclassified to assets held for sale in these financial statements.

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

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

As at 31 December 2015, the Group had 659 employees (31 December 2014: 707), as at 31 December 2015, the Company had 235 employees (31 December 2014: 226).

The Company’s management approved these financial statements on 26 February 2016.

2. Summary of principal accounting policies

The principal accounting policies adopted in the preparation of the Company's and the Group's condensed interim financial statements for the year ended 31 December 2015 is:

2.1 Basis of preparation

The Company's and the Group's condensed interim financial statements for the year ended 31 December 2015 is prepared in accordance with the 34th International Accounting Standard (hereinafter - IAS) "Interim Financial Reporting".

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

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

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

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

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

2.2 New and amended standards, and interpretations

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

2.3 Principles of consolidation

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

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

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

2.4 Business combinations between entities under common control

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

2.5 Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that the sale will be withdrawn. Management must be committed to the sale expected within one year from the date of the classification. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

2.6 Functional currency

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

3. Intangible assets and property, plant, and equipment

Group	Intangible assets	Property, plant, and equipment
Net book amount at 31 December 2013 (adjusted)	685	531,277
Additions	357	72,195
Revaluation	-	(185,685)
Disposals	-	(2)
Write-offs	-	(1,548)
Transfer from inventories	-	41
Reclassification	148	(148)
Transfer to (from) non yet received grants	-	(1,676)
Offsetting grants with non-current assets	-	(11,528)
Depreciation and amortization charge	(246)	(38,525)
Net book amount at 31 December 2014	944	364,401
Additions	293	235,742
Write-offs	(5)	(2,615)
Transfer from inventories	-	10
Perklasifikavimas į turtą skirtą perduoti	(23)	(7)
Reclassification	66	(66)
Transfer to (from) non yet received grants	-	(16,465)
Offsetting grants with non-current assets	-	(149,967)
Depreciation and amortization charge	(399)	(21,390)
Net book amount at 31 December 2015	876	409,643
Company	Intangible assets	Property, plant, and equipment
Net book amount at 31 December 2013 (adjusted)	630	530,409
Additions	343	71,761
Revaluation	-	(185,693)
Disposals	-	(1)
Write-offs	-	(1,547)
Transfer from inventories	-	41
Reclassification	148	(148)
Transfer to (from) non yet received grants	-	(1,676)
Offsetting grants with non-current assets	-	(11,528)
Depreciation and amortization charge	(206)	(38,187)
Net book amount at 31 December 2014	915	363,431
Additions	269	235,548
Write-offs	-	(2,606)
Transfer from inventories	-	13
Reclassification	66	(66)
Transfer to (from) non yet received grants	-	(16,465)
Offsetting grants with non-current assets	-	(149,967)
Depreciation and amortization charge	(380)	(21,131)
Net book amount at 31 December 2015	870	408,757

Fixed tangible assets value are shown as the acquisition value less the grants received to acquire these assets value. As at 31 December 2015 the residual value of these grants amounted to EUR 214 328 thousand (as at 31 December 2014 - EUR 47 607 thousand).

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

Investments in subsidiaries in the Company's financial statements

As at 31 December 2015 the Company directly controlled the following subsidiaries:

Subsidiaries	Investment cost	Impairment	Carrying amount	Ownership interest (%)
UAB TETAS	4,356	(441)	3,915	100
UAB Tinklo Priežiūros Centras	174	-	174	100
	4,530	(441)	4,089	

According to a share subscription agreement of 22 January 2015, the Company acquired 53,600 UAB BALTPPOOL shares with a value of €1.45 each for €77,720. The company paid for the purchased shares in instalments up to 15 December 2015.

The Company's Board on December 1, 2015 approved the transfer of 67 percent stake in BALTPPOOL UAB owned by LITGRID AB to UAB "EPSO-G" for the price not less than set by an independent property assessor.

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

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

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

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

	Group		Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Opening balance	1,088	4,611	1,047	4,437
Shares cancelled	-	(2,654)	-	(2,654)
Impairment of investments	-	(959)	-	(736)
Share of profit (loss) of associates and jointly controlled entities	(25)	90	-	-
Closing balance	<u>1,063</u>	<u>1,088</u>	<u>1,047</u>	<u>1,047</u>

5. Held-to-maturity investments

	Group		Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Swedbank AB bonds in LTL, maturity as at 22 January 2015	-	15,929	-	15,929
Closing balance	<u>-</u>	<u>15,929</u>	<u>-</u>	<u>15,929</u>

6. Equity

Share capital

On 31 December 2015 the Company's share capital, converted into euros, was €146,256,100.20. It consists of 504,331,380 ordinary shares with a nominal value of €0.29 per share.

Other reserves

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

7. Loans

Loans of the Group/Company were as follows:

	Group		Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Non-current borrowings				
Bank loans	124,518	88,600	124,518	88,600
Current borrowings				
Current portion of non-current borrowings	8,082	30,200	8,082	30,200
Overdraft	70,838	10,580	69,842	-
Total	<u>203,438</u>	<u>129,380</u>	<u>202,442</u>	<u>118,800</u>

Terms of repayment of non-current borrowings

	Group		Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Between 1 and 2 years	8,082	29,082	8,082	29,082
From 2 to 5 years	36,533	24,247	36,533	24,247
After 5 years	79,903	35,271	79,903	35,271
Total	124,518	88,600	124,518	88,600

8. Segment information

The Group has distinguished the following 6 segments:

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

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

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

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

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

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

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

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

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(All amounts in EUR thousands unless otherwise stated)

The Group's information on segments for the period ended 31 December 2015 is presented in the table below:

2015	Operating segments					Total
	Electricity transmission	Trade in balancing/ regulating electricity	Provision of system services	Provision of services under PSO scheme	Repair and maintenance activities	
Revenue	57,314	14,569	9,370	4,313	20,451	106,017
Inter-segment revenue	-	-	-	-	(5,519)	(5,519)
Revenue after elimination of intercompany revenue within the Group	57,314	14,569	9,370	4,313	14,932	100,498
Operating profit (loss)	2,160	4,224	(1,346)	(4)	(1,925)	3,109
Income (expenses) from financing activities, net*	x	x	x	x	x	(529)
Share of result of associates and jointly controlled entities*	x	x	x	x	x	(25)
Profit (loss) before income tax	x	x	x	x	x	2,555
Income tax*	x	x	x	x	x	(681)
Discontinued operations	x	x	x	x	x	114
Net profit (loss) for the year	x	x	x	x	x	1,988
Depreciation and amortisation expenses	21,313	49	148	-	263	21,773

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

The Group's information on segments for the period ended 31 December 2014 is presented in the table below:

2014	Operating segments					Total
	Electricity transmission	Trade in balancing/ regulating electricity	Provision of system services	Provision of services under PSO scheme	Repair and maintenance activities	
Revenue	68,153	22,439	12,457	2,948	24,225	130,222
Inter-segment revenue	-	-	-	-	(10,519)	(10,519)
Revenue after elimination of intercompany revenue within the Group	68,153	22,439	12,457	2,948	13,706	119,703
Operating profit (loss)	(133,444)	3,721	(2,228)	-	1,446	(130,505)
Income (expenses) from financing activities, net*	x	x	x	x	x	(270)
Share of result of associates and jointly controlled entities*	x	x	x	x	x	90
Profit (loss) before income tax	x	x	x	x	x	(130,685)
Income tax*	x	x	x	x	x	19,315
Discontinued operations	x	x	x	x	x	(230)
Net profit (loss) for the year	x	x	x	x	x	(111,600)
Depreciation and amortisation expenses	38,392	-	-	-	343	38,735

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

The Group operates in Lithuania and its revenue generated from customers in Lithuania accounts for 96% of total revenue.

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

	Group		Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Lithuania	96,390	118,409	81,458	104,703
Russia	447	277	447	277
Estonia	1,862	454	1,862	454
Latvia	835	489	835	489
Norway	373	74	373	74
Poland	590	-	590	-
Iš viso:	100,497	119,703	85,565	105,997

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

9. Related-party transactions

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

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

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

The Group's transactions with related parties and balances as at 31 December 2015 were as follows:

Related parties	Finance income	Finance expenses	Trade payables	Trade receivables	Purchases	Sales
„Lietuvos energija“, UAB	1	62	-	127	-	-
The Group's parent company (UAB EPSO-G)	-	-	-	2	-	19
Group's associates and jointly controlled entities	-	-	94	143	581	1,497
	<u>1</u>	<u>62</u>	<u>94</u>	<u>272</u>	<u>581</u>	<u>1,516</u>

The Company's transactions with related parties and balances as at 31 December 2015 were as follows:

Related parties	Finance income	Finance expenses	Trade payables	Trade receivables	Purchases	Sales
„Lietuvos energija“, UAB	1	62	-	127	-	-
The Group's parent company (UAB EPSO-G)	-	-	-	2	-	19
Subsidiaries of the Company	-	-	341	2,041	15,063	22,914
Group's associates and jointly controlled entities	-	-	94	143	581	1,497
	<u>1</u>	<u>62</u>	<u>435</u>	<u>2,313</u>	<u>15,644</u>	<u>24,430</u>

The Group's transactions with related parties and balances as at 31 December 2014 were as follows:

Related parties	Trade payables	Trade receivables	Purchases	Sales
The Group's parent company (UAB EPSO-G)	-	3	-	9
Group's associates and jointly controlled entities	76	158	473	1,563
	<u>76</u>	<u>161</u>	<u>473</u>	<u>1,572</u>

The Company's transactions with related parties and balances as at 31 December 2014 were as follows:

Related parties	Trade payables	Trade receivables	Purchases	Sales
The Group's parent company (UAB EPSO-G)	-	3	-	9
Subsidiaries of the Company	5,522	2,350	29,185	26,896
Group's associates and jointly controlled entities	76	158	473	1,562
	<u>5,598</u>	<u>2,511</u>	<u>29,658</u>	<u>28 467</u>

Payments to the key management personnel

	Group		Company	
	2015	2014	2015	2014
Employment-related payments, whereof:	745	614	473	345
- Termination benefits	15	-	14	-
Average number of the key management personnel	15	14	6	6

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

10. Basic and diluted earnings per share

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

	31.12.2015	31.12.2014
Net profit (loss) attributable to the Company's shareholders (thousand EUR)	1,950	(111,524)
Weighted average number of shares (units)	504,331,380	504,331,380
Basic and diluted earnings per share (in EUR)	<u>0.004</u>	<u>(0.221)</u>

11. Contingent liabilities

Litigations

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

12. Subsequent events

In accordance with the decision adopted in AB Litgrid (legal entity code - 302564383) Extraordinary General Meeting of Shareholders on 28 January 2016, AB Litgrid and UAB EPSO-G (legal entity code 302826889) have signed an agreement to sell shares owned by AB Litgrid. Under this agreement AB Litgrid has transferred to UAB EPSO-G the ownership of 478 800 units of ordinary registered non-material UAB Baltpool (legal entity code 302464881) shares. This constitutes to 67 percent of all UAB Baltpool shares. The UAB EPSO-G ownership will come into effect on 1 March 2016. Shares of UAB Baltpool were sold in accordance with valuation of the independent advisors for the market value of 387 828 EUR.
