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PRESS RELEASE

## **Due to operational efficiency raising efforts Amber Grid remains profitable also in the first quarter of this year**

**Lithuania's natural gas transmission system operator, AB Amber Grid, reports a decline in its revenue and profit as compared to the same quarter of last year. The decline was due to the recent changes in the transmission service structure, as well as by the fact that the transmission service prices applicable this year were set at a lower level after the estimate of the surplus revenue of previous periods.**

*'The result of the first quarter of this year is good. The transmission service prices as approved by the National Commission for Energy Control and Prices in respect of our Company for the year 2017 were lower than the ones of the previous year. It all comes as a result of the previous successful periods: the surplus revenue earned back then is now being paid back to the market. The Company's expenses also decreased, allowing for a continued profitability of our Company,'* said AB Amber Grid's CEO Saulius Bilys.

*'In January of this year, the regulatory authorities of the three Baltic States adopted an Implicit Capacity Allocation Model. The Model envisages that starting with 1 July 2017, at the Gas Exchange platform, short-term gas transmission capacities will be allocated among the Baltic States together with the quantities of gas traded through the Gas Exchange on the markets of respective states. Market participants will be in a position to benefit from of the joint project carried out a by the TSOs of the three Baltic States as soon as in the second half of this year,'* said Saulius Bilys.

### **Revenue, profit, investments**

In Q1 of 2017, Amber Grid's revenue amounted to EUR 19.3 m (Q1 of 2016: EUR 21.3 m), which represents a decline of 9 percent. The Company earned a net profit of EUR 8.1 m (Q1 of 2016: EUR 8.8 m), which represents a decline of 8 percent and is mainly accounted for by the decline in revenue. Earnings before interest, taxes, depreciation and amortization (EBITDA) stood at EUR 13.1 m and, compared to the respective indicator of Q1 of 2016 (EUR 14.5 m), declined by 9 percent.

The investments of Q1 of 2017 totalled EUR 0.8 m.

### **Services**

In Q1 of 2017, as compared to Q1 of 2016, long-term capacities at system entry points booked by users of the natural gas transmission system were lower by 42 percent and long-term capacities at system exit point booked by system users were lower by 11 percent. At the same time, the bookings of the short-term capacities at the transmission system entry points increased three-fold, and at the exit points they increased by 5 percent.

During Q1 of 2017, natural gas transportation through Amber Grid's natural gas transmission system to system users' delivery points amounted to 15,166 GWh, which represents a 1 percent increase on Q1 of 2016.

Natural gas transmission to Lithuanian consumers was 7,729 GWh, which represents a 255 GWh increase on Q1 of 2016, whereas gas transmission to Kaliningrad Region of the Russian Federation was 7,437 GWh, which is by 42 GWh less than in Q1 of 2016.

*Background information on AB Amber Grid:*

*AB Amber Grid, a gas transmission system operator, ensures a reliable and secure transmission of natural gas through high-pressure pipe-systems to system users, as well as operation, maintenance, and development of the natural gas infrastructure. AB Amber Grid is listed on the supplementary trading list of the Baltics at NASDAQ Vilnius Stock Exchange. Controlling interest of AB Amber Grid is with UAB EPSO-G, a holding company which further holds controlling interests at AB Litgrid, electricity transmission system operator, and UAB BALTPOOL, energy resources exchange operator. UAB EPSO-G, which is 100-percent controlled by the Ministry of Energy of the Republic of Lithuania, is in charge of the implementation of strategic tasks of the development of Lithuania's gas and electricity infrastructure, it also manages projects dedicated to the integration into the EU energy markets, and seeks implementation of goals of the EU energy union.*

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