

I. General Information

Reporting period

1st quarter ended 31st March 2015

Company and its contact details

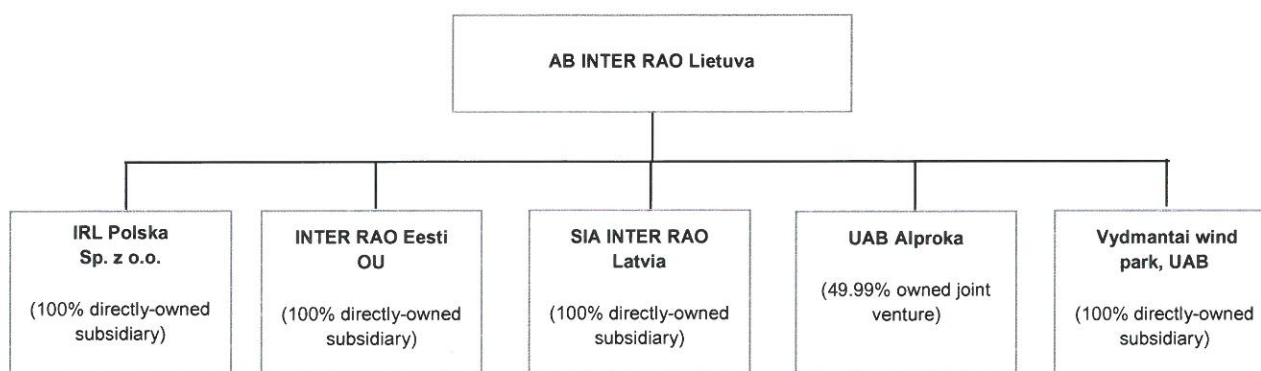
Company name	AB INTER RAO Lietuva (hereinafter - IRL or „the Company“)
Company code	126119913
Legal form	Public company (joint-stock company)
Date of registration	21 st December 2002
Name of register of Legal Entities	State Enterprise Centre of Registers
Registered office	A.Tumėno g. 4, block B, LT-01109 Vilnius
Telephone number	+370 5 242 11 21
Fax number	+370 5 242 11 22
E-mail	info@interrao.lt
Internet address	www.interrao.lt

The Group structure

As on 31st March 2015, Inter RAO Lietuva Group consisted of the Company and the below described directly and indirectly controlled subsidiaries and joint venture (hereinafter - the Group):

Company	Company code	Directly and indirectly held effective attributable interest	Equity as at 31 st March 2015	Registration address	Activity (including planned)
OU INTER RAO Eesti - subsidiary	11879805	100 %	279	Vaikare-Karja 3/Sauna 2, Tallinn, Estonia	Trade of electricity
SIA INTER RAO Latvia - subsidiary	40103268639	100 %	(1,147)	Ropažu 10, LV 1039, Riga, Latvia	Trade of electricity
IRL Polska Sp. z.o.o. - subsidiary	0000436992	100 %	2.211	Emilii Plater 53, Warsaw, Poland	Trade of electricity
UAB Alproka - joint venture	125281684	49,99 %	386	Verkių Str. 25C, Vilnius, Lithuania	Operations with real estate
Vydmantai Wind Park, UAB - subsidiary	302666616	100 %	11,268	A.Tumėno Str. 4, Vilnius, Lithuania	Generation of electricity

The following chart sets out the Group' subsidiaries and interest in those subsidiaries, as well as the structure of the Group:



Main activities of the Group

The Group of INTER RAO Lietuva (hereinafter - “the Group”) is an independent supplier of electricity and, as such, may engage in various forms of electricity trading. Moreover, the Group is also present in electricity generation operations, as it owns a wind farm in Western Lithuania.

The Group is engaged in various forms of electricity trading: the purchase and sale of electricity under bilateral contracts with other electricity suppliers, as well as on the power exchange; supply of electricity to end-users; provision of balancing services for end-users and other wholesalers of electricity; sale and purchase of regulating and balancing electricity for the transmission system operators; cross-border electricity trading.

The Group has permission to import and export electricity to and from Lithuania, it is engaged in the import of electricity from Russia and, to a lesser extent, from Belarus, as well as in export to these countries. The Group is also active in cross-border electricity trading between Lithuania and other EU Member States, namely Latvia and Estonia.

The Group sells all of the electricity it cross-border delivers to the Lithuanian internal market on the power exchange since, in accordance with respective regulations, all electricity cross-border delivered to the Lithuanian internal electricity market, including those volumes imported from the third countries and those delivered from the EU Member States, has to be sold on the power exchange. Then the Group buys the electricity on the power exchange in a volume corresponding to its contractual obligations with clients. Sale and purchase orders are submitted for the same prices and trades are executed at the market price. Some portion of electricity is also sold through Nord Pool Spot AS in Lithuania and Estonia to other market participants. Trades on the power exchange are executed at the market price.

The price of electricity sold under bilateral contacts is the market price, adjusted for variances depending on the electricity trading or consumption pattern of the customer and contractual arrangements (e.g., fixed on annual or monthly basis or agreed in daily delivery schedules).

Apart from importing electricity, the Group also purchases the electricity from other wholesalers of electricity in Lithuania and Latvia under bilateral contracts based on various pricing arrangements, as well as on Nord Pool Spot AS in Lithuania Latvia and Estonia based on market price.

The Group is also present in the electricity trading market in Poland, where it started its operations in 2014 and is involved in buying and selling electricity on the Polish Power Exchange.

The Group history and development

- 2002 The Company was incorporated as UAB Energijos realizacijos centras.
- 2003 The Company received its license as independent electricity supplier with permission to export electricity.

The Company signed sale-purchase agreements with INTER RAO UES and Lietuvos energija AB.

- The Company began electricity trading activities by exporting electricity to Russia and Belarus.
- 2004 Permission to import electricity was granted to the Company.
- 2005 The Company began importing electricity to Lithuania.
- RAO Nordic OY, a wholly owned subsidiary of INTER RAO UES, acquired 18 per cent of the Company's share capital from UAB VB rizikos kapitalo valdymas.
- 2006 The Company acquired a 49.99 per cent stake in UAB Alproka, a company engaged in real estate development in the Lithuanian seaside resort of Palanga.
- 2007 UAB Scaent Baltic acquired an 82 per cent stake in the Company's share capital from Scaent Holdings Cooperatie UA and Bengtsbädd Förvaltning AB.
- 2008 RAO Nordic OY increased its shareholding in the Company by acquiring a 33per cent stake from UAB Scaent Baltic. The stake of RAO Nordic OY in the Company's share capital reaches 51 per cent, while the stake of UAB Scaent Baltic decreases to 49 per cent.
- 2009 The Company signed electricity sale-purchase agreements with the Belarusian company, Belenergo and the Latvian company, Latvenergo.
- Cooperation regarding the sale of electricity with the largest electricity consumer in the Baltic States, Orlen Lietuva, was established. Delivery was initiated in 2010.
- The Company changed its name to UAB INTER RAO Lietuva.
- 2010 The Company established two wholly-owned subsidiaries, one in Latvia (SIA INTER RAO Latvia) and the second in Estonia (INTER RAO Eesti OU).
- SIA INTER RAO Latvia received its license for electricity trading in Latvia.
- 2011 SIA INTER RAO Latvia begins electricity trading operations.
- The Company begins trading activities in the Estonian area of NordPool Spot.
- The Company begins operations in electricity generation from renewable energy sources by acquiring the wind park in Vydmantai.
- The Company signs an agreement with INTER RAO UES on potential export of electricity generated in Baltiiskaya NPP under construction in Kaliningrad Oblast.
- 2012 Decision on public offering and listing of the Company's shares on the Warsaw Stock Exchange was made.
- Business entity (IRL POLSKA sp. z o.o.) in Poland was established.
- 2013 AB INTER RAO Lietuva shareholders decided to distribute 27 million Litas as dividends.
- In July 2013, the Company has completed a merger of its two subsidiary companies UAB IRL Wind and Vydmantai wind park, UAB. Subsidiary companies were reorganised by merging UAB IRL Wind, which ceased its activities as a legal entity after the merger, into Vydmantai wind park, UAB which continued its activities after the merger.
- On 4th December 2013, the statutory capital of subsidiary company of AB INTER RAO Lietuva in Poland IRL Polska Sp.z o.o. was increased from PLN 2 million to PLN 10 million.
- 2014 On 3rd January 2014, the subsidiary company of AB INTER RAO Lietuva in Poland IRL Polska Sp.z o.o. was granted the license for trade in electricity in Poland. The term of the license is from 9th January 2014 till 9th January 2024.

On 30th of April 2014, the General Annual Meeting of shareholders has adopted the decision to pay dividends to the shareholders of the Company in the amount of 13 million Litas.

On 22nd of May 2014, IRL Polska Sp. z o.o. begins electricity trading operations.

2015 After Lithuania joined the euro zone, AB INTER RAO Lietuva shareholders fixed a nominal value of one share 0.29 EUR, share capital equal to 5.8 million EUR.

AB INTER RAO Lietuva shareholders decided to distribute 11.2 million EUR as dividends.

Agreements with intermediaries of public trading in securities

Since 29th October 2012 the Company and UAB FMJ Orion Securities (code 122033915), A. Tumėno str. 4, LT-01109 Vilnius, have an agreement on accounting of the Company's securities and services related to the accounting of securities.

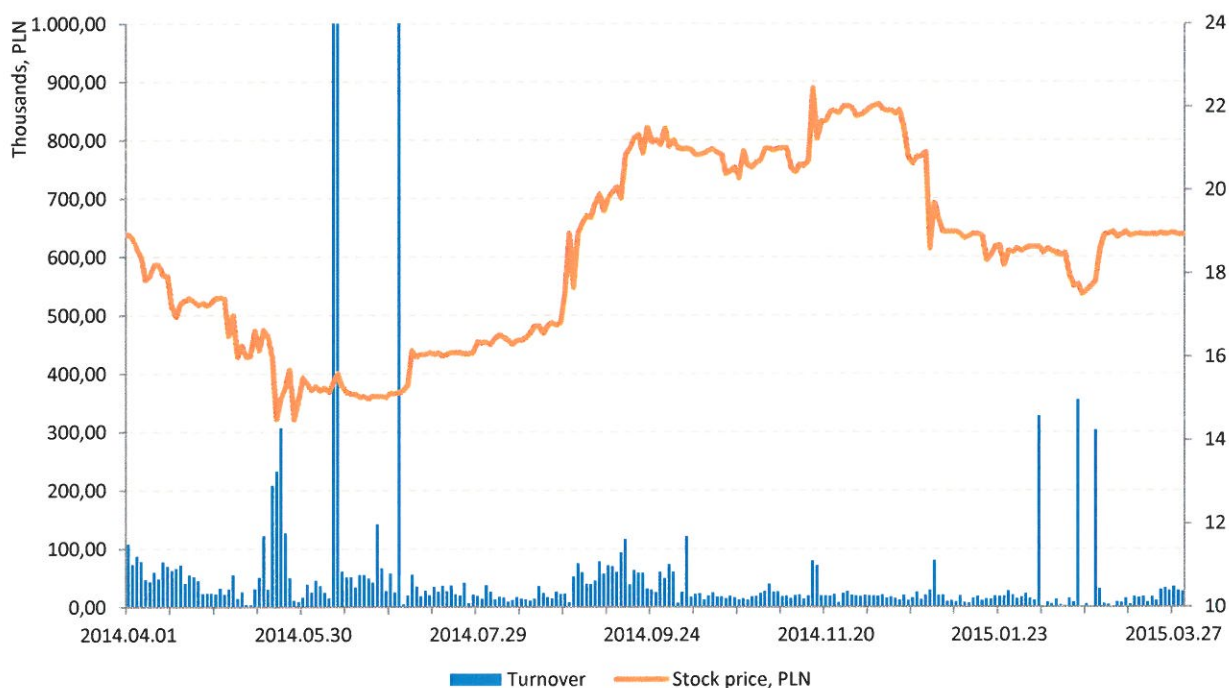
Data about securities traded on regulated market

The following securities of the Company are included into the Main List of Warsaw stock exchange (symbol: IRL):

Types of shares	Number of shares	Nominal value (in EUR)	Total nominal value (in EUR)	Issue Code
Ordinary registered shares	20,000,000	0.29	5,800,000	LT0000128621

In December 2012, the initial public offering of the Company's ordinary shares was completed on the Warsaw Stock Exchange. The total oversubscription for the Company's ordinary shares exceeded 26 per cent. Given the ordinary share offer price of PLN 24.17 the value of the offering exceeded PLN 96.7 million. The Company's ordinary shares were included into the Main list of the Warsaw Stock Exchange.

Trading in the Company's securities on Warsaw Stock Exchange:

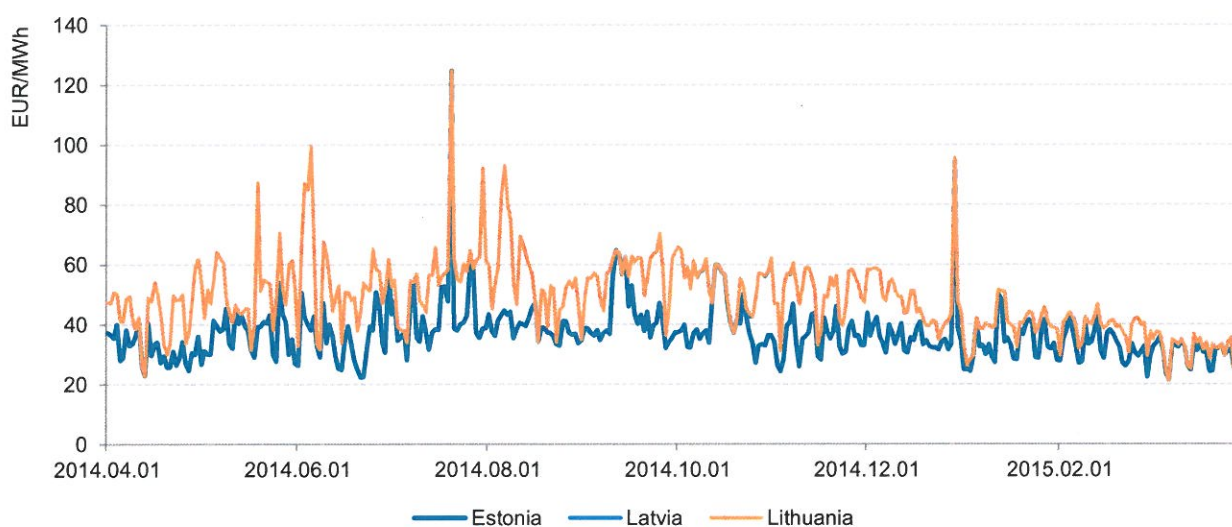


Securities of the Group's subsidiaries are not traded publicly.

II. Financial information

Revenue

The total consolidated Group's sales revenue for the 1st quarter 2015 was equal to EUR 48.8 million, a 4.2 per cent more than in the 1st quarter of 2014. Total revenue increased due to the higher amounts of electricity traded. The increase in the amount of electricity traded was mainly influenced by market driven utilization of transmission capacities from the third countries and absence of artificial limitations. Company's sales revenue in the 1st quarter 2015 increased by 6.1 per cent and was equal to EUR 41.6 million, compared to the same period in 2014 due to the similar reasons.



The consolidated financial statements of the Group have been prepared according to the International Financial Reporting Standards as adopted by the European Union.

Key figures of IRL Group

Financial figures	1 st quarter 2015	1 st quarter 2014
Sales (EUR thousand)	48,810	46,861
Gross profit (EUR thousand)	7,899	6,304
Gross profit margin (%)	16.18%	13.45%
Operating profit (EUR thousand)	6,207	4,703
Operating profit margin (%)	12.72%	10.04%
EBITDA (EUR thousand)	6,856	5,388
EBITDA profit margin (%)	14.05%	11.50%
Net profit (EUR thousand)	5,158	3,921
Net profit margin (%)	10.57%	8.37%
Number of shares (thousand)	20,000	20,000
Earnings per share (EUR)	0.26	0.20

Group's sales increased by 4.2 per cent in 1st quarter 2015, compared to the same period in 2014. Increase in cost of sales was significantly lower than increase in sales - 0.9 per cent, compared to 1st quarter of 2014. Such an increase in costs of sales was mainly due to the ongoing structural changes in trading business of the Group when electricity traded is being purchased from diverse suppliers. The Group's gross profitability equaled to 16.2 per cent in the accounting period, if compared to 13.5 per cent in January-March 2014, and constituted a 25.3 per cent increase over the same period of last year.

Company's gross profit margin in 1st quarter 2015 accounts to 14.3 per cent, compared to 11.7 per cent in the same period in 2014.

Group's and Company's operating profit margin in the accounting period increased to 12.7 per cent and 11.7 per cent respectively, from 10 per cent and 9 per cent in the same period a year ago.

Group's and Company's EBITDA for the 1st quarter 2015 was EUR 6.9 million and EUR 4.9 million respectively. Group's EBITDA profit margin increased from 11.5 per cent in 1st quarter 2014 to 14.1 per cent in 1st quarter 2015. In the 1st quarter of 2015, Group's net profit increased to EUR 5.2 million from EUR 3.9 million in 2014. As a result, Group's net profit margin during the accounting period was equal to 10.6 per cent, compared to 8.4 per cent for the same period a year ago.

The Group is organized into business units based on type of activities and has the two following reportable segments:

Sales revenues by operating segments, thous. EUR	1 st quarter of 2015	1 st quarter of 2014
Electricity purchases and sales	46,983	45,165
Electricity production and sales	1,827	1,696
Total	48,810	46,861

Group's revenue from purchase and sales of electricity in the 1st quarter 2015 increased by 4 per cent and amounted to EUR 47 million compared to EUR 45.2 million in the same period in 2014.

Company's revenue from sales of electricity in the 1st quarter of 2015 amounted to EUR 41.6 million - increased by 6.08 per cent compared to the same period a year ago.

Group's revenue from produced electricity sales accounted to EUR 1.8 million, a 7.7 per cent increase over the same period a year ago. Electricity production in Vydmantai wind park is directly related to wind speed in the region, which was higher during the 1st quarter of 2015, what lead to increase in electricity produced. In the 1st quarter of 2015, wind park produced 21 GWh, compared to 19.5 GWh in the same period a year ago.

The table below presents data on the electricity trading activities of the Group, with a breakdown by each country for the periods indicated (S - sale, P - purchase).

	For the 1 st quarter of 2015		For the 1 st quarter of 2014	
	S	P	S	P
	GWh		GWh	
Lithuania*	926	26	827	65
Latvia	83	83	114	126
Estonia	74	121	37	37
Russia	28	841	10	618
Belarus		40		142
Poland	60	60		
Total*	1,171	1,171	988	988

* Excluding equivalent trades on the power exchange

Differences between purchased and sold electricity total values is due to rounding

Expenses

Cost of sales of the Group in the 1st quarter 2015 accounted to EUR 40.9 million, a 0.9 per cent more than during the first three months in 2014. The increase in cost of sales was mainly due to the higher volumes of electricity traded.

Cost of purchased electricity of the Group in the 1st quarter of 2015 amounted to EUR 39.8 million. Cost of purchased electricity comprised 97.2 per cent of total cost of sales. Group's cost of purchased electricity in the 1st quarter of 2014 amounted to EUR 39.5 million and comprised 97.5 per cent of total cost of sales.

Group's operating expenses in the 1st quarter of 2015 amounted to EUR 1.7 million, a 5.7 per cent higher compared to the same period a year ago. Company's operating expenses during the same period amounted to EUR 1.1 million, increased in 4.8 per cent compared to the 1st quarter 2014.

Net consolidated loss from financing and investing activities for the Group in the 1st quarter of 2015 decreased by 4.4 per cent compared to the 1st quarter of 2014 and amounted to EUR (-0.2) million. Better overall result for the Group from financial activities was mainly caused by lower interest expenses, which in the 1st quarter in 2015 totaled to EUR 0.23 million. Financial expenses were mainly comprised of interest expenses that were due to the financing of wind energy park.

Earnings

Gross profit of the Group was higher by 25.3 per cent if compared to the 1st quarter of 2014 and amounted to EUR 7.9 million, compared to EUR 6.3 million in the same period a year ago. Gross profit of the Company in the 1st quarter of 2015 increased by 30.2 per cent compared with the same period a year ago and equaled to EUR 6 million. Gross profit margin of the Group and Company respectively in the accounting period amounted to 16,2 per cent and 14.3 per cent and was higher compared to a year ago, when gross profit margin was equal to 13.5 per cent and 11.7 per cent respectively.

Profit from operations for the Group in the 1st quarter of 2015 was equal to EUR 6.2 million, compared to EUR 4.7 million in the 1st quarter in 2014. Group's operating profit margin for the 1st quarter of 2015 were equal to 12.7 per cent and to 10 per cent in the 1st quarter a year ago. Operating profit of the Company increased by 37.9 per cent and amounted to EUR 4.9 million in the first quarter of 2015. Operating profit margin of the Company increased from 9 per cent in 1st quarter in 2014 to 11.7 per cent in the 1st quarter in 2015.

As a result, profit before tax for the Group and the Company in the accounting period amounted to EUR 6 million and EUR 4.8 million compared to EUR 4.5 million and EUR 3.5 million in the 1st quarter in 2014 respectively.

Net profit for the 1st quarter of 2015 for the Group and the Company respectively amounted to EUR 5.2 million and EUR 4.1 million compared to EUR 3.9 million and EUR 3 million a year ago. The net profit margin for the Group in the 1st quarter of 2015 was equal to 10.6 per cent compared to 8.4 per cent the 1st quarter year ago. The net profit margin of the Company increased to 9.9 per cent in the accounting period compared to 7.7 per cent in the same period a year ago.

Cash Flows

Net cash flows from operating activities of the Group were lower in the 1st quarter of 2015 and amounted to EUR 1.9 million, compared to EUR 7.8 million in the same period a year ago. Net cash flows from operating activities of the Company in the 1st quarter 2015 equaled to EUR (-0.5) million compared to EUR 4.9 million a year ago. The decrease in net cash flows from operating activities was caused by: (1) repayment of outstanding debts to trade creditors (2) changes in trading structure of the Group and the Company.

Net cash flows from investing activities of the Group were lower in the 1st quarter of 2015 and amounted to EUR (-3.8) million outflow, compared to EUR (-6.7) million in the same period a year ago. Net cash flows from investing activities of the Company in the 1st quarter 2015 equaled to EUR (-3) million outflow compared to EUR (-5) million a year ago. The decrease in net cash outflows from investing activities was caused by the smaller repayment of outstanding loans.

Net cash flows from financing activities of the Group in the 1st quarter of 2015 and amounted to EUR (-0.3) million outflow, compared to EUR (-0.3) million in the same period a year ago. Net cash flows from investing activities of the Company in the 1st quarter 2015 equaled to EUR (-0.05) million, compared to EUR (-0.02) million a year ago. The change in the Groups net cash flows from financing activities was mainly caused by the structural changes of the Groups debt from leasing to loan.

Personnel

As of 31st March 2015 there were 42 employee in the Group and 26 in the Company. The employment structure by category is provided in the table below.

Employee category	Number of employees			
	As at 31 st March 2015		As at 31 st March 2014	
	Group	Company	Group	Company
Management	8	8	8	8
Sales Managers, including Traders	15	8	12	7
PR & Marketing Staff	2	2	3	2
Project managers	4	1	4	1
Technical staff	2	1	3	1
Office Staff	11	6	11	6
Total	42	26	41	25

On 31st March 2015 26 employees were employed in the Company. Company's personnel consisted of 8 managers and 18 specialists.

Statement of financial position

	Group As at 31 st March 2015	Group As at 31 st December 2014	Company As at 31 st March 2015	Company As at 31 st December 2014
ASSETS				
Non-current assets				
Intangible assets				
Goodwill	1,716	1,716	-	-
Patents and licenses	6,954	7,258	-	-
Other intangible assets	76	83	75	82
Total intangible assets	8,746	9,057	75	82
Property, plant and equipment				
Land	727	737	-	-
Buildings and structures	3,160	3,221	-	-
Machinery and equipment	17,819	18,049	-	-
Office premises	924	924	905	924
Other property, plant and equipment	74	78	67	70
Total property, plant and equipment	22,704	23,009	972	994
Investment property	155	158	155	158
Interest in a joint venture	193	195	11,382	11,382
Other non-current financial assets	1,064	1,227	-	212
Derivative financial instruments	-	26	184	26
Total non-current assets	32,862	33,672	12,768	12,854
Current assets				
Inventories and prepayments	663	141	3,913	4,288
Accounts receivable				
Trade receivables	13,750	17,239	11,933	15,306
Receivables from subsidiaries	-	-	210	4
Other receivables	1,760	2,246	-	-
Total accounts receivable	16,173	19,485	12,143	15,310
Prepaid income tax	72	189	-	-
Other current assets	268	250	206	187
Derivative financial instruments	-	57	122	57
Cash and cash equivalents	8,996	11,228	4,817	8,352
Total current assets	25,509	31,350	21,201	28,194
Total assets	58,371	65,022	33,969	41,048

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Statement of financial position (cont'd)

	Group As at 31 st March 2015	Group As at 31 st December 2014	Company As at 31 st March 2015	Company As at 31 st December 2014
EQUITY AND LIABILITIES				
Equity				
Share capital	5,800	5,792	5,800	5,792
Legal reserves	798	798	580	580
Cash flow hedge reserve	(698)	(427)	71	48
Currency translation reserve	40	(62)		
Retained earnings	16,971	11,813	15,355	11,228
Total equity	22,911	17,913	21,806	17,648
Liabilities				
Non-current liabilities				
Non-current borrowings	16,225	17,050	-	-
Financial lease obligations	708	708	-	-
Derivative financial instruments	549	476	83	-
Deferred income tax liability	877	833	-	-
Total non-current liabilities	18,359	19,067	83	-
Current liabilities				
Current portion of non-current borrowings	3,300	6,351	-	3,051
Current portion of financial lease obligations	30	68	-	-
Derivative financial instruments	441	323	106	34
Trade payables	9,048	16,076	8,218	15,910
Income tax payable	1,761	1,115	1,761	1,115
Advances received	189	188	185	181
Other current liabilities	2,332	3,921	1,810	3,109
Total current liabilities	17,101	28,042	12,080	23,400
Total equity and liabilities	58,371	65,022	33,969	41,048

General Director

Giedrius Balčiūnas

15 May 2015

Economic Director

Paulius Vazniokas

15 May 2015

Statement of comprehensive income

	Group		Company	
	1 st quarter 2015	1 st quarter 2014	1 st quarter 2015	1 st quarter 2014
Sales	48,810	46,861	41,574	39,192
Cost of sales	(40,911)	(40,557)	35,614	(34,616)
Gross profit	7,899	6,304	5,960	4,576
General and administrative expenses	(1,692)	(1,601)	(1,114)	(1,063)
Profit from operations	6,207	4,703	4,846	3,513
Income from other activities	13	7	4	7
Finance income	17	18	8	35
Finance expenses	(230)	(286)	(24)	(42)
Share of result of joint venture	(3)	42	-	-
(Loss) profit before tax	6,004	4,484	4,834	3,513
Income tax	846	563	707	492
Net profit	5,158	3,921	4,127	3,021

General Director

Giedrius Balčiūnas

15 May 2015

Economic Director

Paulius Vazniokas

15 May 2015

Statement of cash flows

	Group		Company	
	1 st quarter 2015	1 st quarter 2014	1 st quarter 2015	1 st quarter 2014
Cash flows from (to) operating activities				
Net profit	5,158	3,921	4,127	3,021
Adjustments for non-cash items:				
Income tax (benefit) expenses	846	563	707	492
Depreciation and amortization	622	618	37	31
Currency translation reserve	103	(13)		-
Share of net profit of joint venture	3	(42)		-
Interest (income) expenses	212	256	16	18
	6,944	5,303	4,887	3,562
Changes in working capital:				
(Increase) decrease in inventories and prepayments	(522)	(16)	377	(990)
Decrease (increase) in accounts receivable and other current assets	4,123	4,455	3,314	4,411
Increase in trade payables	(7,027)	(1,335)	(7,687)	(1,379)
Income tax (paid)	(83)	(52)	(62)	-
Increase (decrease) in other current liabilities	(1,535)	(570)	(1,292)	(689)
Net cash flows from operating activities	1,900	7,785	(463)	4,915
Cash flows from (to) investing activities				
(Acquisition) of non-current assets	(5)	(23)	(5)	(22)
Interest received	5	11		5
Loans repaid	(3,837)	(6,226)	(3,012)	(4,976)
Other investing activities		(489)		(11)
Net cash flows from (to) investing activities	(3,837)	(6,727)	(3,017)	(5,004)
Cash flows from (to) financing activities				
Interest (paid)	(257)	(280)	(55)	(23)
Financial lease (payments)	(38)	(38)		-
Net cash flows (to) financing activities	(295)	(318)	(55)	(23)
Net increase (decrease) in cash and cash equivalents	(2,232)	740	(3,535)	(112)
Cash and cash equivalents at the beginning of the year	11,228	4,403	8,352	990
Cash and cash equivalents at the end of the year	8,996	5,143	4,817	878

The accompanying notes are an integral part of these financial statements.

General Director

Giedrius Balčiūnas

15 May 2015

Economic Director

Paulius Vazniokas

15 May 2015

Confirmation of Responsible Persons

Following the Article No. 22 of the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information of the Central Bank of the Republic of Lithuania, I, Giedrius Balčiūnas, the General Director of AB INTER RAO Lietuva hereby confirm that, to the best of my knowledge, AB INTER RAO Lietuva Unaudited Consolidated Financial results for the 1st quarter of 2015 as set out on above are 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 and profit or loss and cash flows of the Company and the Group.

Giedrius Balčiūnas

General Director

