

AB INTER RAO LIETUVA

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AND UNAUDITED CONSOLIDATED INTERIM REPORT
FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2017,
prepared in accordance with International Financial Reporting Standards,
as adopted by the European Union

12 May 2017
Vilnius

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AB INTER RAO Lietuva Unaudited Consolidated Interim Report for the 3 Month Period Ended 31 March 2017

I. General Information

Reporting period

3 month period ended 31st March 2017

Company and its contact details

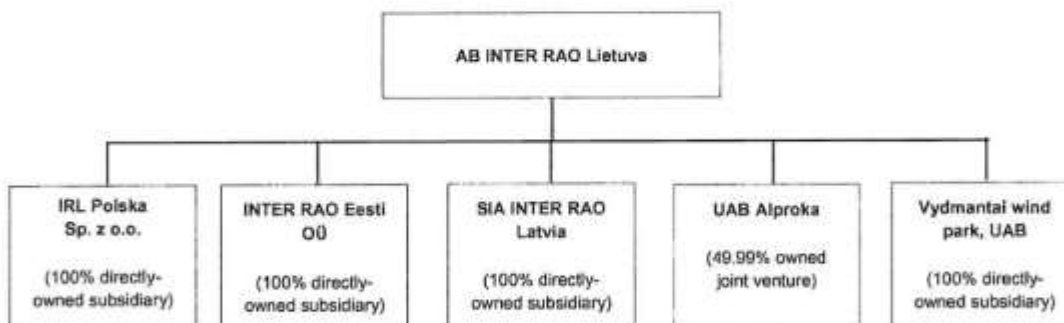
Company name	AB INTER RAO Lietuva (hereinafter - IRL or „the Company“)
Company code	126119913
Legal form	Public company (joint-stock company)
Date of registration	21 st December 2002
Name of register of Legal Entities	State Enterprise Centre of Registers
Registered office	A.Tumėno str. 4, block B, LT-01109 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 of 31st March 2017, 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 of 31 March 2017	Registration address	Activity (including planned)
INTER RAO Eesti OÜ - subsidiary	11879805	100 %	150	Peterburi tee 47, Tallinn, Estonia	Trade of electricity
SIA INTER RAO Latvia - subsidiary	40103268639	100 %	(427)	76 Gustava Zemgala Ave., Riga, LV-1039, Latvia	Trade of electricity
IRL Polska Sp. z.o.o. - subsidiary	0000436992	100 %	1,897	Twarda 18, 00-105 Warsaw, Poland	Trade of electricity
UAB Alproka - joint venture	125281684	49,99 %	218	Verkių Str. 25C, Vilnius, Lithuania	Operations with real estate
Vydmantai Wind Park, UAB - subsidiary	302666616	100 %	11,956	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 as of 31st March 2017:



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 from the third countries 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 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 AS in Lithuania 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 AS in Lithuania, Latvia and Estonia.

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 Lit as dividends.
- In July 2013, the Company has completed a merger of its two subsidiary companies UAB IRL Wind and Vydmantal wind park, UAB. Subsidiary companies were reorganised by merging UAB IRL Wind, which ceased its activities as a legal entity after the merger, into Vydmantal 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 Lit.
- 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.
- 2016 AB INTER RAO Lietuva shareholders decided to distribute 16.1 million EUR as dividends.
- 2017 On 30th of March 2017 by decision of Supervisory Council The Board of the Company was re-elected for a new office term of four years.
- On 28th of April 2017 new three members of the Supervisory Council, among them one independent member, were elected at the Annual General Meeting of Shareholders.
- AB INTER RAO Lietuva shareholders decided to distribute 10.2 million EUR as dividends.

Agreements with intermediaries of public trading in securities

Since 29th October 2012 the Company and UAB FM| 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.

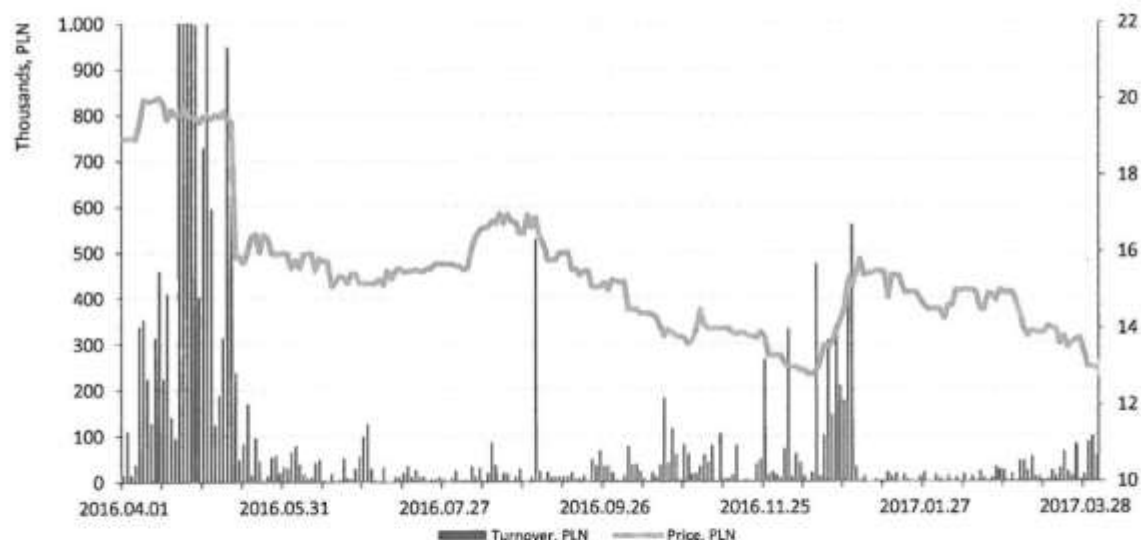
Data about securities traded on regulated market

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.

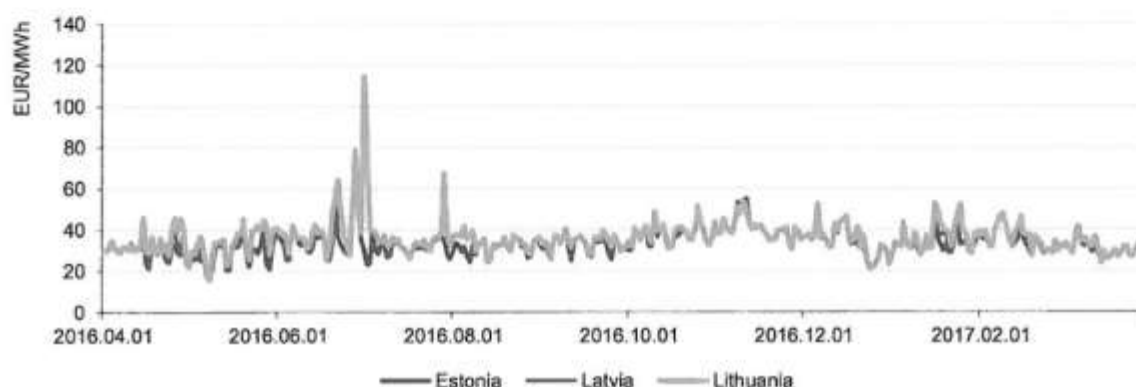
As of 31st March 2017 the shareholder structure of the Company was as following:

Shareholder	Number of shares/votes	Percentage of shares
RAO Nordic Oy	10,200,000	51%
UAB Scaent Baltic	5,800,000	29%
Other shareholders	4,000,000	20%
Total	20,000,000	100%

II. Financial information

Revenues

The total consolidated Group's sales revenue in January-March of 2017 was equal to EUR 48.5 million, a 5.33 per cent more than in the first 3 months of 2016. Total revenue increased due to the higher amounts of electricity traded. The increase was also caused by a better meteorological conditions, which positively affected electricity generation and sale from the wind park owned by the Group. The increase in the amount of electricity traded was mainly influenced by increase in sales in Lithuanian market and Latvian subsidiary as company signed more contracts with their clients. Company's sales revenue in the first 3 months of 2017 was equal to EUR 38.8 million - increased by 4.62 per cent, compared to the same period in 2016 due to some reasons - there were more electricity traded in Lithuania, but its average price on the Nordpool system was almost equal to the prices in 1st quarter of 2016.



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 2017	1 st quarter 2016
Sales (EUR thousand)	48,515	46,058
Gross profit (EUR thousand)	4,853	6,245
Gross profit margin (%)	10.00%	13.56%
Operating profit (EUR thousand)	3,136	4,611
Operating profit margin (%)	6.46%	10.01%
EBITDA (EUR thousand)	3,762	5,251
EBITDA profit margin (%)	7.75%	11.40%
Net profit (EUR thousand)	2,579	3,771
Net profit margin (%)	5.32%	8.19%
Number of shares (thousand)	20,000	20,000
Earnings per share (EUR)	0.13	0.19

Gross profit margin - Gross profit / Sales

Operating profit margin - Operating profit / Sales

EBITDA profit margin - EBITDA / Sales

Net profit margin - Net profit / Sales

Earnings per shares - Net profit / Number of shares

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Group's sales increased by 5.33 per cent in first 3 months of 2017, compared to the same period in 2016. The increase in sales was caused by higher amount electricity traded, but the price of realization was lower and at the same time - purchase prices stayed at the same level as a year ago. As a result - Group's gross profitability decreased by 22.29 per cent if compared to the same period a year ago. Group's gross profit margin was equal to 10 per cent in the accounting period, compared to 13.56 per cent January-March of 2016.

Company's gross profit margin in 2017 accounted to 8.96 per cent, compared to 13.54 per cent in the first 3 months of 2016. Operating profit of the Company for the January-March of 2017 was equal to EUR 2.4 million compared to EUR 3.9 million a year ago.

Group's and Company's EBITDA for the first 3 months of 2017 was EUR 3.8 million and EUR 2.4 million respectively. Group's EBITDA margin decreased from 11.4 per cent in first 3 months of 2016 to 7.75 per cent in the same period in 2017. Company's EBITDA profit margin decreased in the same manner - from 10.67 per cent in January-March of 2016 to 6.2 per cent in the accounting period. In the 3 months of 2017, Group's net profit decreased to EUR 2.6 million from EUR 3.8 million in 2016. As a result, Group's net profit margin during the accounting period was equal to 5.32 per cent, compared to 8.19 per cent a year ago. Despite the increase in sales, net profit of the Company in first 3 months of 2017 decreased to EUR 2 million compared to EUR 3.3 million in January-March 2016.

Sales revenues by operating segments, thous. EUR	1 st quarter of 2017	1 st quarter of 2016
Electricity purchases and sales	47,020	44,686
Electricity production and sales	1,495	1,372
Total	48,515	46,058

Group's revenue from purchases and sales of electricity in the first 3 months of 2017 amounted to EUR 47 million compared to EUR 44.7 million in the same period a year ago. Revenue from produced electricity sales accounted for EUR 1.5 million, the 8.94 per cent more than in the same period a year ago. During the accounting period Vydmantai wind park, UAB has produced a higher amount of electricity compared to the same period a year ago, due to better meteorological conditions: average wind speed in 1st quarter of 2017 was 6.52 m/s if compared to 6.3 m/s a year ago.

Company's revenue during January-March 2017 were higher by 4.62 per cent and was equal to EUR 38.8 million compared to EUR 37.1 million in the same period in 2016.

The tables below present data on the electricity trading activities of the Group for the three-month period ended on 31st March 2017, compared with the same periods in 2016, with a breakdown by each country for the periods indicated (S - sale, P - purchase).

	For the 1 st quarter of 2017		For the 1 st quarter of 2016	
	S	P	S	P
	GWh		GWh	
Lithuania*	1,034	75	898	43
Latvia	97	97	38	38
Estonia	78	124	147	177
Russia	32	892	32	805
Belarus	-	54	-	52
Poland	80	80	78	78
Total*	1,321	1,321	1,193	1,193

* Excluding equivalent trades on the power exchange
 Differences between purchased and sold electricity total values
 is due to rounding

Expenses

COGS by operating segments, thous. EUR	1 st quarter of 2017	1 st quarter of 2016
Electricity purchases and sales	43,212	39,364
Electricity production and sales	450	449
Total	43,662	39,813

Group's cost of sales in January-March of 2017 accounted to EUR 43,7 million, the 9,67 per cent increase if compared to the first three months of 2016. As a result of the higher amount of electricity traded, the cost of sales of the Group were higher compared to the results a year ago, due to on average the same electricity purchase price in the market as a year ago. Cost of sales of electricity production stayed at the same level as at the same period a year ago, and cost of sales of electricity purchased and sales were higher by 9.78 per cent if compared to the same period a year ago.

Cost of sales of the Company was higher by 10.15 per cent if compared the accounting period and the same period a year ago and amounted to EUR 35.3 million if compared to EUR 32.1 million a year ago.

Group's cost of purchased electricity in the first quarter of 2017 amounted to EUR 42.6 million. Group's cost of purchased electricity comprised 97.67 per cent of total cost of sales, Company's - 98.4 per cent.

Group's operating expenses in the three-month period of 2017 amounted to EUR 1.7 million, a 5.08 per cent increase over a year ago. Company's operating expenses amounted to EUR 1.1 million in January-March 2017, the same as a year ago.

Earnings

Gross profit of the Group in January-March of 2017 amounted to EUR 4.9 million (compared to the EUR 6.2 million), while the gross profit margin decreased to 10 per cent (13.56 per cent a year ago). Gross profit of the Company in the same period accounted to EUR 3.5 million if compared to EUR 5 million a year ago. Company's gross profit margin decreased from 13.54 per cent in January-March 2016 to 8.96 per cent in the first three months of 2017.

Group's operating profit over the same period accounted to EUR 3.1 million, while the operating profit margin decreased to 6.46 per cent from 10.01 per cent a year ago. Operating profit in the first quarter of 2017 of the Company decreased to EUR 2.4 million, compared to EUR 3.9 million in the same period a year ago.

Net loss of financial activities of the Group in the first quarter of 2017 amounted to minus EUR 0.1 million, a 22.6 per cent decrease over the net financial loss during the same period a year ago. Financial expenses were mainly comprised of interest expenses that were due for the stand-alone financing of the wind park.

Group's net profit in the January-March of 2017 amounted to EUR 2.6 million, if compared to the profit of EUR 3.8 million for the same period year ago. The profit margin decreased from 8.19 per cent a year ago to 5.32 per cent in the accounting period.

Balance sheet and Cash Flows

During January-March 2017 total assets of the Group decreased by 5.44 per cent and of the Company decreased by 8.39 per cent. The most significant influence to the change of the assets was caused by decrease of cash and cash equivalents and trade receivables derivative financial instruments in the Group and in the Company.

Total non-current assets of the Company increased by 1 per cent and of the Group decreased by 1.04 per cent. The most significant change in assets in the Group was related to depreciation of patents and licenses and depreciation of wind farm equipment held by subsidiary Vydmantai wind park, UAB.

During the year, shareholders' equity of the Company and of the Group increased by 11.6 per cent and 12.09 per cent respectively and amounted to 63 per cent of the total equity and liabilities of the Company and to 44 per cent of the total equity and liabilities of the Group.

At the end of March 2017, total amount of borrowings, including financial liabilities related to finance lease and bank financing, amounted to EUR 13.6 million for the Group and the Company had no such borrowings. Cash, cash equivalents amounted to EUR 3.9 million for the Company and EUR 6.5 million for the Group.

Net cash flows from operating activities of the Group were lower in the first quarter of 2017 and amounted to EUR 1.6 million, compared to EUR 5.8 million in the same period a year ago. Net cash flows from operating activities of the Company in the first 3 months of 2017 equaled to negative EUR 0.5 million compared to EUR 5.2 million a year ago.

Net cash flows from investing activities of the Group and the Company in the January-March of 2017 were at the level of 2016.

Net cash flows from financing activities of the Group in the first quarter of 2017 amounted to EUR (2.3) million outflow, compared to EUR (7.4) million outflow in the same period a year ago. Net cash flows from financing activities of the Company in the first 3 months of 2017 equaled to EUR (1.3) million outflow compared to EUR (6.3) million outflow in the same period a year ago.

Personnel

As of 31st March 2017 there were 42 employees in the Group and 25 in the Company. The employment structure by category is provided in the table below.

Employee category	Number of employees			
	As of 31 st March 2017		As of 31 st March 2016	
	Group	Company	Group	Company
Management	8	8	8	8
Sales Managers, including Traders	15	7	15	8
PR & Marketing Staff	1	1	2	2
Project managers	4	2	4	1
Technical staff	3	1	2	1
Office Staff	11	6	11	6
Total	42	25	42	26

On 31st March 2017 Company's personnel consisted of 8 managers and 17 specialists, as Group's personnel consisted of 8 managers and 34 specialists.

AB INTER RAO Lietuva Unaudited Consolidated Interim Financial Statements for the 3 Month Period Ended 31 March 2017

Statement of financial position

	Notes	Group		Company	
		As at 31 st March 2017	As at 31 st December 2016	As at 31 st March 2017	As at 31 st December 2016
ASSETS					
Non-current assets					
Intangible assets					
Goodwill		716	716	-	-
Patents and licenses		4,528	4,832	-	-
Other intangible assets		20	26	17	23
Total intangible assets		5,264	5,574	17	23
Property, plant and equipment					
Land		644	654	-	-
Buildings and structures		2,850	2,891	-	-
Machinery and equipment		15,985	16,214	-	-
Office premises		754	773	754	773
Other property, plant and equipment		52	42	31	34
Total property, plant and equipment		20,285	20,574	785	807
Investment property		135	135	135	135
Interest in a joint venture		109	111	10,927	10,927
Other non-current financial assets		408	83	41	39
Derivative financial instruments		-	-	56	18
Deferred income tax asset		-	-	108	1
Total non-current assets		26,201	26,477	12,069	11,950
Current assets					
Inventories and prepayments		996	647	242	598
Accounts receivable		-	-	-	-
Trade receivables		11,908	12,925	10,350	10,050
Receivables from subsidiaries		-	-	2,277	2,287
Other receivables		1,625	1,537	4	4
Total accounts receivable		13,533	14,462	12,631	12,341
Prepaid income tax		-	74	-	45
Other current assets		1,199	1,204	30	30
Derivative financial instruments		478	1,629	713	1,637
Cash and cash equivalents		6,486	7,211	3,888	5,681
Total current assets		22,692	25,227	17,504	20,332
Total assets		48,893	51,704	29,573	32,282

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

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Statement of financial position (cont'd)

Notes	Group		Company	
	As at 31 st March 2017	As at 31 st December 2016	As at 31 st March 2017	As at 31 st December 2016
EQUITY AND LIABILITIES				
Equity				
Share capital	5,800	5,800	5,800	5,800
Legal reserves	910	910	580	580
Cash flow hedge reserve	(376)	(22)	19	122
Retained earnings	15,047	12,468	12,259	10,217
Foreign exchange effect	(59)	(133)	-	-
Total equity	21,322	19,023	18,658	16,719
Liabilities				
Non-current liabilities				
Non-current borrowings	9,625	10,450	-	-
Financial lease obligations	659	691	-	-
Derivative financial instruments	208	216	49	10
Deferred income tax liability	1,095	1,202	-	-
Total non-current liabilities	11,587	12,559	49	10
Current liabilities				
Current portion of non-current borrowings	3,300	4,551	-	1,251
Current portion of financial lease obligations	19	35	-	-
Derivative financial instruments	777	275	539	129
Trade payables	9,192	12,233	8,377	12,138
Income tax payable	89	-	82	-
Advances received	147	206	142	199
Other current liabilities	2,460	2,822	1,727	1,836
Total current liabilities	15,984	20,122	10,866	15,553
Total equity and liabilities	48,893	51,704	29,573	32,282

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

General Director	Giedrius Balčiūnas		12 May 2017
Director of Economics	Paulius Vazniokas		12 May 2017

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Statement of comprehensive income
For the 3 months ended 31st March 2017

	Notes	Group	Group	Company	Company
		2017	2016	2017	2016
Sales		48,515	46,058	38,822	37,109
Cost of sales		43,662	39,813	35,342	32,085
Gross profit		4,853	6,245	3,480	5,024
General and administrative expenses		1,717	1,634	1,115	1,115
Profit from operations		3,136	4,611	2,364	3,909
Other activities		4	1	4	4
Financing and investing activities profit		(137)	(177)	4	(6)
Finance income		8	17	7	12
Finance expenses		(143)	(193)	(3)	(18)
Share of result of joint venture		(2)	(1)	-	-
Profit before tax		3,003	4,435	2,372	3,907
Income tax		424	664	330	591
Net profit		2,579	3,771	2,042	3,316
<hr/>					
Total comprehensive income, net of tax		2,299	3,357	1,939	2,956

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Statement of changes in equity
 For the 3 months ended 31st March 2017

Group

	Share capital	Legal reserve	Cash flow hedge reserve	Currency translation reserve	Retained earnings	Total
Balance as at 1 st January 2017	5,800	910	(22)	(133)	12,468	19,023
Profit for the period	-	-	-	-	2,579	2,579
Other comprehensive income, net of tax	-	-	(353)	-	-	(353)
Foreign exchange effect	-	-	-	73	-	73
Total comprehensive income	-	-	(353)	73	2,579	2,299
Dividends declared	-	-	-	-	-	-
Transfer to legal reserve	-	-	-	-	-	-
Balance as at 31 st March 2017	5,800	910	(375)	(60)	15,047	21,322

	Share capital	Legal reserve	Cash flow hedge reserve	Currency translation reserve	Retained earnings	Total
Balance as at 1 st January 2016	5,800	831	(981)	(43)	19,391	24,998
Profit for the period	-	-	-	-	3,771	3,771
Other comprehensive income, net of tax	-	-	(398)	-	-	(398)
Foreign exchange effect	-	-	-	(16)	-	(16)
Total comprehensive income	-	-	(398)	(16)	3,771	3,357
Dividends declared	-	-	-	-	-	-
Transfer to legal reserve	-	-	-	-	-	-
Balance as at 31 st March 2016	5,800	831	(1,379)	(59)	23,162	28,355


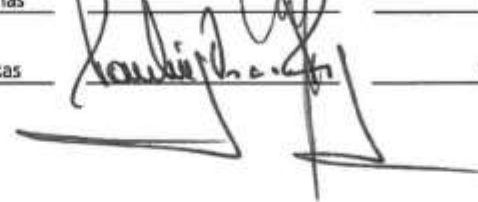
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Company

	Share capital	Legal reserve	Cash flow hedge reserve	Retained earnings	Total
Balance as at 1 st January 2017	5,800	580	122	10,217	16,719
Profit for the period	-	-	-	2,042	2,042
Other comprehensive income	-	-	(103)	-	(103)
Total comprehensive income	-	-	(103)	2,042	1,939
Dividends declared	-	-	-	-	-
Transfer to legal reserve	-	-	-	-	-
Balance as at 31 st March 2017	5,800	580	19	12,259	18,658

	Share capital	Legal reserve	Cash flow hedge reserve	Retained earnings	Total
Balance as at 1 st January 2016	5,800	579	73	16,140	22,592
Profit for the period	-	-	-	3,316	3,316
Other comprehensive income	-	-	(360)	-	(360)
Total comprehensive income	-	-	(360)	3,316	2,956
Dividends declared	-	-	-	-	-
Transfer to legal reserve	-	-	-	-	-
Balance as at 31 st March 2016	5,800	579	(287)	19,456	25,548

accompanying notes are an integral part of these financial statements.

General Director	Giedrius Balčiūnas		12 May 2017
Director of Economics	Paučius Vazniokas		12 May 2017

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(all amounts are in EUR thousand unless otherwise stated)

Statements of cash flows

For the 3 month ended 31st March

Notes	Group		Company	
	2017	2016	2017	2016
Cash flows from (to) operating activities				
Net profit	2,579	3,771	2,042	3,316
Adjustments for non-cash items:				
Income tax expenses	424	664	330	591
Depreciation and amortisation	616	623	30	36
Interest and dividend (income)	-	-	-	-
Share of net profit of joint venture	2	1	-	-
Interest and dividend expenses	143	174	3	18
Other	(2)	-	(2)	-
	3,762	5,233	2,403	3,961
Changes in working capital:				
(Increase) decrease in inventories and prepayments	(349)	(435)	364	631
(Increase) decrease in accounts receivable and other current assets	2,085	4,395	554	4,661
Decrease in other non-current assets	(323)	-	-	-
Increase (decrease) in trade payables	(3,100)	(2,222)	(3,825)	(3,073)
Income tax (paid)	(380)	(243)	(338)	(240)
(Decrease) in other current liabilities	(136)	(920)	305	(759)
Net cash flows from operating activities	1,559	5,808	(537)	5,181
Cash flows from (to) investing activities				
(Acquisition) of non-current assets	(17)	(4)	(2)	(2)
Proceeds from sale of non-current assets	-	-	-	-
Interest and dividends received	-	17	-	-
Loans repaid	-	-	-	-
Other investing activities	-	-	-	-
Net cash flows (to) investing activities	(17)	13	(2)	(2)

(cont'd on the next page)


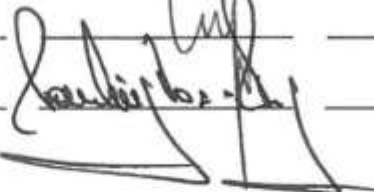
The accompanying notes are an integral part of these financial statements.

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Statements of cash flows (cont'd)

	Group		Company	
	2017	2016	2017	2016
Cash flows from (to) financing activities				
Interest(paid)	(144)	(204)	(3)	(31)
Proceeds from loans	(2,075)	(7,109)	(1,251)	(6,283)
Financial lease (payments)	(48)	(48)	-	-
Net cash flows (to) financing activities	(2,267)	(7,361)	(1,254)	(6,314)
Net increase (decrease) in cash and cash equivalents	(725)	(1,540)	(1,793)	(1,135)
Cash and cash equivalents at the beginning of the year	7,211	19,755	5,681	15,707
Cash and cash equivalents as at the end of the period	6,486	18,215	3,888	14,572

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

General Director	Giedrius Balčiūnas		12 May 2017
Director of Economics	Paulius Vazniokas		12 May 2017

Notes to financial statements

1 General information

AB INTER RAO Lietuva (hereinafter "the Company") is a private limited liability company registered in the Republic of Lithuania. The Company's core line of business is trade of electricity. The Group companies operate in electricity trading and production sectors.

2 Segment information

Operating segments

The following tables present information regarding the Group's operating segments for the 3 month ended 31st March 2017.

3 month ended 31 st March 2017	Electricity purchases and sales	Electricity production and sales	Total Segments	Adjustments and eliminations	Consolidated
Revenue					
External customers	47,020	1,495	48,515	-	48,515
Total revenue	47,020	1,495	48,515	-	48,515
Results					
Depreciation and amortisation	31	585	616	-	616
Interest expenses	3	140	143	-	143
Share of profit of associate joint venture				(2)	(2)
Segment operating profit	2,432	704	3,136	-	3,136
Segment assets	21,697	27,196	48,893	-	48,893
Segment liabilities	11,569	14,818	26,387	1,184	27,571

Segment assets and liabilities are presented after elimination of intercompany assets and liabilities within the segment, which are eliminated on consolidation.

Other disclosures

Interest in a joint venture	-	-	-	109	109
Capital expenditure	17	-	17	-	17

Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries.

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The following tables present information regarding the Group's operating segments for the 3 months ended 31st March 2016.

3 month ended 31 st March 2016	Electricity purchases and sales	Electricity production and sales	Total Segments	Adjustments and eliminations	Consolidated
Revenue					
External customers	44,686	1,372	46,058	-	46,058
Total revenue	44,686	1,372	46,058	-	46,058
Results					
Depreciation and amortisation	-	-	623	-	623
Interest income	-	-	17	-	17
Interest expenses	-	-	174	-	174
Share of profit of associate joint venture	-	-	-	(1)	(1)
Segment operating profit	4,030	581	4,611	-	4,611
Segment assets	29,337	32,228	61,565	-	61,565
Segment liabilities	11,295	18,381	29,676	3,534	33,210

Segment assets and liabilities are presented after elimination of intercompany assets and liabilities within the segment, which are eliminated on consolidation.

Other disclosures

Interest in a joint venture	-	-	-	128	128
Capital expenditure	4	-	4	-	4

Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries.

Adjustments and eliminations

Finance income and expenses are allocated to individual segments as the underlying instruments are managed on each separate Company basis.

Taxes and certain financial liabilities are not allocated to operating segments as they are managed on a Group basis.

Related party transactions

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The parties are considered related when one party has the possibility to control the other one or have significant influence over the other party in making financial and operating decisions. The related parties of the Group during the 3 month period ending 31st March 2017 and as at 31st March 2016 were as follows:

PJSC Inter RAO (ultimate parent);
RAO Nordic Oy (one of the shareholders);
UAB Scaent Baltic (one of the shareholders);
UAB Alproka (associate);
Other related parties include:
UAB Scaent Baltic Group companies (the same shareholder).
Management

3 Related party transactions

For the 3 month period ended
31st March 2017

		Purchases	Sales	Paid (received) dividends	Receivables	Payables, including loans granted
PJSC Inter RAO	a)	29,937	160	-	71	7,987
RAO Nordic Oy		29	-	-	-	202
UAB Scaent Baltic	b)	1	-	-	-	-
UAB Alproka		-	-	-	-	-
Other related parties		17	-	-	-	7
		29,984	160	-	71	8,196

For the 3 month period
ended 31st March 2016

		Purchases	Sales	Paid (received)dividends	Receivables	Payables, including loans granted
PJSC Inter RAO	a)	27,514	250	-	66	7,420
RAO Nordic Oy		129	-	-	-	934
UAB Scaent Baltic	b)	6	-	-	-	-
UAB Alproka		-	-	-	-	-
Other related parties		16	-	-	-	7
		27,665	250	-	66	8,361

- a) The Group performs electricity trading transactions with PJSC Inter RAO.
b) The Group purchased rent of premises and interest from UAB Scaent Baltic.

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 Interim Financial statements for the 3 month period ended 31 March, 2017 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. The Unaudited Consolidated Interim Report of the Company include a fair review of the development and performance of the business of the Company and the Group.

Giedrius Balčiūnas

General Director



INTER RAO
LIETUVA

