

I. General Information

Reporting period

4th quarter ended 31 December 2012

Company and its contact details

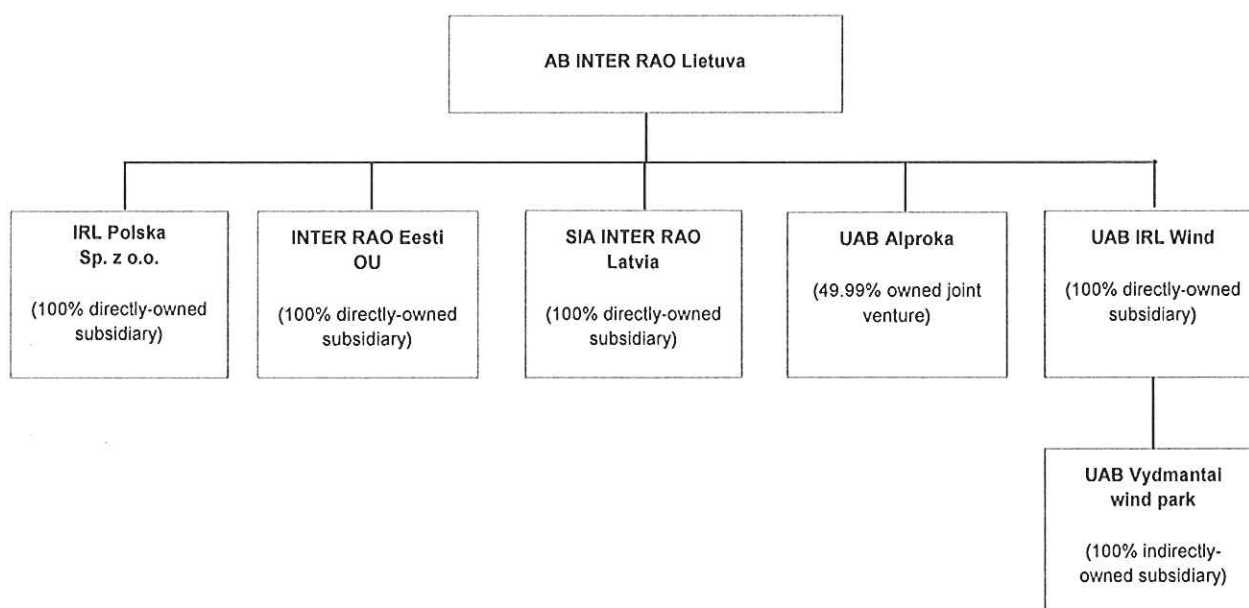
Company name	AB INTER RAO Lietuva (hereinafter – IRL or „the Company“)
Company code	126119913
Legal form	Public company (joint-stock company)
Date of registration	21 December 2002
Name of register of Legal Entities	State Enterprise Centre of Registers
Registered office	A.Tumėno g. 4, block B, LT-01109 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 31 December 2012, 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 December 2012	Registration address	Activity (including planned)
OU INTER RAO Eesti - subsidiary	11879805	100 %	18	Vaikare-Karja 3/Sauna 2, Tallinn, Estonia	Trade of electricity
SIA INTER RAO Latvia - subsidiary	40103268639	100 %	295	Elizabetes iela 15-1, Riga, Latvia	Trade of electricity
Sp. z.o.o. IRL Polska	0000436992	100 %	1,684	W.Kosciuszkowskie 43-2. Warsaw, Poland	Trade of electricity
UAB Alproka – joint venture	125281684	49,99 %	3,415	Lvovo Str. 25, Vilnius, Lithuania	Operations with real estate
UAB IRL Wind - subsidiary	302615372	100 %	32,406	A.Tumėno Str. 4, Vilnius, Lithuania	Holding company
Vydmantai Wind Park, UAB (indirectly owned subsidiary - managed through UAB IRL Wind)	302666616	100 %	37,989	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's main activity is electricity trading, therefore most of its subsidiaries hold the license of 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 and Estonia.

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 49.99per 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.
- IRL POLSKA Sp. z o.o. in Poland was established.

Agreements with intermediaries of public trading in securities

Since 29 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 LTL)	Total nominal value (in LTL)	Issue Code
Ordinary registered shares	20,000,000	1	20,000,000	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.

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

II. FINANCIAL INFORMATION

Revenue

The total consolidated Group's sales for the 4th quarter 2012 was LTL 230 million.

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

- Purchase and sales of electricity;
- Production and sales of electricity.

Revenue from sales of electricity in the 4th quarter 2012 amounted to LTL 224 million

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 4 th quarter 2012	
	S	P
	<i>GWh</i>	
Lithuania*	982	51
Latvia	302	20
Estonia	122	20
Russia	-	1232
Belarus	-	83
Total*	1406	1406

* Excluding equivalent trades on the power exchange

Revenue from produced electricity sales accounted for LTL 6 million.

Cost of sales

Cost of purchased electricity in the 4th quarter 2012 amounted to LTL 202 million. Cost of purchased electricity comprised 98 per cent of total cost of sales.

Transmission network service cost (*i.e.*, input fee) accounted to LTL 4 million and operating cost accounted to LTL 8 million.

Earnings

Gross profit in the 4th quarter 2012 amounted to LTL 28 million and operating profit amounted to LTL 20 million.

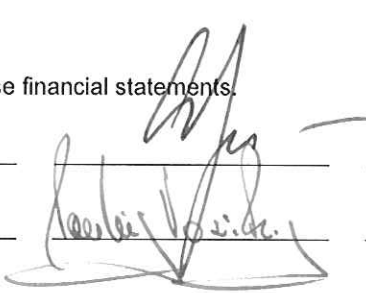
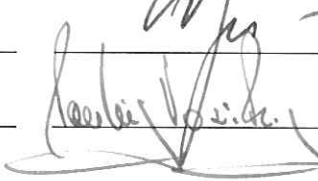
Net financial loss amounted to minus LTL 2.0 million. During the period financial expenses was primarily comprised of interest expenses.

As a result, profit before tax in 4th quarter 2012 amounted to LTL 18 million, and net profit for the period amounted to LTL 16 million.

Statement of comprehensive income

	<u>Group</u> <u>4th quarter 2012</u>
Sales	229,964
Cost of sales	(201,712)
Gross profit	28,252
General and administrative expenses	(8,032)
Profit from operations	20,220
Finance income	45
Finance expenses	(1,710)
Share of result of joint venture	(201)
Profit before tax	18,354
Income tax	(2,492)
Net profit	15,862
Other comprehensive income	
Net (loss) on cash flow hedges	(1,942)
Income tax effect	291
Other comprehensive income, net of tax	(1,651)
Total comprehensive income for the year, net of tax	14,211

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

<u>General Manager</u>	<u>Giedrius Balčiūnas</u>		<u>26 February 2013</u>
<u>Economic Director</u>	<u>Paulius Vazniokas</u>		<u>26 February 2013</u>