

I. General Information

Reporting period

9 month period ended 30th September 2014

Company and its contact details

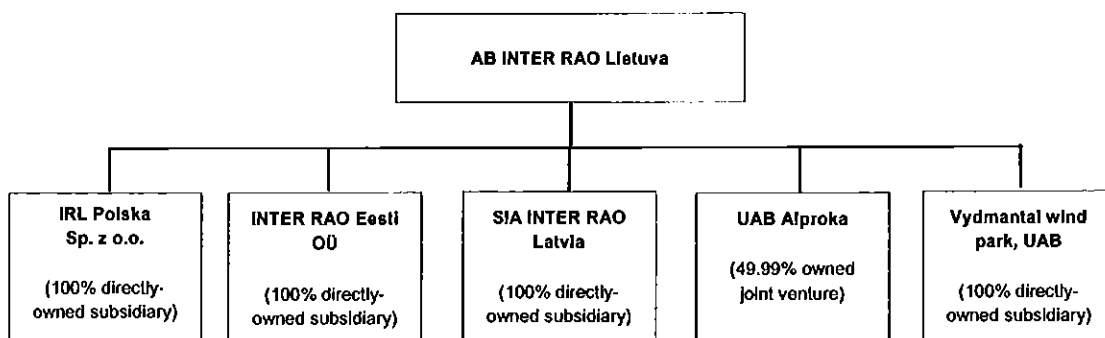
| | |
|------------------------------------|---|
| Company name | AB INTER RAO Lietuva (hereinafter - IRL or „the Company“) |
| Company code | 126119913 |
| Legal form | Public company (joint-stock company) |
| Date of registration | 21 December 2002 |
| Name of register of Legal Entities | State Enterprise 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 of 30th September 2014, 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 30 September 2014 | Registration address | Activity (including planned) |
|---------------------------------------|--------------|--|--------------------------------|---|------------------------------|
| INTER RAO Eesti OÜ - subsidiary | 11879805 | 100 % | 304 | Vaikare-Karja 3/Sauna 2, Tallinn, Estonia | Trade of electricity |
| SIA INTER RAO Latvia - subsidiary | 40103268639 | 100 % | (4,313) | Elizabetes iela 15-1, Riga, Latvia | Trade of electricity |
| IRL Polska Sp. z.o.o. - subsidiary | 0000436992 | 100 % | 7,574 | Emilii Plater 53. Warsaw, Poland | Trade of electricity |
| UAB Alproka - joint venture | 125281684 | 49,99 % | 1,371 | Verkių Str. 25C, Vilnius, Lithuania | Operations with real estate |
| Vydmantai Wind Park, UAB - subsidiary | 302666616 | 100 % | 34,949 | 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 30th September 2014:



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 sells all of the electricity it cross-border from the third countries 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 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 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.

The Group is also present in the electricity trading market in Poland, where it started its operations this year 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 Vydantai wind park, UAB. Subsidiary companies were reorganised by merging UAB IRL Wind, which ceased its activities as a legal entity after the merger, into Vydantai 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.

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.

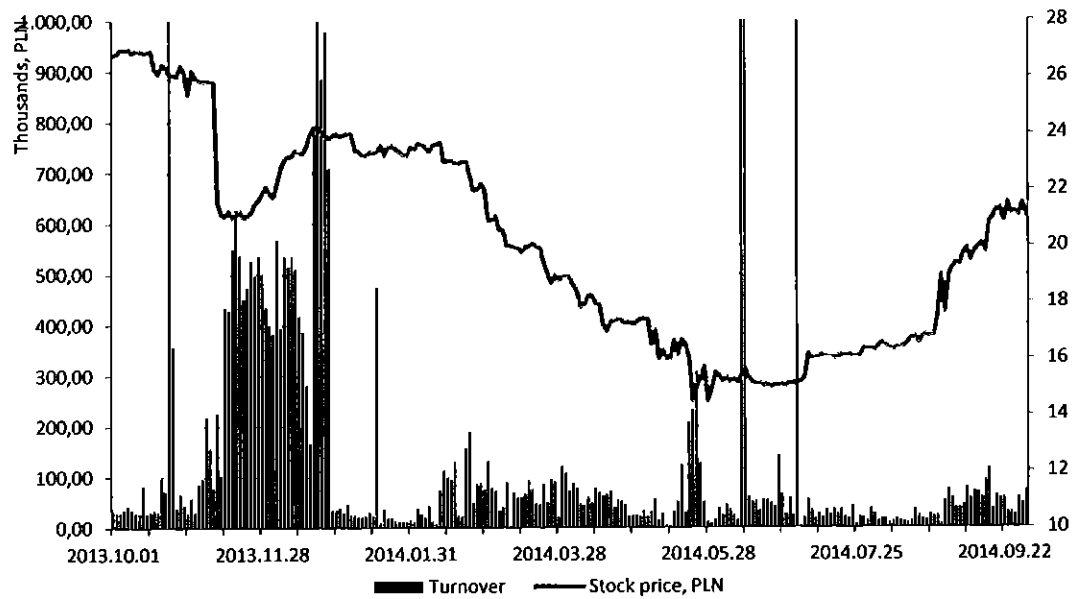
Data about securities traded on regulated market

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 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.

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



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

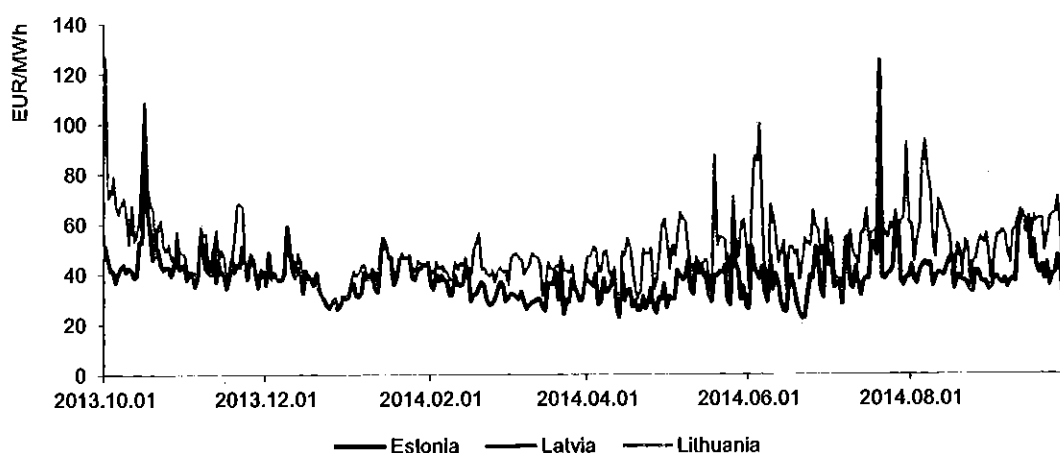
As of 30th September 2014 the shareholder structure of the Company was as following:

| 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-September of 2014 was equal to LTL 541 million, a 3.35 per cent less than in the first 9 months of 2013. Total revenue declined due to lower amount of electricity traded in all Baltic countries, which was facilitated by relatively low electricity prices in the Nordpool system as well as risk persisting due to the uncertainties associated with technical limitation of interconnection links. In addition to that, higher electricity sales in the Baltic countries by Estonian oil shale based producer resulted in smaller demand for imported electricity.



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 | 9 months 2014 | 9 months 2013 |
|---------------------------------|---------------|---------------|
| Sales (LTL thousand) | 541,213 | 559,980 |
| Gross profit (LTL thousand) | 51,805 | 14,326 |
| Gross profit margin (%) | 9.57% | 2.56% |
| Operating profit (LTL thousand) | 35,964 | (2,107) |
| Operating profit margin (%) | 6.65% | (0.38%) |
| EBITDA (LTL thousand) | 42,779 | 5,106 |
| EBITDA profit margin (%) | 7.9% | 0.91% |
| Net profit (LTL thousand) | 28,076 | (4,946) |
| Net profit margin (%) | 5.19% | (0.88%) |
| Number of shares (thousand) | 20,000 | 20,000 |
| Earnings per share (LTL) | 1.4 | -0.25 |

Group's sales decreased by 3.35 per cent in first 9 months of 2014, compared to the same period in 2013. Decrease in cost of sales was significantly higher than decrease in sales and amounted to 10.3 per cent, compared to 9 months of 2013. Such a decrease in costs of sales was mainly due to the changes in trading structure and lower electricity prices in the markets. Therefore despite the decrease in sales, the Group's gross profitability increased and equalled to 9.6 per cent in the accounting period, if compared to 2.6 per cent in January-September of 2013. Group's operating profit margin increased to 6.65 per cent in accounting period from the negative (-0.38) per cent in the same period in 2013.

Company's gross profit margin in 2014 accounts to 9.3 per cent, compared to 2.1 per cent in 9 month period of 2013. Operating profit margin of the Company increased from the negative (-0.04) per cent in 9 months period of 2013 to 6.88 per cent for the same period of 2014.

The increase in Groups profitability was also attributable to the changes in trading structure and risk management policies, the Group undertook to cope with uncertainties and risks arising from the technical limitations of interconnection links.

Group's and Company's EBITDA for first 9 months of 2014 was LTL 42.8 million and LTL 34.6 million respectively. Group's EBITDA profitability margin increased from 0.9 per cent in January-September of 2013 to 7.9 per cent in accounting period of 2014. In the 9 month period of 2014, Group's net profit increased to LTL 28.1 million from the loss of LTL 4.9 million in 2013. As a result, Group's net profit margin during the accounting period was equal to 5.2 per cent, compared to the negative (-0.9) per cent a year ago.

| Sales revenues by operating segments, thous. LTL | 9 months 2014 | 9 months 2013 |
|--|----------------|----------------|
| Electricity purchases and sales | 529,424 | 550,043 |
| Electricity production and sales | 11,789 | 9,937 |
| Total | 541,213 | 559,980 |

Group's revenue from purchases and sales of electricity in the accounting period of 2014 amounted to LTL 529 million. Revenue from produced electricity sales accounted for LTL 11.8 million, a 18.6 per cent more than a year ago. During the period Vydmantai wind park, UAB has produced higher amount of electricity compared to the same period a year ago, due to positive meteorological conditions.

Company's revenue during January-September 2014 were lower by 14.1 per cent and was equal to LTL 456.3 million compared to LTL 530.9 million in the same period in 2013.

The tables below present data on the electricity trading activities of the Group for the 9 months period ended on 30th September 2014 and the 3rd quarter of 2014, with a breakdown by each country for the periods indicated (S - sale, P - purchase).

| | For the 9 months 2014 | | For the 9 months 2013 | |
|---------------|-----------------------|--------------|-----------------------|--------------|
| | S | P | S | P |
| | GWh | | GWh | |
| Lithuania* | 2 666 | 154 | 2 543 | 296 |
| Latvia | 381 | 419 | 509 | 230 |
| Estonia | 108 | 108 | 205 | 35 |
| Russia | 34 | 2 105 | 92 | 2 729 |
| Belarus | - | 403 | 115 | 174 |
| Poland | 20 | 20 | | |
| Total* | 3 209 | 3 209 | 3 464 | 3 464 |

* Excluding equivalent trades on the power exchange

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

| | For the 3 rd quarter of 2014 | | For the 3 rd quarter of 2013 | |
|---------------|---|--------------|---|--------------|
| | S | P | S | P |
| | GWh | | GWh | |
| Lithuania* | 1 025 | 42 | 912 | 174 |
| Latvia | 148 | 157 | 98 | 115 |
| Estonia | 36 | 36 | - | - |
| Russia | 14 | 855 | 52 | 752 |
| Belarus | - | 133 | - | 21 |
| Poland | 16 | 16 | - | - |
| Total* | 1 239 | 1 239 | 1 140 | 1 140 |

* 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. LTL | 9 months 2014 | 9 months 2013 |
|--|----------------|----------------|
| Electricity purchases and sales | 484,644 | 540,989 |
| Electricity production and sales | 4,764 | 4,665 |
| Total | 489,408 | 545,654 |

Group's cost of sales in January-September of 2014 accounted to LTL 489.4 million, a 10.3 per cent less than during the first 9 months of 2013. The decline in cost of sales was due to several reasons: (1) the lower amount of electricity traded by the Group, (2) the reduction of the amount of electricity sold to other independent suppliers under the annual contracts due to the persisting risk of possible limitations of electricity transmission capacities from the third countries, and (3) lower electricity prices in the markets resulting from unusually warm winter.

Group's cost of purchased electricity in the 9 months period of 2014 amounted to LTL 477.4 million. Cost of purchased electricity comprised 97.6 per cent of total cost of sales.

Group's operating expenses in the accounting period of 2014 amounted to LTL 15.8 million, a 3.6 per cent decrease over a year ago. Company's operating expenses amounted to LTL 11 million in January-September 2014 compared to LTL 11.5 million in the same period a year ago (a 4.7 per cent decrease).

Earnings

Gross profit of the Group in January-September of 2014 amounted to LTL 51.8 million, while the gross profit margin increased to 9.6 per cent (compared to 2.6 per cent a year ago). Gross profit of the Company in the same period accounted to LTL 42.4 million, compared to LTL 11.3 million a year ago. Company's gross profit margin increased from 2.1 per cent in January-September 2013 to 9.3 per cent in the first 9 months of 2014.

Group's operating profit over the same period accounted to LTL 36 million, while the operating profit margin increased to 6.7 per cent from the negative (-0.4) per cent a year ago. Operating profit in the first 9 months of 2014 of the Company amounted to LTL 31.4 million compared to the loss of LTL 0,2 million the same period in 2013.

Net loss of financial activities of the Group in the first 9 months of 2014 amounted to LTL 2.3 million, a 23.5 per cent decrease over the net financial loss the same period 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-September of 2014 amounted to LTL 28.1 million, compared to LTL 4.9 million losses for the same period year ago. The profit margin increased from the negative (-0.9) per cent a year ago to 5.2 per cent for the accounting period of 2014. Increase in profit was mainly due to the set of risk management policies and change in trading structure the Group undertook as a response to the uncertainties associated with technical limitations of interconnection links.

Cash Flows

Net cash flows from operating activities of the Group were lower in the first 9 months of 2014 and amounted to the negative LTL (-4.2) million, compared to LTL 18.1 million in the same period a year ago. Net cash flows from operating activities of the Company in the accounting period of 2014 equalled to the negative LTL (-3.3) million compared to LTL 11.4 million a year ago.

Net cash flows from investing activities of the Group were lower in the first 9 months of 2014 and amounted to LTL 0.4 million inflow, compared to LTL 0.5 million inflow in the same period a year ago. Net cash flows from investing activities of the Company in the January-September of 2014 equalled to LTL 0.3 million compared to LTL 1 million a year ago. The decrease in Group's net cash flows from investing activities occurred because there were less dividends received from its subsidiaries then a year ago.

Net cash flows from financing activities of the Group in the first 9 months of 2014 amounted to LTL (-31.8) million outflow, compared to LTL (-22.6) million outflow in the same period a year ago. Net cash flows from financing activities of the Company in January-September of 2014 equalled to the negative LTL (-19.9) million, compared to the negative LTL (-10) million in the same period in 2013. 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 debt and dividends paid out.

Personnel

As of 30 September 2014 there were 41 employee 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 30 th September 2014 | | As of 30 th September 2013 | |
| | Group | Company | Group | Company |
| Management | 8 | 8 | 8 | 8 |
| Sales Managers, including Traders | 14 | 7 | 11 | 6 |
| PR & Marketing Staff | 2 | 2 | 3 | 3 |
| Project managers | 4 | 1 | 4 | 1 |
| Technical staff | 2 | 1 | 3 | 1 |
| Office Staff | 11 | 6 | 11 | 6 |
| Total | 41 | 25 | 40 | 24 |

On 30th September 2014 Company's personnel consisted of 8 managers and 17 specialists, as Group's personnel consisted of 8 managers and 33 specialists.

AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 30th September 2014
(all amounts are in LTL thousand unless otherwise stated)

Statement of financial position

| | Notes | Group | | Company | |
|-------------------------------------|-------|---|--|---|--|
| | | As at 30 th September 2014 | As at 31 st December 2013 | As at 30 th September 2014 | As at 31 st December 2013 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Intangible assets | | | | | |
| Goodwill | | 5,926 | 5,926 | - | - |
| Patents and licenses | | 26,106 | 29,247 | - | - |
| Other intangible assets | | 203 | 88 | 196 | 88 |
| Total intangible assets | | 32,235 | 35,261 | 196 | 88 |
| Property, plant and equipment | | | | | |
| Land | | | | | |
| Land | | 2,581 | 2,687 | - | - |
| Buildings and structures | | 14,526 | 15,164 | 3,256 | 3,451 |
| Machinery and equipment | | 63,111 | 65,486 | - | 2 |
| Other property, plant and equipment | | 298 | 343 | 263 | 300 |
| Total property, plant and equipment | | 80,516 | 83,680 | 3,519 | 3,753 |
| Investment property | | | | | |
| Investment property | | 554 | 584 | 554 | 584 |
| Interest in a joint venture | | | | | |
| Interest in a joint venture | | 685 | 944 | 40,301 | 40,301 |
| Other non-current financial assets | | | | | |
| Other non-current financial assets | | 4,479 | 1,905 | 142 | 119 |
| Total non-current assets | | 118,469 | 122,374 | 44,712 | 44,845 |
| Current assets | | | | | |
| Inventories and prepayments | | | | | |
| Inventories and prepayments | | 1,254 | 449 | 16,569 | 10,300 |
| Accounts receivable | | | | | |
| Trade receivables | | 56,890 | 50,099 | 50,682 | 45,253 |
| Receivables from subsidiaries | | - | - | 228 | 6 |
| Other receivables | | 6,096 | 4,599 | 4 | 13 |
| Total accounts receivable | | 62,986 | 54,698 | 50,914 | 45,272 |
| Prepaid income tax | | | | | |
| Prepaid income tax | | 3,467 | 8,778 | 2,805 | 8,310 |
| Other current assets | | | | | |
| Other current assets | | 871 | 1,106 | 761 | 714 |
| Cash and cash equivalents | | | | | |
| Cash and cash equivalents | | 21,945 | 15,202 | 12,406 | 3,418 |
| Total current assets | | 90,523 | 80,233 | 83,455 | 68,014 |
| Total assets | | 208,992 | 202,607 | 128,167 | 112,859 |

(cont'd on the next page)

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

AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 30th September 2014
(all amounts are in LTL thousand unless otherwise stated)

Statement of financial position (cont'd)

| | Notes | Group | | Company | Company |
|---|-------|---|---|---|--|
| | | As at 30 th September 2014 | As at 31 st Decemb er 2013 | As at 30 th September 2014 | As at 31 st December 2013 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Share capital | | 20,000 | 20,000 | 20,000 | 20,000 |
| Legal reserves | | 2,754 | 2,000 | 2,000 | 2,000 |
| Cash flow hedge reserve | | -1,796 | -693 | - | - |
| Retained earnings | | 26,246 | 11,925 | 26,399 | 13,096 |
| Foreign exchange effect | | -10 | 62 | - | - |
| Equity attributable to equity holders of the parent | | 47,194 | 33,294 | | |
| Total equity | | 47,194 | 33,294 | 48,399 | 35,096 |
| Liabilities | | | | | |
| Non-current liabilities | | | | | |
| Non-current borrowings | | 61,719 | 70,264 | - | - |
| Financial lease obligations | | 2,587 | 2,587 | - | - |
| Derivative financial instruments | | 1,654 | 385 | - | - |
| Deferred income tax liability | | 2,716 | 2,676 | - | - |
| Total non-current liabilities | | 68,676 | 75,912 | - | - |
| Current liabilities | | | | | |
| Current portion of non-current borrowings | | 10,790 | 11,746 | - | - |
| Current portion of financial lease obligations | | 241 | 237 | - | - |
| Derivative financial instruments | | 1,153 | 1,141 | - | - |
| Financial debts | | 10,478 | 17,182 | 10,478 | 17,182 |
| Trade payables | | 51,772 | 48,776 | 52,729 | 48,387 |
| Income tax payable | | - | - | - | - |
| Advances received | | 8,353 | 3,429 | 8,349 | 3,418 |
| Other current liabilities | | 10,335 | 10,890 | 8,212 | 8,776 |
| Total current liabilities | | 93,122 | 93,401 | 79,768 | 77,763 |
| Total equity and liabilities | | 208,992 | 202,607 | 128,167 | 112,859 |

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

General Director Giedrius Balčiūnas

14 November 2014

Director of Economics Paulius Vazniokas

14 November 2014

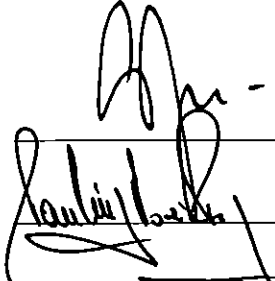
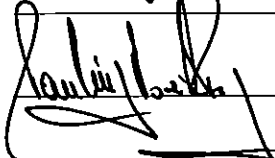
Statement of comprehensive income
For the 9 months ended 30th September 2014

| | Notes | Group | Group | Company | Company |
|---|-------|---------|---------|---------|---------|
| | | 2014 | 2013 | 2014 | 2013 |
| Sales | | 541,213 | 559,980 | 456,264 | 530,928 |
| Cost of sales | | 489,408 | 545,654 | 413,888 | 519,604 |
| Gross profit | | 51,805 | 14,326 | 42,376 | 11,324 |
| General and administrative expenses | | 15,841 | 16,433 | 10,996 | 11,537 |
| Profit from operations | | 35,964 | (2,107) | 31,380 | (213) |
| Other activities | | 97 | (39) | 50 | 40 |
| Financing and investing activities profit | | (2,246) | (2,937) | 378 | 1,203 |
| Finance income | | 146 | 189 | 538 | 1,317 |
| Finance expenses | | 2,584 | 3,253 | 160 | 114 |
| Share of result of joint venture | | 192 | 127 | - | - |
| Profit from ordinary activities | | 33,815 | (5,083) | 31,808 | 1,030 |
| Extraordinary gain | | - | 629 | - | - |
| | | 33,815 | (4,454) | 31,808 | 1,030 |
| Income tax | | 5,739 | 492 | 5,505 | 420 |
| Net profit | | 28,076 | (4,946) | 26,303 | 610 |

Statement of comprehensive income

| | Notes | Group | Group | Company | Company |
|---|-------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | | 3 rd quarter 2014 | 3 rd quarter 2013 | 3 rd quarter 2014 | 3 rd quarter 2013 |
| Sales | | 217,707 | 184,486 | 184,396 | 164,522 |
| Cost of sales | | 201,761 | 199,632 | 170,273 | 178,435 |
| Gross profit | | 15,946 | (15,146) | 14,123 | (13,913) |
| General and administrative expenses | | 5,288 | 5,626 | 3,662 | 3,865 |
| Profit from operations | | 10,658 | (20,772) | 10,461 | (17,778) |
| Other activities | | 27 | (25) | 13 | 13 |
| Financing and investing activities profit | | (830) | (921) | (41) | (35) |
| Finance income | | 36 | 121 | 16 | 48 |
| Finance expenses | | 842 | 1,105 | 57 | 83 |
| Share of result of joint venture | | (24) | 63 | - | - |
| Profit before tax | | 9,855 | (21,718) | 10,433 | (17,800) |
| Income tax | | 2,311 | (2,062) | 2,198 | (2,152) |
| Net profit | | 7,544 | (19,656) | 8,235 | (15,648) |

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

| | | | |
|-----------------------|--------------------|--|------------------|
| General Director | Giedrius Balčiūnas |  | 14 November 2014 |
| Director of Economics | Paulius Vazniokas |  | 14 November 2014 |

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UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 30th September 2014
(all amounts are in LTL thousand unless otherwise stated)

Statement of changes in equity
For the 9 months ended 30th September 2014

Group

| | Share capital | Legal reserve | Cash flow hedge reserve | Currency translation reserve | Retained earnings | Total |
|---|---------------|---------------|-------------------------|------------------------------|-------------------|----------|
| Balance as at 1 st January 2014 | 20,000 | 2,312 | (693) | 62 | 11,613 | 33,294 |
| Profit for the period | - | - | - | - | 28,076 | 28,076 |
| Other comprehensive income, net of tax | - | - | (1,102) | - | - | - |
| Foreign exchange effect | - | - | - | (72) | - | (72) |
| Dividends declared | - | - | - | - | (13,000) | (13,000) |
| Transfer to legal reserve | - | 442 | - | - | (442) | - |
| Balance as at 30 th September 2014 | 20,000 | 2,754 | (1,795) | (10) | 26,247 | 47,196 |

| | Share capital | Legal reserve | Cash flow hedge reserve | Currency translation reserve | Retained earnings | Total |
|---|---------------|---------------|-------------------------|------------------------------|-------------------|----------|
| Balance as at 1 st January 2013 | 20,000 | 100 | (1,651) | - | 38,141 | 56,590 |
| Profit for the period | - | - | - | - | (4,946) | (4,946) |
| Other comprehensive income, net of tax | - | - | 241 | - | (662) | (421) |
| Foreign exchange effect | - | - | - | - | - | - |
| Dividends declared | - | - | - | - | (27,000) | (27,000) |
| Transfer to legal reserve | - | 2,212 | - | - | (2,212) | -- |
| Balance as at 30 th September 2013 | 20,000 | 2,312 | (1,410) | - | 3,321 | 24,223 |

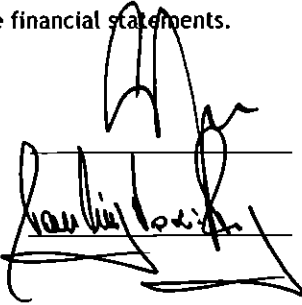
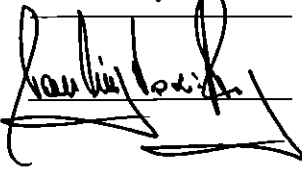
AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 30th September 2014
(all amounts are in LTL thousand unless otherwise stated)

Company

| | Share capital | Legal reserve | Retained earnings | Total |
|---|---------------|---------------|-------------------|----------|
| Balance as at 1 st January 2014 | 20,000 | 2,000 | 13,096 | 35,096 |
| Profit for the period | - | - | 26,303 | 26,303 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income | - | - | - | - |
| Dividends declared | - | - | (13,000) | (13,000) |
| Transfer to legal reserve | - | - | - | - |
| Balance as at 30 th September 2014 | 20,000 | 2,000 | 26,399 | 48,399 |

| | Share capital | Legal reserve | Retained earnings | Total |
|---|---------------|---------------|-------------------|----------|
| Balance as at 1 st January 2013 | 20,000 | 100 | 37,925 | 58,025 |
| Profit for the period | - | - | 610 | 610 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income | - | - | - | - |
| Dividends declared | - | - | (27,000) | (27,000) |
| Transfer to legal reserve | - | 1,900 | (1,900) | - |
| Balance as at 30 th September 2013 | 20,000 | 2,000 | 9,635 | 31,635 |

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

| | | | |
|-----------------------|--------------------|--|------------------|
| General Director | Giedrius Balčiūnas |  | 14 November 2014 |
| Director of Economics | Paulius Vazniokas |  | 14 November 2014 |

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UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 30th September 2014
(all amounts are in LTL thousand unless otherwise stated)

Statements of cash flows
For the 9 months ended 30th September

| Notes | Group | | Company | |
|---|----------------|---------------|----------------|---------------|
| | 2014 | 2013 | 2014 | 2013 |
| Cash flows from (to) operating activities | | | | |
| Net profit | 28,076 | (4,946) | 26,303 | 610 |
| Adjustments for non-cash items: | | | | |
| Income tax expenses | 5,739 | 492 | 5,505 | 420 |
| Depreciation and amortisation | 6,400 | 6,424 | 321 | 353 |
| Currency translation reserve | (72) | - | - | - |
| Interest and dividend income | (68) | (106) | (460) | (1,270) |
| Share of net profit of joint venture | (192) | (127) | - | - |
| Interest and dividend expenses | 2,570 | 2,139 | 158 | 110 |
| Result of non-current assets sold | - | - | (10) | - |
| Other non-cash operations/items | (37) | (17) | (27) | (17) |
| | 42,416 | 3,859 | 31,790 | 206 |
| Changes in working capital: | | | | |
| (Increase) decrease in inventories and prepayments | (805) | (1,621) | (6,269) | (11,996) |
| (Increase) decrease in accounts receivable and other current assets | (8,053) | 8,951 | (5,641) | 15,738 |
| Decrease in other non-current assets | (2,551) | (1,726) | (47) | 45 |
| Increase (decrease) in trade payables | 7,920 | 17,365 | 9,273 | 17,302 |
| Income tax (paid) | (195) | (8,404) | - | (7,654) |
| (Decrease) in other current liabilities | (550) | 3,570 | (564) | (2,055) |
| | | | | |
| Net cash flows from operating activities | (4,234) | 18,135 | (3,248) | 11,380 |
| Cash flows from (to) investing activities | | | | |
| (Acquisition) of non-current assets | (180) | (337) | (165) | (321) |
| Proceeds from sale of non-current assets | 10 | - | 10 | - |
| Interest and dividends received | 518 | 856 | 459 | 1,270 |
| Loans repaid | 4 | 4 | 4 | 4 |
| Net cash flows (to) investing activities | 352 | 523 | 308 | 953 |

(cont'd on the next page)


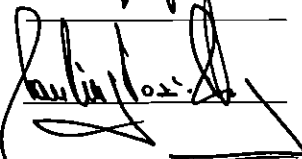
The accompanying notes are an integral part of these financial statements.

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UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 30th September 2014
(all amounts are in LTL thousand unless otherwise stated)

Statements of cash flows (cont'd)

| | Group | | Company | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 2014 | 2013 | 2014 | 2013 |
| Cash flows from (to) financing activities | | | | |
| Dividends (paid) | (2,600) | (10,000) | (2,600) | (10,000) |
| Repayment of loans | (26,495) | (857) | (17,000) | (10) |
| Interest (paid) | (2,696) | (3,041) | (262) | - |
| Financial lease (payments) | - | (8,731) | - | - |
| Net cash flows (to) financing activities | (31,791) | (22,629) | (19,862) | (10,010) |
| | | | | |
| Net increase (decrease) in cash and cash equivalents | 6,743 | (112) | 8,988 | 2,529 |
| | | | | |
| Cash and cash equivalents at the beginning of the year | 15,202 | 11,218 | 3,418 | 5,345 |
| Cash and cash equivalents as at the end of period | 21,945 | 11,106 | 12,406 | 7,874 |

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

| | | | |
|------------------------------|---------------------------|--|-------------------------|
| <u>General Director</u> | <u>Giedrius Balčiūnas</u> |  | <u>14 November 2014</u> |
| <u>Director of Economics</u> | <u>Paulius Vazniokas</u> |  | <u>14 November 2014</u> |

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 9 months ended 30th September 2014.

| 9 months ended 30 th September 2014 | Electricity purchases and sales | Electricity production and sales | Total Segments | Adjustments and eliminations | Consolidated |
|--|---------------------------------------|--|-------------------|------------------------------------|----------------|
| Revenue | | | | | |
| External customers | 529,424 | 11,789 | 541,213 | - | 541,213 |
| Total revenue | 529,424 | 11,789 | 541,213 | - | 541,213 |
| Results | | | | | |
| Depreciation and amortisation | 329 | 6,071 | 6,400 | - | 6,400 |
| Interest income | 2 | 57 | 59 | - | 59 |
| Interest expenses | 158 | 2,412 | 2,570 | - | 2,570 |
| Share of profit of associate joint venture | - | - | - | 192 | 192 |
| Segment operating profit | 32,530 | 3,434 | 35,964 | - | 35,964 |
| Segment assets | 89,421 | 116,104 | 205,525 | 3,467 | 208,992 |
| Segment liabilities | 79,953 | 79,130 | 159,083 | 2,715 | 161,798 |

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 | - | - | - | 685 | 685 |
| Capital expenditure | 177 | 3 | 180 | - | 180 |

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

The following tables present information regarding the Group's operating segments for the 9 months ended 30th September 2013.

| 9 months ended 30 th September 2013 | Electricity purchases and sales | Electricity production and sales | Total Segments | Adjustments and eliminations | Consolidated |
|--|---------------------------------------|--|-------------------|------------------------------------|----------------|
| Revenue | | | | | |
| External customers | 550,043 | 9,937 | 559,980 | - | 559,980 |
| Total revenue | 550,043 | 9,937 | 559,980 | - | 559,980 |
| Results | | | | | |
| Depreciation and amortisation | 363 | 6,061 | 6,424 | - | 6,424 |
| Interest income | 15 | 86 | 101 | - | 101 |
| Interest expenses | 110 | 2,029 | 2,139 | - | 2,139 |
| Share of profit of associate joint venture | - | - | - | 127 | - |
| Segment operating profit | (3,718) | 1,611 | (2,107) | | (2,107) |
| Segment assets | 68,820 | 122,868 | 191,688 | 8,965 | 200,653 |
| Segment liabilities | 79,822 | 88,374 | 168,196 | 8,234 | 176,430 |

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 | - | - | - | 1,085 | 1,085 |
| Capital expenditure | 337 | - | 337 | - | 337 |

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

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 9 months periods ending 30 September 2014 and as at 30 September 2013 were as follows:

OJSC Inter RAO UES (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 9 month period
 ended 30th September
 2014

| | Purchases | Sales | Paid (received) dividends | Receivables | Payables, including loans granted |
|--------------------------|----------------|--------------|---------------------------------|-------------|---|
| OJSC Inter RAO UES a) | 300,345 | 1,700 | - | 105 | 44,600 |
| RAO Nordic Oy c) | (420) | - | 6,630 | 221 | 6,680 |
| UAB Scaent Baltic b), c) | 104 | - | 3,770 | - | 3,805 |
| UAB Alproka | - | - | (450) | - | - |
| Other related parties | 216 | - | - | - | 28 |
| | 301,085 | 1,700 | 9,950 | 326 | 55,113 |

For the 9 month
 period ended 30th
 September 2013

| | Purchases | Sales | Paid (received) dividends | Receivables | Payables, including loans granted |
|--------------------------|----------------|--------------|---------------------------------|-------------|--|
| OJSC Inter RAO UES a) | 389,581 | 4,006 | - | 112 | 24,210 |
| RAO Nordic Oy c) | - | - | 13,770 | - | 10,908 |
| UAB Scaent Baltic b), c) | 89 | - | 7,830 | - | 6,198 |
| UAB Alproka | - | - | (750) | - | - |
| Other related parties | 290 | - | - | - | 28 |
| | 389,960 | 4,006 | 20,850 | 112 | 41,344 |

- The Group performs electricity trading transactions with OJSC Inter RAO UES.
- The Group purchased rent of premises and interest from UAB Scaent Baltic.
- The Group's payables to shareholders RAO Nordic Oy and UAB Scaent Baltic as at 30th September 2014 represent loans granted and accrued interest, derivative financial instruments and interest (loan currency - EUR, interest rate - 2,19%) and - dividends payable LTL 6.6 million and LTL 3.8 million respectively.

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 3rd quarter of 2014 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

