



LITGRID AB

CONSOLIDATED AND THE COMPANY'S
CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD
ENDED 31 MARCH 2012
(UNAUDITED)

LITGRID AB

Company code: 302564383 A. Juozapavičiaus g. 13, LT-09311 Vilnius

TABLE OF CONTENTS

	PAGES
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF COMPREHENSIVE INCOME	4
STATEMENTS OF CHANGES IN EQUITY	5-6
STATEMENTS OF CASH FLOWS	7
NOTES TO THE FINANCIAL STATEMENTS	8-23

The condensed interim financial information was signed on 24 May 2012.



Virgilijus Poderys
Chief Executive Officer



Vytautas Tauras
Director of Finance Department



Lilijana Žiaunienė
Chief Financier at interim

LITGRID UAB

Company code: 302564383 A. Juozapavičiaus g. 13, LT-09311 Vilnius

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

	Note	Group As at 31 March 2012 (unaudited)	Company As at 31 March 2012 (unaudited)	Group As at 31 December 2011 restated	Company As at 31 December 2011
Non-current assets:					
Intangible assets	4	1,633	1,271	1,759	1,434
Property, plant and equipment	5	1,966,680	1,962,343	1,990,187	1,985,537
Prepayments for property, plant, equipment		110,454	110,454	87,029	87,029
Investments in subsidiaries		-	8,608	-	8,608
Investments in associates and jointly controlled entities		21,230	21,332	20,804	21,332
Deferred income tax assets		322	-	297	-
Available-for-sale financial assets		1,084	1,084	1,084	1,084
Total non-current assets		2,101,403	2,105,092	2,101,160	2,105,024
Current assets:					
Inventories		4,325	2,203	4,202	2,214
Prepayments		547	2,828	236	2,440
Trade receivables		48,587	44,419	45,310	37,782
Other accounts receivable		110,542	95,378	88,911	79,181
Other financial assets		50,457	46,777	63,646	61,096
Time deposits		45,078	45,078	115,079	115,079
Held-to-maturity investments		84,691	84,691	21,539	21,539
Cash and cash equivalents		106,541	100,554	62,635	57,131
Total current assets		450,768	421,928	401,558	376,462
TOTAL ASSETS		2,552,171	2,527,020	2,502,718	2,481,486
EQUITY AND LIABILITIES					
Capital and reserves :					
Share capital		504,331	504,331	504,331	504,331
Share premium		29,621	29,621	29,621	29,621
Revaluation reserve		262,118	261,902	267,179	266,960
Legal reserve		50,477	50,433	50,477	50,433
Other reserves		979,738	979,654	979,738	979,654
Retained earnings (deficit)		84,684	87,837	63,942	66,951
Equity attributable to the shareholders of the parent company		1,910,969	1,913,778	1,895,288	1,897,950
Non-controlling interest		3,922	-	4,253	-
Total equity		1,914,891	1,913,778	1,899,541	1,897,950
Non-current liabilities :					
Grants	6	208,389	208,389	182,359	182,359
Deferred income		14,470	14,470	14,642	14,642
Other non-current accounts payable and liabilities		12,262	12,078	7,458	7,273
Deferred income tax liabilities		175,644	175,644	178,588	178,588
Total non-current liabilities		410,765	410,581	383,047	382,862
Current liabilities :					
Trade payables		45,117	43,760	54,921	52,459
Advance amounts received		6,159	2,005	4,340	1,363
Income tax payable		13,008	12,625	7,162	6,800
Other accounts payable		162,231	144,271	153,707	140,052
Total current liabilities		226,515	202,661	220,130	200,674
Total liabilities		637,280	613,242	603,177	583,536
TOTAL EQUITY AND LIABILITIES		2,552,171	2,527,020	2,502,718	2,481,486

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

LITGRID AB

Company code: 302564383 A. Juozapavičiaus g. 13, LT-09311 Vilnius

STATEMENTS OF COMPREHENSIVE INCOME
FOR PERIOD ENDED 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

	Notes	Group January- March 2012 (unaudited)	Company January- March 2012 (unaudited)	Group January- March 2011 (unaudited)	Company January- March 2011 (unaudited)
Revenue					
Sales of electricity and related services		115,758	115,670	101,551	101,539
Other revenue		8,717	1,826	6,930	831
Total revenue		124,475	117,496	108,481	102,370
Operating expenses					
Purchase of electricity and related services		(54,826)	(55,326)	(52,633)	(53,239)
Depreciation and amortisation	4,5,6	(31,505)	(31,206)	(33,482)	(33,199)
Wages and salaries and related expenses		(7,992)	(3,924)	(7,842)	(3,766)
Repair and maintenance expenses		(1,868)	(3,128)	(3,795)	(6,535)
Telecommunications and IT systems expenses		(3,743)	(3,486)	(4,142)	(3,954)
Write-off of property, plant and equipment		(93)	(93)	(484)	(484)
Other expenses		(7,633)	(2,545)	(6,974)	(2,302)
Total operating expenses		(107,660)	(99,708)	(109,352)	(103,479)
OPERATING PROFIT (LOSS)		16,815	17,788	(871)	(1,109)
Finance income		987	924	642	592
Finance costs		(2)	(2)	(2)	(2)
Finance income, net		985	922	640	590
Share of profit/(loss) of associates and jointly controlled entities		(54)	-	524	-
Gain on change in ownership interest in associate		480	-	-	-
		426	-	524	-
PROFIT (LOSS) BEFORE INCOME TAX		18,226	18,710	293	(519)
Current year income tax expense		(12,150)	(11,772)	(2,454)	(2,275)
Deferred tax income (expense)		15,085	14,960	1,874	1,819
		2,935	3,188	(580)	(456)
NET PROFIT (LOSS) FOR THE YEAR		15,349	15,828	(5,047)	(5,751)
Other comprehensive income					
Other comprehensive income		-	-	5	-
Other comprehensive income, net of deferred income tax		-	-	5	-
COMPREHENSIVE INCOME (LOSS)		15,349	15,828	(5,042)	(5,751)
NET PROFIT (LOSS) ATTRIBUTABLE TO :					
Owners of the Company		15,681	15,828	(5,033)	(5,751)
Non-controlling interest		(332)	-	(14)	-
		15,349	15,828	(5,047)	(5,751)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:					
Owners of the Company		15,681	15,828	(5,028)	(5,751)
Non-controlling interest		(332)	-	(14)	-
		15,349	15,828	(5,042)	(5,751)
Basic and diluted earnings (deficit) per share (in LTL)	9	0.03	-	(0.01)	-

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



LITGRID AB

Company code: 302564383 A. Juozapavičiaus g. 13, LT-09311 Vilnius

STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2012
(All amounts in LTL thousands unless otherwise stated)

Group	Note	Equity attributable to owners of the Company						Non- controlling interest	Total equity
		Share capital	Share premium	Revaluati on reserve	Legal reserve	Other reserves	Retained earnings		
Balance at 1 January 2011		504,331	29,621	296,353	47,730	-	1,035,947	3,359	1,917,341
Comprehensive income									
Net profit (loss)		-	-	-	-	-	(5,033)	(14)	(5,047)
Other transfers to/from the reserves		-	-	-	-	-	52	33	85
Other comprehensive income		-	-	-	-	-	5	-	5
Depreciation of revaluation reserve and amounts written off		-	-	(6,504)	-	-	6,504	-	-
Total comprehensive income (loss)		-	-	(6,504)	-	-	1,528	19	(4,957)
Balance at 31 March 2011		504,331	29,621	289,849	47,730	-	1,037,475	3,378	1,912,384
Balance at 1 January 2012		504,331	29,621	267,179	50,477	979,738	63,942	4,253	1,899,541
Comprehensive income									
Net profit (loss)		-	-	-	-	-	15,681	(332)	15,349
Depreciation of revaluation reserve and amounts written off		-	-	(5,061)	-	-	5,061	1	1
Total comprehensive income (loss)		-	-	(5,061)	-	-	20,742	(331)	15,350
Balance at 31 March 2012		504,331	29,621	262,118	50,477	979,738	84,684	3,922	1,914,891

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LITGRID AB

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STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2012
(All amounts in LTL thousands unless otherwise stated)

Company	Note	Share capital	Share premium	Revaluation reserve	Legal reserve	Other reserves	Retained earnings (deficit)	Total
Balance at 1 January 2011		504,331	29,621	296,353	47,665	-	1,040,304	1,918,274
Comprehensive income								
Net profit (loss)		-	-	-	-	-	(5,751)	(5,751)
Depreciation of revaluation reserve and amounts written off		-	-	(6,504)	-	-	6,504	-
Total comprehensive income (loss)		-	-	(6,504)	-	-	753	(5,751)
Balance at 31 March 2011		504,331	29,621	289,849	47,665	-	1,041,057	1,912,523
Balance at 1 January 2012		504,331	29,621	266,960	50,433	979,654	66,951	1,897,950
Comprehensive income								
Net profit (loss)		-	-	-	-	-	15,828	15,828
Depreciation of revaluation reserve and amounts written off		-	-	(5,058)	-	-	5,058	-
Total comprehensive income (loss)		-	-	(5,058)	-	-	20,886	15,828
Balance at 31 March 2012		504,331	29,621	261,902	50,433	979,654	87,837	1,913,778

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

STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2012
(All amounts in LTL thousand, unless otherwise stated)

	Note	Group as at 31 March 2012 (unaudited)	Company as at 31 March 2012 (unaudited)	Group as at 31 March 2011 restated	Company as at 31 March 2011 restated
Cash flows from operating activities					
Net profit (loss)		15,349	15,828	(5,042)	(5,751)
Reversal of non-monetary expenses (income) and other adjustments					
Depreciation and amortisation expense	4,5	31,934	31,635	33,956	33,426
Share of profit/(loss) of associates and jointly controlled entities		54	-	(524)	-
Gain on change in ownership interest in associate		(480)	-	-	-
Income tax expense/(income)		2,877	2,882	7,049	5,232
Loss on write-off of property, plant and equipment	5	93	93	493	493
Amortisation of grants	6	(429)	(429)	(474)	(474)
Interest income		(976)	(922)	(368)	(368)
Finance costs		(9)	-	-	-
Change in other financial assets		13,189	14,319	(13,138)	(13,058)
Changes in working capital					
(Increase) decrease in trade receivables and other receivables		(25,486)	(23,412)	34,487	13,885
(Increase) decrease in inventories and prepayments		(432)	(376)	(1,676)	(3,041)
Increase (decrease) in accounts payable, grants and advance amounts received		6,764	1,766	(44,416)	(23,139)
Cash flows from operations		42,448	41,384	10,347	7,205
Income tax paid		-	-	-	-
Net cash generated from operating activities		42,448	41,384	10,347	7,205
Cash flows from investing activities					
Purchase of property, plant and equipment and intangible assets		(33,413)	(32,769)	(49,105)	(48,967)
Grants received	6	26,459	26,459	25,278	25,278
Interest received		1,554	1,500	368	368
Investments in time deposits		70,001	70,001	(20,000)	(20,000)
Purchase of held-to-maturity investments		(63,152)	(63,152)	-	-
Other		9	-	-	-
Net cash used in investing activities		1,458	2,039	(43,459)	(43,321)
Net increase/(decrease) in cash and cash equivalents		43,906	43,423	(33,112)	(36,116)
Cash and cash equivalents at the beginning of the period		62,635	57,131	64,963	63,492
Cash and cash equivalents at the end of the period		106,541	100,554	31,851	27,376

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LITGRID AB

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NOTES TO THE FINANCIAL INFORMATION

FOR THE PERIOD ENDED 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

1. General information

LITGRID AB (the name of the company was LITGRID Turtas AB until 14 March 2011) is a public company registered in the Republic of Lithuania. The address of its registered office is: A. Juozapavičiaus g. 13, LT-09311, Vilnius, Lithuania. LITGRID AB (hereinafter LITGRID or "the Company") is a limited liability profit-making entity established as a result of spin-off of Lietuvos Energija AB operations based the decision of the Extraordinary General Meeting of Shareholders of Lietuvos Energija AB dated 28 October 2010 which was passed to approve the spin-off of Lietuvos Energija AB. The Company was registered with the Register of Legal Entities managed by the public institution Registrų Centras on 16 November 2010. The Company's code is 302564383; VAT payer's code is LT100005748413.

In the financial statements of the Company the spin-off was accounted for using book values of assets and liabilities recorded in Lietuvos Energija AB financial statements as at the date of spin-off.

LITGRID is an operator of electricity transmission system operating electricity transmissions in the territory of Lithuania and ensuring the stability of operation of the whole electric power system. In addition, the Company is responsible for the integration and development of the Lithuanian electricity market, as well as for the maintenance and development of electricity transmission network – the strategic projects for electricity interconnections with Sweden and Poland that will ensure the country's energetic independence.

The principal objectives of the Company's activities include ensuring the stability and reliability of electric power system in the territory of Lithuania within its areas of competence, creation of objective and non-discriminatory conditions for the use of the transmission networks, management, use and disposal of electricity transmission system assets and its appurtenances, management of companies engaged in transmission trading and market operator's activities including management of companies owing electricity interconnections with other countries or those that develop, manage, use or dispose them.

On 24 February 2011, the Company was granted a license of the electricity transmission system operator by the National Control Commission for Prices and Energy (the Commission).

As at 31 March 2012 and 31 December 2011, the authorised share capital of the Company amounted to LTL 504,331,380 and was divided into 504,331,380 ordinary registered shares with par value of LTL 1 each. All shares are fully paid.

As at 31 March 2012 and 31 December 2011, the Company's shareholders were as follows:

	Ownership interest (in LTL)	Number of shares held (%)
Visagino Atominė Elektrinė UAB	491,736,153	97.5 %
Other shareholders	12,595,227	2.5 %
Total	504,331,380	100 %

The ultimate controlling party of Visagino Atominė Elektrinė UAB is the Ministry of Energy of the Republic of Lithuania.

The shares of the Company are listed on the NASDAQ OMX Vilnius Stock Exchange.

As of the date of these financial information the Group included LITGRID and its directly controlled subsidiaries, which are listed below.

Company	Address of the company's registered office	The Group's shareholding at 31 March 2011	The Group's shareholding at 31 December 2011	Profile of activities
BALTPOL UAB	A. Juozapavičiaus g. 13, Vilnius, Lithuania	67%	100%	Electricity market operator
TETAS UAB	Senamiesčio g. 102B, Panevėžys, Lithuania	61%	61%	Transformer substation, distribution station design, construction, repair and maintenance services

NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2012
(All amounts in LTL thousands unless otherwise stated)

The structure of the Group's investments in the associates and the jointly controlled entity as at 31 March 2012 and 31 December 2011 was as follows:

Company	Address of the company's registered office	The Group's shareholding at 31 March 2012	The Group's shareholding at 31 December 2011	Profile of activities
Technologijų ir Inovacijų Centras UAB	Žvejų g. 14, Vilnius, Lietuva	20 proc.	35%	IT services
Elektros Tinklo Paslaugos UAB	Motorų g. 2, Vilnius, Lietuva	25 proc.	29%	Power network and related equipment repair, maintenance and construction services
LitPol Link Sp.z.o.o	Wojciecha Gorskiego 900-033 Warsaw, Poland	50 proc.	50%	Designing of electricity transmission interconnection facilities

As at 31 March 2012, the Group had 625 employees (31 December 2011: 623 employees), whereas the Company had 201 employees (31 December 2011: 205 employees).

1. Basis of preparation

This Company's and consolidated Group's condensed interim financial information as of 31 March 2012 has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and applicable to interim financial reporting (International Accounting Standard (IAS) 34, 'Interim financial reporting').

These financial statements have been prepared on a historical cost basis, except for property, plant and equipment which is recorded at revalued amount, less accumulated depreciation and estimated impairment loss, and available-for-sale financial assets which are carried at fair value.

The financial year of the Company and other Group companies coincides with the calendar year.

2. Accounting policies

Except as described below, the accounting policies and calculation methods applied in the preparation of this condensed interim financial information are consistent with those of the annual financial statements for the year ended 31 December 2011. These policies have been consistently applied to all the periods presented.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

3.1. Change in accounting policies. Restatement of comparatives

Other financial assets

In Group's consolidated financial statements amounts, received by subsidiary BALTPOL UAB from the electricity market participants, as guarantee to secure fulfillment of obligation, are reclassified from cash and cash equivalents to other financial assets.

Information about the effect of changes in the accounting policy on the Group's current assets is given below.

Group	As at 31 December 2011 (previously reported)	Effect of change in accounting policy	As at 31 December 2011 (restated)
Current assets:			
Other financial assets	61,096	2,550	63,646
Cash and cash equivalents	65,185	(2,550)	62,635
Total current assets	401,558	-	401,558
TOTAL ASSETS	2,502,718	-	2,502,718

3.25 Critical accounting estimates and uncertainties

NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2012
(All amounts in LTL thousands unless otherwise stated)

The preparation of interim financial information in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and costs and contingencies. The main areas where accounting estimates were used are described below:

Revaluation and impairment of property, plant and equipment

During the unbundling process that took place in 2010 the Company took over property, plant and equipment from Lietuvos Energija AB. The fair value of property, plant and equipment, depending on the type of asset, of Lietuvos Energija AB as at 31 December 2008 was determined by independent valuers who used either method of comparative prices, or depreciated replacement value, or discounted cash flows methods to determine the fair value of the assets.

As at 31 December 2009, Lietuvos Energija AB revised the carrying amounts of property, plant and equipment. Having assessed the fall in construction cost indices during the 11 months of 2009 of the relevant categories of assets as published by the Lithuanian Statistics Department, Lietuvos Energija AB reduced the carrying amount of property, plant and equipment. Lietuvos Energija AB applied a 12.27 per cent statistical index in respect of the category of buildings and a 9.68 per cent index in respect of other categories of property, plant and equipment that at 31 December 2008 were revalued based on the depreciated replacement cost method.

The previous version of the Lithuanian Law on Electricity effective as at 31 December 2008 stipulated that the price caps of electricity transmission services were determined based on the value of assets used in licensed activities of the service provider, with the value of such assets established on the grounds of data reported in the service provider's financial statements (Regulated Assets Base).

According to the amendment to the above-mentioned Law effective from 1 June 2009, the price caps of electricity transmission services are to be determined based on the value of assets used in licensed activities of the service provider with values being estimated and approved by the Commission in accordance with the principles of determination of the value of assets used in licensed activities of the service provider that have been drafted by the Commission and approved by the Government.

According to the Resolution on the Methodology of Determination of the Value of Assets used in Licensed Activities of the Electricity Service Provider, the determination of the price caps of electricity transmission services is to include the value of assets used in licensed activities of the service provider which is equal to net book value (carrying amount) of property, plant and equipment as at 31 December 2002 as increased by the amount of investments implemented and agreed with the Commission and reduced by the depreciation amount calculated pursuant to the procedure stipulated by the Lithuanian Law on Income Tax.

Due to the reasons specified, the values of property, plant and equipment reported in these financial statements may materially differ from those that would have been determined if the valuation of assets had been performed by independent valuers as required by International Valuation and Accounting Standards. It is probable that such valuation would have a negative effect on the results of the Company' and Group's operation and the shareholders' equity reported in the financial statements for the years 2010 and 2011.

The management of the Company, according to the guideline of Visagino atominė elektrinė UAB group, not performed the valuation of property, plant and equipment as at 31 March 2012 and 31 December 2011, as a substantial reorganisation of the whole state owned electricity sector took place in 2010 and 2011.

Useful lives of property, plant and equipment

When assessing the remaining useful life of property, plant and equipment, management takes into consideration the conclusions provided by employees responsible for technical maintenance of assets as to the actual useful lives of property, plant and equipment, as well as the manufacturer's technical documentation.

The underlying principles used for other significant estimates are outlined in the respective notes to the financial statements.

As at the date of these financial statements, there was no significant risk that the carrying amount of assets and liabilities will be subject to major adjustments in the following reporting year due to changes in management's assumptions and estimates, except for the adjustments which might be needed due to uncertainties in respect of the determination of the value of property, plant and equipment used in licensed activities as at 31 December 2011, as described above.

NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2012
(All amounts in LTL thousands unless otherwise stated)

4. Intangible assets

The structure of the Group's intangible assets is as follows:

Group	Patents and licenses	Computer software	Other intangible assets	Total
At 31 December 2010				
Cost	1	4,464	34	4,499
Accumulated amortisation	(1)	(2,767)	(6)	(2,774)
Net book amount at 31 December 2010	-	1,697	28	1,725
Opening net book amount	-	1,697	28	1,725
Amortisation charge	-	(153)	(2)	(155)
Net book amount at 31 March 2011	-	1,544	26	1,570
Cost	1	4,909	48	4,958
Accumulated amortisation	(1)	(3,489)	(15)	(3,505)
Net book amount at 31 March 2011	-	1,420	33	1,453
At 31 December 2011				
Cost	1	5,228	48	5,277
Accumulated amortisation	(1)	(3,502)	(15)	(3,518)
Net book amount at 31 December 2011	-	1,726	33	1,759
Opening net book amount	-	1,726	33	1,759
Additions	-	95	-	95
Amortisation charge	-	(218)	(3)	(221)
Net book amount at 31 March 2012	-	1,603	30	1,633
Cost	1	5,323	48	5,372
Accumulated amortisation	(1)	(3,720)	(18)	(3,739)
Net book amount at 31 March 2012	-	1,603	30	1,633

The structure of the Company's intangible assets is as follows:

Company	Patents and licenses	Computer software	Other intangible assets	Total
At 31 December 2010				
Cost	1	4,438	34	4,473
Accumulated amortisation	(1)	(2,763)	(6)	(2,770)
Net book amount at 31 December 2010	-	1,675	28	1,703
Opening net book amount	-	1,675	28	1,703
Amortisation charge	-	(150)	(2)	(152)
Net book amount at 31 March 2011	-	1,525	26	1,551
Cost	1	4,438	34	4,473
Accumulated amortisation	(1)	(2,913)	(8)	(2,922)
Net book amount at 31 March 2011	-	1,525	26	1,551
At 31 December 2011				
Cost	1	4,879	48	4,928
Accumulated amortisation	(1)	(3,478)	(15)	(3,494)
Net book amount at 31 December 2011	-	1,401	33	1,434
Opening net book amount	-	1,401	33	1,434
Additions	-	45	-	45
Amortisation charge	-	(205)	(3)	(208)
Net book amount at 31 March 2012	-	1,241	30	1,271
Cost	1	4,924	48	4,973
Accumulated amortisation	(1)	(3,683)	(18)	(3,702)
Net book amount at 31 March 2012	-	1,241	30	1,271

NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2012
(All amounts in LTL thousands unless otherwise stated)

5. Property, plant and equipment

The structure of the Group's property, plant and equipment is as follows:

Group	Land	Buildings	Plant and machinery	Motor vehicles	Other PP&E	Constructi on in progress	Total
At 31 December 2010							
Cost or revaluated amount	1,961	38,936	2,061,505	2,375	86,811	34,285	2,225,873
Accumulated depreciation	-	(2,303)	(116,287)	(546)	(41,248)	-	(160,384)
Accumulated impairment	-	(145)	(1,225)	-	-	-	(1,370)
Net book amount at 31 December 2010	1,961	36,488	1,943,993	1,829	45,563	34,285	2,064,119
Opening net book amount	1,961	36,488	1,943,993	1,829	45,563	34,285	2,064,119
Additions	-	-	-	104	147	10,389	10,640
Write-offs	-	-	(488)	-	(5)	-	(493)
Reclassification between categories	-	-	1,371	-	(420)	(951)	-
Depreciation charge	-	(579)	(30,825)	(118)	(2,276)	-	(33,798)
Net book amount at 31 March 2011	1,961	35,909	1,914,051	1,815	43,009	43,723	2,040,468
Cost or revaluated amount	1,961	38,935	2,062,110	2,450	86,532	43,723	2,235,711
Accumulated depreciation	-	(2,881)	(146,834)	(635)	(43,523)	-	(193,873)
Accumulated impairment	-	(145)	(1,225)	-	-	-	(1,370)
Net book amount at 31 March 2011	1,961	35,909	1,914,051	1,815	43,009	43,723	2,040,468
At 31 December 2011							
Cost or revaluated amount	1,961	39,539	2,070,777	2,395	87,286	72,353	2,274,311
Accumulated depreciation	-	(4,543)	(228,329)	(757)	(49,125)	-	(282,754)
Accumulated impairment	-	(145)	(1,225)	-	-	-	(1,370)
Net book amount at 31 December 2010	1,961	34,851	1,841,223	1,638	38,161	72,353	1,990,187
Opening net book amount	1,961	34,851	1,841,223	1,639	38,160	72,353	1,990,187
Additions	-	-	-	-	48	8,253	8,301
Write-offs	-	-	(95)	-	-	-	(95)
Reclassification between categories	-	320	2,560	-	397	(3,277)	-
Depreciation charge	-	(538)	(28,968)	(126)	(2,085)	4	(31,713)
Net book amount at 31 March 2012	1,961	34,633	1,814,720	1,513	36,520	77,333	1,966,680
Cost or revaluated amount	1,961	39,859	2,073,214	2,395	87,731	77,329	2,282,489
Accumulated depreciation	-	(5,081)	(257,269)	(882)	(51,211)	4	(314,439)
Accumulated impairment	-	(145)	(1,225)	-	-	-	(1,370)
Net book amount at 31 March 2012	1,961	34,633	1,814,720	1,513	36,520	77,333	1,966,680

NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2012
(All amounts in LTL thousands unless otherwise stated)

The structure of the Company's property, plant and equipment is as follows:

Company	Land	Buildings	Plant and machinery	Motor vehicles	Other PP&E	Constructi on in progress	Total
At 31 December 2010							
Cost or revaluated amount	1,961	37,881	2,061,131	29	83,902	34,686	2,219,590
Accumulated depreciation	-	(2,100)	(116,148)	(29)	(40,296)	-	(158,573)
Accumulated impairment	-	(145)	(1,225)	-	-	-	(1,370)
Net book amount at 31 December 2010	1,961	35,636	1,943,758	-	43,606	34,686	2,059,647
Opening net book amount	1,961	35,636	1,943,758	-	43,606	34,686	2,059,647
Additions	-	-	-	-	118	10,384	10,502
Write-offs	-	-	(488)	-	(5)	-	(493)
Reclassification between categories	-	-	1,371	-	(420)	(951)	-
Depreciation charge	-	(562)	(30,814)	-	(2,145)	-	(33,521)
Net book amount at 31 March 2011	1,961	35,074	1,913,827	-	41,154	44,119	2,036,135
Cost or revaluated amount	1,961	37,881	2,061,735	-	83,593	44,119	2,229,289
Accumulated depreciation	-	(2,662)	(146,683)	-	(42,439)	-	(191,784)
Accumulated impairment	-	(145)	(1,225)	-	-	-	(1,370)
Net book amount at 31 March 2011	1,961	35,074	1,913,827	-	41,154	44,119	2,036,135
At 31 December 2011							
Cost or revaluated amount	1,961	38,019	2,069,995	-	84,523	72,763	2,267,261
Accumulated depreciation	-	(4,261)	(228,143)	-	(47,950)	-	(280,354)
Accumulated impairment	-	(145)	(1,225)	-	-	-	(1,370)
Net book amount at 31 December 2011	1,961	33,613	1,840,627	-	36,573	72,763	1,985,537
Opening net book amount	1,961	33,613	1,840,627	-	36,573	72,763	1,985,537
Additions	-	-	-	-	-	8,328	8,328
Write-offs	-	-	(95)	-	-	-	(95)
Reclassification between categories	-	320	2,560	-	397	(3,277)	-
Depreciation charge	-	(518)	(28,946)	-	(1,963)	-	(31,427)
Net book amount at 31 March 2012	1,961	33,415	1,814,146	-	35,007	77,814	1,962,343
Cost or revaluated amount	1,961	38,339	2,072,432	-	84,920	77,814	2,275,466
Accumulated depreciation	-	(4,779)	(257,061)	-	(49,913)	-	(311,753)
Accumulated impairment	-	(145)	(1,225)	-	-	-	(1,370)
Net book amount at 31 March 2012	1,961	33,415	1,814,146	-	35,007	77,814	1,962,343

Write-offs mainly represent derecognition of replaced part of asset upon its reconstruction.

As at 31 March 2012 and 31 December 2011, the Group/Company had significant contractual commitments to purchase property, plant and equipment to be fulfilled in later periods.

	At 31 March 2012	At 31 December 2011
Interconnection between the electricity transmission systems of Lithuania and Sweden (NORDBALT)	597,783	620,783
Transformer substations	83,465	60,778
Interconnection between the electricity transmission systems of Lithuania and Poland (LitPolLink)	841	1,706
Other	64,987	59,111
Total	747,076	742,378

NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2012
(All amounts in LTL thousands unless otherwise stated)

6. Grants

The balance of grants consists of grants related to the financing of assets acquisition. Movements in grants during three month period ended 31 March 2012 and 31 March 2011 were as follows:

	Group	Company
Balance at 31 December 2010	42,349	42,349
Grants received on spin-off	25,278	25,278
Recognised as income during the period	(474)	(474)
Balance at 31 March 2011	67,153	67,153
Balance at 31 December 2011	182,359	182,359
Grants received	26,459	26,459
Recognised as income during the period	(429)	(429)
Balance at 31 March 2012	208,389	208,389

Grants received during three month period ended 31 March 2012 included:
amounts received from the EU Structural Funds for financing reconstruction of the Company's property, plant and equipment LTL 4,343 thousand (2011: LTL 2,271 thousand);
funds from International Ignalina Decommissioning Support Fund for the preparation works and implementation of interconnection Lithuania-Poland (LitPolLink) project – 866 thousand LTL (0 thousand LTL);
funds from public service obligations for the preparation works and implementation of interconnection Lithuania-Sweden (NordBalt) project – 21,250 thousand LTL (23,008 thousand LTL).

In the statement of comprehensive income for the three month period ended 31 March 2012, depreciation and amortisation charges were reduced by income of grants of LTL 429 thousand (2011: LTL 474 thousand).

7. Segment information

The Group has distinguished the following 6 segments:

- electricity transmission;
- trade in balancing/regulating electricity;
- provision of capacity reserve services;
- provision of services under PSO (public service obligation) scheme;
- activities of the market operator;
- repair and maintenance activities

The electricity transmission segment is engaged in transmitting electricity over high voltage (330-110 kV) networks from producers to end users or suppliers not in excess of the limit established in the contract. The main objective of these activities is to ensure a reliable, effective, high quality, transparent and safe electricity transmission to distributions networks, large network users from power stations and neighbouring energy systems.

Trade in balancing/regulating electricity is a separate service of the transmission system operator ensuring the balancing of electricity generation/import and demand/export levels.

Provision of capacity reserve services: to ensure a reliable work of the system, the Company purchases from electricity producers the service of ensuring capacity reserve for power generation facilities and provides capacity reserve services to end users. The capacity reserve is required in case of unexpected fall in electricity generation volumes or increase in electricity consumption.

The Company's/Group's services provided under PSO scheme comprise as follows:

- development and implementation of strategic projects for the improvement of energy security with the help of interconnections Lithuania-Sweden and Lithuania-Poland, connection of the Lithuanian electric energy system to ENTSO-E continental Europe networks;
- connection of power generation facilities, which use wind, biomass, solar energy or hydroenergy in the process of electricity generation, to transmission networks, optimisation, development and/or reconstruction of transmission networks in relation to acceptance and transmission of electricity from producers that use the renewable energy resources;
- balancing of electricity generated using the renewable energy resources;
- administration of PSO service fees.

The activities of electricity market operator are carried out by the Company's subsidiary BALTPOL UAB. This subsidiary generates income mainly from the provision of market administration services.

LITGRID AB

Company code: 302564383 A. Juozapavičiaus g. 13, LT-09311 Vilnius

NOTES TO THE FINANCIAL INFORMATION

FOR THE PERIOD ENDED 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

Repair and maintenance services are carried out by the Company's subsidiary TETAS UAB. These services include reconstruction, repair and technical maintenance of medium voltage transformer substations and distribution stations.

NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2012
(All amounts in LTL thousands unless otherwise stated)

The Group's information on segments for the three month period ended 31 March 2012 is presented in the table below:

The Group's information on segments for the three month period ended 31 March 2012 is presented in the table below:

2012	Operating segments							Total
	Electricity trans- mission	Trade in balancing/ regulating electricity	Provision of capacity reserve services	Provision of services under PSO scheme	Activities of market operator	Repair and maintenanc e activities	Other inter- segment eliminations	
Revenue	68,122	28,074	18,155	3,146	588	8,290	-	126,375
Inter-segment revenue		-	-	-	(521)	(1,303)	(76)	(1,900)
Revenue after elimination of intercompany revenue within the Group	68,122	28,074	18,155	3,146	67	6,987	(76)	124,475
Expenses	59,836	19,846	16,881	3,146	486	9,294	-	109,489
Operating profit (loss)	8,286	8,228	1,274	-	102	(1,004)	(71)	16,815
Finance income (costs), net	922	-	-	-	58	5	-	985
Share of result of associates and jointly controlled entities	(54)	-	-	-	-	-	-	(54)
Gain on change in ownership interest in associate	480	-	-	-	-	-	-	480
Profit (loss) before income tax	9,634	8,228	1,274	-	160	(999)	(71)	18,226
*Income tax	(2,882)	-	-	-	(22)	27	-	(2,877)
Net profit (loss) for the year	6,752	8,228	1,274	-	138	(972)	(71)	15,349
Depreciation and amortisation expense	31,206	-	-	-	9	294	(4)	31,505
Write-off of property, plant and equipment	93	-	-	-	-	-	-	93

*Income tax is not allocated between Company's operating segments and is attributed to electricity transmission activity.

LITGRID AB
Company code: 302564383 A. Juozapavičiaus g. 13, LT-09311 Vilnius

NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2012
(All amounts in LTL thousands unless otherwise stated)

The Group's information on segments for the three month period ended 31 March 2011 is presented in the table below:

2011	Operating segments							
	Electricity trans- mission	Trade in balancing/ regulating electricity	Provision of capacity reserve services	Provision of services under PSO scheme	Activities of market operator	Repair and maintenanc e activities	Other inter- segment eliminatio ns	Total
Revenue	62,166	23,784	15,265	1,154	620	8,888	-	111,877
Inter-segment revenue	(56)	-	-	-	(600)	(2,740)	-	(3,396)
Revenue after elimination of intercompany revenue within the Group	62,110	23,784	15,265	1,154	20	6,148	-	108,481
Expenses	66,027	19,123	15,577	2,751	416	8,859	-	112,753
Operating profit (loss)	(3,861)	4,661	(312)	(1,597)	204	29	5	(871)
Finance income (costs), net	590	-	-	-	50	-	-	640
Share of result of associates and jointly controlled entities	524	-	-	-	-	-	-	524
Profit (loss) before income tax	(2,747)	4,661	(312)	(1,597)	254	29	5	293
*Income tax	(5,232)	-	-	-	(39)	(69)	-	(5,340)
Net profit (loss) for the year	(7,979)	4,661	(312)	(1,597)	215	(40)	5	(5,047)
Depreciation and amortisation expense	33,199	-	-	-	-	283	-	33,482
Write-off of property, plant and equipment	484	-	-	-	-	-	-	484

*Income tax is not allocated between Company's operating segments and is attributed to electricity transmission activity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012
(All amounts in LTL thousands unless otherwise stated)

The Group operates in Lithuania and its revenue generated from customers in Lithuania accounts for 99% of total revenue.

The Company sells regulating electricity to transmission system operators in Latvia and Estonia and provides the electricity transit service to the Russian transmission system operator.

In 2012 and 2011, the Group's and the Company's revenue by geographical location of customers:

Country	Group January-March 2012	Company January-March 2012	Group January-March 2011	Company January-March 2011
Lithuania	123,643	116,664	108,156	102,045
Russia	540	540	-	-
Estonia	249	249	325	325
Latvia	43	43	-	-
Total	124,475	117,496	108,481	102,370

All assets of the Group and the Company are located in Lithuania.

During three month period ended 31 March 2012, the Group's revenue from its major external customer (Visagino Atominė Elektrinė UAB group companies) amounted to LTL 84,486 thousand (31 March 2011: LTL 78,780 thousand).

8. Related-party transactions

The Company's/Group's related parties in 2012 and 2011 were as follows:

- Visagino Atominė Elektrinė UAB (the controlling shareholder of the Company) and its subsidiaries. Visagino Atominė Elektrinė UAB is a wholly-owned by the Ministry of Energy of the Republic of Lithuania (ultimate controlling party of the Company/Group);
- Government-related entities;
- Subsidiaries of the Company;
- Associates and jointly controlled entities of the Company;
- Management of the Company.

During three month period ended 31 March 2012 and 31 March 2011, the major related-party transactions within the Group were conducted between the Company and LESTO AB and Lietuvos Energija AB (Visagino Atominė Elektrinė UAB group companies). The Group's purchases from these companies mainly comprised purchases of electricity, capacity reserve services and PSO services. Sales transactions mainly comprised sales of electricity, capacity reserve service, electricity transmission services and PSO services.

The Group's balances arising on transactions with related parties as at 31 March 2012 and 31 December 2011 were as follows:

Related parties	As at 31 March 2012 Trade and other accounts payable and advances received	As at 31 March 2012 Trade and other receivables	As at 31 December 2011 Trade and other accounts payable and advances received	As at 31 December 2011 Trade and other receivables
Associates	2,308	858	2,626	1,211
The Group's parent company (Visagino Atominė Elektrinė UAB)	-	-	-	-
Other Visagino Atominė Elektrinė UAB group companies	51,337	105,550	58,274	99,314
Total	53,645	106,408	60,900	100,525

NOTES TO THE FINANCIAL INFORMATION

FOR THE PERIOD ENDED 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

The Group's sales to related parties during three month period ended 31 March 2012 and 31 March 2011 were as follows:

2012	Sale of electricity	Trading in balancing/regulating electricity	Electricity transmission services	Capacity reserve services	PSO fees received	Other	Total
Associates	-	-	-	-	-	1,533	1,533
The Group's parent company (Visagino Atominė Elektrinė UAB)	-	-	-	-	-	-	-
Other Visagino Atominė Elektrinė UAB group companies	130,317*	7,082	54,539	16,095	171,301	6,743	386,077
Total	130,317*	7,082	54,539	16,095	171,301	8,276	387,610
2011							
Associates	-	-	-	-	-	258	258
The Group's parent company (Visagino Atominė Elektrinė UAB)	-	-	-	-	-	-	-
Other Visagino Atominė Elektrinė UAB group companies	115,929*	9,108	48,948	13,674	141,942	7,036	336,637
Total	115,929*	9,108	48,948	13,674	141,942	7,294	336,895

* Whereof: LTL 130,289 thousand (2011 – LTL 115,916 thousand) sales of electricity by BALTPPOOL UAB to related parties. The Group does not recognise revenue and expenses from electricity trading in power exchange.

The Group's purchases from related parties during three month period ended 31 March 2012 and 31 March 2011 were as follows:

2012	Repair and maintenance of electricity network	Purchases of electricity	Purchasing of balancing electricity	Capacity reserve services	PSO fees	Purchases of PP&E	Other	Total
Associates	1,334	-	-	-	-	63	1,491	2,888
Other Visagino Atominė Elektrinė UAB group companies	107	38,066*	12,067	16,881	89,058	4,028	2,191	162,398
Total	1,441	38,066*	12,067	16,881	89,058	4,091	3,682	165,286
2011								
Associates	3,244	-	-	-	-	19	3,644	6,907
Other Visagino Atominė Elektrinė UAB group companies	116	47,047*	9,414	14,548	74,547	1,274	2,415	149,361
Total	3,360	47,047*	9,414	14,548	74,547	1,293	6,059	156,268

*Whereof: 38,066 thousand (2011 – LTL 38,066 thousand) purchases of electricity on the power exchange by BALTPPOOL UAB from related parties. The Group does not recognise revenue and expenses from electricity trading in power exchange.

NOTES TO THE FINANCIAL INFORMATION

FOR THE PERIOD ENDED 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

The Company's balances arising on transactions with related parties as at 31 March 2012 and 31 December 2011 were as follows:

Related parties	As at 31 March 2012 Trade and other accounts payable and advances received	As at 31 March 2012 Trade and other receivables	As at 31 December 2011 Trade and other accounts payable and advances received	As at 31 December 2011 Trade and other receivables
Associates	2,245	858	4,706	2,573
Subsidiaries	2,631	2,564	2,576	804
The Group's parent company (Visagino Atominė Elektrinė UAB)	-	-	-	-
Other Visagino Atominė Elektrinė UAB group companies	50,167	95,594	56,711	87,451
Total	55,043	99,016	63,993	90,828

The Company's sales to related parties during three month period ended 31 March 2012 and 31 March 2011 were as follows:

2012	Trading in balancing/ regulating electricity	Electricity transmis- sion services	Capacity reserve services	PSO fees received	Other	Total
Associates	-	-	-	-	1,533	1,533
Subsidiaries	-	-	-	-	28	28
Other Visagino Atominė Elektrinė UAB group companies	7,082	54,539	16,095	171,301	1,041	250,058
Total	7,082	54,539	16,095	171,301	2,602	251,619
2011						
Associates	-	-	-	-	228	228
The Group's parent company (Visagino Atominė Elektrinė UAB)	-	-	-	-	50	50
Other Visagino Atominė Elektrinė UAB group companies	9,108	48,948	13,674	141,942*	1,821	215,493
Total	9,108	48,948	13,674	141,942*	2,099	215,771

The Company's purchases from related parties during three month period ended 31 March 2012 and 31 March 2011 were as follows:

2012	Repair and mainte- nance of electricity network	Purchases of electricity	Purcha- sing of balancing electricity	Electricity transmiss ion services	Capacity reserve services	PSO fees	Purchases of PP&E	Other	Total
Associates	1,334	-	-	-	-	-	63	1,357	2,754
Subsidiaries	1,296	6,235	-	500	-	-	702	1	8,734
Other Visagino Atominė Elektrinė UAB group companies	107	-	12,067	-	16,881	89,058	4,028	1,051	123,192
Total	2,737	6,235	12,067	500	16,881	89,058	4,793	2,409	134,680

NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2012
(All amounts in LTL thousands unless otherwise stated)

2011	Repair and maintenance of electricity network	Purchases of electricity	Purchasing of balancing electricity	Electricity transmission services	Capacity reserve services	PSO fees	Purchases of PP&E	Other	Total
Associates	3,244	-	-	-	-	-	19	3,598	6,861
Subsidiaries	2,740	9,034	-	600	-	-	-	-	12,374
Other Visagino Atominė Elektrinė UAB group companies	-	-	-	-	-	-	-	-	-
Total	116	-	9,414	-	14,548	74,547	1,274	1,086	100,985

Payments to key management personnel

	Group January-March 2012	Company January-March 2012	Group January-March 2011	Company January-March 2011
Employment-related payments, whereof:	623	352	565	321
- Termination benefits	18	14	-	-
Number of key management personnel	16	8	15	7

Key management consists of heads of administration and their deputies (directors of departments), and the chief financier

9. Basic and diluted earnings per share

In 2012 and 2011, basic and diluted earnings per share were as follows:

	January-March 2012	January-March 2011
Net profit (loss) attributable to the Company's shareholders (thousand LTL)	15,681	(5,033)
Weighted average number of shares (units)	504,331,380	504,331,380
Basic and diluted earnings per share (in LTL)	0.03	(0.01)

10. Significant events after the balance sheet date

Profit appropriation

On 30 April 2012 the ordinary general shareholders meeting of the Company decided to pay dividends in the amount of LTL 390,857 thousand, paying 0.775 LTL dividends per share.
