

## AB INTER RAO LIETUVA

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AND UNAUDITED CONSOLIDATED INTERIM REPORT  
FOR THE 6 MONTH PERIOD ENDED 30 JUNE 2013,  
prepared in accordance with International Financial Reporting Standards,  
as adopted by the European Union

29 August 2013

Vilnius

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AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania  
UNAUDITED CONSOLIDATED INTERIM REPORT  
FOR THE 6 MONTH PERIOD ENDED 30 June 2013  
(all amounts are in LTL thousand unless otherwise stated)

## AB INTER RAO Lietuva Unaudited Consolidated Interim Report for the 6 Month Period Ended 30 June 2013

### I. General Information

#### Reporting period

1<sup>st</sup> half of year ended 30 June 2013

#### 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

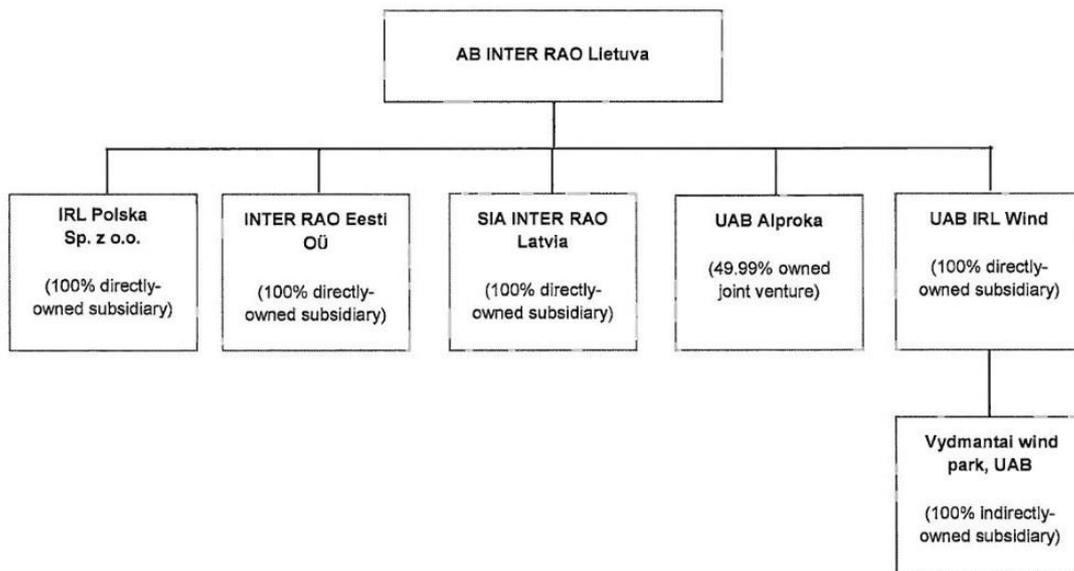
As of 30 June 2013, INTER RAO Lietuva Group consisted of the Company and the below described directly and indirectly controlled subsidiaries and joint venture (hereinafter - the Group):

Company	Company code	Directly and indirectly held effective attributable interest	Equity as of 30 June 2013	Registration address	Activity (including planned)
INTER RAO Eesti OÜ - subsidiary	11879805	100 %	(151)	Vaikare-Karja 3/Sauna 2, Tallinn, Estonia	Trade of electricity
SIA INTER RAO Latvia - subsidiary	40103268639	100 %	181	Elizabetes iela 15-1, Riga, Latvia	Trade of electricity
IRL Polska Sp. z o.o. -subsidiary	0000436992	100 %	1,512	W.Kosciuszkowski e 43-2. Warsaw, Poland	Trade of electricity
UAB Alproka – joint venture	125281684	49,99 %	2,041	Verkių Str. 25C, Vilnius, Lithuania	Operations with real estate
UAB IRL Wind - subsidiary	302615372	100 %	33,800	A.Tumėno Str. 4, Vilnius, Lithuania	Holding company
Vydmantai wind park, UAB (indirectly owned subsidiary - managed through UAB IRL Wind)	302666616	100 %	37,803	A.Tumėno Str. 4, Vilnius, Lithuania	Generation of electricity

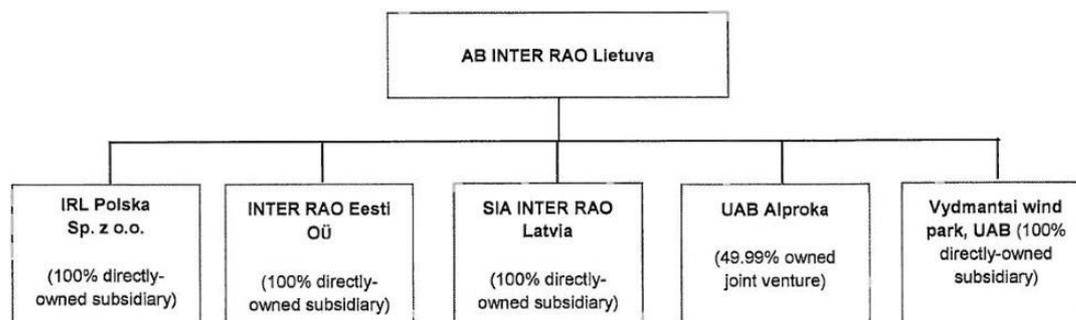
**AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania**  
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On 11 July 2013 a reorganization of UAB IRL Wind and Vydmantai wind park, UAB was completed. During the reorganization UAB IRL Wind was merged into Vydmantai wind park, UAB and ceased its activities as a legal entity. All the assets and undertakings of UAB IRL Wind were taken over by Vydmantai wind park UAB.

The following chart sets out the Group' subsidiaries and interest in those subsidiaries, as well as the structure of the Group as of 30 June 2013:



After the merger of UAB IRL Wind into Vydmantai wind park, UAB completed on 11 July 2013 the Group has the following corporate structure:



## 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.

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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.

## II. Operating highlights

### Revenues

The total consolidated Group's sales revenue in January-June of 2013 was equal to LTL 375 million, a 17.2 per cent less than in the first half of 2012. 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 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.

<b>Sales revenues by operating segments, thous. LTL</b>	<b>6 months 2013</b>	<b>6 months 2012</b>
Electricity purchases and sales	368,477	444,176
Electricity production and sales	7,017	9,174
<b>Total</b>	<b>375,494</b>	<b>453,350</b>

Revenue from sales of electricity in the 1<sup>st</sup> half of 2013 amounted to LTL 368 million. Revenue from produced electricity sales accounted for LTL 7.0 million, a 23.5 per cent less than a year ago. During the period Vydmantai wind park, UAB has produced significantly smaller amount of electricity due to negative meteorological conditions: the whole region was affected by prolonged winter season and by prevailing lower wind conditions. The experienced wind conditions are significantly worse than the estimated long-term average, thus the performance of Vydmantai wind park, UAB is expected to improve in the upcoming periods.

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The tables below present data on the electricity trading activities of the Group for the 6 months period ended on 30 June 2013 and the 2<sup>nd</sup> quarter of 2013, with a breakdown by each country for the periods indicated (S - sale, P - purchase).

	For the 1 <sup>st</sup> half of 2013		For the 1 <sup>st</sup> half of 2012	
	S	P	S	P
	GWh		GWh	
Lithuania*	1 631	122	1 907	102
Latvia	411	116	591	106
Estonia	205	35	239	37
Russia	39	1 977	-	2 482
Belarus	115	152	109	120
<b>Total*</b>	<b>2 402</b>	<b>2 402</b>	<b>2 847</b>	<b>2 847</b>

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

	For the 2 <sup>nd</sup> quarter of 2013		For the 2 <sup>nd</sup> quarter of 2012	
	S	P	S	P
	GWh		GWh	
Lithuania*	826	70	869	44
Latvia	133	106	147	100
Estonia	26	32	27	34
Russia	39	868	-	950
Belarus	115	63	109	24
<b>Total*</b>	<b>1,140</b>	<b>1,140</b>	<b>1,152</b>	<b>1,152</b>

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

## Expenses

<b>COGS by operating segments, thous. LTL</b>	<b>6 months 2013</b>	<b>6 months 2012</b>
Electricity purchases and sales	342,880	401,894
Electricity production and sales	3,122	4,124
<b>Total</b>	<b>346,002</b>	<b>406,018</b>

Cost of sales in January-June of 2013 accounted to LTL 346.0 million, a 14.8 per cent less than in during the first six months of 2012. The decline in cost of sales was due to the lower amount of electricity traded.

Cost of purchased electricity in the 1<sup>st</sup> half of 2013 amounted to LTL 343 million. Cost of purchased electricity comprised 99 per cent of total cost of sales. Costs of purchased electricity per 1 MWh equaled LTL 142.7 which was 1.1% larger than in the 1<sup>st</sup> half of 2012 (LTL 141.2 per MWh).

Operating expenses in the 1<sup>st</sup> half of 2013 amounted to LTL 10.8 million, a 19.0% increase over a year ago. The main causes of such an increase were associated with: (1) non-recurring initial public offering related expenses, (2) higher employment related expenses, which increased along with the increase in number of employees and (3) increase in donation expenses, which increased in the 1<sup>st</sup> half of the year but will be lower for the entire 2013 year.

## Earnings

Gross profit in January-June of 2013 amounted to LTL 29.5 million, while the gross profit margin declined to 7.85 per cent (10.44 per cent a year ago). Gross profitability was negatively affected by historically low prices in the NordPool area along with increased competition in both wholesale and retail electricity trading markets which resulted in lower electricity sales prices to the corporate customers. Operating profit over the same period accounted to LTL 18.7 million, while the operating profit margin declined to 5.0 per cent from 8.4 per cent a year ago.

Net loss of financial activities in the 1<sup>st</sup> half of 2013 amounted to minus LTL 2.0 million, a 7.1 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.

Net profit in the 1<sup>st</sup> half of 2013 amounted to LTL 14.1 million, a decline by 54.2 per cent over the profit of LTL 30.8 million for the same period year ago. The profit margin decreased from 6.8 per cent a year ago to 3.8 per cent.

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**Main business indicators**

<b>Main Group indicators</b>	<b>6 months 2013</b>	<b>6 months 2012</b>
Net revenues, LTL thousand	375,494	453,350
Net revenues from electricity trade, LTL thousand	368,477	444,176.00
Net revenues from sale of electricity produced, LTL thousand	7,017.00	9,174.00
Amount of traded electricity, GWh	2,402	2,847
Amount of produced electricity, GWh	23.36	30.55
Gross profit, LTL thousand	29,472	47,335
Gross margin, %	7.8%	10.4%
Operating profit, LTL thousand	18,666	38,253
Operating profit margin, %	5.0%	8.4%
EBT, LTL thousand	16,636	36,166
EBT margin, %	4.4%	8.0%
Profit (loss) for the period, LTL thousand	14,082	30,777
Profit (loss) for the period margin, %	3.8%	6.8%
EBITDA, LTL thousand	23,066	43,818
EBITDA margin, %	6.1%	9.7%
Return on equity (end of the period), %	32.1%	54.4%
Return on assets (end of the period), %	7.0%	14.7%
Net debt to equity*, %	98.1%	71.3%
Current ratio, times	1.09	1.32

\* - (interest bearing liabilities minus cash) / Equity

<b>Main Group indicators</b>	<b>2nd quarter 2013</b>	<b>2nd quarter 2012</b>
Net revenues, LTL thousand	179,214	184,893
Net revenues from electricity trade, LTL thousand	176,309	181,225
Net revenues from sale of electricity produced, LTL thousand	2,905	3,668
Amount of traded electricity, GWh	1,141	1,152
Amount of produced electricity, GWh	9.67	12.23
Gross profit, LTL thousand	11,964	18,421
Gross margin, %	6.7%	10.0%
Operating profit, LTL thousand	6,627	13,824
Operating profit margin, %	3.7%	7.5%
EBT, LTL thousand	5,621	12,667
EBT margin, %	3.1%	6.9%
Profit (loss) for the period, LTL thousand	4,781	11,466
Profit (loss) for the period margin, %	2.7%	6.2%
EBITDA, LTL thousand	8,871	16,493
EBITDA margin, %	4.9%	8.9%
Return on equity (end of the period), %	10.9%	20.3%
Return on assets (end of the period), %	2.4%	5.5%
Net debt to equity*, %	98.1%	71.3%
Current ratio, times	1.09	1.32

\* - (interest bearing liabilities minus cash) / Equity

## Employees

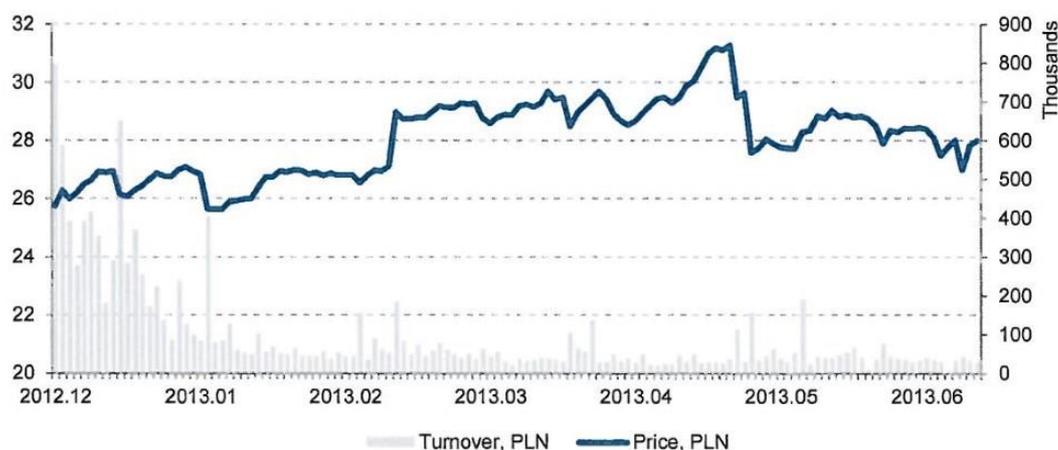
As of 30 June 2013 there were 38 employees in the Group and 24 in the Company. The employment structure by category is provided in the table below.

Employee category	Number of employees			
	As of 30 June 2013		As of 30 June 2012	
	Group	Company	Group	Company
Management	8	8	8	8
Sales Managers, including Traders	10	6	7	6
PR & Marketing Staff	3	3	2	3
Project managers	4	1	3	1
Technical staff	3	1	3	1
Office Staff	10	5	8	5
<b>Total</b>	<b>38</b>	<b>24</b>	<b>31</b>	<b>24</b>

## Share trading

The price of the Company's shares during the 6 months of 2013 increased from PLN 26.93 to PLN 28.00 per share (+4%). The maximum share price during the six months period was PLN 31.3 per share, minimum share price - PLN 25.65 per share. The market capitalization of the Company increased from PLN 539 million at the beginning of the year to LTL 560 million at the end of June 2013. The average price of share during the reporting period was PLN 28.14 per 1 share.

Trading in Company's shares from 18 December 2012 to 30 June 2013:



### III. Securities

#### 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.

As of 30 June 2013 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%
<b>Total</b>	<b>20,000,000</b>	<b>100%</b>

## IV. Corporate governance

The corporate bodies of the Company are as follows: General Shareholders Meeting, a collegial supervisory body – Supervisory council, a collegial management body – Board, and single-person management body – Chief Executive Officer.

### Members of Supervisory council



**Anton Badenkov**

Chairman of the Supervisory Council at INTER RAO Lietuva  
Advisor to the Chairman of the Board at INTER RAO UES

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**Education:**

Lomonosov Moscow State University

**Career over the last five years:**

2013 – present: Chairman of the Supervisory Council at INTER RAO Lietuva

2011 – present: Member of the Board at Third Generating Company of the Wholesale Electricity Market

2010 – present: Member of the Board at Electric Networks of Armenia

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**Alexander Abramkov**

Member of the Supervisory Council at INTER RAO Lietuva  
Head of Internal Audit, Control and Risk Management Unit at  
INTER RAO UES

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**Education:**

Master's Degree in Management awarded by Saint Petersburg State University

**Career over the last five years:**

2012 – 9 August, 2013: Member of the Supervisory Council at INTER RAO Lietuva

2010 – present: Head of Internal Audit, Control and Risk Management Unit at INTER RAO UES

2009 – 2010: Deputy Director General for Internal Control and Risk Management at ZAO National Media Group

2008 – 2009: Deputy Director General for Economy and Finance at JSC National Telecommunications

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**Nerijus Dagilis**

Member of the Supervisory Council at INTER RAO Lietuva  
Entrepreneur

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**Education:**

Master degree at the G. Soros foundation program at University of Essex, Great Britain and Budapest, Hungary, Central European University  
BA in Business and Administration at Vytautas Magnus University, Kaunas, Lithuania, and Fordham University, NY, Creighton University, NE, USA

**Career over the last five years:**

2013 – present: Member of the Supervisory Council at INTER RAO Lietuva  
2010 – 2012: Chairman of the Board at Charter Jets  
2005 – 2010: Chairman of the Board at Kitron ASA  
2001 – 2010: Chairman of the Board at Snaige  
2000 – 2010: Chairman of the Board at Hermis Capital

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**Dmitrijus Dutovas**

Member of the Supervisory Council at INTER RAO Lietuva  
Head of Institutional Clients at Orion Securities

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**Education:**

Master degree at the Faculty of Economics, Vilnius University

**Career over the last five years:**

2013 – present: Member of the Supervisory Council at INTER RAO Lietuva  
2008 – present: Head of Institutional Clients at Orion Securities  
2007 – 2008: Head of Capital Markets at “MP investment bank” Baltic Branch

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**Jonas Garbaravičius**

Member of the Supervisory Council at INTER RAO Lietuva  
Partner at CEE Resources & Investments LLP

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**Education:**

Vytautas Magnus University

**Career over the last five years:**

2013 - present: Partner at CEE Resources & Investments LLP  
2012 – present: Member of the Supervisory Council at INTER RAO Lietuva  
2011 – present: Member of the Board at Inter Green Renewables and Trading  
2007 – 2013: Chairman of the Board at Scaent Baltic  
2009 – 2011: Chairman of the Board at Scaent Holdings Cooperatie  
2008 – 2009: Chairman of the Board at SC Baltic Media (at the time called Express Media)  
2008 – 2009: Member of the Board at Energo

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**Michail Konstantinov**

Member of the Supervisory Council at INTER RAO Lietuva  
Member of the Board at INTER RAO Energy Asset

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**Education:**

PhD in Law awarded by Moscow Academy of Economics and Law  
Tver Institute of Ecology and Law  
Moscow International University of Environment and Politics

**Career over the last five years:**

2012 – present: Member of the Supervisory Council at INTER RAO Lietuva  
2012 – present: Director for Corporate Governance of the Corporate and Property relations Unit at INTER RAO UES  
2012 – present: Member of the Board at INTER RAO Energy Asset  
2012 – present: Member of the Board at INTER RAO Energy  
2012 – present: Member of the Board at Dominanta Energy  
2012 – present: Member of the Board at Dominanta Management  
2012 – present: Member of the Board at Saint Petersburg Energy Sales Company  
2010 – 2012: Head of the Directorate for Law at Sobinbank  
2008 – 2010: Deputy Manager of the Directorate at Federal Bailiff Service of the Russian Federation

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**Alexander Pakhomov**

Member of the Supervisory Council at INTER RAO Lietuva  
Member of the Management Board, Head of the Legal  
Affairs Unit at INTER RAO UES

**Education:**

Academy of Public Administration under the President of the Russian Federation  
Military University of the Ministry of Defence of the Russian Federation

**Career over the last five years:**

2012 – present: Member of the Supervisory Council at INTER RAO Lietuva  
2011 – present: Member of the Board of Directors at RazTES  
2011: Member of the Board of Directors at LLC INTER RAO Electrogeneration  
2008 – 2011: Director of the Department of Law at INTER RAO UES  
2007 – 2008: member of RAO UES of Russia project team providing tax support for electric  
power industry reform

## Members of the Board



### **Karina Tsurkan**

Chairman of the Board at INTER RAO Lietuva  
Member of the Management Board, Head of the  
Trading Unit of INTER RAO UES

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#### **Education:**

Bachelor's degree at the International Independent University of Moldova  
MBA degree at the University Consortium of Spain (IUP)

#### **Career over the last five years:**

2012 – present: Chairman of the Board at INTER RAO Lietuva  
2012 – present: Member of the Management Board, Head of the Trading Unit at INTER RAO UES  
2011 – 2012: Head of the Geographic Division "Europe" at INTER RAO UES  
2010 – 2011: Head of the Geographic Division "Moldova, Ukraine, Romania" at INTER RAO UES  
2009 – 2010: Head of the Department of Management and Development, the Geographic Division "Europe" at INTER RAO UES  
2008: Head of the Department of Foreign Economic Activity in East and West Europe, INTER RAO UES

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### **Ilnar Mirsiyapov**

Member of the Board at INTER RAO Lietuva  
Member of the Management Board, Head of the  
Strategy and Investment Unit of INTER RAO UES

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#### **Education:**

Ph.D. Moscow State Institute of International Relations  
Almetyevsk State Oil Institute  
Kutafin Moscow State Law Academy

#### **Career over the last five years:**

2012 – present: Member of the Board at INTER RAO Lietuva  
2010 – present: Head of the Strategy and Investment Unit at INTER RAO UES  
2009 – present: Advisor to CEO at INTER RAO UES  
2009 – 2010: Associated Head of the Department of Law and Corporate Affairs at Rosatom  
2008 – 2009: Associated Head of the Department of Corporate Governance and Development at Rosatom

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**Dmitrij Palunin**

Member of the Board at INTER RAO Lietuva  
Member of the Management Board, Financial Director  
(CFO) at INTER RAO UES

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**Education:**

Moscow State Aviation Institute  
Academy of National Economy, Graduate School of International Business

**Career over the last five years:**

Presently: Member of the Management Board, Financial Director (CFO) at INTER RAO UES  
2012 – present: Member of the Board, INTER RAO Lietuva  
2007 – 2009: Associated Financial Director (CFO), Head of the Department of Corporate Finance at INTER RAO UES  
2006 – 2007: Head of the Treasury Department at INTER RAO UES  
2005 – 2006: Associated Head of the Department of Economics and Finance at INTER RAO UES

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**Giedrius Balčiūnas**

Member of the Board at INTER RAO Lietuva  
Director General (CEO) at INTER RAO Lietuva

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**Career over the last five years:**

2012 – present: Member of the Board at INTER RAO Lietuva  
2010 – present: Member of the Management Board at INTER RAO Eesti OÜ  
2006 – present: Chairman of the Management Board at Alproka  
2003 – present: Director General (CEO) at INTER RAO Lietuva  
2011: Member of the Management Board at Vėjų spektras (Vydmantai Wind Park)

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**Vidas Čebatariūnas**

Member of the Board at INTER RAO Lietuva  
Director of Commerce of AB INTER RAO Lietuva

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**Education:**

Master of Economic Analysis and Planning awarded by Vilnius University

**Career over the last five years:**

2012 – present: Chairman of the Management Board at INTER RAO Latvia

2010 – present: Member of the Management Board at INTER RAO Eesti

2010 – present: Member of the Management Board at Scaent Baltic

2007 – present: Member of the Board at INTER RAO Lietuva

2005 – present: Director of Commerce at INTER RAO Lietuva

2011: Member of the Management Board at Vėjų spektras (Vydmantai Wind Park)

2009 – 2011: Member of the Management Board at SC Baltic Media (at the time called Express Media)

2008 – 2010: Member of the Management Board at UAB Versus aureus leidykla

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**CEO**

The chief executive officer of the company is Giedrius Balčiūnas.

## V. Publicly announced information

During the period from the start of 2013 to 30th June 2013 Company publicly announced and broadcasted through Warsaw Stock Exchange information system and on own webpage the following information:

<b>Title</b>	<b>Category of announcement</b>	<b>Language</b>	<b>Date</b>
End of the stabilisation period	Investor news	EN, LT	21-Jan-2013
Decisions of the Supervisory Board	Notification on material event	EN, LT	25-Jan-2013
Publication date of the results for the 4th quarter of 2012 and the annual information for 2012	Investor news	EN, LT	25-Feb-2013
Announcement of the results for the 4th quarter of 2012 and the Annual Information for 2012 of AB INTER RAO Lietuva	Annual information	EN, LT	27-Feb-2013
Statement on corporate governance	Investor news	EN, LT	28-Feb-2013
AB INTER RAO Lietuva decisions of the Management Board	Notification on material event	EN, LT	29-Mar-2013
Current report	Notification on material event	EN, LT	8-Apr-2013
AB INTER RAO Lietuva decisions of the Supervisory Board	Notification on material event	EN, LT	9-Apr-2013
Appointment of the Chairman of the Board	Notification on material event	EN, LT	18-Apr-2013
The decisions adopted by the Annual General Meeting of Shareholders of AB INTER RAO Lietuva	Notification on material event	EN, LT	30-Apr-2013
Publication date of the results for the 1th quarter of 2013	Investor news	EN, LT	10-May-2013
Announcement of the results for the 1st quarter of the year 2013 of AB INTER RAO Lietuva	Interim information	EN, LT	14-May-2013
Announcement of the transactions concluded by managers in AB INTER RAO Lietuva securities	Notification on transactions concluded by managers of the Group	EN, LT	22-May-2013
AB INTER RAO Lietuva announces about financing received from its major shareholders	Notification on material event	EN, LT	28-May-2013
AB INTER RAO Lietuva announces about the decision to merge its two controlled subsidiaries	Notification on material event	EN, LT	4-Jun-2013

Contents of above mentioned announcements can be obtained on Company's webpage <http://www.interrao.lt/eng/For-Investors2/Reports/Current-Reports/2013>.

## AB INTER RAO Lietuva Unaudited Consolidated Interim Financial Statements for the 6 Month Period Ended 30 June 2013

### Statement of financial position

	Notes	Group		Company	
		As at 31 June 2013	As at 31 December 2012	As at 31 June 2013	As at 31 December 2012
<b>ASSETS</b>					
Non-current assets					
Intangible assets					
Goodwill		6,926	6,926	-	-
Patents and licenses		31,341	33,430	-	-
Other intangible assets		55	-	54	-
<b>Total intangible assets</b>		<b>38,322</b>	<b>40,356</b>	<b>54</b>	<b>-</b>
Property, plant and equipment					
Land		2,758	2,829	-	-
Buildings and structures		15,589	16,015	3,581	3,711
Machinery and equipment		67,069	68,653	-	10
Other property, plant and equipment		329	229	291	181
<b>Total property, plant and equipment</b>		<b>85,745</b>	<b>87,726</b>	<b>3,872</b>	<b>3,902</b>
Investment property		603	623	603	623
Interest in a joint venture		1,020	1,707	33,725	33,725
Other non-current financial assets		3,854	3,555	105	102
Deferred tax asset		-	291	-	-
<b>Total non-current assets</b>		<b>129,544</b>	<b>134,258</b>	<b>38,359</b>	<b>38,352</b>
Current assets					
Inventories and prepayments		1,497	358	1,318	294
Accounts receivable					
Trade receivables		40,552	60,084	39,587	57,315
Receivables from subsidiaries		-	-	634	578
Other receivables		940	1,026	5	6
<b>Total accounts receivable</b>		<b>41,492</b>	<b>61,110</b>	<b>41,544</b>	<b>57,899</b>
Prepaid income tax		3,692	1,118	3,673	1,118
Other current assets		1,041	855	685	731
Cash and cash equivalents		25,271	11,218	20,036	5,345
<b>Total current assets</b>		<b>72,993</b>	<b>74,659</b>	<b>65,938</b>	<b>65,387</b>
<b>Total assets</b>		<b>202,537</b>	<b>208,917</b>	<b>104,297</b>	<b>103,739</b>

*(cont'd on the next page)*

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

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Statement of financial position (cont'd)

	Notes	Group	Group	Company	Company
		As at 31 June 2013	As at 31 December 2012	As at 31 June 2013	As at 31 December 2012
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital		20,000	20,000	20,000	20,000
Legal reserves		2,312	100	2,000	100
Cash flow hedge reserve		-1,312	-1,651	-	-
Retained earnings		23,010	38,141	25,282	37,925
Foreign exchange effect		-76	-	-	-
Equity attributable to equity holders of the parent		43,934	56,590		
<b>Total equity</b>		<b>43,934</b>	<b>56,590</b>	<b>47,282</b>	<b>58,025</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Non-current borrowings		43,121	43,121	-	-
Financial lease obligations		38,988	42,878	-	-
Derivative financial instruments		1,387	1,647	-	-
Deferred income tax liability		8,140	8,131	26	-
<b>Total non-current liabilities</b>		<b>91,636</b>	<b>95,777</b>	<b>26</b>	<b>-</b>
<b>Current liabilities</b>					
Current portion of non-current borrowings		-	-	-	-
Current portion of financial lease obligations		8,220	8,423	-	-
Derivative financial instruments		741	880	-	-
Financial debts		17,029	-	17,029	-
Trade payables		29,864	39,164	29,690	39,065
Income tax payable		406	588	-	-
Advances received		107	334	105	331
Other current liabilities		10,600	7,161	10,165	6,318
<b>Total current liabilities</b>		<b>66,967</b>	<b>56,550</b>	<b>56,989</b>	<b>45,714</b>
<b>Total equity and liabilities</b>		<b>202,537</b>	<b>208,917</b>	<b>104,297</b>	<b>103,739</b>

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

General Director Giedrius Balčiūnas

29 August 2013

Director of Economics Paulius Vazniokas

29 August 2013

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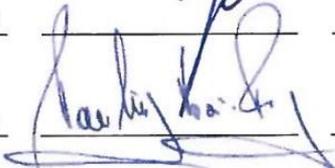
**Statement of comprehensive income**  
**For the six months ended 30 June**

	Notes	<u>Group</u>	<u>Group</u>	<u>Company</u>	<u>Company</u>
		<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Sales		375,49 4	453,35 0	366,407	443,665
Cost of sales		346,02 2	406,01 5	341,169	401,874
Gross profit		29,472	47,335	25,238	41,791
General and administrative expenses		10,806	9,082	7,672	6,282
Profit from operations		18,666	38,253	17,566	35,509
Other activities		-32	84	27	54
Financing and investing activities profit		-1998	-2,171	1,237	873
Finance income		87	195	1,268	873
Finance expenses		2,148	2,350	31	-
Share of result of joint venture		63	-16		
Profit before tax		16,636	36,166	18,830	36,436
Income tax		2,554	5,389	2,573	5,287
Net profit		14,082	30,777	16,257	31,149
Other comprehensive income(expenses)					
Net (loss) on cash flow hedges		398	-		
Income tax effect		60	-		
Other comprehensive income, net of tax		338	-		
Total comprehensive income, net of tax		14,420	30,777	16,257	31,149

## Statement of comprehensive income

Notes	Group	Group	Company	Company
	2nd quarter 2013	2nd quarter 2012	2nd quarter 2013	2nd quarter 2012
Sales	179,214	184,893	174,889	181,146
Cost of sales	167,250	166,472	164,265	163,417
Gross profit	11,964	18,421	10,624	17,729
General and administrative expenses	5,337	4,597	3,799	3,173
Profit from operations	6,627	13,824	6,825	14,556
Other activities	25	64	14	40
Financing and investing activities profit	-1,031	-1,221	1,223	801
Finance income	20	88	1,253	801
Finance expenses	1,095	1267	30	-
Share of result of joint venture	44	(42)		-
Profit before tax	5,621	12,667	8,062	15,397
Income tax	840	1,201	977	2,186
Net profit	4,781	11,466	7,085	13,211
Total comprehensive income, net of tax	4,781	11,466	7,085	13,211

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

General Director	Giedrius Balčiūnas		29 August 2013
Director of Economics	Paulius Vazniokas		29 August 2013

**Statement of changes in equity**  
**For the six months ended 30 June 2013**

**Group**

	Equity attributable to equity holders of the parent			
	Share capital	Legal reserve	Retained earning	Total
<b>Balance as at 1 January 2012</b>	<b>1,000</b>	<b>100</b>	<b>63,050</b>	<b>64,150</b>
Profit for the period	-	-	30,777	30,777
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	30,777	30,777
Dividends declared	-	-	(64,023)	(64,023)
<b>Balance as at 30 June 2012</b>	<b>1,000</b>	<b>100</b>	<b>29,804</b>	<b>30,904</b>

	Share	Legal	Cash flow	Currency	Retained	Total
	capital	reserve	hedge	translation	earnings	
<b>Balance as at 1 January 2013</b>	<b>20,000</b>	<b>100</b>	<b>(1,651)</b>		<b>38,141</b>	<b>56,590</b>
Profit for the period	-	-			14,082	14,082
Other comprehensive income, net of tax	-	-	338		-	338
Foreign exchange effect				(76)		(76)
Total comprehensive income	-	-	338	(76)		262
Dividends declared	-	-			(27,000)	(27,000)
Transfer to legal reserve		2,212			(2,213)	-
<b>Balance as at 30 June 2012</b>	<b>20,000</b>	<b>2,312</b>	<b>(1,312)</b>	<b>(76)</b>	<b>23,010</b>	<b>43,934</b>

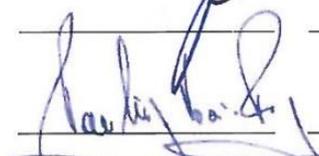
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**Company**

	Equity attributable to equity holders of the parent			
	Share capital	Legal reserve	Retained earnings	Total
<b>Balance as at 1 January 2012</b>	<b>1,000</b>	<b>100</b>	<b>64,023</b>	<b>65,123</b>
Profit for the period	-	-	31,149	31,149
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	31,149	31,149
Dividends declared	-	-	(64,023)	(64,023)
<b>Balance as at 30 June 2012</b>	<b>1,000</b>	<b>100</b>	<b>31,149</b>	<b>32,249</b>

	Share capital	Legal reserve	Retained earnings	Total
<b>Balance as at 1 January 2013</b>	<b>20,000</b>	<b>100</b>	<b>37,925</b>	<b>58,025</b>
Profit for the period	-	-	16,257	16,257
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	16,257	16,257
Dividends declared	-	-	(27,000)	(64,023)
Transfer to legal reserve	-	1,900	(1,900)	-
<b>Balance as at 30 June 2013</b>	<b>20,000</b>	<b>2,000</b>	<b>25,282</b>	<b>47,282</b>

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

<u>General Director</u>	<u>Giedrius Balčiūnas</u>		<u>29 August 2013</u>
<u>Director of Economics</u>	<u>Paulius Vazniokas</u>		<u>29 August 2013</u>

**Statements of cash flows**  
**For the six months ended 30 June**

Notes	Group		Company	
	2013	2012	2013	2012
<b>Cash flows from (to) operating activities</b>				
Net profit	14,082	30,777	16,257	31,215
<b>Adjustments for non-cash items:</b>				
Income tax expenses	2,554	5,389	2,573	5,287
Depreciation and amortisation	4,284	5,302	238	143
Interest and dividend income	(76)	(211)	(765)	(872)
Share of net profit of joint venture	(63)	16	-	-
Interest and dividend expenses	2,146	2,350	29	-
	22,927	43,623	18,332	35,773
<b>Changes in working capital:</b>				
(Increase) decrease in inventories and prepayments	(1,139)	1,639	(1,024)	1,804
(Increase) decrease in accounts receivable and other current assets	19,430	5,867	17,717	3,252
Decrease in other non-current assets	37	-	-	-
Increase (decrease) in trade payables	(9,527)	(2,522)	(9,601)	(3,058)
Income tax (paid)	(5,406)	(5,116)	(5,102)	(5,148)
(Decrease) in other current liabilities	3,431	(2,477)	3,844	(2,031)
Unrealized foreign currency exchange	(76)			
<b>Net cash flows from operating activities</b>	<b>29,677</b>	<b>41,014</b>	<b>24,166</b>	<b>30,592</b>
<b>Cash flows from (to) investing activities</b>				
(Acquisition) of non-current assets	(249)	(3,987)	(242)	(3,964)
Proceeds from sale of non-current assets	-	30	-	30
Interest and dividends received	826	872	765	872
Loans repaid	2	2	2	2
Other investing activities	-	-	-	-
<b>Net cash flows (to) investing activities</b>	<b>579</b>	<b>(3,083)</b>	<b>525</b>	<b>(3,060)</b>

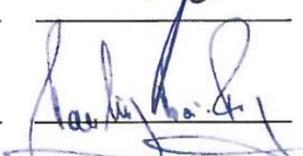
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The accompanying notes are an integral part of these financial statements.

## Statements of cash flows (cont'd)

	Group		Company	
	2013	2012	2013	2012
<b>Cash flows from (to) financing activities</b>				
Dividends (paid)	(10,000)	(37,453)	(10,000)	(37,453)
Proceeds from loans	-	-	-	-
Interest (paid)	(2,197)	(2,679)	-	-
Financial lease (payments)	(4,006)	(3,904)	-	-
<b>Net cash flows (to) financing activities</b>	<b>(16,203)</b>	<b>(44,036)</b>	<b>(10,000)</b>	<b>(37,453)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>14,053</b>	<b>(6,105)</b>	<b>14,691</b>	<b>(9,921)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>11,218</b>	<b>33,885</b>	<b>5,345</b>	<b>31,341</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>25,271</b>	<b>27,780</b>	<b>20,036</b>	<b>21,420</b>

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

General Director	Giedrius Balčiūnas		29 August 2013
Director of Economics	Paulius Vazniokas		29 August 2013

## 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. The principal activities of the Group are described in Note .

### 2 Segment information

#### Operating segments

The following tables present information regarding the Group's operating segments for the six months ended 30 June 2013.

Six month ended 30 June 2013	Electricity purchases and sales	Electricity production and sales	Total Segments	Adjustments and eliminations	Consolidated
<b>Revenue</b>					
External customers	368,477	7,017	375,494	-	375,494
<b>Total revenue</b>	<b>368,477</b>	<b>7,017</b>	<b>375,494</b>	<b>-</b>	<b>375,494</b>
<b>Results</b>					
Depreciation and amortisation	241	4,043	4,284	-	4,284
Interest income	7	69	76	-	76
Interest expenses	29	2,117	2,146	-	2,146
Share of profit of associate joint venture	-	-	-	63	63
<b>Segment operating profit</b>	<b>17,232</b>	<b>1,434</b>	<b>18,666</b>		<b>18,666</b>
<b>Segment assets</b>	<b>73,503</b>	<b>129,034</b>	<b>202,537</b>	<b>-</b>	<b>202,537</b>
<b>Segment liabilities</b>	<b>62,239</b>	<b>96,364</b>	<b>158,603</b>	<b>-</b>	<b>158,603</b>

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

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**Other disclosures**

Interest in a joint venture	-	-	-	1,020	<b>1,020</b>
Capital expenditure	249	-	249	-	<b>249</b>

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 six months ended 30 June 2012.

<b>Six month ended 30 June 2012</b>	<b>Electricity purchases and sales</b>	<b>Electricity production and sales</b>	<b>Total Segments</b>	<b>Adjustments and eliminations</b>	<b>Consolidated</b>
<b>Revenue</b>					
External customers	444,176	9,174	453,350	-	453,350
<b>Total revenue</b>	<b>444,176</b>	<b>9,174</b>	<b>453,350</b>	<b>-</b>	<b>453,350</b>
<b>Results</b>					
Depreciation and amortisation	230	5,072	5,302	-	5,302
Interest income	50	145	195	-	195
Interest expenses	-	2,350	2,350	-	2,350
Share of profit of associate joint venture	-	-	-	(16)	(16)
<b>Segment operating profit</b>	<b>35,727</b>	<b>2,526</b>	<b>38,253</b>	<b>-</b>	<b>38,253</b>
<b>Segment assets</b>	<b>67,116</b>	<b>139,435</b>	<b>206,551</b>	<b>-</b>	<b>206,551</b>
<b>Segment liabilities</b>	<b>58,047</b>	<b>102,614</b>	<b>160,661</b>	<b>14,986</b>	<b>175,647</b>

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

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**Other disclosures**

Interest in a joint venture	-	-	-	1,864	<b>1,864</b>
Capital expenditure	3,957	-	<b>3,957</b>	-	<b>3,957</b>

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 six month periods ending 30 June 2013 and as at 30 June 2012 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

<b>For the six month period ended 30 June 2013</b>		<b>Purchases</b>	<b>Sales</b>	<b>Paid (received) dividends</b>	<b>Receivables</b>	<b>Payables, including loans granted</b>
OJSC Inter RAO UES	a)	276,846	-	-	122	25,215
RAO Nordic Oy	c)	-	-	13,770	-	10,856
UAB Scaent Baltic	b), c)	44	-	7,830	-	6,184
UAB Alproka		-	-	(750)	-	-
Other related parties		200				53
		<b>277,090</b>	<b>-</b>	<b>20,850</b>	<b>122</b>	<b>42,308</b>

<b>For the six month period ended 30 June 2012</b>		<b>Purchases</b>	<b>Sales</b>	<b>Paid (received) dividends</b>	<b>Prepayments</b>	<b>Payables</b>
OJSC Inter RAO UES	a)	345,515	-	-	-	22,396
RAO Nordic Oy	c)	-	-	19,101	-	13,551
UAB Scaent Baltic	b), c)	149	-	18,352	-	13,043
UAB Alproka		-	-	(750)	-	-
		<b>345,664</b>	<b>-</b>	<b>36,703</b>	<b>-</b>	<b>48,990</b>

- a) The Group performs electricity trading transactions with OJSC Inter RAO UES.  
b) The Group purchased rent of premises and accounting services from UAB Scaent Baltic.  
c) The Group's payables to shareholders RAO Nordic Oy and UAB Scaent Baltic as at 30 June 2013 represent loans granted and accrued interest ( loan currency – Eur, interest rate – 1,91% ) and at 30 June 2012 - dividends payable in LTL 13,551 thousand and LTL 13,019 thousand 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 Interim Financial statements for the 6 month period ended 30 June, 2013 as set out on above are prepared in accordance with International Financial Reporting Standards as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and profit or loss and cash flows of the Company and the Group. The Unaudited Consolidated Interim Report of the Company include a fair review of the development and performance of the business of the Company and the Group.

Giedrius Balčiūnas

General Director

A handwritten signature in blue ink, consisting of stylized cursive letters, positioned to the right of the printed name and title.