

## I. General Information

### Reporting period

Year ended 31<sup>st</sup> December 2015

### Company and its contact details

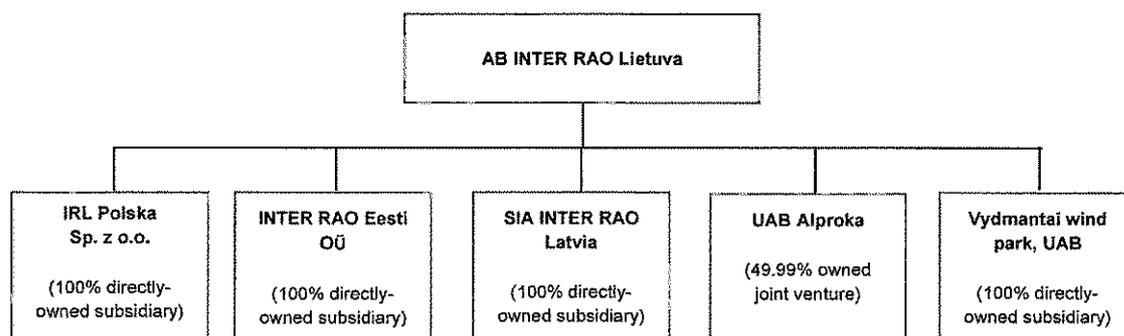
Company name	AB INTER RAO Lietuva (hereinafter - IRL or „the Company“)
Company code	126119913
Legal form	Public company (joint-stock company)
Date of registration	21 December 2002
Name of register of Legal Entities	State Enterprise Centre of Registers
Registered office	A.Tumėno str. 4, block B, LT-01109 Vilnius
Telephone number	+370 5 242 11 21
Fax number	+370 5 242 11 22
E-mail	info@interrao.lt
Internet address	www.interrao.lt

### The Group structure

As on 31<sup>st</sup> December 2015, INTER RAO Lietuva Group consisted of the Company and the below described directly and indirectly controlled subsidiaries and joint venture (hereinafter - the Group):

Company	Company code	Directly and indirectly held effective attributable interest	Equity as at 31 <sup>st</sup> December 2015	Registration address	Activity (including planned)
INTER RAO Eesti OÜ - subsidiary	11879805	100 %	(493)	Vaikare-Karja 3/Sauna 2, Tallinn, Estonia	Trade of electricity
SIA INTER RAO Latvia - subsidiary	40103268639	100 %	(609)	Ropažu 10, LV 1039, Rīga, Latvia	Trade of electricity
IRL Polska Sp. z.o.o. - subsidiary	0000436992	100 %	1,996	Emilii Plater 53. Warsaw, Poland	Trade of electricity
UAB Alproka - joint venture	125281684	49,99 %	258	Verkių Str. 25C, Vilnius, Lithuania	Operations with real estate
Vydmantai Wind Park, UAB - subsidiary	302666616	100 %	12,314	A.Tumėno Str. 4, Vilnius, Lithuania	Generation of electricity

The following chart sets out the Group's subsidiaries and interest in those subsidiaries, as well as the structure of the Group as at 31<sup>st</sup> December 2015:



### 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 delivers from the third countries to the Lithuanian internal market on the power exchange since, in accordance with respective regulations, all electricity cross-border delivered to the Lithuanian internal electricity market has to be sold on the power exchange. Then the Group buys the electricity on the power exchange in a volume corresponding to its contractual obligations with clients. Sale and purchase orders are submitted for the same prices and trades are executed at the market price. Some portion of electricity is also sold through Nord Pool AS in Lithuania to other market participants. Trades on the power exchange are executed at the market price.

The price of electricity sold under bilateral contacts is the market price, adjusted for variances depending on the electricity trading or consumption pattern of the customer and contractual arrangements (e.g., fixed on annual or monthly basis or agreed in daily delivery schedules).

Apart from importing electricity, the Group also purchases the electricity from other wholesalers of electricity in Lithuania and Latvia under bilateral contracts based on various pricing arrangements, as well as on Nord Pool AS in Lithuania, Latvia and Estonia.

The Group is also present in the electricity trading market in Poland, where it started its operations in 2014 and is involved in buying and selling electricity on the Polish Power Exchange.

## The Group history and development

- 2002 The Company was incorporated as UAB Energijos realizacijos centras.
- 2003 The Company received its license as independent electricity supplier with permission to export electricity.
- The Company signed sale-purchase agreements with INTER RAO UES and Lietuvos energija AB.
- The Company began electricity trading activities by exporting electricity to Russia and Belarus.
- 2004 Permission to import electricity was granted to the Company.
- 2005 The Company began importing electricity to Lithuania.
- RAO Nordic OY, a wholly owned subsidiary of INTER RAO UES, acquired 18 per cent of the Company's share capital from UAB VB rizikos kapitalo valdymas.
- 2006 The Company acquired a 49.99 per cent stake in UAB Alproka, a company engaged in real estate development in the Lithuanian seaside resort of Palanga.
- 2007 UAB Scaent Baltic acquired an 82 per cent stake in the Company's share capital from Scaent Holdings Cooperatie UA and Bengtsbädd Förvaltning AB.
- 2008 RAO Nordic OY increased its shareholding in the Company by acquiring a 33per cent stake from UAB Scaent Baltic. The stake of RAO Nordic OY in the Company's share capital reaches 51 per cent, while the stake of UAB Scaent Baltic decreases to 49 per cent.
- 2009 The Company signed electricity sale-purchase agreements with the Belarusian company, Belenergo and the Latvian company, Latvenergo.
- Cooperation regarding the sale of electricity with the largest electricity consumer in the Baltic States, Orlen Lietuva, was established. Delivery was initiated in 2010.
- The Company changed its name to UAB INTER RAO Lietuva.
- 2010 The Company established two wholly-owned subsidiaries, one in Latvia (SIA INTER RAO Latvia) and the second in Estonia (INTER RAO Eesti OU).
- SIA INTER RAO Latvia received its license for electricity trading in Latvia.
- 2011 SIA INTER RAO Latvia begins electricity trading operations.
- The Company begins trading activities in the Estonian area of NordPool Spot.
- The Company begins operations in electricity generation from renewable energy sources by acquiring the wind park in Vydmantai.
- The Company signs an agreement with INTER RAO UES on potential export of electricity generated in Baltiiskaya NPP under construction in Kaliningrad Oblast.
- 2012 Decision on public offering and listing of the Company's shares on the Warsaw Stock Exchange was made.
- Business entity (IRL POLSKA Sp. z o.o.) in Poland was established.

- 2013 AB INTER RAO Lietuva shareholders decided to distribute 27 million Lit as dividends.
- In July 2013, the Company has completed a merger of its two subsidiary companies UAB IRL Wind and Vydmantai wind park, UAB. Subsidiary companies were reorganised by merging UAB IRL Wind, which ceased its activities as a legal entity after the merger, into Vydmantai wind park, UAB which continued its activities after the merger.
- On 4<sup>th</sup> 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 3<sup>rd</sup> 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 9<sup>th</sup> January 2014 till 9<sup>th</sup> January 2024.
- On 30<sup>th</sup> 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 22<sup>nd</sup> of May 2014, IRL Polska Sp. z o.o. begins electricity trading operations.
- 2015 After Lithuania joined the euro zone, AB INTER RAO Lietuva shareholders fixed a nominal value of one share 0.29 EUR, share capital equal to 5.8 million EUR.
- AB INTER RAO Lietuva shareholders decided to distribute 11.2 million EUR as dividends.

#### Agreements with intermediaries of public trading in securities

Since 29<sup>th</sup> 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.

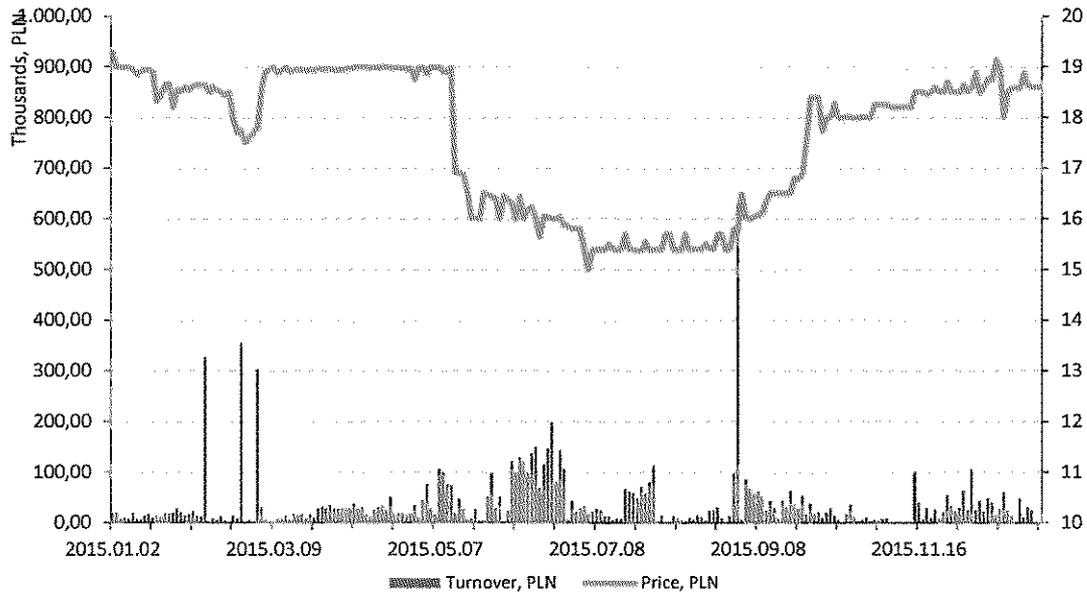
#### Data about securities traded on regulated market

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 EUR)	Total nominal value (in EUR)	Issue Code
Ordinary registered shares	20,000,000	0.29	5,800,000	LT0000128621

In December 2012, the initial public offering of the Company's ordinary shares was completed on the Warsaw Stock Exchange. The total oversubscription for the Company's ordinary shares exceeded 26 per cent. Given the ordinary share offer price of PLN 24.17 the value of the offering exceeded PLN 96.7 million. The Company's ordinary shares were included into the Main list of the Warsaw Stock Exchange.

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



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

As at 31<sup>st</sup> December 2015 the shareholder structure of the Company was as following:

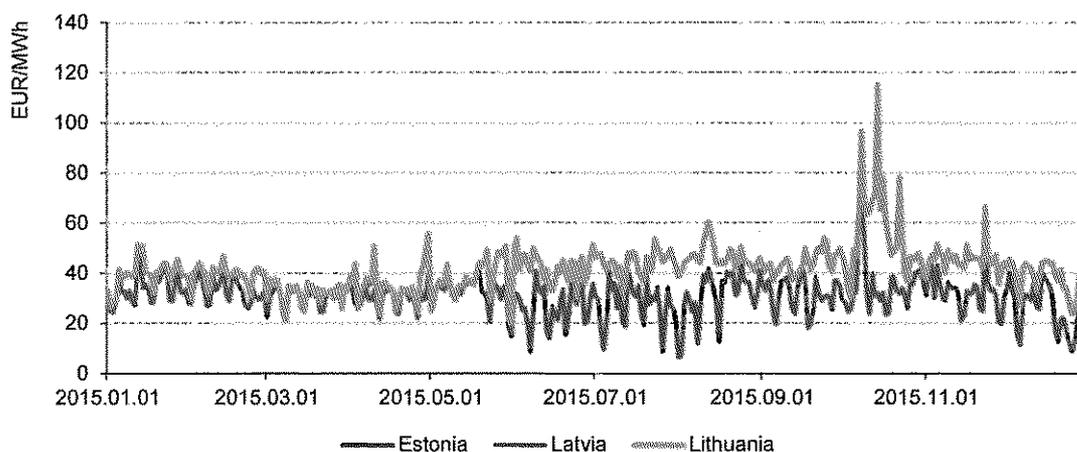
Shareholder	Number of shares/votes	Percentage of shares
RAO Nordic Oy	10,200,000	51%
UAB Scaent Baltic	5,800,000	29%
Other shareholders	4,000,000	20%
<b>Total</b>	<b>20,000,000</b>	<b>100%</b>

## II. Financial information

### Revenues

The total consolidated Group's sales revenue in 2015 was equal to EUR 186.7 million, a 11.25 per cent less than in 2014. 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 possible technical limitation of interconnection links.

### Electricity price in NordPoolSpot exchange



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	2015	2014
Sales (EUR thousand)	186,694	210,362
Gross profit (EUR thousand)	29,602	21,769
Gross profit margin (%)	15.86%	10.35%
Operating profit (EUR thousand)	22,798	15,033
Operating profit margin (%)	12.21%	7.15%
EBITDA (EUR thousand)	25,301	17,774
EBITDA profit margin (%)	13.55%	8.45%
Net profit (EUR thousand)	18,819	12,343
Net profit margin (%)	10.08%	5.87%
Number of shares (thousand)	20,000	20,000
Earnings per share (EUR)	0.94	0.62

The total consolidated Group's sales decreased by 11.25 per cent in 2015, compared to Group's sales in 2014. Decrease in cost of sales was significantly higher than decrease in sales and amounted to 16.70 per cent, compared to 2014. 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 equaled to 15.86 per cent in the accounting period, if compared to 10.35 per cent in 2014. Group's operating profit margin increased to 12.21 per cent in accounting period from the 7.15 per cent in 2014. During the period of 2015, the Company and the Group delivered electricity to all of its clients and fulfilled all of its contractual obligations of electricity sales at prices, agreed upon in the contracts.

Company's gross profit margin in 2015 accounts to 15.24 per cent, compared to 9.30 per cent in 2014. Operating profit margin of the Company increased from the 6.95 per cent in 2014 to 12.25 per cent in 2015.

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 2015 was EUR 25.3 million and EUR 19.5 million respectively. Group's EBITDA profitability margin increased from 8.45 per cent in January-December of 2014 to 13.55 per cent in accounting period of 2015. In 2015, Group's net profit increased to EUR 18.8 million from the EUR 12.3 million in 2014. As a result, Group's net profit margin during the accounting period was equal to 10.08 per cent, compared to the 5.87 per cent a year ago.

Sales revenues by operating segments, thous. EUR	4 <sup>th</sup> quarter 2015	4 <sup>th</sup> quarter 2014
Electricity purchases and sales	48,063	68,570
Electricity production and sales	1,907	1,515
<b>Total</b>	<b>49,970</b>	<b>70,085</b>

Group's revenue from purchases and sales of electricity in the 4<sup>th</sup> quarter of 2015 amounted to EUR 48.1 million. Revenue from produced electricity sales in the 4<sup>th</sup> quarter accounted for EUR 1.9 million, a 25.87 per cent more than a year ago. The increase in electricity production was mainly caused by the better wind conditions - the average wind speed in the area in the 4<sup>th</sup> quarter of 2015 was 7.37 m/s - and technical upgrades in the transformer substation that were done in 2014. Company's revenue during October-December 2015 were lower by 25.93 per cent and was equal to EUR 43.4 million compared to EUR 58.6 million in the same period in 2014. Company's revenue during 2015 were lower by 16.55 per cent and was equal to EUR 157.5 million compared to EUR 188.7 million in 2014.

The tables below present data on the electricity trading activities of the Group for the 4<sup>th</sup> quarter of 2015 with a breakdown by each country for the periods indicated (S - sale, P - purchase).

	For the 4 <sup>th</sup> quarter of 2015		For the 4 <sup>th</sup> quarter of 2014	
	S	P	S	P
	GWh		GWh	
Lithuania*	925	37	1,124	37
Latvia	48	48	150	40
Estonia	75	116	40	40
Russia	26	813	9	1,110
Belarus	-	60		96
Poland	47	47	31	31
<b>Total*</b>	<b>1,121</b>	<b>1,121</b>	<b>1,354</b>	<b>1,354</b>

\* Excluding equivalent trades on the power exchange

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

## Expenses

COGS by operating segments, thous. EUR	4 <sup>th</sup> quarter 2015	4 <sup>th</sup> quarter 2014
Electricity purchases and sales	41,273	62,862
Electricity production and sales	451	458
<b>Total</b>	<b>41,724</b>	<b>63,320</b>

Group's cost of sales in October-December of 2015 accounted to EUR 41.7 million, a 34.11 per cent less than during the last 3 months of 2014. The decrease in cost of sales was due to several reasons: (1) the lower amount of electricity traded by the Group compared to the same period a year ago, (2) lower electricity purchase price in the Nordpool system and the third countries.

The Company's and the Group's cost of purchase of electricity in 2015 decreased by 22.04 per cent and 16.79 per cent respectively if compared to 2014 and amounted to EUR 131.4 million and EUR 153.1 million. Cost of purchase of electricity constituted 98.5 per cent and 97.5 per cent of total cost of sales for the Company and for the Group respectively in 2015.

Group's cost of purchased electricity in the last 3 months of 2015 amounted to EUR 40.9 million. Cost of purchased electricity comprised 97.9 per cent of total cost of sales.

Group's operating expenses in the 4<sup>th</sup> quarter of 2015 amounted to EUR 1.8 million, a 16.9 per cent decrease over a year ago. Company's operating expenses amounted to EUR 1.3 million in October-December 2015 compared to EUR 1.26 million in the same period a year ago (a 3.5 per cent increase).

## Earnings

Gross profit of the Group in October-December of 2015 amounted to EUR 8.25 million, while the gross profit margin increased to 16.5 per cent (compared to 9.65 per cent a year ago). Gross profit of the Company in the same period accounted to EUR 6.56 million, compared to EUR 5.28 million a year ago. Company's gross profit margin increased from 9.01 per cent in the last quarter of 2014 to 15.11 per cent in the last 3 months of 2015.

Gross profit in 2015 increased over the year by 36.76 per cent and amounted to EUR 24.01 million for the Company, increased by 35.98 per cent, and amounted to EUR 29.6 million for the Group, if compared to EUR 17.56 million and EUR 21.77 million respectively in 2014. Gross profit margin in 2015 increased to 15.24 per cent for the Company and to 15.86 per cent for the Group from 9.3 per cent and 10.35 per cent in 2014.

Group's operating profit over the 4<sup>th</sup> quarter accounted to EUR 6.46 million, while the operating profit margin increased to 12.93 per cent from the 6.59 per cent a year ago. Operating profit in the last 3 months of 2015 of the Company amounted to EUR 5.26 million compared to the EUR 4.02 million the same period in 2014. The operating profit margin of the Company increased from 6.87 per cent in 4<sup>th</sup> quarter of 2014 to 12.11 per cent in the same period in 2015.

Profit from operations for the Company and for the Group for year 2015 were equal to EUR 19.3 million and EUR 22.8 million, compared to the profit from operations of EUR 13.11 million and EUR 15.03 million in 2014. Operating profit margin for the Company and for the Group reached level of 12.25 per cent and 12.21 per cent compared to 6.95 per cent and 7.15 per cent a year ago.

Net loss of financial and investing activities of the Group in the last quarter of 2015 amounted to EUR (0.21) million, a 6.99 per cent increase 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 result from financial and investing activities for the Company in the last quarter of 2015 was by 60.54 per cent lower than a year ago and amounted to EUR (-0.48) million.

Net result from financial and investing activities for the Company in 2015 was lower than a year ago and amounted to EUR (-0.49) million. Net consolidated result from financial and investing activities for the Group increased by 1.82 per cent compared to 2014 and amounted to EUR (-0.86) million. Better overall result for the Group from financial activities was mainly caused by year-on-year 8.81 per cent lower interest expenses, which in 2015 totalled to EUR 0.9 million.

Group's and Company's net profit in the October-December of 2015 amounted to EUR 5.33 million and EUR 4.12 million, compared to EUR 4.21 million and EUR 3.58 million for the same period year ago. The profit margin increased from 6.01 per cent for the Group and 6.11 per cent for the Company a year ago respectively to 10.66 per cent and 9.5 per cent for the 4<sup>th</sup> quarter of 2015. 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.

As a result, profit before tax for the Company and for the Group in 2015 amounted to EUR 18.82 million and EUR 21.96 million respectively.

The net profit of the Company and the Group during 12 months of 2015 amounted to EUR 16.12 million and EUR 18.12 million respectively.

The net profit margins for the Company and for the Group in 2015 were equal to 10.23 per cent and 10.08 per cent (compared to 5.93 per cent and 5.87 per cent year ago).

#### **Balance sheet and cash flow**

During January-December 2015 total assets of the Company increased by 10.04 per cent and of the Group increased by 4.1 per cent. The most significant influence to the assets was caused by increase of cash and cash equivalents in the Company and in the Group.

Total non-current assets of the Company decreased by 3.56 per cent and of the Group decreased by 8.12 per cent. The most significant change in assets in the Group was related to depreciation of patents and licenses held by subsidy Vydmantai wind park. Total non-current assets amounted to 27 per cent of the total assets for the Company and to 46 per cent of total assets for the Group.

During the year, shareholders' equity of the Company and of the Group increased by 28.02 per cent and 39.55 per cent and amounted to 50 per cent of the total liabilities of the Company and to 37 per cent of the total liabilities of the Group. Increase in equity was caused by the better operating activities of the Company and the Group for the year of 2014. Total dividends for 2014 distributed in 2015 reached EUR 11.2 million.

At the end of December 2015, total amount of borrowings, including financial liabilities related to finance lease and bank financing, amounted to EUR 6.3 million for the Company and EUR 24.1 million for the Group. Cash, cash equivalents amounted to EUR 15.7 million for the Company and EUR 19.8 million for the Group.

Net cash flow from operating activities for the Company and for the Group in 2015 were by 14.76 per cent and 16.52 per cent higher than a year ago and amounted to EUR 15.2 million and EUR 20.5 million respectively (compared to EUR 13.2 million and EUR 17.5 million a year ago).

During 2015 net cash flow from investing and financing activities amounted to negative EUR (-8.1) million for the Company and negative EUR (-12.2) million for the Group (compared to negative EUR (-5.8) million for the Company and to negative EUR (-10.1) million for the Group in 2014). Negative result from financing activities is related to the loans repaid and paid out dividends.

#### **Personnel**

As of 31<sup>st</sup> December 2015 there were 44 employees in the Group and 27 in the Company. The employment structure by category is provided in the table below.

Employee category	Number of employees			
	As at 31 <sup>st</sup> December 2015		As at 31 <sup>st</sup> December 2014	
	Group	Company	Group	Company
Management	8	8	8	8
Sales Managers, including Traders	16	8	15	8
PR & Marketing Staff	2	2	2	2
Project managers	4	1	4	1
Technical staff	2	1	2	1
Office Staff	12	7	11	6
<b>Total</b>	<b>44</b>	<b>27</b>	<b>42</b>	<b>26</b>

On 31st December 2015 27 employees were employed in the Company. Company's personnel consisted of 8 managers and 19 specialists.

AB INTER RAO LIETUVA, company code 126119913, A. Tumėno str. 4, Vilnius, Lithuania  
**CONSOLIDATED AND COMPANY'S FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 December 2015**  
(all amounts are in EUR thousand unless otherwise stated)

### Statement of financial position

Notes	Group		Company	
	As at 31 <sup>st</sup> December 2015	As at 31 <sup>st</sup> December 2014	As at 31 <sup>st</sup> December 2015	As at 31 <sup>st</sup> December 2014
<b>ASSETS</b>				
Non-current assets				
Intangible assets				
Goodwill	1,716	1,716	-	-
Operating license	6,045	7,258	-	-
Other intangible assets	56	83	52	82
<b>Total intangible assets</b>	<b>7,817</b>	<b>9,057</b>	<b>52</b>	<b>82</b>
Property, plant and equipment				
Land	696	737	-	-
Buildings and structures	3,055	3,221	-	-
Office premises	849	924	849	925
Machinery and equipment	17,132	18,049	-	-
Other property, plant and equipment	56	78	51	70
<b>Total property, plant and equipment</b>	<b>21,788</b>	<b>23,009</b>	<b>900</b>	<b>995</b>
Investment property	146	158	146	158
Interest in a joint venture and subsidiaries	129	195	10,927	11,382
Other non-current financial assets	1,058	1,227	41	211
Derivative financial instruments	-	25	232	26
Deferred income tax asset	-	-	99	-
<b>Total non-current assets</b>	<b>30,938</b>	<b>33,671</b>	<b>12,397</b>	<b>12,854</b>
Current assets				
Inventories and prepayments	197	141	140	119
Accounts receivable				
Trade receivables	15,252	17,239	13,181	15,306
Prepayments to and receivables from and subsidiaries and joint venture	-	-	2,844	4,173
Accrued income and other receivables	1,164	2,247	2	-
<b>Total accounts receivable</b>	<b>16,416</b>	<b>19,486</b>	<b>16,027</b>	<b>19,479</b>
Prepaid income tax	-	189	-	-
Other current assets	379	250	250	188
Derivative financial instruments	-	56	650	56
Cash and cash equivalents	19,755	11,228	15,707	8,352
<b>Total current assets</b>	<b>36,747</b>	<b>31,350</b>	<b>32,774</b>	<b>28,194</b>
<b>Total assets</b>	<b>67,685</b>	<b>65,021</b>	<b>45,171</b>	<b>41,048</b>

(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**  
**CONSOLIDATED AND COMPANY'S FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 December 2015**  
(all amounts are in EUR thousand unless otherwise stated)

Statement of financial position (cont'd)

	Notes	Group	Group	Company	Company
		As at 31 <sup>st</sup> December 2015	As at 31 <sup>st</sup> December 2014	As at 31 <sup>st</sup> December 2015	As at 31 <sup>st</sup> December 2014
<b>EQUITY AND LIABILITIES</b>					
Equity					
Share capital		5,800	5,792	5,800	5,792
Legal reserves		831	797	579	579
Cash flow hedge reserve		(981)	(428)	73	48
Currency translation reserve		(43)	(62)	-	-
Retained earnings		19,391	11,814	16,140	11,228
<b>Total equity</b>		<b>24,998</b>	<b>17,913</b>	<b>22,592</b>	<b>17,647</b>
Liabilities					
Non-current liabilities					
Non-current borrowings		13,750	17,050	-	-
Financial lease obligations		727	708	-	-
Derivative financial instruments		533	476	205	-
Deferred income tax liability		918	833	-	-
<b>Total non-current liabilities</b>		<b>15,928</b>	<b>19,067</b>	<b>205</b>	<b>-</b>
Current liabilities					
Current portion of non-current borrowings		3,300	3,300	-	-
Other financial debts		6,297	3,051	6,297	3,051
Current portion of financial lease obligations		33	68	-	-
Derivative financial instruments		865	323	564	34
Trade payables		11,108	16,076	11,054	15,910
Income tax payable		2,265	1,115	2,146	1,115
Advances received		98	188	98	181
Other current liabilities		2,793	3,920	2,215	3,110
<b>Total current liabilities</b>		<b>26,759</b>	<b>28,041</b>	<b>22,374</b>	<b>23,401</b>
<b>Total equity and liabilities</b>		<b>67,685</b>	<b>65,021</b>	<b>45,171</b>	<b>41,048</b>

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

General Director                      Giedrius Balčiūnas

19 February 2016

Director of Economics                      Paulius Vazniokas

19 February 2016

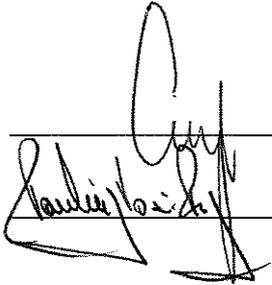
**Statement of comprehensive income**  
**For the 12 months ended 31<sup>st</sup> December 2015**

	Notes	Group	Group	Company	Company
		2015	2014	2015	2014
Sales		186,694	210,362	157,510	188,744
Cost of sales		<u>(157,092)</u>	<u>(188,593)</u>	<u>(133,501)</u>	<u>(171,189)</u>
<b>Gross profit</b>		<b>29,602</b>	<b>21,769</b>	<b>24,009</b>	<b>17,555</b>
General and administrative expenses		<u>(6,804)</u>	<u>(6,736)</u>	<u>(4,712)</u>	<u>(4,443)</u>
<b>Profit from operations</b>		<b>22,798</b>	<b>15,033</b>	<b>19,297</b>	<b>13,112</b>
Other activities		26	206	12	182
Finance income		35	56	75	165
Finance expenses		(900)	(987)	(569)	(354)
Share of result of joint venture		<u>2</u>	<u>52</u>	<u>-</u>	<u>-</u>
<b>Profit (loss) before tax</b>		<b>21,961</b>	<b>14,360</b>	<b>18,815</b>	<b>13,105</b>
Income tax		<u>(3,142)</u>	<u>(2,017)</u>	<u>(2,695)</u>	<u>(1,905)</u>
<b>Net profit</b>		<b>18,819</b>	<b>12,343</b>	<b>16,120</b>	<b>11,200</b>

## Statement of comprehensive income

	Notes	Group	Group	Company	Company
		4 <sup>th</sup> quarter 2015	4 <sup>th</sup> quarter 2014	4 <sup>th</sup> quarter 2015	4 <sup>th</sup> quarter 2014
Sales		49,970	70,085	44,411	58,606
Cost of sales		(41,724)	(63,320)	(36,852)	(53,323)
<b>Gross profit</b>		<b>8,246</b>	<b>6,765</b>	<b>6,559</b>	<b>5,282</b>
General and administrative expenses		(1,785)	(2,148)	(1,302)	(1,258)
<b>Profit from operations</b>		<b>6,461</b>	<b>4,617</b>	<b>5,257</b>	<b>4,024</b>
Other activities		3	178	1	168
Finance income		13	14	5	9
Finance expenses		(222)	(239)	(485)	(308)
Share of result of joint venture		(4)	(4)	-	-
<b>Profit before tax</b>		<b>6,251</b>	<b>4,566</b>	<b>4,778</b>	<b>3,893</b>
Income tax		(926)	(355)	(654)	(311)
<b>Net profit</b>		<b>5,325</b>	<b>4,211</b>	<b>4,124</b>	<b>3,582</b>

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

	Giedrius Balčiūnas		19 February 2016
	Paulius Vazniokas		19 February 2016

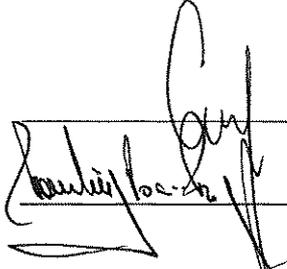
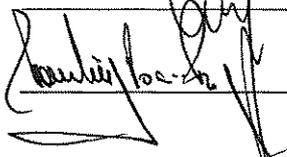
AB INTER RAO LIETUVA, company code 126119913, A. Tumėno str. 4, Vilnius, Lithuania  
**CONSOLIDATED AND COMPANY'S FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 December 2015**  
(all amounts are in EUR thousand unless otherwise stated)

Statement of changes in equity  
For the 12 months ended 31<sup>st</sup> December 2015

Group

	Equity attributable to equity holders of the parent					
	Share capital	Currency translation reserve	Legal reserve	Cash flow hedge reserve	Retained earnings	Total
<b>Balance as at 31 December 2013</b>	5,792	18	579	(201)	3,454	9,642
Net profit for the year	-	-	-	-	12,343	12,343
Other comprehensive income, net of tax	-	(80)	-	(227)	-	(307)
<b>Total comprehensive income</b>	-	(80)	-	(227)	12,343	12,036
Transfer to reserves	-	-	218	-	(218)	-
Dividends declared	-	-	-	-	(3,765)	(3,765)
<b>Balance as at 31 December 2014</b>	5,792	(62)	797	(428)	11,814	17,913
Net profit for the year	-	-	-	-	18,819	18,819
Other comprehensive income, net of tax	-	19	-	(553)	-	(534)
<b>Total comprehensive income</b>	-	19	-	(553)	18,819	18,285
Transfer to reserves	-	-	34	-	(34)	-
Change of share capital due to transition to euro	8	-	-	-	(8)	-
Dividends declared	-	-	-	-	(11,200)	(11,200)
<b>Balance as at 31 December 2015</b>	5,800	(43)	831	(981)	19,391	24,998

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

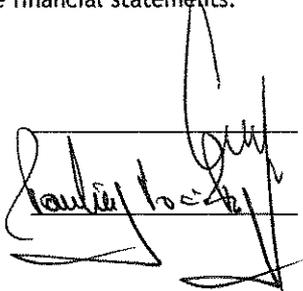
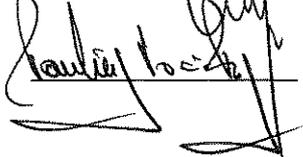
General Director	Giedrius Balčiūnas		19 February 2016
Director of Economics	Paulius Vazniokas		19 February 2016

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**CONSOLIDATED AND COMPANY'S FINANCIAL STATEMENTS**  
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(all amounts are in EUR thousand unless otherwise stated)

**Company**

	Share capital	Legal reserve	Cash flow hedge reserve	Retained earnings	Total
<b>Balance as at 31 December 2013</b>	<b>5,792</b>	<b>579</b>	<b>-</b>	<b>3,793</b>	<b>10,164</b>
<b>Balance as at 31 December 2015</b>	<b>5,800</b>	<b>579</b>	<b>73</b>	<b>16,140</b>	<b>22,592</b>
Other comprehensive income	-	-	48	-	48
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>48</b>	<b>11,200</b>	<b>11,248</b>
Dividends declared	-	-	-	(3,765)	(3,765)
<b>Balance as at 31 December 2014</b>	<b>5,792</b>	<b>579</b>	<b>48</b>	<b>11,228</b>	<b>17,647</b>
Net profit for the year	-	-	-	16,120	16,120
Other comprehensive income, net of tax	-	-	25	-	25
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>16,120</b>	<b>16,145</b>
Change of share capital due to transition to euro	8	-	-	(8)	-
Dividends declared	-	-	-	(11,200)	(11,200)
<b>Balance as at 31 December 2015</b>	<b>5,800</b>	<b>579</b>	<b>73</b>	<b>16,140</b>	<b>22,592</b>

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

General Director	Giedrius Balčiūnas		19 February 2016
Director of Economics	Paulius Vazniokas		19 February 2016

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**CONSOLIDATED AND COMPANY'S FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 December 2015**  
(all amounts are in EUR thousand unless otherwise stated)

**Statements of cash flows**  
**For the 12 months ended 31<sup>st</sup> December**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Cash flows from (to) operating activities</b>				
Net profit	18,819	12,343	16,120	11,200
<b>Adjustments for non-cash items:</b>				
Income tax expenses	3,142	2,017	2,695	1,905
Depreciation and amortisation	2,487	2,472	148	128
Impairment of investment to joint venture	-	-	455	290
Allowance for doubtful accounts receivable	6	-	6	2
Loss on write-offs of non-current assets	-	2	-	-
Share of net profit of joint venture	(2)	3	-	-
Dividend (income)	-	(52)	(70)	(134)
Interest (income) expenses	871	-	112	62
	<b>25,323</b>	<b>960</b>	<b>19,466</b>	<b>13,453</b>
<b>Changes in working capital:</b>				
(increase) decrease in inventories and prepayments and other receivables from subsidiaries and joint venture	(56)	(11)	1,308	(1,306)
(Increase) decrease in accounts receivable and other current assets	2,935	(3,575)	1,983	(2,179)
(Decrease) increase in trade payables	(4,968)	1,949	(4,856)	1,896
Income tax (paid)	(1,823)	(66)	(1,775)	-
(Decrease) increase in other current liabilities	(966)	1,504	(934)	1,374
<b>Net cash flows from operating activities</b>	<b>20,445</b>	<b>17,546</b>	<b>15,192</b>	<b>13,238</b>
<b>Cash flows from (to) investing activities</b>				
(Acquisition) of non-current assets	(14)	(82)	(11)	(82)
(Increase) decrease in other non-current assets	169	(676)	170	(176)
Interest received	21	24	-	-
Dividends received	70	130	70	134
<b>Net cash flows (to) investing activities</b>	<b>246</b>	<b>(604)</b>	<b>229</b>	<b>(124)</b>

*(cont'd on the next page)*

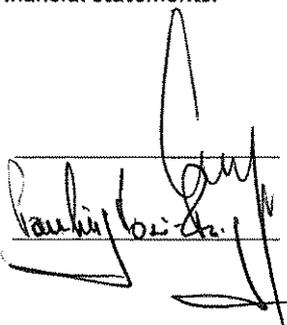
The accompanying notes are an integral part of these financial statements.

**AB INTER RAO LIETUVA**, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania  
**CONSOLIDATED AND COMPANY'S FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 December 2015**  
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Statements of cash flows (cont'd)

	Group		Company	
	2015	2014	2015	2014
<b>Cash flows from (to) financing activities</b>				
Dividends (paid)	(4,920)	(753)	(4,920)	(753)
Loans repaid	(6,351)	(8,378)	(3,051)	(4,976)
Interest (paid)	(877)	(944)	(95)	(23)
Financial lease (payments)	(16)	(42)	-	-
<b>Net cash flows (to) financing activities</b>	<b>(12,164)</b>	<b>(10,117)</b>	<b>(8,066)</b>	<b>(5,752)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>8,527</b>	<b>6,825</b>	<b>7,355</b>	<b>7,362</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>11,228</b>	<b>4,403</b>	<b>8,352</b>	<b>990</b>
<b>Cash and cash equivalents as at the end of period</b>	<b>19,755</b>	<b>11,228</b>	<b>15,707</b>	<b>8,352</b>

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

<u>General Director</u>	<u>Giedrius Balčiūnas</u>		<u>19 February 2016</u>
<u>Director of Economics</u>	<u>Paulius Vazniokas</u>		<u>19 February 2016</u>

## 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 4<sup>th</sup> quarter of 2015 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

