



#### CONFIRMATION OF RESPONSIBLE PERSONS

31 October 2014 No. <sup>5-17</sup>.....

Following Article 22 of the Law on Securities of the Republic of Lithuania and the Rules for Drawing up and Submission of Periodic and Additional Information approved by Resolution No 03-48 of the Board of the Bank of Lithuania of 28 February 2013, we, Saulius Bilys, the General Manager of AB Amber Grid, and Rimantas Šukys, the Financial Director of AB Amber Grid, hereby confirm that, to the best of our knowledge, the attached condensed financial statements of the company AB Amber Grid as of 30 September 2014 drawn up according to International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position, profit or loss and cash flows of AB Amber Grid.

General Manager

Saulius Bilys

Financial Director

Rimantas Šukys

**AB AMBER GRID**

**CONDENSED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2014 PREPARED ACCORDING TO  
INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION**

**Statement of financial position**

			<b>As of 30 September 2014 (unaudited)</b>	<b>As of 31 December 2013 (audited)</b>
	<b>Notes</b>			
<b>ASSETS</b>				
<b>A. Non-current assets</b>			<b>1,551,768</b>	<b>1,583,740</b>
I. Intangible assets			1,422	1,679
II. Non-current tangible assets			1,549,921	1,581,582
II.1. Land			389	387
II.2. Buildings and structures			1,283,048	1,320,544
II.2.1. Buildings			27,613	27,898
II.2.2. Gas transmission pipelines and related installations			1,235,342	1,271,669
II.2.3. Gas distribution pipelines and related installations			373	379
II.2.4. Other buildings and structures			19,720	20,598
II.3. Machinery and equipment			216,906	230,417
II.4. Vehicles			4,062	5,172
II.5. Other equipment, tools and devices			11,396	13,845
II.6. Other non-current tangible assets			738	886
II.7. Construction in progress	4		33,382	10,331
III. Non-current financial assets			425	479
III.1. Investment into subsidiary			-	-
III.2. Investment into joint venture	1		425	479
III.3. Non-current accounts receivable			-	-
<b>B. Current assets</b>			<b>182,277</b>	<b>165,187</b>
I. Inventories and prepayments			23,512	26,862
I.1. Inventories			23,275	26,714
I.1.1. Raw materials, spare parts and other inventories			4,631	4,541
I.1.2. Natural gas			18,644	22,173
I.2. Prepayments			237	148
II. Accounts receivable			64,957	73,302
II.1. Trade receivables	5		14,608	16,169
II.2. Other receivables	6		50,349	57,133
III. Prepaid income tax			-	-
IV. Other current assets	7		15,000	-
V. Other financial assets	8		50,526	45,305
VI. Cash and cash equivalents	9		28,282	19,718
<b>Total assets</b>			<b>1,734,045</b>	<b>1,748,927</b>

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

**Statement of financial position (cont'd)**

			As of 30 September 2014 (unaudited)	As of 31 December 2013 (audited)
	<b>Notes</b>			
	<b>EQUITY AND LIABILITIES</b>			
<b>C.</b>	<b>Equity</b>		<b>1,223,200</b>	<b>1,208,560</b>
I.	Authorised share capital		178,382	178,382
II.	Reserves		1,015,111	1,015,111
II.1.	Legal reserve		17,838	17,838
II.2.	Other reserves		997,273	997,273
III.	Retained earnings		29,707	15,067
<b>D</b>	<b>Amounts payable and liabilities</b>		<b>510,845</b>	<b>540,367</b>
I.	Amounts payable after one year and non-current liabilities		346,182	374,872
I.1.	Non-current borrowings	10	112,556	135,118
I.2.	Grants (deferred income)	11	129,699	131,072
I.3.	Non-current employee benefits		1,131	1,131
I.4.	Deferred tax liability		102,796	107,551
II.	Accounts payable within one year and short-term liabilities		164,663	165,495
II.1.	Current portion of non-current borrowings	10	45,083	45,083
II.2.	Current year portion of non-current employee benefits		260	260
I.3.	Trade payables	13	11,828	12,673
II.4.	Prepayments received		150	-
II.5.	Income tax payable		3,053	1,388
II.6.	Payroll related liabilities		3,533	2,224
II.7.	Other payables and current liabilities	14	100,756	103,867
<b>Total equity and liabilities</b>			<b>1,734,045</b>	<b>1,748,927</b>

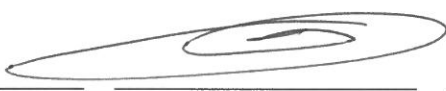

The accompanying notes are an integral part of these financial statements.

General Manager	Saulius Bilys		31 October 2014
Chief Accountant	Dzintra Tamulienė		31 October 2014

**Income statement**

		Notes	For the period of three months ended 30 September 2014 (unaudited)	For the period of nine months ended 30 September 2014 (unaudited)	For the period of nine months ended 30 September 2013 (unaudited)
<b>I. Revenue</b>		15	<b>38,735</b>	<b>126,883</b>	<b>26,373</b>
<b>II. Expenses</b>			<b>(36,901)</b>	<b>(111,986)</b>	<b>(28,697)</b>
II.1. Cost of natural gas			(2,483)	(12,904)	(3,470)
II.2. Depreciation and amortization			(20,098)	(60,156)	(12,772)
Payroll and related social security tax			(5,684)	(17,543)	(3,956)
II.3. expenses					
Repair and technical maintenance			(5,844)	(13,315)	(6,630)
II.4. expenses					
II.5. Taxes, other than income tax			(1,245)	(3,739)	(785)
II.6. Other expenses			(1,547)	(4,329)	(1,084)
<b>III. Profit from operations</b>			<b>1,834</b>	<b>14,897</b>	<b>(2,324)</b>
<b>IV. Financial activity</b>			<b>(599)</b>	<b>(1,977)</b>	<b>(480)</b>
IV.1. Income			31	93	29
IV.2. Expense			(630)	(2,070)	(509)
<b>V. Profit (loss) before tax</b>			<b>1,235</b>	<b>12,920</b>	<b>(2,804)</b>
<b>VI. Income tax</b>		12	<b>1,197</b>	<b>1,720</b>	<b>1,642</b>
VI.1. Current period income tax			(770)	(3,035)	(258)
VI.2. Deferred income tax			1,967	4,755	1,900
<b>VII. Net profit</b>			<b>2,432</b>	<b>14,640</b>	<b>(1,162)</b>

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

General Manager	Saulius Bilys		31 October 2014
Chief Accountant	Dzintra Tamulienė		31 October 2014

**COMPANY'S CONDENSED FINANCIAL STATEMENTS**



**AS OF 30 SEPTEMBER 2014**

(all amounts are in LTL thousand unless stated otherwise)

**Statement of comprehensive income**

	For the period of three months ended 30 September	For the period of nine months ended 30 September 2014 (unaudited)	For the period of nine months ended 30 September 2013 (unaudited)
I. Net profit (loss)	2,432	14,640	(1,162)
II. Total comprehensive income	2,432	14,640	(1,162)


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

General Manager	Saulius Bilys		31 October 2014
Chief Accountant	Dzintra Tamulienė		31 October 2014

**Statement of changes in equity**

	Share capital	Legal reserve	Other reserves	Retained earnings	Total
<b>Balance as of 31 July 2013 (unaudited)</b>	<b>178,382</b>	<b>17,838</b>	<b>997,273</b>	<b>9,996</b>	<b>1,203,489</b>
Total comprehensive income	-	-	-	(1,162)	(1,162)
<i>Net profit for the year</i>	-	-	-	(1,162)	(1,162)
<b>Balance as of 30 September 2013 (unaudited)</b>	<b>178,382</b>	<b>17,838</b>	<b>997,273</b>	<b>8,834</b>	<b>1,202,327</b>
<b>Balance as of 31 December 2013 (audited)</b>	<b>178,382</b>	<b>17,838</b>	<b>997,273</b>	<b>15,067</b>	<b>1,208,560</b>
Total comprehensive income	-	-	-	14,640	14,640
<i>Net profit for the year</i>	-	-	-	14,640	14,640
<b>Balance as of 30 September 2014 (unaudited)</b>	<b>178,382</b>	<b>17,838</b>	<b>997,273</b>	<b>29,707</b>	<b>1,223,200</b>

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

General Manager	Saulius Bilys		31 October 2014
Chief Accountant	Dzintra Tamulienė		31 October 2014

## COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2014

(all amounts are in LTL thousand unless stated otherwise)

## Statement of cash flows

	30 September 2014 (unaudited)	30 September 2013 (unaudited)
<b>I. Cash flows from (to) operating activities</b>		
I.1. Net profit	14,640	(1,162)
<b>Adjustments of non-cash items and other corrections:</b>		
I.2. Depreciation and amortisation	60,156	12,772
I.3. Loss (gain) on property, plant and equipment, doubtful trade accounts receivable and inventories write-off and disposal	7	1
I.4. Impairment losses (reversal of impairment) for property, plant and equipment, financial assets, allowance for doubtful trade accounts receivable and inventories	91	(167)
I.5. Income tax expenses (income)	(1,720)	(1,642)
I.6. Interest (income)	(63)	(1)
I.7. Interest expenses	2,016	493
I.8. Amortisation of grants (deferred income)	(3,423)	(524)
I.9. Elimination of other investing activity results	54	-
I.10. Elimination of other non-cash items	-	10,103
	<b>71,759</b>	<b>19,873</b>
<b>Changes in working capital:</b>		
I.11. Decrease (increase) in inventories	3,350	1,268
I.12. Decrease (increase) in trade accounts receivable	1,567	(2,589)
I.13. Decrease (increase) in other accounts receivable and prepayments	7,188	(6,851)
I.14. Increase (decrease) in trade accounts payable	(1,461)	3,560
I.15. Increase (decrease) in other accounts payable and other current liabilities	(1,653)	5,306
I.16. Decrease (increase) in other financial assets	(5,221)	(5,944)
I.17. Income tax (paid)	(1,370)	-
<b>Total changes in working capital</b>	<b>2,400</b>	<b>(5,250)</b>
<b>Net cash flows from operating activities</b>	<b>74,159</b>	<b>14,623</b>
<b>II. Cash flows from (to) investing activities</b>		
II.1. (Acquisitions) of property, plant and equipment and intangible assets	(26,660)	(13,030)
II.2. Proceeds from sales of property, plant and equipment	-	-
II.3. Acquisition of investments in joint venture	-	-
II.4. Acquisition of held-to-maturity investment	(15,000)	-
II.5. Sale of held-to-maturity investment	-	-
II.6. Interest received	53	1
II.7. Disposal (acquisition) of other short term investments	-	-
<b>Net cash flows (to) investing activities</b>	<b>(41,607)</b>	<b>(13,029)</b>

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

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**COMPANY'S CONDENSED FINANCIAL STATEMENTS**



**AS OF 30 SEPTEMBER 2014**

(all amounts are in LTL thousand unless stated otherwise)

**Statements of cash flows (cont'd)**

	<b>30 September 2014</b>	<b>30 September 2013</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>III. Cash flows from (to) financing activities</b>		
III.1. Loan repayment	(22,562)	-
III.2. Grants received	590	5,565
III.3. Interest (paid)	(2,016)	(461)
<b>Net cash flows from (to) financing activities</b>	<b>(23,988)</b>	<b>5,104</b>
<b>IV. Net increase (decrease) in cash and cash equivalents</b>	<b>8,564</b>	<b>6,698</b>
<b>V. Cash and cash equivalents at the beginning of the period</b>	<b>19,718</b>	<b>12,142</b>
<b>VI. Cash and cash equivalents at the end of the period</b>	<b>28,282</b>	<b>18,840</b>

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

General Manager	Saulius Bilys		31 October 2014
Chief Accountant	Dzintra Tamulienė		31 October 2014

**COMPANY'S CONDENSED FINANCIAL STATEMENTS**

**AS OF 30 SEPTEMBER 2014**

(all amounts are in LTL thousand unless stated otherwise)

**Notes to the Financial Statements**

**1 General information**

AB Amber Grid (hereinafter referred to as the "Company") was registered on 25 June 2013; after the spin-off from AB Lietuvos Dujos of its natural gas transmission activities with the assets, rights and duties attributed to these activities.

By a transfer certificate, AB Lietuvos Dujos transferred to AB Amber Grid the assets, rights and duties attributed to the natural gas transmission activities as of 31 July 2013. The operations of AB Amber Grid were started on 1 August 2013 with the coming into effect of the temporary natural gas transmission licence issued to the Company by the National Control Commission for Prices and Energy. As the unbundling of activities falls into the category of transactions made between companies under common control, and as the Company was to continue the same activities as the ones that were carried out when it still belonged to AB Lietuvos Dujos, AB Amber Grid recognised all the assets and liabilities transferred to it at the book value as recorded at the moment of transfer by the transferor (i.e. AB Lietuvos Dujos) itself.

During the second quarter of 2014, the then two major shareholders of the Company sold off their shares held in AB Amber Grid, thus losing their voting rights at the Company:

- On 21 May 2014, E.ON Ruhrgas International GmbH transferred and UAB EPSO-G acquired 69,416,233 ordinary registered non-certificated shares of AB Amber Grid;
- On 19 June 2014, as a result of a takeover bid, OAO Gazprom transferred and UAB EPSO-G acquired 66,112,761 ordinary registered non-certificated shares of AB Amber Grid.

The aforesaid acquisition by UAB "EPSO-G" of AB Amber Grid's control completed the implementation of the legal, organizational and functional unbundling of the natural gas transmission activity from other gas activities, which was required by the provisions of the Republic of Lithuania Law on Natural Gas Chapter 8.

As of 30 September 2014, the Company's shareholders were as follows:

	<b>Number of shares owned</b>	<b>Ownership share (percent)</b>
UAB EPSO-G	172,279,125	96.58
Other shareholders	6,103,389	3.42
	<b>178,382,514</b>	<b>100.0</b>

The Company's share capital is LTL 178,382,514 divided into 178,382,514 ordinary registered shares with par value of one LTL each.

Pursuant to the Law on Natural Gas and its implementing legislation, on 20 October 2014 the Company approached the National Control Commission for Prices and Energy (hereinafter referred to as the "NCCPE") requesting it to issue a conclusion on the loss of the illegal control as provided for by the Law on Natural Gas.

When the letter of conclusion is issued, the Company will address the NCCPE requesting certification of the transmission system operator in accordance with the EU's Third Energy Package requirements and the issuance in respect to the Company of an open-ended license for transmission system operator activities.

The Company, which is engaged in the natural gas transmission system operator's activities, provides the users of the system, other operators, and gas market players with the following services:

- natural gas transmission and transit through gas transmission pipelines;
- balancing of flows of natural gas in the transmission system;
- administration of the LNG-terminal-funds, i.e. the compensation for the installation and operation of the Liquefied Natural Gas (hereinafter referred to as the "LNG") Terminal, its infrastructure and connection to the gas grid.

The Company's customers are as follows: large (electricity, district heat production, industry) and medium-sized business companies of Lithuania, natural gas supply companies, to which AB Amber Grid renders services for the transmission of natural gas.

## COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2014

(all amounts are in LTL thousand unless stated otherwise)

**General information (continued)**

AB Amber Grid condensed financial statements; including the financial statements as of 30 September 2014, the profit (loss) account, the comprehensive income statement, the cash flow statement and the statement of changes in equity are unaudited. The Company's financial statements as of 31 December 2013 were audited; they were prepared in accordance with International Financial Reporting Standards (IFRS). For a better understanding of the information contained in these condensed financial statements it is highly recommended to read this statement in conjunction with the Company's annual financial statements for the year ended 31 December 2013.

The Company's ordinary registered shares are traded on the regulated market; they are listed on the Secondary Trading List of the stock exchange NASDAQ OMX Vilnius.

In the Company's financial statements as of 30 September 2014, the Company's investment in GET Baltic UAB, the joint venture co-owned with AB Lietuvos Dujos and the Finnish gas company Gasum Oy, was accounted by applying the equity method. The condensed financial statements as of 30 June 2014 drawn up by UAB GET Baltic in accordance with International Financial Reporting Standards (IFRS) are unaudited.

**2 Accounting principles**

The Company's condensed financial statements as of 30 September 2014 were prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

The financial statements are presented in thousand litas. The financial statements were prepared drawing up on the historical cost basis.

The Company's accounting policies are consistent with the accounting principles used the previous year.

**3 Information according to segments**

The Company conducts natural gas transmission activity and operates as one segment.

All non-current assets of the Company are in Lithuania where the Company carries out its activities.

During the nine months of 2014 the Company earned 82,26 per cent of its revenue from the Lithuanian system users and 17,74 per cent of revenue was received from the transit service, i.e. transport of gas to the Kaliningrad region of the Russian Federation.

**4 Construction in progress**

Major objects of construction in progress of the Company as of 30 June 2014 were as follows:

Object	30 September 2014 (unaudited)	31 December 2013 (audited)
Construction of the Klaipėda-Kuršėnai DN800 gas transmission pipeline (Capacity enhancement of the Klaipėda-Kiemėnai pipeline)	13,505	-
Installation of intelligent pig launchers and receivers on the gas transmission pipeline branch leading to the Alytus M&R Station and replacement of line block valves No. 2 and 3	4,568	1,742
Installation of intelligent pig launchers and receivers on the gas transmission pipeline branch leading to the Marijampolė M&R Station and replacement of line block valve No. 3	2,924	1,598
Installation of environmental pollution reduction equipment on Panevėžys compressors No. 1, 2 and 3	2,090	1,395
Installation of a gas pressure reduction station in Dauparai Village, Šiauliai District	2,083	2.083
Installation of an intelligent pig launcher on the Panevėžys-Šiauliai-Klaipėda gas transmission pipeline	1,550	762
Reconstruction of the Klaipėda M&R Station No. 1	1,318	-
Other	5,344	4,834
	<b>33,382</b>	<b>10,331</b>

## COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2014

(all amounts are in LTL thousand unless stated otherwise)

**5 Trade receivables**

	<b>30 September 2014 (unaudited)</b>	<b>31 December 2013 (audited)</b>
Receivables from gas transmission system users for gas transmission	14,657	16,225
Other trade receivables	8	8
Less: allowance for the decrease in value of trade receivables	(57)	(64)
	<b>14,608</b>	<b>16,169</b>

The Company's trade receivables from the system users for natural gas transmission as of 30 September 2014 decreased due to an decrease in gas transmission volumes.

The trade receivables do not include interest, the time limit for payment thereof is 15 calendar days.

**6 Other receivables**

	<b>30 September 2014 (unaudited)</b>	<b>31 December 2013 (audited)</b>
LNGT funds receivable (administered by the Company)	49,243	56,500
Other receivables	1,106	633
Less: allowance for the decrease in value of other receivables	-	-
	<b>50,349</b>	<b>57,133</b>

For more information, see Note 16 "Commitments and contingencies".

**7 Other current assets**

In July of 2014, the Company acquired debt securities (bonds) of a bank with a higher investment rating (according to the international rating agency Standard & Poor's) A +. The annual yield on the bonds is 0.32%; the maturity date is in December of 2014.

**8 Other financial assets**

According to the provisions of Article 5 paragraph 2 of the Republic of Lithuania Law on the Liquefied Natural Gas Terminal, the Company fulfils the functions of the administrator of funds allocated for the Liquefied Natural Gas Terminal (hereinafter referred to as the "LNGT"). Administration of the funds allocated for the LNGT is carried out in accordance with the Description of the Procedure for Administration of Funds Allocated for Full or Partial Compensation of the Costs of the Liquefied Natural Gas Terminal, Installation and Operation of Infrastructure and Connection Thereof approved by Resolution No O3-294 of the National Commission for Energy Control and Prices (hereinafter referred to as the "NCECP") of 9 October 2012.

The Other Financial Assets of the Company as of 30 September 2014 consisted of the cash received from the LNGT related extra tariff (surcharge). The afore-mentioned funds are payable to the LNGT beneficiaries and kept in a separate bank account opened for the LNGT funds that was selected and opened in compliance with respective requirements of the legislation. LNGT related extra tariff (surcharge) was applied to the services of natural gas transmission in 2013.

## COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2014

(all amounts are in LTL thousand unless stated otherwise)

**9 Cash and cash equivalents**

	<b>30 September 2014 (unaudited)</b>	<b>31 December 2013 (audited)</b>
Cash at bank	28,282	19,718
	<b>28,282</b>	<b>19,718</b>

The Company keeps its cash in the bank accounts or (where possible) invests in the deposits with the shortest term (overnight). Overnight interest rates are floating or fixed. The floating interest rate is related to VILIBOR inter-bank interest rate published by the Bank of Lithuania.

**10 Loans**

	<b>30 September 2014 (unaudited)</b>	<b>31 December 2013 (audited)</b>
<b>Long-term loans</b>		
Loans from credit institutions of Lithuania	112,500	135,000
Leasing	56	118
<b>Short-term loans</b>		
Current portion of long-term loans	45,000	45,000
Leasing	83	83
	<b>157,639</b>	<b>180,201</b>

According to the long-term credit agreement concluded on 22 October 2012 with Swedbank AB, the Company's outstanding part of the loan amounted to LTL 157.5 million (EUR 45.6 million).

On 14 May 2014 the Company and Danske Bank A/S Lithuania Branch concluded the overdraft agreement for the amount of up to EUR 5.8 million (LTL 20 million). The main objective on this overdraft is to balance working capital of the Company. On 30 June 2014, the overdraft was not used.

**11 Grants (deferred revenue)**

	<b>Deferred revenue</b>	<b>Grants</b>	<b>Total</b>
<b>Balance at the end of the period 31 December 2013</b>	<b>5,656</b>	<b>125,416</b>	<b>131,072</b>
Received during the period of 9 months ended on 30 September 2014	-	2,050	2,050
Amortisation during the period of 9 months ended on 30 September 2014	(88)	(3,335)	(3,423)
<b>Balance as at 30 June 2014</b>	<b>5,568</b>	<b>123,231</b>	<b>129,699</b>

**12 Income tax**

In 2014, the standard corporate income tax rate applicable to the companies of the Republic of Lithuania was 15 per cent (in 2013: 15 per cent).

The income tax expenses for the period comprise the current income tax and the deferred income tax.

Following the amendments to the Law on Corporate Income Tax which provide for a possibility to take advantage of the corporate income tax relief, after investment in new technologies, in 2014 the Company calculated the corporate income tax relief amounting to LTL 3,063 million (in 2013, LTL 1,360 million).

## COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2014

(all amounts are in LTL thousand unless stated otherwise)

**13 Trade payables**

	<b>30 September 2014 (unaudited)</b>	<b>31 December 2013 (audited)</b>
Payables to suppliers in according to the Construction programme	2,479	31
Payables to suppliers according to the Reconstruction programme	6,118	7,949
Payables to suppliers for services received	870	1,244
Payables to suppliers of repairs of non-current assets	1,629	1,688
Other	732	1,761
	<b>11,828</b>	<b>12,673</b>

**14 Other payables and current liabilities**

	<b>30 September 2014 (unaudited)</b>	<b>31 December 2013 (audited)</b>
LNGT funds (administered by the Company) payable	50,526	45,270
Accrued LNGT funds (administered by the Company) *	49,243	54,644
Real Estate Tax payable	-	1,838
Value Added Tax payable	643	1,452
Other payables	344	663
	<b>100,756</b>	<b>103,867</b>

\* The accrued LNGT funds administered by the Company are attributed to the LNGT funds payable account only when the gas transmission system users pay them to the Company.

**15 Income**

	<b>For the period of three months ended 30 September 2014 (unaudited)</b>	<b>For the period of nine months ended 30 September 2014 (unaudited)</b>	<b>For the period of nine months ended 30 September 2013 (unaudited)</b>
Transmission and transit of natural gas	36,519	120,254	25,787
Income from balancing	974	2,717	-
Grants recognised as income	1,141	3,423	524
Income from LNGT fund administration	82	245	50
Other income	19	244	12
	<b>38,735</b>	<b>126,883</b>	<b>26,373</b>

**16 Commitments and contingencies****Legal disputes**

According to the Republic of Lithuania Law on the Liquefied Natural Gas Terminal and applicable resolutions adopted by the NCCPE, the natural gas system users that transport natural gas via the gas transmission system, when settling



### Commitments and contingencies (continued)

accounts for gas transmission services rendered to them must pay an inseparable component of the natural gas transmission price, i.e. the LNGT-related extra tariff (surcharge).

In the light of the fact that AB Achema as a user of the gas transmission system, has systemically failed to pay the LNGT-related extra tariff (surcharge), AB Lietuvos Dujos, being the administrator of the LNGT funds, on 12 April 2013, filed a lawsuit with Kaunas Regional Court for payment of the LNGT-related extra tariff (surcharge), award of default interest and the obligation to perform the contract. BY 1 August 2013 acceptance certificate AB Lietuvos dujos transferred the aforesaid case to AB Amber Grid. On 17 September 2013, AB Amber Grid revised the amount of the claim. By 12 December 2013 judgement the court of first instance partially satisfied the claim brought by AB Amber Grid, i.e. the Court awarded the total requested debt and procedural interest; nevertheless, the court reduced the interest to be awarded from 0.04 percent to 0.02 percent. AB Achema lodged an appeal, and AB Amber Grid also lodged an appeal concerning the award of interest. The disposition of the case should not have any financial impact on the Company because, as the court satisfied the claim brought by AB Amber Grid, the awarded amount of money shall be remitted to the beneficiary of the LNGT-related extra tariff (surcharge).

On 7 March 2014, AB Amber Grid addressed Kaunas Regional Court with a claim requesting to award the debt for the outstanding LNGT-related extra tariff (surcharge) amounting to LTL 11,009,062.23 for the period from 1 September 2013 to 31 December 2013 and award the default interest for the LNGT-related extra tariff (surcharge) amounting to LTL 375,668.35 not paid in a timely manner for the afore-mentioned period. The case is heard in the court of first instance. The disposition of the case should not have any financial impact on the Company because, as the court satisfied the claim brought by Amber Grid AB, the awarded amount of money shall be remitted to the beneficiary of the LNGT-related extra tariff (surcharge).

On 19 November 2012, AB Achema addressed Vilnius Regional Administrative Court requesting to revoke Paragraphs 3.1 and 4 of Resolution No 03-317 of 19 October 2012 "On Setting the Amount of Funds Allocated for Full or Partial Compensation of the Costs of Installation and Operation of the Liquefied Natural Gas Terminal, Infrastructure and Connector Thereof for the Year 2013" and requesting to repeal Paragraph 2 of Resolution No 03-330 of the NCC of 26 October 2012 "On Adjustment of the Tariff Caps for Natural Gas Transmission and Distribution of AB Lietuvos dujos and Setting of the Tariff Cap for the Inseparable Component of the Natural Gas Transmission Price (the LNGT-Related Extra Tariff (Surcharge)) for the Year 2013". AB Amber Grid is involved in the proceedings as a third party concerned. The case is heard in the court of first instance. In the opinion of the management bodies, disposition of the case is not clear and cannot be reasonably assessed.

In 10 July 2013, Panevėžys District Court received a claim brought according to the plea raised by a prosecutor at the Public Interest Protection Department of Panevėžys Regional Prosecutor's Office against the defendants, namely, the Ministry of Economy of the Republic of Lithuania, AB Lietuvos dujos, the third parties concerned, namely, the Lithuanian Road Administration under the Ministry of Transport and Communications of the Republic of Lithuania, and the state enterprise Panevėžio regiono keliai, regarding the revocation of the orders of the Minister of Economy in the part concerning transfer of a road of national significance, application of restitution, which is attributable to the general competence courts or the administrative court. By 1 August 2013 acceptance certificate AB Lietuvos dujos transferred the afore-mentioned case to AB Amber Grid. A part of the road belonging to AB Amber Grid by ownership right which leads to the Panevėžys Gas Compressor Station falls with a section of Piniava-Paliūniškis Road which has the status of a road of national significance. As all roads of national significance shall be owned by the right of exclusive ownership exclusively by the State itself, the prosecutor requests for annulment of the orders adopted by the Minister of Economy and the acceptance certificates in question whereby the above road was registered as the property of AB Lietuvos dujos and currently is registered as the ownership of AB Amber Grid. The claim has been revised several times, as the prosecutor revised his pleas. The case is pending before the court of first instance. The disposition of the case could have a financial impact on the Company, since the Company seeks that a compensation was awarded to it if the court annuls the ownership rights of AB Amber Grid to at least a part (6,534 sq. m.) of the road in question. In the opinion of the management bodies, the disposition of the case is unclear and cannot be reasonably estimated.

## COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2014

(all amounts are in LTL thousand unless stated otherwise)

**17 Related party transactions**

The parties are considered to be related where one party has a possibility to control the other one or may have a significant influence over the other party in making financial and operating decisions.

**Related party transactions (continued)**

On 30 September 2014, the related parties of the Company were as follows:

- UAB GET Baltic (joint venture in which the Company has an interest);
- UAB EPSO-G;
- UAB LITGRID (co-shareholders);
- UAB Baltpool (subsidiary of LITGRID AB);
- UAB Tetas (subsidiary of LITGRID AB);
- UAB Tinklo priežiūros centras (subsidiary of AB LITGRID);
- UAB Duomenų logistikos centras (associated company of AB LITGRID Group);
- Lit Pol Link Sp.z.o.o. ( joint venture co-owned by LITGRID AB and the Polish electricity network operator PSE S.A.);
- Management.

The related parties of the Company, transaction amounts and debts as of 30 September 2013 were as follows:

- E.ON Ruhrgas International GmbH (one of the major shareholders of the Company);
- OAO Gazprom (one of the major shareholders of the Company);
- Ministry of Energy of the Republic of Lithuania (one of the major shareholders of the Company);
- UAB GET Baltic (joint venture where the Company has an interest);
- AB Lietuvos Dujos (the same shareholders).

The Company's balances and transactions with related parties are listed in the table below. The tables below present the Company's balances and transactions with related parties as of 30 September 2014 and as of 30 September 2013.

**As of 30 September 2014 (unaudited)**

	<b>Purchases</b>	<b>Sales</b>	<b>Accounts receivable</b>	<b>Accounts payable</b>
UAB Tetas	3	-	-	-
UAB GET Baltic	1,037	-	-	-
	<b>1,040</b>	<b>-</b>	<b>-</b>	<b>-</b>

**As of 30 September 2013 (unaudited)**

	<b>Purchases</b>	<b>Sales</b>	<b>Accounts receivable</b>	<b>Accounts payable</b>
OAO Gazprom		4.285	2.298	-
AB Lietuvos Dujos	2.814	4.937	2.166	1.050
<i>of which the LNGT funds</i>		1.080	694	
UAB GET Baltic	1	221		-
	<b>2.815</b>	<b>9.443</b>	<b>4.464</b>	<b>1.050</b>

There were no guarantees provided for or received for receivables from the related parties or for payables to them. As at 30 September 2014, the Company had not accounted any impairment loss allowances for receivables from the related parties.

**Benefits for the top executives**

During the period of 9 months ended 30 September 2014 the Company's benefits to the top executives of the Company amounted to LTL 884 thousand. The top executives are the Chief Executive Officer, the Deputies thereof, and the Chief Accountant. The top executives of the Company were not given any loans, guarantees or property transfers.



## **18 Post-balance sheet events**

On 26 September 2014, the Board of Directors of AB Amber Grid adopted a decision to issue an authorization in respect to the Company's administration to proceed with the public procurement procedures to procure a loan in the amount of EUR 113 million for a five-year term.