

14th of November 2014, Vilnius**INTER RAO Lietuva Group announces the results for the 9-month period ended 30th September 2014***Group's profitability increased despite the decrease in sales*

- Group's gross profit increased to LTL 51.8 million from LTL 14.3 million in January - September of 2013
 - Operating profit reached LTL 36 million, versus operating loss of LTL 2.1 million in the same period of 2013
 - Group's net profit increased to LTL 28 million from the net loss of LTL 4.9 million in January - September of 2013
 - Group's EBITDA increased to LTL 42.8 million while EBITDA margin increased to 7.9 percent
 - Electricity trading volume was 3 209 GWh, compared to 3 464 GWh in the same period of 2013
 - Revenue from sales decreased to LTL 541.2 million, compared to LTL 560 million in 9 month of 2013 (3.35 percent), due to lower amount and price of electricity traded in the Baltic States
 - The first electricity trading volume in Poland: 20 GWh
- *INTER RAO Lietuva Group's financial results in the first nine months of 2014 positively reflect the set of the risk management policies and the change in the trading structure of the Group. These measures were implemented after the negative results in the 3rd quarter of 2013 and were designed to avoid the risks of the uncertainties associated with technical limitations of interconnection links. Despite the lower electricity prices in the Baltic markets, the profitability of the Group increased and we managed to deliver much better results than a year before. The Group's net profit increased by LTL 33 million, from the net loss of LTL 4.9 million in 2013, to the net profit of LTL 28 million in 2014. The net profit margin during the same period improved from the negative 0.88 percent to the positive 5.19 percent. The Group has earned 1.4 LTL per share - says Giedrius Balčiūnas, CEO at INTER RAO Lietuva.*

Key Financial figures of IRL Group*LTL million (unless otherwise stated)*

	9 months 2014	9 months 2013
Sales	541.213	559.980
Gross profit	51.805	14.326
Gross profit margin (%)	9.57%	2.56%
Operating profit	35.964	(2.107)
Operating profit margin (%)	6.65%	(0.38%)
EBITDA	42.779	5.106
EBITDA profit margin (%)	7.9%	0.91%
Net profit	28.076	(4.946)
Net profit margin (%)	5.19%	(0.88%)
Number of shares (thousand)	20,000	20,000
Earnings per share (LTL)	1.4	-0.25

Revenue from sales

Group's sales decreased by 3.35 per cent in first 9 months of 2014, compared to the same period in 2013. The decline in total revenue was mainly due to lower amount and prices of electricity traded in all Baltic states.

Group's revenue from purchases and sales of electricity in the accounting period of 2014 amounted to LTL 529.4 million. Revenue from produced electricity sales accounted for LTL 11.8 million, a 18.6 per cent more than a year ago. During the period Vydmantai wind park, UAB has produced higher amount of electricity compared to the same period a year ago, due to positive meteorological conditions.

Expenses

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

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

Group's operating expenses in the accounting period of 2014 amounted to LTL 15.8 million, a 3.6 per cent decrease over a year ago.

Earnings

Gross profit of the Group in January-September of 2014 amounted to LTL 51.8 million, while the gross profit margin increased to 9.6 per cent (2.6 per cent a year ago).

Group's operating profit over the same period accounted to LTL 36 million, while the operating profit margin increased to 6.7 per cent from the negative (-0.4) per cent a year ago.

Group's EBITDA for first 9 months of 2014 was LTL 42.8 million. Group's EBITDA profitability margin increased from 0.9 per cent in January-September of 2013 to 7.9 per cent in the same period of 2014.

Group's net profit in the January-September of 2014 amounted to LTL 28.1 million, compared to LTL 4.9 million losses for the same period year ago. The profit margin increased from the negative (-0.9) per cent a year ago to 5.2 per cent for the accounting period of 2014.

Increase in profit was mainly due to the set of risk management policies and change in trading structure the Group undertook as a response to the uncertainties associated with technical limitations of interconnection links.

For more information please refer to:

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About INTER RAO Lietuva:

INTER RAO Lietuva is a leading player in the electricity market in the Baltic countries and one of the largest independent suppliers of electricity in Lithuania. The Company trades electricity on the leading European power exchange Nord Pool Spot and operates one of the largest wind farms in Lithuania. The Company also supplies electricity to the largest consumers in the Baltics on the basis of bilateral agreements. The Group is expanding its activities in Poland, Latvia and Estonia.

At the beginning of 2014 the subsidiary of INTER RAO Lietuva in Poland (IRL Polska Sp. z o.o.) has been granted the license for electricity trading in Poland. On 22nd of May 2014, IRL Polska began electricity trading operations on the Polish Power Exchange.

INTER RAO Lietuva is also active in the retail electricity market making it one of the largest independent suppliers of electricity in Lithuania and a rapidly growing force in Latvia and Estonia. The Group started selling electricity to end-users in Latvia during the first half of 2012, followed by Lithuania in July 2012 and Estonia from 2013.