

PRESS RELEASE
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Shareholders Approve Operating Results of AB Amber Grid and Elect a New Board

On 26 April 2016 the General Meeting of Shareholders of AB Amber Grid approved the Company's operating results for the year 2015.

In 2015, the Company's revenue was EUR 55.8 million, which represents a 7.7% increase year over year. Revenue from the natural gas transmission service accounted for 89.3% of the total revenue. In 2015, the Company's net profit was EUR 16 million (in 2014 the Company incurred a loss of EUR 113.4 million, which came as a result of the fixed asset impairment accounted in 2014). Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to EUR 30.1 million, which represents an increase of 5.3% year over year (2014: EUR 28.5 million).

The General Meeting of Shareholders passed a resolution to appropriate to dividend a total amount of EUR 12.8 million or EUR 0.0716 per share. (The dividend paid out for the year 2014 amounted to EUR 58 million or EUR 0.3251 per share.) The General Meeting also approved the financial statements for the year 2015 and the Annual Report.

In 2015, natural gas transportation to Lithuania's consumers gas distribution systems or directly connected consumer systems totalled 26.2 TWh. In comparison with the respective indicator for 2014 (26.7 TWh), in 2015 gas transmission quantities went down by 1.8%. The main causes behind the overall natural gas transmission quantity decrease for Lithuania's gas market needs were: by 0.4 °C higher yearly mean temperature and the increased use of alternative fuels for heat and electricity generation.

Gas transportation to the Republic of Latvia via Kiemėnai Border Metering Station was 1.0 TWh. Gas transportation to the Kaliningrad Region of the Russian Federation was 21.8 TWh (2014: 21.6 TWh).

In 2015, investments in the gas transmission system development, reconstruction and modernisation totalled EUR 49.5 million. Out of the total investments, 85% of the investment amount, i.e. EUR 42 million, went to the implementation of the project of the Capacity enhancement of Klaipėda–Kiemėnai pipeline.

The gas pipeline with the total value of EUR 57.9 million was put into operation end 2015 (length: 110 km; diameter: 800 mm). The output of the project *Capacity enhancement of Klaipėda–Kiemėnai pipeline (Construction of Klaipėda–Kuršėnai pipeline)* helped to attain main objectives: putting in place a gas transmission capacity sufficient for the transportation of natural gas from the Liquefied Natural Gas Terminal in Klaipėda to both consumers of Lithuania and other Baltic States and diversification of gas supply sources.

“AB Amber Grid has been operating for almost three years. During this period of time AB Amber Grid has succeeded in achieving excellent results including the implementation of the strategic project Construction of Klaipėda–Kuršėnai gas pipeline, which enabled a full integration of Klaipėda LNG terminal into the gas transmission system and improved the security of gas supply situation. The strategic objectives – participation in the development of the regional Baltic gas market, active preparation for the construction of a gas interconnection between Poland and Lithuania, which has been granted the financial assistance of the EU, ensuring diversification of gas import flows and improvement of the quality of services ensure the conditions for the development of the gas market and favourable prices for consumers – are all being implemented in a comprehensive and consistent manner,” in summary of AB Amber Grid's results said the Vice Minister of Energy and the Chairman of the Company Board Dr Aleksandras Spruogis.

To audit AB Amber Grid's financial statements as of 31 December 2016, the Annual Report and the financial statements of the regulated activity, the the Company shareholders elected the audit firm, UAB PricewaterhouseCoopers.

In the light of the Corporate Governance Guidelines of Energy Sector State-owned Companies (as approved by the Energy Minister's Order as of 7 September 2015) the General Meeting of Shareholders adopted a new version of AB Amber Grid's Articles of Association setting out uniform corporate governance principles applicable to the entire UAB EPSO-G Group and amending provisions regarding the remits of the governing bodies. According to the newly adopted version of AB Amber Grid's Articles of Association, the functions of the Audit Committee will be performed by the Audit Committee of the parent company, UAB EPSO-G.

Shareholders of AB Amber Grid approved the election of 4 new board members of the Company and adopted a respective resolution regarding the re-election of the independent board member for another term. The following persons were elected to the board: Nemunas Biknius, Director of Strategy and Development, UAB EPSO-G; Saulius Bilys, CEO, AB Amber Grid; Vytautas Ruolia, Commercial Director, AB Amber Grid; Rimvydas Štilinis, Director of Infrastructure, UAB EPSO-G. To the position of the independent board member the General Meeting of Shareholders re-elected Nerijus Datkūnas, Management Consultant. The term of office of the new board as elected by the General Meeting of Shareholders will be 4 years.

"The formation of a new board of AB Amber Grid is yet another important step in the process aimed at the transformation of the corporate governance of EPSO-G Group in accordance with the applicable recommendations of the Organisation for Economic Co-operation and Development (OECD), the NASDAQ Vilnius and other highly acclaimed international organisations and in accordance with good corporate governance practices. The aim is to expressly separate the functions so that the state is granted the role of the owner and the regulator and so that the corporate governance of the Company is entrusted to a professional board.

I am pleased with the fact that we have succeeded in bringing together a highly experienced corporate governance team, which will be faced with the task of the implementation of a number of development projects of national importance – to achieve integration into a common European gas pipeline system and to create a single market for gas in the Baltic region, "said Rolandas Zukas, CEO of UAB EPSO-G.

During 2015, the key shareholder structure remained unchanged. UAB EPSO-G holds 96.6%, and various natural and legal persons hold 3.4% of shares.

Shares of AB Amber Grid are listed on the Secondary List of the Stock Exchange NASDAQ OMX Vilnius.

UAB EPSO-G is a parent company controlling shares of the Natural Gas Transmission System Operator, AB Amber Grid, the Electricity Transmission System Operator, Litgrid AB, and Lithuania's Energy Resources Exchange Operator, Baltpool. EPSO-G implements Lithuania's gas and electricity infrastructure strategic development goals, various projects for the integration into the EU energy markets, and seeks to implement the EU Energy Union goals. UAB EPSO shares are 100% controlled by the Ministry of Energy of the Republic of Lithuania.