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Consolidated unaudited results of AB Lietuvos Dujos for Quarter 1 of 2011

AB Lietuvos Dujos consolidated unaudited sales revenue of Quarter 1 of 2011, compared with the respective period of the previous year, decreased by 17.5% and amounted to LTL 565.3 million* (in Q 1 of 2010: LTL 684.9 million). The decrease in the revenue was determined by the sharp decrease in the gas sales volumes, as well as the decrease in the gas transportation volumes. The most notable was the decrease in the demand for natural gas by AB Lietuvos Elektrine.

The decrease in the gas sales and transportation volumes had an adverse effect on the financial results of the company. The consolidated unaudited pretax profit of Quarter 1 of 2011 of AB Lietuvos Dujos decreased by 17.6% y/y to LTL 70.2 million (in Q 1 of 2010: LTL 85.2 million), and net profit of the period amounted to LTL 59.0 million (in Q 1 of 2010: LTL 71.6 million). Because of the seasonal nature of the business, the company's financial results of Quarter 1 are usually the best in the year (in the cold season of the year, gas transportation and sales volumes are usually the largest, whereas the repairs, etc. expenses are for the most part incurred in the subsequent quarters).

The EBITDA (profit before interest, tax, depreciation and amortization) of Quarter 1 of 2011 also decreased accordingly. In comparison with the respective period of 2010, the EBITDA decreased by LTL 11.0 million and amounted to LTL 97.6 million.

"In Quarter 1 of 2011, the company's allocations for investments amounted to LTL 2.2 million, whereas last year respective indicator stood at LTL 41.6 million. Back in 2010, the sizeable investment amounts were determined by the construction of the Jauniunai Gas Compressor Station. Also, the company's investments of Quarter 1 of 2011 were lower than originally planned due to certain circumstances beyond the company's control. Back in April of 2010 the company's Board of Directors repeatedly decided to without delay proceed with the works for the completion of the construction of the gas transmission pipeline to Klaipeda, as soon as the financial assistance envisaged in the National Energy Strategy is secured. So far the allocation of the EU Structural Fund resources is being procrastinated. The implementation of the project is due to fall behind schedule unless the aforesaid financing is secured in the nearest future", said the Deputy General Manager – Director of Commerce Dr Joachim Hockertz commenting on the results of Quarter 1.

The company's volume sales of Quarter 1 totaled 459.7 MCM, which represents a drop of 31.2% y/y. Of this total, natural gas volume sales to household customers amounted to 78.5 MCM (a drop of 3.1% y/y), and natural gas volume sales to non-household customers amounted to 381.2 MCM (a drop of 35.1% y/y).

Natural gas volume transportation to customers of Lithuania via the natural gas system of AB Lietuvos Dujos amounted to 1,157.4 MCM, which represents a drop of 4.6% y/y. In implementation of the Third Party Access of the EU, natural gas volume transportation for third parties amounted to 697.8 MCM, or 60.3% of the total. Already for many years other companies have free access to the natural gas transportation grid of AB Lietuvos Dujos and actually have been making good use of it. The terms of the gas transmission service, including the tariffs, are subject to full regulation by the state of Lithuania.

With the putting into operation of the newly constructed Jauniunai Gas Compressor Station (end of 2010), transit volumes to the Kaliningrad Region of the Russian Federation increased up to 593.1 MCM (by 27.0% y/y).

In Quarter 1 of 2011, the company transported via its distribution pipelines 442.6 MCM of natural gas, which represents a drop of 5.7% y/y.

The company sells gas to over 552 thousand of household and non-household customers, and supplies gas to almost 100% of Lithuania's household customers using natural gas.

The company is one of the biggest taxpayers in Lithuania. According to the data of the State Tax Inspectorate, in Quarter 1 of 2011, AB Lietuvos Dujos ranked second among the biggest taxpayers, and contributed to the State Budget a total amount of LTL 137.2 million. And the company's contribution to the budget of the social security fund amounted to LTL 9.0 million.

AB Lietuvos Dujos shares are quoted on the Main List of the stock exchange NASDAQ OMX Vilnius.

*LTL 3.45 = EUR 1