



AKCINĖ BENDROVĖ
GRIGISKĖS

Company presentation

April 2011





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I. Introducing the Company





Our business lines



* Paper honeycomb is largely used as a substitute for wood chips in the production of furniture and doors. Also used in containerboard packaging and pallet production.

Source: Company data



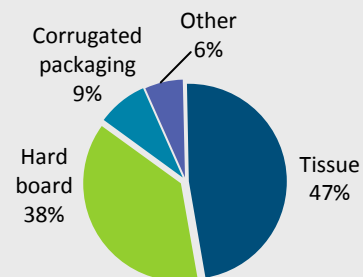
Our companies

Grigiškės AB

Description

- Parent company
- First plant established in 1823
- First ISO 9001 certified paper mill in Lithuania

Activities*



- Other products: Heating services

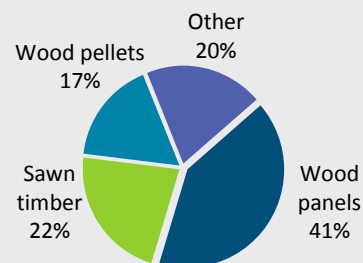


Baltwood UAB

Description

- Established as a JV by Grigiškės AB and Dansk Træemballage A/S
- Acquired by Grigiškės AB in 2005

Activities*



- Other products: Pallets, firewood, other wood products

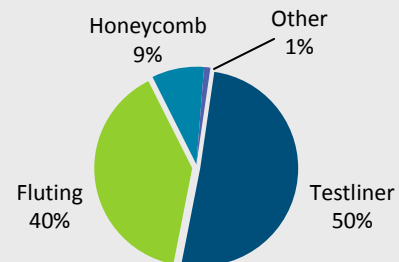


Klaipėdos Kartonas AB

Description

- Acquired by Grigiškės AB in 2010
- The largest producer of paper packaging material in the Baltic States

Activities*



Mena Pak OAO

Description

- Based in Ukraine
- Acquired by Klaipėdos Kartonas AB in 2006
- Acquired by Grigiškės in 2010

Activities

- Primary activity is the production of corrugated boxes and corrugated cardboard products



* Sales on a stand alone basis (2010)
Source: Company data



Grigiškės history



2010

- Acquisition of Klaipėdos Kartonas AB, manufacturer of corrugated packaging products

2003

- Establishment of Baltwood UAB, a wood products manufacturer

2003

- Full acquisition of Naujieji Verkiai AB, manufacturer of fluting and tissue products

2001

- Acquisition of Grigiškės AB by its current largest shareholder Ginvildos Investicija UAB

1991

- Establishment of Grigiškės AB

1964

- Launch of a fiberboard manufacturing line

1923

- Establishment of a manufacturing site at its current location

1823

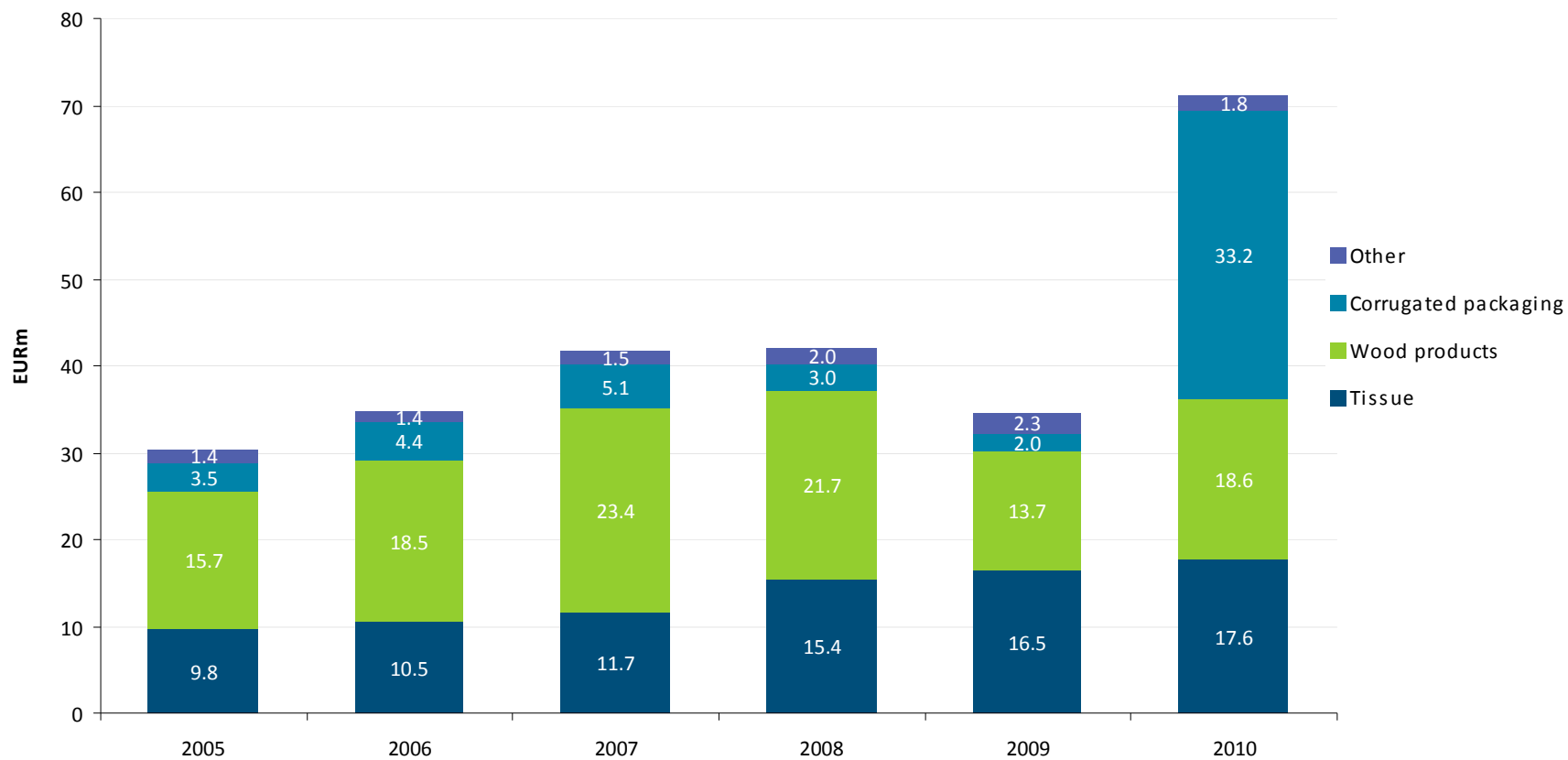
- Establishment of a first paper products manufacturing plant

Source: Company data





Track record of growth



NOTE: The sales breakdown for 2005 – 2008 is adjusted as to management accounts, separating sales of corrugated packaging products from tissue sales

Acquisition of Klaipėdos Kartonas
corrugated packaging business

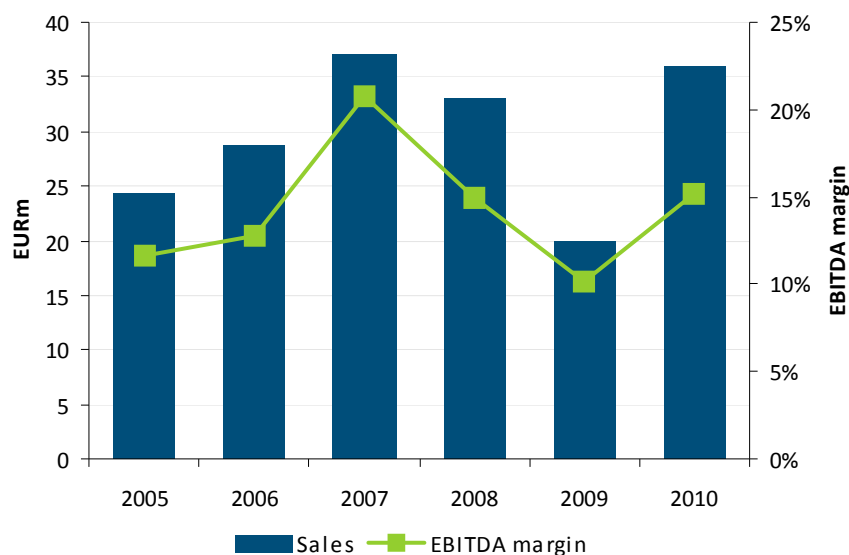
Source: Company data





Klaipėdos Kartonas AB acquisition

Historical performance of Klaipėdos Kartonas AB*



Klaipėdos Kartonas AB key figures*

(EUR mil.)	2008	2009	2010
Sales	33.1	19.9	35.9
EBIT	3.0	0.1	3.6
EBITDA	5.0	2.0	5.4
Net profit	1.1	(0.0)	2.2
EBIT margin	9.1%	0.5%	10.0%
EBITDA margin	15.1%	10.1%	15.0%
Net profit margin	3.3%	(0.2%)	6.1%
Total Assets	50.0	39.9	36.8
Equity	23.1	13.6	14.1
Net debt	22.7	21.4	17.0

- Acquisition finalized on 1 March 2010, when market for testliner and fluting was only starting to recover from the bottom
- Successful turnaround since the acquisition
 - Sales and EBITDA surged by 80% and 170% in 2010, respectively

* Consolidated Klaipėdos Kartonas AB figures (including Mena Pak OAO).
Source: Company data





Our product range

Range of competitive products...

Product group	Key products	Brands	Share of total operations*
Tissue	Toilet paper		25 %
	Paper towels		
	Paper handkerchiefs		
	Napkins		
Corrugated packaging	Testliner	Non branded	47 %
	Fluting		
	Paper honeycomb		
	Corrugated boxes		
Wood products	Hardboard		26 %
	Sawn timber		
	Wood panels		
	Wood pellets		

... covering multiple market segments

High margin



Testliner, fluting,
honeycomb and
corrugated boxes

Mid range



Low margin

Tissue

Corrugated
packaging

Wood
products

* Based on 2010 sales split
Source: Company data





Our markets

Top markets by product segments in 2010 (% of total segment sales)*

Tissue products

Lithuania	40.4%
Latvia	16.4%
Denmark	14.4%
Estonia	7.9%
Slovakia	6.5%
Other	14.4%

Corrugated packaging products

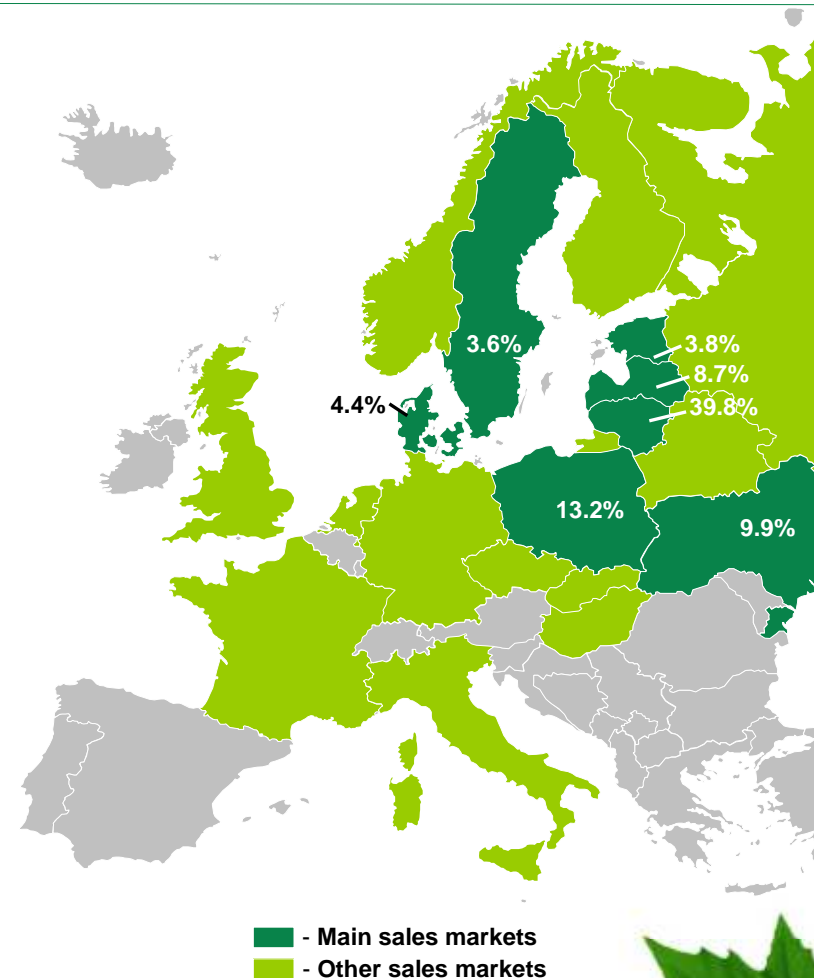
Lithuania	36.9%
Ukraine	21.3%
Poland	16.9%
Latvia	9.1%
Russia	6.1%
Other	9.7%

Wood products

Lithuania	29.5%
Poland	22.0%
Sweden	12.0%
UK	5.8%
The Netherlands	5.3%
Other	25.4%

* Unaudited figures. Data derived from management accounts
Source: Company data

Total sales breakdown by country in 2010





Solid financial performance

Strong financial performance...

(EUR mil.)	2008	2009	2010
Sales	42.1	34.4	71.2
EBIT	(0.3)	1.5	4.3
EBITDA	3.6	6.3	10.4
Net profit	(1.1)	0.8	2.2
EBIT margin	(0.8%)	4.3%	6.1%
EBITDA margin	8.6%	18.4%	14.5%
Net profit margin	(2.7%)	2.2%	3.1%
Total Assets	40.7	35.2	69.1
Equity	18.8	19.6	25.3
Net debt	16.6	10.9	27.7
ROA	(0.9%)	3.9%	8.3%
ROE	(5.8%)	4.0%	9.7%

NOTE: EBIT= Operating profit + other operating income – other operating expenses

EBITDA= Operating profit + other operating income – other operating expenses + depreciation + amortization

ROA = EBIT / average total assets for the corresponding year

ROE = Net profit / average shareholder equity for the corresponding year

Source: Company data

– Solid financial performance throughout 2008 – 2010

- Consistently improving profitability margins
- The spike in margins in 2009 is primarily influenced by favorable raw material prices and sales generated from heating services

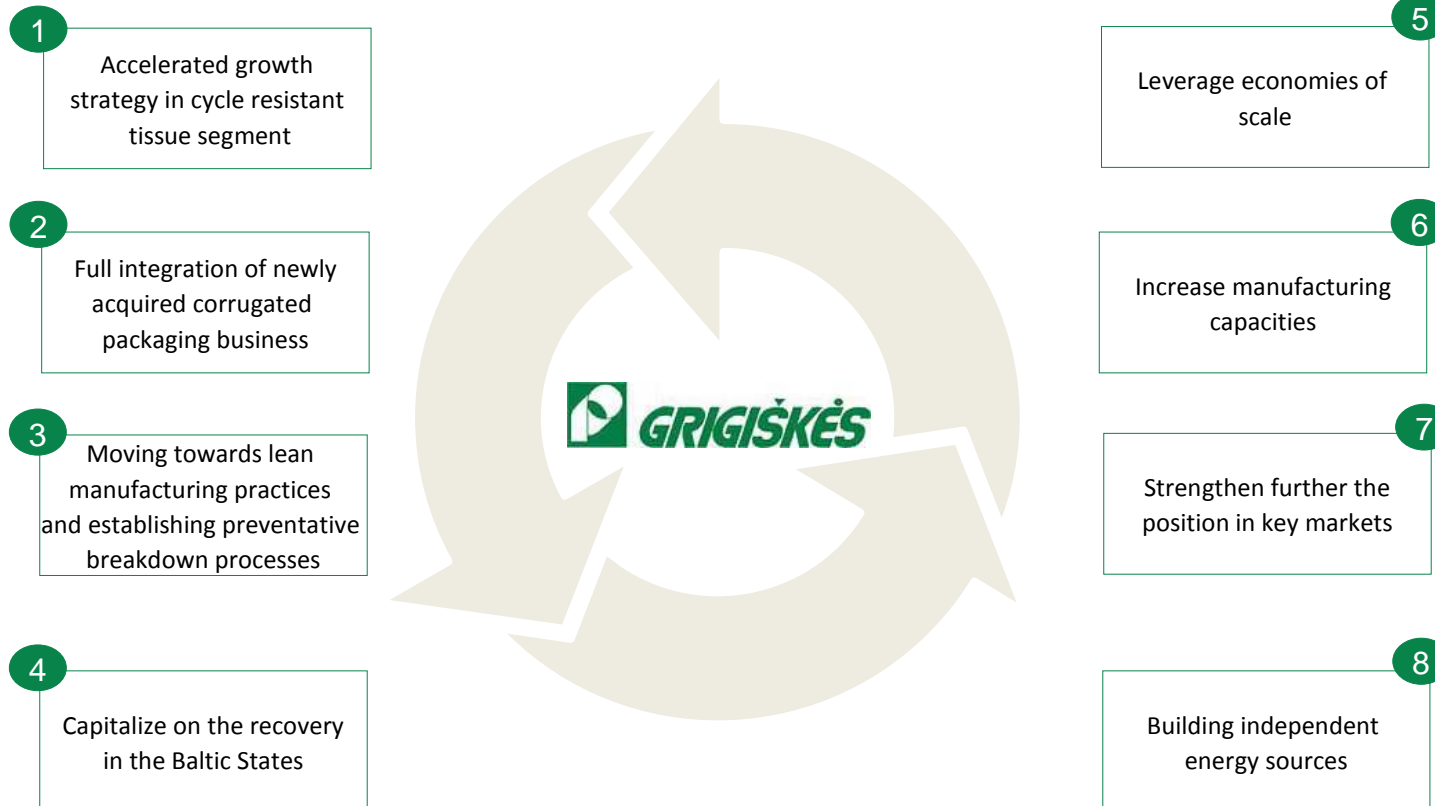
– Successfully executed acquisition in 2010

- The acquisition of Klaipėdos Kartonas in the beginning of 2010, allowed the Company to gain a stronghold in corrugated packaging segment in the Baltic States
- Also this acquisition comfortably positions the Company for a recovery in retail trade, particularly in Eastern Europe





Key strategic initiatives



Source: Company data



Investment program

	Tissue segment	Corrugated packaging segment	Wood product segment
Planned investments	– EUR 13.0 million during 2011 – 2013	– EUR 5.0 million during 2011 – 2013	– No investment during 2011 - 2013
Key investment areas	<ul style="list-style-type: none"> – New paper mill production line (PM6) and manufacturing site – New paper converting line 	<ul style="list-style-type: none"> – New manufacturing site at a current location – New corrugating line; replacing the old one – New corrugated box production lines 	
Investment effects	<ul style="list-style-type: none"> – New manufacturing site and launch of a new paper mill production line (PM6) during Q1 2013 <ul style="list-style-type: none"> • A new paper mill production line will have max capacity of 24,000 tons/year – A new paper converting line (Line 4) launch during Q1 2013 <ul style="list-style-type: none"> • Max capacity of a new Line 4 will be 150.0 million rolls/year 	<ul style="list-style-type: none"> – Launch of a new corrugating line during Q1 2012 <ul style="list-style-type: none"> • Max capacities of a new line 80,000 th. m2/year – Launch of a new corrugated packaging production lines <ul style="list-style-type: none"> • Max capacity 10,000 th. m2/year and 14,000 th. m2/year 	

Source: Company data





II. An attractive investment case



Key investment attractions

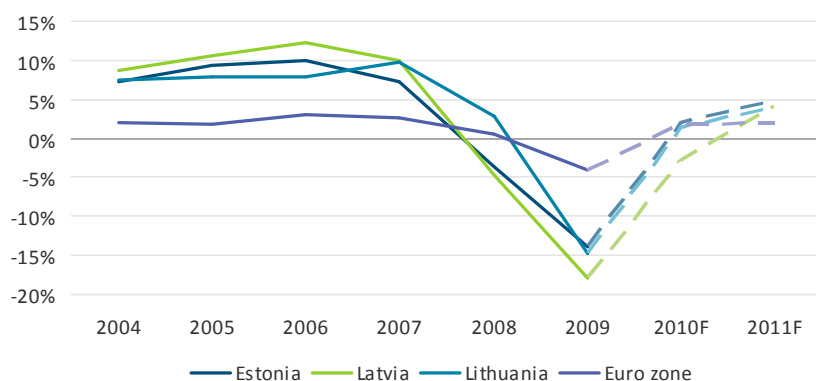
- 1 Improving macroeconomic outlook in the Baltic States
- 2 Regional market upside potential
- 3 Strategic location offering competitive edge
- 4 Strong brand and market leader position in the region
- 5 Expansion into higher margin tissue products



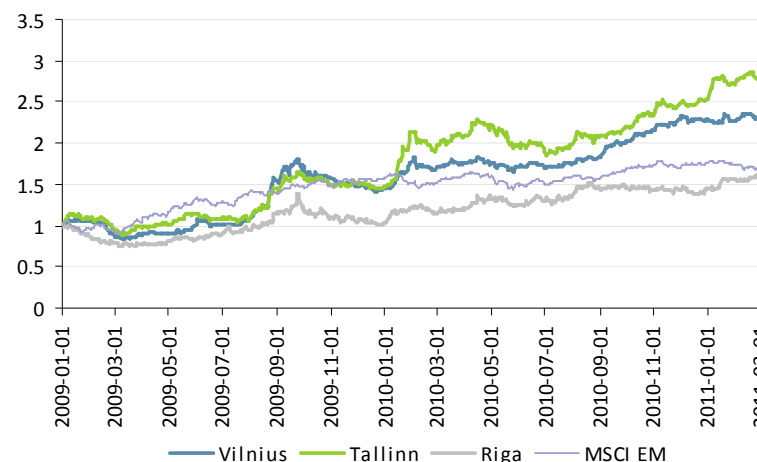
Improving Baltic macro outlook

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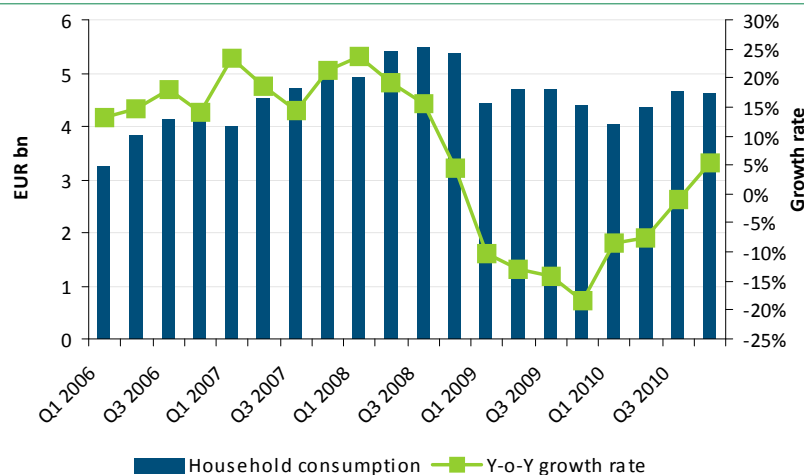
GDP recovers quicker than in the rest of Europe...



...and equity markets rebounding strongly



... consumer consumption levels stabilizing



- Baltic economies recover strongly
 - GDP growth for 2011 is expected to reach between 4% - 5% in Estonia, Latvia and Lithuania
- Baltic equity markets posting record growth levels during 2009 – 2010
 - Since 2009, equity markets in Estonia, Latvia and Lithuania have surged by 175%, 125% and 61%, respectively
- Consumer consumption levels stabilizing
 - In Lithuania, after 7 consecutive quarters of decline, consumer consumption level grew by 5.5% in Q4 2010

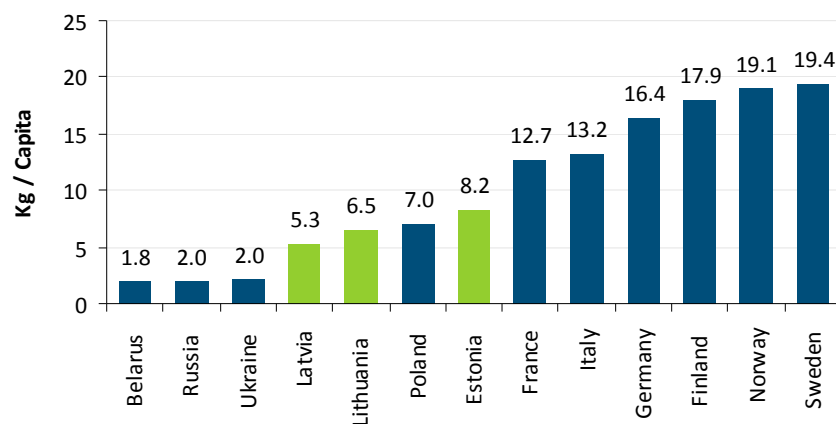
Source: Statistics Lithuania, Factset, Eurostat, SEB Forecasts (Nordic Outlook May 2010 issue)



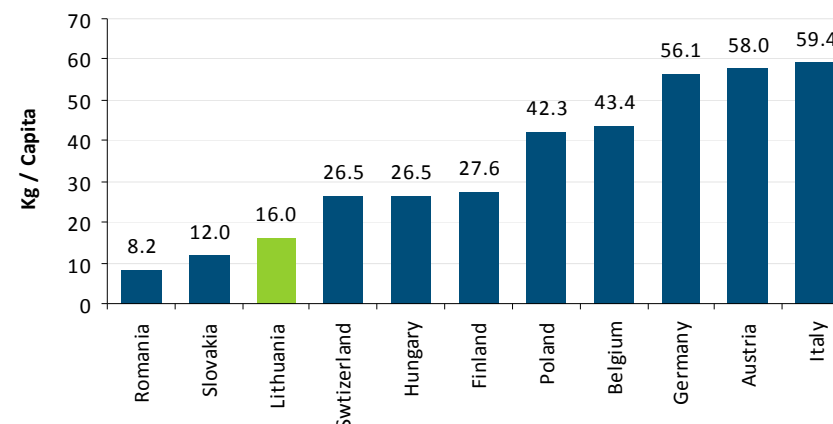
Regional market upside potential



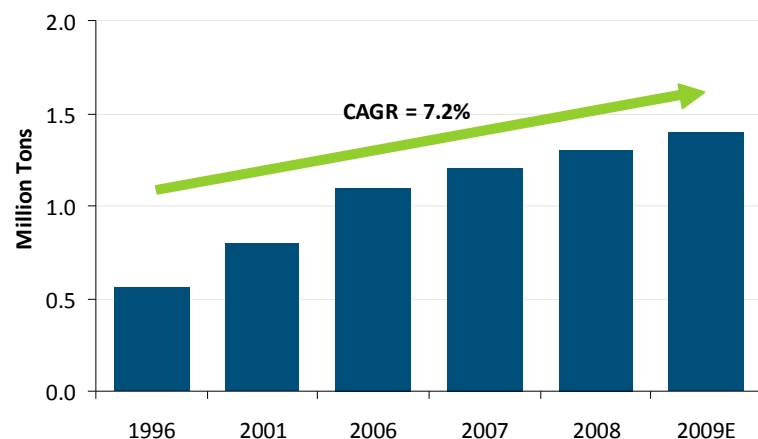
Tissue consumption* levels (2009)...



...and corrugated packaging consumption levels still lag behind (2009)



Demand for tissue products in Eastern Europe



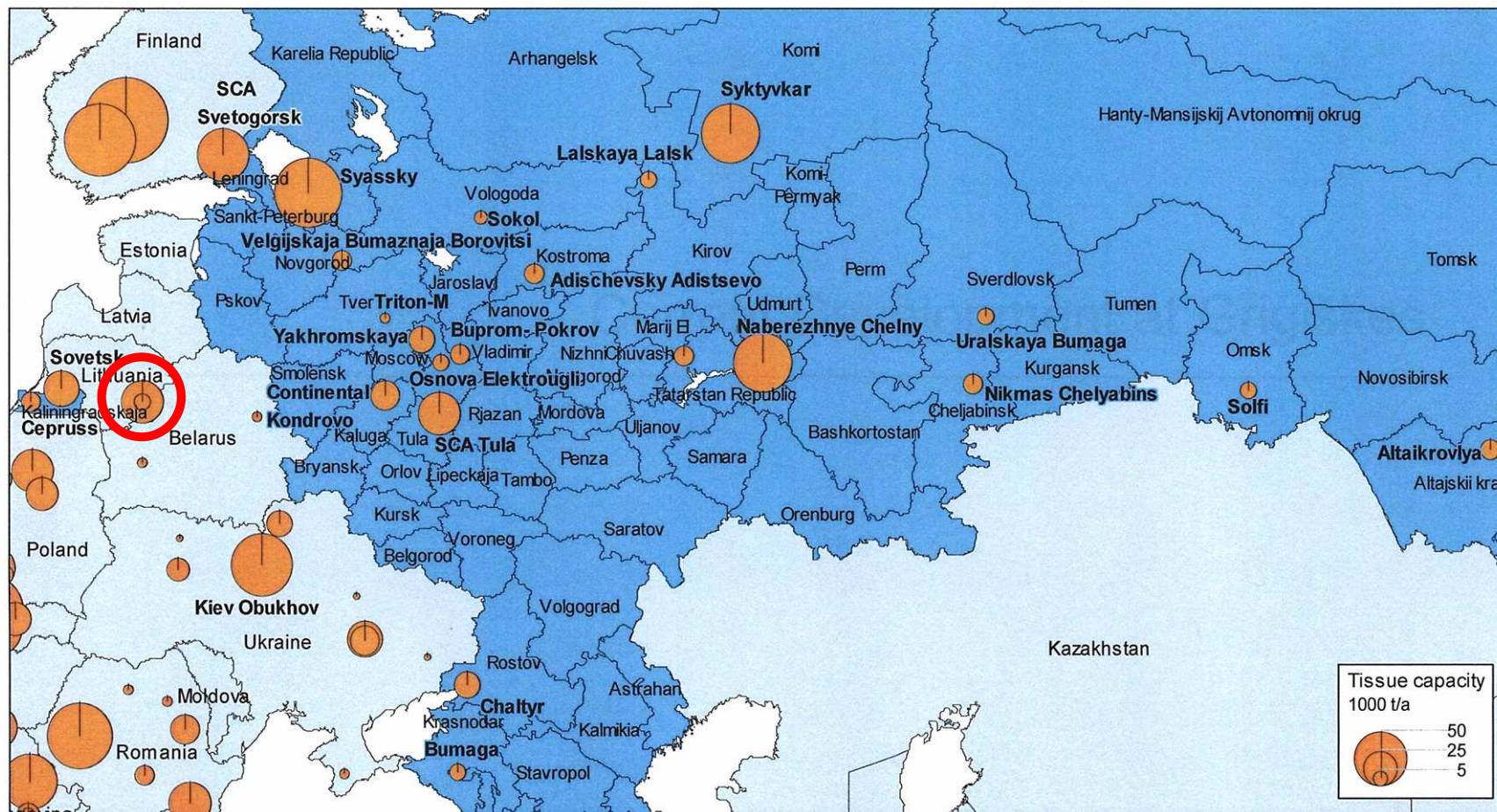
- Tissue consumption levels in the Baltic States are significantly below those of the mature markets in Europe
 - Largest tissue consumption levels in Europe are concentrated in Nordic countries, Sweden (19.4 kg/capita), Norway (19.1 kg/capita) and Finland (17.9 kg/capita)
- Similarly, corrugated packaging consumption levels are up to 4 times less than in mature markets
 - Italy, Austria and Germany are the top 3 consumers in Europe
- However, less developed tissue markets in Eastern Europe show strong growth credentials during the last 14 years

* Tissue consumption data for Latvia, Lithuania, Poland, Estonia, Ukraine, Russia and Belarus are for the year end of 2007; this may result in an inaccurate and overstated comparison of consumption differences; Source: RISI, RISI Tissue Monitor Q2 2009; Q2 2010, FEFCO annual statistics 2009, RISI Tissue market outlook (March 11 2010), The European Tissue Paper Industry Association, Company data



Strategic location

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 - Grigiškės AB

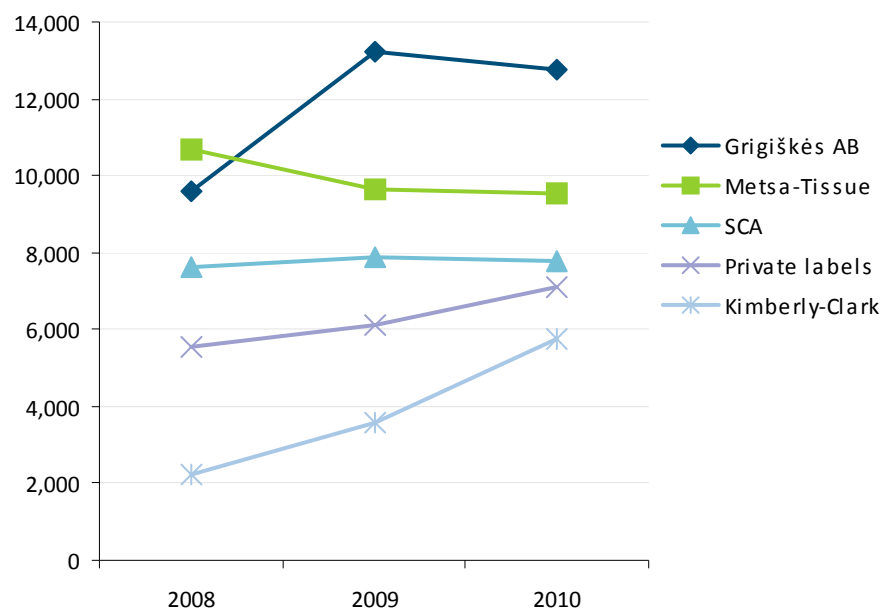
Source: Company data, Poyry



Strong brand and market leadership

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Leader in the Baltic region (Top 5 tissue sales by company, in EUR 000's)...



- Range of quality products with well known brand names
 - Grite Orchidea Gold toilet paper won product of the year 2010 award (by Lithuanian Confederation of Industrial Companies)
 - Grite Family toilet paper received the best new product award in Estonia in 2010
 - Grite Lady Rose paper towels were nominated Best New Launch Award in paper products in 2008 (by AC Nielsen)

Source: Company data, AC Nielsen

... with strong portfolio of brands in tissue products

**Key brands
(72% of total
tissue sales)**



Brand name targeted
at retail consumers.
Used on all tissue
products sold
through major retail
chains



Brand name used in
B2B sector. Utilized
for sales to HORECA,
commercial and
industrial clients

**Grite and Grite
professional family
of
sub brands**



**Super, Standart, Economy, Eco,
Big pack and XXL**

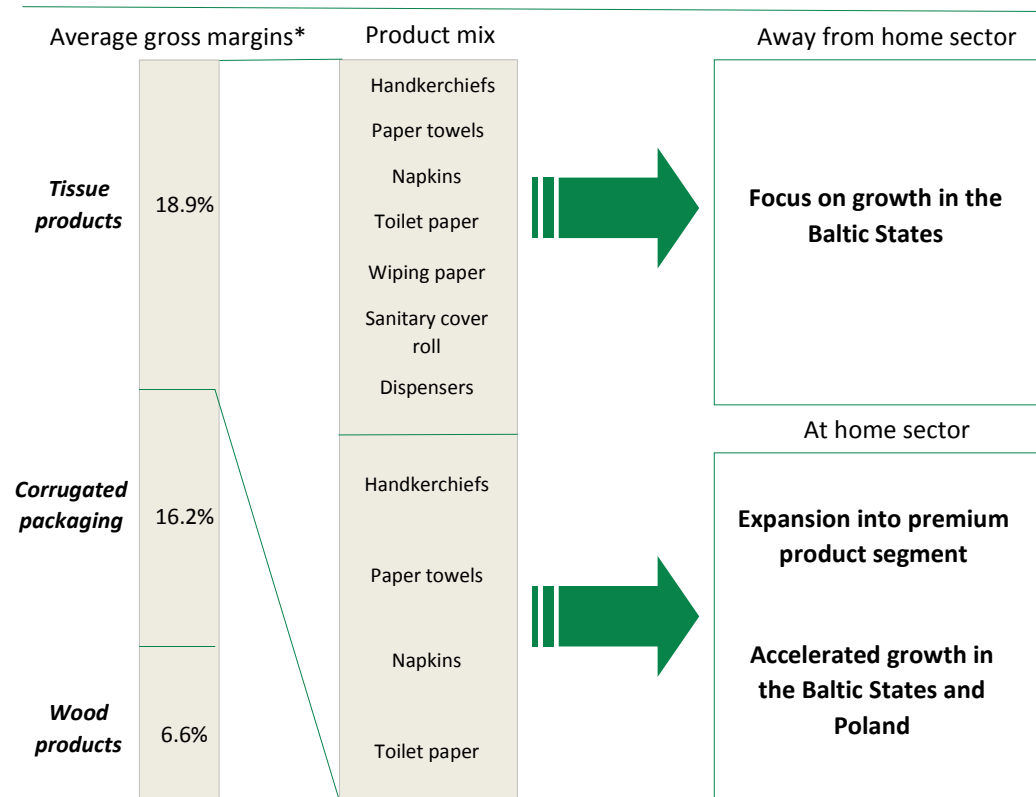




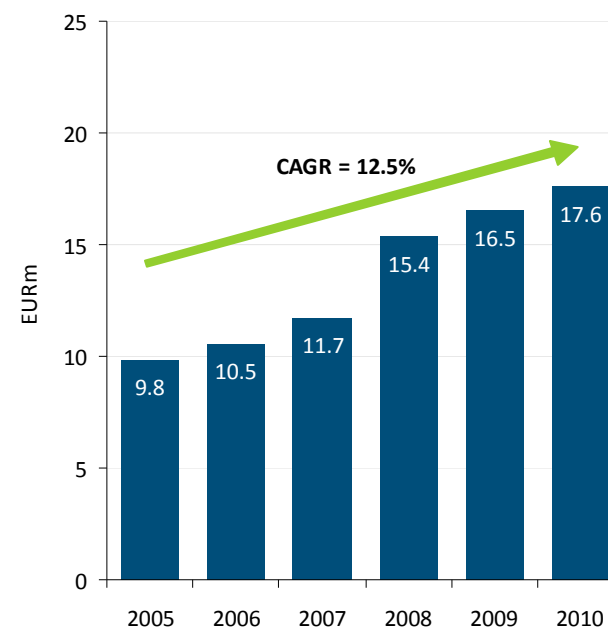
Expansion into higher margin products

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Plans to expand in tissue market...



...with track record in growing this segment...



NOTE: Tissue sales for 2005 – 2008 are adjusted as to management accounts, separating sales of corrugated packaging

* Average gross margin for 2009 - 2010

Source: Company data



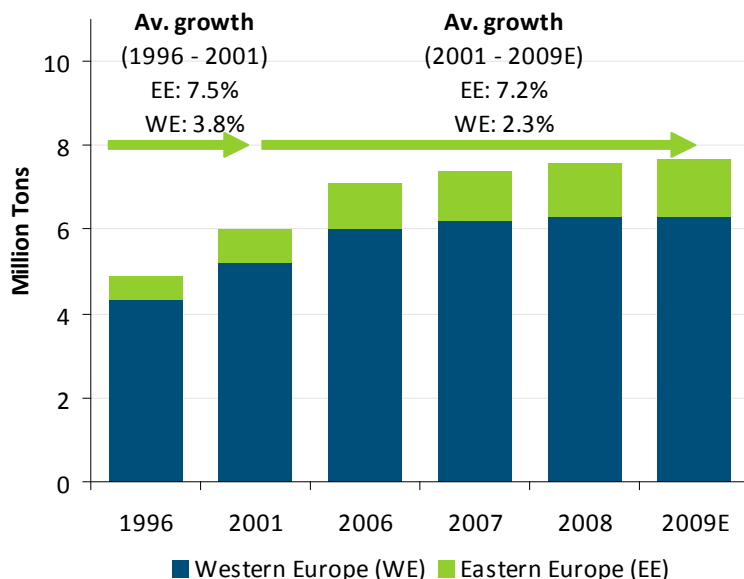


III. Market environment

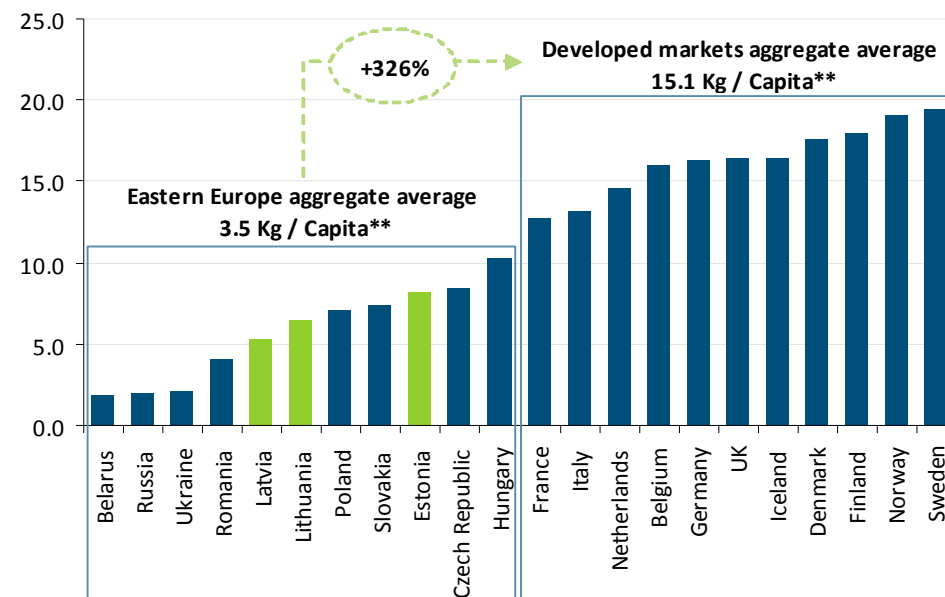


Tissue product market

Demand for tissue products keeps growing...



... with largest potential residing in Eastern European markets (2009)*



NOTE: Average consumption levels in developed and eastern European markets are based on the latest data available to the Company (refer to footnote). The results from relative comparison of tissue consumption in eastern Europe and developed markets may differ if based on the equivalent 2009 tissue consumption data for eastern European countries.

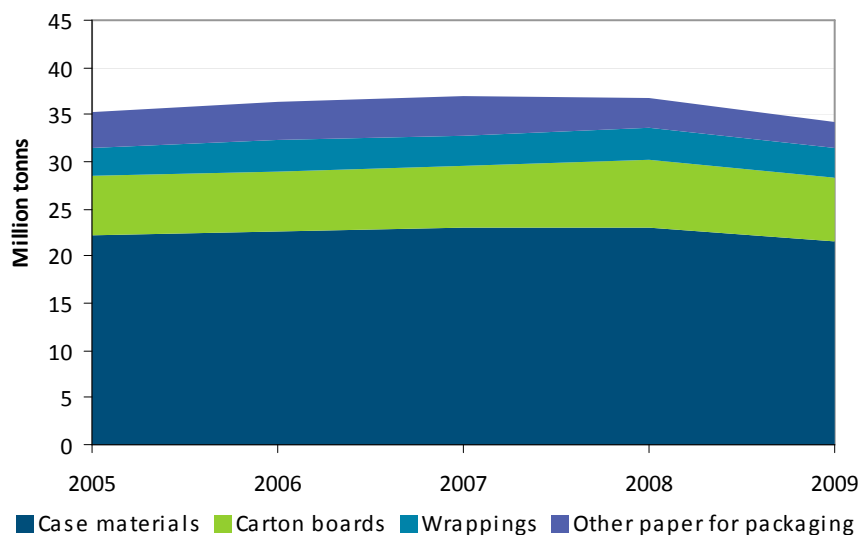
- Despite global economic slowdown in 2009, demand for tissue products kept growing
- In Europe, largest growth potential resides in Eastern European countries
 - During 2001 – 2009, demand for tissue products in Eastern Europe was increasing at an average rate of 7.2% per year
 - Mature Western European markets saw average growth rates of 2.3% per year, during the same period
- Average tissue consumption levels in Eastern Europe are over 4 times less than the levels observed in developed markets
 - Tissue consumption in Lithuania (6.5 kg / capita) is over 2 times below the average consumption in developed markets

* 2007 data for Eastern Europe countries; ; this may result in an inaccurate and overstated comparison of consumption differences; ** Average consumption for selected countries
Source: RISI Tissue Monitor, RISI Tissue market outlook (March 11 2010), The European Tissue Paper Industry Association

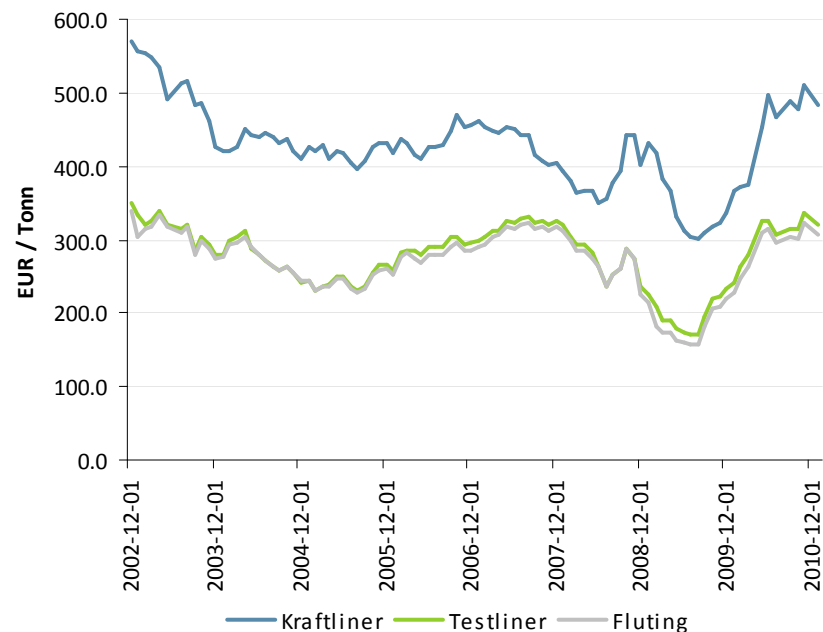


Packaging market

Paper packaging market in Europe affected by the slowdown, however...



... recovering along with increasing market prices for packaging paper products



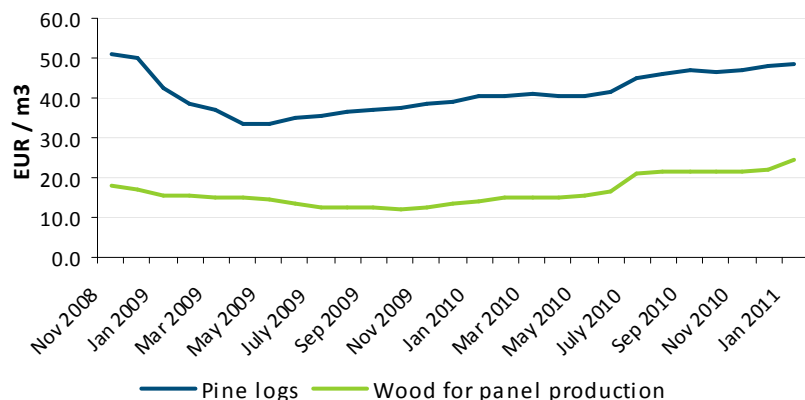
- Affected by the global decline in output in 2009, paper packaging market is recovering strongly
 - As to the preliminary results, European paper packaging market in 2010 experienced a growth rate of 9%
- The return to growth is reflected in key raw material prices for packaging products
 - After reaching their lowest level in summer of 2009 (EUR 170.8 / ton of testliner and EUR 156.9 / ton of fluting) , prices for testliner and fluting since then have nearly doubled

Source: CEPI, Key Statistics: 2009 European Pulp and Paper Industry, Bloomberg

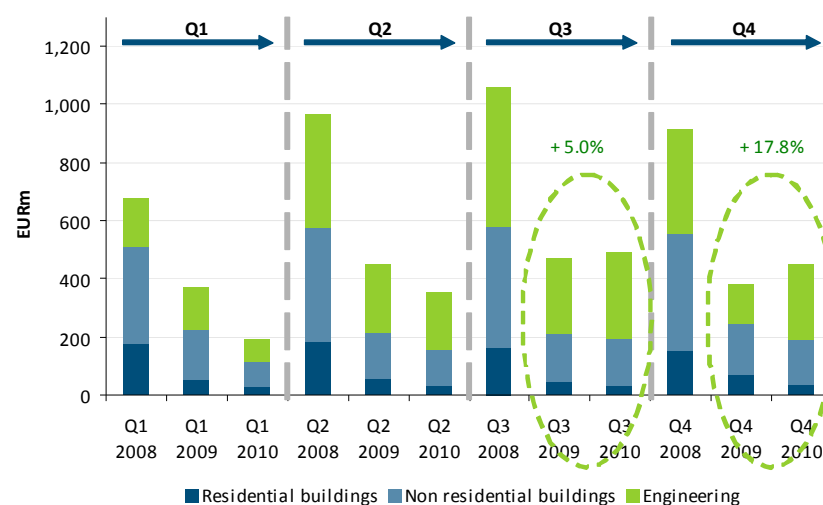


Wood products market

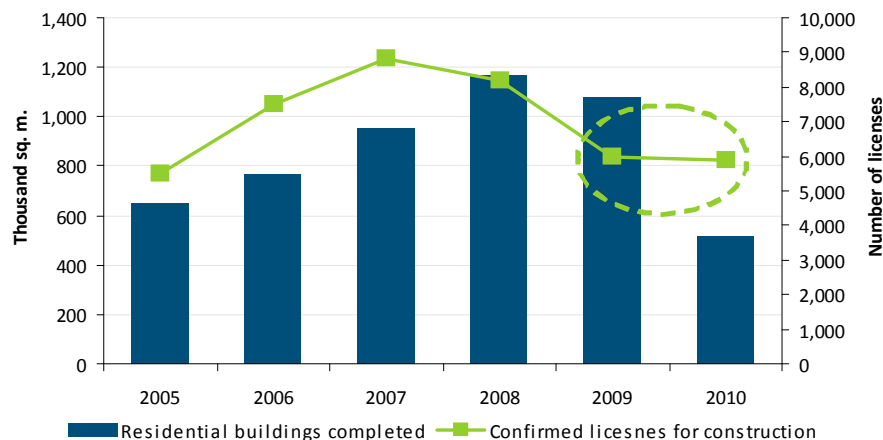
Timber and lumber prices are recovering in Lithuania...



...with construction market showing signs of stabilization



...confirmed licenses for construction flattening out in 2010



- Timber prices, largely driven by the demand in lumber products, are starting to recover
- Market largely dependant on the construction activity in the country
 - Cycle led industry
- Construction market stabilizing in 2010
 - Construction market started growing in Q3 2010
 - Confirmed construction licenses, after heavy declines in 2008 and 2009, stabilised in 2010; first sing of stabilization in residential construction industry

Source: Statistics Lithuania, Directorate General of State Forests



Competitive landscape

Tissue market

Name	Brands
Metsa - Tissue	Tento, Serla, Lambi, KATRIN
SCA	Velvet, Zewa, Tempo
Kimberly – Clark&Klucze	Viva, Kleenex

Packaging market

Name	Country	Capacities
Mondi Packaging Swiece	Poland	450,000 t / year
Stora Enso	Poland	270,000 t / year
Hamburger	Hungary	450,000 t / year
Propapier	Germany	650,000 t / year
Svetlagorsko	Belarus	180,000 t / year
Obuhovo	Ukraine	n/d

Wood products market

Name	Brand
Heinola	Lionboard (Hardboard)
Krosno Odrzanskie	Hardex (Hardboard)
Przemysl	Fibris (Hardboard)
STEICO	STEICO (Hardboard)
Stora Enso	Non branded (Other)
Graanul Invest	Non branded (Other)

Key competitive advantages

- Brand awareness
- Full product range, covering economy, mid-price and premium segments
- Geographical location offering lower logistics costs versus main competitors
- Strong presence in key retail chains in the region

Key competitive advantages

- Strategic location for reaching customers both in Eastern and Western part of Europe
- Sufficient supply of recycled paper from local and import markets
- Access to rail, road and water transportation system
- Technological advantage (especially over competitors in Eastern Europe)

Key competitive advantages

- Favorable geographical location with Lithuania having a developed furniture manufacturing sector
- Use of biomass boiler-house assuring independence from external energy supplies
- Full manufacturing cycle

Source: Company data

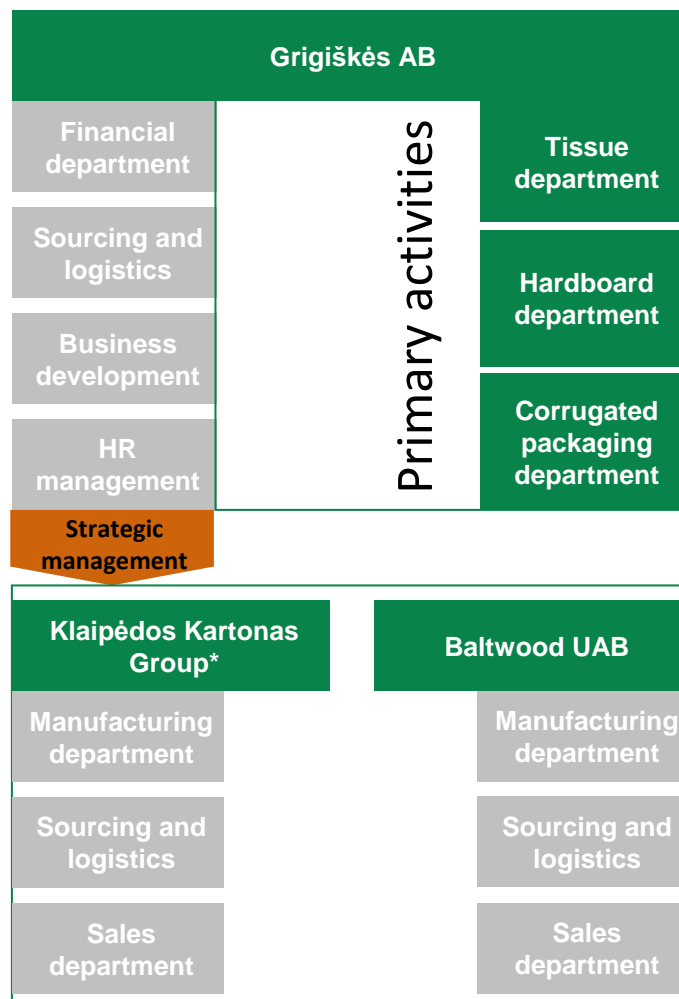


IV. Operations overview



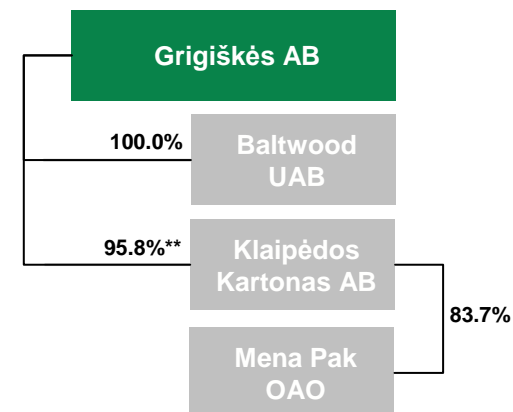
Corporate governance

Group organization structure



* Including Mena Pak OAO. ** Stake controlled through 100% owned subsidiary AGR Prekyba UAB
Source: Company data

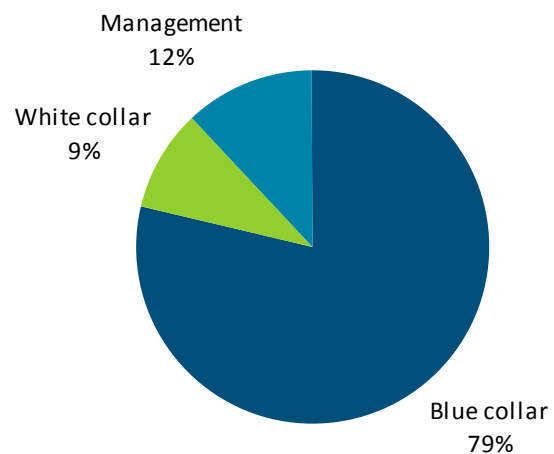
Group legal structure



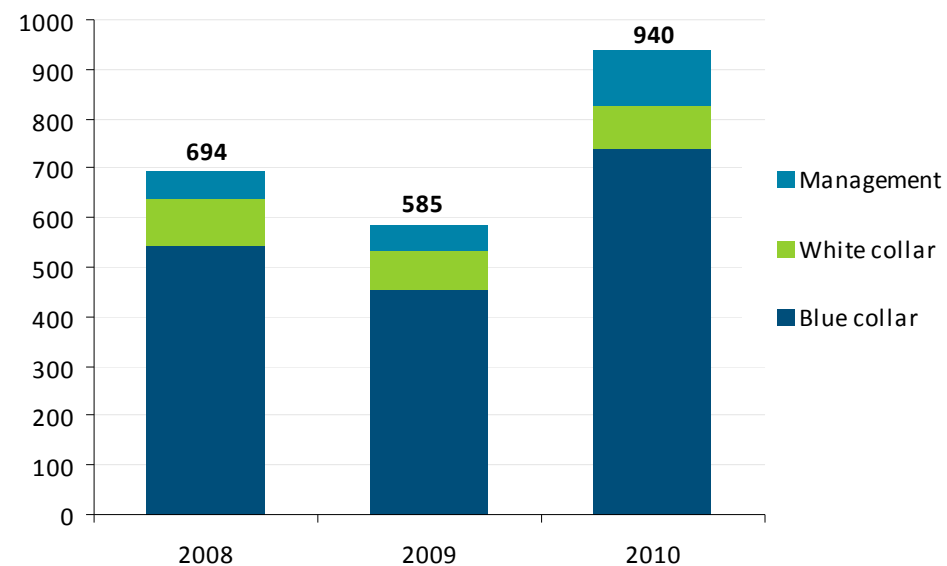


Employees

Employee breakdown



Development of number of employees



- The increase in the number of employees is directly related to the acquisition of Klaipėdos Kartonas AB
 - Overall, 357 employees joined from Klaipėdos Kartonas AB and Mena Pak OAO in 2010

Source: Company data



Manufacturing sites (Tissue)

- The manufacturing of tissue products are concentrated at the paper department in Grigiškės site
 - The production process includes processing raw materials into paper, which is then converted into various tissue products
 - The company employs 3 paper machines, which produce paper required for the manufacturing of tissue products
 - 6 paper processing units are used for the converting of paper into tissue products, with each one specialized on specific tissue product category (toilet paper, paper towels etc.)
- Key raw materials used in the production process are cellulose and waste paper
 - 1 year contracts are established for sourcing raw materials from suppliers, with prices fixed to the FOEX index
 - Most of the raw materials are sourced from Lithuanian market

Technology base

Key Processes	Equipment	Utilized capacity (2010)	Max capacity	Max capacity after investment (2011 – 2013)
Paper mill	PM6	<i>Currently not in operation</i>		24,000 tons/year
	PM5	11,000 tons/year	16,000 tons/year*	<i>No investment</i>
	PM3	3,700 tons/year	4,400 tons/year	<i>No investment</i>
	PM2	3,700 tons/year	4,400 tons/year	<i>No investment</i>
Paper conversion	Line 1	86.8 m. rolls/year	150.0 m. rolls/year	<i>No investment</i>
	Line 4	<i>Currently not in operation</i>		150.0 m. rolls/year

* Max capacity from May 2011

Source: Company data

Production sites



Production line...





Manufacturing sites (Corrugated packaging)

- The production process of testliner, fluting and honeycomb utilizes waste paper only
 - Testliner and fluting are the key raw materials for the production of corrugated packaging products at the Mena Pak and Grigiškės site.
- Waste paper is sourced mostly from the local market
 - 50% is sourced from Lithuania, 25% from Estonia and 12% from Latvia
- During 2008 – 2010, prices for waste paper have been very volatile
 - Average waste paper price went from EUR 79.6 / ton in 2008 to EUR 50.1 / ton in 2009 and then back up again to EUR 111.2 / per ton in 2010
- Apart from waste paper, the other key inputs into the production process include electricity and gas

Technology base

Key Processes	Equipment	Utilized capacity 2010	Max Capacity	Max capacity after investment (2011 – 2013)
Testliner and fluting	PM	96,000 t / year	100,000 t / year	No investment
Paper honeycomb	Line 1	9,300 th. m2/year	10,000 th. m2/year	No investment
Corrugating	Line 2	25,000 th. m2/year	46,000 th. m2/year	No investment
	Line 3	11,900 th. m2/year	16,000 th. m2/year	80,000 th. m2/year
Corrugated packaging	Line 4	15,000 th. m2/year	35,000 th. m2/year	No investment
	Line 5	10,000 th. m2/year	21,000 th. m2/year	No investment
	Line 6	8,700 th. m2/year	19,000 th. m2/year	No investment
	Line 7	800 th. m2/year	1,600 th. m2/year	No investment
	Line 8	Currently not in operation		10,000 th. m2/year
	Line 9	Currently not in operation		14,000 th. m2/year

Source: Company data

Production sites



- Production of testliner, fluting and honeycomb
- Production of corrugated packaging products

Corrugated box production line....





Manufacturing sites (Wood products)

- The production process of wood products is performed at two sites
 - Hardboard, produced at Grigiškės site, is the main product category
 - Other product categories, such as, wood panels, sawn timber and wood pellets are manufactured at Baltwood site
- Hardwood and softwood is the key raw material used in the production process
 - Coniferous (softwood) and deciduous (hardwood) woods are predominantly used in the production of hardboard
 - The production process of other wood products, mostly encompasses softwood materials such as pine and spruce wood
- The majority of raw materials is sourced from the local market
 - Around 50% is sourced from state owned forests
 - Marginal amounts of wood chips are sourced from Belarus suppliers

Production sites



Technology base

Key Processes	Equipment	Utilized capacity (2010)	Max capacity
Hardboard	HB LIN1	7,700 th. m2/year	9,000 th. m2/year
	HB LIN2	9,800 th. m2/year	11,000 th. m2/year
	Line 3	2,600 th. m2/year	8,000 th. m2/year
Other wood products	Line 4	60,000 m3/year	100,000 m3/year
	Line 5	4,900 m3/year	8,500 m3/year
	Line 6	7,200 tons/year	14,000 tons/year

Sourced wood logs....



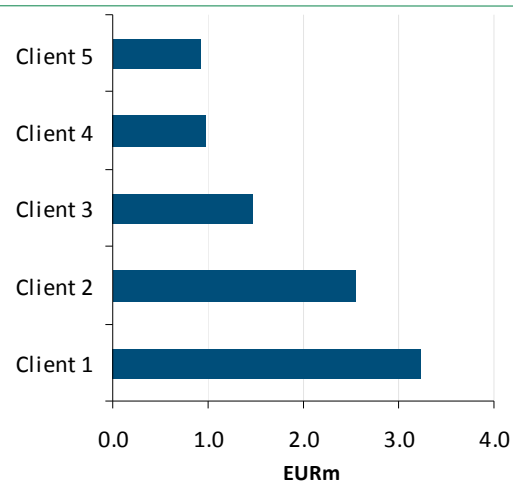
Source: Company data



Sales (Tissue products)

- Sales in tissue product segment are organized through two main channels
 - Sales to retail clients (At home segment) comprises the largest share of total tissue sales (80.1%), while the rest are sold on a B2B basis (Away from home segment).
- Overall, tissue segment experienced a healthy growth during 2008 – 2010
 - At home sector was the driving force, showing average growth (CAGR) of 7.3% for the period

Sales breakdown by TOP clients (2010)*

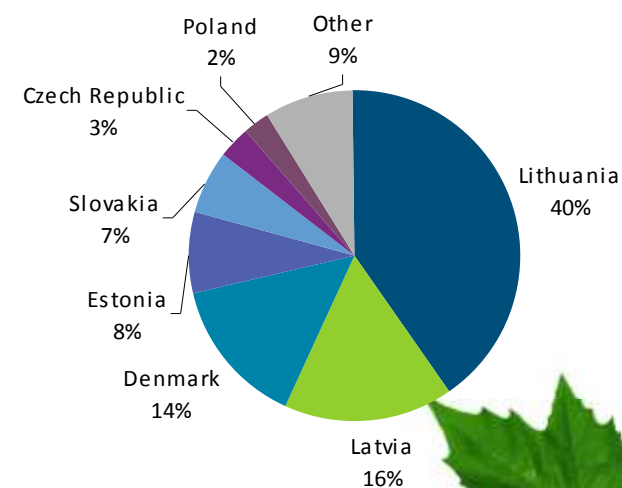


* Unaudited figures. Data derived from management accounts
Source: Company data

Tissue sales by market segment*

(EUR mil.)	2008	2009	2010
At home	9.7	13.4	14.1
Away from home	5.6	3.1	3.5
TOTAL	15.3	16.5	17.6

Tissue sales breakdown by country (2010)*

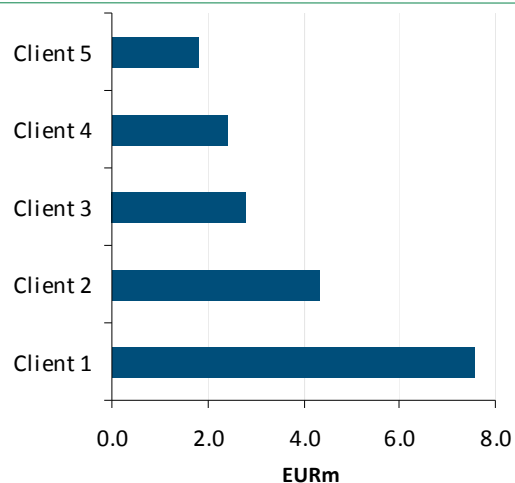




Sales (Corrugated packaging)

- Packaging material sales are organized through direct sales or sales through agents
 - Agents are mostly used for “exotic” export markets
 - Sales through agents are also used in Poland and Ukraine
- The Company employs long term contracts with key clients
 - A close relationship with clients is established through monthly reviews, whereby supply volumes, type of products and timing is coordinated
- The largest corrugated packaging products’ producers in the Baltic States are the clients of the Company

Sales breakdown by TOP clients (2010)*

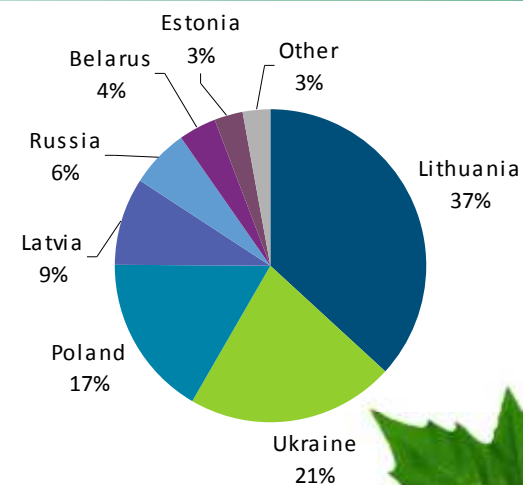


*Unaudited figures. Data derived from management accounts
Source: Company data

Corrugated packaging sales by product*

(EUR mil.)	2008	2009	2010
Packaging paper	0.8	0.0	20.7
Packaging boxes	2.2	2.0	9.1
Other	0.0	0.0	3.3
TOTAL	3.0	2.0	33.2

Corrugated packaging sales breakdown by country (2010)*

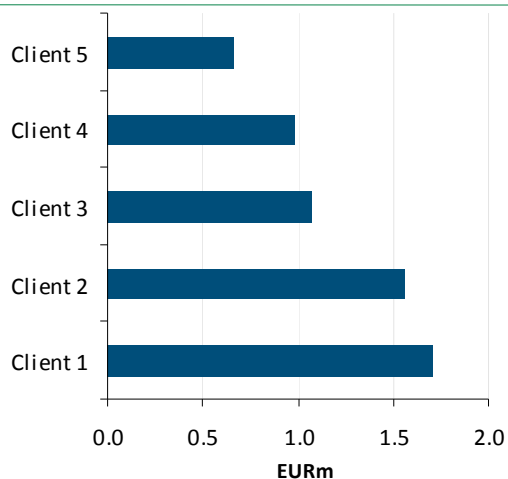




Sales (wood products)

- Sales of wood products are mostly based on B2B contracts
 - Key client groups include construction companies, furniture manufacturers and DIY sector
- Hardboard is the key product category in wood product segment
 - Hardboard is mostly used in construction industry
- Highly diversified client base
 - Top 5 clients comprise only 32.6% of total wood product sales in 2010

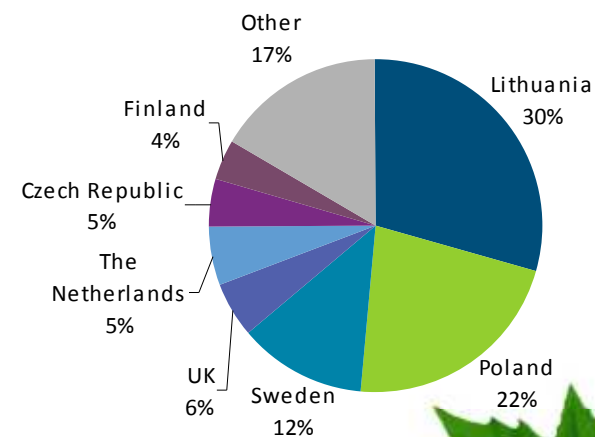
Sales breakdown by TOP clients (2010)*



Wood sales by product*

(EUR mil.)	2008	2009	2010
Hardboard	18.0	10.5	14.2
Wood panels	2.1	1.4	2.2
Other	1.7	1.7	2.2
TOTAL	21.8	13.6	18.6

Wood product sales breakdown by country (2010)*



* Unaudited figures. Data derived from management accounts
Source: Company data



IV. Financials



Income statement

(EUR mil.)	2008	2009	2010
SALES	42.1	34.4	71.2
COGS	(37.5)	(28.6)	(61.7)
GROSS PROFIT	4.6	5.8	9.5
SG&A expenses	(5.5)	(5.0)	(6.3)
OPERATING PROFIT	(0.9)	0.8	3.1
Other activity – net	0.6	0.7	1.2
EBIT	(0.3)	1.5	4.3
Financial activity – net	(1.0)	(0.6)	(1.8)
EBT	(1.3)	0.9	2.5
Income taxes	0.2	(0.1)	(0.3)
NET INCOME	(1.1)	0.8	2.2
Minority interest	0	0	0.1

- Acquisition of Klaipėdos Kartonas AB in 2010 has had a considerable effect on Company's operations
 - The acquisition of Klaipėdos Kartonas AB was finalized on 1 March 2010
 - Consequently, the consolidated statements for 2010 reflect Klaipėdos Kartonas AB and its subsidiaries' operations as of 1 March 2010
 - If all acquisitions had been performed as of 1 January 2010, the 2010 sales of the Company would be larger by EUR 4.6 million and the 2010 net profit figure would be larger by EUR 0.2 million
- Decreasing raw material and gas prices had a significant effect on the Company's COGS in 2009
 - In 2010, COGS returned to a more sustainable level

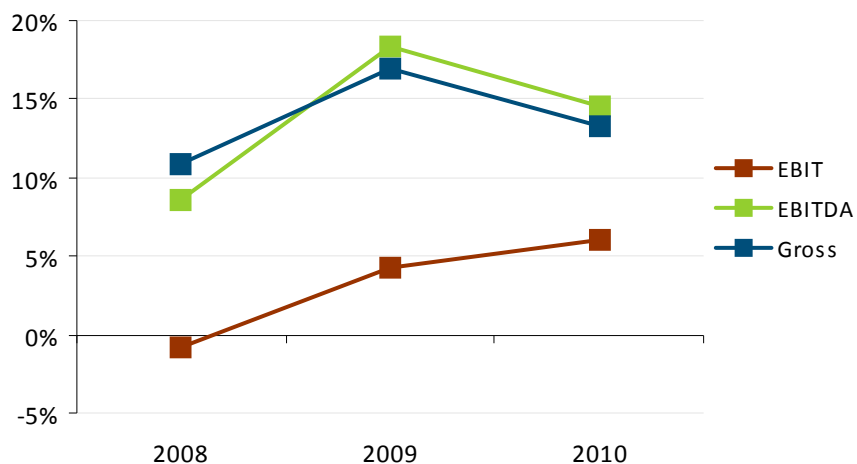
Source: Company data





Margin development

Improved profitability margins...



- EBIT profitability is consistently improving
 - A spike in margins for tissue products in 2009 is directly related to favorable raw material prices
 - Average waste paper prices in 2009 have reached a low of EUR 50.1 / ton, while in 2010 it has crawled back to EUR 111.2 / ton

<i>(Tissue)</i>	2008	2009	2010
Gross profit (EURm)	2.8*	3.8	2.7
Gross margin	14.9%*	23.0%	15.2%

<i>(Corrugated packaging)</i>	2008	2009	2010
Gross profit (EURm)	n/a	0.4	5.3
Gross margin	n/a	18.9%	16.0%

<i>(Wood products)</i>	2008	2009	2010
Gross profit (EURm)	2.1	0.9	1.3
Gross margin	9.4%	6.4%	6.8%

* Includes profit from sales of corrugated packaging products. As to management accounts, sales from corrugated packaging products amounted to EUR 3 million in 2008

Source: Company data



Revenue development

(EUR mil.)	2008	2009	2010	CAGR (2008 – 2010)
Tissue	18.4*	16.5	17.6	(2.2)
Corrugated packaging	0	2.0	33.2	n/a
Wood products	21.7	13.6	18.6	(7.4)
Other sales	2.0	2.3	1.8	(5.1)
TOTAL SALES	42.1	34.4	71.2	30.0%

(EUR mil.)	2008	2009	2010	CAGR (2008 – 2010)
Lithuania	25.4	19.3	28.4	5.7%
Poland	4.2	2.2	9.4	49.6%
Ukraine	0	0	7.1	n/a
Latvia	2.5	2.9	6.2	57.5%
Denmark	0.6	1.9	3.1	127.3%
Estonia	2.2	1.3	2.7	10.8%
Other countries	7.2	6.8	14.3	40.9%
TOTAL SALES	42.1	34.4	71.2	30.0%

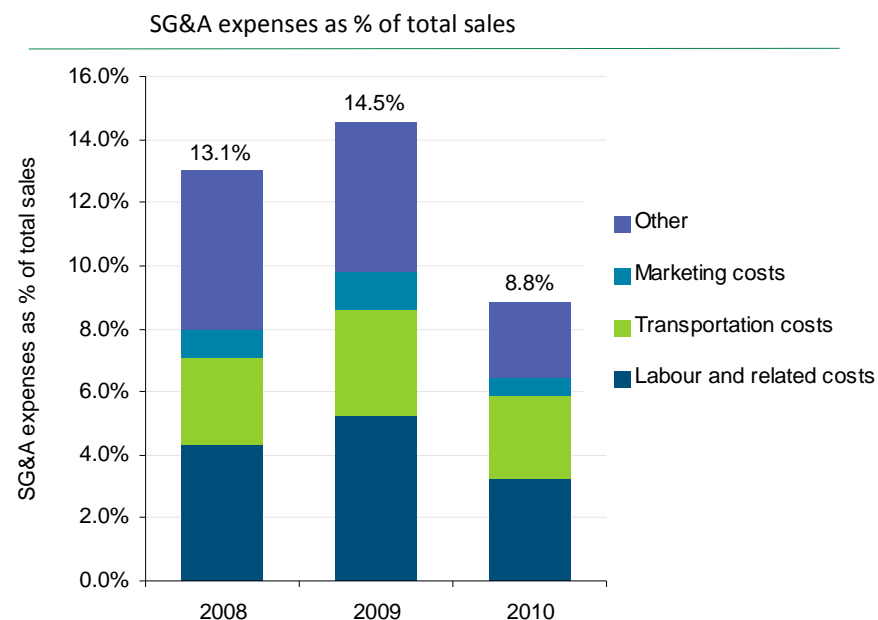
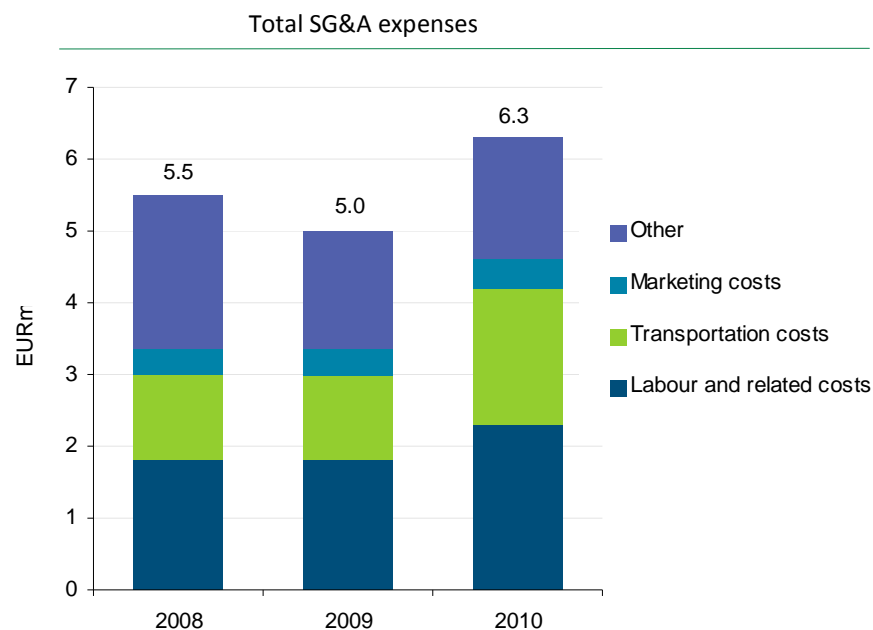
* Figure includes sales from corrugated packaging business. As to management accounts, sales from corrugated packaging business amounted to EUR 3.0 million in 2008

Source: Company data

- Growth in corrugated packaging segment primarily influenced by the acquisition of Klaipėdos Kartonas AB in 2010
- Lithuania, remains the main market for the Company
 - However, the dependency on Lithuanian market is diminishing
 - Sales in Lithuania comprised over 60% of total Company sales in 2008 while in 2010 the share has decreased to nearly 40%
- Previously unrepresented, Ukrainian market comprised nearly 10% of total sales in 2010
 - Sales in Ukraine are generated by newly acquired Klaipėdos Kartonas's AB business



Operating expenses



- In 2010, total SG&A expenses represented 8.8% of total Company sales in 2010
 - Significant decrease compared to the full year of 2009
 - This decline mainly reflects the effects from acquired Klaipėdos Kartonas business, which carries a lower SG&A cost structure

Source: Company data



Cash flow

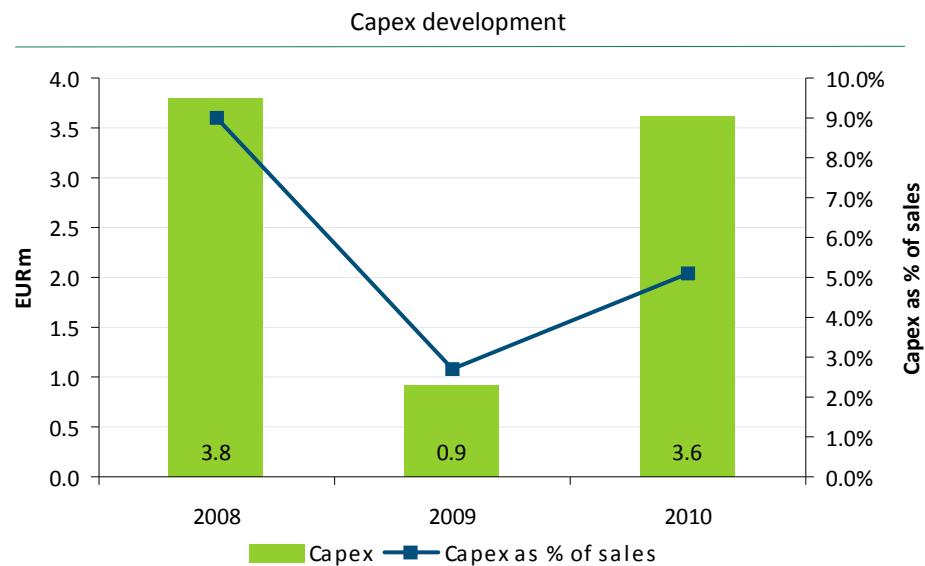
(EUR mil.)	2008	2009	2010
Earnings before tax	(1.3)	0.9	2.5
Depreciation & amortisation	4.0	4.9	6.0
Change in WC items	1.2	0.7	0.3
Profit from sale of green certificates	(0.3)	(0.4)	(0.7)
Provisions	(0.1)	0.3	0.0
Income taxes	(0.2)	(0.2)	(0.4)
Other items	(0.0)	(0.0)	(0.1)
CASH FLOW FROM OPERATIONS	3.3	6.1	7.5
CASH FLOW FROM INVESTING	(3.4)	(0.5)	(2.2)
CASH FLOW FROM FINANCING	(0.0)	(5.5)	(5.0)
CHANGE IN CASH	(0.1)	0.1	0.3

- Cash flow from operations has more than doubled during 2008 – 2010
 - This is mostly in line with improving performance of the Company's business units and favorable market conditions
- Cash flow from investing activities was mainly influenced by investments into expanding production capacities
- Cash flow from financing activities reflects the Company's move to meet the requirements from credit institutions as well the effects from acquiring a highly leveraged corrugated packaging business in 2010

Source: Company data



Capital expenditures



- During 2008 – 2010, a total of EUR 8.3 million were allocated for capital expenditures
 - Key investments include a EUR 3.4 million investment into paper conversion line in 2008; and a EUR 4.6 million investment in 2010 into a new boiler-house
 - 2009 reflects a one-off year, when capex was kept at a maintenance level, due to banks' requirements

Source: Company data



Balance sheet

(EUR mil.)	2008	2009	2010
Long term assets	30.9	27.7	53.2
Tangible	30.1	27.0	48.1
Intangible	0.7	0.7	3.7
Other	0.0	0.0	1.4
Short term assets	9.9	7.5	15.9
Inventories	4.3	3.1	5.7
Account receivables	5.4	4.1	9.4
Other short term assets	0.7	0.2	0.4
Cash & cash equivalents	0.0	0.1	0.4
TOTAL ASSETS	40.7	35.2	69.1
Shareholders equity	18.8	19.6	25.3
Incl. minority interest	0	0	0.8
Long term liabilities	8.3	6.8	24.1
Financial debt	8.1	6.6	20.4
Other	0.2	0.2	3.8
Short term liabilities	13.6	8.8	19.7
Financial debt	8.5	4.5	7.8
Trade payables	3.9	3.6	9.1
Other	1.1	0.8	2.8
TOTAL EQUITY AND LIABILITIES	40.7	35.2	69.1

- Increase in tangible long term assets in 2010 is due to the acquisition of Klaipėdos Kartonas AB business
 - Other long term assets include buildings located in Grigiškės and Naujieji Verkiai, which are held for lease income
- A 2010 rise in intangible non current assets is influenced by goodwill of EUR 3.0 million after the acquisition of Klaipėdos Kartonas AB business
- The Company's financial debt stood at EUR 28.2 million in 2010
 - This is comprised of EUR 24.9 million in borrowings from credit institutions and EUR 3.3 million in financial lease obligations
 - The majority of loans from credit institutions are denominated in Euros (75%). The rest are in Litas (24%) and marginal amounts in USD (1%)

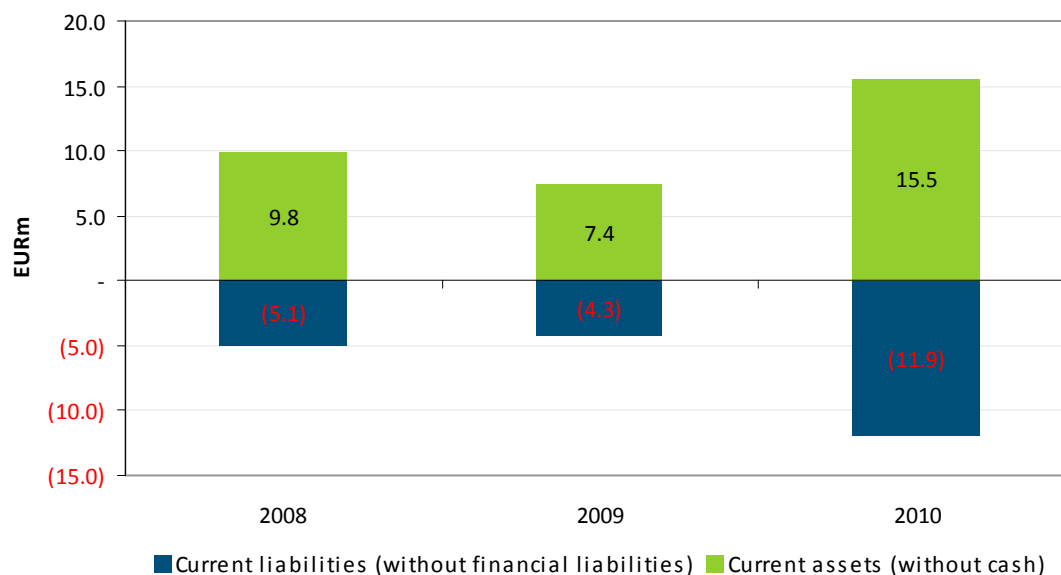
Source: Company data



Working capital

Working capital developments

(EUR mil.)	2008	2009	2010
Working capital	4.8	3.0	3.6
Changes in working capital	(0.3)	(1.8)	0.6



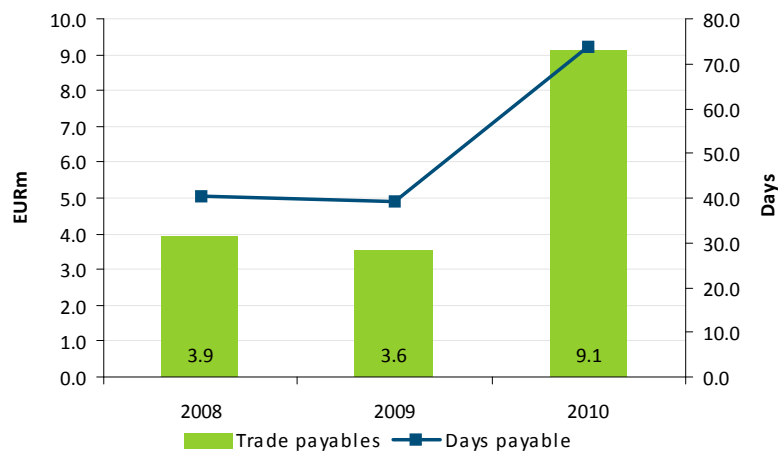
- Working capital has remained fairly stable given the changes in market environment and newly acquired business in 2010
 - A larger decrease in 2009 was mainly due to contraction in sales volumes

Source: Company data

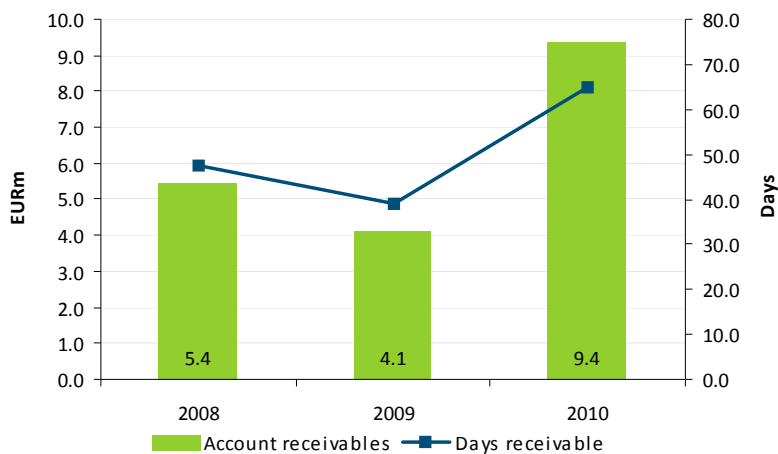


Working capital (2)

Trade payables development



Account receivables development



Inventory turnover development



- Inventory turnover days rather stable at around 46 days in 2010
 - Except for the year of 2009, when due to decreased sales volumes, inventory turnover days decreased to around 34 days
- Spike in payable and receivable days mainly due to the acquisition of Klaipėdos Kartonas AB

Source: Company data



Financial summary

2008 – 2010 commentary

Sales

- Significant growth through acquisitions
- Lithuania is still a key market (~40% of total sales in 2010), though with decreasing significance

Expenses

- Significant improvement in managing fixed cost structure

EBIT / EBITDA

- 2010 EBIT and EBITDA reaching EUR 4.3 million and EUR 10.4 million, respectively
- Consistent growth in profitability through improving business units' performance and favorable market conditions

Cash flow

- Cash flow from operations more than doubled during 2008 - 2010

Balance sheet

- Solid balance sheet structure with equity comprising 37% of total assets in 2010
- Improving debt structure, with long term debt comprising over 70% of total financial debt in 2010

Source: Company data





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