



VILNIAUS VINGIS



JOINT STOCK COMPANY VILNIAUS VINGIS

Lithuanian Securities Commission  
Konstitucijos ave. 23  
08105 Vilnius, Lithuania

2008 05 26 Nr. 575/1951

CONFIRMATION OF RESPONSIBLE PERSONS

Following the Article No.22 of the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission, we, Neringa Menčiūnienė, Director General and Svetlana Ivanova, Chief Accountant of VILNIAUS VINGIS AB, hereby confirm that, to the best of our knowledge, the attached not audited VILNIAUS VINGIS, AB Interim Financial Statements of for the three months of 2008, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of VILNIAUS VINGIS, AB.

Director General

Neringa Menčiūnienė

Chief Accountant

Svetlana Ivanova

***Vilniaus Vingis AB***

*Interim Financial Statements for the three months of the Year 2008*

*Prepared in accordance with the rules on preparation and submission of periodic and additional information of the Lithuanian Securities Commission*

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**Reporting period for which the report has been prepared**

The report has been prepared for the first quarter of the year 2008.

Financial statements for 31 December 2007 are audited and the financial statements for 31 March 2007 and 31 March 2008 are unaudited.

**1. Balance sheet**

LTL

No.	ASSETS	NOTE	COMPANY	
			31.03.2008	31.12.2007
<b>A.</b>	<b>NON – CURRENT ASSETS</b>		<b>1,059,381</b>	<b>1,091,500</b>
I.	INTANGIBLE ASSETS	2	77,443	102,358
I.1.	Licences and patents		12,881	17,425
I.2.	Computer software		64,562	84,933
I.3.	Other intangible assets		0	0
II.	TANGIBLE ASSETS	1	75,938	83,142
II.1.	Land			
II.2.	Buildings and constructions		0	0
II.3.	Machinery and equipment		0	0
II.4.	Means of transportation		59,712	63,156
II.5.	Other fixtures, fittings, tools and equipment		16,226	19,985
II.6.	Construction in progress		0	0
II.7.	Provisions for construction in progress		0	0
II.8.	Other tangible assets		0	1
II.9.	Provisions		0	0
III.	FINANCIAL ASSETS		906,000	906,000
IV.	DEFERRED TAX ASSETS		0	0
<b>B.</b>	<b>CURRENT ASSETS</b>		<b>56,356,506</b>	<b>55,988,814</b>
I.	INVENTORIES, PREPAYMENTS AND CONTRACTS IN PROGRESS		3,195	6,102
I.1.	Inventories		0	0
I.1.1.	Raw materials and consumables		0	0
I.1.2.	Work in progress		0	0
I.1.3.	Finished products		0	0
I.1.4.	Goods for resale		0	0
I.2.	Prepayments		3,195	6,102
I.3.	Contracts in progress		0	0
II.	AMOUNTS RECEIVABLE WITHIN ONE YEAR		56,348,069	55,948,520
II.1.	Trade debtors	3	1,476,309	1,744,839
II.2.	Receivables from subsidiaries and associates		0	0
II.3.	Other amounts receivable		54,871,760	54,203,681
III.	OTHER CURRENT ASSETS		0	0
IV.	CASH AND CASH EQUIVALENTS	4	5,242	34,192
	<b>TOTAL ASSETS</b>		<b>57,415,887</b>	<b>57,080,314</b>

continuation

NO.	EQUITY AND LIABILITIES	NOTE	COMPANY	
			31.03.2008	31.12.2007
<b>C.</b>	<b>EQUITY</b>		<b>54,526,879</b>	<b>54,181,745</b>
I.	CAPITAL		34,756,952	34,756,952
I.1.	Authorised (subscribed)	5	36,492,420	36,492,420
I.2.	Share premium		2,211,200	2,211,200
I.3.	Own shares (-)	6	(3,946,668)	(3,946,668)
II.	REVALUATION RESERVE (RESULTS)		275	275
III.	RESERVES		8,651,582	8,651,582
III.1.	Legal reserve		2,085,956	2,085,956
III.2.	Reserve for acquiring own shares		6,565,626	6,565,626
III.3.	Other reserves		0	0
IV.	RETAINED EARNINGS (LOSSES)		11,118,070	10,772,936
<b>D.</b>	<b>GRANTS AND SUBSIDIES</b>		<b>0</b>	<b>0</b>
<b>E.</b>	<b>AMOUNTS PAYABLE AND LIABILITIES</b>		<b>2,889,008</b>	<b>2,898,569</b>
I.	AMOUNTS PAYABLE AFTER ONE YEAR AND NON-CURRENT LIABILITIES		0	0
I.1.	Financial debts		0	0
II.	AMOUNT PAYABLE WITHIN ONE YEAR AND CURRENT LIABILITIES		2,889,008	2,898,569
II.1.	Current portion of non-current debts		0	0
II.2.	Financial debts to credit institutions		0	0
II.3.	Trade creditors		156,534	167,619
II.4.	Debts to subsidiaries and associates		162,595	167,595
II.5.	Amounts received in advance (on contracts in progress)		0	0
II.6.	Profit tax liabilities	7	2,426,739	2,426,739
II.7.	Liabilities related with labour relations	7	11,545	3,067
II.8.	Provisions		0	0
II.9.	Other amounts payable and current liabilities	7	131,595	133,549
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>57,415,887</b>	<b>57,080,314</b>

## 2. Profit (loss) statement

LTL

No.	ITEMS			
			1ST QUARTER OF 2008	1ST QUARTER OF 2007
I.	TURNOVER		2,121	6,600,333
II	PRODUCTION COST		2,121	6,530,351
III.	GROSS PROFIT (LOSS)		0	69,982
IV.	OPERATING COSTS		181,913	1,978,410
IV.1.	Sales		0	88,813
IV.2.	General and administrative		181,913	1,889,597
V.	OPERATING PROFIT (LOSS)	8	(181,913)	(1,908,428)
VI.	OTHER ACTIVITIES	8	288	43,077,847
VI.1	Income		1,505	60,492,750
VI.II	Expenses		1,217	17,414,903
VII.	FINANCING AND INVESTING ACTIVITIES	8	526,759	(350,668)
VII.1	Income		528,336	23,448
VII.II	Expenses		1,577	374,116
VIII.	PROFIT (LOSS) FROM NORMAL ACTIVITIES		345,134	40,818,751
IX.	EXTRAORDINARY GAIN		0	0
X.	EXTRAORDINARY LOSSES		0	0
XI.	PROFIT (LOSS) BEFORE TAXES	8	345,134	40,818,751
XII.	PROFIT TAX		0	0
XIII.	NET PROFIT (LOSS)		345,134	40,818,751

**3. Statement of changes in shareholders' equity**

Company, LTL

	Share capital	Share premium	Own shares (-)	Legal reserve	Other reserves	Retained earnings (losses)	Total
<b>SHAREHOLDERS' EQUITY AT 31 DECEMBER 2006</b>	36,492,420	2,211,200	(3,946,668)	2,085,956	6,565,901	(18,575,912)	24,832,897
Profit 31 March 2007						40,818,751	40,818,751
<b>SHAREHOLDERS' EQUITY AT 31 MARCH 2007</b>	36,492,420	2,211,200	(3,946,668)	2,085,956	6,565,901	22,424,839	65,651,648
<b>SHAREHOLDERS' EQUITY AT 31 DECEMBER 2007</b>	36,492,420	2,211,200	(3,946,668)	2,085,956	6,565,901	10,772,936	54,181,745
Transfer to reserves							
Profit 31 March 2008						345,134	345,134
<b>SHAREHOLDERS' EQUITY AT 31 MARCH 2008</b>	36,492,420	2,211,200	(3,946,668)	2,085,956	6,565,901	11,118,070	54,526,879

## 4. Cash flow statement

LTL

No.	ITEMS	COMPANY	
		1ST QUARTER OF 2008	1ST QUARTER OF 2007
<b>I.</b>	<b>CASH FLOW FROM MAIN ACTIVITY</b>		
I.1.	Cash inflows (including VAT) of the reporting period	215,108	6,417,315
I.1.1.	Cash inflows from customers	147,471	6,216,480
I.1.2.	Other inflows	67,637	200,835
I.2.	Cash payments of the reporting period	(152,703)	(8,569,253)
I.2.1.	Payments (including VAT) for raw materials, goods and services	(115,384)	(6,032,847)
I.2.2.	Payments related to labour relations	(35,684)	(467,017)
I.2.3.	Taxes paid	0	(11,000)
I.2.4.	Other payments	(1,635)	(2,058,389)
	<b>NET CASH FLOW FROM MAIN ACTIVITY</b>	<b>62,405</b>	<b>(2,151,938)</b>
<b>II.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
II.1.	Purchases of non-current assets (except investments)	0	0
II.2.	Sales of non-current assets (except investments)	726	6,073,242
II.3.	Purchases of long-term investments	0	0
II.4.	Sales of long-term investments	0	0
II.5.	Loans provided	(90,000)	(1,200,000)
II.6.	Loans returned	0	0
II.7.	Dividends, interests received	19	20,327
II.8.	Other increases in cash flow from investing activities	0	0
II.9.	Other decreases in cash flow from investing activities	0	0
	<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(89,255)</b>	<b>4,893,569</b>
<b>III.</b>	<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
III.1.	Cash flows related to owners	(1,898)	0
III.1.1.	Emission of shares	0	0
III.1.2.	Owners contributions against losses	0	0
III.1.3.	Redemption of own shares	0	0
III.1.4.	Dividend paid	(1,898)	0
III.2.	Cash flows related to other financing sources	0	(1,883,153)
III.2.1.	Increase in financial debts	0	4,708,715
III.2.1.1.	Loans gained	0	4,708,715
III.2.1.2.	Bonds emission	0	0
III.2.2.	Decrease in financial debts	0	(6,590,205)
III.2.2.1.	Loans paid	0	(6,590,205)
III.2.2.2.	Redemption of bonds	0	0
III.2.2.3.	Interests paid	0	0
III.2.2.4.	Leasing payments	0	0
III.2.3.	Increase in other liabilities	0	0
III.2.4.	Decrease in other liabilities	0	(1,663)
III.3.	Increase in other cash flows from financial activities	0	0
III.4.	Decrease in other cash flows from financial activities	0	0
	<b>NET CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>(1,898)</b>	<b>(1,883,153)</b>



Continuation

No.	Items	COMPANY	
		1ST QUARTER OF 2008	1ST QUARTER OF 2007
<b>IV.</b>	<b>CASH FLOWS FROM EXTRAORDINARY ACTIVITIES</b>	0	0
IV.1.	Increase in cash flows from extraordinary activities	0	0
IV.2.	Decrease in cash flows from extraordinary activities	0	0
<b>V.</b>	<b>INFLUENCE OF CHANGES IN FOREIGN CURRENCY EXCHANGE RATES TO BALANCE OF CASH AND CASH EQUIVALENTS</b>	(31)	(12,537)
<b>VI.</b>	<b>INCREASE (DECREASE) IN NET CASH FLOW</b>	(28,779)	845,941
<b>VII.</b>	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	34,192	836,273
<b>VIII.</b>	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	6,061	1,682,214

**5. EXPLANATORY LETTER OF 31 MARCH 2008****Summary of significant accounting policies and practises**

The joint stock company Vilniaus Vingis AB is a publicly listed company domiciled in Lithuania. The Company's shares are traded on the Secondary List of Vilnius Stock Exchange (VSE).

As at 31 March 2008, the Company employed 6 employees.

**Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).

**Basis of preparation**

The financial statements are presented in Litas. They are prepared on the historical cost basis except for derivative financial instruments, which are stated at their fair value.

Loans and receivables originated by the Company are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost, less impairment, if any.

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Litas at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Litas at foreign exchange rates ruling at the dates the fair value was determined.

**INFORMATION ABOUT THE ISSUER'S LARGEST SHAREHOLDERS AND MEMBERS OF THE MANAGING BODIES**

On 31 March 2008 the total number of Vilniaus Vingis AB shareholders was 636.

Shareholders who hold more than 5 per cent of the Issuer's authorised capital or / and votes. Name of the shareholder, its type, address of head office, code in the Register of Enterprises	Number of ordinary registered shares owned by the right of ownership	Part in the authorised capital, %	Part of votes given by the shares owned by the right of ownership, %	Part of votes of shareholders that are acting jointly, %
Hermis Capital UAB A. Tumėno str.4, Vilnius, Lithuania 125699527	5,533,191	60.65	63.99	----
FINANCIAL SPECTRUM INVESTMENT Konstitucijos ave. 23, LT-08105 Vilnius, Lithuania 132209272	1,717,129	18.82	19.86	----
ŠIAULIŲ BANKAS Tilžės Str 149 Šiauliai, Lithuania 112025254	905,000	9.92	10.46	----

VILNIAUS VINGIS AB SAVANORIŲ AVE 176, VILNIUS, LITHUANIA 122597830	475817	5,22	---	---
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Members of the managing bodies and their participation in Issuer's authorised capital.

Name, surname	Position held	Share of the capital held, %	Share of the votes held, %
<b>THE BOARD</b>			
Nerijus Dagilis	Chairman	-	-
Darius Janulevičius	Member	-	-
Marija Leitonienė	Member	-	-
<b>ADMINISTRATION</b>			
Neringa Menčiūnienė	General Director	-	-
Svetlana Ivanova	Chief Accountant	-	-

### 1. Non-current tangible assets

#### Owned assets

Non-current tangible assets are stated at cost as deemed cost less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Where parts of an item non-current tangible assets have different useful lives, they are accounted for as separate items of non-current tangible assets.

#### Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item non-current tangible assets. The estimated useful lives are as follows:

- buildings 8 - 60 years
- plant, machinery and equipment 2 - 15 years
- motor vehicles 5 - 6 years
- other assets 2 - 8 years

### 2. Intangible assets

Intangible assets, comprising computer software, that are acquired by the Company are stated at cost less accumulated amortisation. Computer software is amortised using the straight-line method over a 1-3 years' period.

### 3. Customers debt

Litas	31-03-2008	31-12-2007
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<b>Customers debt</b>		
Vilniaus Vingio Gija UAB	1,387,303	1,543,353
Telebaltikos importas ir eksportas UAB	0	55,710
TDP Sp. z o.o.	96,225	96,225
Other	46,703	49,551
	-----	-----
	1,530,231	1,744,839

### 4. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows, if it complies with the cash management policy.

<b>Cash and cash equivalents</b>	<u>31-03-2008</u>	<u>31-12-2007</u>
Term deposits	0	0
Cash at bank	4,462	30,294
Cash in hand	780	3,898
<b>Cash and cash equivalents</b>	<u>5,242</u>	<u>34,192</u>

## Capital and reserves

### 5. Share capital

The share capital comprises 9,123,105 ordinary shares with a nominal value of Litas 4 each and the total share capital amounts to Litas 36,492,420.

### 6. Reacquired own shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity.

The Company reacquired own shares in the Vilnius Stock Exchange as follows:

	2008	
	Number of shares	Value, LTL
At 1 January 2008	475,817	3,946,668
Treasury shares acquired in the market	0	0
At 31 March 2008	<u>475,817</u>	<u>3,946,668</u>

Reacquired own shares are stated as a deduction from the equity at their acquisition price.

## 7. Liabilities

Litas	<u>31-03-2008</u>	<u>31-12-2007</u>
<b>Other creditors</b>		
Salaries and related taxes	11,545	3,067
Taxes	2,426,739	2,426,739
Dividend payable for previous year	128,261	130,494
Advances	0	0
Other payables and accrued charges	3,334	3,055
	<u>2,569,879</u>	<u>2,563,355</u>

## 8. Activity results

During the 1<sup>st</sup> quarter of 2008 Vilniaus Vingis the profit is amounted to LTL 345.1 thousand. The loss is reached LTL 181.9 thousand of main activity, LTL 526.7 thousand – of financial activity and the profit of other activities reached LTL 0.3 thousand.

**IMPORTANT EVENTS IN THE ISSUER'S ACTIVITY****11. Important events in the Issuer's activity**

The Ordinary General Shareholder's meeting of Vilniaus Vingis AB held on 29 April 2008 in which adopted the following resolutions:

1. To approve of the annual report on the Company's in 2008.
2. Debriefed "KPMG Baltics" UAB the annual report of the Company for the year 2007.
3. To approve the financial statements on the Company's in 2007.
4. To approve the company's profit (loss) distribution:
  - 1) Not allotted profit (loss) brought forward from the previous year at beginning of the financial year LTL - 18,575,912 (EUR -5,379,956);
  - 2) Net profit for the accountable financial year LTL 29,348,848 (EUR 8,500,014);
  - 3) Not acquainted profit (loss) in report for the accountable financial year LTL 0 (EUR 0);
  - 4) Transference from reserve LTL 6,565,626 (EUR 1,901,537);
  - 5) Shareholders contribution against losses (if the shareholders decide to cover all or part of the profit (loss) to be appropriated) LTL 0 (EUR 0);
  - 6) Profit appropriated LTL 17,338,562 (EUR 5,021,595);
  - 7) Appropriation of profit to legal reserve LTL 908,715 (EUR 263,182);
  - 8) The share of profit of a public limited liability company allocated to the reserve for own shares LTL 0 (EUR 0);
  - 9) Appropriation of profit to other reserve LTL 0 (EUR 0);
  - 10) Appropriation of profit for the payment of dividend LTL 16,429,847 (EUR 4,758,413);
  - 11) The share of profit for the payment of annual bonuses to Board and Supervisory Board members, payment of incentives to workers and other allocations – LTL 0 (EUR 0);
  - 12) Profit (loss) to be carried forward to the next financial year LTL 0 (EUR 0).

Shareholders decision is as follows: Approve Company's profit distribution for the year 2007 as provided above. Pay dividends in the amount of LTL 16,429,847, one share of nominal value of LTL 4 should receive LTL 1.90 dividend.

Extraordinary General Shareholder's meeting of Vilniaus Vingis AB held on 13 May 2008 in which adopted the following resolutions:

1. To start the liquidation process of Vilniaus Vingis AB based on 1p. of CK 2.106 article from the 30<sup>th</sup> of May, 2008.
2. Neringa Menciuniene is confirmed as the liquidator of Vilniaus Vingis AB:
  - 2.1. The official salary and operating contract conditions, the same as for General Director's official salary and operating contract conditions appointed by Management Board on 6th of June 2007, are fixed.
  - 2.2. Nerijus Dagilis the representative of shareholders is empowered to sign the liquidator's contract.
  - 2.3. The senior accountant Svetlana Ivanova is elected, as the Liquidator at interim being the liquidator on holidays or temporary disability.