CONFIRMATION OF RESPONSIBLE PERSONS

Pursuing Part 2 of Article 22 of the Law on Securities of the Republic of Lithuania, and rules prepared by the Lithuanian Securities Commission for preparation and announcement of periodical and supplementary information, we, the undersigned – President Gintautas Pangonis and Vice President for finance Nina Šilerienė approve that not audited consolidated financial statements of GRIGISKES AB for the three months of 2013 year, as made in compliance with applicable accounting standards, are true, correctly reflect issuer's and aggregate consolidated companies' assets, liabilities, financial standing, profit or loss, cash flow and also that the consolidated report for the three months of 2013 year shows fair business environment as well as description of the company's performance.

President of GRIGISKES AB — Gintautas Pangonis

Vice President for finance
of GRIGISKES AB — Nina Šilerienė

GRIGIŠKĖS AB

Interim information for the three months of 2013

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1. REPORTING PERIOD FOR WHICH THIS FINANCIAL STATEMENTS HAVE BEEN PREPARED

Reports have been prepared for the three months of 2013.

2. AUDIT INFORMATION

The interim consolidated information of Grigiškės AB covering the three months of 2013 is not audited or checked-up by auditors.

3. GROUP COMPANIES AND THEIR CONTACT DETAILS

Grigiškės AB (further the Company or the Issuer) has eight subsidiaries: Klaipėdos kartonas AB, Baltwood UAB; Ekotara UAB; Naujieji Verkiai UAB, Mena Pak PAT, AGR Prekyba UAB, Klaipėda Recycling UAB and Grigiškių energija UAB.

Status	Issuer	Subsidiary	Subsidiary
Name	**Grigiškės** AB	**Klaipėdos kartonas** AB	**Baltwood** UAB
Company's ID No.	110012450	141011268	126199731
Authorised capital	60.000.000 LTL	41.001.895 LTL	32.537.000 LTL
Shares directly or indirectly controlled by Grigiškės AB	Company has not acquired any shares of itself	95,78 %	100 %
Address	Vilniaus str. 10, Grigiškės, Vilnius	Nemuno str. 2, Klaipėda	Vilniaus str. 10, Grigiškės, Vilnius
Phone	+370 5 243 58 01	+370 46 39 56 01	+370 5 243 59 00
Fax	+370 5 243 58 02	+370 46 39 56 00	+370 5 243 59 10
E-mail	info@grigiskes.lt	info@kartonas.lt	info@baltwood.lt
Internet address	www.grigiskes.lt	www.kartonas.lt	www.baltwood.lt
Legal form	Public Limited Liability Company	Public Limited Liability Company	Private Limited Liability Company
Date of registration	23 May, 1991	22 September, 1994	10 April, 2003
Administrator of the register	State Enterprise Centre of Registers	State Enterprise Centre of Registers	State Enterprise Centre of Registers

Status	Subsidiary	Subsidiary	Subsidiary
Name	**Ekotara** UAB	**Naujieji Verkiai** UAB	**Mena Pak** PAT
Company's ID No.	302329061	300015674	00383260
Authorised capital	10.000 LTL	100.000 LTL	4.012.000 UAH
Shares directly or indirectly controlled by Grigiškės AB	100 %	100 %	93,79 %
Address	Vilniaus str. 10, Grigiškės, Vilnius	Popieriaus str. 15, Vilnius	Koshevovo str. 6, Chernihiv region, Mena, Ukraine
Phone	+370 5 243 58 01	+370 5 243 59 33	+380 4644 21341
Fax	+370 5 243 58 02	+370 5 243 58 02	+380 4644 21084
E-mail	info@grigiskes.lt	info@grigiskes.lt	menapack@ukr.net
Internet address	www.ekotara.lt	-	www.menapack.com.ua
Legal form	Private Limited Liability Company	Private Limited Liability Company	Public Limited Liability Company
Date of registration	10 April, 2009	6 April, 2004	30 December, 1993
Administrator of the register	State Enterprise Centre of Registers	State Enterprise Centre of Registers	Chernihiv region, Mena distr. Public administration

Status	Subsidiary	Subsidiary	Subsidiary
Name	**AGR Prekyba** UAB	**Klaipėda Recycling** UAB	**Grigiškių energija** UAB
Company's ID No.	302416687	302529158	302674488
Authorised capital	12.810.000 LTL	3.000.000 Lt	10.000 Lt
Shares directly or indirectly controlled by Grigiškės AB	100 %	94,18 %	100 %
Address	Vilniaus str. 10, Grigiškės, Vilnius	Nemuno str. 2, Klaipėda	Vilniaus str. 14, Grigiškės, Vilnius
Phone	+370 5 243 5933	+370 46 395 601	+370 5 243 5933
Fax	+370 5 243 58 02	+370 46 395 600	+370 5 243 58 02
E-mail	vigmantas.kazukauskas@grigiskes.lt	info@kartonas.lt	vigmantas.kazukauskas@grigiskes.lt
Internet address	-	-	-
Legal form	Private Limited Liability Company	Private Limited Liability Company	Private Limited Liability Company
Date of registration	10 July, 2009	16 July, 2010	7 October, 2011
Administrator of the register	State Enterprise Centre of Registers	State Enterprise Centre of Registers	State Enterprise Centre of Registers

4. NATURE OF CORE ACTIVITIES OF THE GROUP COMPANIES

Core business activities of Grigiškės AB are as follows: manufacturing of toilet paper, paper towels and paper napkins, corrugated board, products from corrugated board.

Core business activities of Klaipėdos kartonas AB are as follows: manufacturing of the raw materials for production of corrugated board – Testliner and Fluting. Beside the main activity, Klaipėdos kartonas AB also produces paper honeycomb used in furniture industry.

Core business activities of Baltwood UAB are as follows: wood processing, manufacturing of container wood, fuel granules, bonded furniture panel, self-coloured and painted hardboard.

Core business activities of Mena Pak PAT (In Ukraine – *публічне акціонерне товариство „МЕНА ПАК“*) are as follows: manufacturing of corrugated board, products from corrugated board.

Core business activities of Ekotara UAB are as follows: manufacturing of corrugated board, products from corrugated board. The company has not been operating in year 2013.

Core business activities of Naujieji Verkiai UAB are as follows: building and development of real estate.

Core business activity of Grigiškių energija UAB is planned to be a business of heat production and sale. The company has not been operating in year 2013.

Core business activity of Klaipėda Recycling UAB is a waste-paper procurement.

Core business activities of AGR Prekyba UAB are as follows: investment activities and corporate governance.

5. CONTRACTS WITH INTERMEDIARIES OF PUBLIC TRADING IN SECURITIES AND CREDIT INSTITUTIONS

The Company has signed a contract with Finasta AB (financial brokerage company) (Maironio str. 11, Vilnius, tel. (8~5) 203 2233, fax: (8~5) 203 2244, info@finasta.lt) on the handling of securities issued by the Company and payment of dividend to the shareholders for 2004 and subsequent financial years.

The Company has signed a contract with Orion Securities UAB (financial brokerage company) (A.Tumėno str. 4, Vilnius, tel. (8~5) 231 3833, fax: (8~5) 231 3840, info@orion.lt) for making the market for the shares of Grigiškės AB.

The Company has signed a consulting agreement with Orion Securities UAB (financial brokerage company) (A.Tumėno str. 4, Vilnius, tel. (8~5) 231 3833, fax: (8~5) 231 3840, info@orion.lt) for the possible raising of additional capital, through a secondary public offering of shares of the Company.

6. AUTHORISED CAPITAL OF THE ISSUER

6.1. The authorized capital registered at the Register of Legal Persons

6.1.1. Table. Structure of the authorized capital

Type of shares	Number of shares.	Par value, LTL	Total par value, LTL	Interest in the authorised capital, %
Ordinary registered shares	60.000.000	1	60.000.000	100,00

All shares of the Issuer are fully paid up.

6.2. Information on the prospective increase of the authorized capital by converting issued debt securities or derivative securities into shares

The issuer has not issued any debt securities or derivative securities to be converted into shares.

6.3. Rights and obligations conferred by the shares

The shareholders have the following property and non-property rights:

1) to receive a part of the Company's profit - dividend;
2) to receive the Company’s funds when the authorized capital of the Company is being reduced with a view to paying out the Company’s funds to the shareholders;
3) to receive shares without payment if the authorized capital is increased out of the Company funds, except in cases specified in the Law on Companies of the Republic of Lithuania;
4) to have the pre-emption right in acquiring shares or convertible debentures issued by the Company, except in cases when the general meeting decides to withdraw the pre-emption right in acquiring the Company’s newly issued shares or convertible debentures for all the shareholders in the manner prescribed by Law on Companies of the Republic of Lithuania;
5) to lend to the Company in the manner prescribed by laws of the Republic of Lithuania; however, when borrowing from its shareholders, the Company may not pledge its assets to the shareholders. When the company borrows from a shareholder, the interest may not be higher than the average interest rate offered by commercial banks of the locality where the lender has his place of residence or business, which was in effect on the day of conclusion of the loan agreement. In such a case the Company and shareholders shall be prohibited from negotiating a higher interest rate;
6) to receive a part of assets of the Company in liquidation;
7) to bequeath all or a part of the shares to the ownership of the other people;
8) to transfer all or part of the shares to ownership of other people;
9) to attend the general meetings of shareholders;
10) to vote at general meetings of the shareholders according to voting rights carried by their shares (each fully paid share of the nominal value of 1 (one) LTL gives its holder one vote at the general meeting);

11) to receive information on the Company according to the procedure laid down in the laws of the Republic of Lithuania and the Articles of Association of the Company;
12) to file a claim with the court for reparation of damage resulting from nonfeasance or malfeasance by the Company manager and Board members of their obligations prescribed by the Law on Companies and other laws of the Republic of Lithuania and the Articles of Association of the Company as well as in other cases laid down by laws of the Republic of Lithuania;
13) to authorize a person to vote on his/her behalf at the general meeting of the shareholders;
14) to exercise other property and non-property rights provided by laws of the Republic of Lithuania.

7. SHAREHOLDERS

7.1. Number of shareholders of the Company

On the 31th of March 2013 there were 2.587 shareholders of Grigiškės AB.

7.2. Main shareholders owning in excess of 5 per cent of the authorised capital of the Issuer

7.2. table. Shareholders owning in excess of 5 per cent of the authorised capital of the Issuer on the 31th of March 2013.

Shareholder's name (company's name, type, headquarters address, corporate ID number)	31 March 2013			31 December 2012		
	Number of ordinary registered shares owned by the shareholder	Interest in the authorised capital, %	Votes granted by shares held by the right of ownership, %	Number of ordinary registered shares owned by the shareholder	Interest in the authorised capital, %	Votes granted by shares held by the right of ownership, %
UAB „Ginvildos investicija“ Turniškių g. 10a-2, Vilnius, 125436533	29.272.228	48,79	48,79	29.272.228	48,79	48,79
Irena Ona Mišeikienė	8.759.998	14,60	14,60	8.731.686	14,55	14,55
Rosemount Holding LLC 3533 Fairview Industrial Drive SE, Salem, OR 97302, United States of America	5.639.967	9,40	9,40	5.639.967	9,40	9,40

7.3. Shareholders holding special controlling rights

There are no shareholders holding special controlling rights.

7.4. Restrictions of the voting rights

There are no restrictions of the voting rights.

7.5. Agreements between/among the shareholders

The Issuer is not aware of any agreements between/among the shareholders likely to result in the restriction of securities transfer and (or) voting rights.

8. INFORMATION ON TRADING WITH ISSUER'S SECURITIES ON THE REGULATED MARKETS

Registered ordinary shares of Grigiškės AB are listed in the main list of NASDAQ OMX VILNIUS, AB (ticker – GRG1L).

8.1. Key characteristics of the shares of the Company

8.1. table. Key characteristics of the shares of the Company

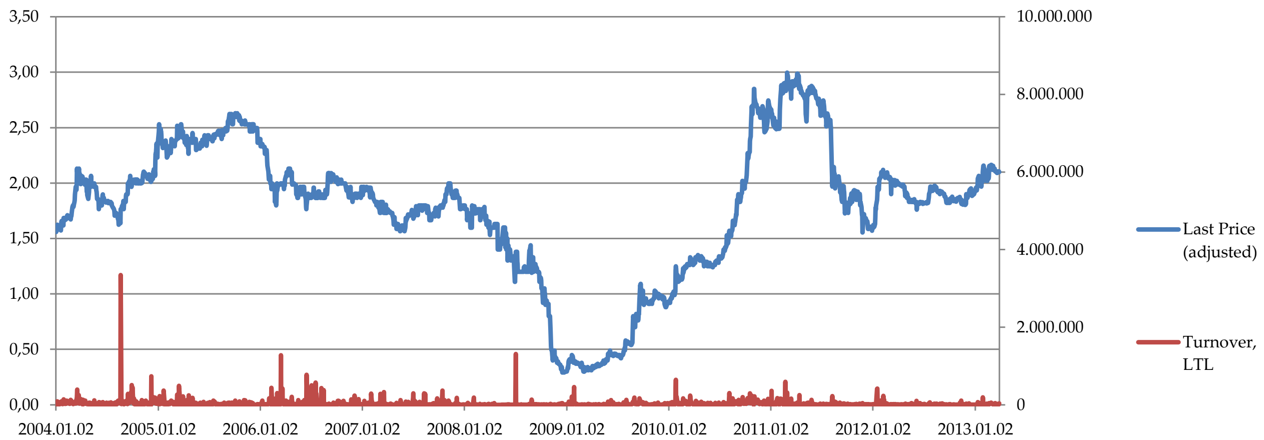
Type of shares	Securities ISIN code	Number of shares	Par value, LTL	Total par value, LTL
Registered ordinary shares	LT0000102030	60.000.000	1	60.000.000

8.2. Share trading information

8.2. table. Share trading information

Reported period	Price, LTL				Turnover, LTL			Total turnover	
	Max.	Min.	Last session	Average	Max.	Min.	Last session	Units	LTL
2009	**1,090**	**0,300**	**0,930**	**0,533**	**458.897**	**0**	**5.460**	**10.252.774**	**5.460.887**
2010, I Q	1,330	0,920	1,270	1,200	643.163	0	14.597	3.109.465	3.731.893
2010, II Q	1,350	1,240	1,340	1,297	98.746	0	25.194	1.017.209	1.319.328
2010, III Q	2,020	1,320	1,950	1,686	299.041	0	38.734	1.817.780	3.065.303
2010, IV Q	2,850	2,000	2,676	2,512	293.473	0	7.054	1.994.606	5.010.498
2010	**2,850**	**0,920**	**2,676**	**1,653**	**643.163**	**0**	**7.054**	**7.939.060**	**13.127.022**
2011, I Q	2,997	2,486	2,883	2,746	593.054	0	22.989	1.221.311	3.354.105
2011, II Q	2,987	2,555	2,624	2,822	251.419	360	8.948	463.059	1.306.703
2011, III Q	2,745	1,726	1,823	2,076	223.677	0	9.137	753.319	1.564.106
2011, IV Q	1,937	1,554	1,595	1,746	41.693	0	4.142	328.401	573.445
2011	**2,997**	**1,554**	**1,595**	**2,458**	**593.054**	**0**	**4.142**	**2.766.090**	**6.798.360**
2012, I Q	2,120	1,595	1,989	1,950	417.134	0	2.995	1.142.755	2.228.267
2012, II Q	1,999	1,761	1,816	1,854	100.495	0	2.177	372.658	691.007
2012, III Q	1,975	1,816	1,844	1,902	64.688	0	2.404	329.661	626.890
2012, IV Q	1,951	1,802	1,899	1,861	107.318	0	6.812	294.869	548.774
2012	**2,120**	**1,595**	**1,899**	**1,914**	**417.134**	**0**	**6.812**	**2.139.943**	**4.094.938**
2013, I Q	2,165	1,934	2,099	2,091	192.333	0	39.187	635.718	1.329.516

8.2. figure. Share price and turnover 01.01.2004 – 31.03.2013.



8.3. Capitalisation of the Company's shares

8.3. table. Capitalisation of the Company's shares

Last session date	Capitalisation, LTL
31.12.2009	**55.800.000**
31.03.2010	76.200.000
30.06.2010	80.400.000
30.09.2010	117.000.000
31.12.2010	**160.560.000**
31.03.2011	172.980.000
30.06.2011	157.440.000
30.09.2011	109.380.000
31.12.2011	**95.700.000**
31.03.2012	119.340.000
30.06.2012	108.960.000
30.09.2012	110.640.000
31.12.2012	**113.940.000**
31.03.2013	125.940.000

8.4. Issuer's share trading on other stock exchanges and regulated markets

The Company's shares are not traded on other stock exchanges and regulated markets.

8.5. Own shares buy out

The Company has not bought out own shares.

8.6. Restrictions on shares transfer.

There are no restrictions on shares transfer.

8.7. Official takeover bid

Official takeover bid for the Company's shares has not been declared. The Company also has not declared official takeover bid for shares of other companies.

9. EMPLOYEES

Over the three months of the year 2013 the number of the Group employees fluctuated naturally.

9.1. table. Number of employees of the Group

	31.03.2013	31.12.2012
Number of employees	900	890

9.2. table. Number of employees of the Company

	31.03.2013	31.12.2012
Number of employees	294	291

9.3. table. Average number of employees, salary and grouping of employees by education of the Group during the three months of 2013.

Employees	Average salary	Employees by education			
		University	College	Secondary	Basic
Workpeople	2.102	45	191	388	26
Managers	5.937	73	10	1	-
Specialists	3.018	118	29	7	-
Total	**2.671**	**236**	**230**	**396**	**26**

9.4. table. Average number of employees, salary and grouping of employees by education of the Group in 2012.

Employees	Average salary	Employees by education			
		University	College	Secondary	Basic
Workpeople	2.018	43	186	416	35
Managers	6.039	70	12	2	-
Specialists	3.117	119	26	6	-
Total	**2.669**	**232**	**224**	**424**	**35**

9.5. table. Average number of employees, salary and grouping of employees by education of the Company during the three months of 2013.

Employees	Average salary	Employees by education			
		University	College	Secondary	Basic
Workpeople	2.576	20	50	111	6
Managers	7.898	23	5	1	-
Specialists	3.576	57	11	5	-
Total	**3.359**	**100**	**66**	**117**	**6**

9.6. table. Average number of employees, salary and grouping of employees by education of the Company in 2012.

Employees	Average salary	Employees by education			
		University	College	Secondary	Basic
Workpeople	2.554	16	46	108	9
Managers	8.118	21	5	-	-
Specialists	3.903	55	11	5	-
Total	**3.428**	**92**	**62**	**112**	**9**

10. AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE ISSUER

The Articles of Association of the Issuer are amended in the procedure prescribed by legal acts of the Republic of Lithuania.

11. INFORMATION ON THE MANAGING BODIES OF THE ISSUER

The Company has the general meeting of shareholders, the sole-person managing body – the head of the Company (the President), the collegial managing body − supervisory council and the collegial managing body – the board.

The supervisory council is comprised of 5 members. The members to the supervisory council are elected by the general meeting of shareholders for a period of 4 years. The supervisory council elects and revokes the members of the board. The board of the Company consists of 5 members.

The board of the Company elects and revokes the head of the Company, fixes his salary, approves his job description, awards bonuses to and imposes penalties on the head of the Company.

11.1. Members of the managing bodies

11.1. table. Members of the supervisory council, board and administration, and their capital share and votes

Full names	Positions	Capital share and votes, %
SUPERVISORY COUNCIL		
Norimantas Stankevičius	Chairman	-
Algimantas Goberis	Member	-
Romualdas Juškevičius	Member	-
Tautvilas Adamonis	Member	-
Daiva Duksienė	Member	-
BOARD		
Gintautas Pangonis	Chairman	0,22
Nina Šilerienė	Member	0,07
Vigmantas Kažukauskas	Member	0,33
Normantas Paliokas	Member	-
Vytautas Juška	Member	-
ADMINISTRATION		
Gintautas Pangonis	President	0,22
Nina Šilerienė	Vice President, Finance	0,07
Vigmantas Kažukauskas	Vice President, Business Development	0,33
Vytautas Juška	Vice President, Purchasing & Logistics	-
Robertas Krutikovas	Director General	0,07
Viktoras Tirevičius	Director of Corrugated board Department	0,10

11.2. Information of the Chairman of the Board, President and Vice President, Finance

Gintautas Pangonis – Chairman of the Board, president. Education – university degree. Profession – multichannel telecommunication engineer. Workplaces during the last 10 years:

Employers	Positions
Grigiškės AB	Director general, chairman of the board
Grigiškės AB	President, chairman of the board

Nina Šilerienė – Vice President, Finance. Education – university degree. Profession – economist for accounting, control and analysis of economic activities. Workplaces during the last 10 years:

Employers	Positions
Grigiškės AB	Director of Finance Department, member of the board
Grigiškės AB	Vice president, Finance, member of the board

11.3. Information on the participation in the activities of other enterprises, agencies and organisations (name of the enterprise, agency or organisation and position thereat, capital interest and votes in excess of 5 per cent)

11.3. table. Participation of the members of the supervisory council, board and administration in the activities of other enterprises, agencies and organisations

Name	Business participation		Capital interest	
	Name of enterprise, agency and organisation	Positions	Name of enterprise, agency and organisation	Capital share and votes, %
Norimantas Stankevičius	Didma UAB	Project director	Didma UAB	51,00
			Naras UAB	62,48
			Bakenas, UAB	100,00
			Statybų namai, UAB	62,00
			Technikos namai, UAB	62,00
			Ginvildos investicija UAB	13,00
	Grigiškės AB	Chairman of the supervisory council		
Algimantas Goberis	Grigiškės AB	Member of the supervisory council		
Romualdas Juškevičius	Grigiškės AB	Member of the supervisory council		
Tautvilas Adamonis	Remada UAB	Director General	Remada UAB	100,0
	Grigiškės AB	Member of the supervisory council		
	Remados statyba UAB	Director	Remados statyba UAB	100,0
Daiva Duksienė	Grigiškės AB	Member of the supervisory council		
Gintautas Pangonis			Ginvildos investicija UAB	79,0
	Grigiškės AB	President	Grigiškės AB	0,22
	Grigiškės AB	Chairman of the board		
	Klaipėdos kartonas AB	Chairman of the board		
	Naujieji Verkiai UAB	Chairman of the board		
	Baltwood UAB	Chairman of the board		
	Ekotara UAB	Chairman of the board		
	Grigiškių energija UAB	Chairman of the board		
	Klaipėda Recycling UAB	Member of the board		
	Mena Pak PAT	Member of the Supervisory council		
Normantas Paliokas	Didma UAB	Head of Vilnius Representative Office		

Name	Business participation		Capital interest	
	Name of enterprise, agency and organisation	Positions	Name of enterprise, agency and organisation	Capital share and votes, %
	Ginvildos investicija UAB	Director		
	Grigiškės AB	Member of the board		
Vigmantas Kažukauskas	Grigiškės AB	Vice president, Business Development	Grigiškės AB	0,33
	Grigiškės AB	Member of the board		
	Klaipėdos kartonas AB	Member of the board		
	Baltwood UAB	Member of the board		
	Naujieji verkiai UAB	Director		
	Naujieji Verkiai UAB	Member of the board		
	Ekotara UAB	Director		
	Ekotara UAB	Member of the board		
	Grigiškių energija, UAB	Director		
	Grigiškių energija, UAB	Member of the board		
	AGR Prekyba UAB	Director		
Vytautas Juška	Grigiškės AB	Vice president, Purchasing & Logistics		
	Grigiškės AB	Member of the board		
	Baltwood UAB	Member of the board		
	Grigiškių energija UAB	Member of the board		
Nina Šilerienė	Grigiškės AB	Vice President, Finance	Grigiškės AB	0,07
	Grigiškės AB	Member of the board		
	Klaipėdos kartonas AB	Member of the board		
	Naujieji Verkiai UAB	Member of the board		
	Baltwood UAB	Member of the board		
	Ekotara UAB	Member of the board		
	Grigiškių energija UAB	Member of the board		

11.4. Data on the commencement and expiration of the tenure of each managing body

The Supervisory Council of Grigiskes AB was elected on the 26th of April 2011 for a 4 years' period (ending in 2015). The Board of the Company was elected on the 26th of April 2011 for a 4 years' period (ending in 2015).

12. INFORMATION ABOUT COMPLIANCE WITH GOVERNANCE CODE

Grigiskes AB follows a Corporate Governance Code for the Companies Listed on the Vilnius Stock Exchange. Information presented in the Annual Report of 2011 has not undergone any changes.

13. REVIEW OF ACTYVITY OF THE GROUP COMPANIES

13.1. Material events in the Issuer's activities

January

The Board meeting on January 10, 2013 approved budget for the year 2013.

It is planned that the Group which consists of companies GRIGISKES AB, Baltwood UAB, Klaipedos kartonas AB, Klaipeda Recycling UAB, Mena Pak PAT and Klaipeda recycling UAB in the year 2013 will reach a turnover of LTL 330 Mio. (EUR 95.6 Mio), which is by LTL 40 Mio (EUR 11.6 Mio) or 13.8% over the expected turnover of 2012. The Group's profit before taxes will reach LTL 13.4 Mio (EUR 3.9 Mio) and will be by LTL 3% higher than it is expected for the year 2012.

It is also planned that GRIGISKES AB in the year 2013 will reach a turnover of LTL 148 Mio (EUR 42.8 Mio) and will be higher by LTL 37 Mio (EUR 10.7 Mio) than it is expected for the year 2012. The company will earn a profit before taxes of LTL 7 Mio (EUR 2 Mio) which will be by LTL 2.5 Mio (EUR 0.7 Mio) less than it is expected for the year 2012.

The activity of the year 2013 will be focused on the development of the hygienic paper and corrugated cardboard and related products sales in Lithuania and foreign markets. In planning the activities for the year 2013 tendencies of the marked were evaluated.

Also, there is no doubt that the achievement of approved objectives will supported by the implementation of the program of investments to development of the base of production. In the year 2012 the new corrugated cardboard production plant, sheet towel and paper handkerchiefs production lines started to work. Currently new paper processing line starts to work too. In total investments in the mentioned objects will amount LTL 33 Mio (EUR 9.6 Mio).

In order to expand sales and increase the competitiveness of the products in 2013 the Group will continue its investment program. As it is already mentioned in previous reports on the material event, the Group will invest LTL 30 Mio (EUR 8.7 Mio) to two biofuel boilers building in Vilnius and Klaipeda. LTL 11.95 Mio (EUR 3.5 Mio) of this amount will be the Cohesion Fund support.

In addition to that in 2013 it is expected to launch a new investment project of paper machine No. 6.

These forecasts are not audited.

February

GRIGISKES AB informs that all the operations of the Group of GRIGISKES AB are financed from accounts in other banks operating in the territory of the Republic of Lithuania.

Till 12.02.2013 a negligible number of customers of all Group companies made settlement from their accounts in "Ūkio bankas" AB. Sales to these customers accounted for a negligible share of each Group company's turnover.

In addition, GRIGISKES AB Group is insuring the potential customer's creditworthiness.

For these reasons, the decision of the Board of the Bank of Lithuania to temporary restrict operation of „Ūkio bankas“ AB has no significant direct effect on activities and results of GRIGISKES AB or other companies of the Group.

February On 20th February 2013, GRIGISKES AB and SEB bank AB signed a loan supply contract for LTL 35 Mio (EUR 10.1 Mio). This begins the third stage of the investment program announced in April 2011, the company's President Gintautas Pangonis announced.

As announced in earlier reports about material event, in 2012 GRIGISKES AB completed the first stage of the investment program when it invested LTL 20.5 Mio (EUR 5.9 Mio) and built and put into operation a new corrugated cardboard production unit equipped with modern production lines. The second stage consisted of an investment of another LTL 12.5 Mio (EUR 3.6 Mio) to increase the output of the paper production unit by the addition of four new paper processing production lines.

The loan to be obtained as a result of the financing contract signed yesterday will be used to purchase a new paper manufacturing machine. This investment project will take two years and will involve more than LTL 53 Mio (EUR 15.3 Mio). It is planned to have the new production line operating by the end of 2014. GRIGISKES AB intends to purchase a new, up-to-date, European paper manufacturing machine. This paper manufacturing machine will be the most modern and will permit the company to adapt more quickly to the ever-fluctuating needs of the market, to satisfy clients' requirements more satisfactorily, to produce a product of even higher quality and to expand the product range. There is no doubt that these investments will help the company strengthen its position in the European market and will make it possible for it to compete successfully with other manufacturers of paper products. It is foreseen that the production capabilities of the newest paper manufacturing machine will be double those that currently exist; and the new paper manufacturing machine will replace the two machines with the lowest output of the three paper manufacturing machines that are currently operating.

GRIGISKES AB plans that at the end of 2014 when it has implemented the above-mentioned investment program, sales of the company's products will double in the following two years. It is hoped that the growing sales figures of the group of companies will reach LTL 500 Mio (EUR 145 Mio).

February Over the year 2012 the consolidated turnover of GRIGISKES AB Group, which consists of GRIGISKES AB, Baltwood UAB, Klaipedos kartonas AB, Mena Pak PAT and Klaipeda recycling UAB, outmeasured LTL 290 Mio (EUR 84 Mio), which is the same as it was forecasted.

Over the same period the turnover of GRIGISKES AB outmeasured LTL 111.0 Mio (EUR 32.1 Mio), which is the same as it was forecasted.

Over the year 2012 the consolidated profit before taxes of GRIGISKES AB Group reached LTL 9.97 Mio (EUR 2.9 Mio) and was by LTL 3 Mio (EUR 0.9 Mio) lower than it was forecasted. The decrease of Group profit before taxes, as compared to published estimates, mainly due to the delay of customers ordered transport in the last weeks of the year due to the holiday period, which transferred a part of scheduled sales of the most profitable products (of paper products segment) to

2013.The mentioned above decrease of sales was compensated by higher-than-expected sales of products of other segments of the Group.
The Company's profit before taxes reached LTL 8.7 Mio (EUR 2.5 Mio) and is by LTL 0.8 Mio (EUR 0.2 Mio) lower that it was forecasted.
More information is provided in the interim consolidated report of GRIGISKES AB covering twelve months of 2012 with endorsement of the responsible persons.

March GRIGISKES AB (hereinafter, the "Company"), in response to the information on 28 March 2013 published in the newspaper "Verslo žinios" in the article with the title "During the second attempt „Grigiskes" will try to break the ice", hereby notifies that on this date the Company considers various alternatives of expansion of Company's business, including the possible raising of additional capital of the Company by way of secondary public offering of shares of the Company. However, no decisions in connection therewith have been adopted by the Company on the day of this announcement.
The Company further informs, that for the purposes of analysis and execution of the aforementioned alternatives it has concluded the consulting agreement with UAB FMĮ "Orion securities".

13.2. Newest events in the Issuer's activities

April The Annual General Meeting of Shareholders of GRIGISKES AB, legal entity code 110012450, registered office: Vilniaus g. 10, Grigiškės, LT-27101 Vilniaus m. sav., Lithuania (hereinafter – the Company), is convened by initiative and the decision of the Board of the Company.
The Date of the Meeting – the 26 April, 2013.
Time – 11 a.m., venue of the meeting - Vilniaus g. 10, Grigiškių m., LT-27101 Vilniaus m. sav., Lithuania, the first floor of Company's administration building.
Registration of shareholders starts at 10.30 a.m., ends at 10.55 a.m.
The accounting day of the Annual General Meeting of Shareholders' is 19 April 2013.
Shareholders who at the end of the General Meeting of Shareholders' accounting day, i.e. 19 April 2013, will be shareholders of the Company have a right to participate and vote at the General Meeting of Shareholders in person or may authorise other persons to vote for them as proxies or may conclude an agreement on the disposal of the voting right with third parties.
The shareholders' proprietary rights accounting day is 13 May 2013. The proprietary rights (right to receive dividend) shall be held by persons who were shareholders at the close of the tenth working day after adopting the appropriate decision of the General Meeting of Shareholders, i.e. 13 May 2013.
The agenda of the Meeting:
1. Consolidated annual report of the Company for the year 2012.
2. Auditor's report for the year 2012.
3. Approval of the set of consolidated annual financial statements and annual financial statements of the Company for the year 2012.
4. The appropriation of the Company's profit for the year 2012.
A person attending the General Meeting of Shareholders and entitled to vote shall produce a document which is a proof of his identity. A person who is not a

shareholder shall additionally produce a document attesting to his right to vote at the General Meeting of Shareholders.

Shareholder entitled to participate in the meeting shall have the right to authorise, in writing, a natural or legal person to participate and vote on his behalf at the Annual General Meeting of Shareholders. Such a written authorisation must be approved in accordance with the procedure laid down in legal acts. Shareholder entitled to participate in the General Meeting of Shareholders shall also have the right to authorise, by means of electronic communications, a natural or legal person to participate and vote on his behalf at the Annual General Meeting of Shareholders. Such a proxy of the shareholder need not be certified by a notary. The proxy given by means of electronic communications and the notice of the given proxy shall be submitted to the Company by e-mail info@grigiskes.lt until the start of the registration of shareholders. The authorised person shall have the same rights as would be held by the shareholder represented by him (unless the issued authorisation or laws provide for narrower rights of the authorised person). The Company has not set the proxy form.

The Company is not providing the possibility to attend and vote at the Annual General Meeting of Shareholders by means of electronic communications.

Please be informed that on decisions, which are included into Annual General Meeting of Shareholders agenda, can be voted in writing by completing the general ballot paper. General ballot paper will be provided on the Company's website www.grigiskes.lt, under the heading "Investor Relations". If the person who had completed the general ballot paper is not a shareholder, the completed general ballot paper must be accompanied by a document confirming the right to vote. The duly completed general ballot paper (voting bulletin) should be delivered to the Company's Office at Vilniaus g. 10, Grigiškės, LT-27101 Vilniaus m. sav., Lithuania not later than on the last business day before the General Meeting of Shareholders.

Shareholders who hold shares carrying at least 1/20 of all the votes, have a right of proposing to supplement the agenda of the General Meeting of Shareholders. Draft decisions on the proposed issues or, when it is not mandatory to adopt decisions, explanatory notes on each proposed issue of the agenda of the General Meeting of Shareholders must be presented alongside with the proposal. Proposals to the agenda of the Annual General Meeting of Shareholders may be submitted by e-mail to info@grigiskes.lt or delivered to the Company's office at Vilniaus g. 10, Grigiškės, LT-27101 Vilniaus m. sav., Lithuania. The agenda will be supplemented if the proposal is received not later than 14 days before the Annual General Meeting of Shareholders.

Shareholders who hold shares carrying at least 1/20 of all votes may, at any time before the Annual General Meeting of Shareholders or during the Meeting, in writing or by e-mail info@grigiskes.lt propose new draft decisions on the items put on the agenda of the Meeting.

Shareholders have the right to ask questions concerning the agenda of the Annual General Meeting of Shareholders in advance. Questions may be submitted by e-mail to info@grigiskes.lt or delivered directly to the Company's office at Vilniaus g. 10, Grigiškės, LT-27101 Vilniaus m. sav., Lithuania not later than 22 April 2013. Responses of a general character shall be posted on the Company's website www.grigiskes.lt, under the heading "Investor Relations". The Company will not respond personally to the shareholder if the respective information is posted on the Company's website.

Starting from 4 April 2013, shareholders can get acquainted with the documents possessed by the Company related to the agenda of the meeting, draft resolutions of the Annual General Meeting of Shareholders, and other documents to be submitted to the General Meeting of Shareholders as well as to get information regarding execution of the shareholders' rights at the company's office located Vilniaus g. 10, Grigiškės, LT-27101 Vilniaus m. sav., Lithuania on weekdays from 7.30 a.m. till 4.30 p.m. or on the Company's website www.grigiskes.lt, under the heading "Investor Relations".

The total number of the Company's shares and the number of shares granting voting rights during the Annual General Meeting of Shareholders is the same and amounts to 60.000.000.

April The Board meeting of GRIGISKES AB on 4th of April 2013 decided to provide Annual General Meeting of Shareholders of GRIGISKES AB to be held on 26th of April, 2013, the following information and documents: consolidated annual report of the Company for the year 2012, Auditor's report for the year 2012 and the set of consolidated annual financial statements and annual financial statements of the Company for the year 2012, project of appropriation of the Company's profit for the year 2012, Draft decisions on the agenda of the Annual General Meeting of Shareholders of GRIGISKES AB to be held on 26th of April, 2013 proposed by the Board, the general ballot paper.

April Over the year 2012 the audited consolidated turnover of GRIGISKES AB Group, which consists of GRIGISKES AB, Baltwood UAB, Klaipedos kartonas AB, Mena pak PAT and Klaipeda recycling UAB, outmeasured LTL 290 Mio (EUR 84 Mio). Over the same period the audited turnover of GRIGISKES AB outmeasured LTL 111.0 Mio (EUR 32.1 Mio).

The audited turnover of the Group and the Company is the same as it was published in forecasts for 2012 and in unaudited results of 2012.

Over the year 2012 the Company's audited profit before taxes reached LTL 8.7 Mio (EUR 2.5 Mio) – the same as it was published in unaudited results.

Audited consolidated profit before taxes of GRIGISKES AB Group reached LTL 10.64 Mio (EUR 3.1 Mio) and was by LTL 0.67 Mio (EUR 0.2 Mio) or 6.7 % higher than it was published in unaudited results in February 2013.

April We hereby inform you that the agenda of the Annual General Meeting of Shareholders of GRIGISKES AB, legal entity code 110012450, registered office: Vilniaus g. 10, Grigiškės, LT-27101 Vilniaus m. sav., Lithuania (hereinafter – the Company) scheduled for 26 April, 2013 at 11:00 a.m. was supplemented by the proposal and the decision of the Board.

Agenda of the Meeting (including its supplemented issues):

1. Consolidated annual report of the Company for the year 2012.
2. Auditor's report for the year 2012.
3. Approval of the set of consolidated annual financial statements and annual financial statements of the Company for the year 2012.
4. The appropriation of the Company's profit for the year 2012.

5. Increase of the authorised capital of the Company with additional contributions.
6. Withdrawal of the pre-emptive right of the Company's shareholders to acquire newly issued shares of the Company; granting of the right to acquire newly issued shares of the Company.
7. Amendments to the Articles of Association of the Company and approval of the new wording of the Articles of Association.

The Date of the Meeting – the 26 April, 2013.

Time – 11 a.m., venue of the meeting - Vilniaus g. 10, Grigiškių m., LT-27101 Vilniaus m. sav., Lithuania, the first floor of Company's administration building.

Registration of shareholders starts at 10.30 a.m., ends at 10.55 a.m.

The accounting day of the Annual General Meeting of Shareholders' is 19 April, 2013.

Shareholders who at the end of the General Meeting of Shareholders' accounting day, i.e. 19 April, 2013, will be shareholders of the Company have a right to participate and vote at the General Meeting of Shareholders in person or may authorise other persons to vote for them as proxies or may conclude an agreement on the disposal of the voting right with third parties.

The shareholders' proprietary rights accounting day is 13 May, 2013. The proprietary rights shall be held by persons who were shareholders at the close of the tenth working day after adopting the appropriate decision of the General Meeting of Shareholders, i.e. 13 May, 2013.

The information, foreseen in the applicable legal acts, which has to be provided while informing on convening of the General Meeting of Shareholders, was announced by the Company on 2 April, 2013, announcing the notification on material event.

The renewed draft decisions on the issues of the agenda and the general voting ballot paper are attached thereof, additionally including the draft decisions on the supplemented issues of the agenda into them.

April

In the annual general meeting of shareholders of public limited liability company "GRIGIŠKĖS" (hereinafter, the "Company"), to be held on 26-04-2013 (hereinafter, the "Meeting") it is intended to consider the question regarding withdrawal of the pre-emptive right of shareholders of the Company to acquire the new issue of Company's shares of par value of up to LTL 5,700,000 (up to 5,700,000 (five million seven hundred thousand) ordinary registered shares, par value of LTL 1 each).

Reasons for the withdrawal of the pre-emptive right; person to whom the right to acquire newly issued shares of the Company is proposed to be granted

The Company is considering raising additional equity capital via a public placement to current shareholders as well as other investors to finance expansion of its operations, to strengthen its shareholders' base and to increase the liquidity of the shares of the Company in the secondary market. To accomplish this goal, the Company proposes the increase of the authorised capital of the Company as well as withdrawal of the pre-emptive right of its current shareholders.

To analyse the available options and to secure the required assistance in placing the shares, the Company has retained UAB FMĮ "Orion securities", a private limited liability company, legal entity code 122033915, the address of the registered office at Tumėno g. 4, Vilnius (hereinafter, "Orion"), represented by the Director, Mr. Alius Jakubėlis, to act as an Arranger and a Lead Manager of the potential transaction.

The Company is proposing to undertake a public placing to current shareholders (by withdrawal of the pre-emptive right) as well as other investors, which it considers to be a practical decision for raising additional equity and securing the possibility of the current shareholders' of the Company participation in the placement. Furthermore, the indicated structuring of the transaction (including withdrawal of the pre-emptive right) would ensure that the Company is flexible with its timing as well as with its length, as such transaction would not be subject to any certain restrictions on the earliest date of starting the offering and the shortest period of subscription for shares.
Due to the nature of the envisaged transaction, Orion may need to borrow a certain amount of existing shares from one of the current shareholders to facilitate settlement of the transaction. It is intended that such borrowed shares will be used for settlement with investors whilst, the Arranger will use the proceeds to subscribe for the new issue shares and return the shares to the lender.
For the reasons indicated above and as a technical measure, it is sought to withdraw the pre-emptive right of the current shareholders of the Company to acquire the shares to be newly issued and to grant the right to acquire such shares to Orion. It is hereby suggested to grant Orion the right to subscribe for and acquire newly issued shares of the Company (up to 5,700,000) in its contemplated role of the Arranger.
Furthermore, for the purpose of the aforementioned potential transactions, current shareholder of the Company, UAB „GINVILDOS INVESTICIJA", code 125436533, registered at Turniškių st. 10A-2, Vilnius, consented to lend a relevant amount of the outstanding and paid shares of the Company, equal to the maximum number of the new shares to be issued during this increase of the authorised capital of the Company (i.e. up to 5,700,000 shares), to Orion in its contemplated role of the Arranger.
Substantiation of the price of the new issue shares
It is suggested that the Meeting of shareholders of the Company set only the minimal issue price of each newly issued share of the Company, making it equal to the par value of the shares, i.e. LTL 1. Accordingly, it is suggested that the total minimal issue price of all the new shares (in case all of them are subscribed) is to be fixed at LTL 5,700,000 (five million seven hundred thousand litas).
The final issue price of the new issue shares will be equal to the sale price of the lent shares sold to the investors. The Board of the Company will determine the sale price of the lent shares (which also means the issue price of the new shares) by its decision, upon receipt of Orion's recommendations, before the start of the transfer of the lent shares to the investors.

April

During the 1st quarter of 2013, the Group consisting of GRIGISKES AB, Baltwood UAB, Klaipedos kartonas AB, Mena Pak PAT, and Klaipeda recycling UAB achieved the consolidate sales turnover of LTL 76.2 million (EUR 22.1 million). It is LTL 3.5 million (EUR 1.0 million) or 5% more than during the 1st quarter in 2012.
During the same period in question, the Company's sales amounted to LTL 32.5 million (EUR 9.4 million), which is LTL 6.9 million (EUR 2.0 million) or 27% more than in the same period last year.
During the reporting period, the Group earned LTL 1.88 million (EUR 0.5 million) profit before taxes, which is LTL 0.7 million (EUR 0.2 million) or 60% more than in the 1st quarter of 2012.

In the 1st quarter of 2013, the Company earned LTL 1.44 million (EUR 0.4 million) profit before taxes. Considering the fact that from the 2nd quarter 2012 the Company put a new corrugated board manufacturing unit and several new paper production lines into operation and started accounting their depreciation, in the 1st quarter 2013 if compared with the same period in 2012, the Company's profit before taxes dropped down by LTL 0.76 million (EUR 0.2 million).

Earnings before interest, taxes, depreciation and amortisation (EBITDA) of the Group and Company, if compared with the 1st quarter of 2012, increased by 31% and 12%, respectively: in the 1st quarter of 2013, EBITDA of the Group was LTL 9.0 million (EUR 2.6 million), of the Company LTL 5.2 million (EUR 1.5 million).

Growth of financial figures was achieved at the result of completed implementation of the first two stages of the investment programme in 2012: in the 2nd quarter of 2012, a new corrugated board manufacturing unit was put into operation, in the end of 2012, four new paper converting lines were launched.

GRIGISKES AB is planning to achieve double growth in the sales of the company's products upon completion of paper production machine investment project and thus completion of the third stage of the Group's investment programme in 2014. Growing sales of the Group are expected to be LTL 500 million (EUR 145 million).

April

The General Meeting of shareholders of GRIGISKES AB was held on 26-04-2013. The meeting heard the consolidated annual report of the Company for the year 2012 and the Auditor's report for the year 2012 and made the following decisions:

- to approve the set of consolidated annual financial statements and annual financial statements of the Company for the year 2012.
- to approve the appropriation of Company's profit for the year 2012: for dividends to distribute LTL 0.02 (0.006 EUR) per ordinary registered share and to pay in total LTL 1,200,000 (347,544 EUR) of dividends, to appropriate LTL 424,093 (122,825 EUR) to the legal reserves and to appropriate LTL 230,000 (66,613 EUR) for tantiems to the members of the Board and Supervisory council.
- to increase the authorised capital of the Company with additional contributions from LTL 60,000,000 (sixty million litas) to LTL 65,700,000 (sixty five million seven thousand hundred litas), by issuing no more than 5,700,000 (five million seven hundred thousand) ordinary registered shares LTL 1 (one litas) par value each (hereinafter, the "New Shares").

The minimal issue price of each newly issued ordinary registered share of the Company, the total number of which may be up to 5,700,000, is LTL 1 (one litas). The total minimal issue price of the New Shares is up to LTL 5,700,000 (five million seven hundred thousand), depending on the final number of the issued New Shares.

If not all the New Shares are subscribed for within the period intended for subscription for the shares, the authorised capital of the Company will be able to be increased by the total par value of the newly subscribed shares. In this case, the Board of the Company will have the discretion to decide whether, in case not all the New Shares are subscribed for, the increase of the authorised capital of the Company is to be regarded as having taken place and (if yes) the authorised capital of the Company must be increased by the total par value of the newly subscribed shares.

To instruct the Board of the Company to draft and establish the detailed conditions and procedure of subscription and payment for the New Shares which will have to indicate that the shares of the Company will be offered to aquire to persons who shall be shareholders of the Company at the close of 22 May, 2013 or at the close of other date established by the Board of the Company in proportion to the number of the shares owned by them as well as to other investors and to determine other conditions of offering the new share issue that have not been discussed in the resolution of the general meeting of shareholders (including, without limitation, the final issue price of the New Shares, the final number of the issued New Shares, etc.).

To initiate the admission of all the newly issued shares to the Main List of AB NASDAQ OMX Vilnius and to authorise the Board of the Company to perform any and all related actions, including, without limitation, to approve and to present to the Bank of Lithuania the prospectus for placement of the shares of the Company and admission of the New Shares to the regulated market (the Main List of AB NASDAQ OMX Vilnius) for approval.

- following paragraph 1(15) of Article 20 and paragraph 5 of Article 57 of the Law of the Republic of Lithuania on Companies, also referring to the announcement of the Board of the Company regarding the withdrawal of the pre-emptive right of the Company's shareholders to acquire newly issued shares of the Company and granting of the right to acquire the shares, to withdraw the pre-emptive right of all the shareholders of the Company to acquire up to 5,700,000 (five million seven hundred thousand) ordinary registered shares issued by the Company.

The Company is considering raising additional equity capital via a public placement to current shareholders as well as other investors to finance expansion of its operations, to strengthen its shareholders' base and to increase the liquidity of the shares of the Company in the secondary market. To accomplish this goal, the Company proposes the increase of the authorised capital of the Company as well as withdrawal of the pre-emptive right of its current shareholders.

To analyse the available options and to secure the required assistance in placing the shares, the Company has retained UAB FMĮ "Orion securities", a private limited liability company, legal entity code 122033915, the address of the registered office at Tumėno g. 4, Vilnius (hereinafter, "Orion"), to act as an Arranger and a Lead Manager of the potential transaction.

The Company is proposing to undertake a public placing to current shareholders (by withdrawal of the pre-emptive right) as well as other investors, which it considers to be a practical decision for raising additional equity and securing the possibility of the current shareholders' of the Company participation in the placement. Furthermore, the indicated structuring of the transaction (including withdrawal of the pre-emptive right) would ensure that the Company is flexible with its timing as well as with its length, as such transaction would not be subject to any certain restrictions on the earliest date of starting the offering and the shortest period of subscription for shares.

Due to the nature of the envisaged transaction, Orion may need to borrow a certain amount of existing shares from one of the current shareholders to facilitate settlement of the transaction. It is intended that such borrowed shares will be used for settlement with investors, whilst the Arranger will use the proceeds to subscribe for the new issue shares and return the shares to the lender.

For the reasons indicated above and as a technical measure, it is sought to withdraw the pre-emptive right of the current shareholders of the Company to acquire the

shares to be newly issued and to grant the right to acquire such shares to Orion. It is hereby suggested to grant Orion the right to subscribe for and acquire newly issued shares of the Company (up to 5,700,000) in its contemplated role of the Arranger.
Furthermore, for the purpose of the aforementioned potential transactions, a current shareholder of the Company UAB "GINVILDOS INVESTICIJA", legal entity code 125436533, the address of the registered office at Turniškių st. 10A-2, Vilnius, consented to lend a relevant amount of the outstanding and paid shares of the Company, equal to the maximum number of the New Shares to be issued during this increase of the authorised capital of the Company (i.e. up to 5,700,000 shares), to Orion in its contemplated role of the Arranger.

- with regard to the adopted resolution to increase the authorised capital of the Company, to amend paragraphs 3.1 and 4.1 of the Articles of Association of public limited liability company "GRIGIŠKĖS" and to read them as follows:

"3.1. The authorised capital of the Company shall be equal to LTL 65,700,000 (sixty five million seven hundred thousand litas)."
"4.1. The authorised capital of the Company shall be divided into 65,700,000 (sixty five million seven hundred thousand) ordinary registered shares. The par value of one share shall be equal to LTL 1 (one litas)."
If not all the New Shares are subscribed for during the intended share subscription period and the Board of the Company decides to hold that the increase of the authorised capital of the Company has still taken place, the Board of the Company will amend the amount of the authorised capital and the number of shares indicated in the Articles of Association of the Company accordingly.
With regard to the resolution above, to amend the Articles of Association of AB "GRIGIŠKĖS", approving their new wording, and to authorise the President of the Company Gintautas Pangonis to sign the Articles of Association.

April GRIGISKES AB invites investors and other interested parties to participate in webinar on the secondary public offering (SPO) and Company's future plans.
GRIGISKES invites shareholders, investors, mass media representatives and other stakeholders to participate in its investor conference webinar scheduled on May 13, 2013 at 16:00 (EET).

Webinar will be hosted by the Chairman of the Management board and the President of GRIGISKES AB Gintautas Pangonis.

May Please be informed that GRIGISKES AB has changed the date of the organized webinar on the SPO and Company's future plans and invites shareholders, investors, mass media representatives and other stakeholders to participate in its investor conference webinar on 20 May, 2013 at 16:00 (EET).
The webinar will be hosted by the Chairman of the Management board and the President of GRIGISKES AB Gintautas Pangonis. The presentation will be in English.
During the webinar Gintautas Pangonis will present the secondary public offering of GRIGISKES AB and will also present Company's future development plans. After the presentation investors will be welcomed to ask questions.

May NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN OR ANY OTHER JURISDICTION IN WHICH THE DISTRIBUTION OR

RELEASE WOULD BE UNLAWFUL. OTHER RESTRICTIONS ARE APPLICABLE. PLEASE SEE THE IMPORTANT NOTICE AT THE END OF THE STOCK EXCHANGE RELEASE.

On 14 May 2013, the Bank of Lithuania approved the prospectus of issue of GRIGISKES AB (hereinafter, the "Company") ordinary registered shares (hereinafter, the "Prospectus").

The approved Prospectus is designated to (i) the public offering of the existing shares of the Company with the total nominal value of up to LTL 5,700,000 (number of shares – up to 5,700,000, nominal value of one share is LTL 1, issue price of one share is EUR 0.51) and (ii) admission of the newly issued shares of the Company to trading on the Main List of AB NASDAQ OMX Vilnius.

The decision with regards to issue of new shares of the Company, public offering of the existing shares and admission of the new shares to trading on a regulated market has been adopted in the annual general meeting of shareholders of the Company on 26 April 2013 and has been detailed by a decision of the Board of the Company on 6 May 2013.

Following the Prospectus, the offering consists of a public offering in Lithuania to: (i) existing shareholders of the Company, as indicated in the Prospectus, (ii) retail investors and (iii) legal persons who are institutional investors.

Each of the existing shareholders of the Company is entitled and is guaranteed that, in case it will participate in the offering (and submit the order for acquisition of the relevant number of Company's shares), such an existing shareholder will be allocated the number of offer shares *pro rata* to the nominal value of its shareholding in the Company as at the close of 24 May 2013 or any lesser number of offer shares (in case the relevant shareholder places an order for acquisition of such lesser number of shares).

The term of provision of orders on acquisition of shares in the Company, indicated in the Prospectus with regards to all the investors is from 15 May 2013 until 24 May 2013 (until 5.00 p.m. Vilnius time). Detailed conditions on provision of orders are indicated in the Prospectus.

Retail investors and existing shareholders of the Company (unless they are attributed to the institutional investors) have to fully pay the offer shares of the Company to be acquired by them no later than on the day on which their orders are made. Institutional investors (including the existing shareholders of the Company, which are deemed institutional investors) shall have to pay the offer shares of the Company and they shall be allotted to such investors following the distribution versus payment method as indicated in the Prospectus.

IMPORTANT NOTICE:

This notification is not for distribution to United States newswire services or for dissemination in the United States, Canada, Japan or Australia or elsewhere where such dissemination is not appropriate.

Distribution of this announcement and other information in connection with the public offering may be restricted by law in certain jurisdictions. Persons into whose possession this announcement or such other information should come are required to inform themselves about and to observe any such restrictions.

No offer or invitation to acquire securities of the Company is being made by or in connection with this notification. Any such offer is made solely by means of the Prospectus and the Prospectus is the only legally binding document containing information on the Company and on the public offering of the Company's shares. The Prospectus is published through Globe Newswire, the on-line information system of AB NASDAQ OMX Vilnius, and on the Company's website www.grigiskes.lt, as well as on the website of the offering broker UAB FMĮ Orion securities www.orion.lt.

Furthermore, the Prospectus has been prepared on the basis that there will be no offers of the Company's shares, other than the offering to the public in the territory of the Republic of Lithuania in accordance with the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as implemented in Lithuania.

The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to US persons unless the securities are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available. No public offering of the securities will be made in the United States.

May On May 20, GRIGISKES AB organized its Investor Conference Online Webinar for investors and other stakeholders. During the webinar the Chairman of the Management board and the President of the Company Mr. Gintautas Pangonis and representative from Orion Securities UAB Mr. Mykantas Urba informed about company's plans of Secondary Public Offering.

President of the Company, Mr. Gintautas Pangonis presented the Company and its market and also possible changes in dividend policy.

The recorded GRIGISKES AB webinar is available online: http://bit.ly/Grigiskes_record. Also please find attached the complete presentation, demonstrated during the webinar.

GRIGISKES AB thanks all participants, who joined the webinar.

May During the secondary public offering of newly issued GRIGISKES AB shares investors have submitted subscriptions for significantly greater amount of shares than was offered – oversubscription is approximately equal to 2.8. Investors were offered to acquire up to 5,700,000 newly issued ordinary registered shares, which account for approximately 8.7% of the company's increased share capital. Shares were offered at the price of 0.51 EUR (1.76 LTL).

Applications for acquiring GRIGISKES AB newly issued shares were submitted on May 15-24. Local retail investors and institutional investors of the Baltic region have actively participated in the offering. It is planned that the exact allocation between current shareholders, new retail and institutional investors will be confirmed on 30 May. On the same day the newly issued shares will be transferred to investors. Secondary public offering is organized by “Orion Securities”.

13.3. Offices and branches

Company has Country sales representatives operating in Latvia, Estonia and Poland. No new offices or branches are planned to open in 2013.

13.4. Risk factors

Information about financial risk management is provided in notes of annual audited consolidated statements of 2012. There are no material changes in financial risk management during three months of year 2013.

13.5. Suppliers

13.5.1 table. Countries of suppliers' of main raw materials and materials for the Company over the three months of the year

Supplier's country	2013	2012
	%	%
Lithuania	71	58
Estonia	6	2
Poland	2	1
Latvia	1	1
Germany	2	1
Austria	1	1
Other countries	18	36
TOTAL	**100**	**100**

13.6. Segment information

In the year 2013 for management purposes, the Group was organized into three and the Company was organized into two operating business units based on their products produced and have three reportable segments: paper, hardboard and wood processing, raw material for corrugated cardboard and related production:

13.6.1. table. Segments of the Group over the three months of the year 2013

	Paper and paper products	Hardboard and wood products	Raw material for corrugated cardboard, and related production	Unallocated	TOTAL
Sales	20.757.155	18.545.970	36.807.770	126.558	**76.237.453**
Cost of sales	(16.324.454)	(15.476.544)	(33.949.301)	(97.953)	**(65.848.252)**
Gross profit	**4.432.701**	**3.069.426**	**2.858.469**	**28.605**	**10.389.201**
Depreciation and amortization	1.875.742	1.108.835	2.513.953	1.085.967	**6.584.497**
Segment property, plant and equipment and intangible assets	47.884.266	27.232.071	79.645.525	30.655.274	**185.417.136**
Segment capital expenditure	848.131	350.083	2.063.811	83.903	**3.345.928**

13.6.2. table. Segments of the Company over the three months of the year 2013.

	Paper and paper products	Hardboard and wood products	Raw material for corrugated cardboard, and related production	Unallocated	TOTAL
Sales	20.757.155	-	6.291.412	5.480.416	**32.528.983**
Cost of sales	(16.324.454)	-	(5.822.021)	(5.147.649)	**(27.294.124)**
Gross profit	**4.432.701**	**-**	**469.391**	**332.767**	**5.234.859**
Depreciation and amortization	1.875.742	-	856.868	1.085.967	**3.818.577**
Segment property, plant and equipment and intangible assets	47.884.266	-	21.159.842	30.655.274	**99.699.382**
Segment capital expenditure	848.131	-	15.591	83.903	**947.625**

13.6.3. table. Segments of the Group over the three months of the year 2012

	Paper and paper products	Hardboard and wood products	Raw material for corrugated cardboard, and related production	Unallocated	TOTAL
Sales	16.023.694	14.939.010	35.832.869	5.893.107	**72.688.680**
Cost of sales	(12.503.058)	(12.679.278)	(33.198.976)	(5.420.396)	**(63.801.708)**
Gross profit	**3.520.636**	**2.259.732**	**2.633.893**	**472.711**	**8.886.972**
Depreciation and amortization	1.509.206	1.044.291	1.879.541	1.199.871	**5.632.909**
Segment property, plant and equipment and intangible assets	40.014.106	29.780.287	78.467.861	37.063.174	**185.325.428**
Segment capital expenditure	3.019.837	219.896	6.174.587	240.854	**9.655.174**

13.6.4. table. Segments of the Company over the three months of the year 2012

	Paper and paper products	Hardboard and wood products	Raw material for corrugated cardboard, and related production	Unallocated	TOTAL
Sales	16.023.694	-	3.699.908	5.893.107	**25.616.709**
Cost of sales	(12.503.058)	-	(3.099.916)	(5.420.396)	**(21.023.370)**
Gross profit	**3.520.636**	**-**	**599.992**	**472.711**	**4.593.339**
Depreciation and amortization	1.509.206	-	150.128	1.199.871	**2.859.205**
Segment property, plant and equipment and intangible assets	40.014.106	-	20.312.362	37.063.174	**97.389.642**
Segment capital expenditure	3.019.837	-	5.751.722	240.854	**9.012.413**

13.6.5. table. Group's and Company's countries of sales

Country	Group				Company			
	three months of 2013		three months of 2012		three months of 2013		three months of 2012	
	thousand litas	%	thousand litas	%	thousand litas	%	thousand litas	%
Lithuania	26.917	35,31	17.700	24,35	18.372	56,48	15.818	61,75
Latvia	7.254	9,52	6.431	8,85	3.741	11,50	2.609	10,18
Poland	12.067	15,83	13.659	18,79	1.204	3,70	454	1,77
Sweden	3.213	4,21	3.036	4,18	1.222	3,76	1.001	3,91
Denmark	2.581	3,39	2.658	3,66	2.008	6,17	2.143	8,37
Estonia	3.234	4,24	3.542	4,87	2.183	6,71	1.611	6,29
The Netherlands	1.209	1,59	6.029	8,29	-	-	-	-
Slovakia	1.014	1,33	827	1,14	517	1,59	601	2,35
Finland	2.319	3,04	1.297	1,78	1.164	3,58	166	0,65
Great Britain	1.125	1,48	-	-	-	-	-	-
Norway	41	0,05	-	-	41	0,13	302	1,18
Czech Republic	455	0,60	1.269	1,75	-	-	83	0,32
Germany	426	0,56	886	1,22	35	0,11	-	-
Belarus	2.416	3,17	2.051	2,82	478	1,47	413	1,61
Hungary	837	1,10	-	-	354	1,09	23	0,09
Italy	600	0,79	-	-	-	-	-	-
France	244	0,32	1.130	1,55	-	-	-	-
Ukraine	8.439	11,07	8.636	11,88	392	1,21	27	0,11
Russia	1.516	1,99	779	1,07	660	2,03	200	0,78
Other countries	330	0,43	2.759	3,80	158	0,49	166	0,65
Total	**76.237**	**100**	**72.689**	**100**	**32.529**	**100**	**25.617**	**100**

13.7. Strategy of the activity and plans for the close future

It is planned that the Group which consists of companies GRIGISKES AB, Baltwood UAB, Klaipedos kartonas AB, Klaipeda Recycling UAB, Mena Pak PAT and Klaipeda recycling UAB in the year 2013 will reach a turnover of LTL 330 Mio. (EUR 95.6 Mio), which is by LTL 40 Mio (EUR 11.6 Mio) or 13.8% over the audited consolidated turnover of 2012. The Group's profit before taxes will reach LTL 13.4 Mio (EUR 3.9 Mio) and will be by LTL 3% higher than it is audited consolidated for the year 2012.

It is also planned that GRIGISKES AB in the year 2013 will reach a turnover of LTL 148 Mio (EUR 42.8 Mio) and will be higher by LTL 37 Mio (EUR 10.7 Mio) than it is audited for the year 2012. The company will earn a profit before taxes of LTL 7 Mio (EUR 2 Mio) which will be by LTL 1.7 Mio (EUR 0.5 Mio) less than it is audited for the year 2012.

The activity of the year 2013 will be focused on the development of the hygienic paper and corrugated cardboard and related products sales in Lithuania and foreign markets. In planning the activities for the year 2013 tendencies of the marked were evaluated.

Also, there is no doubt that the achievement of approved objectives will supported by the implementation of the program of investments to development of the base of production. In the year 2012 the new corrugated cardboard production plant, sheet towel and paper handkerchiefs production lines started to work. Currently new paper processing line starts to work too. In total investments in the mentioned objects amounted LTL 33 Mio (EUR 9.6 Mio).

In order to expand sales and increase the competitiveness of the products in 2013 the Group will continue its investment program. As it is already mentioned in previous reports on the material event, the Group will invest LTL 30 Mio (EUR 8.7 Mio) to two biofuel boilers building in Vilnius and Klaipeda. LTL 11.95 Mio (EUR 3.5 Mio) of this amount will be the Cohesion Fund support.

13.8. Financial indicators

Financial ratios	three months of 2011, not audited		three months of 2012, not audited		three months of 2013, not audited	
	Group	Company	Group	Company	Group	Company
EBITDA	9.205.228	4.146.368	6.849.612	4.635.688	9.000.221	5.196.451
EBITDA profitability	12,0%	9,9%	9,4%	18,1%	11,8%	16,0%
Gross margin	12,0%	10,3%	13,1%	17,9%	13,6%	16,1%
Operating margin	4,8%	1,7%	2,0%	7,9%	3,1%	5,0%
Net margin	1,7%	0,9%	1,4%	8,0%	2,3%	4,1%
ROE, %	1,5%	0,4%	1,1%	2,4%	1,7%	1,4%
ROA, %	0,5%	0,2%	0,4%	1,3%	0,7%	0,8%
Current ratio	0,90	0,84	0,90	0,71	0,73	0,57
Quick ratio	0,58	0,57	0,60	0,51	0,49	0,40
Cash to current liabilities	0,019	0,013	0,034	0,006	0,022	0,002
P/E	131,00	480,16	121,168	57,879	71,147	94,686
Earnings per share	0,022	0,006	0,016	0,0344	0,030	0,0222
Debt to equity ration	1,65	0,79	1,45	0,57	1,34	0,55
Debt to total assets ratio	0,60	0,41	0,57	0,34	0,55	0,34

13.9. Related party transactions

All transactions with related persons were carried out at market prices.
AB „Klaipėdos kartonas“ – subsidiary of Grigiškės AB.
Baltwood UAB – subsidiary of Grigiškės AB.
Mena Pak PAT – subsidiary of Grigiškės AB.
AGR Prekyba UAB – subsidiary of Grigiškės AB.
Ginvildos Investicija UAB – major shareholders of Grigiškės AB.
Didma UAB, Remada UAB and Naras UAB – companies related to companies related to the members of Supervisory Council.
Ekotara UAB – subsidiary of the group not subject to consolidation.
Naujieji Verkiai UAB – subsidiary of the group not subject to consolidation.
Klaipėda Recycling UAB – subsidiary of Grigiškės AB.
Grigiškių energija UAB – subsidiary of the group not subject to consolidation.

13.9.1. table. Group's transactions with related persons over the three months of 2013. Balances of amounts receivable/payable in relation thereto on the 31th of March 2013 (LTL)

	Sales of goods and services	Acquisition of goods and services	Receivable from related persons	Amounts payable to related persons
Ginvildos Investicija UAB	-	27.650	-	22.446
Didma UAB	378	15.370	160	-
Remada UAB	-	-	-	-
Ekotara UAB	-	-	-	-
Naras UAB	-	-	-	-
Naujieji Verkiai UAB	-	-	1.295	-
Total	**378**	**43.020**	**1.455**	**22.446**

13.9.2. table. Company's transactions with related persons over the three months of 2013. Balances of amounts receivable/payable in relation thereto on the 31th of March 2013 (LTL)

	Sales of goods and services	Acquisition of goods and services	Receivable from related persons	Amounts payable to related persons
Baltwood UAB	5.384.190	2.460.517	1.072.000	-
Ginvildos Investicija UAB	-	27.650	-	22.446
Didma UAB	378	15.370	160	-
Klaipėda Recycling UAB	34.729	25.776	41.700	803
Klaipėdos kartonas AB	18.340	3.301.933	16.993	2.542.145
Naujieji Verkiai UAB	-	-	1.295	-
Total	**5.437.637**	**5.831.246**	**1.132.148**	**2.565.394**

14. FINANCIAL INFORMATION

14.1. Statement of financial position

LTL

	Notes	The Group		The Company	
		31.03.2012	31.12.2012	31.03.2012	31.12.2012
ASSETS					
Non-current assets:					
Property, plant and equipment	14.7.	176.318.587	180.022.200	95.090.433	98.025.181
Investment property	14.8.	3.202.602	3.237.646	3.202.602	3.237.646
Intangible assets	14.9.	16.283.522	16.034.012	1.406.347	1.312.490
Investments into subsidiaries	14.10	-	-	40.755.923	40.755.923
Non-current receivables		319.317	319.318	278.019	278.019
Deferred income tax assets		-	-	172.785	153.650
TOTAL NON-CURRENT ASSETS		**196.124.028**	**199.613.176**	**140.906.109**	**143.762.909**
CURRENT ASSETS:					
Cash and cash equivalents	14.12	1.899.095	1.239.577	70.908	195.749
Loans granted		-	-	-	-
Accounts receivables	14.11	40.030.964	30.993.674	15.894.447	13.621.147
Inventories	14.13	20.560.105	21.297.591	6.824.837	6.717.904
Other assets		472.798	964.596	299.962	335.881
TOTAL CURRENT ASSETS		**62.962.962**	**54.495.438**	**23.090.154**	**20.870.681**
TOTAL ASSETS		**259.086.990**	**254.108.614**	**163.996.263**	**164.633.590**
EQUITY AND LIABILITIES					
EQUITY					
Share capital	14.14	60.000.000	60.000.000	60.000.000	60.000.000
Legal reserve		4.898.670	4.898.670	4.898.670	4.898.670
Foreign currency translation reserve		(694.238)	(354.420)	-	-
Retained earnings		41.259.368	39.461.183	36.156.505	34.826.430
Non-controlling interests		2.072.526	2.100.568	-	-
TOTAL EQUITY		**107.536.326**	**106.106.001**	**101.055.175**	**99.725.100**
GRANTS AND SUBSIDIES		**7.951.643**	**8.214.716**	**7.842.675**	**8.099.580**
NON-CURRENT LIABILITIES:					
Non-current borrowings	14.15	50.728.916	50.728.916	11.217.373	11.217.373
Financial lease obligations		3.266.807	3.184.230	2.947.603	2.865.026
Deferred income tax liability		1.965.691	1.999.364	-	-
Non-current employee benefits		648.608	648.608	169.349	169.349
Long-term trade payables		186.451	186.451	186.451	186.451
TOTAL NON-CURRENT LIABILITIES		**56.796.473**	**56.747.569**	**14.520.776**	**14.438.199**
CURRENT LIABILITIES:					
Current portion of long term loans		12.088.383	14.285.395	6.259.668	7.265.600
Current borrowings	14.15	23.552.023	22.763.353	14.362.808	14.356.272
Current portion of financial lease obligations		2.352.107	3.254.648	2.020.838	2.762.658
Income tax payable		625.885	574.615	625.885	493.885
Trade and other payable	14.16	48.184.150	42.162.317	17.308.438	17.492.296
TOTAL CURRENT LIABILITIES		**86.802.548**	**83.040.328**	**40.577.637**	**42.370.711**
TOTAL EQUITY AND LIABILITIES		**259.086.990**	**254.108.614**	**163.996.263**	**164.633.590**

14.2. Statements of comprehensive income

LTL

	notes	The Group		The Company	
		January – March 2013	January – March 2013	January – March 2013	January – March 2012
Revenue		76.237.453	72.688.680	32.528.983	25.616.709
Cost of sales		65.848.252	63.184.894	27.294.124	21.023.370
Gross profit		**10.389.201**	**9.503.786**	**5.234.859**	**4.593.339**
Other operating income	14.16.	380.830	387.639	242.512	348.905
Selling and distribution expenses		5.524.681	5.043.901	2.332.175	1.417.606
General and administrative expenses		2.780.613	3.240.774	1.439.912	1.377.140
Other operating expenses	14.17.	79.190	141.168	70.505	122.136
Profit from operations		**2.385.547**	**1.465.582**	**1.634.779**	**2.025.362**
Other finance income		53.221	469.975	5	481.640
Other finance expenses		555.760	761.927	191.844	304.639
Profit before income tax		**1.883.008**	**1.173.630**	**1.442.940**	**2.202.363**
Income tax		112.865	188.714	112.865	140.472
NET PROFIT		**1.770.143**	**984.916**	**1.330.075**	**2.061.891**
Other comprehensive income:					
Exchange differences on translation of foreign operations		(339.818)	(189.029)	-	-
Total comprehensive income for the year, net of tax		**1.430.325**	**795.887**	**1.330.075**	**2.061.891**
Profit attributable to:					
The shareholders of the Company		1.798.185	1.045.415	1.330.075	2.061.891
Non-controlling interests		(28.042)	(60.499)	-	-
Total of attributable profit		**1.770.143**	**984.916**	**1.330.075**	**2.061.891**
Comprehensive income attributable to:					
The shareholders of the Company		1.458.367	856.386	1.330.075	2.061.891
Non-controlling interests		(28.042)	(60.499)	-	-
Total attributable comprehensive income		**1.430.325**	**795.887**	**1.330.075**	**2.061.891**
Basic and diluted earnings per share		**0,030**	**0,017**	**0,022**	**0,034**

14.3. Statement of changes in equity

LTL

The Group	Notes	Share capital	Legal reserve	Rate of exchange influence	Non-controlling interest	Retained earnings	Total
31 December 2011		**60.000.000**	**4.221.919**	**(59.777)**	**2.977.858**	**31.356.702**	**98.496.702**
Other comprehensive income (expenses)		-	-	(189.029)	-	-	**(189.029)**
Net profit		-	-	-	(60.499)	1.045.415	**984.916**
31 March 2012		**60.000.000**	**4.221.919**	**(248.806)**	**2.917.359**	**32.402.117**	**99.292.589**
Transfer to legal reserve		-	676.751	-	-	(676.751)	**-**
Dividends paid		-	-	-	(226.599)	(1.200.000)	**(1.426.599)**
Other comprehensive income (expenses)		-	-	(105.614)	-	-	**(105.614)**
Sales to non-controlling interest		-	-	-	(622.732)	622.732	**-**
Net profit		-	-	-	32.540	8.313.085	**8.345.625**
31 December 2012		**60.000.000**	**4.898.670**	**(354.420)**	**2.100.568**	**39.461.183**	**106.106.001**
Transfer to legal reserve		-	-	-	-	-	**-**
Other comprehensive income (expenses)		-	-	(339.818)	-	-	**(339.818)**
Dividends paid		-	-	-	-	-	**-**
Net profit		-	-	-	(28.042)	1.798.185	**1.770.143**
31 March 2013		**60.000.000**	**4.898.670**	**(694.238)**	**2.072.526**	**41.259.368**	**107.536.326**

LTL

The Company	Notes	Share capital	Legal reserve	Other reserves	Rate of exchange influence	Retained earnings	Total
31 December 2011		**60.000.000**	**4.221.919**	**-**	**-**	**28.221.313**	**92.443.232**
Transfer to legal reserve		-	-	-	-	-	**-**
Dividends paid		-	-	-	-	-	**-**
Net profit		-	-	-	-	2.061.891	2.061.891
31 March 2012		**60.000.000**	**4.221.919**	**-**	**-**	**30.283.204**	**94.505.123**
Transfer to legal		-	676.751	-	-	(676.751)	**-**
Dividends paid		-	-	-	-	(1.200.000)	**(1.200.000)**
Net profit		-	-	-	-	6.419.977	**6.419.977**
31 December 2012		**60.000.000**	**4.898.670**	**-**	**-**	**34.826.430**	**99.725.100**
Transfer to legal reserve		-	-	-	-	-	**-**
Dividends paid		-	-	-	-	-	**-**
Net profit		-	-	-	-	1.330.075	**1.330.075**
31 March 2013		**60.000.000**	**4.898.670**	**-**	**-**	**36.156.505**	**101.055.175**

14.4. Statements of Cash flows

LTL

	The Group		The Company	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
OPERATING ACTIVITIES				
Profit before income tax	1.883.008	1.173.630	1.442.940	2.202.363
Adjustments for:				
Depreciation and amortization	6.614.674	5.384.030	3.561.672	2.610.326
Elimination of financial activity results	502.539	(361.652)	191.839	(177.001)
Loss (profit) on disposal of fixed assets	(7.363)	(5.598)	(7.363)	(5.598)
Loss (profit) on disposal of emission rights	-	-	-	-
Provisions (reversal) for slow moving inventory, write off to net realisable value and low value inventory	-	-	-	-
Provision for doubtful accounts receivable (reversal), write off of bad accounts receivables	-	-	-	-
Property, plant and equipment impairment losses (reversal)	-	-	-	-
TOTAL	**8.992.858**	**6.190.410**	**5.189.088**	**4.630.090**
Changes in current assets and liabilities:				
(Increase) decrease in other assets	491.798	238.995	35.919	(3.914)
Decrease (increase) in trade and other accounts receivables	(9.037.289)	(3.604.404)	(2.273.300)	154.496
Decrease (increase) in inventories	737.486	5.729.798	(106.933)	133.544
Increase (decrease) in trade and other accounts payable	5.494.360	(2.009.646)	(191.122)	(1.407.203)
TOTAL	**(2.313.645)**	**354.743**	**(2.535.436)**	**(1.123.077)**
Interest paid	(452.673)	(755.475)	(179.439)	(299.639)
Income tax paid	(132.000)	(42.469)	(132.000)	(42.469)
NET cash from operating activities	**6.094.540**	**5.747.209**	**2.342.213**	**3.164.905**
INVESTING ACTIVITIES				
Purchase of noncurrent assets and intangible assets	(3.219.067)	(9.328.923)	(820.765)	(8.859.422)
Transference of noncurrent assets and intangible assets to a subsidiary	-	-	-	-
(Acquisition) of investments in subsidiaries (net of cash acquired in the Group)	-	-	-	-
Proceeds on disposal noncurrent assets	12.345	6.000	12.346	6.000
Grants and subsidies received	-	-	-	-
Proceeds on disposal of emission rights	-	-	-	-
Interest received	6	2.207	4	75
Repayment of loans granted	-	-	-	-
Net cash (used in) investing activities	**(3.206.716)**	**(9.320.716)**	**(808.415)**	**(8.853.347)**
FINANCING ACTIVITIES				
Dividends paid	-	-	-	-
Repayments of loans and mortgages	(2.748.837)	(2.756.164)	(1.005.932)	(587.255)
Proceeds from loans and mortgages	551.825	5.357.693	-	5.357.693
Short-term loans increase (decrease)	788.670	1.653.582	6.536	1.653.582
Receipts of finance lease liabilities	130.475	326.251	130.475	152.991
Repayments of finance lease liabilities	(950.439)	(1.051.888)	(789.718)	(779.145)
Net cash (used in) financing activities	**(2.228.306)**	**3.529.474**	**(1.658.639)**	**5.797.866**
Net (decrease)/increase in cash	**659.518**	**(44.033)**	**(124.841)**	**109.424**
CASH AND CASH EQUIVALENTS BEGINNING OF THE PERIOD	**1.239.577**	**2.134.809**	**195.749**	**71.238**
CASH AND CASH EQUIVALENTS END OF THE PERIOD	**1.899.095**	**2.090.776**	**70.908**	**180.662**

14.5. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. In all material aspects the same accounting principles have been followed as in the preparation of financial statements for the year 2012.

14.6. Significant accounting policies

The consolidated financial statements of the Group include AB Grigiškės and its subsidiaries.
Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company or the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.
Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the parent’s share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.
If the business combination is achieved in stages, the acquisition date fair value of the acquirer’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.
Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed.
If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the statement of comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Measurement and presentation currency

The amounts shown in these financial statements are presented in the local currency of the Republic of Lithuania – Lithuanian litas (LTL).

The functional currency of the Company and its subsidiaries operating in Lithuania is Lithuanian litas. The functional currencies of foreign subsidiaries are the respective foreign currencies of the country of residence. Items included in the financial statements of these subsidiaries are measured using their functional currency.

Transactions in foreign currencies are initially recorded in the functional currency as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange as at the date of the statement of financial position. Non-monetary items carried at cost are translated using the exchange rate at the date of the transaction.

The assets and liabilities of foreign subsidiaries are translated into Litas at the reporting date using the rate of exchange as at the date of the statement of financial position, and their statements of comprehensive income are translated at the weighted average exchange rates for the year. The exchange differences arising on this translation are recognised in other comprehensive income. On disposal of a foreign subsidiary, the deferred cumulative amount recognised in other comprehensive income relating to that foreign operation is recognised in the statement of comprehensive income.

Starting from 2 February 2002, litas is pegged to euro at the rate of LTL 3.4528 for EUR 1, and the exchange rates in relation to other currencies are set daily by the Bank of Lithuania.

Investments in subsidiaries (the Company)

Investments in subsidiaries in the Company's stand-alone financial statements are carried at cost, less impairment.

At the end of 2011 the Company transferred a segment of its operations to one of its 100% subsidiaries. From the point of view of separate financial statements of AB Grigiškės, this is in-kind contribution to the existing subsidiary. There is no guidance under IFRS on how to account for business contributions by the parent in its separate financial statements.

The Company made a decision to determine an appropriate accounting treatment. The policy followed was to recognise an increased investment in the subsidiary based on the fair value of the additional shares received and therefore recognise a gain/loss on disposal of the net assets of the segment transferred to the subsidiary (measured as the difference between fair value of shares received and the carrying values of the assets transferred).

Intangible assets other than goodwill

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is stated at fair value as at the date of acquisition. Intangible assets are recognised if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of asset can be measured reliably.
The useful lives of intangible assets are assessed to be either finite or indefinite.
After initial recognition, intangible assets with finite lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised on a straight-line basis over their useful lives:

Land lease right	90 years
Licenses, patents and etc.	3 years
Software	1–3 years
Other intangible assets	3–4 years

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.
The useful lives, residual values and amortisation method are reviewed annually to ensure that they are consistent with the expected pattern of economic benefits from items in intangible assets other than goodwill.
The Group and the Company do not have any intangible assets with infinite useful life other than goodwill.

Property, plant and equipment

Property, plant and equipment are stated at cost (or deemed cost – see below) less accumulated depreciation and impairment losses.
Before 31 December 2010, buildings were accounted as follows:

- The Company's buildings, acquired before 1 January 1996, were stated at indexed cost less indexed accumulated depreciation and impairment losses.
- The Company's buildings, acquired after 1 January 1996, were stated at acquisition cost less accumulated depreciation and impairment losses.

As at 31 December 2010, according to the exception available under IFRS 1, part of buildings, acquired before 1 January 1996, were measured at fair values, determined as at that date by independent property valuer, and these values were used as deemed cost at that date.
After 31 December 2010 all property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.
The initial cost of property, plant and equipment comprises its purchase price, including non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property, plant and equipment is ready for its intended use, such as repair and maintenance costs, are normally charged to the statement of comprehensive income in the period the costs are incurred. Depreciation is computed on a straight-line basis over the following estimated useful lives:

Buildings and structures	8–91 years
Machinery and equipment	5–10 years
Vehicles	6–8 years
Other equipment and other assets	4–5 years

The useful lives, residual values and depreciation method are reviewed annually to ensure that they are consistent with the expected pattern of economic benefits from items in property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.
Construction in progress is stated at cost. This includes the cost of construction, plant and equipment and other directly attributable costs. Construction-in-progress is not depreciated until the relevant assets are completed and put into operation.

Investment property

Investment property, including part of buildings and structures, is held for earning rentals and / or for capital appreciation rather than for use in the production, provision of services, or for administration purposes or sale.
Investment property is stated at historical cost less accumulated depreciation and adjusted for impairment loss, if any. Depreciation is calculated on the straight-line method to write-off the cost of each asset to their residual values over their estimated useful life: 10–50 years.
Transfers to and from investment property are made only when there is an evidence of change in an asset's use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying value of investment property at the date of change in use. If owner-occupied property becomes an investment property the Company and the Group account for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. The deemed cost for subsequent investment property accounting is the carrying value at the time of assets' transfer.

Emission allowances

The EU Emission Allowance Trading Scheme was established by Directive 2003/87/EC and commenced on 1 January 2005. The first phase ran for the three-year period from 2005 to 2007; the second runs for five years from 2008 to 2012 to coincide with the first Kyoto Commitment Period. The scheme works on a 'Cap and Trade' basis. EU Member States' governments are required to set an emission cap for each phase for all 'installations' covered by the Scheme; this cap is established in the National Allocation Plan (NAP), which is issued by the relevant authority in each Member State. The NAP describes the amount of yearly emissions (measured in tonnes of carbon dioxide equivalents) permitted per installation for each phase for which allowances will be allocated on an annual basis.
Member States are required to allocate allowances to installations by 28 February each year according to the NAP (a certain number of allowances are kept in reserve for new installations).
Member States must ensure that by 30 April of the following year at the latest, that the operator of each installation surrenders a number of allowances equal to the total emissions from that installation during the preceding calendar year.
The Company and the Group apply a net liability approach in accounting for the emission allowances received. It records the emission allowances granted to it at a nominal (nil) amount. Liabilities for emissions are recognised only as emissions are made (provisions are never made on the basis of the expected future emissions) and only when the reporting entity has made emissions in excess of the allowances held. The Company and the Group have chosen a system that measures deficits on the basis of an annual allocation of emission allowances.
The outright sale of emission allowances is recorded as a sale at the fair value of consideration received. Any difference between the fair value of the consideration received and its carrying

amount is recorded as a gain or loss, irrespective of whether this creates an actual or an expected deficit of the allowances held. When a sale creates an actual deficit an additional liability is recognised with a charge to the income statement.

Financial assets

The Group's and the Company's financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available-for-sale financial assets, as appropriate. All purchases and sales of financial assets are recognised on the trade date. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Financial assets at fair value through profit or loss

The category financial assets at fair value through profit or loss includes financial assets classified as held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held for trading are recognised in statement of comprehensive income.
The Group and the Company does not have any financial instruments at fair value through profit or loss as at 31 December 2012 and 2011.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group / the Company has the positive intention and ability to hold to maturity. Investments that are intended to be held-to-maturity are subsequently measured at amortised cost. Gains and losses are recognised in the statement of comprehensive income when the investments are derecognised or impaired, as well as through the amortisation process.
The Group and the Company does not have any held-to-maturity investments as at 31 December 2012 and 2011.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recorded at the fair value of the consideration given. Loans and receivables are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in the statement of comprehensive income when the loans and receivables are derecognised or impaired, as well as through the amortisation process. Allowance for doubtful receivables is evaluated when the indications leading to the impairment of accounts receivable are noticed and the carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised (written off) when they are assessed as uncollectible.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial recognition available-for-sale financial assets are measured at fair value with unrealized gains or losses (except impairment and gain or losses from foreign currencies exchange) being recognised in other comprehensive income until the investment is derecognised or until the investment is

determined to be impaired at which time the cumulative gain or loss previously reported in other comprehensive income is included in the statement of comprehensive income.
The Group and the Company does not have any available for sale financial assets as at 31 December 2012 and 2011.

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group / the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Group / the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group / the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group / the Company could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Inventories

Inventories are valued at the lower of cost or net realisable value. Net realisable value is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. Cost of inventory is determined by the first-in, first-out (FIFO) method. The cost of finished goods and work in progress includes the applicable allocation of fixed and variable overhead costs based on a normal operating capacity. Unrealisable inventory has been fully written-off.

Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of 3 months or less and that are subject to an insignificant risk of change in value.
For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and in current bank accounts as well as deposits in bank with original term equal to or less than 3 months.

Borrowings

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur.
The Group and the Company capitalise borrowing costs for all qualifying assets where construction was commenced on or after 1 January 2009. However, there were no significant borrowing costs matching the capitalisation criteria in 2012 and in 2011.
Borrowings are initially recognised at fair value of proceeds received, less the costs of transaction. They are subsequently carried at amortised cost, the difference between net proceeds and redemption value being recognised in the net profit or loss over the period of the borrowings. The borrowings are classified as non-current if the completion of a refinancing agreement before the date of the statement of financial position provides evidence that the substance of the liability at the date of the statement of financial position was long-term.

Financial lease and operating lease

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Financial lease – Group and the Company as a lessee

The Group and the Company recognise financial leases as assets and liabilities in the statement of financial position at amounts equal at the inception of the lease to the fair value of the leased property or, if lower, to the present value of the minimum lease payments. The rate of discount used when calculating the present value of minimum payments of financial lease is the interest rate of financial lease payment, when it is possible to determine it, in other cases, Company’s incremental interest rate on borrowings applies. Directly attributable initial costs are included into the asset value. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.
The depreciation is accounted for financial lease assets and it also gives rise to financial expenses in the Group’s and the Company’s statement of comprehensive income for each accounting period. The depreciation policy for leased assets is consistent with that for depreciable assets that are owned. The leased assets cannot be depreciated over the period longer than lease term, unless the Group or the Company, according to the lease contract, gets transferred their ownership after the lease term is over.

Operating lease -the Group and the Company as lessee

Leases where the lessor retains all the risk and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

The gains from discounts provided by the lessor are recognised as a decrease in lease expenses over the period of the lease using the straight-line method.

If the result of sales and lease back transactions is operating lease and it is obvious that the transaction has been carried out at fair value, any profit or loss is recognised immediately. If the sales price is lower than the fair value, any profit or loss is recognised immediately, except for the cases when the loss is compensated by lower than market prices for lease payments in the future. The profit is then deferred and it is amortised in proportion to the lease payments over a period, during which the assets are expected to be operated. If the sales price exceeds the fair value, a deferral is made for the amount by which the fair value is exceeded and it is amortised over a period, during which the assets are expected to be operated.

Operating lease -the Group and the Company as lessor

Assets leased under operating lease in the balance sheet of the Group and the Company are accounted for depending on their nature. Income from operating lease is recognised as other income in the statement of income within the lease period using the straight-line method. All the discounts provided to the operating lessee are recognised using straight-line method during the lease period by reducing the lease income. Initial direct expenses incurred in order to generate lease income are included in the carrying value of the leased asset.

Non-current employee benefits

According to the requirements of Lithuanian Labour Code, each employee leaving the Group or the Company at the age of retirement is entitled to a one-off payment in the amount of 2-month salary.

The past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. Any gains or losses appearing as a result of curtailment and/or settlement are recognised in the statement of comprehensive income as incurred.

The above mentioned employee benefit obligation is calculated based on actuarial assumptions, using the projected unit credit method. Obligation is recognised in the statement of financial position and reflects the present value of these benefits on the preparation date of the statement of financial position. Present value of the non-current obligation to employees is determined by discounting estimated future cash flows using the discount rate which reflects the interest rate of the Government bonds of the same currency and similar maturity as the employment benefits. Actuarial gains and losses are recognised in the statement of comprehensive income as incurred.

Financial guarantee contracts

Financial guarantees provided for the liabilities of the sister companies (i.e. companies controlled by the same parent) during the initial recognition are accounted at estimated fair value as distribution to shareholder and financial liability in the balance sheet. Subsequent to initial recognition this financial liability is amortised and recognised as income depending on the related amortisation / repayment of the sister company's financial liability to the bank. If there is a possibility that the sister company may fail to fulfil its obligations to the bank, a financial liability of the Company is accounted for at the higher of amortised value and the value estimated according to IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Grants and subsidies

Grants and subsidies (hereinafter "grants") intended for the purchase, construction or other acquisition of non-current assets are considered as asset-related grants. Assets received free of charge are also allocated to this group of grants. The amount of the asset related grants is recognised in profit and loss gradually according to the depreciation rate of the assets associated with this grant. In the statement of comprehensive income, a relevant expense account is reduced by the amount of grant amortisation.

Grants received as a compensation for the expenses or unearned income of the current or previous reporting period, also, all the grants, which are not grants related to assets, are considered as grants related to income. The income-related grants are recognised as used in parts to the extent of the expenses incurred during the reporting period or unearned income to be compensated by that grant.

Trade and other payable

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

The nominal or cost value of the other payables is assumed to appropriate their fair value, if these are current liabilities.

Income tax

The Group companies are taxed individually, irrespective of the overall results of the Group. Income tax charge is based on profit for the year and considers deferred taxation. The charge for taxation included in these financial statements is based on the calculation made by the management in accordance with tax legislation of the Republic of Lithuania and Ukraine.

Income tax rate of 15% has been introduced starting from 1 January 2010 for companies operating in the Republic of Lithuania. Standard income tax rate in Ukraine for the year 2012 was 21% (until 1 April 2011 – 25%, after 1 April 2011 – 23%).

Tax losses can be carried forward for indefinite period, except for the losses incurred as a result of disposal of securities and/or derivative financial instruments and for the losses accumulated in the Ukrainian company (under the Ukrainian law, losses can be carried forward for 4 years). Such carrying forward is disrupted if the Company changes its activities due to which these losses incurred except when the Company does not continue its activities due to reasons which do not depend on the Company itself. The losses from disposal of securities and/or derivative financial instruments can be carried forward for 5 consecutive years and can only be used to reduce the taxable income earned from the transactions of the same nature.

Deferred taxes are calculated using the liability method. Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantially enacted at the date of the statement of financial position.

Deferred tax assets have been recognised in the statement of financial position to the extent the management believes it will be realised in the foreseeable future, based on taxable profit forecasts. If it is believed that part of the deferred tax is not going to be realised, this part of the deferred tax asset is not recognised in the financial statements.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably. Sales are recognised net of VAT and discounts.

Revenue from sales of goods is recognised when delivery has taken place and transfer of risks and rewards has been completed. Group entity UAB Baltwood is engaged in production of wooden houses. When product is ready, the contractor approves the order and makes payment, while product is brought to the contractor only after separate notice. The entity recognises income and expenses at the moment when contractor gives notice that order is completed as it is stated in the agreement that risks related to the product are then transferred to contractor.

Revenue from services is recognised when services are rendered.

Dividend income from subsidiaries is recognised in the Company's stand-alone financial statements when the dividends are declared by the subsidiary.

Interest income is recognised on an accrual basis (using the effective interest rate). Interest income is included in financial and investing activities result in statement of comprehensive income.

Rental income arising from operating leases on investment properties is accounted for on a straight line basis over the lease terms.

Impairment of assets

<u>Financial assets</u>

Financial assets are reviewed for impairment at each date of the statement of financial position.

For financial assets carried at amortised cost, whenever it is probable that the Company will not collect all amounts due according to the contractual terms of loans or receivables, an impairment or bad debt loss is recognised in the statement of comprehensive income. The reversal of impairment losses previously recognised is recorded when the decrease in impairment loss can be justified by an event occurring after the write-down. Such reversal is recorded in the statement of comprehensive income. However, the increased carrying amount is only recognised to the extent it does not exceed the amortised cost that would have been had the impairment not been recognised.

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, has been incurred, the amount of the loss is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

<u>Impairment of non-financial assets</u>

Non-financial assets, except for inventories and deferred income tax, are reviewed for impairment whenever events or changes in circumstances indicate that carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of comprehensive income. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is accounted for in the same caption of the statement of comprehensive income as the impairment loss.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingencies. The significant areas of estimation used in the preparation of the accompanying financial statements relate to depreciation, amortisation, valuation of buildings, non-current employee benefits, impairment evaluation of goodwill, recognition of deferred income tax asset, and impairment evaluation of other assets. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable.

At the date of preparing these financial statements, the underlying assumptions and estimates were not subject to a significant risk that from today's point of view it is likely that the carrying amounts of assets and liabilities will have to be adjusted significantly in the subsequent fiscal year. Should the circumstances change in the future, the estimate may need to be revised and the size of such revision cannot be reasonably estimated at the date of these financial statements.

Contingencies

Contingent liabilities are not recognised in the financial statements, except for contingent liabilities associated with acquisitions. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognised in the financial statements but disclosed when an inflow or economic benefits are probable.

Comparative information

Where necessary comparative figures have been adjusted to conform to changes in presentation of all Group companies in the current year. In the financial statements of the Group, the amount of LTL 5,979 thousand was reclassified from cost of sales: the amount of LTL 5,290 thousand related to transportation expenses was transferred to selling and distribution expenses, and the amount of LTL 689 thousand related to depreciation and salaries' expenses was transferred to general and administrative expenses. Therefore, amounts of cost of sales, selling and distribution expenses and general and administrative expenses, presented in the Consolidated Statement of comprehensive income for the year 2011, amounts of cost of sales of 'Raw material for corrugated cardboard and related production' in segment information and related notes for selling and distribution expenses and general and administrative expenses were changed to conform with current year presentation.

Subsequent events

Subsequent events that provide additional information about the Group's / the Company's position at the date of statements of financial position (adjusting events) are reflected in the financial statements. Subsequent events that are not adjusting events are disclosed in the notes when material.

14.7. Non-current assets

On the 31th of March 2013 Group's non-current assets consisted of the following, LTL

The Group	Buildings and constructions	Machinery and Equipment	Vehicles	Other assets	Construction in progress and prepayments	Total
Modified cost						
31 December 2012	**94.507.119**	**185.040.118**	**6.221.751**	**5.648.462**	**10.733.486**	**302.150.936**
Additions	-	580.512	266.462	262.965	1.738.976	**2.848.915**
Disposals	(383.244)	(16.830)	(137.921)	(323)	-	**(538.318)**
Transfers	-	926.098	-	-	(926.098)	**-**
Rate of exchange influence	(208.620)	(126.938)	(7.435)	(6.630)	-	**(349.623)**
31 March 2013	**93.915.255**	**186.402.960**	**6.342.857**	**5.904.474**	**11.546.364**	**304.111.910**
Accumulated depreciation and impairment						
31 December 2012	**12.763.760**	**102.009.792**	**3.965.428**	**3.389.756**	**-**	**122.128.736**
Depreciation	1.105.061	4.807.998	188.376	200.996	-	**6.302.431**
Disposals	(383.243)	(16.825)	(132.944)	(323)	-	**(533.335)**
Transfers	-	-	-	-	-	**-**
Rate of exchange influence	(47.701)	(50.758)	(1.707)	(4.343)	-	**(104.509)**
31 March 2013	**13.437.877**	**106.750.207**	**4.019.153**	**3.586.086**	**-**	**127.793.323**
Carrying amount	-	-	-	-	-	**-**
31 December 2012	**81.743.359**	**83.030.326**	**2.256.323**	**2.258.706**	**10.733.486**	**180.022.200**
31 March 2013	**80.477.378**	**79.652.753**	**2.323.704**	**2.318.388**	**11.546.364**	**176.318.587**

All of the Group's property, plant and equipment are held for its own use.
On the 31th of March 2013, the part of the Group's property, plant and equipment with a carrying value of 94.637 thousand Litas (31 December 2012 – 96.630 thousand Litas) is pledged as a security for repayment of the loans granted by banks.
On the 31th of March 2013 Company's non-current assets consisted of the following, LTL

The Company	Buildings and constructions	Machinery and Equipment	Vehicles	Other assets	Construction in progress and prepayments	Total
Modified cost						
31 December 2012	**32.777.206**	**113.404.902**	**2.087.855**	**2.780.544**	**9.803.525**	**160.854.032**
Additions	-	59.331	126.860	53.502	508.793	**748.486**
Disposals	(383.244)	(16.422)	(137.921)	-	-	**(537.587)**
Transfers	-	6.840	-	-	(6.840)	**-**
31 March 2013	**32.393.962**	**113.454.651**	**2.076.794**	**2.834.046**	**10.305.478**	**161.064.931**
Accumulated depreciation and impairment						
31 December 2012	**4.394.843**	**55.116.583**	**1.326.902**	**1.990.523**	**-**	**62.828.851**
Depreciation	488.395	3.035.300	71.691	82.865	-	**3.678.251**
Disposals	(383.243)	(16.417)	(132.944)	-	-	**(532.604)**
Transfers	-	-	-	-	-	**-**
31 March 2013	**4.499.995**	**58.135.466**	**1.265.649**	**2.073.388**	**-**	**65.974.498**
Carrying amount	-	-	-	-	-	**-**
31 December 2012	**28.382.363**	**58.288.319**	**760.953**	**790.021**	**9.803.525**	**98.025.181**
31 March 2013	**27.893.967**	**55.319.185**	**811.145**	**760.658**	**10.305.478**	**95.090.433**

All of the Company's property, plant and equipment are held for its own use.
On the 31th of March 2013, the part of the Company's property, plant and equipment with a carrying value of 37.857 thousand Litas (31 December 2012 – 38.706 thousand Litas) is pledged as a security for repayment of the loans granted by banks.

14.8. Investment property

On the 31th of March 2013 Group's and Company's investment property consisted of the following, LTL:

Group / Company	Buildings and constructions	Total
Modified cost		
31 December 2012	3.620.000	**3.620.000**
Additions	-	**-**
Disposals	-	**-**
Transfers	-	**-**
31 March 2013	**3.620.000**	**3.620.000**
Accumulated depreciation and impairment		
31 December 2012	382.354	**382.354**
Depreciation	35.044	**35.044**
Disposals	-	**-**
Transfers	-	**-**
31 March 2013	**417.398**	**417.398**
Carrying amount	**-**	**-**
31 December 2012	**3.237.646**	**3.237.646**
31 March 2013	**3.202.602**	**3.202.602**

14.9. Intangible assets

On the 31th of March 2013 Group's intangible assets consisted of the following, LTL:

The Group	Land lease rights	Licenses, patents	Software	Prestige	Other assets and	Total
Cost						
31 December 2012	**2.400.000**	**91.409**	**1.888.506**	**10.362.101**	**3.151.293**	**17.893.309**
Additions	-	-	7.100	-	489.913	**497.013**
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Rate of exchange influence	-	-	365	-	-	**365**
31 March 2013	**2.400.000**	**91.409**	**1.895.971**	**10.362.101**	**3.641.206**	**18.390.687**
Accumulated amortization						
31 December 2012	**248.888**	**64.135**	**1.019.236**	**-**	**527.038**	**1.859.297**
Amortization	6.667	2.551	91.070	-	146.734	**247.022**
Transfers	-	-	-	-	-	-
Rate of exchange influence	-	-	846	-	-	**846**
31 March 2013	**255.555**	**66.686**	**1.111.152**	**-**	**673.772**	**2.107.165**
Carrying amount	-	-	-	-	-	-
31 December 2012	**2.151.112**	**27.274**	**869.270**	**10.362.101**	**2.624.255**	**16.034.012**
31 March 2013	**2.144.445**	**24.723**	**784.819**	**10.362.101**	**2.967.434**	**16.283.522**

On the 31th of March 2013, the Group's land lease rights with a carrying value of 2.144 thousand Litas (31 December 2012 – 2.151 thousand Litas) are pledged as a security for repayment of the loan granted by banks.

On the 31th of March 2013, Company's intangible assets consisted of the following, LTL:

The Company	Licenses and	Software	Other assets	Total
Cost				
31 December 2012	**91.409**	**1.597.958**	**660.968**	**2.350.335**
Additions	-	-	199.139	**199.139**
Disposals	-	-	-	-
Transfers	-	-	-	-
31 March 2013	**91.409**	**1.597.958**	**860.107**	**2.549.474**
Accumulated amortization				
31 December 2012	**64.135**	**882.272**	**91.438**	**1.037.845**
Amortization	2.551	69.545	33.186	**105.282**
Disposals	-	-	-	-
Transfers	-	-	-	-
31 March 2013	**66.686**	**951.817**	**124.624**	**1.143.127**
Carrying amount	-	-	-	-
31 December 2012	**27.274**	**715.686**	**569.530**	**1.312.490**
31 March 2013	**24.723**	**646.141**	**735.483**	**1.406.347**

Amortization expenses have been included in administrative expenses.

14.10. Investments into subsidiaries

On the 31th of March 2013 investments into subsidiaries consisted of the following, LTL:

	The Company	
	31.03.2013	**31.12.2012**
Grigiškių energija UAB	10.000	10.000
Ekotara UAB	10.000	10.000
AGR Prekyba UAB	13.143.923	13.143.923
Baltwood UAB	27.592.000	27.592.000
Total investments in subsidiaries	**40.755.923**	**40.755.923**

14.11. Account receivables

On the 31th of March 2013 trade and other receivables consisted of the following, LTL:

	The Group		**The Company**	
	31.03.2013	**31.12.2012**	**31.03.2013**	**31.12.2012**
Trades receivable	36.687.798	27.755.982	15.795.159	13.659.466
Other receivable	4.044.066	3.938.592	394.847	257.240
	40.731.864	**31.694.574**	**16.190.006**	**13.916.706**
Less: allowance for doubtful amounts receivable	(700.900)	(700.900)	(295.559)	(295.559)
Total amounts receivable within one year:	**40.030.964**	**30.993.674**	**15.894.447**	**13.621.147**

The carrying amount of the Group's and the Company's trade and other receivables approximates their fair value.

The movement for 2013 in the allowance for doubtful amounts receivable consisted of the following, LTL:

	The Group		The Company	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
On the 1st of January	**700.900**	**696.004**	**295.559**	**154.113**
Change for the year	-	141.446	-	-
Reversal of allowance	-	(131.837)	-	-
Rate of exchange influence	-	(4.713)	-	-
At the end of the period	**700.900**	**700.900**	**295.559**	**154.113**

14.12. Cash and cash equivalents

On the 31th of March 2013 cash and cash equivalents consisted of the following:

	The Group		The Company	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
Cash at bank	1.875.899	1.230.284	47.870	190.585
Cash on hand	23.196	9.293	23.038	5.164
Total	**1.899.095**	**1.239.577**	**70.908**	**195.749**

14.13. Inventories

On the 31th of March 2013 inventories consisted of the following:

	The Group		The Company	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
Materials	9.381.885	8.722.239	3.818.474	3.632.478
Work in progress	3.273.842	2.976.080	963.913	1.210.155
Finished goods	8.710.861	9.842.705	2.875.723	2.638.469
Goods in transit	75.210	638.260	-	70.075
	21.441.798	**22.179.284**	**7.658.110**	**7.551.177**
Less: write-down to net realizable value	(881.693)	(881.693)	(833.273)	(833.273)
Total	**20.560.105**	**21.297.591**	**6.824.837**	**6.717.904**

On the 31th of March 2013, the Group's and the Company's inventory with carrying amounts of 10.000.000 Litas and 4.000.000 Litas respectively are pledged as a security for the loan granted by the bank (as at 31 December 2012 – 10.000.000 Litas and 4.000.000 Litas).

14.14. Share capital and legal reserve

On the 31th of March 2013 share capital consisted of LTL 60.000.000 ordinary shares at a par value of LTL 1 each. All shares were fully paid.

On the 31th of March 2013shareholders of the Company were as follows:

	Number of shares	Proportion of ownership, %
Lithuanian legal entities	29.458.369	49,1
Lithuanian individuals	22.396.818	37,3
Foreign legal entities	7.862.604	13,1
Foreign individuals	282.209	0,5
Total	**60.000.000**	**100,0**

On the 31th of March 2013 shareholders of the Company (by country) were as follows:

	Number of shares	Proportion of ownership, %
Lithuania	51.855.187	86,4
USA	6.012.266	10,0
Sweden	1.373.943	2,3
other countries	758.604	1,3
Total	**60.000.000**	**100**

The Company has one class of ordinary shares which carry no right to fixed income.

The legal reserve is a compulsory reserve under Lithuanian legislation. Annual contributions of 5 per cent of the net profit are required until the legal reserve reach 10 per cent of the statutory capital. The appropriation is restricted to reduction of the accumulated deficit.

14.15. Non-current ant current borrowings

	The Group		The Company	
	31.03.2013	**31.12.2012**	**31.03.2013**	**31.12.2012**
The loans and mortgages are repayable as				
Within one year	35.640.406	37.048.748	20.622.476	21.621.872
In the second year	9.516.216	9.516.216	2.544.628	2.544.628
In the third to fifth years inclusive	41.212.700	41.212.700	8.672.745	8.672.745
	87.368.718	**87.777.664**	**31.839.849**	**32.839.245**
Less: amount due for settlement within one year	(35.640.406)	(37.048.748)	(20.622.476)	(21.621.872)
Amount due for settlement after one year	**50.728.916**	**50.728.916**	**11.217.373**	**11.217.373**

14.16. Trade and other payables

	The Group		The Company	
	31.03.2013	**31.12.2012**	**31.03.2013**	**31.12.2012**
Trade payables	39.280.868	32.807.272	13.999.090	14.203.900
Taxes, salaries and social insurance payable	6.719.009	6.626.734	2.481.562	2.427.363
Advances paid	511.702	1.079.743	172.533	244.263
Other payables	1.672.571	1.648.568	655.253	616.770
Total	**48.184.150**	**42.162.317**	**17.308.438**	**17.492.296**

14.17. Other operating income

	The Group		The Company	
	01.01.2013-31.03.2013	**01.01.2012-31.03.2012**	**01.01.2013-31.03.2013**	**01.01.2012-31.03.2012**
Gain from disposal of emission rights	48.394	-	-	-
Rent income	105.088	163.523	63.132	161.187
Gain from disposal of fixed assets	7.363	5.598	7.363	5.598
The reversal of inventory written off, scrap recognition	33.025	160.171	24.882	98.782
Insurance compensation	128.677	6.081	89.090	-
Other income	58.283	52.266	58.045	83.338
Total	**380.830**	**387.639**	**242.512**	**348.905**

14.18. Other operating expenses

	The Group		The Company	
	01.01.2013-31.03.2013	**01.01.2012-31.03.2012**	**01.01.2013-31.03.2013**	**01.01.2012-31.03.2012**
Rent expenses	20.199	56.194	20.199	56.194
Insurance expenses	38.234	-	13.090	-
Other expenses	20.757	84.974	37.216	65.942
Total	**79.190**	**141.168**	**70.505**	**122.136**

14.19. Off balance articles

Emission rights movement for the three months of 2013

	Amount, pcs.	
	The Group	**The Company**
31 December 2012	91.373	87.640
Emission rights allocated	-	-
Purchase of emission rights	-	-
Emission rights used	(8.897)	(163)
Sale of emission rights	(3.733)	-
31 March 2013	**78.743**	**87.477**

14.20. Court and arbitration proceedings

Over the three months of 2013 the Group and the Company were not involved in any legal proceedings would have a material impact on the financial statements.