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## INTRODUCTION BY THE CHAIRMAN OF THE BOARD

### THE MAIN PRINCIPLES OF THE ACTIVITY:

To work for the maximum profitability and increase the value of company „SNAIGĖ“. To meet the requirements of the market, workers, public and shareholders.

We are implementing these principles by renovating the technologies of freezing appliances production and products, by upgrading the management and investing into the human resources.

Constant investment into the quality and design of the products increase our competitive ability. This allows us to present to our customers an excellent offer – refrigerators of high quality for a reasonable price and with short delivery terms.

This allowed us to increase volume of the sales. The increasing sales encouraged to increase the volumes of production, allowed to use better work resources, to optimize process of production and at the same time to decrease the cost of the production.

I think that in this way we managed to implement the main principles and to match the interests of the consumers, public, shareholders and workers.



*Romualdas RAUDONIS  
General Director  
Chairman of the Board*

### VISION

„SNAIGĖ“ – is an enterprise of European standards with competent and modern management.

The enterprise group SNAIGĖ is one of the largest producer of domestic appliances in the Eastern Europe, having the developed markets in the regions of the Western, Central and Eastern Europe and offering the customer the production of high quality for a reasonable price.

### LONG - TERM OBJECTIVES:

- Constantly investing into human resources to achieve the level of activity equal to the level of analogous production in the Western Europe.
- Regarding the needs of the market to develop other products – such as domestic cookers, dishwashers, etc.
- To strive for reliability and longevity of the production, provide the consumer (customer) with full five year warranty.
- To increase production volume by 10-15%.
- To continue increasing the production capacity of the subsidiary company SNAIGĖ /KALININGRAD.

## INVESTMENT ACTIVITY

### In 2003 manufacturing of nine new models was started:

- In order to expand the assortment of manufactured refrigerators four new models of refrigerators put into kitchen furniture were assimilated: freezer F-100, refrigerator R-130, refrigerator C-140, two-chamber refrigerator FR-240 with freezer on the top.
- In order to expand the number of modifications of refrigerators the third variant of decoration of the outside, the internal design was updated for the refrigerators of RF type, Refrigerator C 290 and freezer F 245
- The refrigerator RF 310 A+ of the highest „A+“ energy efficiency class was assimilated
- The refrigerator RF-360 with electronic management and original freezing system was assimilated
- Electronic projection systems were further developed:
  1. New 3D projection program versions were assimilated
  2. “Rapid prototyping” modeling system was assimilated that allows to cut the time of development of the projects and the quality

### The preparation of production of refrigerators that will be assimilated in 2004 was started:

- Two chamber refrigerators with additional sets in order to better meet the specific requirements of the market and to improve functional and aesthetic requirements
- „A“ energy efficiency class freezers with mechanical and electronic management
- Two chamber refrigerators RF-390 for manufacturing in the plant of OOO “Techproinvest” in Kaliningrad, Russian Federation.
- Constructional preparation of perspective products was started: refrigerators – for show-case CD-410, perspective design of the variety of refrigerators of 600 mm width.



*Built - in refrigerator/freezer FR240-1201A*



*Refrigerator/freezer with electronic management RF360-4701A*

New advanced technologies were assimilated increasing production volumes and ensuring environment protection requirements improving working conditions. The existing manufacture was improved in order to increase the efficiency, for improvement of the quality of the produced products, for improvement of working conditions. The main projects:

- „Elimination of greenhouse gas from household refrigerators and freezers“, assimilation of this project was financed by „World environment protection fund“ (GEF) GEF fund devoted for financing of the project 1,0 million USD non-repayable loan.
- Automating line of connection elements was assimilated that allowed to refuse production by separate clichés and to release 12 persons.
- Packaging conveyers are connected into one technological flow by automating connection of refrigerators, refusing persons, increasing flow output of up to 18 sec. For one product.
- Automatic connection of refrigerators and packaging is connected into one technological flow.
- New casting machine of thermoplastic materials for casting of big parts.
- Production line of side panels allowing increasing the height and width of the produced side panels.
- Contact welding machine for high quality welding of pipes Al –Cu and hydraulic machine for preparation of the tip of Cu pipe while forming a stack that allowed to increase production capacity of manufacture of connections of freezing system and to ensure production demands of Kaliningrad factory.
- The warehouse of ready-made production was supplied by additional 2 loaders.
- Equipment for ensuring energetic outputs were assimilated.
- Implementation of the new accounting system of financial and marketing activity was started the implementation of which will continue in 2004.

Total 26 technical projects were implemented after implementing of which 29 persons were released, production output was increased by 540 000 pcs. per year. Production capacities of individual bars increased and this allows to ensure the supply of the factory of Kaliningrad with the necessary parts and sets of 300 thous. Refrigerators per year

**During renovation of technological equipment** in 2003 a lot of attention was paid to restoration of working capacity of plastic equipment of the shop, the whole set of presses were repaired and other equipment that produce parts from metal, the chain of conveyor for powder painting line was changed. In 2003 reconstruction of the outside enlightening was further carried out in the energy sector, pump room was renovated as well as heat path near transport shop, a part of heating and ventilation systems was restored, expansion of compressor room of low pressure was carried out and high pressure compressor room was reconstructed.

In 2003 the company stopped its investment into the Slovakian company GENERAL FROST due to unfavorable activity, i.e. production of refrigerators, conditions in this country. In 2003 AB „SNAIGĖ“ invested 2.808 thous. Litas into Kaliningrad company OO ТЕРПРОМИНБЕСТ, acquiring 85 percent of the authorized capital. The profit of GENERAL FROST suitable for manufacture of refrigerators was transported into Kaliningrad, and the one not necessary was sold.

Also during the accounting year the company reduced its investment into the Ukrainian company SNAIGE-UKRAINE 712 thous. Litas up to 89 thous. Litas In 31 December 2002 it owned 99% SNAIGE-UKRAINE shares with 234,3 thous. EUR (809 thous. Litas) authorized capital.

In 2003 it was planned to allocate for the program of new technologies and products "NT 2003" 14.048 thous. Litas of investment, but actually 12.587 thous. Litas was invested.

In such a way 1.461 thous. Litas economy was reached (10,4 percent) for the resources for target investment. During implementation of "NT 2003" for assimilation of new products 3.698 thous. Litas was used, for development of technologies – 4.007 thous. Litas, for improvement – 2.822 thous. Litas, for construction – energy works - 2.060 tūkst Lt. Also, for renovation works in 2003 2.078 thous. Litas was used from the allocated 2.596 thous. Litas, and for construction program – 925 thous. Litas from the allocated 992 thous. Litas. So, total investment into the new technologies and development of activity during the accounting year amounted to 15.581 thous. Litas, in 2002 total 11.312 thous. Litas was used for analogous investment.t.

### ENVIRONMENT PROTECTION ACTIVITY

The company has a certified environment protection management system ISO14001 implemented in 2001. In 2003 3,9 million Litas was allocated for environment protection measures, including 3.064 thous. Litas, received in accordance with project of the United Nations development program UNDP, investments were made to green house gas elimination equipment. In 2002 the investment into change of production process related to air protection amounted to 3.698 thous. Litas

- Final and full liquidation of technological process of galvanic covers, allowing to significantly improve production sewage poisoning with heavy metals, oil products. Also, the quantity of this kind of sewage reduced by 50 cubic meters per day.
- In the unit of color plastic painting only water dissolving paint is used. Due to this emission of contaminants into the air reduced, paint waste of low quantities is not dangerous.
- While implementing specific Directives of the EU the company initiated mounting of paper and plastic packages issued into the internal market with refrigerators. Therefore, the state package collection tasks were implemented.
- Within not a single sphere of environment protection (air, water protection, waste) the quantity of waste not exceeded the allowed norms.
- Transport unit was liquidated as well as the Russian freight vehicles that were old morally as well as physically, the products of burning of engines of which especially contaminated the environment.

## SALES

### SALES

Sales of AB "SNAIGE" in 2003 amounted to 278.434 thous Litas, In 2002 they were equal to 250.661 thous. Litas. In one year the sales increased by 11,1% or by 27.773 thous. Litas.

#### Sales

Indeces are provided in thous. Litas, If not indicated otherwise	2003	change	2002	change	2001
Sales i	<b>278.434</b>	11,1%	250.661	26,5%	198.110
Including refrigerators and freezers	<b>245.390</b>	6,6%	230.248	25,0%	184.238
Other production	<b>33.044</b>	61,9%	20.413	47,2%	13.872
Sold refrigerators and freezers, pcs..	<b>425.740</b>	6,1%	395.915	24,5%	317.879

### SALES ACCORDING TO THE MARKETS

The company plans and accounts for the sales of production according to five trading regions:

#### **Lithuania, Baltic States, Eastern Europe, Central Europe, Western Europe**

In the year 2003 the trading regions included markets of 35 States. The production was supplied to the domestic appliance wholesale and trading networks – the supplying of production to the international trading networks QUELLE, METRO was maintained. The selling to the largest European trading network Carrefour was successfully started.

### MARKETS OVERVIEW

#### **Lithuania**

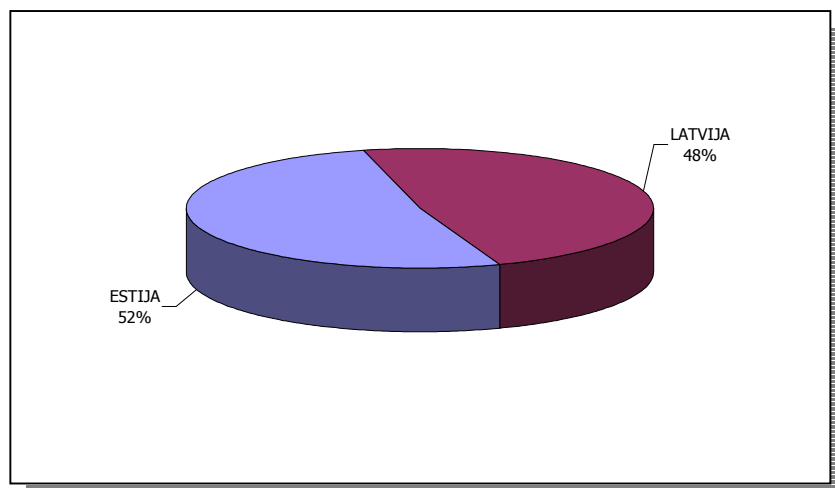
In the year 2003 in the market of Lithuania 9.7% less than in the year 2002 of production was sold. The main reasons for decreased sales – decrease of market volume by 10% and very aggressive activity of the competitors in both, advertising and price reduction (Beko, Ardo, Gorenje, Hansa). Despite the decrease in the market volume and the pressure from the competitors (lots of advertising and price reduction) Snaigė, according to the TNT Gallup market research agency, managed in the 2003 to keep the 40% part of the Lithuanian market. Most profitable production of the RF type constituted even 62,4% of all sold refrigerators. Currently SNAIGĖ has contracts with all largest companies in Lithuania trading domestic electric appliances and this enables to guarantee good and fast supply of production into the market and convenience to the clients to purchase SNAIGĖ

In the year 2003 three seasonal advertising actions for sales increase – Easter, Summer and Christmas. During them the sales were doubled. In the year 2003 the production of new design – Prestige class – were introduced into the market, exceptionally economical refrigerators of A+ type and refrigerators with electronic control.

In the year 2004 the interest of the traders to trade in SNAIGĖ was increased (the recommended trading mark-up was increased), seasonal advertisement actions for increasing sales allow to expect this year an increase in sales up to 30.000 units and keeping or even increasing the part of market of SNAIGĖ.

## Baltic States

**Market of Estonia.** In the year 2003 it was sold 7,6% less of refrigerators than in the year 2002. The decrease of sales was influenced by the general decrease of prices in the market and of the competitors in the field of freezing appliances. In this States only one representative KODALA trades in SNAIGĒ refrigerators. This is a strong company having shops in the largest cities Tallin, Tartu. In other cities our production is sold by various companies which have contracts with KODALA. Kodala ensures the 3 year (5 year for A-class production) warranty and post-warranty service, also plans and conducts the advertising of the SNAIGĒ production and trade name by spending for that purpose approximately 25 000 EUR per year. SNAIGĒ has good traditions in Estonia – it occupies approximately 31% of market. In the year 2004 having presented new production into the market, by more intensive advertising of the product it is expected that the sales shall increase up to 12000 units

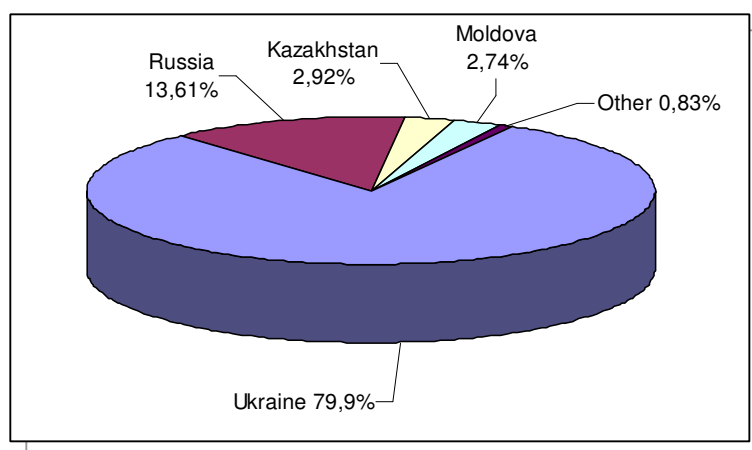


**Latvian market.** In the year 2003 if compared to the 2002 the sales increase in the Latvian market was 17,3%. In this market our production is traded in the trading name of SNAIGĒ via the company SNAIGĒ - Latvija. The company coordinates our sales, takes care of supporting sales of our production and of our trade name, organizes the 3 year (5 year for A energy affectivity class production) warranty service, which is conducted in Latvia by the companies Sera and Ronis, who have divided Latvia into the zones of service. The summons for warranty service are registered by toll-free phone and are done in the course of 24 hours. The growing tendencies were also observed in the Latvian market – the increase in sales was influenced by a well-prepared advertising support. The Latvian customers were very positive about the production of new design – Prestige class. SNAIGĒ has some 30% of Latvian market.

In the year 2004 it is intended to continue the action sales, which have served their purpose, advertise the production of SNAIGĒ, organize training of traders, and increase the part of the market and sales up to 14.000 units.

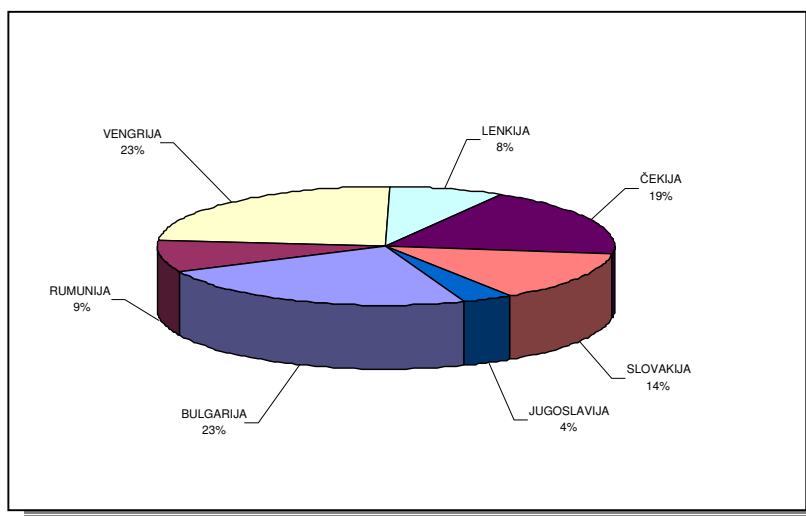
## Eastern Europe

In the year 2003 the sales of production in the market of Eastern Europe increased by 24,4% if compared with the year 2002. The activity and sales support policy of the daughter enterprise SNAIGĖ - UKRAINA allowed the increase of the production sales by 18,44% in Ukraine. Exceptional efforts were given to the Russian market. The existing toll system limited the profitability but when preparing the reclamation of the new production volumes in Russia the increase of sales was among the priorities. The marketing strategy chosen and efforts allowed to increase the sales by 160,50% in Russia



## Central Europe

The sales of the SNAIGĖ production in this market successfully developed and increased by 12%. Finding of new partners and rather high technical and quality level of the production enabled to make a lodgment in the States of Central Europe. However, in some States due to unfavourable market and political conditions the achievement of the planned results failed. In the course of successful cooperation with the company Wrozamet, producer of the domestic cookers the sales in the Polish market increased by 61%. However, the increasing rate of Euro in respect of the Polish Zloty (in the course of a year increased by 20%) impeded the sales of SNAIGĖ production.



The sales in Czech market decreased by 17%. Part of the supplies into this State was done by a partner of SNAIGĖ in Slovakia, therefore, actually the sales remained stable. In the second half of the year the cooperation with a new trading partner has started and the trading in the Hypernova network was initiated. This network has 15 hypermarkets.

The increase of the sales of SNAIGĖ production in Slovenia was influenced by an expanding network of distribution. In the year 2003 the sales increased by 33%. The period of time, when the vacuum in the market, which appeared due to the disarrayed supply of the Polar production, was filled in by SNAIGĖ, was well used.

The sales in the Hungarian market increased by 23%. At the same time Hungary became the largest market of the Central Europe. successful sales in the largest Tesco network, introduction of the SNAIGĖ production during advertising actions had the largest influence for the positive result. In the end of the 2003 the cooperation with the Euronics trading network, operating in the higher price segment, has started.

Bulgaria remains one of the largest markets in the region of Central Europe. despite of the severe competition with the Turkish production the sales in the 2003 were among the best and increased by 36,5%.

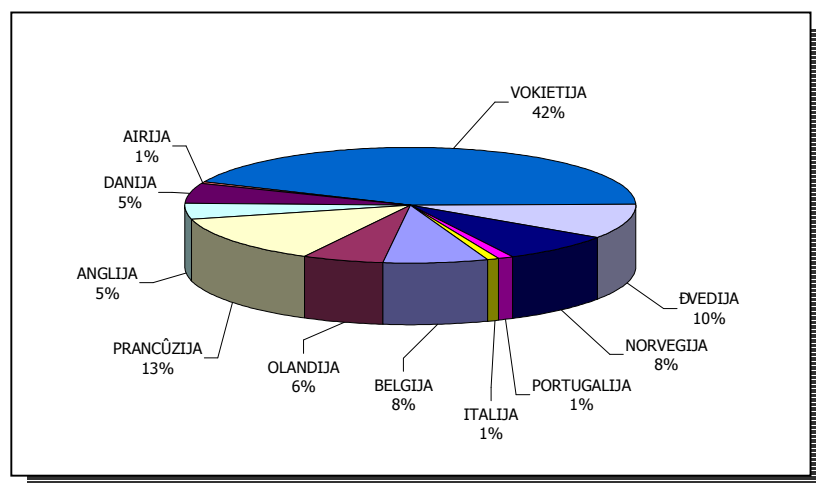
The decrease of sales in the Yugoslavian market was mostly influenced by an unstable political situation in the State. Despite of the political problems the contacts with the new trading partners were made.

Having started trading two years ago, SNAIGĖ increases its volumes and makes lodgment in the Romanian market. The largest trading networks, like Metro, Carrefour, Selgros, sell SNAIGĖ production.

## Western Europe

In the year 2003 the number of refrigerators sold in the market of Western Europe was 3,6% less than in the year 2002.

The slight decrease of sales was influenced by the general decrease of economics in the Western Europe, especially in the largest market of SNAIGĖ – Germany. Despite the bad conditions of the market the successful work in the segment of coloured and stainless steel products continued and allowed to increase the general profitability of sales. The production was presented into the new trading markets of REAL, Praktiker and OBI. The range of production was expanded in the Quelle trading network of mail orders which has approximately 30% of the refrigerator market.



In the markets of Scandinavia the new models FR240 and FR275 were introduced. The Wilfa AS was successful in trading. The project of coming of the SNAIGĖ products into the E5 trading network was initiated, however due to internal organizational problems this project has been removed to the year 2004. A new range of stainless steel production was introduced and was successful in the Expert network. New clients in Finland, Greenland were found.

In the year 2003 the successful development of the trade with the new clients in Italy and Portugal, Swiss company SIBIR continued.

In France during the 2003 40% of refrigerators more was sold if compared to the previous year. In addition to the already existing clients we have started direct trading in the largest trading network in Europe Carrefour.

In Belgium the sales increased by 20%, the SNAIGĖ production has 5% of the market in that State. The trade in the Eldi network was initiated and successfully developed.

In the Holland the first refrigerator of the A-class FR240 was introduced, but in the end of the year the Government of Holland abolished the payment of subsidies for the appliances of this category, and this reduced their demand. The Holland networks of BCC, Megapol, Expert, S&F, the specialized network of commercial refrigerators "Horeca" sell our production.

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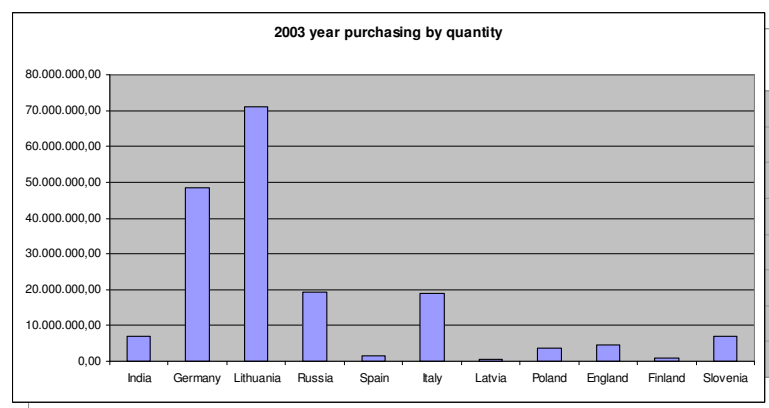
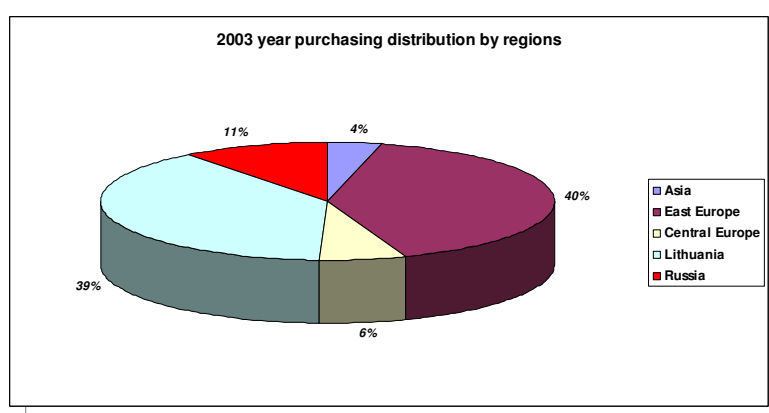
In England in the 2003 the sales decreased by 73,3% due to worsened business environment, in particular due to the decrease of the rate of pound of sterling. The price in Litas decreased by 10% therefore we were forced to limit the sales of the production in this State

## PURCHASES

The company is supplied with material and mounting parts from over 20 countries of the world. The majority part of them is European countries and Lithuanian producers and suppliers of raw material. Purchasing volumes increased from South East Asia and CIS. Cooperation continues with the producers of compressors from South America, China.

High quality guarantee and effective logistics are priorities of purchase strategy of the company. Competition among suppliers stimulates constant improvement of the purchased product.

The planning of purchases and preparatory works were started when opening the company in Kaliningrad.



## EMPLOYEES

In 2003 the company employed average 1.904 employees, including 10 managers and 328 specialists, 1.566 workers (including 1.097 in the main production and 469 in the supplementary production).

As compared to 2002 the number of employees increased by 38 persons. In 2003 sales amount for one employee of the company as compared to 2002 increased by 12 thous. Litas and amounted to 146 thous. Litas.

In 2003 the employees were subject to 27.471 thous. Litas of salaries, including: for managers 758 thous. Litas, for specialists 6.788 thous. Litas, for workers 19.925 thous. Litas.

As compared to 2002 financial year, the amount of salaries for workers was calculated less by 481 thous. Litas, including: for managers 238 thous. Litas more, for specialists 344 thous. Litas more, for employees 1.091 thous. Litas less.

### Employees according to personnel groups

Employees	2003			2002			2001		
	Average number	Structure	Average payment	Average number	Structure	Average payment	Average number	Structure	Average payment
Managers	10	0,5%	6.314	9	0,5%	4.814	7	0,4%	5.726
Specialists	328	17,2%	1.703	327	17,5%	1.632	341	18,1%	1.483
Workers	1.566	82,3%	1.052	1.530	82,0%	1.135	1.536	81,5%	979
Total	1.904	100,0%	1.192	1.866	100,0%	1.237	1.884	100,0%	1.088

Data on education of the employees of the company are generalized in the table below:

### Employees according to education

Education of employees	2003		2002		2001	
	Average number	structure	Average number	structure	Average number	structure
Higher education	178	9,3%	165	8,8%	165	8,8%
Special secondary education	813	42,7%	564	30,2%	564	29,9%
Secondary education	676	35,5%	931	49,9%	929	49,3%
Not finished secondary education	237	12,5%	206	11,1%	226	12,0%
Total	1.904	100,0%	1866	100,0%	1884	100,0%

## WORKING CONDITIONS

During 2003 construction – reconstruction works of over 3,3 million Litas were carried out. Among other innovations in the main manufacturing facility 3870 square meters of old floor was changed into the new, modern. Due to this the risk significantly reduced for accidents, other work conditions improved as follows:

- 7 ventilation systems were reconstructed. Including assembly unit where 260 persons are employed the ventilation of cold – hot air conditioning system was newly mounted. The quantity of noxious material in work place decreased.

- The unit of filling in the bodies of refrigerators with thermo insulation material employing 120 persons was removed to the new premises. They are equipped with catering premises, separate smoke room. The unit is space, light with a modern extracting – supply ventilation, new heating system, also it has smooth, modern floor.
- Men and woman change room were reconstructed, as well as shower rooms, other premises meeting modern requirements of hygiene norms. They are used by 1200 employees of the main production. New change closets were purchased in the locker-rooms.
- Packaging unit of assembly shop was reconstructed essentially employing 60 persons.

## MEMBERS OF MANAGEMENT BODIES

In 2003 as in 2002 the members of the board of directors and the board of watchers were not subject to payment of any compensations.

Average number of managers in 2003 was 10, and in 2002 9 persons. They were subject to amounts related to employment relations which in 2003 amounted to 758 thous. Litas, average 75,8 thous. Litas for one person.

As compared to 2002 the amounts calculated to the managers related to employment relations were higher totaling to 238 thous. Litas, or 18 thous. Litas for one person. Other significant amounts (dividends, tantiemes) during the accounting period calculated to the managers amounted to 2.185 thous. Litas, i.e. 218,5 thous. Litas for one person.

As compared to 2002 other significant amounts during the accounting period calculated to the managers increased by 1,786 thous. Litas or by 174,2 thous. Litas per person.

## FINANCIAL RESULTS

### MAIN INDICATORS

Indicators are presented in thous. Lt, if not indicated otherwise	2003	change	2002	change	2001
Sales and services	<b>278.434</b>	11,1%	250.661	26,5%	198.110
Gross profit	<b>51.575</b>	12,1%	46.017	59,1%	28.921
% from sales	<b>18,5</b>	0,1	18,4	3,8	14,6
Operating profit	<b>29.219</b>	8,4%	26.967	47,8%	10.884
% from sales	<b>10,5</b>	-0,3	10,8	5,3	5,5
Profit from ordinary activities	<b>26.524</b>	2,5%	25.872	138,6%	9.594
% from sales	<b>9,4</b>	-0,9	10,3	5,5	4,8
Profit before taxation	<b>29.158</b>	8,5%	26.883	162,6%	10.236
% from sales	<b>10,5</b>	-0,2	10,7	5,5	5,2
Net profit	<b>24.782</b>	8,1%	22.916	139,8%	9.558
% from sales	<b>8,9</b>	-0,2	9,1	4,3	4,8
Net profit for share, Lt	<b>16,1</b>	8,1%	14,9	140,0%	6,2
Dividends for share, Lt	<b>2,0</b>	-83,3%	12,0	589,7%	1,74
Return of owners effects (ROE), %	<b>31,5</b>	-4,6	36,1	19,8	16,3
Return of assets (ROA), %	<b>15,8</b>	-2,5	18,3	9,2	9,1
Relation of liabilities and property	<b>1,0</b>	-	1,0	0,1	0,9
Net cash flows from operating activities	<b>31.220</b>	31,7%	23.704	240,9%	6.953
Average number of personnel, people	<b>1904</b>	2,0%	1866	-1,0%	1884

### PROFIT

#### INCOME CHANGES IN REFRIGERATORS SALES

Income from refrigerators sales increased by 15,112 thous. Litas (6,5% ) in 2003, of which:

- Relating to the influence of falling USA dollar rate -5,506 thous. LTL ( -2,4% ),
- Relating to the influence of sales structure, markets changes +3.312 thous. LTL ( 1,4% ),
- Relating to the influence of sales increase +17.306 thous. LTL ( 7,5% ).

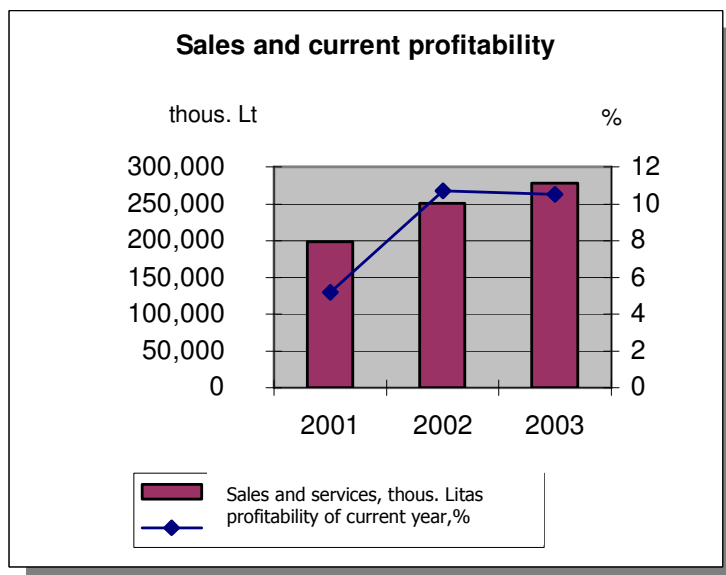
Refrigerators are sold at the negotiated price. Refrigerators are sold according to separate contracts. Contract prices differ for every foreign country, thus they are very fluctuating. Average sales price decreased by 5,07 Lt in 2003 in relation with fluctuation of exchange rate and decrease of negotiated price, in comparison with last fiscal year.

#### Income changes of refrigerators sales

Indicators are presented in thous. Lt, if not indicated otherwise	2003		2002		2001	
	fact	change	fact		fact	change
Change in exchange rate	<b>-5.506</b>	<b>-2,4%</b>	-2.841	-1,5%	-3.261	-2,6%
Change of sales structure and markets	<b>3.312</b>	<b>1,4%</b>	4.811	2,6%	3.584	2,8%
Change of sales amount	<b>17.306</b>	<b>7,5%</b>	44.497	24,1%	57.937	46,0%
Total	<b>15.112</b>	<b>6,5%</b>	46.467	25,2%	58.260	46,2%

Self-cost price of sold goods and performed work made up 226,859 thous. Litas in 2003. In comparison with 2002 It increased by 10,9 % in relation with sales increase and structure changes. A part from sales of sold goods and performed work made up 81,5 % in 2003. Under this influence the net income increased by 5,558 thous. Litas (12,1%) in 2003 and reached 51,575 thous. Litas.

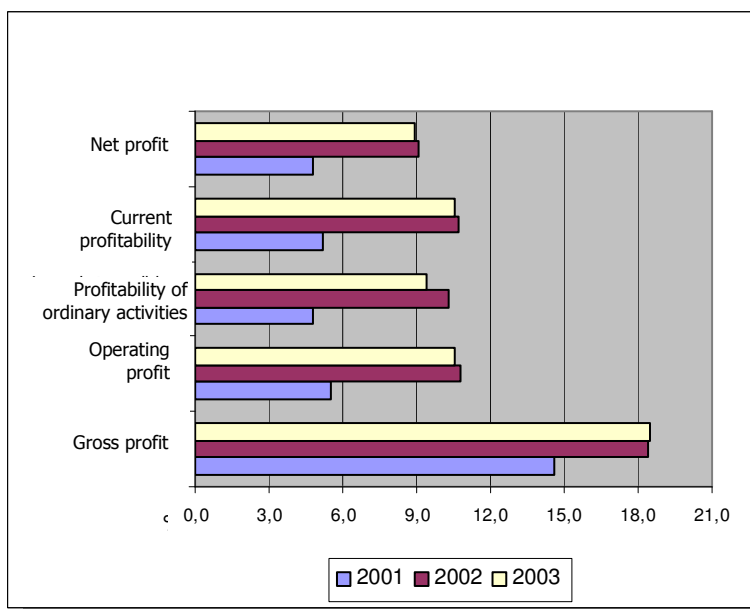
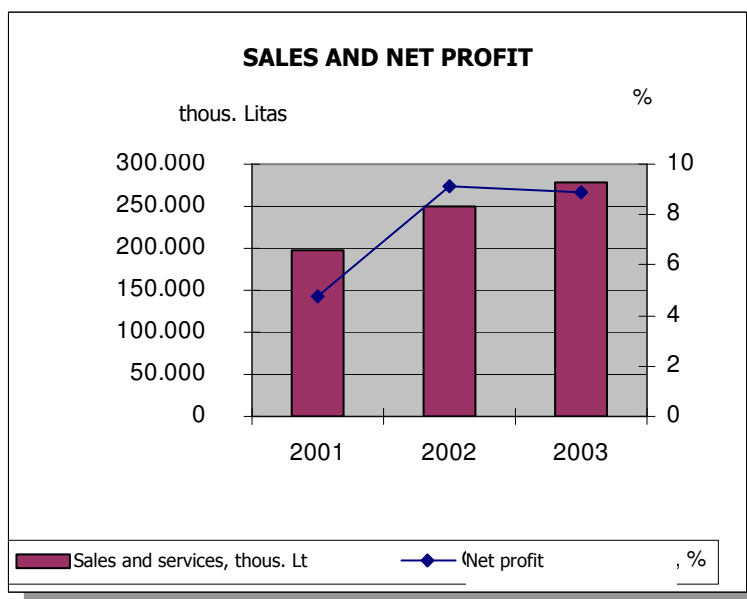
Company's expenditures of financial and investment activity exceeded the income by 2.732 thous. Litas in 2003, in 2002 this indicator made up 1,072 thous. Litas. The increase of negative financial and investment activity results by 1677 thous. Litas (156,4 %) was determined by a negative impact of 1,181 thous. Litas change of exchange rate as well as experienced 527 thous. Litas expenditures of selling financial assets.



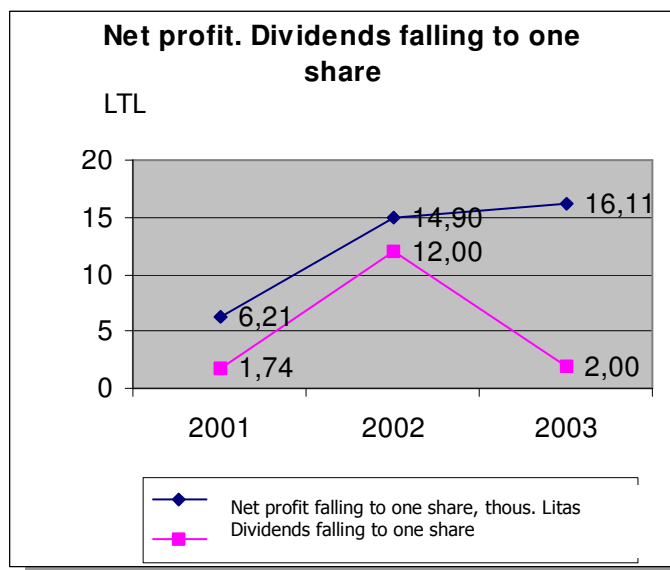
Income of special activity exceeded the costs by 2,633 thous. Litas in 2003. In comparison with 2002, a positive result of special activity increased by 1,622 thous. Litas (160,2%).

The biggest impact on the positive increase of special activity results had a 1,128 thous. Litas increase of back payment from dividends, premiums and tantiemes.

Profit before taxation increased by 2,275 thous. Litas (8,5%) and reached 29,159 thous. Litas, what makes up 10,5% of net sales. Profit tax increased by 408 thous. Litas (10,3%) in 2003 and reached 4,375 thous. Litas, what makes up 15,0% of profit before taxation. Net profit increased by 1,866 thous. Litas (8,1%) in 2003 reached 24,782 thous. Litas, what make up 8,9% of net sales.



## NET PROFIT. DIVIDENDS FALLING TO ONE SHARE



In comparison with 2002, net income for one share increased by 1,20 Litas and reached 16,11 lt. In the annual meeting of share holders, 23 February 2004, company's board has decided to propose paying 2 Litas of dividends for each share for 2003.

This proposal is motivated by the development of company's activity provided in 2004 as well as by the associated necessity of investment increase. In such case dividends for a share, in comparison with 2002, would decrease by 10 Litas in 2003. Coefficient of dividend payment, in comparison with 2002, would decrease by 68,1 of point from 80,5% to 12,4% in 2003. Company's dividend earning power of shares, in comparison with 2002, would decrease by 22,5 of point from 23,7% to 1,18% in 2003. Although return on investment shares has decreased in 2003, increased net profitability of shares and development of company's activity intended in 2004 should guarantee the increase of investment return for share holders.

### Indicator of market value

Indicators are presented in Lt, if it is not indicated otherwise	2003	Change	2002	Change	2001
Nominal share value	15	-	15	-	15
Average account value of share	55,05	41,4%	38,94	7,5%	36,22
Average annual share value in a market	169,35	234,7%	50,60	33,6%	37,87
Net profit for one share	16,11	8,1%	14,90	139,9%	6,21
Relation between price and net income for a share	10,51	7,11	3,40	-2,70	6,10
Dividends for a share	2,00	-83,3%	12,00	489,7%	1,74
Dividend payment coefficient, %	12,41	-68,13	80,54	52,52	28,02
Dividend profitability, %	1,18	-22,54	23,72	19,13	4,59
Capitalization, thous. Litas	326,062	128,0%	143.037	151,4%	56.907
Imputed dividends, thous. Litas	3.076	-83,3%	18.456	589,7%	2.676

SHARES

