

The issuer's employees, administrative manager and the members of the management bodies who are responsible for the composition of the semi annual financial account of 2007 and the the interim report for the 1st half of the year 2007, as well as the issuer's consultants hereby confirm that the information provided in the reports is prepared according to the applied accounting standards, reflects the reality correctly and fairly shows issuer's assets, liabilities, financial position, profit or loss. Responsible persons also confirm that interim report fairly presents the review of issuer's business development and business activities.

The Managing Director of AB "Snaigė" **Mindaugas Šeštokas**

The Finance Director of AB "Snaigė" **Loreta Nagulevičienė**

Financial Broker of UAB FMĮ "Orion Securities" **Mykantas Urba**



Date of preparation of the report:

August 31, 2007

Place of preparation:

UAB FMĮ "Orion Securities" (Tumėno str. 4, Vilnius).

***AB „SNAIGĒ“***

***The interim report for the 1st half of the year 2007***

**CONTENTS**

|  |    |
|--|----|
| I. GENERAL PROVISIONS .....  | 3  |
| II. INFORMATION ABOUT THE ISSUER'S AUTHORIZED CAPITAL, THE ISSUED SECURITIES, ...<br>SHAREHOLDERS AND MEMBERS OF THE MANAGEMENT BODIES ..... | 4  |
| III. INFORMATION ABOUT THE ISSUER'S BUSINESS ACTIVITIES .....  | 8  |
| IV. UPDATE AND ESSENTIAL EVENTS OF THE ISSUER'S ACTIVITIES.....  | 10 |

## **I. GENERAL PROVISIONS**

### **1. Accounting period of the interim report**

The interim report has been issued as of the first half of 2007.

### **2. The basic data about the issuer**

The name of the company – *SNAIGĖ* PLC (hereinafter referred to as the Company)

Authorized capital - 23,827,365 LTL

Address - Pramonės str. 6, LT-62175 Alytus

Phone - (315) 56 206

Fax – (315) 56 207; (315) 56 269

E-mail - [snaige@snaige.lt](mailto:snaige@snaige.lt)

Internet web-page - <http://www.snaige.lt>

Legal organization status – legal entity, public limited company

Registered as an enterprise on December 1, 1992 in the Municipality Administration of Alytus; registration number AB 92-119; enterprise register code 249664610. The latest Statute of AB “Snaigė” was re-registered on January 18, 2007 in Alytus Department of Register of Legal Entities of the Republic of Lithuania.

### **3. The type of the issuer’s main business activities**

The main business activity of the Company is manufacture of refrigerators and freezers and other activities, permitted by Lithuanian laws, as indicated in the registered Statute.

### **4. Information with regard to the location and time provided for introduction of the report and the accompanying documents; name of the mass media**

The report and its accompanying documents are available in the Budget Department of AB “Snaigė” (room 411) at Pramonės str. 6, Alytus on work days from 8.00 to 16.30, as well as in UAB FMĮ “Orion Securities” at Tumėno str. 4, corp. B, floor 9, LT-01109, Vilnius on work days from 9.00 to 17.00.

The mass media unit – daily paper “Lietuvos Rytas” and the BNS news agency.

## II. INFORMATION ABOUT THE ISSUER'S AUTHORIZED CAPITAL, THE ISSUED SECURITIES, SHAREHOLDERS AND MEMBERS OF THE MANAGEMENT BODIES

### 5. The issuer's authorized capital

#### 5.1. The authorized capital registered in the enterprise register

| Name of the securities     | Amount of the securities | Nominal value, LTL | Total nominal value, LTL | Share of the authorized capital, in percentage |
|----------------------------|--------------------------|--------------------|--------------------------|--|
| Ordinary registered shares | 23 827 365               | 1                  | 23 827 365               | 100  |

On 18 January 2007 the increased authorized capital was registered in the enterprise register. The value of increased authorized capital is 23,827,365 LTL. Nominal value of one share – 1 LTL.

#### 5.2. Information with regard to prospective increase of the authorized capital by converting or trading the issued loan or secondary securities for the shares

The company has no issued any derivative financial instruments, thus there are no increases in subscribed capital by converting these instrument into shares expected.

### 6. Major shareholders

The total number of the shareholders on 30 June 2007 was 977.

The major shareholders who own or control more than 5 percent of the issuer's authorized capital are listed below:

| Names (company names, addresses, enterprise register codes) of the shareholders                                  | Amount of the ordinary registered shares available, in pcs. |   | Share of the authorized capital and votes available, in percentage |                      |   |                      |  |
|--|---|---|--|----------------------|---|----------------------|--|
|  | Total   | incl. the ones owned by the shareholder | Total  |                      | incl. the ordinary registered shares owned by the shareholder |                      | Total incl. the share of the entities group operating jointly, in percentage |
|  |   |   | share of the votes   | share of the capital | share of the appointed votes                                  | share of the capital |  |
| Hansabank – Customer VP, Liivalaia 8, Tallinn 15040 Estonia, Enterprise reg. no. 10060701                        | 12,373,177  | 12,373,177                              | 51.93  | 51.93                | 51.93   | 51.93                | -  |
| UAB “Survesta” –K. Kalinausko str. 2B, Vilnius Enterprise reg. no. 126408152                                     | 4,944,400   | 4,944,400                               | 20.75  | 20.75                | 20.75   | 20.75                | 21.05  |
| Skandinaviska Enskilda – Customers VP, Sergels Torg 2, 10640 Stockholm, Sweden, Enterprise reg. no. 502032908101 | 2,562,664   | 2,562,664                               | 10.76  | 10.76                | 10.76   | 10.76                | -  |

### 7. Securities without a share of the authorized capital, the circulation of which is regulated by the Law on the Securities Market of the Republic of Lithuania

No securities without a share of the authorized capital, the circulation of which is regulated by the Law on the Securities Market of the Republic of Lithuania, has been issued.

### 8. The secondary turnover of the issuer's securities

The securities issued by the Company have been listed in the Official Trading List of Vilnius Securities Stock Exchange since April 9, 1998. Trade of the Company's ordinary registered shares in the securities stock exchange was started on August 11, 1995. The VP ISIN number is LT0000109274.

Name of the securities – the ordinary registered shares of AB “Snaigė”.

Amount of the securities: 23 827 365 units. The nominal value of a share: 1 (one) LTL.

#### Trade in securities

| Accounting period |            | Price (LTL) |       |                    | Turnover (LTL) |    |         | Date of last session min. | Total turnover     |            |
|-------------------|------------|-------------|-------|--------------------|----------------|----|---------|---------------------------|--------------------|------------|
| from              | to         | max.        | min.  | as of last session | from           | to | max.    |                           | as of last session | from       |
| 2007.01.01        | 2007.03.31 | 12,02       | 10.05 | 11.3               | 1,409,258      | 0  | 101,703 | 2007.03.31                | 1,127,186          | 13,149,055 |
| 2007.04.01        | 2007.06.30 | 11,35       | 10.00 | 10.25              | 3,101,705      | 0  | 13,639  | 2007.06.30                | 690,458            | 7,423,146  |

### 9. Agreements with the stakeholders of public circulation of securities

On September 29, 2003 AB “Snaigė” entered into agreement with Financial Broker Firm “Orion Securities” Ltd. (A. Tumėno str. 4, B corp., LT-01109, Vilnius) for management of accounts of the Company's issued securities and management of accounts of personal securities.

**10. Members of the Management Bodies**

## 10.1 Position, names and data with regard to the share of the issuer's authorized capital available

| Name, surname  | Position  | Amount of shares available, in units | Share of the capital available, in percentage | Share of votes, in percentage |
|--|---|--------------------------------------|---|-------------------------------|
| <b>BOARD</b>   |   |                                      |   |                               |
| Nerijus Dagilis  | Chairman of the Board of AB "Snaigė"                  | -                                    | -   | -                             |
| Domininkas Kašys   | Member of the Board of AB "Snaigė"                    | -                                    | -   | -                             |
| Martynas Česnavičius   | Member of the Board of AB "Snaigė"                    | 15                                   | 0,00  | 0,00                          |
| Marius Binkevičius   | Member of the Board of AB "Snaigė"                    | -                                    | -   | -                             |
| Mindaugas Šeštokas   | Member of the Board of AB "Snaigė", Managing Director | -                                    | -   | -                             |
| <b>ADMINISTRATION (Administrative Manager, Chief Accountant)</b> |   |                                      |   |                               |
| Mindaugas Šeštokas   | Managing Director of AB "Snaigė"                      | -                                    | -   | -                             |
| Loreta Nagulevičienė   | Finance Director of AB "Snaigė"                       | -                                    | -   | -                             |

10.2. Information with regard to participation in the activities of other companies and organizations (name of enterprise, institution or organization, position); the share of the capital and votes above 5 percent, in percentage

| Name  | Name of organization, position                                  | Share of the capital and votes available in other companies, in percentage |
|---|---|--|
| Nerijus Dagilis                                 | Chairman of the board of UAB „Hermis Capital”                   | 17,72  |
|   | Member of the board of AB „Kelmės pieninė“                      | -  |
|   | Member of the board of KITRON ASA                               | -  |
|   | Chairman of the board of AB „Vilniaus Vingis“                   | -  |
|   | UAB „Ežerų pasaulis“  | 25,00  |
|   | UAB „Baltijos polistirenas“                                     | 40,00  |
|   | Director of UAB „Survesta“                                      | -  |
|   | Member of the board of UAB „Hermis fondų valdymas”              | -  |
|   | UAB „Gulbinų turizmas“  | 8,33   |
|   | Member of the board of UAB „Naftos tėkmė“                       | -  |
|   | Member of the board of UAB „Naftos gavyba“                      | -  |
|   | Member of the board of AB „Geonafta“                            | -  |
|   | Member of the board of UAB „Genčių nafta“                       | -  |
|   | Member of the board of UAB „Minijos nafta“                      | -  |
|   | Chairman of the board of UAB „Klaipėdos laikraščio redakcija“   | -  |
| Chairman of the board of UAB „Kauno diena“      | -   |  |
| Domininkas Kašys                                | Director of UAB „Vespera”                                       | 90,00  |
|   | Member of the board of UAB „Hermis Capital”                     | 5,08   |
|   | Director of UAB „Gulbinų turizmas“                              | 8,33   |
| Martynas Česnavičius                            | Member of the board of UAB LNK (Laisvas nepriklausomas kanalas) | -  |
|   | Chairman of the board of UAB "Profinance"                       | 45,00  |
|   | Member of the board of AB „Malsena”                             | -  |
|   | Member of the board of UAB „Litagros Chemija”                   | -  |
|   | Member of the board of UAB „Naftos tėkmė”                       | -  |
|   | Member of the board of AB „Sanitas”                             | -  |
|   | Member of the board of UAB „Sidabra”                            | -  |
|   | Member of the board of UAB „Atradimų studija”                   | 15,00  |
| Member of the board of AB „Kauno Pieno Centras“ | -   |  |
| Marius Binkevičius                              | Director of UAB “Alta Capital Partners”                         | -  |
| Mindaugas Šeštokas                              | -   | -  |
| Loreta Nagulevičienė                            | UAB “Audilona”  | 50,00  |

10.3. Information about benefits and loans granted to the members of the management bodies

During the first half of 2007 247,370 LTL were paid as salaries for the members of the management board. No bonuses to the board members were paid during the reporting period.



### III. INFORMATION ABOUT THE ISSUER'S BUSINESS ACTIVITIES

#### 11. Overview of Company's business activities during the reporting period

According to the non-audited financial information the AB „Snaigė“ group has achieved a consolidated turnover of 107.06 million LTL during the second quarter of the year 2007, which is 40% more than in the same period of 2006 when turnover was equal to 76.22 mln. LTL. During the second quarter of 2007 the Company has earned 1.7 million LTL non-audited earnings before tax, which is 1.37 million LTL more than in the same period in 2006, when non-audited before tax profit was 320 thousand LTL.

The consolidated EBITDA of the second quarter of 2007 is equal to 7.66 million LTL. In the same period of 2006 consolidated EBITDA was equal to 6.37 million LTL.

The achieved results are considered by management as positive and bigger profit is planned to be earned by the end of the year. Optimistic expectations also arise due to the growing sales in the markets of high importance: sales in Ukraine increased by 33%, in other Eastern countries – by 34%, sales in Russia surged by impressive 400%.

AB “Snaigė” according to non-audited financial information has reached turnover of 180.4 million LTL during the first half of 2007, which is 40% larger than in the same period of 2006, when the turnover was equal to 128.9 million LTL. During the first half of 2007 the company incurred consolidated loss of 880 thousand LTL. During the same period in 2006, company has achieved a non-audited profit before tax of 1.16 million LTL.

The decrease in consolidated profit was mainly caused by rising prices of raw materials and energy resources. The decreasing USA dollar exchange rate also had negative influence, as large part of production (25%) is exported to Ukraine, where all the payments are made in dollars.

The consolidated EBITDA of the first half of 2007 is equal to 11 million LTL, in the same period of 2006 the EBITDA was equal to 13.1 million LTL.

#### 12. Information about Company's employees

The main information about the employees of AB „Snaigė“ and its subsidiaries' employees is presented in the table below:

| Employees group          | January – June of 2007    |                           |
|--------------------------|---------------------------|---------------------------|
|                          | Aver. number of employees | Aver. monthly salary, LTL |
| Administrative employees | 460                       | 3,070                     |
| Factory workers          | 1,900                     | 1,334                     |
| <b>In total</b>          | <b>2,360</b>              | <b>1,672</b>              |

### 13. Information about the subsidiary companies of the issuer

On 30 June 2007 the AB „Snaigė“ group consisted of the following companies: the parent company of the group AB „Snaigė“, subsidiary companies „Techprominvest“, „Moroz trade“, „Liga servis“, „Snaige-Ukraine“, „Almecha“. The main information about the Group's subsidiary companies is presented in the table below:

|   | TECHPROMINVEST               | MOROZ TRADE                  | LIGA SERVIS                  | SNAIGE UKRAINE               | ALMECHA                                      |
|---|------------------------------|------------------------------|------------------------------|------------------------------|--|
| Head-office address   | Russia                       | Russia                       | Russia                       | Ukraine                      | Alytus, Lithuania                            |
| Type of activities  | Manufacture of refrigerators | Sales and marketing services | Sales and marketing services | Sales and marketing services | Manufacture of other machinery and equipment |
| Share of the authorized capital available to AB „Snaigė“, % | 100%                         | 100%                         | 100%                         | 99%                          | 100%   |
| The authorized capital (LTL)                                | 12 648 840                   | 947                          | 1 028                        | 88 875                       | 1 375 785                                    |
| Share of the authorized capital unpaid by the issuer        | Completely paid              | Completely paid              | Completely paid              | Completely paid              | Completely paid                              |

### 14. Transactions with the related parties

#### 14.1. Types of transactions

Loan received.

#### 14.2. Terms of transaction

On the 3 May 2007 a loan reception agreement was signed with UAB „Genčių nafta“ for the amount of 3.5 million LTL. The loan was paid back.

## IV. UPDATE AND ESSENTIAL EVENTS OF THE ISSUER'S ACTIVITIES

### 15. Essential events of the issuer's activities

**January 5, 2007.** Decisions of shareholders extraordinary general meeting. Extraordinary general meeting on January 5, 2007 passed resolution to conclude the contract with UAB "Deloitte Lietuva" concerning the audit of AB "Snaigė" financial statement and consolidated financial statement. To conclude the contract for the duration of 1 year and set the contract price for one year of no more than LTL 130 000 ( EUR 37651).

**January 19, 2007.** The amended Charter has been registered after the increase of the authorized capital. On January 18, 2007 the Charter of AB "Snaigė" with the increased authorized capital was registered in the Entities Register. The authorized capital of the company after the increase has reached LTL 23 827 365 (EUR 6 900 882). The nominal value of a share is 1 LTL.

**February 15, 2007.** 15-02-2007

Consolidated non-audited preliminary results for the year 2006 and forecast for the year 2007

#### 1. Results for the year 2006

Total turnover and other operating income LTL 357.0 million (EUR 103.4 million);

Pre-tax profit (loss) LTL -10.1 million (EUR -2.9 million);

EBITDA LTL 13.7 million (EUR 4.0 million)

#### 2. Forecast for the year 2007

Revenue and other operating income: LTL 468.8 million (EUR 135.8 million);

Pre-tax profit LTL 10.2 million (EUR 3.0 million);

Net profit LTL 8.4 million (EUR 2.4 million);

EBITDA LTL 34.3 million (EUR 9.9 million)

Negative consolidated result was driven by difficulties in Russian market – high stocks of goods and price reduction at distributors. Also because of increased risk the company made bad debts accruals for sales in 2004-2005 for amount LTL 9,8 million (EUR 2.8 million).

**March 20, 2007.** Notice of the annual general meeting of shareholders. On March 20 2007 the Management board of „Snaigė“AB decided to convene the Annual General Meeting of shareholders „Snaigė“ AB (code 249664610, headquarters, Pramonės str. 6, Alytus) on April 26, 2007 at 2:00 pm in the hall of the company (Pramonės str. 6, Alytus). Registration starts 1:30 pm, ends- 1:50 pm.

On the agenda:

1. The annual report on the company's activities for the year 2006.
2. Auditor's report on company's financial statements of the year 2006.
3. Approval of company's annual financial statements of the year 2006. The board company's activity report of the year 2006.
4. Approval of the 2006 profit appropriation.

5.Regarding the buy-back of the company's own shares.

Shareholders who at the end of the accounting day of the General Meeting of Shareholders, i.e. April 19 2007, will be on the shareholders list of the Company have a right to participate and vote at the General Meeting of Shareholders personally or by proxy, or represented by the person with whom an agreement on the transfer of voting rights is concluded. The shareholders attending the meeting must provide person's identification document. The authorized representatives of the shareholders must additionally possess a proxy approved by the procedure prescribed by law.

**April 13, 2007.** Project of shareholders general meeting decisions. There are suggested following projects for the meeting of shareholders on April 26th in 2007 by decision of the Company's Management Board of 02-04-2007.

1. The annual report on the company's activities for the year 2006.

Suggestion: To approve the annual report on the company's activities for the year 2006.

2. Auditor's conclusion about company's financial statements report of the year 2006.

Suggestion: To recommend for shareholders to consider auditor's conclusion while voting regarding approval of company's yearly financial statements.

3. Approval of company's annual financial statement of the year 2006.

Suggestion: To approve company's financial statements for year 2006.

4. Approval of the 2006 profit appropriation.

Suggestion: To approve distribution of company's profit for the year 2006.

Retained earnings at the beginning of the year LTL 55 772 622 (EUR 16 152 868).

Net profit for year 2006 LTL 10 659 081 (EUR 3 087 083).

Transfers from reserves LTL 26 899 000 (EUR 7 790 489).

Profit for distribution LTL 93 330 703 LTL (EUR 27 030 440).

Profit for distribution to the reserve for acquisition of the company's own shares LTL 10 000 000 (EUR 2 896 200 ).

Profit distribution to the investment reserves LTL 23 647 600 (EUR 6 848 818).

Profit distribution, to other reserves LTL 440 000 (EUR 127 433),

including: support, charity LTL 90 000 (EUR 26 066),

social, cultural needs LTL 350 000 (EUR 101 367).

Profit distribution , to dividends LTL 0 (EUR 0 ).

Profit distribution, to bonuses of the board members LTL 0 (EUR 0 ).

Retained earnings at the end of financial year 2006 LTL 59 243 103 (EUR 17 157 989).

5. Regarding the buy-back of the company's own shares.

Suggestion: To buy out ordinary registered shares of Snaige AB worth LTL 1 by nominal value (ISIN code LT 0000109274) by means of a voluntary tender offer in accordance with the procedure prescribed by legal acts regulating securities market and execute the said tender offer on the Vilnius Stock Exchange; The purpose for the acquisition of the shares is to maintain and increase the price of the company's shares; To buy out up to 10 percent of the company's shares in the national securities market for LTL 10 000 000 (ten million), i.e. this is the share of profit allocated to the reserve for the acquisition of own shares; The Company will buy shares till October 26, 2008; The maximum and minimum acquisition price: the minimum buying price of the shares is LTL 5, the maximum buying price of the shares is LTL 16; The

minimum selling price of own shares is LTL 16 per share. To ensure equal opportunities for all shareholders to buy the shares of the company. The company's own shares bought by the company will be traded only on the Vilnius Stock Exchange. To authorize the Board of the company to establish and decide on the specific conditions and terms of the voluntary tender offer, the volumes and prices of the shares to be acquired, and the selling prices and conditions of the shares.

All other issues, which are not provided for in this decision shall be delegated to the Board of the Company.

**April 17, 2007.** Audited Annual Financial Statement and Annual Report for the year 2006 is submitted.

**April 27, 2007.** Decisions of annual general meeting. The annual general meeting of shareholders held on April 26th in 2007 passed the following decisions:

1. To approve the annual report on the company's activities for the year 2006.
2. To take in to consideration for shareholders auditor's conclusion while voting regarding approval of company's yearly financial statements.
3. To approve company's financial statements for year 2006.
4. To approve distribution of company's profit for the year 2006.

|  |                                      |
|--|--------------------------------------|
| Retained earnings at the beginning of the year                                     | LTL 55 772 622 (EUR 16 152 868).     |
| Net profit for year 2006   | LTL 10 659 081 Lt (EUR 3 087 083).   |
| Transfers from reserves  | LTL 26 899 000 (EUR 7 790 489).      |
| Profit for distribution  | LTL 93 330 703 LTL (EUR 27 030 440). |
| Profit for distribution to the reserve for acquisition of the company's own shares | LTL 10 000 000 (EUR 2 896 200 ).     |
| Profit distribution to the investment reserves                                     | LTL 23 647 600 (EUR 6 848 818).      |
| Profit distribution, to other reserves   | LTL 440 000 (EUR 127 433),           |
| including: support, charity  | LTL 90 000 (EUR 26 066),             |
| social, cultural needs   | LTL 350 000 (EUR 101 367).           |
| Profit distribution , to dividends   | LTL 0 (EUR 0 ).                      |
| Profit distribution, to bonuses of the board members                               | LTL 0 (EUR 0 ).                      |
| Retained earnings at the end of financial year 2006                                | LTL 59 243 103 (EUR 17 157 989).     |

5. To buy out ordinary registered shares of Snaige AB worth LTL 1 by nominal value (ISIN code LT 0000109274) by means of a voluntary tender offer in accordance with the procedure prescribed by legal acts regulating securities market and execute the said tender offer on the Vilnius Stock Exchange; The purpose for the acquisition of the shares is to maintain and increase the price of the company's shares; To buy out up to 10 percent of the company's shares in the national securities market for LTL 10 000 000 (ten million), i.e. this is the share of profit allocated to the reserve for the acquisition of own shares; The Company will buy shares till October 26, 2008; The maximum and minimum acquisition price: the minimum buying price of the shares is LTL 5, the maximum buying price of the shares is LTL 16; The minimum selling price of own shares is LTL 16 per share. To ensure equal opportunities for all shareholders to buy the shares of the company. The company's own shares bought by the company will be traded only on the Vilnius Stock Exchange. To authorize the Board of the company to establish and decide on the specific conditions and terms of the voluntary tender offer, the volumes and prices of the shares to be acquired, and the selling prices and conditions of the shares.

All other issues, which are not provided for in this decision shall be delegated to the Board of the Company.

**May 25, 2007.** On prospectus for 2006. The company's prospectus for the year 2006 has been submitted to securities Commission and Vilnius Stock Exchange.

**May 25, 2007.** Regarding the interest of investors. Once potential investors express interest in the company, the audit of operational and financial activities is carried out and meetings between top management and investors are initiated.

**May 28, 2007.** Financial statements for the I quarter 2007 are presented to the stock exchange and Securities Commission.

## **16. Court and arbitration processes**

There have been no court or arbitration processes during the I half of 2007 which may have significant influence on Company's financial position.

***AB „SNAIGĒ“***

***Semi-annual consolidated financial accounts for year  
2007***

**CONTENTS**

|                            |   |
|----------------------------|---|
| I. FINANCIAL STATUS .....  | 3 |
| II. EXPLANATORY NOTE ..... | 9 |



**I. FINANCIAL STATUS**

AB “Snaigė” is a parent company situated in Lithuania with the subsidiaries in Russia, Ukraine, and Lithuania. The financial statements of the subsidiary companies are integrated into the consolidated financial statements. The following financial statements have been composed in accordance with the International Accounting Standards.

**1. Accounting Balance Sheet (in LTL)**

| Ref. No.  | Items   | 2007.06.30         | 2006.12.31         |
|-----------|---|--------------------|--------------------|
| <b>A.</b> | <b>Fixed assets</b>                           | <b>127 010 133</b> | <b>124 056 863</b> |
| I.        | FORMATION COSTS                               |                    |                    |
| II.       | INTANGIBLE ASSETS                             | 17 443 601         | 17 356 669         |
| III.      | FIXED TANGIBLE ASSETS                         | 105 357 978        | 103 532 482        |
| III.1.    | Land  |                    |                    |
| III.2.    | Buildings                                     | 37 595 143         | 38 569 527         |
| III.3.    | Other fixed tangible assets                   | 49 985 538         | 54 820 400         |
| III.4.    | Construction in progress and advance payments | 17 777 297         | 10 142 555         |
| IV.       | FIXED FINANCIAL ASSETS                        |                    |                    |
| V.        | Deferred taxes assets                         | 4 208 554          | 3 167 712          |
| VI.       | ACCOUNTS RECEIVABLE AFTER ONE YEAR            |                    |                    |
| <b>B.</b> | <b>Current assets</b>                         | <b>144 491 400</b> | <b>133 070 208</b> |
| I.        | INVENTORY AND CONTRACTS IN PROGRESS           | 61 801 740         | 55 871 283         |
| 1.1.      | Inventory                                     | 61 801 740         | 55 871 283         |
| 1.2.      | Advance payments                              |                    |                    |
| 1.3.      | Contracts in progress                         |                    |                    |
| II.       | ACCOUNTS RECEIVABLE WITHIN ONE YEAR           | 80 150 654         | 72 382 575         |
| III.      | INVESTMENTS AND TERM DEPOSITS                 |                    |                    |
| IV.       | CASH AT BANK AND ON HAND                      | 2 212 952          | 4 805 080          |
| V.        | Other current assets                          | 326 054            | 11 270             |
|           | <b>TOTAL ASSETS</b>                           | <b>271 501 533</b> | <b>257 127 071</b> |

| Ref. No.  | Shareholders' equity and liabilities                        | 2007.06.30         | 2006.12.31         |
|-----------|---|--------------------|--------------------|
| <b>A.</b> | <b>Capital and reserves</b>                                 | <b>101 489 562</b> | <b>93 007 483</b>  |
| I.        | SHARE CAPITAL   | 36 554 635         | 26 714 155         |
| I.1.      | Authorized (subscribed) share capital                       | 23 827 365         | 23 070 405         |
| I.2.      | Uncalled share capital (-)                                  |                    |                    |
| II.       | SHARE PREMIUM (surplus of nominal value)                    | 12 727 270         | 3 643 750          |
|           | Own shares (-)  |                    |                    |
| III.      | REVALUATION RESERVE   | -1 151 059         | -986 564           |
| IV.       | RESERVES  | 36 425 513         | 29 236 913         |
| V.        | PROFIT (LOSS) BROUGHT FORWARD                               | 29 660 473         | 38 042 979         |
|           |   |                    |                    |
| <b>B</b>  | <b>Minority interest</b>                                    | <b>3 926</b>       | <b>7 368</b>       |
| <b>C</b>  | <b>Financing (grants and subsidies)</b>                     | <b>3 606 582</b>   | <b>3 849 340</b>   |
| <b>D</b>  | <b>Provisions and deferred taxes</b>                        |                    | <b>0</b>           |
| I.        | PROVISIONS FOR COVERING LIABILITIES AND DEMANDS             |                    |                    |
| II.       | DEFERRED TAXES  |                    |                    |
|           |   |                    |                    |
| <b>E</b>  | <b>Accounts payable and liabilities</b>                     | <b>166 401 463</b> | <b>160 262 880</b> |
| I.        | ACCOUNTS PAYABLE AFTER ONE YEAR AND NON-CURRENT LIABILITIES | 54 137 320         | 42 315 421         |
| I.1.      | Financial debts   | 50 955 716         | 39 233 456         |
| I.2.      | Trade creditors   |                    |                    |
| I.3.      | Advances received on contracts in progress                  |                    |                    |
| I.4.      | Other accounts payable and non-current liabilities          | 3 181 604          | 3 081 965          |
|           |   |                    |                    |
| II.       | ACCOUNTS PAYABLE WITHIN ONE YEAR AND CURRENT LIABILITIES    | 112 264 143        | 117 947 459        |
| II.1.     | Current portion of non-current debts                        | 22 863 224         | 29 420 029         |
| II.2.     | Financial debts   |                    |                    |
| II.3.     | Trade creditors   | 77 323 295         | 67 346 955         |
| II.4.     | Advances received on contracts in progress                  | 1 386 489          | 794 895            |
| II.5.     | Taxes, remuneration and social security payable             | 6 776 219          | 5 422 121          |
| II.6.     | Other accounts payable and current liabilities              | 3 914 916          | 14 963 459         |
| II.7.     | Fair value of derivative financial instruments              |                    |                    |
|           |   |                    |                    |
| <b>F</b>  | <b>Accrued expenses and deferred income</b>                 |                    |                    |
|           |   |                    |                    |
|           | <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>           | <b>271 501 533</b> | <b>257 127 071</b> |

**2. Profit (Loss) Report (in LTL)**

| Ref. No.     | Items   | 2007.06.30         | 2006.06.30         |
|--------------|---|--------------------|--------------------|
| <b>I.</b>    | <b>SALES INCOME</b>                           | <b>178 978 213</b> | <b>126,294,045</b> |
| II.1         | Income of goods and other products sold       | 7 909 719          | 6,025,436          |
| II.2         | Income of refrigerators sold                  | 171 068 494        | 120,268,609        |
|              |   |                    |                    |
| <b>II.</b>   | <b>COST OF GOODS SOLD</b>                     | <b>155 520 076</b> | <b>106,521,676</b> |
| II.1         | Net cost of goods and other products sold     | 6 285 825          | 5,422,840          |
| II.2         | Net cost of refrigerators sold                | 149 234 251        | 101,098,836        |
|              |   |                    |                    |
| <b>III.</b>  | <b>GROSS PROFIT (LOSS)</b>                    | <b>23 458 137</b>  | <b>19,772,369</b>  |
| <b>IV.</b>   | <b>OPERATING EXPENSES</b>                     | <b>22 561 298</b>  | <b>22,617,181</b>  |
| IV.1         | Sales expenses                                | 10 386 218         | 12,211,742         |
| IV.2         | General and administrative expenses           | 12 175 080         | 10,405,439         |
|              |   |                    |                    |
| <b>V.</b>    | <b>PROFIT (LOSS) FROM TYPICAL ACTIVITIES</b>  | <b>896 839</b>     | <b>-2,844,812</b>  |
| <b>VI.</b>   | <b>OTHER ACTIVITY</b>                         | <b>330 272</b>     | <b>1,524,557</b>   |
| VI.1.        | Income  | 1 417 622          | 2,605,805          |
| VI.2.        | Expenses                                      | 1 087 350          | 1,081,248          |
|              |   |                    |                    |
| <b>VII.</b>  | <b>FINANCIAL AND INVESTING ACTIVITIES</b>     | <b>-2 107 233</b>  | <b>2,481,877</b>   |
| VII.1.       | Income  | 5 459 939          | 14,505,839         |
| VII.2.       | Expenses                                      | 7 567 172          | 12,023,962         |
| <b>VIII.</b> | <b>PROFIT (LOSS) FROM ORDINARY ACTIVITIES</b> | <b>-880 122</b>    | <b>1,161,622</b>   |
| IX.          | EXTRAORDINARY GAIN                            |                    |                    |
| X.           | EXTRAORDINARY LOSS                            |                    |                    |
| <b>XI.</b>   | <b>PROFIT (LOSS) BEFORE TAXES</b>             | <b>-880 122</b>    | <b>1,161,622</b>   |
| <b>XII.</b>  | <b>TAXES</b>                                  | <b>379 000</b>     | <b>3,080,013</b>   |
| XII.1.       | Profit tax                                    | 309 535            | 2,303,968          |
| XII.2.       | Adjustment of deferred profit tax             |                    | 79,543             |
| XII.3.       | Social tax                                    | 69 465             | 696,502            |
| XIII.        | Minority interest                             | 3 442              | 934,154            |
| <b>XIII.</b> | <b>NET PROFIT (LOSS)</b>                      | <b>-1 255 680</b>  | <b>-984 237</b>    |

**3. Cash Flows Statement (in LTL)**

| Ref. No.   | Items  | 2007.06.30         | 2006.06.30          |
|------------|--|--------------------|---------------------|
| <b>I.</b>  | <b>Cash flows from the key operations</b>  |                    |                     |
| I.1        | Operating result before taxes  | (880 122)          | 1 161 622           |
| I.2        | Depreciation and amortization expenses   | 10 151 514         | 10 836 904          |
| I.3        | Subsidies amortization   | (588 038)          | (651 546)           |
| I.4        | Return from sales of fixed assets  | (88 853)           | 1 465 601           |
| I.5        | Fixed assets written-off   | 21 506             | 4 923               |
| I.6        | Write-off of inventory   |                    |                     |
| I.7        | Devaluation of trade receivables   |                    |                     |
| I.8        | Unrealized loss of future currency transactions                                  |                    | (1 007 734)         |
| I.9        | Change in provisions for warranty repair services                                | 724 243            | (1 018 577)         |
| I.10       | Financial income   | (8 658)            | (14 505 839)        |
| I.11       | Financial expenses   | 1 713 825          | 10 277 790          |
|            | <b>Cash flows from operating activities against change in circulating assets</b> | <b>11 045 417</b>  | <b>6 563 144</b>    |
| II.1.      |  |                    |                     |
| II.2.      | Change (increase) in trade receivables and other debts                           | (7 768 079)        | (4 846 746)         |
| II.3.      | Change (increase) in inventory   | (5 930 457)        | (20 592 270)        |
| II.4.      | Change (decrease) in trade payables and other debts to suppliers                 | 5 432 489          | (9 271 313)         |
|            | <b>Cash flows from ordinary activities</b>                                       | <b>2 779 370</b>   | <b>(28 147 185)</b> |
| III.1.     | Interest received  | 8 658              |                     |
| III.2.     | Interest paid  | (1 713 825)        | (1 746 172)         |
| III.3.     | Profit tax paid  | (1 949 642)        | (3 000 470)         |
|            |  |                    |                     |
|            | <b>Cash flows from operating activities, at net book value</b>                   | <b>(875 439)</b>   | <b>(32 893 827)</b> |
|            |  |                    |                     |
| <b>IV.</b> | <b>Cash flows from the investing activities</b>                                  |                    |                     |
| IV.1.      | Acquisition of fixed tangible assets   | (4 602 872)        | (668 534)           |
| IV.2.      | Capitalization of fixed intangible assets  | (96 048)           | (205 871)           |
| IV.3.      | Inflows from sales of fixed assets   | 2 351 777          | 1 647 120           |
| IV.4.      | Loans granted  |                    |                     |
| IV.5.      | Loans regained   |                    |                     |
|            |  |                    |                     |
|            | <b>Net cash flows from the investing activities</b>                              | <b>(2 347 143)</b> | <b>772 715</b>      |

| No.          | Items   | 2007.06.30         | 2006.06.30        |
|--------------|---|--------------------|-------------------|
| <b>III.</b>  | <b>Cash flows from the financial activities</b>   |                    |                   |
| III.1        | Cash flows related to the shareholders of the company   | -                  | -                 |
| III.1.1      | Issue of shares   |                    |                   |
| III.1.2      | Shareholders' contributions for covering losses   |                    |                   |
| III.1.3      | Inflows from sales of own shares  |                    |                   |
| III.1.4      | Payment of dividends  |                    |                   |
| III.2        | Cash flows arising from other financing sources   | 423 976            | 32 955 124        |
| III.2.1      | Subsidies received  | 345 280            | 43 500            |
| III.2.1.1    | Inflows from non-current loans  | 92 669 623         | 57 277 245        |
| III.2.1.2    | Loans repaid  | (90 699 374)       | (24 369 577)      |
| III.2.2      | Leasing received  |                    | 217 613           |
| III.2.2.1    | Payments of leasing liabilities   | (1 356 410)        | (213 657)         |
| III.3.       | Other decreases in the cash flows from financial activities   | (535 143)          |                   |
|              |   |                    |                   |
|              | <b>Cash flows from financing activities, at net book value</b>                                      | <b>423 976</b>     | <b>32 955 124</b> |
|              |   |                    |                   |
| <b>IV.</b>   | <b>Cash flows from extraordinary items</b>  |                    |                   |
| IV.1.        | Increase in cash flows from extraordinary items   |                    |                   |
| IV.2.        | Decrease in cash flows from extraordinary items   |                    |                   |
| <b>V.</b>    | <b>The influence of exchange rates adjustments on the balance of cash and cash equivalents</b>      | <b>206 478</b>     | <b>144 656</b>    |
| <b>VI.</b>   | <b>Cash flows from ordinary activities, investments and financing activities, at net book value</b> | <b>(2 592 128)</b> | <b>(978 668)</b>  |
| <b>VII.</b>  | <b>Cash and cash equivalents at the beginning of period</b>   | <b>4 805 080</b>   | <b>5 185 782</b>  |
| <b>VIII.</b> | <b>Cash and cash equivalents at the end of period</b>   | <b>2 212 952</b>   | <b>4 207 114</b>  |

## 4. Statement of Changes in Equity

|   | Paid up authorized capital | Share premium     | Own shares (-) | Legal reserves   |                           | Other reserves           |                                       |                   |          |                               | Profit (loss) brought forward | TOTAL              | Minority shareholders | TOTAL              |
|---|----------------------------|-------------------|----------------|------------------|---------------------------|--------------------------|---------------------------------------|-------------------|----------|-------------------------------|-------------------------------|--------------------|-----------------------|--------------------|
|   |                            |                   |                | Compulsory       | Acquisition of own shares | For charity and donation | For social needs and Christmas events | For investments   | Other    | Reserve for currency exchange |                               |                    |                       |                    |
| <b>Recalculated balance as of December 31, 2005</b>             | <b>23,070,405</b>          | <b>3,643,750</b>  |                | <b>2,337,913</b> | <b>10,000,000</b>         | <b>187,000</b>           | <b>401,000</b>                        | <b>16,000,000</b> |          | <b>-1,288,563</b>             | <b>48,922,761</b>             | <b>103,274,266</b> | <b>23,994</b>         | <b>103,298,260</b> |
| Dividends for 2004  |                            |                   |                |                  |                           |                          |                                       |                   |          |                               |                               | <b>0</b>           |                       | <b>0</b>           |
| Formed reserves   |                            |                   |                |                  |                           | -36,000                  | 9,000                                 | 338,000           |          |                               | -311,000                      | <b>0</b>           |                       | <b>0</b>           |
| Net profit / loss of the reporting period (2006)                |                            |                   |                |                  |                           |                          |                                       |                   |          |                               |                               | <b>0</b>           |                       | <b>0</b>           |
| Total registered income and expenses as of 2006                 |                            |                   |                |                  |                           |                          |                                       |                   |          |                               | -984.237                      | <b>-984.237</b>    |                       | <b>-984.237</b>    |
| Other changes   |                            |                   |                |                  |                           |                          |                                       |                   | 18.614   | -345.384                      | 38.193                        | <b>-288.577</b>    | <b>-982.002</b>       | <b>-1.270.579</b>  |
| Year 2006 profit not registered in the Profit (Loss) account    |                            |                   |                |                  |                           |                          |                                       |                   |          |                               |                               | <b>0</b>           |                       | <b>0</b>           |
| <b>Balance as of June 30, 2006</b>                              | <b>23,070,405</b>          | <b>3,643,750</b>  | <b>0</b>       | <b>2,337,913</b> | <b>10,000,000</b>         | <b>151,000</b>           | <b>410,000</b>                        | <b>16,338,000</b> | 18.614   | <b>-1,633,947</b>             | <b>47,665,717</b>             | <b>102,001,452</b> | <b>-958,008</b>       | <b>101,043,444</b> |
| Total registered income and expenses as of 2006                 |                            |                   |                |                  |                           |                          |                                       |                   |          | 647.383                       | -11,401,701                   | <b>-10,754,318</b> | <b>-3,628</b>         | <b>-10,757,946</b> |
| Year 2006 profit not registered in the Profit (Loss) account    |                            |                   |                |                  |                           |                          |                                       |                   |          |                               |                               | <b>0</b>           |                       | <b>0</b>           |
| Other changes   |                            |                   |                |                  |                           |                          |                                       |                   | -18.614  |                               | 1,778,963                     | <b>1,760,349</b>   | <b>969,004</b>        | <b>2,729,353</b>   |
| <b>Balance as of December 31, 2006</b>                          | <b>23,070,405</b>          | <b>3,643,750</b>  | <b>0</b>       | <b>2,337,913</b> | <b>10,000,000</b>         | <b>151,000</b>           | <b>410,000</b>                        | <b>16,338,000</b> | <b>0</b> | <b>-986,564</b>               | <b>38,042,979</b>             | <b>93,007,483</b>  | <b>7,368</b>          | <b>93,014,851</b>  |
| Total registered income and expenses as of 2007                 |                            |                   |                |                  |                           |                          |                                       |                   |          | -164,495                      | -1,255,680                    | <b>-1,420,175</b>  | <b>58,332</b>         | <b>-1,361,843</b>  |
| Dividends for 2006  |                            |                   |                |                  |                           |                          |                                       |                   |          |                               |                               | <b>0</b>           | <b>0</b>              | <b>0</b>           |
| Formed reserves   |                            |                   |                |                  | 10,000,000                | 90,000                   | 350,000                               | 23,647,600        | 0        |                               | -34,087,600                   | <b>0</b>           | <b>0</b>              | <b>0</b>           |
| Transfers from reserves   |                            |                   |                |                  | -10,000,000               | -151,000                 | -410,000                              | -16,338,000       | 0        |                               | 26,899,000                    | <b>0</b>           | <b>0</b>              | <b>0</b>           |
| Repurchase of own shares during the financial years             |                            |                   |                |                  |                           |                          |                                       |                   |          |                               | 0                             | <b>0</b>           | <b>0</b>              | <b>0</b>           |
| Other changes   | <b>756,960</b>             | 9,083,520         |                |                  |                           |                          |                                       |                   |          |                               |                               | <b>9,840,480</b>   |                       | <b>9,840,480</b>   |
| Current year profit not registered in the Profit (Loss) account |                            |                   |                |                  |                           |                          |                                       |                   |          |                               | 61,774                        | <b>61,774</b>      | <b>-61,774</b>        | <b>0</b>           |
| <b>Balance as of June 30, 2007</b>                              | <b>23,827,365</b>          | <b>12,727,270</b> | <b>0</b>       | <b>2,337,913</b> | <b>10,000,000</b>         | <b>90,000</b>            | <b>350,000</b>                        | <b>23,647,600</b> | <b>0</b> | <b>-1,151,059</b>             | <b>29,660,473</b>             | <b>101,489,563</b> | <b>3,926</b>          | <b>101,493,489</b> |

## II. EXPLANATORY NOTE

The refrigerator manufacturing plant was established on the 1 April 1963. After the privatization of the Company on 1 December 1992, the joint-stock company “Snaigė” was established and in December 1993 all state-owned shares were bought out. On the 30 June 2007, 23.61% of Company’s shares were owned by institutional investors of Lithuania, 5.61% by private individuals of Lithuania, and 70.78% by foreign institutions and private individuals.

The headquarters of AB „Snaigė“, which is a parent company of the group, is situated in Alytus, Pramonės str. 6.

The Company has established 5 subsidiary enterprises, as of 2006-03-31, including:

### 1. in Russian Federation:

- Refrigerator manufacturing company situated in Kaliningrad, at 4 Balshaja Okruzhnaja, 1-a “Techprominvest”. The company was established for the activities comprising manufacture and sales of refrigerators in Russian Federation. AB “Snaigė”, in line with the 15% subscribed capital purchase-sale agreement signed on the 28 December 2006 and share subscription agreement of the same date acquired the whole 100% of OOO “Techprominvest” shares, the value of which is 12 648 840 LTL.

- Sales company with 100 % of controlled portfolio amounting to 947 LTL, situated in Moscow, at prospekt Mira 52, “Moroz Trade“. The goal of this company is sales of refrigerators produced by OOO “Techprominvest” in Russian Federation.

- Sales company with 100 % of controlled portfolio amounting to 1028 LTL, situated in Moscow, at prospekt Mira 52, “Liga – Servis“. The goal of this company is the expansion of sales network and sales of refrigerators produced by OOO “Techprominvest” in Russian Federation.

### 2. In Lithuania

- manufacturing company UAB „Almecha“ with 100% of controlled portfolio amounting to 30 000 LTL, situated in Alytus, Pramonės str. 6. On 1 January 2007 the subscribed company’s capital was increased by property contribution to 13 75 785 LTL.

### 3. In Ukraine

- Sales company with 99 % of controlled portfolio amounting to 88 875 LTL, situated in Kiev, at Grushevski str. 28-2a / 43 “Snaige-Ukraine”. The company was acquired for increasing the sales of the products of AB “Snaigė in Ukraine.

The financial data of the mentioned companies were completely integrated into the consolidated statements of AB “Snaigė” for the first half of 2007.

During the first half of 2007 2396 employees were working in the company: 470 managers and specialists, 1926 workers.

The main activity of AB “Snaigė”: manufacturing of refrigerators, freezers, plastic products, equipment, transport services, trade of consumer goods, technical servicing of refrigerators and other activities allowed by the company’s statute.

The Company’s bookkeeping is done in compliance with the accounting principles effective in the Republic of Lithuania. These financial statements have been prepared in accordance with the Law on Bookkeeping, Law on Financial Statements of Companies, Law on Consolidated Financial Statements of the Republic of Lithuania, as well as Business Accounting Standards (BAS) of Lithuania and the International Accounting Standards (IAS). The inventory is written off in the statement using the FIFO method. Goods and services, and amounts payable and receivable in foreign currency are booked at the official exchange rate valid on the date of transaction. Provisions are accumulated with regard to future expenses related to warranty service of refrigerators, profit tax liabilities, amounts receivable and risk inventory in stock.

The balance of cash amounts receivable and liabilities in foreign currency available at the end of the quarter are accounted in Litas, using the official exchange rate valid at the end of the fiscal period.

Income and expenses are accounted in accordance with the principle of accumulation of the income and expenses from continuous activities.

Subsidiary companies are fully controlled by the Company. The balance items, revenues and costs, profit and loss, from transaction between the group companies are fully eliminated while preparing consolidated financial accounts.

The accounting of the groups is done using Litas currency, except for subsidiaries „Techprominvest“, „Moroz Trade” and „Liga-Servis“ for which Russian Ruble is used and subsidiary company „Snaige Ukraine“, for which Ukrainian Hryvnia is used.

All the items of consolidated financial statements are expressed in Lithuanian Litas.

Currently company is not using derivative currency instruments due to extremely low USD exchange rate, as business plan is prepared using rate of 2.7 LTL for 1 USD.

Intangible assets include identifiable non-monetary assets without physical substance disposed by the enterprise expecting to obtain direct and indirect economic benefits from the use of such assets. At the moment of acquisition (production) intangible assets are recorded at the acquisition (production) cost. The balance sheet contains the residual value of intangible assets, which is calculated by deducting accumulated amortization from the acquisition cost. Amortization is calculated by applying the straight-line (linear) method. The liquidation value is not considered. The amortization costs related to development are recorded as the operating expenses of the Company, whereas the costs related to the software are attributed to the expense centers. Balance sheet item Intangible assets also includes goodwill (12 312 707 LTL). The intangible assets of the company amounts to 13.7% of total non-current assets. Expenses are accepted as non-current tangible assets if they satisfy the following criteria: the value of the assets is not less than 500 LTL; the assets are numerously incorporated into the production and service process by retaining their exterior form; depreciation of the assets lasts longer than one year; the enterprise can reasonably expect to obtain economic benefits from the assets in the future; the acquisition (production) cost of the assets can be reliably measured; the whole risk related to the tangible assets has been passed over to the enterprise. The liquidation value of non-current assets is equal to 1 LTL. Depreciation of the non-current assets is calculated by applying the straight-line (linear) method in years:

- Buildings: 15-63 years
- Machinery and equipment: 5-10 years
- Transport equipment and other assets: 3-8 years

At the moment of acquisition tangible assets are recorded at the acquisition cost. The balance sheet includes the acquisition cost of the tangible assets, less the accumulated depreciation.

Non-current assets constitute 46.8% of total company's assets. The biggest part of non-current assets is tangible assets (82.9%).

Current assets are equal to 53.2% of total company's assets; it has increased by 1.4% during the first half of 2007.

The major portion of the current assets includes:

1. Inventory (42.8 percent), which increased by 0.8 percent during the first half of 2007. The increase is a result of accumulation of finished production in the warehouses, to prepare for the increase in demand in summer.
2. Amounts receivable within one year (55.5%) have increased by 1.1% during the first half of current year. After evaluating receivables payment and inventories' realization risks the following provisions were formed for the date of 2007.06.30:



1. For illiquid inventories – 52 318 LTL
2. For receivables – 11 763 408 LTL
3. Provisions for guarantee servicing of the refrigerators – 3 608 676 LTL. Provisions formed are shown on the balance sheet: Accounts payable after one year and non-current liabilities – 3 181 604 LTL and accounts payable within one year and current liabilities – 427 072 LTL.

The share capital of the company amounts to 23 827 365 LTL (23 827 365 ordinary registered shares, the nominal value of a share being 1 LTL). The shares of the Company are listed on the Official list of Vilnius Stock Exchange.

The financial grants and subsidies amount to 3 606 582 LTL.

The amounts payable amount to 166 401 463 LTL, including the following:

- the amounts payable after one year – 54 137 320 LTL,
- amounts payable within one year – 112 264 143 LTL.
- trade debts – 77 323 295 LTL,
- current year portion of long-term debts – 22 863 224 LTL,
- advance payments received – 1 386 489 LTL,
- taxes, remuneration and social security – 6 776 219 LTL,
- other amounts payable and liabilities – 3 914 916 LTL.

As for the operating capital, Company uses loans from banks, which amount to 69 977 044 LTL and leasing contracts for acquisition of long term assets (3 841 896 LTL)

The company's gross consolidated profit from sales and services rendered during the first half of the current year amounted to 23 458 137 LTL; which is 3 685 768 LTL more than the profit received during the same period of the previous financial year. The revenues from the ordinary activities amounted to 178 978 213 LTL, whereas the expenses amounted to 155 520 076 LTL.

The consolidated operating expenses amount to 22 561 298 LTL, including:

- sales costs – 10 386 218 LTL;
- general and administrative expenses – 12 175 080 LTL.

The profit from other Company's activities amounted to 330 272 LTL, compared with the same period of the previous year it is 1 194 285 LTL less. It should be taken into account that large profit from other activities during 2006 is due to the sale of recreational complex in Šventoji city. Other operating income amounted to 1 417 622 LTL, whereas operating expenses amount to 1 087 350 LTL.

The loss from the financial investment activities amounted to 2 107 233 LTL.

|   | 2007 IH   | 2006 IH    |
|---|-----------|------------|
| Revenues from financial investment activities (LTL) | 5 459 939 | 14 505 839 |
| Expenses of financial investment activities (LTL)   | 7 567 172 | 12 023 962 |

The Company has not gained any income or expenses from extraordinary activities, i.e., extraordinary profit or extraordinary loss during the first half of the current year.

The Company group earned a profit before tax of 3 534 099 LTL during the June of 2007, which is 2 948 184 LTL larger than in the June of 2006. However, since the beginning of the current year the Group has incurred a loss before taxes of 880 122LTL.

**15. Information about the audit**

There was no audit made for the financial reports of the I half of 2007.