

SNAIGĖ

The issuer's employees, administrative manager and the members of the management bodies who are responsible for the composition of financial account of 1st quarter of 2008, 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.

The Managing Director of AB "Snaigė" **Gediminas Čeika**



The Finance Director of AB "Snaigė" at interim **Vytautas Adomaitis**

BAFS vadovas
Vytautas Adomaitis

Project Manager of UAB FMĮ "Orion Securities" **Mykantas Urba**

Date of preparation of the report:

May 30, 2008

Place of preparation:

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

AB SNAIGÉ
Quarter I, 2008 report

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I. GENERAL PROVISIONS

1. Accounting period of the report

The report has been issued for the three quarters of 2007.

2. The basic data about the issuer

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

Authorised capital – 23,827,365 LTL

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Legal organisation 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 registered on January 18, 2007 in Alytus Department of Register of Legal Entities of the Republic of Lithuania.

3. 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 and Accounting Department of AB “Snaigė” (room 411) at Pramonės str. 6, Alytus on the days of I-IV from 7.30 to 16.30, and V from 7.30 to 14.00, as well as in Financial Broker Firm UAB “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”.

II. FINANCIAL STATUS

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

The financial statement of AB “Snaigė” has been prepared according to the BAS since 2004, whereas the annual financial statement has been prepared according to the IAS since 2002. The accounting principles are the same in spite of the method used (BAS or IAS).

Previous statements have been prepared based on the general accounting principles. The major differences between the general accounting principles and the IAS are as follows:

Pursuant to the general accounting principles the costs of equity issue were registered as formation cost and charged off, whereas pursuant to the IAS the share premium was reduced by the said amount.

Another difference: pursuant to the IAS the obligation of deferred profit tax was calculated, whereas pursuant to the general accounting principles this was not done.

8. Accounting Balance Sheet (in LTL)

Ref. No.	ASSETS	2008 03 31	2007 12 31	2007 03 31
A.	Non-current assets	111,475,935	119,258,923	122,160,675
I.	INTANGIBLE ASSETS	16,841,137	17,451,146	17,351,668
II.	TANGIBLE ASSETS	91,840,619	97,925,574	101,643,318
II.1.	Land			
II.2.	Buildings	35,722,661	36,663,254	38,101,689
II.3.	Other non-current tangible assets	54,265,112	58,968,702	54,258,551
II.4.	Construction in progress and advance payments	1,852,846	2,293,618	9,283,078
III.	NON-CURRENT FINANCIAL ASSETS			
IV.	DEFERRED TAXES ASSETS	2,794,179	3,882,203	3,165,689
B.	Current assets	148,662,604	126,254,156	133,879,336
I.	INVENTORY AND CONTRACTS IN PROGRESS	75,678,663	63,184,898	71,766,258
I.1.	Inventory	75,678,663	63,184,898	71,766,258
I.2.	Advance payments			
I.3.	Contracts in progress			
II.	ACCOUNTS RECEIVABLE WITHIN ONE YEAR	55,962,865	53,530,858	57,603,790
III.	OTHER CURRENT ASSETS	4,646,589	5,553,840	237,589
IV.	CASH AT BANK AND ON HAND	12,374,487	3,984,560	4,271,699
C.	Accrued income and prepaid expenses			
	TOTAL ASSETS	260,138,539	245,513,079	256,040,011

Ref. No.	SHAREHOLDERS' EQUITY AND LIABILITIES	2008 03 31	2007 12 31	2007 03 31
A.	Capital and reserves	83,767,495	91,518,241	98,905,602
I.	SHARE CAPITAL	36,554,635	36,554,635	36,554,635
I.1.	Authorized (subscribed) share capital	23,827,365	23,827,365	23,827,365
I.2.	Uncalled share capital (-)			
I.3.	Share premium (surplus of nominal value)	12,727,270	12,727,270	12,727,270
	Own shares (-)			
III.	REVALUATION RESERVE	(713,338)	(903,947)	(1,197,155)
IV.	RESERVES	36,485,196	36,486,171	29,236,913
V.	PROFIT (LOSS) BROUGHT FORWARD	11,441,002	19,381,382	34,311,209
B.	Minority interest	10,667	3,913	3,872
C.	Financing (grants and subsidies)	2,735,629	3,014,916	3,556,228
D.	Accounts payable and liabilities	173,624,748	150,976,009	153,574,309
I.	ACCOUNTS PAYABLE AFTER ONE YEAR AND NON-CURRENT LIABILITIES	34,657,532	23,029,025	46,974,707
I.1.	Financial debts	20,843,460	20,841,891	43,785,080
I.2.	Trade creditors			
I.3.	Advances received on contracts in progress			
I.4.	Provisions			
I.5.	Deferred taxes			
I.6.	Other accounts payable and non-current liabilities	13,814,072	2,187,134	3,189,627
II.	ACCOUNTS PAYABLE WITHIN ONE YEAR AND CURRENT LIABILITIES	138,967,216	127,946,984	106,599,602
II.1.	Current portion of non-current debts	40,999,185	32,758,823	19,389,651
II.2.	Financial debts			
II.3.	Trade creditors	84,062,087	82,319,881	75,202,181
II.4.	Advances received on contracts in progress	560,967	442,023	1,757,835
II.5.	Taxes, remuneration and social security payable	6,944,617	6,508,857	6,706,607
II.6.	Provisions			
II.7.	Other accounts payable and current liabilities	6,400,360	5,917,400	3,543,328
II.8.	Fair value of derivative financial instruments			
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	260,138,539	245,513,079	256,040,011

9. Profit (Loss) Report (in LTL)

Ref. No.	ITEMS	2008 03 31	2007 03 31
I.	SALES AND SERVICES	77,986,523	72,600,904
II.	COST OF GOODS SOLD AND SERVICES RENDERED	68,730,895	63,328,582
III.	GROSS PROFIT	9,255,628	9,272,322
IV.	OPERATING EXPENSES	13,328,257	11,250,214
V.	PROFIT (LOSS) FROM OPERATIONS	(4,072,629)	(1,977,892)
VI.	OTHER ACTIVITY	615,850	235,257
VI.1.	Income	1,094,979	742,157
VI.2.	Expenses	479,129	506,900
VII.	FINANCIAL AND INVESTING ACTIVITIES	(4,414,658)	(824,028)
VII.1.	Income	1,923,426	2,802,353
VII.2.	Expenses	6,338,084	3,626,381
VIII.	PROFIT (LOSS) FROM ORDINARY ACTIVITIES	(7,871,437)	(2,566,663)
IX.	EXTRAORDINARY GAIN		
X.	EXTRAORDINARY LOSS		
XI.	CURRENT ACCOUNTING PERIOD PROFIT (LOSS) BEFORE TAXES	(7,871,437)	(2,566,663)
XII.	TAXES		
XIII.	PROFIT TAX		1,240,645
XIV.	Adjustment of deferred profit tax		
XV.	Social tax		
XVI.	MINORITY INTEREST	3,299	3,496
XVII.	NET CURRENT ACCOUNTING PERIOD PROFIT (LOSS)	(7,874,736)	(2,566,663)

Cash Flows Statement

Ref. No.		2008 I ketv.	2007 I ketv.
I.	Cash flows from the key operations		
I.1	Result before taxes	(7,871,437)	(2,566,663)
I.2	Depreciation and amortization expenses	5,782,774	5,066,426
I.3	Subsidies amortization	(279,290)	(293,112)
I.4	Result of sold non-current assets	(30,955)	(33,076)
I.5	Write-off of non-current assets	296	626
I.6	Write-off of inventories		
I.7	Depreciation of receivables		
I.8	Non-realized loss on currency future deals	(326,791)	-
I.9	Change in provision for guarantee repair	1,074,807	176,478
I.10	Financial income	(7,850)	-
I.11	Financial expenses	903,869	1,373,178
I.12	The influence of exchange rate adjustments	3,825,105	252,837
	Cash flows from the key operations until decrease (increase) in working capital	3,070,528	3,976,694
II.1	Decrease (increase) in receivables and other liabilities	(2,326,751)	14,778,785
II.2	Decrease (increase) in inventories	(12,493,765)	(15,894,975)
II.3	Decrease (increase) in trade and other debts to suppliers	2,854,505	8,807,141
	Cash flows from the main activities	(8,895,483)	11,667,645
III.1	Interest received		
III.2	Interest paid		-
III.3	Profit tax paid	(903,869)	(1,373,178)
		(526,248)	(1,240,645)
	Net cash flows from the key operations	(10,325,600)	9,053,822

II.	Cash flows from the investing activities		
II.1	Acquisition of tangible non-current assets	(50,097)	(1,915,567)
II.2	Capitalization of intangible non-current assets		(34,837)
II.3	Sales of non-current assets	46,197	2,351,777
	Net cash flows from the investing activities	(3,900)	401,373

III.	Cash flows from the financial activities		
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	Sale of own shares		
III.1.4	Payment of dividends		
III.2	Cash flows arising from other financing sources		
III.2.1	Subsidies received		
III.2.1.1	Loans received	19,952,728	33,300,499
III.2.1.2	Loans repaid	(11,500,000)	(42,183,437)
III.2.2	Finance lease received		
III.2.2.1	Payments of leasing (finance lease) liabilities	(210,797)	(1,105,638)
III.3	Other (decrease) in cash flows from financial activities	10,477,496	
	Net cash flows from the financial activities	18,719,427	(9,988,576)

IV.	Cash flows from extraordinary items		
IV.1.	Increase in cash flows from extraordinary items		
IV.2.	Decrease in cash flows from extraordinary items		
V.	The influence of exchange rates adjustments on the balance of cash and cash equivalents		
VI.	Net increase (decrease) in cash flows	8,389,927	(533,381)
VII.	Cash and cash equivalents at the beginning of period	3,984,560	4,805,080
VIII.	Cash and cash equivalents at the end of period	12,374,487	4,271,699

Statement of Changes in Equity

	Paid up authorised capital	Share premium	Own shares (-)	Legal reserves		Revaluation reserve (results)	Other reserves					Retained earnings (losses)	TOTAL	Minority shareholders	TOTAL
				Compulsory	For acquiring own shares		For charity, donation	For social needs	For investments	Other reserves	Currency exchange reserve				
Balance as of December 31, 2006	23,070,405	3,643,750		2,337,913	10,000,000		151,000	410,000	16,338,000		-968,705	38,043,120	93,007,483	7,368	93,014,851
Acquisition of own shares													0		0
Non recognized profit (loss) in the profit/loss statement													0		0
Formed reserves				60,658			-61,000	-60,000	7,309,600			-7,249,258			
Total registered income and expenses as of 2007												-11,412,480	-11,412,480	-3,455	-11,415,935
Other changes	756,960	9,083,520									82,758		9,923,238		9,923,238
Year 2006 profit not registered in the Profit (Loss) account															
Dividends for 2006												0	0		0
Minority profits allocated to cover previous losses absorbed by parent													0		0
Balance as of December 31, 2007	23,827,365	12,727,270	0	2,398,571	10,000,000		90,000	350,000	23,647,000		-903,947	19,381,382	91,518,241	3,913	91,522,154
Total registered income and expenses as of 2008												-7,940,380	-7,940,380	-3,299	-7,943,679
Dividends for 2007													0		0
Formed reserves													0		0
Transfer from reserves													0		0
Acquisition of own shares during financial year													0		0
Sale of own shares during financial year													0		0
Minority profits allocated to cover previous losses absorbed by parent													0		0
Other changes				-975							190,608		189,633	10,053	199,686
Non recognized profit (loss) in the profit/loss statement															-1
Balance as of March 31, 2008	23,827,365	12,727,270	0	2,337,913	10,000,000		90,000	350,000	23,647,600		-713,339	11,441,002	83,767,495	10,667	83,778,162

10. Explanatory Notes

Public Limited company „Snaigė“ (Company), which is a managing company of „Snaigė“ group, is located in Alytus, Pramonės st. 6. The refrigerator manufacturing plant was established on the 1 April 1963. Company's shares are traded on Vilnius Stock Exchange main list.

Main production includes refrigerators and freezers. Company produces refrigerators for both commercial and home usage.

Total number of employees of the Group as of March 31, 2008 was 2457 (December 31, 2007m.: 2479).

Main shareholders of AB „Snaigė“ as of March 31, 2008 and December 31, 2007 were:

	2008		2007	
	Number of shares	%	Number of shares	%
UAB „Survesta“	5,125,000	21.51	4,935,810	20.71
Other shareholders	18,702,365	78.49	18,891,555	79.29
Total:	23827365	100	23,827,365	100

All the shares (with nominal value 1Lt per share), are ordinary and were fully paid as for March 31, 2008 and December 31, 2007.

Subsidiaries did not have any shares of AB „Snaigė“ as of March 31, 2008 and December 31, 2007. Company did not have bought any of their own shares. Bendrovė neturėjo įsigijusių savų akcijų.

Group consists of AB „Snaigė“ and its subsidiaries:

Company	Country	Group owned shares	Investment size (nominal value)
„Techprominvest“	Russia (Kaliningrad)	100%	12,648,840
„Snaigė Ukraina“	Ukraine	99%	88,875
„Moroz Trade“	Russia	100%	947
„Liga Servis“	Russia	100%	1,028
„Almecha“	Lithuania	100%	1,375,785
Total:			1,411,5475

AB „Snaigė“ bought subsidiary „Techprominvest“ in 2002. After the acquisition Company owned 85% of the shares of „Techprominvest“. In 2006 AB „Snaigė“ bought the remaining 15% of „Techprominvest“ share capital. Acquisition was made by additional issue of 756,960 ordinary shares of AB „Snaigė“. Subsidiary's main activity is production of refrigerators and freezers, which are sold in the Russian market.

Part of „Techprominvest“ share capital is put as a collateral for debts for the bank. AB „Snaigė“ is not allowed to sell any of the share capital for the third parties without permission from bank. AB „Snaigė“ is also not allowed to vote during shareholders meetings on issues concerning company sale or rent for third parties.

„Snaigė Ukraina“ (Kiev, Ukraine) was established in 2002. After the acquisition AB „Snaigė“ owns 99% of this company's shares. Company is involved in sales and marketing activities in the Ukrainian market.

„Moroz Trade“ (Moscow, Russia) established in 2004. AB „Snaigė“ owns 100 % of the share capital. Company is involved in sales and marketing activities in the Russian market..

„Liga Servis“ (Moscow, Russia) established in 2006. AB „Snaigė“ owns 100 % of the share capital. Company is involved in sales and marketing activities in the Russian market.

„Almecha“ (Alytus, Lietuva) established in 2006. AB „Snaigė“ owns 100 % of the shares. Main activity of „Almecha“ production of refridgerator parts and components.

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). Also the assumption that Company will maintain its activities was taken into account.

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 ukraina“, for which Ukrainian Hryvnia is used.

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

Company is exposed to currency exchange rate risks. Significant amount of company's revenues consists of USD while borrows in other currencies.

In order to decrease risks caused by exchange rate fluctuations, Company started using financial derivative instruments. At the date of report preparation Company did not have any financial derivative contracts.

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 amortisation from the acquisition cost. Amortisation is calculated by applying the straight-line (linear) method. The liquidation value is not considered. The amortisation 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 centres. Balance sheet item Intangible assets also includes goodwill (12,312,707). Intangible assets make up 15.11% of all the 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 42.85% of total company's assets. The biggest part of non-current assets are tangible assets (82.39%).

Current assets are equal to 57.15% of total company's assets; it has increased by 5.72% during the first quarter of 2008.

The major portion of the current assets includes:

1. Inventory (50.91 percent), which increased by 0.86 percent from the beginning of the year. The increase is a result of accumulation of finished production in the warehouses for the summer period sales.
2. Amounts receivable within one year (37.64 percent) decreased by 4.76 percent.

After evaluating receivables payment and inventories' realization risks the following provisions were formed:

1. For illiquid inventories – 48,107 LTL
2. For receivables – 11,763,408 LTL
3. Provisions for guarantee servicing of the refrigerators – 4,784,305 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 on Vilnius Stock Exchange.

The financial grants and subsidies amount to 2,735,629 LTL.

The amounts payable amount to 173,624,748 LTL, including the following:

- the amounts payable after one year 34,657,532 LTL. :

	2008.03.31	2007.12.31
Provisions to future expenses related to warranty service	3,042,242	1,892,800
Profit tax liabilities	294,334	294,334
Non-current liabilities and leasing liabilities	20,843,460	20,841,891
Non-current liabilities for bond payments	10,477,496	-
Total	34,657,532	23,029,025

- amounts payable within one year – 138,967,216 LTL:

Trade debts	84,062,087 LTL
Current year portion of long-term debts	40,999,185 LTL
Advance payments received	560,967 LTL
Taxes, remuneration and social security	6,944,617 LTL
Other amounts payable and liabilities	6,400,360 LTL
	138,967,216 LTL

Company has signed bond issue contract of 200,000 number of bonds, with a nominal value of 100 LTL each, and redemption price equal to 100LTL each. Annual interest rate 14%, maturity of bonds is 367 days. Bonds can be converted to Company's ordinary shares with a ratio 1 to 18. Bonds are redeemed April 6, 2009. At the reporting day, bonds for 10,477,496 LTL were subscribed.

Parties concerned have granted short-term loans worth 7,100,000 LTL.

The company's gross consolidated income from sales and services rendered during the three months of the current year amounted to 9,255,628 LTL; which is 16,694 LTL more than the profit received during the same period of the previous financial period. The sales income from the ordinary activities amounted to 77,986,523 LTL, whereas the expenses amounted to 68,730,895 LTL.

The consolidated operating expenses amounted to 13,328,257 LTL, including:

- sales costs – 5,352,550 LTL;
- general and administrative expenses – 7,975,707 LTL.

The profit from other Company's activities amounted to 615,850 LTL, which compared with the same period last year increased by 380,593 LTL.

Other operating income amounted to 1,094,979 LTL, whereas other operating expenses amount to 479,129 LTL.

The loss from the financial investment activities was 4,414,658 LTL.

The income from the financial investment activities amounted to 1,923,426 LTL for the 3 months of 2008, compared to 2,802,353 LTL for 3 months of 2007.

The expenses from the financial investment activities amounted to 6,338,084 LTL for the 3 months of 2008, compared to 3,626,381 LTL for the 3 months of 2007.

The Company has not gained any income or expenses from extraordinary activities, i.e., extraordinary profit or extraordinary loss during 3 months of the current year.

The Company's consolidated loss before taxes during the 3 months of 2008 has reached 7,871,437 LTL, while over the same period last year the loss before taxes was 2,566,663 LTL.

The largest part of this loss was generated by group's Kaliningrad factory in Russia, where there are no active financial instruments available which can be used to insure against losses caused by exchange rate fluctuations, and due to increasing prices of the main raw materials.

After balance activities

Company's administration is considering an increase in authorised capital in subsidiary „Techprominvest“. Additional capital raise will be implemented by investing in subsidiary's already used non-current assets and by capitalising granted loans, with a total value of 55,197,921 LTL.

Director General

Gediminas Čeika

Financial director

Loreta Nagulevičienė