SNAIGĖ

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 2008 and the interim report for the 1st half of the year 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. 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" **Gediminas Čeika** ________________

The Finance Director of AB "Snaigė" **Neringa Menčiūnienė** ________________

Financial analyst of UAB FMĮ "Orion Securities" **Jonas Narbutas** ________________

Date of preparation of the report:	August 29, 2008
Place of preparation:	UAB FMĮ "Orion Securities" (Tumėno str. 4, Vilnius).

AB „SNAIGĖ“

The interim report for the 1st half of the year 2008

CONTENTS

I. GENERAL PROVISIONS

1. Accounting period of the interim report

The interim report has been issued as of the first half of 2008.

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

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 Vilnius stock exchange web page http://www.baltic.omxnordicexchange.com.

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

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 2008 was 954.

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	10,263,369	10,263,369	43,07	43,07	43,07	43,07	-
UAB "Survesta" –K. Kalinausko str. 2B,Vilnius Enterprise reg. no. 126408152	5,138,140	5,138,140	21,56	21,56	21,56	21,56	21,87
Skandinaviska Enskilda – Customers VP, Sergels Torg 2, 10640 Stockholm, Sweden, Enterprise reg. no. 502032908101	4,315,309	4,315,309	18,11	18,11	18,11	18,11	-

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

The company has published convertible bonds with ISIN number LT0000109274. The main information about the published bonds:

The main information about issued convertible bonds	
Securities	367 days to maturity coupon convertible bonds (hereinafter – *Convertible Bonds*)
Number of notes	200 000 (two hundred thousand) units
Face value	100 (one hundred) LTL or 28.9620 EUR (hereinafter 1.0000 EUR = 3.4528 LTL)
Total face value	20 000 000 LTL or 5 792 400 EUR
Securities to be issued after conversion of the Bonds	Ordinary shares of AB „Snaigė“
Conversion ratio	1:18 (one Convertible Bond is converted to 18 (eighteen) shares)
Issue currency	LTL (Lithuanian litas)
Yield of the securities	14 (fourteen) percent annual yield of issue price.
Value date	April 5, 2008.
Date of redemption	April 6, 2009
Date of payment	Bonds are fully paid at the day of subscription.
Date of conversion	Bonds can be converted into ordinary shares of the Issuer at the day of redemption. The bondholders must express the wish to convert the bonds into shares to the Coordinator or the Issuer no later than 5 working days to the redemption date.
Procedure of the conversion	At the day of Bond conversion the bondholders have a right to demand to convert their Bonds into ordinary shares of the Issuer. Every convertible bond is converted into 18 ordinary shares. The bondholders must inform the Issuer or the Coordinator in a written form or by telephone to convert the bonds no later than 5 working days until redemption. After the redemption of the Bonds, if there will be any requests to convert the Bonds, the shareholders of the Issuer in a extraordinary shareholder meeting will change the articles of association of the Issuer and will confirm the new articles to represent increased share capital and number of shares. If all bondholders will express their wish to convert the Bonds, the number of shares of the Issuer will increase by 3 6000 000 ordinary shares. The total number of shares outstanding will amount to 27 427 365 ordinary shares.
Additional obligation to the holders of the notes	The issuer does not take any additional obligations to guarantee the duty to redeem the Issue.

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
2008.01.01	2008.03.31	6,99	4,30	4,50	1,597,050	0	4,564	2008.03.31	600,671	2,812,040
2008.04.01	2008.06.30	4,35	2,52	2,58	1,744,380	0	5,102	2008.06.30	660,946	2,589,446

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
BOARD				
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 (till 2008-04-11)	Member of the Board of AB "Snaigė"	-	-	-
Robertas Beržinskas (from 2008-04-25)	Member of the Board of AB "Snaigė"			
ADMINISTRATION (Administrative Manager, Chief Accountant)				
Mindaugas Šeštokas (till 2008-01-03)	Managing Director of AB "Snaigė"	-	-	-
Gediminas Čeika (from 2008-01-03)	Managing Director of AB "Snaigė"			
Loreta Nagulevičienė (till 2008-05-28)	Finance Director of AB "Snaigė"	-	-	-
Neringa Menčiūnienė (from 2008-06-02)	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
	Chairman 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
	UAB "Meditus" valdybos narys	-
	Chairman of the board of UAB „Klaipėdos laikraščio redakcija"	-
	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 UAB „Diena media print"	-
	Member of the board of UAB „Kauno duona"	-
	Chairman of the board of UAB „Diena Media News"	-
	Director UAB „Deitona"	100,00
Domininkas Kašys	Director of UAB „Vespera"	100,00
	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"	50,00
	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"	-
	Director of UAB "Vienybės Investicija"	100,00
	UAB "FIS Investicija"	50,00
	Alta Capital Partners Mangement s.a.r.l.	16,80
Mindaugas Šeštokas	General director UAB „Kitron"	-

Robertas Beržinskas	Member of the board of AB „Utenos Trikotažas“	-
	Member of the board of UAB „Meditus“	-
Gediminas Čeika	-	-
Loreta Nagulevičienė	UAB “Audilona”	50,00
	IĮ „Eurodialogas“	100,00
Neringa Menčiūnienė	Liquidator of AB „Vilniaus Vingis“	-
	Member of the board of AB „Kauno duona“	-
	Chairman of the board of UAB „Almecha“	-

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“ has achieved a consolidated turnover of 169 million LTL during the first half of 2008, which is 6% lower than the previous year, when non audited consolidates turnover was equal to 180,4 million LTL.

According to Gediminas Čeika, the general manager of AB „Snaigė“, lower non audited turnover for the first half of 2008 was due to the economical slow down in some of the company\s strategic markets.

„During the first half, us and our customers felt a difference in the consumer habits: as inflation increases further and with economical instability in place, consumers refuse to or pospone the purchase of houshold apliances for the future“ – according to G. Čeika.

In some Western European markets and Russia, AB „Snaigė“ has not felt any signes of economical slow down. Turnover in Russia grew by 6%.

The company recorded non audited consolidated loss of 8,6 million LTL during the first half of 2008. According to general manager G. Čeika, the loss was influenced not only by declined sales, but due to the raised prices of raw material as well as more expensive loans for the working capital. The company also acquired loss due to USD exchange rate fluctuations. This loss was acquired from AB “Snaigė” refrigerator factory in Kaliningrad, where there are no instruments from insuring such currency fluctuations.

During the first half of 2007 the company incurred 1,26 million LTL in losses.

According to the consolidated non audited financial information, AB “Snaigė” EBITDA was equal to 4,4 million LTL during the first half of 2008; whereas, EBITDA during the first half of 2007 was equal to 11 million LTL. During 2008 Q2 the company’s achieved EBITDA was 1,6 times higher than EBITDA achieved during 2008 Q1. This is an evidence of positive trends in the company’s activity, as G. Čeika states.

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 2008	
	Average number of employees	Average monthly salary, LTL
Administrative employees	403	3,697
Factory workers	1,977	1,478
In total	**2,380**	**1,854**

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)	997	997	997	86 710	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

Parties are held related, when one of the parties has ability and power to control another party or can have significant influence in another party‘s financial decisions and decisions of its activities. During first half of 2008 and 2007 such transactions were carried out:

UAB „Hermis Capital „ (general controling shareholder);

UAB „ Genčių nafta „(general controling shareholder);

AB „ Kauno duona „(general controling shareholder);

UAB „ Meditus „(general controling shareholder);

UAB „ Baltijos polistirenas „ (board member and their relative controled companies);

UAB „ Astmaris „(board member and their relative controled companies);

2008 m. (first half)	Purchase	Sales	Receivable	Payable

UAB „Baltijos polistirenas"	raw material	2137055	-	-	815907
UAB „Astmaris"	raw material	3994299	-	-	1516776
		11856012			2332683
2007 m. (December 31)		**Purchase**	**Sales**	**Receivable**	**Payable**
UAB „Baltijos polistirenas"	raw material	4399357	-	-	805689
UAB „Astmaris"	raw material	7377466	-	-	961847
		11776823			1767536

Company undertakes the policy of entering deals with related parties on a comercial basis and conditions. Non of the guarantees were received or granted to ensure returns of related parties receivable or payable amounts.

Financial and investment deals with related parties:

	2008 first half			2007		
	Received Debt	Debt Pay back	Paid Interest	Received Debt	Debt Pay back	Paid Interest
UAB „ Hermis Capital „	29300000	10962629	295776	12500000	12500000	42011
UAB „ Genčių nafta „	8750000	8750000	190137	3500000	3500000	37178
AB „ Kauno duona „	1100000	1100000	33659			
UAB„Baltijos polistirenas „	3000000	3000000				
UAB „Meditus „	5000000					
Total :	47150000	23812629	519572	16000000	16000000	79189

During the first half of 2008 the company's and its subsidiaries governing body received in total 2102,7 thou. LTL and 328 thou LTL (In 2007 the sums were 2256 thou. LTL and 827 thou LTL accordingly)

15. Pagrindinės rizikos

Market risk – Issuer's companies are involved in production and sales of domestic and commercial use refrigerators. Investors must accept the risk that due to unfavorable changes in realization and production markets the Issuer and its controlled companies might suffer losses, which will worsen the financial situation.

Currency risk – part of company's income is received in US Dollars which has a free float exchange rate with respect to Lithuanian Litas. In case the exchange rate will dramatically change due to some extraordinary events in US Economy or the world, Company's financial situation might change in a unfavorable matter.

Political risk – Issuer is involved in production during which hazardous chemical substances are a byproduct. Environment protection is politically heavy regulated in Lithuania and European Union

Operational risk – is a risk to incur direct/indirect losses due to inadequate or inoperative internal processes, systems, or technologies, actions of employees, representatives, other external actions. A part of operational risk is the legal risk, which occurs in case of inappropriate execution or implementation of various treaties, contracts, agreements, cases, and laws.

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

15. Essential events of the issuer's activities

January 30, 2008, AB Snaige signed a liquidity provider agreement with Orion Securities. Orion Securities will start market making activity as soon as Vilnius Stock exchange confirms the application.

February 4, 2008, On January 31, 2008 the Management board of „Snaige“ AB decided to convene the Extraordinary General Meeting „Snaigė“ AB (code 249664610, headquarters, Pramones str. 6, Alytus) shareholders on March 7, 2008 at 10:00 in the main meeting hall of the company (Pramonės str. 6, Alytus).

Registration starts 9:30 pm, ends- 9:50 pm.
On the agenda:
1. Issuing convertible debentures and increasing the authorized capital.
2. Amendments of the Articles of Association.
3. Deputation of authority.
Shareholders who at the end of the accounting day of the General Meeting of Shareholders, i.e. February 29 2008, will be on the shareholders list of the Company have a right to participate and vote at the General Meeting personally or by proxy, or represented by a person with whom an agreement on the transfer of voting rights is concluded.
The shareholders attending the meeting must provide personal identification document. The authorized representatives of the shareholders must additionally posses a proxy approved by the procedure prescribed by law.

February 15, 2008, There are suggested folowing projects for the meeting of shareholders on 7 March 2008 by decision of the Company's Management Board.

1. Issue of convertible shares and increase of authorized capital

1. A. To issue convertible shares (hereinafter CS) of the Company under the following conditions:
1.1. Amount of issued CSs is 200 000 (two hundred thousand) units;
1.2. Nominal value of one CS is 100,- Lt (one hundred Litas);
1.3. Overall value of issued CSs is 20 000 000Lt (twenty million Litas);
1.4. Term for distribution of CSs is 21 (twenty one) day after the day of approval of the prospectus at the Securities Commission of the Republic of Lithuania (this day is not included)).
1.5. The shareholders of the Company has the right to acquire CSs by the right of priority proportional to the nominal value of the shares they own at the day of this Meeting during the period of 14 (fourteen) days after the start of distribution of the CSs. After the end of this period the right to acquire CSs also have all other persons until the end of the term of distribution;
1.6. CSs give the following rights: after termination of the term for buying out of the shares to get agreed interest or change CSs to the Company‘s shares by the resolution of this Meeting and by the ratio set forth by the contract of subscription for the CSs;
1.7. The CSs are changed to the following shares:
1.7.1. class - ordinary personal shares;
1.7.2. Number - 18 (eighteen) units;
1.7.3. Nominal value is - 1,- Lt (one Litas);
1.7.4. Rights are granted:
1.7.4.1. to participate in the managemnet of the Company
1.7.4.2. to receive dividends;

1.7.4.3. to receive a part of the company‘ property after its liquidation;
1.7.4.4. to receive shares free of charge if the authorized capital of the Company is increaesed from the Company‘s means;
1.7.4.5. to acquire issued shares or bonds of the Company by the right of priority barring exceptions set forth by the articles of the Company and legal acts;
1.7.4.6. to lend to the Company according to the procedures set forth by the law;
1.7.4.7. to sell or pass round otherwise all or a part of own shares, to leave them by testament to other persons;
1.7.4.8. to participate and vote at the General Meeting of the Shareholders. The right to vote may be prohibited or limited in cases set forth by the legal acts of the Republic of Lithuania, also when the ownership right of the share is disputable;
1.7.4.9. to receive information about activities of the Company by the procedure set forth by the Articles of the Company or legal acts;
1.7.4.10. other property and non-property rights ste forth by the Articles of the Company or by the legal acts.
1.8. The ratio to change CSs to the shares is 1:18 (one CS is changed to 18 shares);
1.9. The date for buying out of the CSs is the 367th day after the termination of the term for distribution of the CSs. The CSs are changed to the shares at the day of the buying out of the CSs;
1.10. Maximum annual rate interest is 16 % (sixteen per cent);
1.11. The procedure for paying interest : the interest is paid once while buying out the CSs;
1.12. The CSs are bought out in Litas or Euros;
B. After termination of the term for buying out the CSs and CSs changed to the Company‘s shares being available the authorized capital of the Company is increased by the sum of nominal value of changed shares.

2. Change of the Articles of the Company
2.1. To change the article 9.1.11 of the Articles of the Company into the following wording:
“The information regulated by the Company is published and inserted into the Central Database of Regulated Information by the procedure set forth by the article 28 of the Securities Law of the Republic of Lithuania“ To approve the new wording of the Articles of the Company:

2.2. After termination of the term for buying out the CSs and CSs changed to the Company‘s shares being available to change the Articles of the Company and to approve their new wording having set the amount of increased authorized capital and number of shares.
3. Authorization.
To authorize (with the right to renew authorization) and to oblige the Director General of the Company:
3.1. to sign contract with the dealer of public turnover of securities UAB FMĮ “Orion securities“, code 1220 33915, concerning actions related to implementation of resolution of this Meeting to issue CSs;
3.2. to sign contracts for bonds leaving to define other provisions of the contracts to his own discretion;
3.3. having changed the wording of the point 9.1.11 of the Articles of the Company to sign the changed Articles of the Company and submit to the registrar of the register of legal persons;
3.4. to sign the changed Articles of the Company with increased authorized capital and number of shares and submit to the registrar of the register of legal persons;
3.5. to carry all other actions related to implementation of the resolutions of this Meeting.

February 25, 2008, Correction: Project of resolutions is supplemented by new sentence in paragraph

1.9 and previous phrase "Convertible shares" changed by phrase "Convertible bonds".

There are suggested following projects for the meeting of shareholders on 7 March 2008 by decision of the Company's Management Board.

1. Issue of convertible bonds and increase of authorized capital

1.A.To issue convertible bonds (hereinafter CB) of the Company under the following conditions:
1.1. Amount of issued CB is 200 000 (two hundred thousand) units;
1.2. Nominal value of one CB is 100,- Lt (one hundred Litas);
1.3. Overall value of issued CB is 20 000 000Lt (twenty million Litas);
1.4. Term for distribution of CB is 21 (twenty one) day after the day of approval of the prospectus at the Securities Commission of the Republic of Lithuania (this day is not included)).
1.5. The shareholders of the Company has the right to acquire CB by the right of priority proportional to the nominal value of the shares they own at the day of this Meeting during the period of 14 (fourteen) days after the start of distribution of the CB. After the end of this period the right to acquire CB also have all other persons until the end of the term of distribution;
1.6. CB give the following rights: after termination of the term for buying out of the shares to get agreed interest or change CB to the Company‘s shares by the resolution of this Meeting and by the ratio set forth by the contract of subscription for the CB;
1.7. The CB are changed to the following shares:
1.7.1. class - ordinary personal shares;
1.7.2. Number - 18 (eighteen) units;
1.7.3. Nominal value is - 1,- Lt (one Litas);
1.7.4. Rights are granted:
1.7.4.1. to participate in the management of the Company
1.7.4.2. to receive dividends;
1.7.4.3. to receive a part of the company‘ property after its liquidation;
1.7.4.4. to receive shares free of charge if the authorized capital of the Company is increased from the Company‘s means;
1.7.4.5. to acquire issued shares or bonds of the Company by the right of priority barring exceptions set forth by the articles of the Company and legal acts;
1.7.4.6. to lend to the Company according to the procedures set forth by the law;
1.7.4.7. to sell or pass round otherwise all or a part of own shares, to leave them by testament to other persons;
1.7.4.8. to participate and vote at the General Meeting of the Shareholders. The right to vote may be prohibited or limited in cases set forth by the legal acts of the Republic of Lithuania, also when the ownership right of the share is disputable;
1.7.4.9. to receive information about activities of the Company by the procedure set forth by the Articles of the Company or legal acts;
1.7.4.10. other property and non-property rights set forth by the Articles of the Company or by the legal acts.
1.8. The ratio to change CB to the shares is 1:18 (one CB is changed to 18 shares);
1.9. The date for buying out of the CB is the 367th day after the termination of the term for distribution of the CB. The CB are changed to the shares at the day of the buying out of the CB. Bonds holders can express the desire to convert CB no later than 5 working days prior the date of term of buying out CB.
1.10. Maximum annual rate interest is 16 % (sixteen per cent);
1.11. The procedure for paying interest : the interest is paid once while buying out the CB;
1.12. The CB are bought out in Litas or Euros;
B. After termination of the term for buying out the CB and CB changed to the Company‘s shares being available the authorized capital of the Company is increased by the sum of nominal value of changed shares.

2. Change of the Articles of the Company

2.1. To change the article 9.1.11 of the Articles of the Company into the following wording: "The information regulated by the Company is published and inserted into the Central Database of Regulated Information by the procedure set forth by the article 28 of the Securities Law of the Republic of Lithuania" To approve the new wording of the Articles of the Company:

2.2. After termination of the term for buying out the CB and CB changed to the Company's shares being available to change the Articles of the Company and to approve their new wording having set the amount of increased authorized capital and number of shares.

3. Authorization.

To authorize (with the right to renew authorization) and to oblige the Director General of the Company:

3.1. to sign contract with the dealer of public turnover of securities UAB FMĮ "Orion securities", code 1220 33915, concerning actions related to implementation of resolution of this Meeting to issue CB;

3.2. to sign contracts for bonds leaving to define other provisions of the contracts to his own discretion;

3.3. having changed the wording of the point 9.1.11 of the Articles of the Company to sign the changed Articles of the Company and submit to the registrar of the register of legal persons;

3.4. to sign the changed Articles of the Company with increased authorized capital and number of shares and submit to the registrar of the register of legal persons;

3.5. to carry all other actions related to implementation of the resolutions of this Meeting.

February 29, 2008, Snaige, AB consolidated interim financial report for 12 months of 2007 and the preliminary consolidated unaudited results for the year 2007

1. The preliminary consolidated unaudited results for the year 2007

Revenue and other operating income:	LTL 413,54million (EUR 119.77 million),
Loss before tax:	LTL -10.61 million (EUR - 3.07million),
Net loss:	LTL -9.74 million (EUR -2.82 million),
EBITDA:	LTL 13.93 million (EUR 4.03 million).

In the previous year sales revenues of AB „Snaige" have increased by 16%, however, the increase was not large enough to cover the incurred losses, which resulted due to the increasing prices of raw materials and falling dollar exchange rate. In the previous year due to increased raw material prices and fall of the dollar exchange rate the company has lost approximately almost 15 million Litas.

This year AB „Snaige" started to use financial instruments in order to hedge against currency exchange risk.

The previous year profitability was affected by increasing prices of raw materials which, if compared to 2006, have increased by 11%. In order to avoid increase in raw material prices the company has started to look for alternative suppliers and materials, began implementation of various cost cutting and effectiveness enhancement programs. Such efforts helped at least partially reduce losses incurred due to the increase in the prices of raw materials.

2. Snaige AB presents consolidated unaudited interim financial report for twelve months of 2007 and confirmation of responsible persons (attached).

March 7, 2008, Extraordinary general meeting of shareholders held on Martch 7th in 2008 passed the following decision:

1. Issue of convertible bonds and increase of authorized capital

1. A.To issue convertible bonds (hereinafter CB) of the Company under the following conditions:

1.1. Amount of issued CB is 200 000 (two hundred thousand) units;
1.2. Nominal value of one CB is 100,- Lt (one hundred Litas);
1.3. Overall value of issued CB is 20 000 000Lt (twenty million Litas);
1.4. Term for distribution of CB is 21 (twenty one) day after the day of approval of the prospectus at the Securities Commission of the Republic of Lithuania (this day is not included)).
1.5. The shareholders of the Company has the right to acquire CB by the right of priority proportional to the nominal value of the shares they own at the day of this Meeting during the period of 14 (fourteen) days after the start of distribution of the CB. After the end of this period the right to acquire CB also have all other persons until the end of the term of distribution;
1.6. CB give the following rights: after termination of the term for buying out of the shares to get agreed interest or change CB to the Company's shares by the resolution of this Meeting and by the ratio set forth by the contractof subscription for the CB;
1.7. The CB are changed to the following shares:
1.7.1. class - ordinary personal shares;
1.7.2. Number - 18 (eighteen) units;
1.7.3. Nominal value is - 1,- Lt (one Litas);
1.7.4. Rights are granted:
1.7.4.1. to participate in the managemnet of the Company
1.7.4.2. to receive dividends;
1.7.4.3. to receive a part of the company' property after its liquidation;
1.7.4.4. to receive shares free of charge if the authorized capital of the Company is increaesed from the Company's means;
1.7.4.5. to acquire issued shares or bonds of the Company by the right of priority barring exceptions set forth by the articles of the Company and legal acts;
1.7.4.6. to lend to the Company according to the procedures set forth by the law;
1.7.4.7. to sell or pass round otherwise all or a part of own shares, to leave them by testament to other persons;
1.7.4.8. to participate and vote at the General Meeting of the Shareholders. The right to vote may be prohibited or limited in cases set forth by the legal acts of the Republic of Lithuania, also when the ownership right of the share is disputable;
1.7.4.9. to receive information about activities of the Company by the procedure set forth by the Articles of the Company or legal acts;
1.7.4.10. other property and non-property rights ste forth by the Articles of the Company or by the legal acts.
1.8. The ratio to change CB to the shares is 1:18 (one CB is changed to 18 shares);
1.9. The date for buying out of the CB is the 367th day after the termination of the term for distribution of the CB. The CB are changed to the shares at the day of the buying out of the CB.Bonds holders can express the desire to convert CB no later than 5 working days prior the date ofterm of buying out CB.
1.10. Maximum annual rate interest is 16 % (sixteen per cent);
1.11. The procedure for paying interest : the interest is paid once while buying out the CB;
1.12. The CB are bought out in Litas or Euros;
B. After termination of the term for buying out the CB and CB changed to the Company's shares being available the authorized capital of the Company is increased by the sum of nominal value of changed shares.

2. Change of the Articles of the Company
2.1. To change the article 9.1.11 of the Articles of the Company into the following wording:
"The information regulated by the Company is published and inserted into the Central Database of Regulated Information by the procedure set forth by the article 28 of the Securities Law of the Republic of Lithuania"
To approve the new wording of the Articles of the Company.

2.2. After termination of the term for buying out the CB and CB changed to the Company‘s shares being available to change the Articles of the Company and to approve their new wording having set the amount of increased authorized capital and number of shares.

3. Authorization.
To authorize (with the right to renew authorization) and to oblige the Director General of the Company:
3.1. to sign contract with the dealer of public turnover of securities UAB FMĮ "Orion securities", code 1220 33915, concerning actions related to implementation of resolution of this Meeting to issue CB;
3.2. to sign contracts for bonds leaving to define other provisions of the contracts to his own discretion;
3.3. having changed the wording of the point 9.1.11 of the Articles of the Company to sign the changed Articles of the Company and submit to the registrar of the register of legal persons;
3.4. to sign the changed Articles of the Company with increased authorized capital and number of shares and submit to the registrar of the register of legal persons;
3.5. to carry all other actions related to implementation of the resolutions of this Meeting.

March 14, 2008, The prospectus of AB „Snaige" convertible bonds issue with maturity of 367 days, nominal value of the whole issue of 20 LTL million(EUR 5.79 million) was approved by Securities Commission on 14 March 2008.

The main facts about the issued convertible bonds:

- Maturity of the bonds: 367 days.
- Nominal value of one bond: 100,00 Lt.
- Number of issued bonds: 200 000 units.
- Annual interest rate: 14%
- Redemption price: 100,00 LTL.
- Shares, to which bonds can be converted: AB "Snaige" ordinary shares.
- Conversion rate: 1:18 (one bond is converted into 18 shares)
- Subscription period: 15 March 2008 - 4 April 2008
- Preemptive right period: 15 March 2008 - 28 March 2008
- Beginning of the bonds validity period: 5 April 2008
- Bonds redemption date: 6 April 2009

Bond holders will have a right to convert the bonds to ordinary shares of AB "Snaigė" at the date of the redemption (6 April 2009).

The shareholders of AB „Snaigė" will have a preemtive right to acquire the issued bonds during the first 14 subscription days (15 March 2008 - 28 March 2008). During the remaining subscription period (29 March 2008 - 4 April 2008) the remaining investors will have a right to acquire the bonds.

Investors are invited to sign the Bonds purchase agreements during the Bonds subscription period at UAB FMĮ „Orion Securities", A.Tumėno g.4B, LT - 01109, Vilnius, Lithuania during working hours from 8.30 till 17.30.

March 17, 2008, Snaige AB presents a supplemented consolidated unaudited interim financial report for twelve months of 2007 prepared in accordance with the Rules on Periodic Disclosure of Information on Issuers' Activities and Their Securities as approved by the Securities Commission of the republic of Lithuania. The profit and loss account has been supplemented with interim reporting period (last quarter) data.

March 20, 2008, On March 20 2008 the Management board of „Snaige“ AB decided to convene the Annual General Meeting of shareholders „Snaigė“ AB (code 249664610, headquartes, Pramones str. 6, Alytus) on April 26, 2008 at 1:00 pm in the hall of the company (Pramonės str. 6, Alytus). Registration starts 0:30 pm, ends-0:50 pm.

On the agenda:
1. The annual report on the company‘s activities for the year 2007.
2.Auditor‘s report on company‘s financial statements of the year 2007.
3.Approval of company‘s annual financial statements of the year 2007.
4.Approval of the 2007 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 18 2008, will be on the shareholders list of the Company have a right to participate and vote at the General Meeting of Sharesholders personally or by proxy, or repesented 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 additionaly posses a proxy approved by the procedure prescribed by law.

March 28, 2008, Mindaugas Sestokas, managing director of „Kitron“ UAB, subsidiary of „ Hermis Capital“ , resigns as member of the Management Board "Snaige" AB with effect from 11th of April, 2008.

April 7, 2008, On 4 April 2008 the subscription of „Snaige“ AB convertible bonds with maturity of 367 days, annual interest rate of 14% has ended. During the subscription period the whole issue of nominal value of LTL 20 000 000 (EUR 5 792 400) was successfully subscribed.

April 10, 2008, NOTIFICATION ABOUT DISPOSAL OF A BLOCK OF SHARES

1.Snaige AB code 249664610, Pramonės str. 6, LT-62001 Alytus
(name, code, registered address, home office address, State of the issuer)

2. [x] The reason for crossing the threshold: disposal
(specify the relevant reason)

[x] Selling of shares
the trigger event (indicate the specific event)

3. Hansa Eastern European Fund, code of management company 10194399, address
Liivalaia 12, Tallinn, Estonia
(name of the person/ company having acquired/ disposed voting rights)

4. ____

(name of shareholder if different from indicated by point 3)

5. The date of transaction (specify) and 01-04-2008
Date of which the threshold was crossed (specify if different) 04-04-2008

6. Threshold that was crossed or reached (specify) 5 %

7. Data provided

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--------------------------------------------------------------------------------
| Voting rights given by shares                                           |
--------------------------------------------------------------------------------
| Class of | Number of      | The number of shares and voting rights held at  |
| shares,  | shares and     | the date of crossing the threshold              |
| ISIN     | votes held     |                                                 |
| code     | previous to the |                                                |
|          | acquisition of  |                                                |
|          | disposal of the |                                                |
|          | block of        |                                                |
|          | shares**        |                                                |
--------------------------------------------------------------------------------
|          | Number | Number | Number | Number of voting |  Number of voting  |
|          |  of    |  of    |  of    | rights (units)   |    rights (%)      |
|          | shares | votes  | shares |                  |                    |
|          | (units | (units | (units |                  |                    |
|          |   )    |   )    |   )    |                  |                    |
--------------------------------------------------------------------------------
|          |        |        | direct | direct | indirec | directl | indirectl |
|          |        |        |   ly   |   ly   |   tly   |    y    |     y     |
--------------------------------------------------------------------------------
|  PVA     | 136599 | 5.73%  | 965999 | 965999 |    -    |  4.05%  |           |
| LT000010 |   9    |        |        |        |         |         |           |
|  9274    |        |        |        |        |         |         |           |
--------------------------------------------------------------------------------
--------------------------------------------------------------------------------
|          |        | Total  | 965999 | 965999 |    -    |  4.05%  |           |
|          |        | (A)    |        |        |         |         |           |
--------------------------------------------------------------------------------


--------------------------------------------------------------------------------
| Data on the securities that subject to a formal agreement upon a request of |
| the owner thereof grants the right to acquire in the future the shares      |
| already issued by the issuer                                                |
--------------------------------------------------------------------------------
| Name of      | Date of        | The data of    | The number of | The number of |
| securities   | expiry of the  | conversion     | voting rights | voting rights |
|              | securities     | and (or) the   | held after    | held after    |
|              |                | exercise of    | the exercise  | the exercise  |
|              |                | the rights     | of the votes  | of the votes  |
|              |                | granted by     | granted by    | granted by    |
|              |                | the            | the           | the           |
|              |                | securities     | securities    | securities    |
|              |                |                | (units)       | (%)           |
--------------------------------------------------------------------------------
--------------------------------------------------------------------------------
--------------------------------------------------------------------------------
|              |                | Total (B)      | -             | -             |
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Total number of voting rights (A+B)		
	Number of voting rights (units)	Number of voting rights (%)
Total	965999	4.05%

8.____
(the chain of controlled entities though which the voting rights and (or) securities that subject to a formal agreement and upon an initiative of the owner thereof grants the right to acquire the shares issued by the issuer are held (if applicable))

9. In case voted with proxy: The proxy ____________________________
(name and last name of the proxy)
is granted the right to vote at his own discretion in respect of
____
number of votes (units, %)
expires on ________________________ (date)

10.* In case owners of convertible bonds wish to convert bonds to ordinary registered shares on 06-04-2009, the total number of shares issued would change, therefore voting rights held might change in the future.

April 17, 2008, On the decision of the Company´s Management Board, it was decided to supplement on agenda of ordinary shareholders meeting to be held on 25th of April, 2008, and to propose projects for meeting decisions.

I.To supplement the agenda of Ordinary General Shareholder Meeting by clause:
”Election of Management Board member”.
Supplemented and specified agenda:
1.The annual report on the company´s activities for the year 2007
2.Audit connclusion regarding the financial statement for the year 2007
3.Approval of annual financial statement for the year 2007
4.Appropriation of Company´s profit (loss) of the year 2007
5.Buy-back of own shares
6.Election of Management Board member

II.Proposed projects for meeting decisions

1.The annual report on the company´s activities for the year 2007 Suggestion: To approve the annual report on the company´s activities for the year 2007
2.Audit connclusion regarding the financial statement for the year 2007 Suggestion: To reccomend shareholders to consider audit conclusion whil voting regarding approval of company´s financial statement for the year 2007.
3.Approval of annual financial statement for the year 2007 Suggestion: to approve annual financial statement for the year 2007
4.Appropriation of Company´s profit(loss) of the year 2007
Suggestion: to approve appropriation of profit(loss)
Retained earnings of the previous financial year at the end of reporting year 59 080 280 LTL (17 110 832 EUR)

Net profit for the year 2007 is - 2 975 738 LTL (-861 833 EUR)
Net profit (loss) for allocation at the end of financial year 56 104 542 LTL (16 248 998 EUR)
Shareholders contributions 0 LTL (0 EUR)
Transfers from reserves 34 087 600 LTL (9 872 451 EUR)
Profit for distribution 90 192 142 LTL (26 121 450 EUR
Allocation of profit:
Share of profit allocated to the statutory reserve 0 LTL (0 EUR)
Share of profit allocated to other reserves 4 512 300 LTL (1 306 852 EUR)
Of wich:
To charity, support 0 LTL(0 EUR)
To social, cultural needs 0 LTL (0 EUR)
Share of profit allocated to to dividends 0 LTL (0 EUR)
Share of profit allocated to bonuses for the Board members 0 LTL (0 EUR)
Share of profit allocated for buy-back of company´s own shares 0 LTL (0 EUR)
Share of profit allocated to investment reserve 4 512 300 LTL (1 306 52 EUR)
Retained earnings at the end of reporting year 85 679 842 LTL (24 814 597 EUR)
5.Regarding buy-back of company´s own shares
Suggestions: not to purchase own shares
6.Election of Management Board member
Suggestion: To elect Robertas Beržinskas as member of Company´s Management Board for the rest of functional period of the Board.

April 22, 2008, Presenting consolidated financial statements for the year 2007, auditors‘ report, confirmation of responsible persons and corrected Consolidated annual report.

April 25, 2008, The annual general meeting of shareholders held on April 25th in 2008 passed the following decision

1. To approve the annual report on the company´s activities for the year 2007
2. To take in to consideration for shareholders auditor‘s conclusion while voting regarding approval of company‘s financial statement for the year 2007.
3. To approve annual financial statement for the year 2007
4. To approve appropriation of profit (loss) for the year 2007

Retained earnings of the previous financial year at the end of reporting year 59 198 280 LTL (17 145 007 EUR)
Net profit for the year 2007 is - 3 093 738 LTL (-896 009 EUR)
Net profit (loss) for allocation at the end of financial year 56 104 542 LTL (16 248 998 EUR)
Shareholders contributions 0 LTL (0 EUR)
Transfers from reserves 34 087 600 LTL (9 872 451 EUR)
Profit for distribution 90 192 142 LTL (26 121 450 EUR
Allocation of profit:
Share of profit allocated to the statutory reserve 0 LTL (0 EUR)
Share of profit allocated to other reserves 4 512 300 LTL (1 306 852EUR)
Of wich:
To charity, support 0 LTL(0 EUR)
To social, cultural needs 0 LTL (0 EUR)
Share of profit allocated to to dividends 0 LTL (0 EUR)
Share of profit allocated to bonuses for the Board members 0 LTL (0 EUR)
Share of profit allocated for buy-back of company´s own shares 0 LTL(0EUR)
Share of profit allocated to investment reserve 4 512 300 LTL (1 306 852 EUR)
Retained earnings at the end of reporting year 85 679 842 LTL (24 814 597 EUR)

5. Not to purchase own shares
6. To elect Robertas Berzinskas as member of Company´s Management Board for the rest of functional period of the Board.

May 13, 2008, On May 12, 2008 the Management board of „Snaigė“ AB decided to convene the Extraordinary General Meeting of „Snaigė“ AB (code 249664610) shareholders on June 16, 2008 at 10:00 a.m. in the main meeting hall of the company premises at Pramonės str. 6, Alytus.

Registration starts at 9:30 a.m. and ends at 9:50 a.m.
Shareholders who at the end of the accounting day of the General Meeting of
Shareholders, i.e. June 9, 2008, will be on the shareholders' list of the Company, have a right to participate and vote at the General Meeting personally or by proxy, or represented by a person who have an agreement on a transfer of voting rights.
Shareholders attending the meeting must provide a personal identification document. Authorized representatives of the shareholders must additionally possess a proxy approved by the procedure prescribed by law.
On the agenda:
1) Increase of an authorized capital;
2) Changes in the Company's Statute;
3) Authorization.
Proposed projects on the Meeting decisions
1) Increase of an authorized capital
To increase the Company‘s authorized share capital by an additional contribution of LTL 4 000 000 (four million litas) from LTL 23 827 365 (twenty-three million, eight hundred and twenty-seven thousand, three hundred and sixty-five litas) to LTL 27 827 365 (twenty-seven million, eight hundred and twenty-seven thousand, three hundred and sixty-five litas), by issuing a new emission of 4 000 000 (four million) common registered shares with a nominal share value of LTL 1 (one litas). A price of newly issued shares is LTL 2.50 (two litas and fifty cents). Total sum of a new emission equals to LTL 10 000 000 (ten million litas).
Shares need to be subscribed and fully paid no later than by the 4th of July, 2008.
Shareholders of the Company have a priority right to subscribe to the new shares in a proportion of a nominal value of shares they already own on the date of this Meeting within 14 (fourteen) days after a manager of Juridical Persons Register officially publishes an offer to purchase new shares with a shareholder priority right. After this period and until the 4th of July, 2008 everyone interested can acquire the newly issued shares of the Company.
In the case when all the issued shares are not subscribed during the period of a subscription, authorized capital will be increased by an amount equal to the sum of nominal values of subscribed shares. In this case the Company‘s
Management Board must change the size of authorized capital and number of shares in the Company‘s Statute and present the Statute to a manager of Juridical Persons Register.
If during the period of a subscription more shares are subscribed than the amount to be issued, first of all they will be distributed to the Company‘s shareholders in a proportion to a nominal value of shares, which they own on the date of the Meeting, during which a decision to increase authorized capital by an additional contribution was taken. If there is no shareholder to subscribe for newly issued shares or if all shareholders together subscribe for shares less than the intended amount of shares to be issued, the rest of shares are distributed to other subscribed persons in proportion to subscribed number of shares.
2) Changes in Company‘s Statute
To change the Company‘s Statute and confirm its revision. The Statute is changed due to the increase of an authorized capital.
3) Authorization
To authorize (with the right of re-authorization) and obligate the Company‘s Managing Director to undersign the revision of the Company‘s Statute and present it to a manager of Juridical Persons Register, if

not provided otherwise in this report, as well as carry out all other actions connected with the fulfillment of decisions agreed during this Meeting.

May 20, 2008, In addition we present an audited financial statement of "Snaige" AB and newly revised audit conclusion concerning the annual report.

May 30, 2008, Financial consolidated unaudited accounts for the 1st quarter of 2008. AB "Snaigė" revenues increased by 7%

According to unaudited consolidated financial accounts AB „Snaige" during the first quarter of 2008 has reached revenues of 78 million LTL which was 5.4 m. LTL larger than during the first quarter of 2007 (during the first quarter of 2007 group‘s revenues amounted up to 72.6 m. LTL).

According to the director general of AB „Snaige" Gediminas Čeika, the main reason for growth during the 1st quarter of 2008 was increasing sales in Russia. „Sales in Russia are successfully increasing since the last quarter of 2006, and during the first three months of 2008 we have sold 40% more refrigerators in this market than during the same period last year" – informed G. Čeika.

During the 1st quarter of 2008 the group has incurred 7.9 m. LTL unaudited consolidated loss. According to the director general of AB "Snaige" G. Čeika, 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.

Despite incurred loss the director general of the group sees positive changes in the activities of the company: compared to the last quarter of 2007 consolidated loss has decreased by 3,6 m LTL, consolidated EBITDA loss has decreased from -5.5 m LTL to -1.2 m LTL.

„Despite the situation of the company is publicly valued skeptically, improving results of the company allows us to expects that 2008 will be much better year than 2007" - says G. Čeika.

June 16, 2008, Extraordinary general meeting of shareholders held on June 16th in 2008 passed the following decision:

1) Increase of an authorized capital

To increase the Company‘s authorized share capital by an additional contribution of LTL 4 000 000 (four million litas) from LTL 23 827 365 (twenty-three million, eight hundred and twenty-seven thousand, three hundred and sixty-five litas) to LTL 27 827 365 (twenty-seven million, eight hundred and twenty-seven thousand, three hundred and sixty-five litas), by issuing a new emission of 4 000 000 (four million) common registered shares with a nominal share value of LTL 1 (one litas). A price of newly issued shares is LTL 2.50 (two litas and fifty cents). Total sum of a new emission equals to LTL 10 000 000 (ten million litas).

Shares need to be subscribed and fully paid no later than by the 4th of July, 2008.

Shareholders of the Company have a priority right to subscribe to the new shares in a proportion of a nominal value of shares they already own on the date of this Meeting within 14 (fourteen) days after a manager of Juridical Persons Register officially publishes an offer to purchase new shares with a shareholder priority right. After this period and until the 4th of July, 2008 everyone interested can acquire the newly issued shares of the Company.

In the case when all the issued shares are not subscribed during the period of a subscription, authorized capital will be increased by an amount equal to the sum of nominal values of subscribed shares. In this case

the Company‘s Management Board must change the size of authorized capital and number of shares in the Company‘s Statute and present the Statute to a manager of Juridical Persons Register.
If during the period of a subscription more shares are subscribed than the amount to be issued, first of all they will be distributed to the Company‘s shareholders in a proportion to a nominal value of shares, which they own on the date of the Meeting, during which a decision to increase authorized capital by an additional contribution was taken. If there is no shareholder to subscribe for newly issued shares or if all shareholders together subscribe for shares less than the intended amount of shares to be issued, the rest of shares are distributed to other subscribed persons in proportion to subscribed number of shares.
2) Changes in Company‘s Statute
To change the Company‘s Statute and confirm its revision. The Statute is changed due to the increase of an authorized capital.
3) Authorization
To authorize (with the right of re-authorization) and obligate the Company‘s Managing Director to undersign the revision of the Company‘s Statute and present it to a manager of Juridical Persons Register, if not provided otherwise in this report, as well as carry out all other actions connected with the fulfillment of decisions agreed during this Meeting.

June 20, 2008, Management Board of "Snaigė" by agreement on June 19, 2008 decided to convene the Extraordinary General Meeting of „Snaigė" AB (code 249664610) shareholders on July 21, 2008 at 10:00 a.m. in the main meeting hall of the company premises at Pramonės str. 6, Alytus.

Registration starts at 9:30 a.m. and ends at 9:50 a.m.
Shareholders who at the end of the accounting day of the General Meeting of Shareholders, i.e. June 14, 2008, will be on the shareholders' list of the Company, have a right to participate and vote at the General Meeting personally or by proxy, or represented by a person who have an agreement on a transfer of voting rights.
Shareholders attending the meeting must provide a personal identification document. Authorized representatives of the shareholders must additionally possess a proxy approved by the procedure prescribed by law.
On the agenda:
1) Cancellation of decisions of General Meeting of Shareholders
2) Increase of an authorized capital;
3) Changes in the Company's Statute;
4) Authorization.
Proposed projects on the Meeting decisions
1) Cancellation of decisions from General Meeting of Shareholders To cancel all decisions regarding increase of an authorized capital, conducted during Extraordinary General Meeting of Shareholders on June 16, 2008.
2) Increase of an authorized capital
To increase the Company‘s authorized share capital by an additional contribution of LTL 4 000 000 (four million litas) from LTL 23 827 365 (twenty-three million, eight hundred and twenty-seven thousand, three hundred and sixty-five litas) to LTL 27 827 365 (twenty-seven million, eight hundred and twenty-seven thousand, three hundred and sixty-five litas), by issuing a new emission of 4 000 000 (four million) common registered shares with a nominal share value of LTL 1 (one litas). A price of newly issued shares is LTL 2.50 (two litas and fifty cents). Total sum of a new emission equals to LTL 10 000 000 (ten million litas).
Shares need to be subscribed and fully paid no later than within 21 (twenty-one) day after confirmation of the prospectus or when a manager of Juridical Persons Register officially bublishes an offer to purchase new shares with a shareholder priority right, depending on which date is later.
Shareholders of the Company have a priority right to subscribe to the new shares in a proportion of a nominal value of shares they already own on the date of this Meeting within 14 (fourteen) days after confirmation of the prospectus or when a manager of Juridical Persons Register officially publishes an offer

to purchase new shares with a shareholder priority right, depending on which date is later. After this period everyone interested can acquire the newly issued shares of the Company.
In the case when not all issued shares are subscribed during the period of a subscription, authorized capital will be increased by an amount equal to the sum of nominal values of subscribed shares. In this case the Company‘s
Management Board must change the size of authorized capital and number of shares in the Company‘s Statute and present the Statute to a manager of Juridical Persons Register.
If during the period of a subscription more shares are subscribed than the amount to be issued, first of all they will be distributed to the Company‘s shareholders in a proportion to a nominal value of shares, which they own on the date of the Meeting, during which a decision to increase authorized capital by an additional contribution was taken. If there is no shareholder to subscribe for newly issued shares or if all shareholders together subscribe for shares less than the intended amount of shares to be issued, the rest of shares are distributed to other subscribed persons in proportion to subscribed number of shares.
3) Changes in Company‘s Statute
To change the Company‘s Statute and confirm its revision. The Statute is changed due to the increase of an authorized capital.
4) Authorization
To authorize (with the right of re-authorization) and obligate the Company‘s Managing Director to undersign the revision of the Company‘s Statute and present it to a manager of Juridical Persons Register, if not provided otherwise in this report, as well as carry out all other actions connected with the fulfillment of decisions agreed during this Meeting.

July 2, 2008, Management Board of “Snaigė” by agreement on July 1, 2008 decided:

1. In order to strengthen the shareholder equity base of subsidiary company OOO “Technprominvest (Kaliningrad, Russian Federation) it was decided to increase the authorized capital of OOO „Techprominvest“(Kaliningrad,,RF), by capitalizing 22 400 596,25 Litas debt for long term assets (machinery/equipment) sold by Joinstock Company „Snaige“ to OOO „Techprominvest“ and by capitalizing OOO „Techprominvest“ debt of total amount of 32 757 324,75 which was provided by Joinstock Company „Snaige“. The total amount of capitalization is 55 197 921 Litas (Fifty-five million, one hundred and ninety-seven thousand, nine hundred and twenty-one Litas).

2.It was decided to authorize, with the right of re-authorization, Company's Managing Director Gediminas Ceika to sign all documents regarding AB“ Snaige“- as the only stockholder- decision to increase the authorized capital of OOO „Techprominvest“.

July 10, 2008, By the decision of Management Board of AB „Snaigė“ it was decided to supplement the agenda of Extraordinary Shareholders Meeting, scheduled on 21st of July, 2008, with the point of „The election of Auditing company“. The project of decision : Managament Board suggests to approve the contract with UAB „ Ernst&Young Baltic“ for the audit of AB „ Snaigė“ annual financial statement and consolidated statement for the year of 2008-2009.

July 21, 2008, Extraordinary general meeting of shareholders held on July 21th in 2008 passed the following decision:

1) Cancellation of decisions from General Meeting of Shareholders To cancel all decisions regarding increase of an authorized capital, conducted during Extraordinary General Meeting of Shareholders on June 16, 2008.
2) Increase of an authorized capital
To increase the Company‘s authorized share capital by an additional contribution of LTL 4 000 000 (four million litas) from LTL 23 827 365 (twenty-three million, eight hundred and twenty-seven thousand, three

hundred and sixty-five litas) to LTL 27 827 365 (twenty-seven million, eight hundred and twenty-seven thousand, three hundred and sixty-five litas), by issuing a new emission of 4 000 000 (four million) common registered shares with a nominal share value of LTL 1 (one litas). A price of newly issued shares is LTL 2.50 (two litas and fifty cents). Total sum of a new emission equals to LTL 10 000 000 (ten million litas).

Shares need to be subscribed and fully paid no later than within 21 (twenty-one) day after confirmation of the prospectus or when a manager of Juridical Persons Register officially bublishes an offer to purchase new shares with a shareholder priority right, depending on which date is later.

Shareholders of the Company have a priority right to subscribe to the new shares in a proportion of a nominal value of shares they already own on the date of this Meeting within 14 (fourteen) days after confirmation of the prospectus or when a manager of Juridical Persons Register officially publishes an offer to purchase new shares with a shareholder priority right, depending on which date is later. After this period everyone interested can acquire the newly issued shares of the Company.

In the case when not all issued shares are subscribed during the period of a subscription, authorized capital will be increased by an amount equal to the sum of nominal values of subscribed shares. In this case the Company‘s

Management Board must change the size of authorized capital and number of shares in the Company‘s Statute and present the Statute to a manager of Juridical Persons Register.

If during the period of a subscription more shares are subscribed than the amount to be issued, first of all they will be distributed to the Company‘s shareholders in a proportion to a nominal value of shares, which they own on the date of the Meeting, during which a decision to increase authorized capital by an additional contribution was taken. If there is no shareholder to subscribe for newly issued shares or if all shareholders together subscribe for shares less than the intended amount of shares to be issued, the rest of shares are distributed to other subscribed persons in proportion to subscribed number of shares.

3) Changes in Company‘s Statute

To change the Company‘s Statute and confirm its revision. The Statute is changed due to the increase of an authorized capital.

4) Authorization

To authorize (with the right of re-authorization) and obligate the Company‘s Managing Director to undersign the revision of the Company‘s Statute and present it to a manager of Juridical Persons Register, if not provided otherwise in this report, as well as carry out all other actions connected with the fulfillment of decisions agreed during this Meeting.

5) The election of Auditing company.

To elect "Ernst & Young Baltic" for auditing AB "Snaige" annual financial statement and consolidated financial statement for the year 2008-2009 and to determine the payment of LTL 263.000 (two hundred and sixty-three thousand,) VAT excluded, for the audit services.

To authorize Company´s Managing Director to undersign, ascertaining the right to transfer the trust, the audit service contract with the audit company, and to establish other contractual terms individually.

August 8, 2008, Lithuanian Securities commission, on 7 August 2008 has approved the Prospectus of 4 000 000 ordinary shares issue of AB „Snaige“.

The main information about the issued shares:

- Name of the securities issued: Ordinary shares of AB „Snaigė“
- Number of issued shares: 4 000 000 units
- Subscription price of one share: 2.50 LTL
- Nominal value of the whole issue: 4 000 000 LTL
- Subscription period: 8 August 2008 - 27 August 2008
- Validity of preemptive right for the shareholders to subscribe shares: 8 august 2008 - 21 August 2008.

The shareholder so AB „Snaige“ have a preemptive right to acquire the issued shares during the first 14 days of the subscription period (8 august 2008 – 21 August 2008) proportionally to the number of AB

„Snaige“ shares they owned on the rights record day (4 August 2008) of the general shareholder meeting of 21 July 2008. During the remaining subscription period (22 August 2008 - 28 August 2008) all the other interested investors will have a right to acquire the issued shares.
Investors can sign the shares subscription agreement during the subscription period at the headquarters of UAB FMĮ „Orion securities“, A.Tumėno str.4B (9 floor), LT - 01109, Vilnius during the weekdays from 8.30 am to 5.30 pm.

August 14, 2008, Snaigė“ AB , by unaudited consolidated data, reached revenue of LTL 169 million (EUR 49 million) in the first half of 2008, that is 6% lower than last year, when unaudited consolidated revenue was LTL 180.4 million (EUR 52.25 million).

According to Gediminas Čeika, the Managing Director of AB “Snaigė“, the decreace of first half of 2008 was influenced by economic slowdown in some of company´s strategic trade markets. „We and our clients felt changing consumer behavior through the entire first half of the year: due to growing inflation and economic instability, consumer mainly refuses and postpones the purchase of large home appliance for better times,“-says G. Čeika.
“Snaigė“ AB escaped sales slowdown in some Western European countries and Russia. Revenues grew 6% in Russian market. Company had unaudited consolidated net loss of LTL 8.6 milllion (EUR 2.5 million) in the first half of 2008. According to G. Čeika, the General Manager, the loss in the first half of the year was influenced not only by declined sales but also by increased raw material costs and expensive loans for operating capital. Company also had losses due to fluctuating dollar rates. This loss was acquired from Kaliningrad factory in Russia controled by AB “Snaigė“, and where there are no financial instruments to insure oneself against the losses from currency fluctuations.
Company had a net loss of LTL 1.26 million (EUR 0.36 million) in the last year's first half.
By the consolidated unaudited statement, AB “Snaigė“ EBITDA was LTL 4.4 million (EUR 1.3 million) in the first half of 2008, compared to LTL 11 million (EUR 3.2 million) in the first half of 2007. ”During the second quarter this year we reached 1,6 times larger EBITDA than during the first quarter. That shows positive indicators of direct activities of the company”,- says Gediminas Čeika

16. Court and arbitrage processes

There is an undergoing arbitrage in France, where expectations are that AB „Snaigė“ refrigerator has caused fire. The damaged is calculated around 118 000 Euro.

AB „SNAIGĖ“

Semi-annual consolidated financial accounts for year 2008

CONTENTS

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 Business Accounting Standards of Lithuania and the International Accounting Standards.

1. Accounting Balance Sheet (in LTL)

Ref. No.	Items	**2008 06 30**	**2007 12 31**
A.	**Fixed assets**	**110 080 796**	**119 258 923**
I.	FORMATION COSTS		
II.	INTANGIBLE ASSETS	17 137 417	17 451 146
III.	FIXED TANGIBLE ASSETS	87 874 687	97 925 574
III.1.	Land		
III.2.	Buildings	35 393 008	36 663 254
III.3.	Other fixed tangible assets	50 061 431	58 968 702
III.4.	Construction in progress and advance payments	2 420 248	2 293 618
IV.	FIXED FINANCIAL ASSETS		
V.	Deferred taxes assets	5 068 692	3 882 203
VI.	ACCOUNTS RECEIVABLE AFTER ONE YEAR		
B.	**Current assets**	**160 431 789**	**126 254 156**
I.	INVENTORY AND CONTRACTS IN PROGRESS	86 447 615	63 184 898
1.1.	Inventory	86 447 615	63 184 898
1.2.	Advance payments		
1.3.	Contracts in progress		
II.	ACCOUNTS RECEIVABLE WITHIN ONE YEAR	63 860 446	53 530 858
III.	INVESTMENTS AND TERM DEPOSITS		
IV.	CASH AT BANK AND ON HAND	2 927 275	3 984 560
V.	Other current assets	7 196 453	5 553 840
	TOTAL ASSETS	**270 512 585**	**245 513 079**

Ref. No.	Shareholders' equity and liabilities	2008 06 30	2007 12 31
A.	**Capital and reserves**	**82 664 994**	**91 518 241**
I.	SHARE CAPITAL	36 554 635	36 554 635
1.1.	Authorized (subscribed) share capital	23 827 365	23 827 365
1.2.	Uncalled share capital (-)		
II.	SHARE PREMIUM (surplus of nominal value)	12 727 270	12 727 270
	Own shares (-)		
III.	REVALUATION RESERVE	-919 488	-903 947
IV.	RESERVES	6 911 305	36 486 171
V.	PROFIT (LOSS) BROUGHT FORWARD	40 118 542	19 381 382
B	**Minority interest**	**3 465**	**3 913**
C	**Financing (grants and subsidies)**	**2 456 343**	**3 014 916**
D	**Provisions and deferred taxes**		**0**
I.	PROVISIONS FOR COVERING LIABILITIES AND DEMANDS		
II.	DEFERRED TAXES		
E	**Accounts payable and liabilities**	**185 387 783**	**150 976 009**
I.	ACCOUNTS PAYABLE AFTER ONE YEAR AND NON-CURRENT LIABILITIES	59 550 382	23 029 025
I.1.	Financial debts	56 604 440	20 841 891
I.2.	Trade creditors		
I.3.	Advances received on contracts in progress		
I.4.	Other accounts payable and non-current liabilities	2 945 942	2 187 134
II.	ACCOUNTS PAYABLE WITHIN ONE YEAR AND CURRENT LIABILITIES	125 837 401	127 946 984
II.1.	Current portion of non-current debts	35 539 346	32 758 823
II.2.	Financial debts		
II.3.	Trade creditors	74 129 865	82 319 881
II.4.	Advances received on contracts in progress	311 250	442 023
II.5.	Taxes, remuneration and social security payable	6 171 713	6 508 857
II.6.	Other accounts payable and current liabilities	9 685 227	5 917 400
II.7	Fair value of derivative financial instruments		
F	**Accrued expenses and deferred income**		
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**270 512 585**	**245 513 079**

2. Profit (Loss) account (in LTL)

Ref. No.	Items	2008 06 30	2008 04 01-2008 06 30	2007 06 30	2007 04 01-2007 06 30
I.	**SALES INCOME**	**168 377 347**	**90 390 824**	**178 978 213**	**106 377 309**
II.1	Income of goods and other products sold	6 358 270	3 776 516	7 909 719	4 164 404
II.2	Income of refrigerators sold	162 019 077	86 614 308	171 068 494	102 212 905
II.	**COST OF GOODS SOLD**	**148 455 766**	**79 724 871**	**155 520 076**	**92 191 494**
II.1	Net cost of goods and other products sold	5 132 007	2 823 533	6 285 825	3 142 844
II.2	Net cost of refrigerators sold	143 323 759	76 901 338	149 234 251	89 048 650
III.	**GROSS PROFIT (LOSS)**	**19 921 581**	**10 665 953**	**23 458 137**	**14 185 815**
IV.	**OPERATING EXPENSES**	**24 358 164**	**11 029 907**	**22 561 298**	**11 311 084**
IV.1	Sales expenses	12 023 622	6 671 072	10 386 218	5 125 794
IV.2	General and administrative expenses	12 334 542	4 358 835	12 175 080	6 185 290
V.	**PROFIT (LOSS) FROM TYPICAL ACTIVITIES**	**-4 436 583**	**-363 954**	**896 839**	**2 874 731**
VI.	**OTHER ACTIVITY**	**233 585**	**-382 265**	**330 272**	**95 015**
VI.1.	Income	938 677	-156 302	1 417 622	675 465
VI.2.	Expenses	705 092	225 963	1 087 350	580 450
VII.	**FINANCIAL AND INVESTING ACTIVITIES**	**-5 628 245**	**-1 213 587**	**-2 107 233**	**-1 283 205**
VII.1.	Income	4 859 107	2 935 681	5 459 939	2 657 586
VII.2.	Expenses	10 487 352	4 149 268	7 567 172	3 940 791
VIII.	**PROFIT (LOSS) FROM ORDINARY ACTIVITIES**	**-9 831 243**	**-1 959 806**	**-880 122**	**1 686 541**
IX.	EXTRAORDINARY GAIN				
X.	EXTRAORDINARY LOSS				
XI.	**PROFIT (LOSS) BEFORE TAXES**	**-9 831 243**	**-1 959 806**	**-880 122**	**1 686 541**
XII.	**TAXES**	**1 231 432**	**1 231 432**	**0**	**0**
XII.1.	Profit tax	39 244	39 244		
XII.2.	Adjustment of deferred profit tax	1 270 676	1 270 676		
XII.3	Social tax				
XIII.	Minority interest	448	3 747		
XIII.	**NET PROFIT (LOSS)**	**-8 599 363**	**-724 627**	**-880 122**	**1 686 541**

3. Cash Flows Statement (in LTL)

Ref. No.	Items	2008 06 30	2007 06 30
I.	**Cash flows from the key operations**		
I.1	Operating result before taxes	(9 831 243)	(880 122)
I.2	Depreciation and amortization expenses	11 343 206	10 151 514
I.3	Subsidies amortization	(558 574)	(588 038)
I.4	Return from sales of fixed assets	(63 369)	(88 853)
I.5	Fixed assets written-off	663	21 506
I.6	Write-off of inventory		
I.7	Devaluation of trade receivables		
I.8	Unrealized loss of future currency transactions	(354 683)	
I.9	Change in provisions for warranty repair services	62 219	724 243
I.10	Recovery of devaluation of trade receivables		
I.11	Influence of foreign currency exchange rate change	3 167 453	206 478
I.10	Financial income	(16 120)	(8 658)
I.11	Financial expenses	1 705 680	1 713 825
	Cash flows from operating activities against change in circulating assets	**5 455 232**	**11 458 373**
II.1.	Change (increase) in trade receivables and other debts	(12 247 948)	(7 768 079)
II.2.	Change (increase) in inventory	(23 262 717)	(5 930 457)
II.3.	Change (decrease) in trade payables and other debts to suppliers	(4 896 126)	5 432 489
	Cash flows from ordinary activities	**(34 951 559)**	**3 192 326**
III.1.	Interest received		8 658
III.2.	Interest paid	(1 705 680)	(1 713 825)
III.3.	Profit tax paid	(1 052 496)	(1 949 642)
	Cash flows from operating activities, at net book value	**(37 709 735)**	**(462 483)**
IV.	**Cash flows from the investing activities**		
IV.1.	Acquisition of fixed tangible assets	(1 225 394)	(4 602 872)
IV.2.	Capitalization of fixed intangible assets	(823 999)	(96 048)
IV.3.	Inflows from sales of fixed assets	158 773	2 351 777
IV.4.	Loans granted		
IV.5.	Loans regained		
	Net cash flows from the investing activities	**(1 890 620)**	**(2 347 143)**
No.	**Items**	**2008 06 30**	**2007 06 30**
III.	**Cash flows from the financial activities**	38 543 070	(19 309 383)
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
III.2.1	Subsidies received		345 280

III.2.1.1	Inflows from non-current loans	42 806 182	92 669 623
III.2.1.2	Loans repaid	(21 314 231)	(90 699 374)
III.2.2	Leasing received		
III.2.2.1	Payments of leasing liabilities	(424 121)	(1 356 410)
III.3.	Other decreases in the cash flows from financial activities	17 475 240	(535 143)
	Cash flows from financing activities, at net book value	**38 543 070**	**423 976**
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.	**Cash flows from ordinary activities, investments and financing activities, at net book value**	**(1 057 285)**	**(2 385 650)**
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**	**2 927 275**	**2 212 952**

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				
Recalculated 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**		**-986 705**	**38 043 120**	**93 007 483**	**7 368**	**93 014 851**
Dividends for 2007												**0**		**0**
Total registered income and expenses as of 2007										-164 495	-1 255 680	**-1 420 175**	**58 332**	**-1 361 843**
Formed reserves					10 000 000	90 000	350 000	23 647 600			-34 087 600	**0**		**0**
Transfers from reserves					-10 000 000	-151 000	-410 000	-16 338 000	0		26 899 000	**0**	**0**	**0**
Repurchase of own shares during the financial years												**0**		**0**
Sale of own shares during the financial years												**0**		**0**
Net profit / loss of the reporting period (2007												**0**		**0**
Appropriated profit of the minority shareholders for covering previous losses, which have been defrayed by the major shareholders												**0**		**0**
Other changes	756 960	9 083 520										**9 840 480**		**9 840 480**
2007-06-30 profit not registered in the Profit (Loss) account											61 774	**61 774**	**-61 774**	**0**
Balance as of June 30, 2007	**23 827 365**	**12 727 270**	**0**	**2 337 913**	**10 000 000**	**90 000**	**350 000**	**23 647 600**	0	**-1 151 200**	**29 660 614**	**101 489 562**	**3 926**	**101 493 488**
Dividends for 2007												**0**		**0**
Total registered income and expenses as of 2007						0	0				-10 156 800	**-10 156 800**	**-13**	**-10 156 813**
Formed reserves				60 658	0						-60 658	**0**		**0**
Repurchase of own shares during the financial years												**0**		**0**
Sale of own shares during the financial years												**0**		**0**

Net profit / loss of the reporting period (2007												**0**		**0**
Appropriated profit of the minority shareholders for covering previous losses, which have been defrayed by the major shareholders											-	**0**		**0**
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												**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**	**23 647 600**	0	**-903 947**	**19 381 382**	**91 518 241**	**3 913**	**91 522 154**
Total registered income and expenses as of 2008											-8 599 363	**-8 599 363**	**-448**	**-8 599 811**
Dividends for 2008												**0**	**0**	**0**
Formed reserves								4 512 300	0		-4 512 300	**0**	**0**	**0**
Transfers from reserves					-10 000 000	-90 000	-350 000	-23 647 600	0		34 087 600	**0**	**0**	**0**
Repurchase of own shares during the financial year											0	**0**	**0**	**0**
Sale of own shares during financial year												**0**		**0**
Appropriated profit of the minority shareholders for covering previous losses, which have been defrayed by the major shareholders														**0**
Other changes				434						-15 541		**-15 107**		**-15 107**
Current year profit not registered in the Profit (Loss) account											-238 777	**-238 777**		**-238 777**
Balance as of June 30, 2008	**23 827 365**	12 727 270	0	2 399 005	0	0	0	4 512 300	0	-919 488	40 118 542	**82 664 995**	**3 465**	**82 668 460**

II. EXPLANATORY NOTE

1. Basic information

Public Limited company „Snaigė“ (Company) is registered in the Republic of Lithuanian. Company is located at Pramonės st. 6, Alytus, Lithuania.

Company is active manufacturer of refrigerators and freezers. 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. Company’s shares are listed on Vilnius Stock Exchange Main List.

Main shareholders of AB „Snaigė“ as of June 30, 2008 and December 31, 2007 were:

	June 30, 2008		December 31, 2007	
	Number of shares owned	**Share of total capital, %**	**Number of shares owned**	**Share of total capital, %**
UAB Survesta	5 138 140	21,56	4 935 810	20,71
Hansabank Clients	10 263 369	43,07	11 291 650	47,39
Skandinaviska Enskilda Banken Clients	3 491 647	14,65	2 537 131	10,65
SSBT AS Custodian For Eterrity Limited	808 000	3,39	808 000	3,39
Skandinaviska Enskilda Banken AB Finnish Clients	823 662	3,46	796 162	3,34
Kiti akcininkai	3 302 547	13,87	3 458 612	14,52
Total	23 827 365	100,00	23 827 365	100,00

All the shares (with nominal value 1Lt per share), are ordinary and were fully paid as for June 30, 2008 and December 31, 2007. Authorized share capital as of June 30, 2008 is equal to 23 827 365 Lt. Subsidiaries did not have any shares of AB „Snaigė“ as of June 31, 2008 and December 31, 2007. Company did not have any of their own shares.

Group consists of AB “Snaigė “ and its subsidiaries and associated companies (hereinafter – Group):

Company	Company address	Share capital owned by Group, %	Investment value, LTL.	Current period profit (loss), LTL.	Main activity
OOO „Techprominvest“	Bolšaja Okrūžnaja, 1-a, Kaliningrad	100	12 648 840	(4 829 240)	Manufacturing and trade of refrigerators and freezers
TOB „Snaige Ukraina“	Gruševskio 28-2a/43, Kiev	99	88 875	6 434	Trade, consulting, service
OOO „Moroz Trade“	Prospekt Mira 52, Moscow	100	947	(130 641)	Trade and marketing services
OOO „Liga Servis“	Prospekt Mira 52, Moscow	100	1 028	147 158	Trade, marketing, logistics
UAB Almecha	Pramonės 6, Alytus	100	1 375 785	(302 437)	Manufacturing of machinery equipment

As of 30 June, 2008 Company’s board consisted of 5 members, one of whom is an employee of Company.

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, Pramones str. 6.
The Company has established 5 subsidiary enterprises, as of 2008-06-30, including:

"Techprominvest"- Refrigerator manufacturing company situated in Kaliningrad, at 4 Balshaja Okruzhnaja, 1-a. 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.
"Snaige-Ukraine" - Sales company with 99 % of controlled portfolio amounting to 88 875 LTL, situated in Kiev, at Grushevski str. 28-2a / 43. The company was acquired for increasing the sales of the products of AB "Snaigė" in Ukraine.
***"Moroz Trade"* -** Sales company with 100 % of controlled portfolio amounting to 947 LTL, situated in Moscow, at prospekt Mira 52. The goal of this company is sales of refrigerators produced by OOO "Techprominvest" in Russian Federation.
"Liga – Servis" - Sales company with 100 % of controlled portfolio amounting to 1 028 LTL, situated in Moscow, at prospekt Mira 52. The goal of this company is the expansion of sales network and sales of refrigerators produced by OOO "Techprominvest" in Russian Federation.
UAB „Almecha" - manufacturing company 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 1 375 785 LTL.

The number of employees in the Group as of 30 June, 2008 was 2 367 (while on 31 December, 2007 – 2 479)

2. Accounting priciples

The main accounting principles used in preparation of Group's financial accounts as of 30 June, 2008:

2.1. Preparation basis of financial statements

These financial statements are prepared are prepared according to international financial reporting standards (IFRS), which are accepted in the European Union countries.

2.2. Currency of financial statements

Accounting of the Group is done using the domestic currency of the Country, and all the sums of these financial accounts are expressed in the national currency of the Republic of Lithuania, Litas (Lt).

From 2 February, 2002 Litas is pegged with Euro at a rate 3.4528 Lt for 1 Euro, and the exchange rate with other currencies is decided by the central bank of the Republic of Lithuania every day.

The valid currency exchange rates were:

	2008-06-30	2007-12-31
Russian Rouble	0.093536	0.096085
Ukrainian Hryvna	0.47925	0.46649
US Dollar	2.1938	2.3572

2.3. Principles of consolidation

Consolidated financial statements of the Group include AB "Snaigė" and its controlled subsidiaries and associated companies. This control is normally evidenced when the Group owns, either directly or indirectly, more than 50 percent of the voting rights of a company's share capital and/or is able to govern the financial and operating policies of an enterprise so as to benefit from its activities. The equity and net income attributable to minority shareholders' interests are shown separately in the consolidated balance sheet and consolidated income statement.

The purchase method of accounting is used for acquired businesses. The Company accounts for the acquired identifiable assets and liabilities of another company at their fair value at acquisition date. The difference of the acquired minority interest value in the Group's financial statements and cots of shares is accounted for as goodwill.

Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity. Acquisitions of minority interests are accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired is recognized as goodwill.

2.4. Intangible assets, except for goodwill

Intangible assets are recognized if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of asset can be measured reliably. After initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets are amortized on a straight-line basis over their estimated useful lives (3 years).

The useful lives, residual values and amortization method are reviewed annually to ensure that they are consistent with the expected pattern of economic benefits from items in intangible assets other than goodwill.

Research and development

The cost of research expensed during the objective for new technological improvements, are accounted in the profit (loss) account at the moment when they were expensed.

Expenses form the development activities of creation of new or enhanced products and operational processes are capitalized if the product or the process is technically and commercially proven and the Group has enough resources and intentions to finish the creation of this product or process. Capitalized expenses include raw material and direct work expenses as well as respective additional expenses, Capitalized development expenses is accounted at their cost subtracting the accumulated depreciation. Capitalized product creation expenses are being amortized as soon as product creation works are finished and their results can be used in commercial production. Capitalized product creation expenses will be amortized over the period when the economic benefit is received. The amortization period applied varies from 1 to 4 years.

Licenses

Amounts paid for licenses are capitalized and then amortized over their validity period.

Software

The costs of acquisition of new software are capitalized and treated as an intangible asset if these costs are not an integral part of the related hardware. Software is amortized over a period not exceeding 3 years.

Costs incurred in order to restore or maintain the future economic benefits that the Group expects from the originally assessed standard of performance of existing software systems are recognized as an expense when the restoration or maintenance work is carried out.

2.5. Property, plant and equipment

Property, plant and equipment, excluding construction in progress, are stated at historical cost, less accumulated depreciation and impairment loss. Property, plant and equipment are assets that are controlled by the Group, which is expected to generate economic benefits in the future periods with the useful life exceeding one year, and which acquisition (manufacturing) costs could be reliably defined and is higher then LTL 500.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the income statement.

The initial cost of property, plant and equipment comprises its purchase price, including non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property, plant and equipment have been put into operation, such as repair and maintenance costs, are normally charged to the income statement in the period the costs are incurred.

Depreciation is computed on a straight-line basis over the following estimated useful lives:

Buildings and structures (excluding commercial buildings)	15 - 63 years
Machinery and equipment	5 - 10 years
Vehicles	6 - 7 years
Other non-current assets	3 - 8 years

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

Construction in progress is stated at cost less accumulated impairment. This includes the cost of construction, plant and equipment and other directly attributable costs. Construction in progress is not depreciated until the relevant assets are completed and put into operation.

2.6. Inventories

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

Inventories in transit are accounted for in accordance with INCOTERMS.

2.7. Receivables and loans granted

Receivables are initially recorded at the fair value of the consideration given. Receivables and loans granted are subsequently carried at amortized cost, less impairment.

2.8. Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits at current accounts, and other short-term highly liquid investments and bank overdrafts.

2.9. Borrowings

Borrowing costs are expensed as incurred.

Borrowings are initially recognized at fair value of proceeds received. They are subsequently carried at amortized cost, the difference between net proceeds and redemption value being recognized in the net profit or loss over the period of the borrowings. The borrowings are classified as non-current if the completion of a refinancing agreement before authorization of the financial statements for issue provides evidence that the substance of the liability at the balance sheet date was non-current.

Borrowings are classified as current, if the Group does not comply with the provisions of the financing agreement that provide the creditor with a possibility to demand early repayment.

2.10. Factoring

Factoring transaction is a funding transaction wherein the company transfers to factor claim rights for determined fee. The companies alienate rights to receivables due at a future date according to invoices. Factoring transactions of the Group comprise factoring transactions with regress (recourse) right (the factor is entitled to returning the overdue claim back to the Group) and without regress (recourse) right (the factor is not entitled to returning the overdue claim back to the Group). The factoring expenses comprise a lump-sum contract fee charged on the conclusion of the contract, commission fees charged for processing the invoices, and interest expenses depending on the duration on the payment term set by the debtor. Factored accounts receivable (with regress right) and related financing are recorded in accounts receivable caption and liabilities to credit institutions caption in the financial statements.

2.11. Financial lease and operating lease

Financial lease – the Group as lessor

The Group recognizes financial lease receivables in the balance sheet on the inception day of the lease period, and they equal to the net investment in the lease. Financing income is based on the constant periodical interest rate calculated on the net investment balance. The initial direct expenses are included upon assessment of receivables at the time of initial recognition.

Operating lease – the Group as lessee

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

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

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

Operating lease – the Group as lessor

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

2.12. Grants and subsidies
Grants and subsidies received in the form of non-current assets or intended for the purchase, construction or other acquisition of non-current assets are considered as asset-related grants. Assets received free of charge are also allocated to this group of grants. The amount of the grants related to assets is recognized in the financial statements as used in parts according to the depreciation of the assets associated with this grant. In the income statement, a relevant expense account is reduced by the amount of grant amortization.

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

The balance of unutilized grants is shown in the balance sheet caption "Grants and subsidies (deferred income)".

2.13. Provisions
Provisions are recognized when the Group or the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The provisions are reviewed at each balance sheet date and adjusted in order to present the most reasonable current estimate. If the effect of the time value of money is material, the amount of provision is equal to the present value of the expenses, which are expected to be incurred to settle the liability. Were discounting is used, the increase in the provision due to the passage of time is recognized as an interest.

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

Revenue from sales of goods is recognized when delivery has taken place and transfer of risks and rewards has been completed. Revenue from services is recognized when services are rendered. Interest income is recognized on accrual basis (using the effective interest rate).

Sales among the Group's companies are eliminated in the consolidated profit (loss) account

2.15. Expense recognition
Expenses are recognized on the basis of accrual and revenue and expense matching principles in the reporting period when the income related to these expenses was earned, irrespective of the time the money was spent. In those cases when the costs incurred cannot be directly attributed to the specific income and they will not bring income during the future periods, they are expensed as incurred.

The amount of expenses is usually accounted as the amount paid or due to be paid, excluding VAT. In those cases when long period of payment is established and the interest is not distinguished, the amount of expenses shall be estimated by discounting the amount of payment using the market interest rate.

2.16. Foreign currencies
Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies on the balance sheet date are recognized in the income statement. Such balances are translated at period-end exchange rates.
The accounting of subsidiaries is arranged in respective local currencies, which is their functional currency. Financial statements of foreign consolidated subsidiaries are translated to Litas at year-end exchange rates

in respect to the balance sheet accounts, and at the average exchange rates for the year in respect to the accounts of the statement of income. The exchange differences arising on the translation are taken directly to equity. Upon disposal of the corresponding assets, the cumulative revaluation of translation reserves is recognized as income or expenses in the same period when the gain or loss on disposal is recognized.
Goodwill and fair value adjustments arising on the acquisition of a foreign subsidiary are treated as assets (or liabilities related to fair value adjustments) of the acquired company and are recorded at the exchange rate at the balance sheet date.

2.17. Segments
Business segment is considered component of the Group participating in production of an individual product or provision of a service or a group of related products or services, the risk and returns whereof are different from other business segments.

Geographical segment is considered component of the Group participating in production of an individual product or provision of a service or a group of related products or services, in particular economic environment the risk and returns whereof are different from other economic environments.

For the management purpose Group's activities is organized as one main segment – manufacturing of refrigerators. Financial information about the business and geographical segments is represented in 3rd note of these financial statements.

2.18. Subsequent events
Post-balance sheet events that provide additional information about the Group's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post-balance sheet events that are not adjusting events are disclosed in the notes when material.

2.19. Offsetting and comparative figures
When preparing the financial statements, assets and liabilities, as well as revenue and expenses are not set off, except the cases when certain Standard specifically requires such set-off.
Where necessary, comparative figures have been adjusted to correspond to the presentation of the current year.

3. Segment information
The Group's only business segment (basis for primary reporting format) is the manufacturing of refrigerators and specialized equipment. Segment information is presented in respect of the Group's geographical segments (secondary reporting format).
Results for the reporting period and year ended 31 December 2007 by geographical segments can be specified as follows:

	Sales		Assets	
Group	**2008-06-30**	**2007-06-30**	**2008-06-30**	**2007-06-30**
Russia	54 852	56 806	97 301	8 877
Ukraine	36 810	38 826	400	644
Western Europe	43 733	37 950	-	-
Eastern Europe	18 251	24 183	-	-
Lithuania	6 861	9 108	172 812	182 092
Baltic Countries	2 167	5 197	-	-
Other countries from NVS	3 990	6 908	-	-
Other countries	1 713	-	-	-
Total	168 377	178 978	270 513	191 613

4. Operational Expenses
Over reporting period the operational expenses were:

	2008m.	2007 m.
Sales expenses	12 023 622	10 386 218
Administration expenses	12 334 542	12 175 080
Total:	**24 358 164**	**2 256 129**

5. Other income (expense) – net result

Over reporting period the other income (expenses) were:

	2008 m.	**2007 m.**
Other operating income		
Income from logistics	457 046	662 439
Rent	251 260	134 053
Profit from sale of fixed asset	35 159	282 840
Other	195 212	338 290
	938 677	1 417 622
Other operating expenses		
Transportation expenses	338 419	573 894
Rent	181 380	114 634
Other	185 293	398 822
	705 092	1 087 350
Other operating income (expense) – net result	**233 585**	**330 272**

6. Net result from financial activities

	2008-06-30	**2007-06-30**
Financial income		
Profit from currency exchange	4 174 113	5 434 942
Profit from foreign currency derivatives	356 486	
Other income from financial activities	328 508	24 997
	4 859 107	5 459 939
Financial expenses		
Loss from currency fluctuations	7 423 693	5 646 186
Realized loss from foreign currency derivatives	982	
Loss from revaluation of foreign currency derivatives	1 803	
Interest expenses	2 924 676	1 713 280
Other expenses from financial activities	136 198	207 706
	10 487 352	7 567 172
Net result from financial activities	**(5 628 245)**	**(2 107 233)**

7. Non-current intangible assets

The balance sheet value of non-current intangible assets on 30 June 2008 was 17 137.4 thous. LTL (on 31 December 2007 – 17 441.1 thous. LTL)
Non-current intangible assets depreciation expenses are included under operating expenses in the profit and loss account.

Over this year, the Group has accumulated 729.8 thous. LTL of non-current intangible assets depreciation.

8. Non-current tangible assets

Non-current tangible assets consist of the following assets groups :

	Balance sheet value 2008.06.30	2007.12.31
Buildings and constructions	35 393 008	36 663 254
Other non-current assets	50 061 431	58 968 702
Construction in progress and prepayments	2 420 248	2 293 618
In total:	**87 874 687**	**97 925 574**

Group's non-current tangible assets depreciation on 30 June, 2008 is equal to 10 613 thous. LTL (in 2007 – 19 199 thous. LTL)

9. Inventories

	2008 06 30	**2007 12 31**
Raw materials and spare parts	38 500 567	43 163 462
Production in progress	47 748 659	19 735 912
Finished goods	198 389	285 524
Other	86 447 615	63 184 898
		-
Less: net realizable value allowance	**86 447 615**	**63 184 898**
	38 500 567	43 163 462

Raw materials and spare parts consist of compressors, components, plastics, wires, metals and other materials used in the production.

10. Trade receivables

Trade receivables were composed as follows:

	2008 06 30	**2007 12 31**
Trade receivables from the Group companies	69 965 305	60 970 170
Trade receivables, gross	(11 245 398)	(11 527 355)
Less: allowance for doubtful trade receivables	5 140 539	4 088 043
	63 860 446	53 530 858

Trade receivables are non-interest bearing and are generally on days terms.

As of 31 December 2007 trade receivables with the nominal value of LTL thousand (as of 31 December 2006 – LTL thousand) were impaired and fully provided for.

Movements in the provision for impairment of receivables were as follows:

	2007	**2006**
Balance at the beginning of the period	- 11 527 355	-11 969 133
Charge for the year		-470 287
Write-off of trade receivables		
Recovered receivables		
Effect of the change in foreign currency exchange rate	281 957	573 445
Currency exchange rate influence		338 620

Balance in the end of the period	-11 245 398	-11 527 355

The ageing analysis of trade receivables as of 31 December 2007 is as follows:

	Trade receivables neither past due nor impaired	Trade receivables past due but not impaired					Total
		Less than 30 days	30 – 60 days	60 – 90 days	90 – 120 days	More than 120 days	
2007	42 241 977	5 771 742	235 805	726 957	189 244	277 090	49 442 815
2006	48 075 014	6 911 043	1 467 183	1 810 463	50 788	405 416	58 719 907

11. Other current assets

	2008-06-30	2007-12-31
VAT receivable	2 611 706	2 485 763
Prepayments and deferred charges	2 723 762	1 205 433
Compensations receivable from suppliers	171 263	216 728
Receivable for property, plant and equipment sold		
Fair value of currency futures	29 695	587 526
Other receivable	1 660 027	1 058 390
Total other assets	**7 196 453**	**5 553 840**

Compensations from suppliers are received for bad quality goods.

12. Cash and cash equivalents

	2008-06-30	**2007-12-31**
Cash at bank	2 915 761	3 977 330
Cash on hand	11 514	7 230
	2 927 275	**3 984 560**

The accounts of the Company in foreign currency up to LTL 10 000 thousand are pledged to secure the bank loans.

13. Share capital

According to the Law on Companies of the Republic of Lithuania the Company's total equity cannot be less than 1/2 of its share capital specified in the Company’s by-laws. As of 30 June 2008 the Company was in compliance with this requirement. At the date of the reporting the legal reserve was fully formed.

14. Reserves

<u>Legal reserve</u>

A legal reserve is a compulsory reserve under Lithuanian legislation. Annual transfers of not less than 5% of net profit, calculated in accordance with Lithuanian Business Accounting Standards, are compulsory until the reserve reaches 10% of the share capital.

<u>Non-restricted reserves</u>

Non-restricted (distributable) reserves are formed based on the decision of the General Shareholders' Meeting on appropriation of distributable profit. These reserves can be used only for the purposes approved by the General Shareholders' Meeting.

Foreign currency translation reserve

The foreign currency translation reserve is used for translation differences arising on consolidation of financial statements of foreign subsidiaries.

Exchange differences are classified as equity in the consolidated financial statements until disposal of the investment. Upon disposal of the corresponding investment, the cumulative revaluation of translation reserves is recognized as income or expenses in the same period when the gain or loss on disposal is recognized.

15. Subsidies

Subsidies on 1 January 2006	**5 108 932**
Increase during period	43 500
Amortization during period	1 303 092
Net residual value 31 December 2006	**3 849 340**
Increase during period (2007)	345 280
Amortization during period (2007)	1 179 704
Net residual value 31 December 2007	**3 014 916**
Increase during period	0
Amortization during period	558 573
Net residual value 30 June 2008	**2 456 343**

Future periods' subsidies income consists of subsidies for renewal of manufacturing equipment and building repairs due to the CFC 11 ingredient abandonment in the manufacturing of polyurethane insulating material and filling foam manufacturing, elimination of greenhouse gas elimination in the refrigerators manufacturing processes, and subsidy for export development. Deferred subsidies amount is amortized during the same period as equipment and machinery, for which subsidies were received, and when compensated expenses are incurred. Subsidies amortization amount is included into costs of goods sold while decreasing equipment and buildings reconstruction, for which subsidies were received, depreciation

16. Provisions for guarantee related liabilities

Sold products are given from 3 to 10 years guarantees. Provisions for guarantee related services were made according to planned service expenses and refrigerators breakdowns statistics, and appropriately were divided into non-current and current provisions. Non-current provisions on 30 June 2008 were equal to 2 651.6 thous. LTL (2007 – 1 892.8 thous. LTL), current provisions on 30 June 2008 are equal to 1 120.1 thous. LTL (2007 – 2 640.8 thous.LTL).

Changes over the reporting period

	2007 m.
1 January .	4 533 650
Changes over reporting period	1 383 376
Used	2 081 789
Currency exchange rate cahnge influence	(63 521)
30 June	**3 771 716**

17. Borrowings

	As of 30 June 2008	As of 31 December 2007
Non-current borrowings		
Bank borrowings secured by state guarantees		-
Bank borrowings secured by Company's assets	36 564 507	18 277 198
Other loans	17 475 240	
Leasing	2 564 693	2 564 693
	56 604 440	20 841 891
Current borrowings		
Current portion of non-current bank borrowings	11 767 857	31 900 584
Other current borrowings	23 337 371	
Leasing	434 118	858 239
	35 539 346	32 758 823
	92 143 786	**53 600 714**

The loans with:

- limit of 12 374.8 thous. LTLare arranged at floating interest rates of 6 month LIBOR +1.3% margin,
- limit of 20 000 thous. LTL are arranged at floating interest rates of 6 month LIBOR +2.6% margin
- current debts of 23 337 thous. LTL are arranged at fixed interest rate of from 10% to 14%

As of 30 June, building with a nominal value of 31 279 thous. LTL (31 December 2007 32 460 thous. LTL), equipment and machinery with a nominal value of 15 928 thous. LTL (31 December 2007 19 639 thous. LTL), inventories with a nominal value of 19 300 thous. LTL (31 December 2007 19 300 thous. LTL) and financial income in the bank accounts up to 10 000 thous (31 December 2007 10 000 thous. LTL) and the shares of 2 808 thous. LTL (31 December 2007 2 808 thous. LTL) of "Techprominvest" are collateralized for the bank loans.

Current debts received from concerned parties are not guaranteed with the assets of the Group.

In April 2008 Company issued 200 000 of bonds each with the nominal value of 100LTL and repurchase price of 100 LTL. Annual interest rate of the bonds is 14%, with the time to maturity of 367 days. Bonds can be converted into ordinary shares, conversion rate with the Company's ordinary shares is 1 to 18. Maturity date is 6 April 2009.

18. Financial leasing

The assets leased by the Group under financial lease contracts consist of machines, equipment and vehicles. Apart from the lease payments, the most significant liabilities under lease contracts are property maintenance and insurance. The terms of financial lease are from 3 to 5 years. The distribution of the net book value of the assets acquired under financial lease is as follows:

	2008-06-30	2007-12-31
Machinery and equipment	2829618	3189209
Vehicles	169193	233723
	2998811	3422932

Principal amounts of financial lease payables at the year-end denominated in national and foreign currencies are as follows:

	2008-06-30	2007-12-31
EUR	-	-
LTL	2998811	3422932
	2998811	3422932

Financial lease obligations are arranged at floating interest rates of 6 month EURIBOR +1.1% margin, 6 month LIBOREUR +1% margin, 6 month LIBOREUR +1.2% margin

19. Operating lease
The group has formed several operating lease agreement. In the agreement conditions there are no limitations set for the Group's activities related to dividends, additional borrowings or additional long-term rent.

20. Trade credits
The conditions of the above mentioned type of liabilities:

- Trade credits are non interest paying and approximate time to payment is equal to 60 days.
- Other amounts payable are non interest paying and approximate time to payment is equal to 60 days.
- Interests payable are usually set quarterly during the financial year.

21. Other current amounts payable
Other creditors were composed as follows:

	2008-06-30	2007-12-31
Salaries and related taxes payable	3 498 640	4 114 444
Vacation reserve	2 667 573	2 611 863
Bonuses and payments to the Board accrued	5 500	300 000
Other taxes payable	4 605 011	2 598 300
Provisions for guaranty repair	1 822 718	2 640 850
Other payables and accrued expenses	3 257 498	160 800
Total other creditors	15 856 940	12 426 257

22. Basic and diluted earnings (loss) per share

	2008-06-30	2007m.
Shares issued 1 January	23 827 365	23 070 405
Average weighted number of shares in issue	23 827 365	23 792 109
Net result for the year, attributable to the parent company	(8 599 363)	(11 412 480)
Earnings (loss) per share	(0,36)	(0,48)

23. Risk and capital management
Credit risk

The Group has significant concentration of trading counterparties. The main ten customers of the Group on 30 June 2008 account for approximately 30.1% (27.5% as of 31 December 2007) of the total Group's trade receivables. The maximum sum of credit risk in the reporting period and on 31 December 2007 includes accounts receivables and loans provided.

The credit policy and credit risk is constantly controlled. All the customers willing to receive a deferred payment are evaluated for credit risk. Majority of accounts receivables are insured.

The Group does not guarantee obligations of other parties. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, if any, in the balance sheet. Consequently, the Group considers that its maximum exposure is reflected by the amount of trade receivables, net of allowance for doubtful accounts recognized at the balance sheet date.

Interest rate risk

Majority of Groups loans consists of loans with floating interest rates; with the floating part being associated to LIBOR, therefore, creating an interest rate risk.

Group did not use any financial instruments to hedge the risks from interest rate fluctuations for debt obligations associated with floating interest rates.

Liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of committed credit facilities to meet its commitments at a given date in accordance with its strategic plans.

The Group's current ratio as of 30 June 2008 was 0.59 (31 December 2007 it was 0.52)

Foreign exchange risk

Major currency risks of the Group occur due to the fact that the Group earns majority of its income in US Dollars, Russian Roubles and Ukrainian Hryvnias, while borrows foreign currency denominated.

The Group used financial instruments to manage its exposure to foreign exchange risk in 2008, making a predefined currency exchange transactions. Financial derivatives are used to hedge from negative currency fluctuations for cash flows from sales income with US Dollars

24. Related parties transactions

The parties are considered related when one party has the possibility to control the other one or have significant influence over the other party in making financial and operating decisions. The related parties of the Group and the transactions with related parties during 2008 and 2007 were as follows:

UAB „Hermis Capital„ (same final controlling shareholder);
UAB „Genčių nafta„ (same final controlling shareholder);
AB „Kauno duona„ (same final controlling shareholder);
UAB „Meditus„(same final controlling shareholder);
UAB „Baltijos polistirenas„ (other companies controlled by board members or their family members);
UAB „Astmaris„ (other companies controlled by board members or their family members).

Companies owned by management members and/or their close relatives:

2008 (First Half)	Purchases	Sales	Accounts	Accounts

			receivables	payables
UAB „Baltijos polistirenas" raw materials	2 137 055	-	-	815 907
UAB „Astmaris" raw materials	3 994 299	-	-	1 516 776
	11 856 012			2 332 683

2007 (31 December)	**Purchases**	**Sales**	**Accounts receivables**	**Accounts payables**
UAB „Baltijos polistirenas" raw materials	4 399 357	-	-	805 689
UAB „Astmaris" raw materials	7 377 466	-	-	961 847
	11 776 823			1 767 536

The Group has a policy to make transactions with related parties only for commercial purpose and under commercial conditions. No guarantees were received or given from any related party in order to assure the payments of accounts receivable or accounts payable.

Financial and investment activities with related parties :

	2008 Firt Half			2007 m		
	Loans Received	Loans Paid	Interest payments	Loans Received	Loans Paid	Interest payments
UAB „ Hermis Capital „	29300000	10962629	295776	12500000	12500000	42011
UAB „ Genčių nafta „	8750000	8750000	190137	3500000	3500000	37178
AB „ Kauno duona „	1100000	1100000	33659			
UAB„Baltijos polistirenas „	3000000	3000000				
UAB „Meditus „	5000000					
Total :	47150000	23812629	519572	16000000	16000000	79189

Over the first half of 2008 salary of senior management of the Company and its subsidiaries amounted to 2 102.7 thous. LTL and 328 thous. LTL in total (over 2007 – 2 256 thous. LTL and 827 thous. LTL).

25. Post-balance sheet events

Under the decision of Company's senior management in August 2008 the authorized capital of subsidiary OOO Techprominvest was raised to 55 197 921. The authorized capital was raised using accounts receivables from OOO Techprominvest to Parent Company for given and unpaid loans of 32 757 325 LTL and for sold but unpaid equipment of 22 440 596 LTL.

It is intended to raise the capital of Parent Company by issuing an additional 4000000 shares issue with the share price of 2.5LTL.