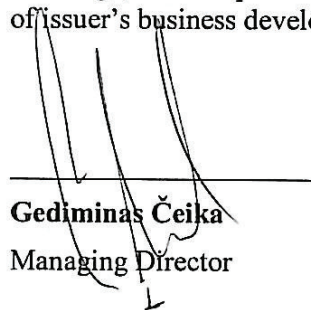


**Snaigė AB****CONFIRMATION OF RESPONSIBLE PERSONS**

Following the Article No. 22 of the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission, we Gediminas Čeika, General Manager of Snaigė, AB and Neringa Menčiūnienė, Finance Director of Snaigė AB hereby confirm that, to the best of our knowledge, the attached unaudited interim consolidated Snaigė AB financial statements for the 1st half of year 2011, prepared in accordance to the applied accounting standards, reflects the reality correctly and fairly shows issuer's assets, liabilities, financial position, profit or loss of Snaigė, AB. Responsible persons also confirm that interim report fairly presents the review of issuer's business development and business activities.

  
**Gediminas Čeika**  
Managing Director  
**Neringa Menčiūnienė**  
Finance Director

July 25, 2011

***AB SNAIGÉ***

***SEMI-ANNUAL CONSOLIDATED FINACIAL STATEMENTS FOR 2011***

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## **I. GENERAL PROVISIONS**

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

The report has been issued for the first Half-year, 2011.

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

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

Authorised capital – LTL 39,622,395

Address - Pramones str. 6, LT-62175 Alytus

Phone - (8-315) 56 206

Fax - (8-315) 56 207

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

Internet address - <http://www.snaige.lt>

Legal organisation status – legal entity, public limited company

Registered as an enterprise on December 1, 1992 in the Municipality Administration of Alytus; registration number AB 92-119; enterprise register code 249664610. The latest Statute of AB “Snaige” was registered on May 12, 2011 in Legal Entities of the Republic of Lithuania.

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

The report is available in the Budget and Accounting Department of AB “Snaige” at Pramones str. 6, Alytus on the days of I-IV from 7.30 to 16.30, and V from 7.30 to 14.00.

The mass media – daily paper „Kauno diena”.

## II. FINANCIAL STATUS

AB "Snaige" is the parent company situated in Lithuania with subsidiaries also in Lithuania, Russia and Ukraine. The financial statements of the subsidiary companies are integrated into the consolidated financial statements. These financial statements have been composed in accordance with the international financial reporting standards (IFRS), which are accepted in the European Union countries.

### 1. Profit (Loss) Report (in LTL)

Ref. No.	ITEMS	30 06 2011	01 04 2011 30 06 2011	30 06 2010	01 04 2010 30 06 2010
<b>I.</b>	<b>SALES AND SERVICES</b>	<b>54,414,067</b>	<b>32,452,714</b>	<b>47,011,458</b>	<b>29,464,069</b>
I.1	Income of goods and other products sold	7,331,722	4,548,284	4,060,505	2,682,769
I.2	Income of refrigerators sold	47,082,345	27,904,430	42,950,953	26,781,300
<b>II.</b>	<b>COST OF GOODS SOLD AND SERVICES RENDERED</b>	<b>46,592,747</b>	<b>27,512,318</b>	<b>41,457,906</b>	<b>25,344,073</b>
II.1	Net cost of goods and other products sold	1,301,932	635,595	833,719	324,581
II.2	Net cost of refrigerators sold	45,290,815	26,876,723	40,624,187	25,019,492
<b>III.</b>	<b>GROSS PROFIT</b>	<b>7,821,320</b>	<b>4,940,396</b>	<b>5,553,552</b>	<b>4,119,996</b>
<b>IV.</b>	<b>OPERATING EXPENSES</b>	<b>8,798,295</b>	<b>4,113,013</b>	<b>9,330,253</b>	<b>4,985,859</b>
IV.1	Sales expenses	3,240,262	1,467,405	3,073,436	1,797,311
IV.2	General and administrative expenses	5,558,033	2,645,608	6,256,817	3,188,548
<b>V.</b>	<b>PROFIT (LOSS) FROM OPERATIONS</b>	<b>(976,975)</b>	<b>827,383</b>	<b>(3,776,701)</b>	<b>(865,863)</b>
<b>VI.</b>	<b>OTHER ACTIVITY</b>	<b>533,757</b>	<b>240,524</b>	<b>(125,506)</b>	<b>(100,195)</b>
VI.1.	Income	654,912	330,749	164,994	104,866
VI.2.	Expenses	121,155	90,225	290,500	205,061
<b>VII.</b>	<b>FINANCIAL AND INVESTING ACTIVITIES</b>	<b>(1,764,036)</b>	<b>(1,098,952)</b>	<b>2,778,225</b>	<b>567,019</b>
VII.1.	Income	1,431,547	1,167,647	6,042,554	2,383,281
VII.2.	Expenses	3,195,583	2,266,599	3,264,329	1,816,262
<b>VIII.</b>	<b>PROFIT (LOSS) FROM ORDINARY ACTIVITIES</b>	<b>(2,207,254)</b>	<b>(31,045)</b>	<b>(1,123,982)</b>	<b>(399,039)</b>
IX.	EXTRAORDINARY GAIN				
X.	EXTRAORDINARY LOSS				
<b>XI.</b>	<b>CURRENT ACCOUNTING PERIOD PROFIT (LOSS) BEFORE TAXES</b>	<b>(2,207,254)</b>	<b>(31,045)</b>	<b>(1,123,982)</b>	<b>(399,039)</b>
<b>XII.</b>	<b>TAXES</b>				
XII.1	PROFIT TAX				
XIII.	Adjustment of deferred profit tax				
XIV.	Social tax				
XV.	MINORITY INTEREST	(249)	(326)	,	,
<b>XVI.</b>	<b>NET CURRENT ACCOUNTING PERIOD PROFIT (LOSS)</b>	<b>(2,207,503)</b>	<b>(31,371)</b>	<b>(1,123,982)</b>	<b>(399,039)</b>

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

Ref. No.	ASSETS	Notes	30 06 2011	31 12 2010
<b>A.</b>	<b>Non-current assets</b>		<b>59,335,249</b>	<b>62,733,102</b>
I.	INTANGIBLE ASSETS		4,644,895	4,914,786
II	TANGIBLE ASSETS		53,568,248	56,696,210
II.1.	Land			
II.2.	Buildings		28,118,710	27,368,110
II.3.	Other non-current tangible assets		25,431,264	27,859,862
II.4.	Construction in progress and advance payments		18,274	1,468,238
III.	NON-CURRENT FINANCIAL ASSETS			
IV.	DEFERRED TAXES ASSETS		122,106	122,106
V.	ACCOUNTS RECEIVABLE AFTER ONE YEAR			
VI.	Assets classified as held for sale			
VII.	Other non-current assets		1,000,000	1,000,000
<b>B.</b>	<b>Current assets</b>		<b>42,611,581</b>	<b>31,559,188</b>
I.	INVENTORY AND CONTRACTS IN PROGRESS		16,514,898	12,489,892
I.1.	Inventory		16,514,898	12,489,892
I.2.	Advance payments			
I.3.	Contracts in progress			
II.	ACCOUNTS RECEIVABLE WITHIN ONE YEAR		22,711,688	17,083,457
III.	INVESTMENTS AND TERM DEPOSITS			
IV.	CASH AT BANK AND ON HAND		3,369,995	1,970,839
V.	Other current assets		15,000	15,000
	Planned to sell non-current assets			
<b>C.</b>	<b>Accrued income and prepaid expenses</b>			
	<b>TOTAL ASSETS</b>		<b>101,946,830</b>	<b>94,292,290</b>

Ref. No.	SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	30 06 2011	31 12 2010
<b>A.</b>	<b>Capital and reserves</b>		<b>37,266,203</b>	<b>30,575,701</b>
I.	SHARE CAPITAL		45,321,051	36,434,371
I.1.	Authorized (subscribed) share capital		39,622,395	30,735,715
I.2.	Uncalled share capital (-)			
I.3.	Share premium (surplus of nominal value)		5,698,656	5,698,656
	Own shares (-)			
III.	REVALUATION RESERVE		(6,263,577)	(6,274,902)
IV.	RESERVES		4,016,955	4,688,472
V.	PROFIT (LOSS) BROUGHT FORWARD		(5,808,226)	(4,272,240)
	Current Profit (Loss)		(2,207,503)	(2,612,706)
	The previous year Profit (Loss)		(3,600,723)	(1,659,534)
<b>B.</b>	<b>Minority interest</b>		<b>1,723</b>	<b>1,475</b>
<b>D.</b>	<b>Provisions and deferred taxes</b>			
I.	PROVISIONS FOR COVERING LIABILITIES AND DEMANDS			
II.	DEFERRED TAXES			
<b>E.</b>	<b>Accounts payable and liabilities</b>		<b>64,678,904</b>	<b>63,715,114</b>
I.	ACCOUNTS PAYABLE AFTER ONE YEAR AND NON-CURRENT LIABILITIES		33,265,469	14,327,771
	<b>Financing (grants and subsidies)</b>		1,108,283	1,282,433
I.1.	Financial debts		30,958,760	11,765,095
I.2.	Warranty provisions		687,825	769,517
I.3.	Deferred income tax liability		150,773	150,898
I.4.	Advances received on contracts in progress			
I.5.	Non-current employee benefits		359,828	359,828
II.	ACCOUNTS PAYABLE WITHIN ONE YEAR AND CURRENT LIABILITIES		31,413,435	49,387,343
II.1.	Current portion of non-current debts		2,336,883	25,201,822
II.2.	Financial debts			
II.3.	Trade creditors		20,387,937	16,162,154
II.4.	Advances received on contracts in progress		241,826	627,570
II.5.	Taxes, remuneration and social security payable		3,305,895	3,081,086
II.6.	Warranty provisions		1,929,359	1,993,555
II.7.	Other provisions			
II.8.	Other current liabilities		3,211,535	2,321,156
	<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>101,946,830</b>	<b>94,292,290</b>

**3. Cash Flows Statement**

Ref. No.		30 06 2011	30 06 2010
<b>I.</b>	<b>Cash flows from the key operations</b>		
I.1	Result before taxes	(2,207,254)	(1,123,982)
I.2	Depreciation and amortization expenses	4,021,023	4,245,064
I.3	Subsidies amortization	(174,150)	(174,150)
I.4	Result of sold non-current assets	(81,889)	(31,525)
I.5	Write-off of non-current assets		48,725
I.6	Write-off of inventories		96,009
I.7	Depreciation of receivables		
I.8	Non-realized loss on currency future deals		
I.9	Change in provision for guarantee repair	(145,888)	(367,343)
I.10	Recovery of devaluation of trade receivables	41,196	(103,052)
I.11	Influence of foreign currency exchange rate change	95,997	(5,059,630)
I.12	Financial income (interest income)	(2,915)	(467)
I.13	Financial expenses (interest expenses)	1,591,339	224,988
	<b>Cash flows from the key operations until decrease (increase) in working capital</b>	<b>3,137,459</b>	<b>(2,245,363)</b>
II.1	Decrease (increase) in receivables and other liabilities	(5,628,231)	(7,593,001)
II.2	Decrease (increase) in inventories	(4,025,006)	4,840,937
II.3	Decrease (increase) in trade and other debts to suppliers	4,955,227	2,418,739
	<b>Cash flows from the main activities</b>	<b>(1,560,551)</b>	<b>(2,578,688)</b>
III.1	Other cash income	1,713,360	
III.2	Interest received		
III.3	Interest paid	(798,221)	(224,988)
III.4	Profit tax paid		
	<b>Net cash flows from the key operations</b>	<b>(645,412)</b>	<b>(2,803,676)</b>

<b>IV.</b>	<b>Cash flows from the investing activities</b>		
IV.1	Acquisition of tangible non-current assets	(1,118,913)	(217,206)
IV.2	Capitalization of intangible non-current assets	(3,500)	(26,814)
IV.3	Sales of non-current assets	109,165	51, 884
IV.4	Loans granted		
IV.5	Loans regained		
	<b>Net cash flows from the investing activities</b>	<b>(1,013,248)</b>	<b>(192,136)</b>



<b>III.</b>	<b>Cash flows from the financial activities</b>	<b>3,057,816</b>	<b>4,628,610</b>
III.1	Cash flows related to the shareholders of the company		
III.1.1	Issue of shares		
III.1.2	Shareholders' contributions for covering losses	3,000,000	4,725,256
III.1.3	Sale of own shares		
III.1.4	Payment of dividends		
III.2	Cash flows arising from other financing sources		
III.2.1	Subsidies received		
III.2.1.1	Inflows from non-current loans	11,896,600	5,489,893
III.2.1.2	Loans repaid	(395,091)	(2,117,308)
III.2.2	Finance lease received		
III.2.2.1	Payments of leasing (finance lease) liabilities	(411,892)	(399,308)
III.3	Other decreases in the cash flows from financial activities		
III.4.	Redemption of issued securities	(11,031,801)	(3,069,923)
	<b>Net cash flows from the financial activities</b>	<b>3,057,816</b>	<b>4,628,610</b>

<b>IV.</b>	<b>Cash flows from extraordinary items</b>		
IV.1.	Increase in cash flows from extraordinary items		
IV.2.	Decrease in cash flows from extraordinary items		
<b>V.</b>	<b>The influence of exchange rates adjustments on the balance of cash and cash equivalents</b>		
<b>VI.</b>	<b>Net increase (decrease) in cash flows</b>	<b>1,399,156</b>	<b>1,632,798</b>
<b>VII.</b>	<b>Cash and cash equivalents at the beginning of period</b>	<b>1,970,839</b>	<b>1,725,087</b>
<b>VIII.</b>	<b>Cash and cash equivalents at the end of period</b>	<b>3,369,995</b>	<b>3,357,885</b>

**4. Statement of Changes in Equity**

	Paid up authorised capital	Share premium	Own shares (-)	Legal reserves		Other reserves					Retained earnings (losses)	TOTAL	Minority shareholders	TOTAL
				Compulsory	For acquiring own shares	For charity, donation	For social needs	For investments	Other reserves	Currency exchange reserve				
<b>Balance as of December 31, 2009</b>	<b>27,827,365</b>	<b>18,727,270</b>	<b>0</b>	<b>2,828,472</b>	<b>0</b>	<b>0</b>	<b>60,000</b>	<b>1,800,000</b>	<b>0</b>	<b>(6,841,946)</b>	<b>14,688,148</b>	<b>29,713,013</b>	<b>1,676</b>	<b>29,714,689</b>
Total registered income and expenses as of 2010 1st half											(1,123,982)	(1,123,982)	0	(1,123,982)
Formed reserves							30,000	1,830,000		(1,860,000)				0
Transfers from reserves							(60,000)	(1,800,000)		1,860,000				0
Increase of authorized capital	2,908,350											2,908,350		2,908,350
Other changes		(13,028,614)								(664,897)	13,028,610	(664,901)		(664,901)
<b>Balance as of June 30, 2010</b>	<b>30,735,715</b>	<b>5,698,656</b>	<b>0</b>	<b>2,828,472</b>	<b>0</b>	<b>0</b>	<b>30,000</b>	<b>1,830,000</b>	<b>0</b>	<b>(7,506,843)</b>	<b>(2,783,520)</b>	<b>30,832,481</b>	<b>1,676</b>	<b>30,834,157</b>
Dividends for 2008														0
Total registered income and expenses as of 2010 2d half						0					(1,488,720)	(1,488,20)	(201)	(1,488,921)
Formed reserves											0			0
Other changes										1,231,941		1,231,941		1,231,941
Year 2007 profit not registered in the Profit (Loss) account														0
<b>Balance as of December 31, 2010</b>	<b>30,735,715</b>	<b>5,698,656</b>	<b>0</b>	<b>2,828,472</b>	<b>0</b>	<b>0</b>	<b>30,000</b>	<b>1,830,000</b>	<b>0</b>	<b>(6,274,902)</b>	<b>(4,272,240)</b>	<b>30,575,701</b>	<b>1,475</b>	<b>30,577,176</b>
Dividends for 2010														0
Total registered income and expenses as of 2011											(1,535,986)	(1,535,986)	(78)	(1,536,064)
Formed reserves							30,000	1,158,483			(1,188,483)			0
Transfers from reserves							(30,000)	(1,830,000)			1,860,000			0
Other changes										11,325		11,325		11,325
Increase of authorized capital	8,886,680													8,886,680
Loss coverage											(671,517)	(671,517)		(671,517)
<b>Balance as of June 30, 2011</b>	<b>39,622,395</b>	<b>5,698,656</b>	<b>0</b>	<b>2,828,472</b>	<b>0</b>	<b>0</b>	<b>30,000</b>	<b>1,158,483</b>	<b>0</b>	<b>(6,263,577)</b>	<b>(5,808,226)</b>	<b>37,266,204</b>	<b>1,397</b>	<b>37,267,601</b>

### III. EXPLANATORY NOTES

#### 1 Basic information

The Company is active manufacturer of refrigerators and freezers. The refrigerator manufacturing plant was established on April 1, 1963. After the privatization of the Company on the 1<sup>st</sup> of December, 1992, the joint-stock company "Snaige" was established and in December 1993 all state-owned shares were bought out. The Company's shares are listed on Vilnius Stock Exchange Secondary List.

Main shareholders of AB „Snaigė“ as on June 30, 2011 and December 31, 2010 were:

	June 30, 2011		December 31, 2010	
	Number of shares owned	Share of total capital, %	Number of shares owned	Share of total capital, %
Swedbank AS (Estonia) Clients	27,514,532	69.44	15,004,428	48.82
Skandinaviska Enskilda Banken AB Finnish Clients	3,486,523	8.80	3,720,698	12.11
Other shareholders	8,621,340	21.76	12,010,589	39.07
Total	<b>39,622,395</b>	<b>100.00</b>	<b>30,735,715</b>	<b>100.00</b>

All the shares (with nominal value LTL 1 per share), are ordinary and were fully paid as on June 30, 2011 and December 31, 2010. The authorized share capital is equal to LTL 39,622,395 on June 30, 2011. Subsidiaries did not have any shares of AB „Snaigė“ on June 30, 2011 and December 31, 2010. The Company did not have any of their own shares.

As of 18 April 2011 under the resolution of owners the request of owners of convertible bonds regarding the conversion of bonds into shares of the company was satisfied. According to this resolution one bond with a nominal value of EUR 100 was converted into 380 ordinary registered shares, i.e. 23.386 convertible bonds were converted into 8.886.680 units of ordinary registered shares of the Company with LTL 1 nominal value each, and the authorized capital was increased accordingly. The increased authorized capital was registered on 12 May 2011.

Group is consisted 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.	Equity
„Techprominvest“ OOO	Bolšaja Okrūžnaja, 1-a, Kaliningrad	100	67,846,761	(1,599,962)	8,381,429
„Snaige Ukraina“ TOB	Gruševskio 28-2a/43, Kiev	99	88,875	38,057	171,602
„Moroz Trade“ OOO	Prospekt Mira 52, Moscow	100	947	0	(5,829,015)
„Liga Servis“ OOO	Prospekt Mira 52, Moscow	100	1,028	(52,340)	230,295
UAB Almecha	Pramonės 6, Alytus	100	1,375,785	162,452	410,612

As 30 June 2011 The Board of the Company comprised 6 representative Swedbank AS clients as on the 31st of December, 2010, 1 representative of UAB Hermis Capital and 3 representatives of Swedbank AS clients.

In 2002 AB „Snaige“ acquired 85% of share capital in „Techprominvest“ (Kaliningrad, Russia) and in 2006 AB „Snaige“ bought the remaining 15% of „Techprominvest“ share capital and became the main proprietor of the subsidiary.

On the 12<sup>th</sup> of August, 2009, due to the global economic crisis and particularly unfavourable effect of it on the Group activities, the Management of the Group made a decision to close the activities of AB Snaige refrigerator factory OOO Techprominvest. Goodwill that arose during the acquisition of minority of the subsidiary in 2006 and 2007 amounting to LTL 12,313 thousand was written off on August 31, 2009. The expense of the writing-off the carrying amount of goodwill, which is LTL 9,390 thousand, is included into administrative expenses caption. Foreign currency revaluation reserve related to goodwill that appeared due to foreign currency fluctuations amounting to LTL 2,923 thousand is accounted in equity.

„TOV Snaige Ukraina“ (Kiev, Ukraine) was established in 2002. Since the acquisition in 2002, the Company holds 99% shares of this subsidiary. The subsidiary provides sales and marketing services for the Company in the Ukrainian market.

On the 13<sup>th</sup> of May, 2004, OOO Moroz Trade (Moscow, Russia) was established. The Company acquired 100% of OOO Moroz Trade shares in October 2004. The subsidiary provides sales and marketing services in the Russian market. In 2011 and 2010 OOO Moroz Trade had not operated.

OOO Liga Servis (Moscow, Russia) was established on the 7<sup>th</sup> of February, 2006. The subsidiary provides sales and marketing services in the Russian market.

UAB Almecha (Alytus, Lithuania) was established on the 9<sup>th</sup> of November, 2006. The main activity of the company is the production of refrigerating components and equipment.

The number of employees in the whole Group on the 30 of June, 2011, was 789 (as of 30 June 2010 – 814).

## 2 Accounting principles

The principal accounting policies adopted in preparing the Group's financial statements as of 30 June, 2011 are as follows:

### 2.1. Preparation basis of financial statement

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

### 2.2. Going concern

The Group's current assets exceeded current liabilities by LTL 11,198 thousand on June 30th, 2011 (whereas in the year 2010, December 31<sup>st</sup>, the current liabilities exceeded current assets by LTL 17,828 thousand).

The liquidity ratios:

gross replacement ratio was 1.36, quick recovery ratio – 0.83 (whereas on the year 2010 December 31<sup>st</sup> those ratios were respectively 0.64 and 0.39)

The commitment ratios:

the ratio of debt/asset was 0.63 (whereas in the year 2010, December 31<sup>st</sup> 0.68)

Asset utilization ratios:

inventory turnover – 2.95; receivables turnover – 2.72; fixed asset turnover – 0.93 (whereas on the year 2010 for the same date those ratios were respectively 2.44, 2.47 and 0.84)

Even that Group I in the first half of 2011 incurred LTL 2.207 thousand pre tax loss, these financial statements are prepared under the assumption that the Group will continue as a going concern at least 12 months from the statement of financial position date. The going concern is based on the following assumptions:

- in 2011 the Group expects 12 % increase sales comparing to 2010 and additionally to optimise costs; It is likely that this objective will be achieved. Within the first half-year period of this year comparing with the same period of last year, sale grew by 15.75 %.
- Trade payables are planned to be decreased using free operational cash flows;
- Liabilities under issued securities (bonds) are executed. All the convertible bonds with a maturity of 11 April 2011 were redeemed or under the agreement with the bondholders: refinanced by issuing a new convertible bonds issue, while convertible bonds with the value of LTL 8.9 million will be converted into shares.
- A trust in company among the business partners and financial institutions is increasing. The "increasing" trust is proved by the fact that a credit institution (AB Swed bankas) extended the loan agreement for a year, while Siaulių bankas AB decreased interest rate on provided credits from 5 July this year and new offers regarding cooperation are received from other credit institutions.

The direction of the Company agrees that all those assumptions above could be influenced of significant uncertainties, which could raise doubts about Company's ability to continue operating, because of the disability to realize its property and to implement its commitments by carrying out its normal activities. However despite all this the Company's direction expects that the Company will have enough resources to continue operating in the near future. That is why the Company preparing those financial statements applied the principle of its activity succession

### **2.3. Currency of financial statement**

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

From February 2, 2002 Litas is pegged with Euro at a rate LTL 3.4528 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:

2011 m. kovo 31 d. su banku pasirašytas susitarimas dėl 694 tūkst. eurų kredito linijos kuriai numatyta 6 mėn. EURIBOR + 4,5 % metinė palūkanų norma, pratęsimo. Kredito linijos grąžinimo terminas 2012 m. kovo 31 d.

	<b><u>30-06-2011</u></b>	<b><u>31-12-2010</u></b>
RUB	0.085464	0.085535
UAH	0.30054	0.32788
USD	2.4013	2.6099

### **2.4. Principles of consolidation**

The consolidated financial statements of the Group include AB Snaigė and its controlled entities. This control is normally evidenced when the Group owns, either directly or indirectly, more than 50 % 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 part of equity and net income attributable to minority shareholders' interests are shown separately in the consolidated statement of financial position and consolidated income statement.

The purchase method of accounting is used for acquired businesses. The Company accounts for the acquired identifiable assets, liabilities and contingent liabilities of another company at their fair value at

acquisition date. The difference of the fair value of the acquired net assets and acquisition costs is accounted for as goodwill.

During consolidation all the transactions between the companies, balance and unrealized profit and loss are eliminated.

Consolidated financial statement is prepared applying same accounting principles to similar transactions and other events with similar situations.

## **2.5. Intangible assets, except for goodwill**

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

### 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 from 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 are 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 8 years.

### Licenses

Amounts paid for licences are capitalised and amortised over their validity period.

### Software

The costs of acquisition of new software are capitalised and treated as an intangible asset if these costs are not an integral part of the related hardware. Software is amortised 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 recognised as an expense when the restoration or maintenance work is carried out.

## **2.6. Tangible non-current assets**

Tangible non-current assets 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 than LTL 500. Liquidity value is equal to LTL 1. Tangible fixed assets are accounted for at cost, which does not include the daily maintenance costs, less accumulated depreciation and estimated impairment losses. The acquisition value includes the tangible assets replacement cost, when incurred, if such costs meet the asset recognition criteria, and modified parts are written off. Tangible assets are retired when it is sold or no economical benefit is expected from its sale. Any gain or loss resulting from the write-down of assets (calculated as the net sales proceeds and the carrying value of the assets) are included in the income (loss) statement, which the property is retired.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

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 – 15 years
Vehicles	4 – 6 years
Other assets	3 – 8 years

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.

## **2.7. Inventories**

Inventories are valued at the lower of cost or net realisable value, after impairment evaluation for obsolete and slow moving items. Net realisable 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. Unrealisable inventory is fully written-off.

In calculating cost of goods Group attributes part of received discounts towards the acquired goods from the distributors, which are not yet sold.

Inventories in transit are accounted for in accordance with INCOTERMS-2000 condition requirements, when risk and benefit, in accordance with inventories, goes to the Group.

## **2.8. Receivables and loans granted**

Receivables are initially recorded at the true value at the same moment as they were given. Later receivables and loans are accounted in justice to their depreciation.

## **2.9. 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.

## **2.10. 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.



**2.11. 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.

**2.12. Financial lease and operating lease**Operating lease – the Group as lessee

The Group recognizes the lease assets and obligations in the balance sheet on the day of the leasing period. Initial direct costs related to assets, are included in the asset value. Lease payments are apportioned between the finance cost and the remaining obligation. The financing costs are allocated over the lease period so as to meet the constant rate of interest payable from the rest of the commitment of the end of each reporting period.

Direct costs incurred by the tenant during the lease period, is included in the leased assets.

The depreciation is calculated for the assets purchased with financial lease; in addition, financial costs are incurred due to financial lease over the reporting period. Depreciation scheme for the calculation of lease payments for the purchased assets is similar as in the property. But such assets cannot be depreciated over a longer period than the lease period, if according to the contract at the end of the contract period; the property is not transferred to the Group.

Operating lease – the Group as lessor

Assets to which the property-related risks and benefits maintains the lessor, rent is classified as operating leases. Lease payments under operating leases are recognized straight-line method over the cost of the lease period and are included in operating costs.

**2.13. 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.

**2.14. 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.

### **2.15. 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.

Service revenue is recognized using the accrual basis and recognized in profit (loss) statement when services are rendered and end user accepts it.

In the consolidated profit (loss) statement sales between the Group companies are eliminated.

### **2.16. 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.

### **2.17. 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.

On the net investment in foreign Group companies resulting from the conversion into Litas occurring foreign currency exchange rate differences are recorded in shareholder's equity.

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.

### **2.18. 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 3<sup>rd</sup> note of these financial statements.

### 2.19. 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.

### 2.20. Offsetting and comparative figures

When preparing the financial statements, assets and liabilities, as well as revenue and expenses are not set off.

## 3 Segment information

The Group's only business segment (basis for primary reporting format) is the manufacturing of refrigerators and specialized equipment.

Results for the reporting period 30 June 2011 by geographical segments can be specified as follows (in LTL thousand):

Group	Total segment sales revenue		Inter segments sales		Sales revenue		Acquisition of property, plant and equipment and intangible asset	
	2011	2010	2011	2010	2011	2010	2011	2010
Russia	734	1,552	(10)	(241)	724	1,311	27,246	32,760
Ukraine	21,460	11,660			21,460	11,660	74	24
Western Europe	22,041	24,314			22,041	24,314		
Eastern Europe	4,182	4,270			4,182	4,270		
Lithuania	11,521	10,045	(7,412)	(6,794)	4,109	3,251	74,627	76,510
Baltic Countries	306	385			306	385		
Other countries from NVS	1,592	1,525			1,592	1,525		
Other countries		295				295		
<b>Total:</b>	<b>61,836</b>	<b>54,046</b>	<b>(7,422)</b>	<b>(7,035)</b>	<b>54,414</b>	<b>47,011</b>	<b>101,947</b>	<b>109,294</b>

**4 Operational expenses**

Over reporting period the operational expenses were:

	<b>2011</b>	<b>2010</b>
Sales expenses	3,240,262	3,073,436
Administration expenses	5,558,033	6,256,817
<b>Total:</b>	<b>8,798,295</b>	<b>9,330,253</b>

**5 Other income (expenses) – net result**

Over reporting period, June 30 other income (expenses) was:

	<b>30 06 2011</b>	<b>30 06 2010</b>
<b>Other operating income</b>		
Income from logistics	134,638	54,658
Rent of fixed asset	367,795	4,337
Profit from sale of fixed asset	81,889	31,525
Income from rent of equipment	710	156
Other	69,880	74,318
	<b>654,912</b>	<b>164,994</b>
<b>Other operating expenses</b>		
Transportation expenses	81,283	174,572
Rent of fixed asset	-	-
Rent of equipment	564	58,370
Loss from sale of fixed asset	-	-
Other	39,308	57,558
	<b>121,155</b>	<b>290,500</b>
<b>Other operating income (expense) – net result</b>	<b>533,757</b>	<b>(125,506)</b>

**6 Net result from financial activities**

	<b>30 June 2011</b>	<b>30 June 2010</b>
<b>Financial income</b>		
Profit from currency exchange	1,426,175	6,040,278
Gain of foreign currency translation transactions	2,457	306
Other	2,915	1,970
	<b>1,431,547</b>	<b>6,042,554</b>

**Financial expenses**

Foreign currency exchange loss	1,505,790	949,382
Interest expenses	1,591,339	2,281,872
Loss of foreign currency translation transactions	8,106	8,818
Other	90,348	24,257
	<b>3,195,583</b>	<b>3,264,329</b>

**Net result from financial activities**

	<b>(1,764,036)</b>	<b>2,778,225</b>
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**7 Non-current intangible assets**

Balance sheet value

	<b><u>30-06-2011</u></b>	<b><u>31-12-2010</u></b>
Development costs	4,436,024	4,889,422
Software, license	208,871	25,364
<b>Total:</b>	<b>4,644,895</b>	<b>4,914,786</b>

Non-current intangible assets depreciation expenses are included under operating expenses in the profit (loss) account.

Over the 6 months of 2011, the Group has accumulated LTL 378 thousand (6 months of 2010 - LTL 332 thousand) of non-current intangible assets depreciation.

**8 Non-current tangible assets**

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

Balance sheet value

	<b><u>30-06-2011</u></b>	<b><u>31-12-2010</u></b>
Land and buildings	28,118,710	28,733,038
Machinery and equipment	24,822,682	25,922,658
Vehicles	75,574	110,842
Other non-current tangible assets	551,282	1,929,672
<b>Total:</b>	<b>53,568,248</b>	<b>56,696,210</b>

Group's non-current tangible assets depreciation on 30 June, 2011 is equal to LTL 3,643 thousand (in 2010 (6 months) – LTL 3,913 thousand)

**9 Inventories**

	30 June 2011	31 December 2010
Raw materials, spare parts and production in progress	9,221,294	8,505,394
Finished goods	7,022,849	3,802,014
Other	366,097	277,826
	16,610,240	12,585,234
Less: net realizable value allowance	(95,342)	(95,342)
	<b>16,514,898</b>	<b>12,489,892</b>

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:

	30 June 2011	31 December 2010
Trade receivables from the Group companies	32,929,458	28,536,018
Less: allowance for doubtful trade receivables	(13,546,607)	(13,585,026)
	<b>19,382,851</b>	<b>14,950,992</b>

Trade receivables are non-interest bearing and are generally on 30 – 90 days terms.

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

	30 June 2011	31 December 2010
Balance at the beginning of the period	(13,585,026)	(12,603,962)
Charge for the year	(53,271)	(479,304)
Used	-	194,324
Recovered receivables	37,868	135,745
Currency exchange rate influence	53,822	(831,829)
Other changes	-	-
	<b>(13,546,607)</b>	<b>(13,585,026)</b>

The ageing analysis of trade receivables as of 30 June 2011 and 31 December 2010 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	
<b>2011</b>	15,667,821	3,004,469	486,891	6,185	9,062	208,423	<b>19,382,851</b>
<b>2010</b>	12,905,309	1,398,400	396,722	60,410	66,591	123,560	<b>14,950,992</b>

**11 Other current assets**

	30 June 2011	31 December 2010
VAT receivable	698,774	466,933
Prepayments and deferred expenses	1,987,398	1,156,778
Compensations receivable from suppliers	-	97,042
Other receivable	642,665	411,712
	<b>3,328,837</b>	<b>2,132,465</b>

Compensations from suppliers are received for bad quality goods.

**12 Cash and cash equivalents**

	30 June 2011	31 December 2010
Cash at bank	3,351,854	1,965,694
Cash on hand	18,141	5,145
	<b>3,369,995</b>	<b>1,970,839</b>

The accounts of the Company in foreign currency up to LTL 10,085 thousand (31 December, 2010 - 10,085 thousand) are pledged to the bank for the secure of the loans, and the fixed – term input for LTL 1 million is pledged for the loan with INVEGA assurance.

**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 on the 30 of June, 2011, the Company was in compliance with this requirement. At the date of the reporting the legal reserve was fully formed.

**14 Reserves**Legal reserve

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.

The legal reserve in June 30, 2011, as well as in December 31, 2010 was fully formed; LTL 2,828 thousand was accumulated in it.

The Company did not get any profit on 2010, and this is the reason why on the 31st of the December, 2010, it will not transfer into the compulsory reserve and will not secure that this fund will accumulate the amount of money which is equal to 10 percent of Company's share capital.

Non-restricted reserves

Other reserves for special purposes are formed by shareholders decision. Before allocating profit all the distributable reserves are transferred into retained earnings and each year are re-allocated by shareholders decisions.

On the 30th June, 2011, other distributable reserves consisted of LTL 1,158 thousand LTL (2010 – LTL 1,830 thousand) of reserve for investments and LTL 30 thousands socio-cultural needs (in 2010 - LTL 30 thousand).

#### Foreign currency translation reserve

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

### 15 Subsidies

<b>Subsidies on 31 December 2006</b>	<b>10,358,600</b>
Increase during period	345,280
Subsidies on 31 December 2007	10,703,880
Increase during period	-
Subsidies on 31 December 2008	10,703,880
Increase during period	-
Subsidies on 31 December 2009	10,703,880
Increase during period	-
Subsidies on 31 December 2010	10,703,880
Increase during period	-
Subsidies on 31 March 2011	10,703,880
Increase during period	-
Subsidies on 30 June 2011	10,703,880
 <b>Accumulated amortization on 31 December 2006</b>	 <b>6,509,260</b>
Amortization during period	1,179,704
Accumulated amortization on 31 December 2007	7,688,964
Amortization during period	1,014,205
Accumulated amortization on 31 December 2008	8,703,169
Amortization during period	399,974
Accumulated amortization on 31 December 2009	9,103,143
Amortization during period	318,304
Accumulated amortization on 30 December 2010	9,421,447
Amortization during period	87,075
Accumulated amortization on 31 March 2011	9,508,522
Amortization during period	87,075
Accumulated amortization on 30 June 2010	9,595,597
 <b>Net residual value 30 June 2011</b>	 <b>1,108,283</b>
<b>Net residual value 31 December 2010</b>	<b>1,282,433</b>

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**

The Group provides a warranty up to 2 years for the production sold since 1 January 2009 (up to 3 years before 1 January 2009). The provision for warranty repairs was formed based on the expected cost of repairs and statistical warranty repair rates and divided respectively into non-current and current provisions. Non-current provisions on 30 June 2011 were equal to LTL 688 thousand (31 December 2010 – LTL 770 thousand), current provisions on 30 June 2011 are equal to LTL 1,929 thousand (31 December 2010 – LTL 1,994 thousand).

Changes over the reporting period were:

	<b><u>30-06-2011</u></b>
<b>1 January</b>	2,763,072
Changes over reporting period	789,079
Used	(935,360)
Foreign currency exchange effect	393
<b>30 June,</b>	<b>2,617,184</b>

The postponements of warranty obligations accounted for the 31st of March:

	<b><u>30-06-2011</u></b>
- Long-term	687,825
- Shot-term	1,929,359
	<b><u>31-12-2010</u></b>
- Long-term	769,517
- Shot-term	1,993,555

**17 Borrowings**

	<b><u>30-06-2011</u></b>	<b><u>31-12-2010</u></b>
<b>Non-current borrowings</b>		
Non-current borrowings with fixed interest rate	12,319,610	4,019,610
Non-current borrowings with variable interest rate	10,510,192	6,916,527
Ordinary bonds	8,057,806	757,806
	<b><u>30,887,608</u></b>	<b><u>11,693,943</u></b>
<b>Current borrowings</b>		
Convertible bonds	-	21,190,524
Ordinary bonds	875,271	1,723,638
Current borrowings with fixed interest rate	1,011,292	1,403,448
Current borrowings with variable interest rate	29,000	51,000
	<b><u>1,915,563</u></b>	<b><u>24,368,610</u></b>
<b>Total</b>	<b><u>32,803,171</u></b>	<b><u>36,062,553</u></b>



Borrowings with variable interest rate bear 6 – month EUR LIBOR + 3.5% and 6 – months VILIBOR + 4,88% annual interest rate. Borrowings with the fixed interest rate bear 9-14% annual interest rate.

Previously it was issued 10 000 ps. of registered bonds by coupons, which net value is 100 EUR (for one pc.), annual yield is 10% and the lasting time is extended to 731 days. The Company has committed during all those bonds lasting period (every 20<sup>th</sup> day of every month) to redeem over 416 units of bonds. The final redemption of those 432 units has been intended on the 15<sup>th</sup> of June, 2012. Unredeemed value of bonds on June 30<sup>th</sup>, 2011 – LTL 1,620 thousand.

Due to secure the liability for the owners of the ordinary bonds the Company is pledged the machinery and equipment with the net book value of LTL 2,762 thousand, on June 30<sup>th</sup>, 2011.

The bonds accounted for the discounted value in the accounts payable after one year and non-current liabilities, and cumulated interest, which amount had achieved 134 thousand. LTL on the 30st of June, 2011, recorded in the short-term amounts article. The interest on the bonds are paid on the time of redemption, except Šiaulių bankas turto fondas, UAB, which interest is paid once a quarter on the last day of the quarter.

At the 30t of June, 2011, buildings with the carrying amount of LTL 7,568 thousand (31 December 2010 – LTL 6,132 thousand), machinery and equipment with the net book value of LTL 6,241 thousand (31 December 2010 – LTL 7,358 thousand), inventories with the net book value of LTL 10,500 thousand (31 December 2010 – LTL 10,500 thousand), the current and future cash inflows into the bank accounts up to LTL 10,085 thousand (31 December 2010 – LTL 10,085 thousand) and LTL 1,000 thousand fixed-term deposit are pledged as a collateral for loans from banks.

Borrowings at the end of the year in national and foreign currencies:

	30 June 2011	31 December 2010
<b>Borrowings denominated in:</b>		
EUR	4,016,655	23,671,968
USD	-	-
LTL	28,786,516	12,390,585
RUB	-	-
	<b>32,803,171</b>	<b>36,062,553</b>

## 18 Financial leasing

Principal amounts of financial lease payables as of 30 June 2011 and 31 December 2010 are denominated in EUR.

The variable interest rates on the financial lease obligations in EUR vary depending on the 6-month EURIBOR + 1.1% margin, 6-month LIBOR EUR + 1% and 1.2% margin.

Future minimal lease payments under the above-mentioned financial lease contracts are as follows:

	30 June 2011	31 December 2010
Within one year	426,442	850,846
From one to five years	71,929	72,589
Total financial lease obligations	498,371	923,435
Interest	(5,899)	(19,071)
Present value of financial lease obligations	492,472	904,364

Financial lease obligations are accounted for as:

- current	421,320	833,212
- non-current	71,152	71,152

The assets leased by the Group under financial lease contracts consist of machinery, 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:

	30 June 2011	31 December 2010
Machinery and equipment	2,350,609	2,578,088
Vehicles	-	-
	<b>2,350,609</b>	<b>2,578,088</b>

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

	30 June 2011	31 December 2010
EUR	-	-
LTL	492,472	904,364
	<b>492,472</b>	<b>904,364</b>

## 19 Operating lease

The Group has concluded several contracts of operating lease of land and premises. The terms of lease do not include restrictions of the activities of the Group in connection with the dividends, additional borrowings or additional lease agreements.

The most significant operating lease agreement of the Group is the non-current agreement of AB "Snaige" signed with the Municipality of Alytus for the rent of the land. The payments of the lease are reviewed periodically; the maturity term is on July 2, 2078.

## 20 Trade credits

The conditions of the above mentioned type of liabilities:

- Trade credits are non interest paying and approximate time for the payment is equal to 45 days.
- Other amounts payable are non interests paying and approximate time for the 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:

	30 June 2011	31 December 2010
Accrued interest on convertible bonds	134,206	1,571,663
Salaries and related taxes	1,817,593	1,724,586
Vacation reserve	1,438,302	1,356,500
Other taxes payable	298,182	260,769
Other accrued interest	286,579	260,951
Provisions for TPI building reconstructions	1,713,360	
Other payables and accrued expenses	829,208	227,773
<b>Total other creditors</b>	<b>6,517,430</b>	<b>5,402,242</b>

## 22 Basic and diluted earnings (loss) per share

	30 June 2011	30 June 2010
Shares issued 1 January	30,735,715	27,827,365
Weighted average number of shares	33,190,599	28,984,277
Net result for the year, attributable to the parent company	(2,207,503 )	(1,123,982 )
Earnings (loss) per share and diluted (loss) per share, in LTL	(0.07)	(0.04)

## 23 Risk and capital management

### Credit risk

The Group has significant concentration of trading counterparties. The main ten customers of the Group on the 30<sup>th</sup> of June, 2011, accounted for approximately 42.0% (68.4% as of 31 December 2010) of the total Group's trade receivables. The maximum sum of credit risk in the reporting period and on the 31<sup>st</sup> of December, 2010, includes carrying amount of accounts receivables.

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 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 VILIBOR and EURIBO, 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.

### Foreign exchange risk

The Company significantly reduced income earned in US dollars, in this way receivable incomes became very close to the commitments in USD. Consequently, foreign exchange risk decreased significantly

because the main part of Company's revenue comes by Euros, which has the fixed rate with Lithuanian Litas.

## 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 the 3 months of 2011 and 2010 were as follows:

Amber Trust II S.C.A. (shareholder)

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:

	2011			2010		
	Loans received	Repayment of loans	Interest paid	Loans received	Repayment of loans	Interest paid
Amber Trust II S.C.A.	-	-	-	-	576,942	423,068
	-	-	-	-	<b>576,942</b>	<b>423,068</b>

The direction of the Company contains the chairman of the board, other board members, managing director and functional directors.

Remuneration of the Company's and subsidiaries' management amounted to LTL 651 thousand and LTL 213 thousand, respectively, in 1 half 2011 (LTL 322 thousand and LTL 222 thousand in 2010, respectively).

## 25. Commitments and contingencies

On the 25<sup>th</sup> of June, 2009, a claim for the debt of LTL 2,049 thousand was filed against the Company by A/S Comfitt Glass (hereinafter the Plaintiff) at Kaunas County Court. According to the Plaintiff, the debt was for delivered and not paid goods. The Company did not admit the part of the debt of LTL 489 thousand, since the part of the goods was not delivered to the Company.

On the 12<sup>th</sup> of February, 2010, Kaunas Regional Court made a decision, which satisfied the claim and adjudged to the Plaintiff behalf 2,049 thousand LTL debt with interest. The Company appealed the Court's decision about 489 thousand LTL for the undelivered goods.

On the 5<sup>th</sup> of October, 2010, the judgement of the Court of appeal of the Republic of Lithuania had changed the decision about the final court settlement of Kaunas Regional Court made on the 12<sup>th</sup> of February, 2010. This judgement had obligated the Company to pay to the plaintiff 1.095 thousand LTL till the 1<sup>st</sup> of February, 2010, and to continue paying every month from the 12<sup>th</sup> of February, 2011, till the 12<sup>th</sup> of February, 2012, for 91.3 thousand LTL.

Under bailiff's decision as of February 2011 the amount of LTL 566 thousand was debited from the settlement account of the company, which is on the bailiff's account on the report's day.

This bailiff's decision was appealed within the legal framework. The company also brought an action for no products were received. The outcome of the action for the issue date of financial statements is not known, while the management of the Company still hopes to win the case, thus, as of 30 June 2011 it was accounted only LTL 1.681 thousand (debts of LTL 1.560 thousand for received goods,

interests of LTL 120 thousand and legal court cost of LTL 1.3 thousand) in the trade creditors article, while under the court decision the accrued default interest are accounted in the balance line other payable amounts, which in total are accrued in the amount of LTL 228 thousand, including LTL 51 thousand within this year. A disputed debt of LTL 489 thousand for goods not provided was not accounted in this financial statement.

On 11 January 2011 UAB Hermis Capital signed an agreement to sell convertible bonds issued by the Company (ISIN - LT1000401315, nominal value - 100 EUR, redemption date - 11 April 2011) to the following shareholders of the Company: KJK Fund SICAV-SIF – 6,617 bonds, Firebird Republics Fund, Ltd. – 1,629 bonds, Firebird Avrora Fund, Ltd – 1,630 bonds. The agreement also gives buyers the rights to acquire the remaining 22,411 convertible bonds held by UAB Hermis Capital, which can be converted to shares until 10 April 2011.

On 7 February 2011 the shareholders of the Company KJK Fund SICAV-SIF, Firebird Republics Fund, Ltd., Firebird Avrora Fund, Ltd. and Amber Trust S.C.A. (the Funds) signed the Shareholders Agreement and became legal persons acting in concert whose acquired shares in the Company jointly entitle to 38.64 % (represents 11,875,795 shares) votes in the general meeting of the shareholders of the Company. The shareholders KJK Fund SICAV-SIF, Firebird Republics Fund, Ltd., Firebird Avrora Fund, Ltd. on the behalf of the Funds as of 14 March 2011 announced the mandatory non-competitive offer to purchase the remaining 18,859,920 of shares of the Company for EUR 0.33 (equivalent to LTL 1.14) each.

On 12 April 2011 Snaigė AB received a report from its shareholders KJK Fund SICAV-SIF, Firebird Republics Fund, Ltd. and Firebird Avrora Fund, Ltd. on the implementation of the mandatory non-competitive tender offer.

Through the implementation period of the tender offer, the aforementioned shareholders bought-up 4,352,213 ordinary registered shares of Snaigė AB, with nominal value of LTL 1 each (ISIN code LT0000109274), which represent 14,16 percent voting rights at the general meeting of shareholders of the company.

On 31 March 2011 the credit line extension agreement has been signed with the bank. The credit line limit is set to EUR 694 thousand (LTL 2,396 thousand equivalent) and bears 6 month EURBIROR + 4.5% annual interest rate. The credit line matures on 31 March 2012.

On 11 April 2011 pursuant to the decision of convertible bonds owners 23,386 units of convertible bonds with the par value of EUR 100 each (equivalent to LTL 345) each were converted into 8,886,680 ordinary registered shares of the Company with the par value of LTL 1 each and the share capital was increased accordingly. The rest of the bonds were re-financed as it was planned, and the legal proceeds were made during the uncommon share holders meeting on the 18<sup>th</sup> of April, 2010.

A payout of insurance in the amount of LTL 1.713 thousand was received, for mitigation of disasters due to the fall of roof of the building belonging to the subsidiary OOO "Techprominvest", was accounted as the activity cost decrease (income). Having evaluated the fact that these effects will be mitigated, a provision for future costs was made for this sum. This payout did not influence the result of the group.

On 18 July 2011 the shareholders of the company KJK Fund SICAV-SIF, Amber Trust SCA SICAF-SIF, Firebird Republics Fund, Ltd and Firebird Avrora Fund, Ltd. (hereinafter, the "Sellers") entered into the Term Sheet with TETAL GLOBAL LTD (hereinafter, the "Buyer") on sale of all shares owned by the Sellers in Snaigė AB (i.e. 23,716,668 ordinary registered shares of the company, constituting 59.86 percent of all shares and votes carried by them at general meetings of shareholders of Snaigė AB) to the Buyer, which established the main stages of the negotiations for the transaction and terms of their implementation.

## **SNAIGE AB**

### ***INTERIM CONSOLIDATED REPORT FOR THE SIX MONTHS OF THE YEAR 2011***

*Prepared in accordance with the Rules of preparation and submission of periodic and additional  
information of the Lithuanian Securities Commission*

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## **GENERAL PROVISIONS**

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

The interim report has been issued as of the six months of 2011.

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

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

Authorised capital – LTL 39,622,395

Address - Pramones str. 6, LT-62175 Alytus

Phone - (8-315) 56 206

Fax - (8-315) 56 207

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

Internet address - <http://www.snaige.lt>

Legal organisation status – legal entity, public limited company

Registered as an enterprise on December 1, 1992 in the Municipality Administration of Alytus; registration number AB 92-119; enterprise register code 249664610. The latest Statute of AB “Snaige” was registered on May 12, 2011 in 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 is available in the Budget and Accounting Department of AB “Snaige” at Pramones str. 6, Alytus on the days of I-IV from 7.30 to 16.30, and V from 7.30 to 14.00.

The mass media – daily paper „Kauno diena”.



## 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	39,622,395	1	39,622,395	100

According to the convertible bonds issued at 2010 the Company's authorized capital had increased by LTL 8.886.680 (LTL 1 par value of the ordinary registered share).

### 6. Major shareholders

The total number of the shareholders on 30 June 2011 was 1.360.

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	
Swedbank AS (Estonia) – Liivalaia 8, Tallinn 15040 Estonia, -10060701	27,514,532	69.44	69.44	69.44	69.44	69.44	-
Skandinaviska Enskilda banken – klientų VP, Sergels Torg 2, 10640 Stockholm, Sweden, 502032908101	3,486,523	8.80	8.80	8.80	8.80	8.80	-

### 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

On 18 April 2011 the issue of convertible bonds was subscribed and paid:

- total number of convertible bonds: 30,000 units;
- nominal value of the convertible bond: LTL 100;
- issue price per convertible bond: LTL 100;
- total nominal value: LTL 3,000,000;
- total amount of the issue: LTL 3,000,000;
- the rights granted to holders of convertible bonds: according to the set order to receive interest from the Company; on redemption day to receive a redemption amount or to request to change convertible bonds to the shares at the end of redemption term; also, all other rights set to the creditors of the companies by the laws;

- subscription and payment day: 18 April 2011;
- duration: 725 days;
- interest: 9 % per annum;
- the method of interest calculation: act/365;
- redemption day: 12 April 2013;
- the redemption price per convertible bond: LTL 100;
- payment of interest: once per quarter on the last day of the quarter (if the last day of the quarter is not a business day – the next business day), also on the redemption day or the day of change to the shares;
- shares, for which the convertible bonds shall be changed: ordinary registered shares of LTL 1 nominal value, granting its holders property and non-property rights set by the laws and Articles of Association of the Company;
- the conditions of change of convertible bonds to shares: convertible bonds shall be changed to shares accordingly to the request of the holder submitted to the Company in written no later than 10 business days before the redemption day of convertible bonds;
- the term of exchange: convertible bonds shall be changed to shares on the redemption day;
- the ratio of change to shares: 1:100 (one convertible bond shall be changed to 100 shares);
- inclusion into trading in the regulated market: the issue will not be involved into trading in the regulated market.

During private placement all convertible bonds of the issue were subscribed and paid by Šiaulių banko turto fondas, UAB.

On 2 May 2011 was signed and paid AB Snaige unadvertised convertible 43,000 bonds issue with nominal value of LTL 100 and 9 percent annual interest rate. Nominal value of the issue is LTL 4,300,000. Redemption of bonds is on 2 May 2013.

During private placement all convertible bonds of the issue acquired KJK Fund SICAF-SIF, Firebird Republic Fund, Ltd, Firebird Avrora Fund, Ltd. and Amber Trust S.C.A..

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

The securities issued by the Company have been listed in the Official Trading List of NASDAQ OMX Vilnius 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.

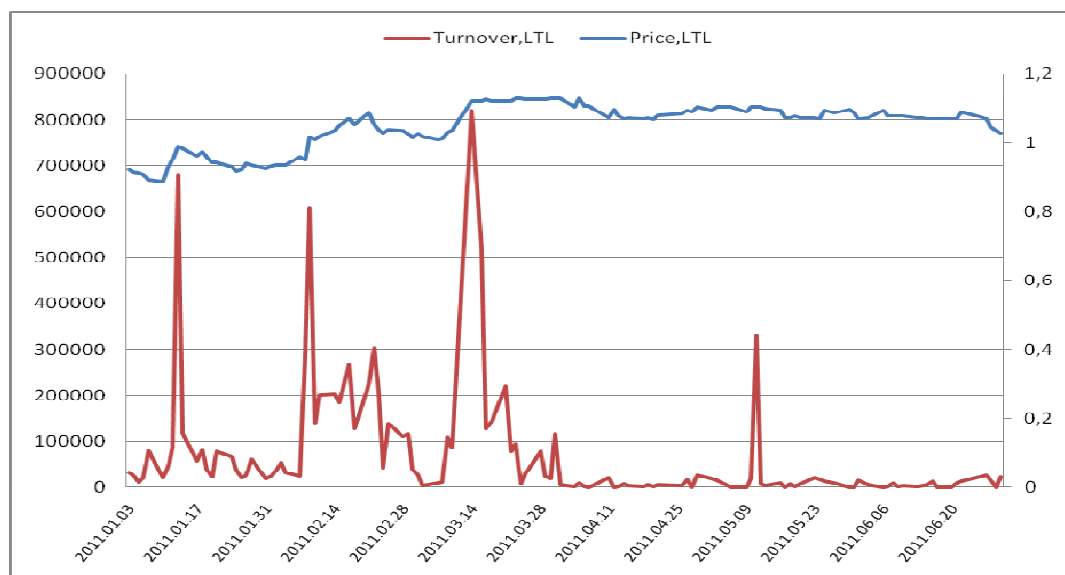
Name of the securities – the ordinary registered shares of AB “Snaige”.

Amount of the securities: 39,622,395 units. The nominal value of a share: 1 (one) LTL.

Based on June 1, 2009 AB “Snaige” request the Company's shares from NASDAQ OMX Vilnius Baltic main list were moved to NASDAQ OMX Vilnius Baltic secondary list.

### 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	Max.		As of last session	from
2010.01.01	2010.03.31	1.136	0.884	1.129	820,687.72	116,920.71	2011.03.31	7,877,245	8,189,848.81
2010.04.01	2010.06.30	1.133	1.012	1.029	329,426.05	22,207.37	2011.06.30	685,700	737,390.76



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

On February 17, 2011 AB "Snaige" entered into agreement with Siaulių bankas AB Ltd. (Tilzes str.149, 76348, Siauliai) for management of accounts of the Company's issued securities and management of accounts of personal securities.

## 10. Members of the Management Bodies

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

Name, surname	Position	Amount of shares available, in units	Share of the capital available, in percentage	Share of votes, in percentage
<b>BOARD</b>				
Martynas Česnavičius	Chairman of the Board of Snaige AB	15	0.00	0.00
Nerijus Dagilis	Member of the Board of Snaige AB till 26 04 2011	-	-	-
Robertas Beržinskas	Member of the Board of Snaige AB	-	-	-
Mindaugas Gedvilas	Member of the Board of Snaige AB	-	-	-
Kustaa Aima	Member of the Board of Snaige AB from 29 04 2011			
Jaakko Salmelin	Member of the Board of Snaige AB from 29 04 2011			
Harvey Sawikin	Member of the Board of Snaige AB from 29 04 2011	-	-	-
<b>ADMINISTRATION (Administrative Manager, Chief Accountant)</b>				
Gediminas Čeika	Managing Director of Snaige AB	1,531	-	-
Neringa Menčiūnienė	Finance Director of Snaige AB	-	-	-

## 10.2 Information about start date and end date of the office term of each member of the management body

Name	Start date of the Office term	End date of the Office term
<b>BOARD</b>		
Nerijus Dagilis	2006 05 02	2011 04 26
Martynas Česnavičius	2006 05 02	iki 2014 VAS
Mindaugas Gedvilas	2010 04 29	till 2014 GMS
Robertas Beržinskas	2008 04 23	till 2014 GMS
Kustaa Aima	2011 04 29	till 2014 GMS
Jaakko Salmelin	2011 04 29	till 2014 GMS
Harvey Sawikin	2011 04 29	till 2014 GMS
<b>ADMINISTRACIJON (Managing Director and Chief accountant)</b>		
Gediminas Čeika	2008 01 03	Term less agreement
Neringa Menčiūnienė	2008 06 02	Term less agreement

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

No loans or benefits were granted to the members of the management bodies during this period.

## III. INFORMATION ABOUT THE ISSUER'S BUSINESS

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

According to the unaudited non-consolidated data, during the I half-year 2011, Snaigė AB achieved turnover in the amount of LTL 56.2 million, i.e. by 19 per cent more than in the same period of the last year, when the unaudited non-consolidated turnover amounted to LTL 47.2 million. Within the first half-year the company incurred LTL 0.7 million of total unaudited non-consolidated loss, i.e. almost by 5 times lower than during the same period last year.

According to Gediminas Čeika, AB Snaigė CEO, during the first half-year this year the company succeeded to manage the impact of rising costs of raw material and material on the company's results. Decreasing sales in the West markets were compensated by increasing sales of Snaigė AB in the East.

"A consolidated result of the company is worsened by a non-operating factory in Kaliningrad", states G.Čeika. G.Čeika is concerned about the low consumption not only in the euro area, but also in Lithuania and Ukraine. "Within the I quarter this year sales of Snaigė AB grew by 30 per cent. During the II quarter – only by 10 per cent comparing with the same periods last year. These tendencies can remain till the end of the year", said G.Čeika. "I think that not only Snaigė AB, but also the majority of enterprises will not be satisfied with the significantly recovered sales this year. Contrary to initial expectations: the growth of consumption is slowing, while in some markets it is even decreasing."

According to the unaudited non-consolidated data EBITDA of Snaigė AB for I half-year of 2011 amounted to LTL 4.2 million, i.e. almost doubled the number carried out the previous year, when non-consolidated unaudited EBITDA comprised LTL 2.2 million.

A consolidated non-audited loss of Snaigė AB was LTL 2.2 million. Consolidated non-audited turnover of the company totaled LTL 54.4 million, while consolidated unaudited EBITDA was LTL 3.4 million.

## 12. Information about Company's employees

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

Employees group	January – June of 2011	
	Average number of employees	Average monthly salary, LTL
Administrative employees (with executive officers)	166	3,447
Factory workers	595	1,508
In total	<b>761</b>	<b>1,931</b>

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

On 30 June 2010 the AB „Snaige“ group consisted of the following companies: the parent company of the group AB „Snaige“, 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 and freezers	Sales and marketing services	Sales and marketing services	Sales , consult and service	Manufacture of equipment
Share of the authorized capital available to Snaige, AB, %	100 %	100%	100%	99 %	100 %
The authorized capital (LTL)	50,253,124	855	855	49,932	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

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 the 1<sup>st</sup> half of 2011 and 2010 were:

Amber Trust II“ S.C.A. (shareholder)

### 15. The risk

#### Credit risk

The Group has significant concentration of trading counterparties. The main ten customers of the Group on the 30<sup>th</sup> of June, 2011, accounted for approximately 42.0% (68.4% as of 31 December 2010) of the total Group's trade receivables. The maximum sum of credit risk in the reporting period and on the 31<sup>st</sup> of December, 2010, includes carrying amount of accounts receivables.

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 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 VILIBOR and EURIBO, 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.

#### Foreign exchange risk

The Company significantly reduced income earned in US dollars, in this way receivable incomes became very close to the commitments in USD. Consequently, foreign exchange risk decreased significantly because the main part of Company's revenue comes by Euros, which has the fixed rate with Lithuanian Litas.

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

### **16. Essential events of the issuer's activities**

#### **22-07-2011**

##### **Term Sheet regarding sale-purchase of shares of the company is signed**

On 18 July 2011 the shareholders of the company KJK Fund SICAV-SIF, Amber Trust SCA SICAF-SIF, Firebird Republics Fund, Ltd and Firebird Aurora Fund, Ltd. (hereinafter, the "Sellers") entered into the Term Sheet with TETAL GLOBAL LTD (hereinafter, the "Buyer") on sale of all shares owned by the Sellers in Snaigė AB (i.e. 23,716,668 ordinary registered shares of the company, constituting 59.86 percent of all shares and votes carried by them at general meetings of shareholders of Snaigė AB) to the Buyer, which established the main stages of the negotiations for the transaction and terms of their implementation.

#### **13-05-2011**

##### **Amended Articles of Association with increased authorized capital has been registered**

On 12 May 2011 the amended Articles of Association of Snaigė AB with the increased up to LTL 39,622,395 (EUR 11,475,439) authorized capital was registered in the Register of Legal Entities. The authorized capital of the company was increased upon the requirement of the part of bondholders having converted shares to 23,386 units of convertible bonds which must be redeemed on 11 April 2011. The issue of 8,886,680 ordinary registered shares of LTL 1 nominal value each was issued for the increase of the authorized capital.

#### **02-05-2011**

##### **The issue of convertible bonds was subscribed and paid**

On 2 May 2011 was signed and paid AB Snaigė unadvertised convertible 43,000 bonds issue with nominal value of LTL 100 and 9 percent annual interest rate. Nominal value of the issue is LTL 4,300,000. Redemption of bonds is on 2 May 2013.

#### **29-04-2011**

##### **Annual information for the year 2010**

Annual information as of financial year 2010 approved by ordinary shareholders meeting of Snaigė, AB which took place on April 29, 2011.

#### **29-04-2011**

##### **Resolutions of the E General Meeting of Shareholders**

The General Meeting of shareholders of Snaigė AB was held on 29 April 2011. The meeting heard the consolidated annual report of the Company for the year 2010 and the Auditor's report for the year 2010.

At the meeting was made following resolutions:

1. To approve the set of financial statements of the company for 2010.
2. To approve the distribution of profit (loss) of "Snaigė" AB:  
Non-distributed profit at the end of the last financial year: - LTL 13.028.614 (-EUR 3.773.347,43)  
Share premium for covering of loss: LTL 13 028 614 (EUR 3 773 347,43)  
Net result - profit (loss) of financial year: - LTL 671.517 (-EUR 194.484,77)  
Transfers from reserves: LTL 1 860 000 (EUR 538 693,23)  
Contributions of shareholders to cover loss: LTL 0 (EUR 0)  
Share premium for covering of loss: 0

Distributable result- profit (loss) at the end of financial year: LTL 1.188.483 (EUR 344.208,46)

Distribution of profit:

Portion of profit allocated to reserves foreseen by law: LTL 0 (EUR 0)

Portion of profit allocated to other reserves: LTL 0 (EUR 0)

- for support and charity: LTL 0 (EUR 0)

For social and cultural needs: LTL 30 000 (8 688,6 EUR)

Portion of profit allocated for payment of dividends: LTL 0 (EUR 0)

Portion of profit allocated for payment of premiums: LTL 0 (EUR 0)

Portion of profit allocated for payment of tantiemes: LTL 0 (EUR 0)

Portion of profit allocated to reserve for acquisition of own shares: LTL 0 (EUR 0)

Portion of profit allocated to reserve for investments: LTL 1.158.483 (EUR 335.519,86)

Non-distributed result - profit (loss) at the end of financial year: LTL 0 (EUR 0)

3. To increase members of the Board to 6 members.

4. To elect Kustaa Aima, Jaakko Salmelin and Harvey Sawikin for the members of the Board until the end of term of office of the Board.

5. To elect Antti Partanen and Steve Gorelik until the end of term of office of the Board.

6. To elect the audit firm "Ernst & Young Baltic" UAB for auditing purposes of financial statements for 2011 by extending the agreement with this firm. To authorize (with the right to subdelegate) the Director General of the company to sign the extension of the agreement with the audit firm by establishing the terms of payment for the audit services and other terms.

7. To issue and distribute in private placements the issue of convertible bonds of the Company

- total number of convertible bonds: 43.000 units;

- nominal value of the convertible bond: LTL 100;

- issue price per convertible bond: LTL 100;

- total nominal value: LTL 4.300.000;

- total amount of the issue: LTL 4.300.000;

- the rights granted to holders of convertible bonds: according to the set order to receive interest from the Company; on redemption day to receive a redemption amount or to request to change convertible bonds to the shares at the end of redemption term; also, all other rights set to the creditors of the companies by the laws;

- subscription and payment day: 2 May 2011;

- duration: 732 days;

- interest: 9 % per annum;

- the method of interest calculation: act/365;

- redemption day: 2 May 2013;

- payment of interest: 2 May 2012 and 2 May 2013

- shares, for which the convertible bonds shall be changed: ordinary registered shares of LTL 1 nominal value, granting its holders property and non-property rights set by the laws and Articles of Association of the Company;

- the conditions of change of convertible bonds to shares: convertible bonds shall be changed to shares accordingly to the request of the holder submitted to the Company in written no later than 10 business days before the redemption day of convertible bonds;

- the term of exchange: convertible bonds shall be changed to shares on the redemption day;

- the ratio of change to shares: 1:100 (one convertible bond shall be changed to 100 shares of LTL 1 nominal value each (one Litas));

- inclusion into trading in the regulated market: the issue will not be involved into trading in the regulated market.

8. In order to fulfill Company's obligations related with the short-term financing of the Company by redeeming the previous issue of convertible bonds on 11 April 2011 and to distribute the new issue of convertible bonds within the shortest term possible, to withdraw for all the shareholders the pre-emption right to acquire convertible bonds of the new issue in proportion to the total par value of the shares, held by them. To grant the right to acquire all convertible bonds of the new issue to KJK Fund SICAF-SIF, Societe d'investissement a capital variable – fonds d'investissement specialise (head office is registered at the address 412F, route d'Esch L-1030, Luxemburg, registration No. B 86 728) – provided the right to acquire 22906 units bonds, Firebird Republic Fund, Ltd., the company established under the laws of Cayman Islands (head office is registered c/o Trident Trust Company (Cayman) Ltd., One Capital Place, P.O. Box 847 Grand Cayman, Cayman Islands) - provided the right to acquire 9110 units bonds, Firebird Avrora Fund, Ltd., the company established under the laws of Cayman Islands (head office is registered c/o Trident Trust Company (Cayman) Ltd., One Capital Place, P.O. Box 847 Grand Cayman, Cayman Islands) -



provided the right to acquire 3847 units bonds, Amber Trust S.C.A., Societe d'Investissement a Capital Fixe Qualifying as fonds d'Investissement Specialise (head office is registered at the address 412F, route d'Esch L-1030, Luxembourg, registration No B 87 145) - provided the right to acquire 7137 units bonds.

9. In case holders of convertible bonds will require in a set order to change convertible bonds to shares 10 days before the redemption of convertible bonds (2 May 2013), to increase the authorized capital of the Company by the amount equal to total nominal value of shares, to which convertible bonds will be changed and to amend articles 4.1 and 5.1 of the Articles of Association accordingly;

- As the number of Board members is increase to six members, the article 6.1.2 of the Articles of Association correspondingly is changed accordingly, a new edition of which after the amendment will be as follows: "6.1.2. The Board consists of six members and is elected for the term of office of four years".

- To amend the article 12.1 of the Articles of Association of the company with the following new edition, which is in compliance with the requirements of the Law on Companies of the Republic of Lithuania: "The Articles of Association of the company can be amended under the order set by the Law on Companies of the Republic of Lithuania".

10. Issue of agenda: To authorize (with the right to subdelegate) the Director General of the Company Mr Gediminas Čeka:

to sign on behalf of the Company the convertible bonds subscription agreement and other documents, related to the convertible bonds issue;

-to sign the amended Articles of Association and to register it in the Register of Legal Entities (authorization is valid for the amendment of the Articles of Association concerning the articles 6.1.2 and 12.1 and for the change of convertible bonds to shares under the set order and due to this reason changing the articles 4.1 and 5.1 of the Articles of Association).

**28-04-2011**

#### **Turnover of AB Snaigė rose by 30 per cent during the first quarter of this year**

According to unaudited unconsolidated data, during the first quarter of 2011, AB Snaigė achieved the turnover of 22.9 million litas, i.e. over 30 per cent more than in the same period of the last year, when the turnover was 17.6 million litas. During the first quarter, the company had 1.5 million litas of unaudited unconsolidated total loss, i.e. 2 times lower than during the same period last year.

According to Gediminas Čeka, AB Snaigė CEO, in the first quarter, the company's turnover has increased thanks to the recovery in the Ukrainian market and stronger sales in Lithuania and the new Uzbekistan and Tajikistan markets. "While sales and earnings were growing, profits from increased sales were not compensated the marked price increase of raw materials in the first quarter (especially metals and plastics)," G. Čeka says. "If the raw material price increases continue, the company's year may be less successful than we planned, despite growing sales."

In order to offset raw material price increases, the company intensified the programmes for reduction of production cost and expenditure, initiated comprehensive rearrangement of its procurement division continues to improve inventory management.

According to unaudited, unconsolidated data, AB Snaigė's EBITDA on the first quarter of 2011 amounted to 0.99 million litas, i.e. almost 10 times more than last year during the same period, when the unaudited non-consolidated EBITDA amounted to 0.101 million litas.

Consolidated unaudited results of the company of the first quarter of 2011 were negatively affected by maintenance costs of the closed Kaliningrad plant, and currency fluctuations. Accordingly, the unaudited consolidated AB Snaigė's gross loss was 2.176 million litas. The company's unaudited consolidated turnover amounted to 22.3 million litas, unaudited consolidated EBITDA amounted to 0.68 million litas.

**19-04-2011**

#### **The issue of convertible bonds was subscribed and paid**

On 18 April 2011 the issue of convertible bonds was subscribed and paid:

- total number of convertible bonds: 30,000 units;
- nominal value of the convertible bond: LTL 100;
- issue price per convertible bond: LTL 100;
- total nominal value: LTL 3,000,000;
- total amount of the issue: LTL 3,000,000;
- the rights granted to holders of convertible bonds: according to the set order to receive interest from the Company; on redemption day to receive a redemption amount or to request to change convertible bonds to the shares at the end of redemption term; also, all other rights set to the creditors of the companies by the laws;
- subscription and payment day: 18 April 2011;
- duration: 725 days;
- interest: 9 % per annum;



- the method of interest calculation: act/365;
- redemption day: 12 April 2013;
- the redemption price per convertible bond: LTL 100;
- payment of interest: once per quarter on the last day of the quarter (if the last day of the quarter is not a business day – the next business day), also on the redemption day or the day of change to the shares;
- shares, for which the convertible bonds shall be changed: ordinary registered shares of LTL 1 nominal value, granting its holders property and non-property rights set by the laws and Articles of Association of the Company;
- the conditions of change of convertible bonds to shares: convertible bonds shall be changed to shares accordingly to the request of the holder submitted to the Company in written no later than 10 business days before the redemption day of convertible bonds;
- the term of exchange: convertible bonds shall be changed to shares on the redemption day;
- the ratio of change to shares: 1:100 (one convertible bond shall be changed to 100 shares);
- inclusion into trading in the regulated market: the issue will not be involved into trading in the regulated market.

During private placement all convertible bonds of the issue were subscribed and paid by Šiaulių banko turto fondas, UAB.

**18-04-2011**

### **Resolutions of the Extraordinary General Meeting of Shareholders**

The following resolutions were made during the repeat Extraordinary General Meeting of Shareholders held on 18 April 2011:

1. To issue and distribute in private placement the issue of convertible bonds of the Company:

- total number of convertible bonds: 30,000 units;
- nominal value of the convertible bond: LTL 100;
- issue price per convertible bond: LTL 100;
- total nominal value: LTL 3,000,000;
- total amount of the issue: LTL 3,000,000;
- the rights granted to holders of convertible bonds: according to the set order to receive interest from the Company; on redemption day to receive a redemption amount or to request to change convertible bonds to the shares at the end of redemption term; also, all other rights set to the creditors of the companies by the laws;
- subscription and payment day: 18 April 2011;
- duration: 725 days;
- interest: 9 % per annum;
- the method of interest calculation: act/365;
- redemption day: 12 April 2013;
- the redemption price per convertible bond: LTL 100;
- payment of interest: once per quarter on the last day of the quarter (if the last day of the quarter is not a business day – the next business day), also on the redemption day or the day of change to the shares;
- shares, for which the convertible bonds shall be changed: ordinary registered shares of LTL 1 nominal value, granting its holders property and non-property rights set by the laws and Articles of Association of the Company;
- the conditions of change of convertible bonds to shares: convertible bonds shall be changed to shares accordingly to the request of the holder submitted to the Company in written no later than 10 business days before the redemption day of convertible bonds;
- the term of exchange: convertible bonds shall be changed to shares on the redemption day;
- the ratio of change to shares: 1:100 (one convertible bond shall be changed to 100 shares);
- inclusion into trading in the regulated market: the issue will not be involved into trading in the regulated market.

2. In order to fulfill obligations related to Company's short term financing for redemption of the previous issue of convertible bonds on 11 April 2011 and to distribute the new issue of convertible bonds within the shortest term possible, to withdraw for all the shareholders the pre-emption right to acquire convertible bonds of the new issue in proportion to the total par value of the shares, held by them. To grant the right to acquire all convertible bonds of the new issue to "Šiaulių banko turto fondas" UAB, company code 145855439, the address of head office Vilniaus str. 167, Šiauliai, Lithuania.

3. In case holders of convertible bonds will require to change convertible bonds to shares, in a set order:
- to increase the authorized capital of the Company by the amount equal to total nominal value of shares, to which convertible bonds will be changed;
  - to amend articles 4.1 and 5.1 of the Articles of Association accordingly.

4. To authorize (with the right to subdelegate) the Managing director of the Company Mr Gediminas Čeika:
  - to sign on behalf of the Company the convertible bonds subscription agreement and other documents, related to the convertible bonds issue;
  - by changing convertible bonds to shares, to sign the amended Article of Association and to register it in the Register of Legal Entities.

**12-04-2011**

**On the implementation of mandatory non-competitive tender offer report**

On 12 April 2011 Snaigė AB received a report from its shareholders KJK Fund SICAV-SIF, Firebird Republics Fund, Ltd. and Firebird Avrora Fund, Ltd. on the implementation of the mandatory non-competitive tender offer.

Through the implementation period of the tender offer, the aforementioned shareholders bought-up 4,352,213 ordinary registered shares of Snaigė AB, with nominal value of LTL 1 each (ISIN code LT0000109274), which represent 14,16 percent voting rights at the general meeting of shareholders of the company.

**12-04-2011**

**Notification about acquisition of voting rights**

On 11 April 2011 Snaigė AB received a notification about acquisition of voting rights in the company by KJK Fund SICAV-SIF, Firebird Republics Fund, Ltd., Firebird Avrora Fund Ltd. and Amber Trust S.C.A. (the date of the transaction is 5 April 2011).

It was informed by the notification *inter alia* that the notifications of the acquisition of voting rights of ING Luxembourg S.A. and Firebird Republics Fund Ltd. dated 7 April 2011, were provided on behalf of separate persons, the votes of which to be calculated collectively (the shares of Snaigė AB, held by KJK Fund SICAV-SIF and Amber Trust S.C.A. are accounted on the securities account of ING Luxembourg S.A.), and the attached notification is provided on behalf of all the group of the indicated persons. Thus, the information on the voting rights held by the group of the mentioned persons, presented in the attached notification shall be deemed final and correct.

**11-04-2011**

**Snaigė AB has fully redeemed the bonds issued in 2010**

On the 11th of April, 2011, Snaigė AB had fully redeemed the bonds LT1000401315 – 61 372 units, issued in 2010. The part of the bonds (23 086 units) was converted by Company's shareholders into Snaigė AB ordinary shares, the rest was redeemed by the Company Snaigė AB.

**08-04-2011**

**Convocation of the General Meeting of Shareholders**

On 29 April 2011 the General Meeting of Shareholders of Snaigė AB, the address of head office Pramonės str. 6, Alytus, the company code 249664610 (further Company) is convened.

The place of the meeting - main meeting hall of the Company, at the address Pramonės str. 6, Alytus, Lithuania.

The Meeting starts - at 10 a.m. (registration starts at 9:45 a.m.).

The Meeting's accounting day – 21 April 2011 (the persons who are shareholders of the Company at the end of accounting day of the General Meeting of Shareholders or authorized persons by them, or the persons with whom shareholders concluded the agreements on the disposal of voting right, shall have the right to attend and vote at the General Meeting of Shareholders).

The rights accounting day – 13 May 2011 (the shareholders will use property rights arising from the resolutions accepted during the General Meeting of Shareholders on a ratio basis of number of shares at the end of the rights accounting day).

The Board of directors of the Company initiates and convenes the meeting.

Agenda of the Meeting:

- 1 issue of agenda: Annual report of "Snaigė" AB on the company's activity for 2010;
- 2 issue of agenda: Auditor's conclusion on the company's financial statements for 2010;
- 3 issue of agenda: Approval of the set of financial statements of the company for 2010;
- 4 issue of agenda: Approval of distribution of profit (loss) of "Snaigė" AB;
- 5 issue of agenda: Increase of members of the Board to 6 members.
- 6 issue of agenda: Election of Board members till the end of term of office of the Board.
- 7 issue of agenda: Election of members of Audit Committee till the end of term of office of the Board.
- 8 issue of agenda: Election of the audit firm for auditing purposes of financial statements and establishment of terms regarding the payment for audit services.
- 9 issue of agenda: Issuing of convertible bonds.

- 10 issue of agenda: Withdrawal of the shareholders' right of pre-emption to acquire convertible bonds.
- 11 issue of agenda: Increase of the authorized capital and amendment of the Articles of Association.
- 12 issue of agenda: Authorizations

The Company shall not provide the possibility to participate and vote in the Meeting through electronic communication channels.

**08-04-2011**

**Resignation of the Member of the Audit committee**

On the 8th of April, 2011, Kustaa Aima, the member of the Audit committee of "Snaigė" AB, informed about the resignation from the members of the Audit committee from the 29th of April, 2011.

**07-04-2011**

**Notification about acquisition of voting rights**

Snaigė, AB received a notification about acquisition of voting rights from ING LUXEMBOURG S.A. and FIREBIRD REPUBLICS FUND, LTD.

**04-04-2011**

**Convocation of the repeat Extraordinary General Meeting of Shareholders**

On 18 April 2011 the Extraordinary General Meeting of Shareholders of Snaigė AB, the address of head office Pramonės str. 6, Alytus, the company code 249664610 (further Company) is convened.

The place of the meeting - main meeting hall of the Company, at the address Pramonės str. 6, Alytus, Lithuania.

The Meeting starts - at 10 a.m. (registration starts at 9:00 a.m.).

The Meeting's accounting day – 11 April 2011 (the persons who are shareholders of the Company at the end of accounting day of the General Meeting of Shareholders or authorized persons by them, or the persons with whom shareholders concluded the agreements on the disposal of voting right, shall have the right to attend and vote at the General Meeting of Shareholders).

The rights accounting day – 3 May 2011 (the shareholders will use property rights arising from the resolutions accepted during the General Meeting of Shareholders on a ratio basis of number of shares at the end of the rights accounting day).

The Board of directors of the Company initiates and convenes the meeting.

Agenda of the Meeting:

1. Regarding the issue of the convertible bonds.
2. Regarding the withdrawal of the shareholders' right of pre-emption to acquire convertible bonds.
3. Regarding the increase of the authorized capital and amendment of the Articles of Association.
4. Regarding the authorization.

The Company shall not provide the possibility to participate and vote in the Meeting through electronic communication channels.

**04-04-2011**

**The Extraordinary General Meeting of Shareholders did not take place**

The Extraordinary General Meeting of Shareholders of Snaigė AB did not take place on 4 April 2011 due to the absence of quorum.

**24-03-2011**

**Opinion of the Board of Snaigė AB about the submitted mandatory non-competitive tender offer to buy shares of the company**

The Board of Snaigė AB, having familiarised itself with the mandatory non-competitive tender offer material presented to it by the offerors KJK Fund SICAV-SIF, Firebird Republics Fund, Ltd. and Firebird Avrora Fund, Ltd., in its meeting held on 24 March 2011 made the following statement (attached).

**14-03-2011**

**Regarding approval of the circular of the non-competitive mandatory tender offer**

On 14 March 2011, Snaigė AB received an announcement from the shareholders KJK Fund SICAV-SIF, Firebird Republics Fund, Ltd. and Firebird Avrora Fund, Ltd. about the decision of the Securities Commission of the Republic of Lithuania of 14 March 2011 to approve the circular of a non-competitive mandatory tender offer to buy up the remaining ordinary registered voting shares of Snaigė AB.

The tender offer price is EUR 0.33 (thirty three euro cents) per 1 (one) ordinary registered share of Snaigė AB, LTL 1 (one litas) par value (ISIN code LT0000109274) each (equivalent in litas is equal to LTL 1.139424). Commencement of the implementation of the tender offer is on 18 March 2011, termination - on 31 March 2011.

**14-03-2011**

**Resignation of the Member of the Management Board**

On 10 March, 2011, member of the Management Board Snaigė AB Nerijus Dagilis presented the request on the resignation from the members of Management Board from 26th of April, 2011.

**10-03-2011**

**Convocation of the Extraordinary General Meeting of Shareholders**

On 4 April 2011 the Extraordinary General Meeting of Shareholders of Snaigė AB, the address of head office Pramonės str. 6, Alytus, the company code 249664610 (further Company) is convened.

The place of the meeting - main meeting hall of the Company, at the address Pramonės str. 6, Alytus, Lithuania.

The Meeting starts - at 10 a.m. (registration starts at 9:00 a.m.).

The Meeting's accounting day – 28 March 2011 (the persons who are shareholders of the Company at the end of accounting day of the General Meeting of Shareholders or authorized persons by them, or the persons with whom shareholders concluded the agreements on the disposal of voting right, shall have the right to attend and vote at the General Meeting of Shareholders).

The rights accounting day - 18 April 2011 (the shareholders will use property rights arising from the resolutions accepted during the General Meeting of Shareholders on a ratio basis of number of shares at the end of the rights accounting day).

The Board of directors of the Company initiates and convenes the meeting.

Agenda of the Meeting:

1. Regarding the issue of the convertible bonds.
2. Regarding the withdrawal of the shareholders' right of pre-emption to acquire convertible bonds.
3. Regarding the increase of the authorized capital and amendment of the Articles of Association.
4. Regarding the authorization.

The Company shall not provide the possibility to participate and vote in the Meeting through electronic communication channels.

**08-03-2011**

**Notification on the adjustment of the notification about the intention to submit a non-competitive mandatory tender offer**

On 7 March 2011 Snaigė AB received a notification that the notification about the intention to submit a non-competitive mandatory tender offer to buy up the remaining shares of Snaigė AB (hereinafter referred to as the "Notification") on 8 February 2011 provided by KJK Fund SICAV-SIF, Luxembourg company Société d'investissement à capital variable – fonds d'investissement spécialisé, with its registered address at 412F, route d'Esch L-1030, Luxembourg, registration No. B 86 729, Firebird Republics Fund, Ltd., a company established according to laws of the Cayman Islands, with its registered address at c/o Trident Trust Company (Cayman) Ltd., One Capital Place, P.O. Box 847 Grand Cayman, Cayman Islands, and Firebird Aurora Fund, Ltd., a company established according to laws of the Cayman Islands, with its registered address at c/o Trident Trust Company (Cayman) Ltd., One Capital Place, P.O. Box 847 Grand Cayman, Cayman Islands (hereinafter jointly referred to as the "Offer Submitters") was prepared according to the incorrect data on the shares of Snaigė AB, held by the person, acting in concert with the Offer Submitters, Amber Trust S.C.A., Luxembourg Société d'Investissement à Capital Fixe Qualifying as fonds d'Investissement specialise, with its registered address at 412F, route d'Esch L-1030 Luxembourg, registration No. B 87 145, and voting rights, granted thereof, which were provided due to the technical mistake.

Due to the indicated reason in the Notification it was incorrectly indicated the number of shares of the company, collectively held by the group members as well as the number of shares intended to be bought up during the mandatory tender offer, i. e. in the Notification it was indicated that the number of shares, intended to be bought up during the mandatory tender offer is 19,218,720, constituting 62.53% of shares and votes carried by them at the general meeting of shareholders of Snaigė AB, as well as that the Offer Submitters and Amber Trust S.C.A. collectively hold 11,516,995 shares of Snaigė AB, constituting 37.47% of shares and votes carried by them at the general meeting of shareholders of the company.

The correct respective numbers are the following: 18,859,920, i. e. 61.36% (the number of the remaining shares of Snaigė AB and votes carried by them intended to be bought up during the mandatory tender offer) and 11,875,795, i.e. 38.64% (the number of shares of Snaigė AB and votes carried by them, collectively held by the Offer Submitters and Amber Trust S.C.A.).

**08-03-2011**

**Announcement on the acquired revised notification about acquisition of voting rights**

On 7 March 2011 Snaigė AB received an announcement that due to a technical mistake in the notification about acquisition of voting rights in the company by KJK Fund SICAV-SIF, Firebird Republics Fund, Ltd., Firebird Aurora Fund and Amber Trust S.C.A. (the notification was announced on 8 February 2011)

incorrect number of shares of the Snaigė AB, held by Amber Trust S.C.A. and voting rights granted thereof were indicated – 2,732,825. The correct number is 3,091,625 shares and voting rights granted thereof. Hereby we attach the aforementioned announcement and a revised notification about acquisition of voting rights in the company by KJK Fund SICAV-SIF, Firebird Republics Fund, Ltd., Firebird Avrora Fund and Amber Trust S.C.A. (the date of the transaction is 7 February 2011).

**21-02-2011**

**LTL 35.56 million is the amount Snaigė AB reduced its loss over the year**

According to unaudited consolidated data, the consolidated unaudited turnover of Snaigė AB comprised LTL 113.84 million over 2010 and consolidated unaudited net loss of Snaigė AB totaled LTL 2.6 million. In the same period of the previous year the consolidated unaudited net loss of the company was LTL 38.2 million.

Alytus factory incurred a consolidated unaudited loss only of LTL 0.48 million in 2010.

According to the Director General Gediminas Čeika of Snaigė AB this loss could be avoided. "This loss is the maintenance expenses of a closed Kaliningrad factory of Snaigė AB and office in Moscow", stated G. Čeika. "Costs exceeded LTL 2 million and this directly affected our profitability figures. I am glad that in the nearest time the premises of Kaliningrad factory will be rented, therefore, the company will not incur loss due of these premises. Besides, we are expecting that the active search of potential purchaser of the factory, which is currently carried out, will be successful."

In Gediminas Čeika view, the company succeeded to overcome the most difficult years of economic recession. "Optimization of production and management, mobilization of capacity allowed not only to survive but also to maintain a stable operation, to retain a large part of its markets and marketability of production."

In 2010 Snaigė AB exported its products to 30 European and Asian countries. The largest number of Lithuanian refrigerators was acquired by Germany, Ukraine, France and Portuguese.

We did not forget our consumers: in May we presented new energy-efficient refrigerators Snaigė Ice Logic A++ (using twice as little energy). These refrigerators became very marketable not only in Lithuania, but also in many European countries".

Consolidated unaudited EBITDA of the company for 2010 totaled LTL 9.5 million, i.e. by LTL 23.9 million more than in the same period of the previous year. Non-consolidated unaudited EBITDA of Alytus factory comprised LTL 10.12 million. According to the Gediminas Čeika it is undoubtedly positive index evaluating the company's activity.

In 2011 Snaigė AB is going to invest LTL 3,7 million to new technology and new product development.

**14-02-2011**

Snaigė AB has received announcement about the executive officer's transactions on the issuer's securities which have been made by the Managing director.

**08-02-2011**

**Notification about the intention to submit a non-competitive mandatory tender offer**

On 8 February 2011 Snaigė AB received a notification that KJK Fund SICAV-SIF, Luxembourg company Société d'investissement à capital variable – fonds d'investissement spécialisé, with its registered address at 412F, route d'Esch L-1030, Luxembourg, registration No. B 86 728, Firebird Republics Fund, Ltd., a company established according to laws of the Cayman Islands, with its registered address at c/o Trident Trust Company (Cayman) Ltd., One Capital Place, P.O. Box 847 Grand Cayman, Cayman Islands, and Firebird Avrora Fund, Ltd., a company established according to laws of the Cayman Islands, with its registered address at c/o Trident Trust Company (Cayman) Ltd., One Capital Place, P.O. Box 847 Grand Cayman, Cayman Islands (hereinafter jointly referred to as the "Offer Submitters"), pursuant to their Board decisions intend to submit a non-competitive mandatory tender offer to buy up the remaining 19,218,720 (nineteen million two hundred eighteen thousand seven hundred twenty) ordinary registered shares of Snaigė AB (legal form: public limited liability company, legal entity code 249664610, registered at Pramonės St. 6, Alytus, the Republic of Lithuania, data about the company are collected and kept in the Register of Legal Persons of the Republic of Lithuania) with the par value of LTL 1 (one litas) each, constituting 62.53% (sixty two and fifty three hundredths percent) of shares and votes carried by them at the general meeting of shareholders of Snaigė AB.

The Offer Submitters and Amber Trust S.C.A. acquired more than 1/3 (one third) of shares of Snaigė AB on 7 February 2011. The aforementioned companies collectively hold 11,516,995 (eleven million five hundred sixteen thousand nine hundred ninety five) ordinary registered shares of Snaigė AB with the par value of LTL 1 (one litas) each, constituting 37.47% (thirty seven and forty seven hundredths percent) of shares and votes carried by them at the general meeting of shareholders of Snaigė AB.

Intended way of settlement for the securities to be bought up is in cash.



**08-02-2011**

**Notification about acquisition of voting rights**

On 8 February 2011 Snaige AB received a notification about acquisition of voting rights in the company by KJK Fund SICAV-SIF, Firebird Republics Fund, Ltd., Firebird Avrora Fund and Amber Trust S.C.A. (the date of the transaction is 7 February 2011).

**08-02-2011**

**Notification about disposal of voting rights**

Snaige AB received a notification about disposal of voting rights from Sampo Fund Management Ltd.

**12-01-2011**

**Snaige AB notification on purchase-sale agreement of bonds in issue**

On 11 January 2011 Hermis Capital UAB signed an agreement to sell convertible bonds issued by Snaige AB (ISIN – LT1000401315, nominal value - 100 EUR, redemption date – 11 April 2011) for the following Snaige AB shareholders:

KJK Fund SICAV-SIF 6 617 bonds

Firebird Republics Fund, Ltd 1 629 bonds

Firebird Avrora Fund, Ltd 1 630 bonds

The transaction and the transfer of ownership rights should be completed by 21 January 2011.

The agreement also gives buyers the rights to acquire the remaining 22 411 convertible bonds, which can be exercised until 10 April 2011.

**17. Court and arbitrage processes**

The information about court and arbitrage processes is revealed in the 25 note of explanatory notes.