SNAIGĖ

Snaige 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, Managing Director of Snaige, AB and Neringa Menčiūnienė, Finance Director of Snaige, AB hereby confirm that, to the best of our knowledge, the attached unaudited interim consolidated Snaige AB financial statements for the nine month period 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 and cash flows of Snaige, AB.

Gediminas Čeika
Managing Director

Neringa Menčiūnienė
Finance Director

October 25, 2011

AB SNAIGĖ

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS OF 2011

CONTENTS

I. GENERAL PROVISIONS

1. Accounting period of the report

The report has been issued for the nine 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

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E-mail – 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 09 2011	01 07 2011 30 09 2011	30 09 2010	01 07 2010 30 09 2010
I.	**SALES AND SERVICES**	**90,714,899**	**36,300,832**	**87,447,562**	**40,436,104**
I.1	Income of goods and other products sold	13,331,799	6,000,077	9,775,575	5,715,070
I.2	Income of refrigerators sold	77,383,100	30,300,755	77,671,987	34,721,034
II.	**COST OF GOODS SOLD AND SERVICES RENDERED**	**77,403,087**	**30,810,340**	**72,492,431**	**31,034,525**
II.1	Net cost of goods and other products sold	2,567,714	1,265,782	1,521,915	688,196
II.2	Net cost of refrigerators sold	74,835,373	29,544,558	70,970,516	30,346,329
III.	**GROSS PROFIT**	**13,311,812**	**5,490,492**	**14,955,131**	**9,401,579**
IV.	**OPERATING EXPENSES**	**12,868,369**	**4,070,074**	**16,282,714**	**6,952,461**
IV.1	Sales expenses	5,127,680	1,887,418	6,542,182	3,468,746
IV.2	General and administrative expenses	7,740,689	2,182,656	9,740,532	3,483,715
V.	**PROFIT (LOSS) FROM OPERATIONS**	**443,443**	**1,420,418**	**(1,327,583)**	**2,449,118**
VI.	**OTHER ACTIVITY**	**818,358**	**284,601**	**137,399**	**262,905**
VI.1.	Income	1,008,896	353,984	348,000	183,006
VI.2.	Expenses	190,538	69,383	210,601	(79,899)
VII.	**FINANCIAL AND INVESTING ACTIVITIES**	**(5,535,762)**	**(3,771,726)**	**(1,279,485)**	**(4,057,710)**
VII.1.	Income	2,574,966	1,143,419	6,684,719	642,156
VII.2.	Expenses	8,110,728	4,915,145	7,964,204	4,699,875
VIII.	**PROFIT (LOSS) FROM ORDINARY ACTIVITIES**	**(4,273,961)**	**(2,066,707)**	**(2,469,669)**	**(1,345,687)**
IX.	EXTRAORDINARY GAIN				
X.	EXTRAORDINARY LOSS				
XI.	**CURRENT ACCOUNTING PERIOD PROFIT (LOSS) BEFORE TAXES**	**(4,273,961)**	**(2,066,707)**	**(2,469,669)**	**(1,345,687)**
XII.	**TAXES**	**8,601**	**8,601**	**87**	**87**
XII.1	PROFIT TAX	8,601	8,601	87	87
XIII.	Adjustment of deferred profit tax				
XIV.	Social tax				
XV.	MINORITY INTEREST	(456)	(207)		
XVI.	**NET CURRENT ACCOUNTING PERIOD PROFIT (LOSS)**	**(4,283,018)**	**(2,075,515)**	**(2,469,756)**	**(1,345,774)**

2. Accounting Balance Sheet (in LTL)

Ref. No.	ASSETS	Notes	30 09 2011	31 12 2010
A.	**Non-current assets**		**55,222,054**	**62,733,102**
I.	INTANGIBLE ASSETS	7	4,488,229	4,914,786
II	TANGIBLE ASSETS	8	49,611,719	56,696,210
II.1.	Land			
II.2.	Buildings		26,473,084	27,368,110
II.3.	Other non-current tangible assets		23,121,641	27,859,862
II.4.	Construction in progress and advance payments		16,994	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.	**Current assets**		**40,628,655**	**31,559,188**
I.	INVENTORY AND CONTRACTS IN PROGRESS	9	13,826,571	12,489,892
I.1.	Inventory		13,826,571	12,489,892
I.2.	Advance payments			
I.3.	Contracts in progress			
II.	ACCOUNTS RECEIVABLE WITHIN ONE YEAR		23,372,579	17,083,457
III.	INVESTMENTS AND TERM DEPOSITS			
IV.	CASH AT BANK AND ON HAND	12	3,414,505	1,970,839
V.	Other current assets		15,000	15,000
	Planned to sell non-current assets			
C.	**Accrued income and prepaid expenses**			
	TOTAL ASSETS		**95,850,709**	**94,292,290**

Ref. No.	SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	30 09 2011	31 12 2010
A.	**Capital and reserves**		**35,293,336**	**30,575,701**
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		(6,160,929)	(6,274,902)
IV.	RESERVES		4,016,955	4,688,472
V.	PROFIT (LOSS) BROUGHT FORWARD		(7,883,741)	(4,272,240)
	Current Profit (Loss)		(4,283,018)	(2,612,706)
	The previous year Profit (Loss)		(3,600,723)	(1,659,534)
B.	**Minority interest**		**1,930**	**1,475**
D.	**Provisions and deferred taxes**		**0**	**0**
I.	PROVISIONS FOR COVERING LIABILITIES AND DEMANDS			
II.	DEFERRED TAXES			
E.	**Accounts payable and liabilities**		**60,555,443**	**63,715,114**
I.	ACCOUNTS PAYABLE AFTER ONE YEAR AND NON-CURRENT LIABILITIES		31,956,383	14,327,771
	Financing (grants and subsidies)		1,021,208	1,282,433
I.1.	Financial debts		29,753,691	11,765,095
I.2.	Warranty provisions	16	681,443	769,517
I.3.	Deferred income tax liability		140,213	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		28,599,060	49,387,343
II.1.	Current portion of non-current debts		1,284,389	25,201,822
II.2.	Financial debts			
II.3.	Trade creditors		18,847,911	16,162,154
II.4.	Advances received on contracts in progress		673,716	627,570
II.5.	Taxes, remuneration and social security payable	21	2,924,734	3,081,086
II.6.	Warranty provisions	16	1,610,074	1,993,555
II.7.	Other provisions			
II.8.	Other current liabilities	21	3,258,236	2,321,156
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**95,850,709**	**94,292,290**

3. Cash Flows Statement

Ref. No.		30 09 2011	30 09 2010
I.	**Cash flows from the key operations**		
I.1	Result before taxes	(4,273,961)	(2,469,669)
I.2	Depreciation and amortization expenses	6,047,482	6,240,932
I.3	Subsidies amortization	(261,225)	(232,200)
I.4	Result of sold non-current assets	(128,706)	(36,673)
I.5	Write-off of non-current assets	149,233	100,700
I.6	Write-off of inventories	121,485	121,331
I.7	Depreciation of receivables		
I.8	Non-realized loss on currency future deals		
I.9	Change in provision for guarantee repair	(471,555)	(467,587)
I.10	Recovery of devaluation of trade receivables		
I.11	Influence of foreign currency exchange rate change	3,277,146	(1,841,443)
I.12	Financial income (interest income)	(3,938)	(9,405)
I.13	Financial expenses (interest expenses)	2,262,554	3,130,333
	Cash flows from the key operations until decrease (increase) in working capital	**6,718,515**	**4,536,319**
II.1	Decrease (increase) in receivables and other liabilities	(5,792,381)	(2,788,953)
II.2	Decrease (increase) in inventories	(1,336,679)	5,468,820
II.3	Decrease (increase) in trade and other debts to suppliers	3,731,890	(1,970,065)
	Cash flows from the main activities	**3,321,345**	**5,246,121**
III.1	Other cash income		
III.2	Interest received		
III.3	Interest paid		
III.4	Profit tax paid	(1,024,422)	(1,956,778)
	Net cash flows from the key operations	**2,296,923**	**3,289,343**

IV.	**Cash flows from the investing activities**	(2,371,928)	(367,871)
IV.1	Acquisition of tangible non-current assets	(3,500)	(26,814)
IV.2	Capitalization of intangible non-current assets	184,688	66,791,
IV.3	Sales of non-current assets		
IV.4	Loans granted		
IV.5	Loans regained		
	Net cash flows from the investing activities	**(2,190,740)**	**(327,894)**

III.	**Cash flows from the financial activities**	**1,337,483**	**2,120,324**
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	10,697,030	6,000,000,
III.2.1.2	Loans repaid	(834,707)	(2,703,157)
III.2.2	Finance lease received		
III.2.2.1	Payments of leasing (finance lease) liabilities	(62,130)	(599,446)
III.3	Other decreases in the cash flows from financial activities		
III.4.	Redemption of issued securities	(11,462,710)	(5,302,329)
	Net cash flows from the financial activities	**1,337,483**	**2,120,324**

IV.	**Cash flows from extraordinary items**		
IV.1.	Increase in cash flows from extraordinary items		
IV.2.	Decrease in cash flows from extraordinary items		
V.	**The influence of exchange rates adjustments on the balance of cash and cash equivalents**		
VI.	**Net increase (decrease) in cash flows**	**1,443,666**	**5,081,773**
VII.	**Cash and cash equivalents at the beginning of period**	**1,970,839**	**1,725,087**
VIII.	**Cash and cash equivalents at the end of period**	**3,414,505**	**6,806,860**

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	Currency exchange reserve				
Balance as of December 31, 2009	**27,827,365**	**18,727,270**	**0**	**2,828,472**	**0**	**0**	**60,000**	**1,800,000**	**(6,841,946)**	**14,688,148**	**29,713,013**	**1,676**	**29,714,689**
Total registered income and expenses as of 2010 nine months						0	0			(2,469,756)	**(2,469,756)**	**0**	**(2,469,756)**
Formed reserves							30,000	1,830,000		(1,860,000)	**0**		**0**
Transfers from reserves							(60,000)	(1,800,000)		1,860,000	**0**		**0**
Increase of authorized capital	2,908,350										**2,908,350**		**2,908,350**
Other changes		(13,028,614)							(97,503)	13,028,610	**(97,507)**		**(97,507)**
Balance as of September 30, 2010	**30,735,715**	**5,698,656**	**0**	**2,828,472**	**0**	**0**	**30,000**	**1,830,000**	**(6,939,449)**	**(4,129,294)**	**30,054,101**	**1,676**	**30,055,777**
Dividends for 2009											**0**		**0**
Total registered income and expenses as of 2010 IVQ						0				(142,946)	**(142,906)**	**(201)**	**(143,147)**
Formed reserves										0	**0**		**0**
Other changes									664,547		**664,547**		**664,547**
Year 2010 profit not registered in the Profit (Loss) account											**0**		**0**
Balance as of December 31, 2010	**30,735,715**	**5,698,656**	**0**	**2,828,472**	**0**	**0**	**30,000**	**1,830,000**	**(6,274,902)**	**(4,272,240)**	**30,575,701**	**1,475**	**30,577,176**
Dividends for 2010											**0**		**0**
Total registered income and expenses as of 2011										(4,283,018)	**(4,283,018)**	**455**	**(4,282,563)**
Formed reserves							30,000	1,158,483		(1,188,483)	**0**	**0**	**0**
Transfers from reserves							(30,000)	(1,830,000)		1,860,000	**0**		**0**
Other changes									113,973		**113,973**		**113,973**
Increase of authorized capital	8,886,680										**8,886,680**		**8,886,680**
Loss coverage													
Balance as of September 30, 2011	**39,622,395**	**5,698,656**	**0**	**2,828,472**	**0**	**0**	**30,000**	**1,158,483**	**(6,160,929)**	**(7,883,741)**	**35,293,337**	**1,930**	**35,295,267**

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 1st 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 „Snaigė"AB as on September 30, 2011 and December 31, 2010 were:

	September 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	27,576,982	69.,60	15,004,428	48.82
Skandinaviska Enskilda Banken AB Finnish Clients	3,144,836	7.,94	3,720,698	12.11
Other shareholders	8,900,577	22.46	12,010,589	39.07
Total	**39,622,395**	**100.00**	**30,735,715**	**100.00**

All the shares (with nominal value LTL 1 per share), are ordinary and were fully paid as on September 30, 2011 and December 31, 2010. The authorized share capital is equal to LTL 39,622,395 on September 30, 2011. Subsidiaries did not have any shares of „Snaige" AB on September 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 "Snaige" 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	(7,326,257)	2,354,463
„Snaige Ukraina" TOB	Gruševskio 28-2a/43, Kiev	99	88,875	57,322	191,899
„Moroz Trade" OOO	Prospekt Mira 52, Moscow	100	947	0	(5,420,744)
„Liga Servis" OOO	Prospekt Mira 52, Moscow	100	1,028	(80,337)	187,713
UAB Almecha	Pramonės 6, Alytus	100	1,375,785	248,059	496,219

As 30 September 2011 The Board of the Company comprised 4 representative Swedbank AS clients and 2 representative Group as on the 31st of December, 2010, 1 representative of Hermis Capital UAB 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 12th 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 13th 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 7th of February, 2006. The subsidiary provides sales and marketing services in the Russian market.

UAB Almecha (Alytus, Lithuania) was established on the 9th 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 September, 2011, was 765 (as of 30 September 2010 – 790).

2 Accounting principles

The principal accounting policies adopted in preparing the Group's financial statements as of 30 September, 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 12,030 thousand on September 30th, 2011 (whereas in the year 2010, December 31st, the current liabilities exceeded current assets by LTL 17,828 thousand).

The liquidity ratios:

gross replacement ratio was 1.42, quick recovery ratio – 0.94 (whereas on the year 2010 December 31st 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 31st 0.68)

Asset utilization ratios:

inventory turnover – 4.99; receivables turnover – 4.05; fixed asset turnover – 1.66 (whereas on the year 2010 for the same date those ratios were respectively 4.74, 4.78 and 1.67)

Even that Group in the nine months of 2011 incurred LTL 4,283 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:

- Group management believes that the sales in 2011will be higher than in 2010, and will further optimize costs. During the first nine months of sales, compared to the last year the same period,

sales increased by 4.5%., of the standard operating we earned 443 thousand LTL profit (2010 – 1,328 thousand LTL loss) it is likely that this target will be achieved.
- 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 Swedbankas) extended the loan agreement for a year, while Šiaulių 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:

	30-09-2011	31-12-2010
RUB	0.079478	0.085535
UAH	0.31649	0.32788
USD	2.5383	2.6099

2.4. Principles of consolidation

The consolidated financial statements of the Group include Snaigė AB 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 then 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 3rd 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 September 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	1,391	2,394	(10)	(316)	1,381	2,078	23,550	28,765
Ukraine	40,314	30,116			40,314	30,116	76	17
Western Europe	31,842	35,237			31,842	35,237		
Eastern Europe	6,166	6,862			6,166	6,862		
Lithuania	17,484	17,855	(11,386)	(11,929)	6,098	5,926	72,225	74,257
Baltic Countries	851	873			851	873		
Other countries from NVS	4,063	6,282			4,063	6,282		
Other countries	0	73				73		
Total:	**102,111**	**99,692**	**(11,396)**	**(12,245)**	**90,715**	**87,447**	**95,851**	**103,039**

4 Operational expenses

Over reporting period the operational expenses were:	**30 09 2011**	**30 09 2010**
Sales expenses	5,127,680	6,542,182
Administration expenses	7,740,689	9,740,532
Total:	**12,868,369**	**16,282,714**

5 Other income (expenses) – net result

Over reporting period, September 30 other income (expenses) was:	**30 09 2011**	**30 09 2010**
Other operating income		
Income from logistics	210,788	88,709
Rent of fixed asset	581,814	130,941
Profit from sale of fixed asset	128,706	36,673
Income from rent of equipment	1,365	793
Other	86,223	90,884
	1,008,896	**348,000**

Other operating expenses		
Transportation expenses	140,452	66,071
Rent of fixed asset	-	-
Rent of equipment	1,138	88,060
Loss from sale of fixed asset	-	-
Other	48,948	56,470
	190,538	**210,601**
Other operating income (expense) – net result	**818,358**	**137,399**

6 Net result from financial activities

	30 09 2011	30 09 2010
Financial income		
Profit from currency exchange	2,553,878	6,673,443
Gain of foreign currency translation transactions	17,149	368
Other	3,939	10,908
	2,574,966	**6,684,719**
Financial expenses		
Foreign currency exchange loss	5,814,595	4,799,189
Interest expenses	2,262,554	3,130,333
Loss of foreign currency translation transactions	11,664	9,058
Other	21,915	25,624
	8,110,728	**7,964,204**
Net result from financial activities	**(5,535,762)**	**(1,279,485)**

7 Non-current intangible assets

	Balance sheet value	
	30 09 2011	31 12 2010
Development costs	4,250,178	4,889,422
Software, license	238,051	25,364
Total:	**4,488,229**	**4,914,786**

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

Over the 9 months of 2011, the Group has accumulated LTL 566 thousand (9 months of 2010 - LTL 494 thousand) of non-current intangible assets depreciation.

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8 Non-current tangible assets

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

	Balance sheet value	
	30 09 2011	31 12 2010
Land and buildings	26,473,084	28,733,038
Machinery and equipment	19,535,378	25,922,658
Vehicles	62,472	110,842
Other non-current tangible assets	3,540,785	1,929,672
Total:	**49,611,719**	**56,696,210**

Group's non-current tangible assets depreciation on 30 September, 2011 is equal to LTL 5,481 thousand (in 2010 (9 months) – LTL 5,747 thousand)

9 Inventories

	30 09 2011	31 12 2010
Raw materials, spare parts and production in progress	9,971,560	8,505,394
Finished goods	3,608,970	3,802,014
Other	341,383	277.826
	13,921,913	12,585,234
Less: net realizable value allowance	(95,342)	(95,342)
	13,826,571	**12,489,892**

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 09 2011	31 12 2010
Trade receivables from the Group companies	32,564,725	28,536,018
Less: allowance for doubtful trade receivables	(12,798,568)	(13,585,026)
	19,766,157	**14,950,992**

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 09 2011	31 12 2010
Balance at the beginning of the period	(13,585,026)	(12,603,962)
Charge for the year	(79,835)	(479,304)
Used	-	194,324
Recovered receivables	52,592	135,745
Currency exchange rate influence	813,701	(831,829)
	(12,798,568)	**(13,585,026)**

The ageing analysis of trade receivables as of 30 September 2011 and 31 December 2010 is as follows:

	Trade receivables neither past due nor impaired	Trade receivables past due but not impaired					
		Less than 30 days	30 – 60 days	60 – 90 days	90 – 120 days	More than 120 days	Total
2011	16,838,041	2,422,543	312,099	14,911	18,739	159,824	**19,766,157**
2010	12,905,309	1,398,400	396,722	60,410	66,591	123,560	**14,950,992**

11 Other current assets

	30 09 2011	31 12 2010
VAT receivable	692,125	466,933
Prepayments and deferred expenses	2,289,493	1,156,778
Compensations receivable from suppliers	2,111	97,042
Other receivable	622,693	411,712
	3,606,422	**2,132,465**

Compensations from suppliers are received for bad quality goods.

12 Cash and cash equivalents

	30 09 2011	31 12 2010
Cash at bank	3,403,757	1,965,694
Cash on hand	10,748	5,145
	3,414,505	**1,970,839**

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 September, 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 September 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 fond 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 September, 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

Subsidies on 31 December 2006	**10,358,600**
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
Increase during period	-
Subsidies on 30 September 2011	10,703,880
Accumulated amortization on 31 December 2006	**6,509,260**
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
Amortization during period	87,075
Accumulated amortization on 30 September 2010	9,682,672
Net residual value 30 September 2011	**1,021,208**
Net residual value 31 December 2010	**1,282,433**

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 September 2011 were equal to LTL 681 thousand (31 December 2010 – LTL 770 thousand), current provisions on 30 September 2011 are equal to LTL 1,610 thousand (31 December 2010 – LTL 1,994 thousand).

Changes over the reporting period were:

	30 09 2011
1 January,	2,763,072
Changes over reporting period	1,183,034
Used	(1,650,063)
Foreign currency exchange effec	(4,525)
30 September, 2011.	**2,291,518**

The postponements of warranty obligations accounted for the 30st of September:

	30 09 2011
- Long-term	681,443
- Shot-term	1,610,074

	31 12 2010
- Long-term	769,517
- Shot-term	1,993,555

17 Borrowings

	30 09 2011	31 12 2010
Non-current borrowings		
Non-current borrowings with fixed interest rate	12,319,610	4,019,610
Non-current borrowings with variable interest rate	9,305,123	6,916,527
Ordinary bonds	8,057,806	757,806
	29,682,539	**11,693,943**

Current borrowings

Convertible bonds	-	21,190,524
Ordinary bonds	444,361	1,723,638
Current borrowings with fixed interest rate	617,176	1,403,448
Current borrowings with variable interest rate	11,000	51,000
	1,072,537	**24,368,610**
Total	**30,755,076**	**36,062,553**

Borrowings with variable interest rate bear 6 – month EUR LIBOR + 3.88% and 6 – months VILIBOR + 4,5% annual interest rate. Borrowings with the fixed interest rate bear 6.9-14% 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 20th day of every month) to redeem over 416 units of bonds. The final redemption of those 432 unites has been intended on the 15th of June, 2012. Unredeemed value of bonds on September 30th, 2011 – LTL 1,189 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 2,540 thousand, on September 30th, 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 209 thousand. LTL on the 30st of September, 2011, recorded in the short-term amounts article. The interest on the bonds are paid on the time of redemption, except Šiauliu bankas turto fondas, UAB, which interest is paid once a quarter on the last day of the quarter.

At the 30t of September, 2011, buildings with the carrying amount of LTL 7,421 thousand (31 December 2010 – LTL 6,132 thousand), machinery and equipment with the net book value of LTL 6,223 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 September 2011	31 December 2010
Borrowings denominated in:		
EUR	3,585,746	23,671,968
USD	-	-
LTL	27,169,330	12,390,585
RUB	-	-
	30,755,076	**36,062,553**

18 Financial leasing

Principal amounts of financial lease payables as of 30 September 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 09 2011	31 12 2010
Within one year	213,368	850,846
From one to five years	71,321	72,589
Total financial lease obligations	284,689	923,435
Interest	(1,685)	(19,071)
Present value of financial lease obligations	283,004	904,364
Financial lease obligations are accounted for as:		
- current	211,852	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 09 2011	31 12 2010
Machinery and equipment	2,236,870	2,578,088
Vehicles	-	-
	2,236,870	**2,578,088**

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

	30 09 2011	31 12 2010
EUR	-	-
LTL	283,004	904,364
	283,004	**904,364**

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 45 days.
- Interests payable are usually set quarterly during the financial year.

21 Other current amounts payable

Other creditors were composed as follows:

	30 09 2011	31 12 2010
Accrued interest on convertible bonds	209,197	1,571,663
Salaries and related taxes	1,628,307	1,724,586
Vacation reserve	1,246,428	1,356,500
Other taxes payable	358,867	260,769
Other accrued interest	281,658	260,951
Provisions for TPI building reconstructions	1,713,360	-
Other payables and accrued expenses	745,153	227,773
Total other creditors	**6,182,970**	**5,402,242**

22 Basic and diluted earnings (loss) per share

	30 09 2011	30 09 2010
Shares issued 1 January	30,735,715	27,827,365
Weighted average number of shares	35,358,090	29,574,506
Net result for the year, attributable to the parent company	(4,273,961)	(2,469,669)
Earnings (loss) per share and diluted (loss) per share, in LTL	(0.12)	(0.08)

23 Risk and capital management

Credit risk

The Group has significant concentration of trading counterparties. The main ten customers of the Group on the 30t of September, 2011, accounted for approximately 60.6% (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 31st 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 fixed interest rates.

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 9 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.	-	100,000	-	-	576,942	423,068
	-	**100,000**	**-**	**-**	**576,942**	**423,068**

During the 2011, the company returned 100 thousand LTL of loan, the remaining amount due to 2011 September 30, amounted to 323 thousand LTL of loan (long-term debt accounted for the current portion) and the 157 thousand accrued interest (included other payables and current liabilities). This loan will be repaid on the last day of each month, the last return charged with the payment of interest.is provided for 31 of December, 2011. On 2 of May, 2011 the largest shareholders of the company, the previously issued bonds by refinancing, had acquired a 732-day duration of the 9 percent annual interest on its bonds:

- 2,290.6 thousabd LTL KJK Fund SICAF – SIF ,
- 911,0 thousand LTL Firebird Republic Fund, Ltd,
- 713,7 thousand LTL Amber Trust SCA SICAF-SIF
- 384,7 thousand LTL Firebird Avrora Fund, Ltd ,

In 2011 September 30, the company has not been entered into indemnity agreements under which were guaranteed suppliers for subsidiary debt.

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 1,010 thousand and LTL 236 thousand, respectively, in 9 months 2011 (LTL 907 thousand and LTL 283 thousand in 2010, respectively).

25. Commitments and contingencies

On the 25th 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 12th 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 5th 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 12th of February, 2010. This judgement had obligated the Company to pay to the plaintiff 1.095 thousand LTL till the 1st of February, 2010, and to continue paying every month from the 12th of February, 2011, till the 12th 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 September 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 252 thousand, including LTL 76 thousand within this year. A disputed debt of LTL 489 thousand for goods not provided was not accounted in this financial statement.

Currently the subject of legal proceedings is with the firm "format". The company appealed the ruling by the procedural law (the claim is investigated and charged to interest, it is not stated in the contract). Any court orders are uncertain fate, but the management of the company expects to win, therefore, a rate is compounded under the contractual terms of 2011 September 30 balance sheet „Other payables and accrued liabilities" accounted for 69 thousand LTL t.sk.13 thousand LTL to this year.

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 and bears 6 month EURBIROR + 4.5% annual interest rate. The credit line matures on 31 March 2012.

On 5 July 2011 was signed an agreement with the bank for credit of 5000 thousand. LTL which provides a fixed annual interest rate cuts.

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 18th 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.

At this point, by the buyers‘ request, is conducted a financial - legal audit.

26. Events after the balance sheet

On 30 September 2011, the management of the company decided to sell, by public tender, of 100 percent of the OOO Techprominvest parts.

On 13 October 2011 Company executives signed the agreement of the decisions of the authorized capital to LTL 85,834,409 increase in the subsidiary company OOO Techprominvest.

The authorized capital will be increased by the capitalization of the company's receivable 38,509 thousand of LTL of OOO Techprominvest sold raw and materials.

For the sheet date, share capital of the legal registration process was increased.