

AB SNAIGĖ

Annual report – prospectus for year 2005

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I. GENERAL PROVISIONS

1. Accounting period of the annual report-prospectus

The annual report-prospectus has been prepared for the year 2005.

2. The basic data about the issuer

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

Authorised capital - 23,070,405 LTL

Address - Pramonės str. 6, LT-4580 Alytus

Phone - (315) 56 206

Fax – (315) 56 207; (315) 56 269

E-mail - snaige@snaige.lt

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

Legal organisation status – legal entity, public limited company

Registered as an enterprise on December 1, 1992 in the Municipality Administration of Alytus; registration number AB 92-119; enterprise register code 249664610. The latest Statute of AB “Snaigė” was registered on May 2, 2006 in Alytus Department of Register of Legal Entities of the Republic of Lithuania.

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

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

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

The report and its accompanying documents are available in the Budget Department of AB “Snaigė” (room 411) at Pramonės str. 6, Alytus on work days from 8.00 to 16.30, as well as in UAB FMĮ “Baltijos vertybiniai popieriai” at Gedimino ave. 60, Vilnius on work days from 9.00 to 17.00. 60, Vilnius).

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

5. Persons responsible for the information provided in the report

5.1 The issuer’s employees, administrative manager and the members of the management bodies are responsible for the statement

Mindaugas Šeštokas, Managing Director, phone (315) 56 200, fax (315) 56 207

Arūnas Lingė, Finance Manager, phone (315) 56 206.

5.2. The report was issued by the Financial Broker Firm “Baltijos vertybiniai popieriai”. The address of the enterprise: Gedimino ave. 60, LT-2600 Vilnius, phone (5) 2313833, fax (5) 2313840. Responsible person – financial analyst Karolis Rūkas, phone (5) 2313833.

6. The issuer's employees, administrative manager and the members of the management bodies who are responsible for the composition of the report, as well as the issuer's consultants hereby confirm that the information provided herein is actual and that no facts have been concealed, which could have affected the investors' decision to buy or sell the issuer's securities and their market price or evaluation thereof.

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

The Finance Manager of AB "Snaigė" **Arūnas Lingė** _____

Financial Analyst of UAB FMĮ "Baltijos vertybiniai popieriai" **Karolis Rūkas** _____

Date of preparation of the report:

May 25, 2006

Place of preparation:

FMĮ "Baltijos vertybiniai popieriai" (Gedimino ave. 60, Vilnius).

II. INFORMATION ABOUT THE ISSUER'S AUTHORIZED CAPITAL AND THE ISSUED SECURITIES

7. The issuer's authorized capital

7.1. The authorized capital registered in the enterprise register

Name of the securities	Amount of the securities	Nominal value, LTL	Total nominal value, LTL	Share of the authorized capital, in percentage
Ordinary registered shares	23 070 405	1	23 070 405	100

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

7.2.1. name, amount and specification of the loan or secondary securities to be converted or traded for shares providing the right to sign the issuer's shares, as well as the term(s) and conditions of such trading for shares;

7.2.2. scope of conversion, trade or right realisation of the loan or secondary securities with regard to the prospective increase of the authorized capital by converting, trading or providing the right to sign the issuer's shares, as well as the preliminary date (dates) of such increase;

7.2.3. the prospective changes in the structure of the authorized capital (according to the type and class of the shares) due to conversion, trade or right realisation of the loan or secondary securities to be converted, traded for shares or providing the right to sign the issuer's shares;

7.2.4. procedure and terms of signing or trading of the issued shares due to increase of the authorized capital by trading the loan or secondary securities or by right realisation; the categories of the owners of the loan or secondary securities to be provided with the preferential right to sign the shares (provided that the preferential right with regard to the individual categories of the loan or secondary securities has been ensured in the terms of issuance thereof).

8. Major shareholders

The total number of the shareholders on December 31, 2005 was 1230.

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

Names (company names, addresses, enterprise register codes) of the shareholders	Amount of the ordinary registered shares available, in pcs.		Share of the authorized capital and votes available, in percentage				
	Total	incl. the ones owned by the shareholder	Total		incl. the ordinary registered shares owned by the shareholder		Total incl. the share of the entities group operating jointly, in percentage
			share of the votes	share of the capital	share of the appointed votes	share of the capital	
Hansabank – Customer VP, Liivalaia 8, Tallinn 15040 Estonia, Enterprise reg.no. 10060701	11 058 513	11 058 513	47,93	47,93	47,93	47,93	-
UAB “Survesta” –K. Kalinausko str. 2B, Vilnius Enterprise reg.no. 126408152	5 257 100	5 257 100	22,79	22,79	22,79	22,79	23,54
Skandinaviska Enskilda – Customers VP, Sergels Torg 2, 10640 Stockholm, Sweden, Enterprise reg.no. 502032908101	1 886 068	1 886 068	8,18	8,18	8,18	8,18	-

9. Specification of the shares issued in the public circulation of the securities

The Company has issued 23,070,405 ordinary registered shares with the nominal value of 1 (one) LTL, the total nominal value being 23,070,405 LTL.

10. Data about the shares registered and distributed in the non-public circulation

11. Information about the depositary receipts issued on the basis of the shares

12. Specification of the loan securities issued in the public circulation of the securities

13. Data about the loan securities distributed in the non-public circulation

14. Securities without a share of the authorized capital, the circulation of which is regulated by the Law on the Securities Market, excluding the loan securities

III. DATA ABOUT THE SECONDARY TURNOVER OF THE SECURITIES ISSUED BY THE ISSUER

15. Securities included into the trading lists of stock exchange

23,070,405 ordinary registered shares of AB “Snaigė” are included into the Official trading list of the Vilnius Stock Exchange. The total nominal value of the shares is 23,070,405 LTL. The VP CD (Securities Central Depository) number is 10927. The nominal value of a share is 1 (one) LTL.

16. Trade of the issuer’s securities in stock exchanges and other organized markets

Trade of the company’s ordinary registered shares in the securities stock exchange was started on August 11, 1995.

The ordinary registered shares of AB “Snaigė” have been listed in the Official trading list of Vilnius Stock Exchange since April 9, 1998.

16.1. Trade in Vilnius Stock Exchange

16.1.1. Trade in the Company’s shares in 2004-2006.

Accounting period		Price (LTL)			Turnover (LTL)			Date	Total turnover	
from	to	max	min	last session	max	min	last session	last session	pcs.	LTL
2004-01-01	2004-03-31	270.00	212.00	268.30	2 448 956	656	325 653	2004-03-31	106 852	24 639 634
2004-04-01	2004-06-30	300.00	265.00	272.00	22 734 575	-	474 178	2004-06-30	133 272	35 826 144
2004-07-01	2004-09-30	19.85	17.80	19.50	5 360 235	-	96 442	2004-09-30	1 243 337	22 859 454
2004-10-01	2004-12-31	19.75	16.70	17.70	1 342 529	8 625	119 426	2004-12-31	812 302	15 246 143
2005-01-01	2005-03-31	18.60	16.25	16.30	7 280 252	1 068	381 121	2005-03-31	2 692 897	48 200 814
2005-04-01	2005-06-30	16.50	15.50	16.40	3 188 739	-	1 817 817	2006-06-30	953 982	15 248 778
2005-07-01	2005-09-30	17.90	16.35	17.45	12 516 023	-	4 468 518	2005-09-30	3 042 587	52 685 080
2005-10-01	2005-12-31	17.50	16.20	17.20	87 424 650	-	68 798	2005-12-30	6 081 389	98 781 272
2006-01-01	2006-03-31	17.20	14.91	15.50	2 591 001	-	3 873	2006-03-31	1 641 772	26 093 777

16.2. Trade in other stock exchanges

16.3. Trade in other organised markets

17. Capitalisation of the securities

Accounting period	Capitalisation (LTL)
2004-03-31	412 652 644
2004-06-30	418 343 344
2004-09-30	449 872 898
2004-12-31	408 346 169
2005-03-31	376 047 603
2005-06-30	378 354 618
2005-09-30	402 578 542
2005-12-31	396 810 941
2006-03-31	357 591 279

18. Trade in the issuer's securities outside the stock exchange

Since the ordinary registered shares are included into the Official trading list of Vilnius Securities Stock Exchange, the purchase-sale transactions of the shares can be executed only in Vilnius Securities Stock Exchange. The transactions performed outside the stock exchange comprise exchange, endowment, inheritance and settlement of debts and repay transactions.

The transactions with regard to the ordinary registered shares of AB “Snaigė“ executed outside stock Exchange

Accounting period	Monetary settlement					Non-monetary settlement		Total amount (pcs.)
	Price (LTL)		Amount of securities (pcs.)	Total (LTL)	Amount of transactions	Amount of securities (pcs.)	Amount of transactions	
	max	min						
I quarter of 2004	170.00	81.31	55 077	5 831 145	24	-	-	55 077
II quarter of 2004	210.66	80.00	121 948	14 708 325	43	-	-	121 948
III quarter of 2004	156.42	9.72	202 460	2 841 063	24	528	3	202 988
IV quarter of 2004	14.40	5.66	3 611 220	25 724 920	45	-	-	3 611 220
I quarter of 2005	13.75	8.89	912 929	10 522 343	25	1,125	1	914 054
II quarter of 2005	13.11	9.30	1 528 248	17 309 367	20	-	-	1 528 248
III quarter of 2005	17.37	10.37	45 313	542 000	11	-	-	45 313
IV quarter of 2005	11.66	9.83	43 992	506 786	5	2,876	1	46 868
I quarter of 2006	12.88	0.75	426 425	2 648 829	9	-	-	426 425

19. Data regarding purchase of the issuer's own shares

During the general meeting of shareholders held on August 4, 2003 it was decided to purchase up to 10 percent of the Company's shares in the National securities market in order to maintain and increase the price of the Company's shares. The Company decided to purchase own shares until May 5, 2004. The maximum price of the own shares to be purchased was set to 300 LTL, whereas the minimum price was set to 175 LTL for one ordinary registered share. The Board of the Company was delegated to purchase own shares on behalf of the Company. The reserve composed for purchase of own shares amounted to 6,673,000 LTL.

The circulation of own shares as per 2003 can be described as follows:

On November 20, 2003 the Company purchased 1 thousand of shares for the price of 200 thous. LTL in the National securities stock exchange.

On April 19-30, 2004 the Company sold 1000 of shares for the price of 258,6 thous. LTL in the National securities stock exchange.

During the general meeting of shareholders held on March 29, 2004 it was decided to purchase up to 10 percent of the Company's shares in the National securities market for the price of 10 000 000 (ten million) Litas until June 1, 2005, i.e., such profit share appropriated to the reserve for acquisition of own shares. The maximum price of the own shares to be purchased was set to 350 LTL, whereas the minimum price was set to 175 LTL for one ordinary registered share. The minimum sales price of own shares is 175 LTL for one ordinary registered share. The valid nominal value of a share at that time was 15 LTL.

During the general meeting of shareholders held on April 27, 2005 it was decided to purchase the ordinary registered shares (with the nominal value of 1 LTL each / VP ISIN code LT 0000109274) of AB "Snaigė", by submitting the official tender in accordance to the procedure established in the legislative enactments regulating the securities market and implementing it in Vilnius stock exchange; the purpose of acquisition of shares was to maintain and increase the price of the Company's shares. It was decided to purchase up to 10 percent of the Company's shares in the Vilnius stock exchange for the price of 10 000 000 (ten million) Litas, i.e., such profit share appropriated to the reserve for acquisition of own shares; the Company will purchase the shares up to October 27, 2006; the maximum and minimum acquisition price of the shares: the minimum purchase price of the shares was set to 14 LTL, whereas the maximum price was set to 22 LTL; the minimum sales price of own shares is 14 LTL for one share.

20. Announcement of the official tender

21. The payment agents of the issuer

22. Agreements with the stakeholders of public circulation of securities

On September 29, 2003 AB "Snaigė" entered into agreement with Financial Broker Firm "Baltijos vertybiniai popieriai" Ltd. (Gedimino ave. 60, LT-2600 Vilnius) for management of accounts of the Company's issued securities and management of accounts of personal securities.

IV. INFORMATION ABOUT THE ISSUER'S BUSINESS ACTIVITIES

23. Legal principles of the issuer's business activities

AB "Snaigė" acts in accordance with the Statute of the Company, Law on Companies of the Republic of Lithuania and other legal enactments and the normative acts of the Government of the Republic of Lithuania.

24. Membership in associated organisations

AB "Snaigė" is a member of Lithuanian Confederation of Industrialists.

Lithuanian Confederation of Industrialists (LPK) comprises 41 branch and 8 regional associations composed of more than 2 700 enterprises of various type. The Confederation includes not only the majority of industrial enterprises but also banks, sales enterprises, subsidiaries of foreign firms, scientific research institutions and scholastic institutions. The activities of the members of LPK encompass all the main industrial areas; the major part of the goods produced in Lithuania are manufactured by them.

The Lithuanian confederation of industrialists is a non-political and non-governmental organisation that acts independently of the State. The policy of LPK is executed autonomously. The Confederation has significant influence on the Parliament (Seimas) and Government of the Republic of Lithuania.

AB "Snaigė" does not participate in the authorized capital of the Lithuanian Confederation of Industrialists.

AB "Snaigė" is a member and the founder of the International Chamber of Commerce Lithuania (ICC Lithuania). ICC Lithuania is a national committee of the International Chamber of commerce (ICC) in Lithuania unifying more than 40 members. ICC Lithuania participates in commission work of different areas in order to reflect the problems and experience of Lithuanian business society in the international business standards and guidelines created by the ICC Global Board.

AB "Snaigė" is a member of Lithuanian National Road Carriers' Association "Linava". "Linava" is the true member of the International Road Transport Union (IRU). "Linava" represents the carriers of Lithuania in two boards of this organisation: board of passenger transport and board of cargo transport.

AB "Snaigė" is a member and the founder of the Association of Domestic Equipment Manufacturers "CED Lithuania". The goals of the association are as follows: to coordinate activities of the members of the association active in the area of manufacture of domestic equipment, represent and defend the interests of the members, settle the issues raised by the members, ensure proper protection of the manufacturers' interests, etc.

AB "Snaigė" is a member of "Infobalt EPA" association. This association unites the manufacturers of electrical and electronic equipment, both wholesalers and retailers, for performance of the tasks related to handling of old electrical and electronic equipment articles.

25. Short history of the issuer's activities

AB "Snaigė" was established in 1963 in Alytus. During the first years first 25 refrigerators were produced. Refrigerator models "Snaigė-1M" and "Snaigė-8" were launched for mass production. More than 100 000 refrigerators were produced up to 1968 when a new plant was built in the industrial area of the city. In 1975 the number of produced refrigerators amounted to more than 1 million. In 1977 the company was integrated into manufacturing association "Atlant" of "Minlegpiščemaš" union in Moscow. In 1983 AB "Snaigė" started export of the products to foreign countries.

In 1990 the control of the plant was transferred to the Republic of Lithuania. A new development stage was started marked by search for new markets and new partners. In 1992 privatisation of AB "Snaigė" was

initiated according to the privatisation scheme established by the Government of the Republic of Lithuania; the company was registered as a Public Limited Company.

In 1995 the enterprise was retooled, and usage of chlorofluorocarbon was terminated. All the products of AB “Snaigė” were manufactured using environmental friendly materials.

In 1996 a new cover production line was established.

In 1997 English auditing firm “Bureau Veritas Quality International” approved the compliance of the Company’s quality management system with the requirements of ISO 9001 quality standard. The international standard ISO 9001 is a quality system providing the opportunity to ensure stable quality of the product. All refrigerators are granted international certificates.

In 1998 the technology of plastic processing was renewed.

In July 2000, three years since certificate was issued, “Bureau Veritas” re-certified the quality management system of AB “Snaigė”. The audit reports showed that the Company had been using, updating, maintaining and improving the quality management system and it complies with the requirements of ISO 9001 standard.

AB “Snaigė” was granted the quality management system certificates holding the accreditation marks of Germany, UK and the Netherlands.

The Company is continuously solving environmental issues. In 2001 these efforts were appraised by the environmental management system certificate ISO 14001.

In 2002 AB “Snaigė” purchased OOO „Snaigė – Ukraine“.

In March of 2004 a new plant was launched in Kaliningrad, which allowed increasing export volumes to Eastern Europe.

In October of 2004 the Company purchased OOO „Moroz – Trade“. The activities of this subsidiary company comprise sales and marketing services.

In January of 2006 the Company acquired OOO „Liga Servis“. The activities of this subsidiary company are sales and marketing services.

26. Specification of the plant (services)

AB “Snaigė” specializes in manufacture of high quality domestic refrigerators and freezers. Beside the refrigerators for commercial purposes, also refrigerators for hotels and restaurants are produced, as well as spare parts of refrigerators, tools and equipment.

The sales figures of the Company’s activities for the last three years are as follows:

Type of activities	2005		2004		2003	
	mill. LTL	perc.	mill. LTL	perc.	mill. LTL	perc.
Total sales	286,9	100	297,9	100	278,4	100
including:						
refrigerators and freezers	252,2	87,9	258,6	82,5	245,3	88
other products	34,7	12,1	39,3	17,5	33,0	12
Refrigerators sold, pcs.	443 480		457 876		425 740	
Combined refrigerators – freezers with separate external door	340 290	76,7	338 253	73,8	309 100	72,6

Domestic refrigerators (single cooler)	36 170	8,2	45 662	10,0	43 865	10,3
Freezers	51 882	11,7	60 224	13,2	54 081	12,7
Commercial refrigerators	15 138	3,4	13 739	3,0	18 694	4,4

The consolidated sales figures of the Company's activities for the last three years are as follows:

Type of activities	2005		2004		2003	
	mill. LTL	perc.	mill. LTL	perc.	mill. LTL	perc.
Turnover and other operating income	372,1	100	297,1	100	272,2	100
including:						
Turnover from the key operations (refrigerators and freezers, spare parts and materials)	368,9	99,1	293,4	98,8	269,4	99,0
other activity	3,2	0,9	3,7	1,2	2,8	1,0
Refrigerators sold, pcs.	582 053	100	487 776	100	425 740	100
including:						
Combined refrigerators – freezers with separate external door	478 863	82,3	368 151	75,5	309 100	72,6
Domestic refrigerators (single cooler)	36 170	6,2	45 662	9,4	43 865	10,3
Freezers	51 882	8,9	60 224	12,3	54 081	12,7
Commercial refrigerators	15 138	2,6	13 739	2,8	18 694	4,4

The refrigerators are sold for negotiated prices. They are sold to various countries according to individual contracts. The contract prices differ depending on the foreign country, therefore they are not fixed prices. The contract prices are confidential.

The main indicators of the Company's activities and dynamics thereof (consolidated data)

Financial Figures	2005	2004	2003
Profit before tax indicator, %	5,21	6,28	8,94
Return on investments indicator, %	7,80	7,86	12,98
General mark-up, %	18,66	21,64	18,87
EBITDA mark-up, %	11,23	12,03	14,04
Solvency ratio, %	147,32	177,4	189,8
Shareholders' equity/liability indicator, %	72,24	62,81	76,00
Return on shareholders' equity indicator, %	15,55	16,38	27,37

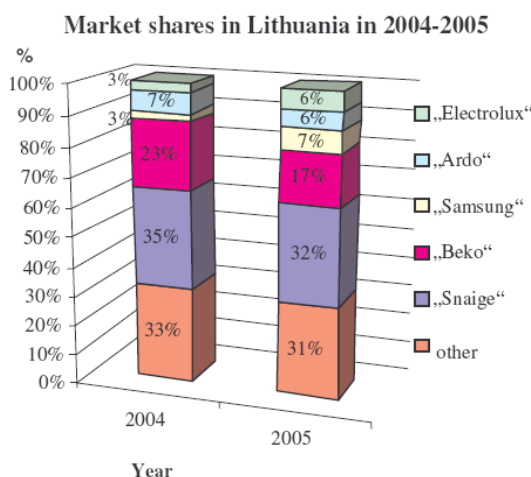
Shares indicators	2005	2004	2003
Earnings per share, LTL	0,59	0,66	0,92
Average annual share market price, LTL	17,02	17,51	11,29
EBITDA per share, LTL	1,79	1,53	1,64
EBITDA multiplier (EBITDA per share / Average annual share market price)	0,11	0,09	0,15
Total dividends, in thous. LTL	-	1 384	3 074
Dividends per share, LTL	-	0,06	0,13
Average net book share value, LTL	4,48	3,91	3,46

27. Sales markets

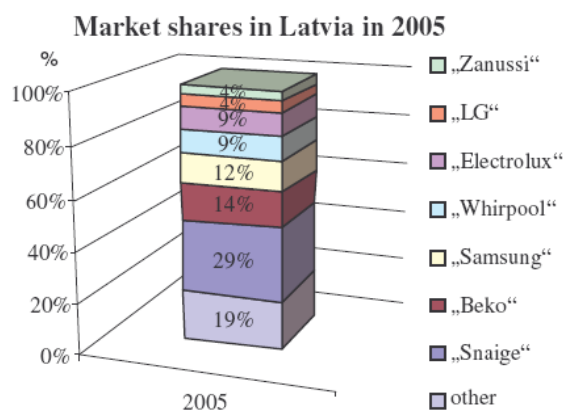
AB “Snaigė” exports 93% of its products to more than 40 countries in Eastern, Central and Western Europe, Scandinavia and Asia. Production was supplied to household electronics wholesalers and retailers – continued supply for international retail chains QUELLE, METRO, Carrefour. We have also started supplying one of the largest household electronics producers in Europe.

In 2005 AB “Snaigė” was a market leader in Lithuania, covering 32% of the market. According to the data of market research company “TNS – Gallup”, the company’s sales figures increased by 3 % in 2005. Despite that the market share was a little bit reduced (see diagram). Reduction of the market share in 2005 was caused by the following main reasons:

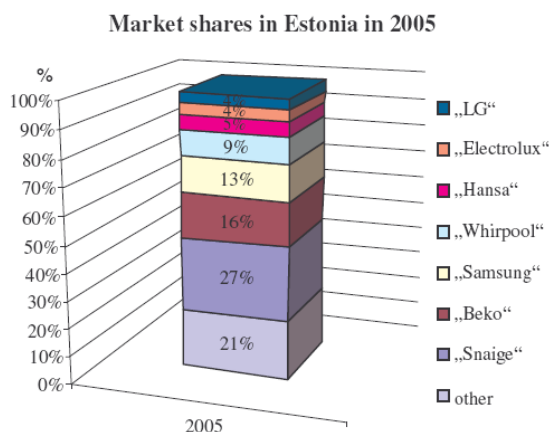
- introduction of especially cheap refrigerators (Baumatic, Haier, Vestel);
- decrease in price of the refrigerators of AEG, Bosch, Daewoo, Electrolux, Liebherr, Samsung, Sharp, Siemens brands.



In Latvia, as well as in Lithuania AB “Snaigė” was a market leader in 2005, covering 28,6 % of the market. The nearest competitors in this country are also Beko (14 % of the market) and Samsung (12 % of the market). In 2005 the sales of refrigerators increased by almost 25 percent in Latvia, as compared to 2004. The increase in sales was determined by a continuous support campaign and sales employees’ motivation program.



In Estonia, as well as in other Baltic Countries, AB “Snaigė” was a market leader in 2005, covering 27 % of the market. The sales in Estonia increased by almost 5 % during the year. The nearest competitors in this country are also Beko (16 % of the market) and Samsung (13 % of the market).



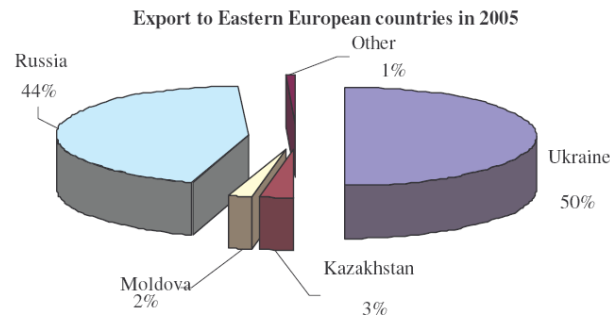
In 2005 the sales of increased by 25 percent in Eastern Europe, as compared to 2004 This was mostly determined by the increase in sales by almost 2,5 times in Russia.

The major part of the products was sold in Ukraine and Russia.

Development in Russia was especially successful – the distributors network was expanded, the “Snaigė” refrigerators were introduced in the largest chains selling domestic electric appliances.

On the other hand in 2005 materials became more expensive, especially plastic and nonferrous metal; in addition to that Ukraine introduced a larger customs duty. Therefore sales of refrigerators in Ukraine were reduced by 10 percent in 2005.

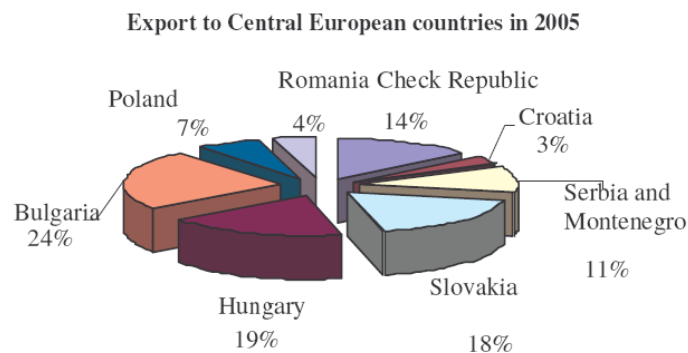
AB “Snaigė” is going to further expand its sales networks in Russia, Ukraine and Kazakhstan, and thus increase the sales in Eastern markets. According to the macro economical forecasts the situation for business development in Eastern countries is positive: The Russian economy experiences a boom at the moment, thus the purchasing power increases rapidly.



In 2005 AB “Snaigė” exported 14 % of the total products to the Central European countries. The major part thereof was sold in Bulgaria, Hungary and Slovakia. In 2005 the sales in Central Europe decreased by 13 % as compared to 2004, because less products was sold in Hungary, the Check Republic and Serbia and Montenegro.

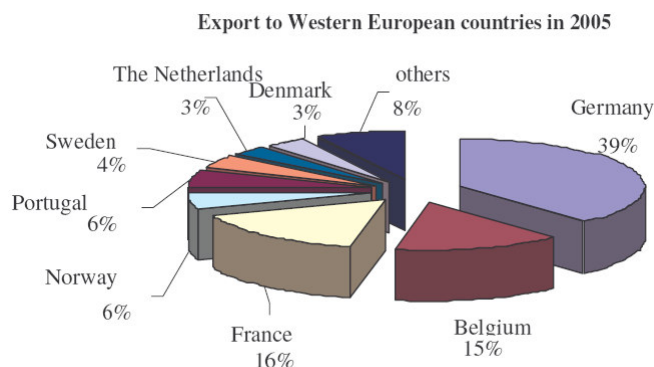
This region failed to achieve the planned results due to reduced market share and negatyve economical situation in several countries. Besides, Serbia and Montenegro does not impose an import duty upon the products of Beko, the main competitor of AB “Snaigė”, whereas our products are influence by this customs duty, which affects the sales results.

AB “Snaigė” is going to further increase sales volumes, popularise the “Snaigė” brand, and expand its sales networks in Central Europe.



The export of the company’s products to the Western European countries was also especially successful in 2005. In comparison with the last year the sales increased by 15 %. Almost 40 % of the products are delivered to German market, 16 % - to France, and 15 % - to Belgium. The sales were most rapidly increasing in Belgium (by almost 50 %), France (by 55 %) and Portugal (almost twice).

One of the strategic tendencies for the next year is cost and operations optimisation. The company plans to achieve the level of operation effectiveness, which would not be inferior to the one demonstrated by the Western European manufactures. This requires continuous investment into modern technologies, new products and design, as well as review and realisation of market trends and domestic electric appliances development.



The sales by markets (%):

Market	2005	2004	2003	Type of contracts
Lithuania	4,8	6,3	11,06	Long-term
Baltic States	5,1	5,4	4,65	Long-term
Eastern Europe	48,1	38,34	29,77	Long-term
Central Europe	13,8	19,54	19,91	Long-term
Western Europe	28,3	30,42	34,61	Long-term
TOTAL:	100,0	100,0	100,0	

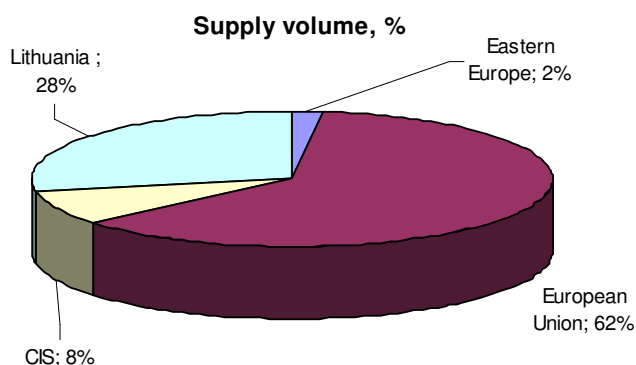
28. Supply

The materials and completing parts are supplied to the Company from more than 20 countries worldwide. European and Lithuanian manufacturers and suppliers of materials constitute the major part of them. The purchase volumes from South-eastern Asia and the CIS have increased. The company cooperates with the compressor manufacturers of Southern America and China.

The major suppliers are listed below: Danfos Compressors GmbH, ACC, Embraco Europe S.R.L., Kenmore international Kenmore UK, Geko-Kart, CFF, AO Severstallat, Arcelor I.E., AO Liepajas Metalurgs; KME Europa metal AG, KM Ibertubos S.A., Sintur s.Z o.o., Ilpea, Elastogran, Basf, Dipol, Tectrade, UAB Alytaus ARA, UAB Lisiplast.

The priorities set in the purchase strategy of the Company are high quality assurance and effective logistics. The increasing competence between the suppliers stimulates continual improvement of the purchased product.

There are no monopolistic suppliers. The major problems encountered in supply line of materials are long distances and transport costs related thereto.



29. Real estate and other major means

The main industrial buildings of the Company are situated in the Industrial are of Alytus. The Company owns 17,59 ha territory in Alytus on the rent basis, and the rest house in Šventoji covering a territory of 0,42 ha.

The buildings of AB “Snaigė”:

Type of buildings	Area, m ²	Residual value as of 2005-12-31, in thous. LTL
Industrial buildings	89 397	12 176
Non-industrial and administrative buildings	1 279	108
Other buildings	3 727	225
Total	94 532	12 509

At the end of 2005 the net book value of the Company’s buildings amounted to 16 054 thous. LTL, that of machinery and equipment amounted to 36 656 thous. LTL, that of vehicles and other equipment – to 5 591 thous. LTL, and the value of construction in progress – to 0 LTL.

The value of buildings and structures increased by 1 376 thous. LTL, the value of machinery and equipment decreased by 2 378.8 thous. LTL, the balance value of vehicles and other equipment, tools, fittings and utensils, as well as other tangible assets decreased by 1 887 thous. LTL. The value of the assets decreased due to depreciation. The value of construction in progress decreased by 1 807 thous. LTL due to termination of work and regrouping.

Main buildings of the Company and their condition:

Building	Code	Year when finished	Total area, sq. m.	Condition
Production facility	1P1/9	1970	42 862	Good
Administration premises	2B2b	1967	8 562	Good
Administration premises	3B8b	1985	3 279	Good
Production-administration	14P2b	1990	2 638	Good
Warehouse of chemicals	8F1b	1974	1 891	Good, needed roof reconstruction
Water cleaning station	9H3B	1987	2 308	Good
Warehouse K-10A	23F1g	1993	6 647	Good
Administration premises	25M3b	1986	2 056	Good
Non-typical products facility	24 P1g	1986	7 235	Good, needed partial roof reconstruction
"Snaigė-servisas"	19 P1g	1978	1 150	Good
Vehicles garage	21G1l	1983	1 172	Good, needed partial roof reconstruction
Transportation administration	22B2b	1983	363	Good
Warehouse for finished products	1F1p	1970	6 494	Good
Warehouse under gallery	28F1g	1991	1 005	Satisfactory
Warehouse	15F1/p	1988	470	Good
Specialized warehouse for clothing	7F11bp	1987	407	Good
Warehouse for metals	16F11g	1991	1 091	Good
Warehouse for plastics	20F1p	1990	849	Good

30. Risk factors related to the issuer's activities

The Company's products are competitive in various countries. There are no problems with regard to supply of materials and consumable for production line. The industrial area is sufficient. The qualification level of the employees is high; there exists no problem with regard to turnover of personnel. There are no monopolistic suppliers.

The wages are paid in time. In comparison to 2004, average wages have increased by 4.2%. There is a trade union of the employees active in the Company.

New technologies are implemented in development of technical process, environmental requirements, and new products.

There is no risk of termination or suspension of the Company's activities due to damage to the environment.

The status of settlement with regard to suppliers and consumers is positive.

Loan terms and repay schedule:

In thous. LTL

Credit line	Total	Up to 1 year	1 – 2 years	2 – 5 years
3,688,793 EUR credit line – 6 months EURIBOR + 1,2%	12 737	5 831	6 906	
3,867,939 EUR loan – 6 months EURIBOR +1.1%	13 355	5 936	7 420	
1,630,829 EUR overdrafts – 1 month EURIBOR +1.1%	5 631	5 631		
952,000 EUR loan – 6 months EURIBOR +1.1%	3 287	3 287		
5,616,410 EUR credit line – 6 months VILIBOR +1.1%	5 616		5 616	
4,323,322 EUR loan – 6 months EURIBOR +1.0%	14 928		14 928	
2,848,000 EUR loan – 6 months EUR LIBOR +1.0%	9 834		9 834	
364,160 USD loan – fixed interest rate 3,9%	1 060		1 060	
843,000 USD loan – fixed interest rate 3,9%	2 453	2 453		
64,500 EUR loan – fixed interest rate 3,9%	223	223		
15,085 USD loan – no interest	44		44	
19,514 EUR loan – no interest	67		67	
135,403 USD loan – no interest	394	394		
14,728 EUR loan – no interest	51	51		
Total:	69 679	23 806	45 874	0

The Company with its subsidiaries has received 7 loans from Lithuanian banks, 1 loan from “Ammotrade LLC”, and 2 loans from “Texas Fertiliser Investment LLC”.

On December 31, 2005 the buildings with the residual value of 34,467 thous. LTL (in 2004: 10,916 thous. LTL), the machinery and equipment with the residual value of 39,489 thous. LTL (in 2004: 30,691 thous. LTL), the inventories with the residual value of 19,300 thous. LTL (in 2004: 19,300 thous. LTL), the monetary income to bank accounts up to 10,000 thous. LTL (in 2004: 10,000 thous. LTL), and the shares of

“Techprominvest” with the value of 2,808 thous. LTL (in 2004: 2,808 thous. LTL) have been mortgaged as security for bank loans. Other loans issued by “Texas Fertilizer Investment LLC” and “Ammotrade LLC” are not secured by mortgaged assets.

On February 15, 2006 the group agreed with the bank on increase of the credit line to 20 mill LTL (On December 31, 2005 the used part of the credit amounted to 5.6 mill. LTL) and postponement of repay deadline to February 15, 2008.

31. Termination or reduction of production volume with the critical effect on the issuer’s performance during recent 2 economical years.

Production was neither terminated nor reduced during the recent years.

32. Patents, licences and contracts

The Company’s activities are independent of patents or licences.

33. Legal proceedings and third party (arbitration) trials

There were no legal proceedings in 2005 that could have affected the issuer’s financial status.

34. Employees

The employees of the Company in 2003-2005 according to the personnel groups:

Employees	2005			2004			2003		
	Amount	%	Average salary	Amount	%	Average salary	Amount	%	Average salary
managers	10	0,6	15 161	8	0,5	11 826	10	0,5	6 314
specialists	301	17,4	1 934	314	17,1	1 807	328	17,2	1 703
workers	1415	82,0	1 135	1510	82,4	1 144	1 566	82,3	1 052
Total:	1726	100	1 356	1832	100	1 301	1 904	100,0	1 192

The structure of the Company’s employees in 2003-2005 according to education level

Education level of the employees	2005		2004		2003	
	amount	%	amount	%	amount	%
university education	161	9,4	165	9	178	9,3
professional high school education	760	44	787	43	813	42,7
secondary education	634	36,7	649	35,4	676	35,5
uncompleted secondary education	171	9,9	231	12,6	237	12,5
Total:	1726	100,0	1832	100,0	1904	100,0

The employees of the Company and its subsidiaries in 2003-2005 according to the personnel groups:

Employees	2005		2004		2003	
	Amount	%	Amount	%	Amount	%
managers	11	0,5 %	11	0,5 %	10	0,5 %
specialists	461	20,1 %	449	19,5 %	328	17,2 %
workers	1 820	79,4 %	1 844	80,0 %	1 566	82,2 %
Total:	2 292	100,0 %	2 304	100,0	1 904	100,0

No special rights or duties of the employees are indicated in the employment contract or collective agreement.

35. Investment policy

35.1. Names, head office addresses, type of activities, the authorised capital, share of the authorized capital unpaid by the issuer, net profit (loss), ratio of short-term liabilities and current assets, ratio of total liabilities and total assets.

	TECHPROMINVEST	MOROZ TRADE	SNAIGE – UKRAINE
Head-office address	Russia	Russia	Ukraine
Type of activities	manufacture of refrigerators	sales and marketing services	sales and marketing services
Share of the authorized capital available to AB “Snaigė”, %	85 %	100%	99 %
The authorized capital (LTL)	1 013	1 013	95 884
Share of the authorized capital unpaid by the issuer	Completely paid	Completely paid	Completely paid
Net profit (loss) (LTL)	8 102 081	(5 298 410)	34 811
Ratio of short-term liabilities and current assets	1.76	1.17	0.84
Ratio of total liabilities and total assets	0.99	1.16	0.78

35.2. The shares owned by the Issuer and their type, number of shares, nominal value, percentage of total amount of votes the Issuer has in shareholder meetings, and owned votes including the share of the entities group operating jointly, in percentage.

Name of the securities	Amount of the securities	Nominal value, LTL	Owned votes, in percentage	Total incl. the share of the entities group operating jointly, in percentage
TECHPROMINVEST	100 shares	9,33	85	-
MOROZ TRADE	100 shares	911	100	-
SNAIGE – UKRAINE	100 shares	897,72	99	-

35.3. The dividends paid to the Issuer, the loans provided to the companies by the issuer and gained from the companies during the accounting period, specification of the loan securities purchased by the issuer and the total nominal value thereof.

On 2005-12-31 the loans provided by the issuer to the subsidiary company situated in Kaliningrad amount to 40 955 thous. LTL, including the loan of 1 726 thous. LTL granted in 2005. The interest for the loans provided amount to 2 952 thous. LTL during 2005. The established interest rate is higher than the one paid by the Company, however it is lower than the market price, therefore additional interest was calculated for the taxation purposes, amounting to 2 097 thous. LTL.

During 2005 the issuer sold materials and consumables to its subsidiary company “Techprominvest” for the amount of 20,747 thous. LTL, generating the profit of 1,378 thous. LTL.

During 2005 subsidiary company “Techprominvest” repaid 9,322 thous. LTL for the loans granted, the interest amounting to 1,652 thous. LTL, and paid 17,658 thous. LTL for the materials sold.

The total debt for the Company amounted to 88,699 thous. LTL, including

- 1) Amounts payable after one year: loans: 13,500 thous. LTL; debt for equipment sold: 9,101 thous. LTL.
- 2) Amounts payable within one year: loans: 27,454 thous. LTL; interest to be paid: 2,835 thous. LTL; debt for the raw materials and services: 22,469 thous. LTL; debt for equipment sold: 13,340 thous. LTL.

The debt of subsidiary company “Snaige-Ukraine” to the Company for the products sold amounts to 1,415 thous. LTL.

35.4. The major investment projects amounting to more than 10 percent of the issuer’s authorized capital, which have been implemented during 3 recent financial (economical) years: types, volumes and financing sources of investments, and geographical allocation thereof

In 2002 investment budget amounted to 17.9 mill. LTL.

New technologies were implemented, including rivetless connection, pyrolysis furnace and colour painting of plastic parts.

In order to increase production volumes and reduce production costs vacuum-formation line was implemented, as well as machine for bracket flexing and refrigerator fastening assembly.

Work places were streamlined: door production line was modernised, plastic crushing workshop was renovated, and the equipment of black varnish line and phosphate line renewed.

The main projects of 2003:

- “Elimination of greenhouse gas from refrigerators and freezers”, financed by the “Global Environmental Fund” (GEF). The GEF granted irrevocable loan of 1,0 mill. USD for the project;
- Automated line for connector production was implemented, which replaced production using separate pressings and release 12 persons from the line;
- The packing lines were joined to one technological flow by automating refrigerator fastening process and releasing people from the line, and thus increasing capacity of the flow to 18 sec. per product;
- Automated refrigerator fastening and packing, by joining the processes to one technological flow;
- New machine for casting of thermoplastic materials designed for casting of large parts;
- Production line of side panels allowing to increase the height and width of side panels;

- Contact welder designed for high quality welding of Al – Cu pipes, and hydraulic machine for preparation of Cu pipe end by forming a cone, and allowing to increase production capacity of cooling system components and thus satisfy the production need of Kaliningrad plant.
- 2 loaders were acquired for the finished products warehouse;
- Equipment required to satisfy energetic demands were implemented;
- The implementation of new accounting system for recording financial and marketing activities was launched, the continuation of which was planned for 2004.

26 technological projects were implemented, resulting in release of 29 people and increase in production capacities up to 540,000 pcs. per year. Production capacities of individual workshops have increased, thus allowing supply of Kaliningrad plant with the required components and parts for the capacity of 300 thous. of refrigerators per year.

In 2003 the Company terminated its investments to Slovakian enterprise GENERAL FROST due to unfavourable conditions for activities, i.e., manufacture of refrigerators, in this country. In 2003 AB “Snaigė” invested 2,808 thous. LTL to Kaliningrad enterprise TECHPROMINVEST, upon acquiring 85 percent of the authorized capital. The assets of GENERAL FROST suitable for manufacture of refrigerators were moved to Kaliningrad, whereas all the unsuitable assets were sold.

During the accounting period the Company also reduced its investments to Ukrainian enterprise SNAIGE-UKRAINE from 712 thous. LTL to 89 thous. LTL. On December 31, 2002 the Company owned 99% of the shares of SNAIGE-UKRAINE, with the authorized capital of 234.3 thous. EUR (809 thous. LTL).

In 2003 the budget for the program of new technologies and products “NT 2003” amounted to 14,048 thous. LTL, though the actual amount invested was 12,587 thous. LTL. Thus the economy of the objective investments amounted to 1,461 thous. LTL (10,4 percent). In the process of implementation of “NT 2003” the funds for new products acquisition amounted to 3,698 thous. LTL, the funds for technological development amounted to 4,007 thous. LTL, the funds for improvement amounted to 2,822 thous. LTL, and the funds for construction-energetic activities amounted to 2,060 thous. LTL. In addition thereto the funds for renovation in 2003 amounted to 2,078 thous. LTL out of budgeted 2,596 thous. LTL, whereas the funds for construction program amounted to 925 thous. LTL out of budgeted 992 thous. LTL. Thus the total investments to new technologies and activities development amounted to 15,581 thous. LTL during the accounting year, whereas in 2002 the funds used for the analogous investments amounted to 11,312 thous. LTL.

The main investment projects of 2004:

Each year AB “Snaigė” invests into development of technical progress and manufacture of new, ecological-friendly, cost-effective and modern products. Three new products were developed, and the current products improved. In the process of acquisition of new products the new technologies were assimilated, and the current ones improved.

In 2004 the funds invested for acquisition of new products and technologies, and for improvement of the current technology amounted to 10 mill. LTL.

In 2004 new projects were implemented to improve the production technologies, to increase performance level, and to advance product quality and work environment.

The most important projects are listed below:

- Two new filling modules of PPU resulted in increase of the production capacity by 16%, the opportunity to produce perspective models with the height of 2030 mm and depth of 610 mm, and reduction of material consumption.
- Electro-contact spot welder with the autonomous cooling system resulted in possibility to establish exact compression time, current increase time, welding current, time, and cooling time while welding the pipes of cooling system, high quality of component welding, and reduction in energy costs.

- New equipment for filling the R60 cupboards with thermal insulation, using cyclopentane as a foaming agent resulted in quality improvement, increase of production capacity and reduction of net cost of refrigerators.
- Packed printing of pictures using Teca-print equipment resulted in improved quality of pictures and component view, reduction of work and material consumption, and increase of production capacity.
- Pneumatic lifts implemented in casting equipment resulted in reduced consumption of compressed air for granule supply to the casting machines.
- Updated production line of side panels “OLMA” resulted in increased versatility of the line by applying wider range of side panels for production, reduced time used for line adjustments and launching, increased production capacity of side panels.
- Machine for cooling pipe flexing, capable to flex 7 pipes at a time, resulted in reduced work consumption and increased production capacity.
- Transportation complex of filled PPU cupboards, stage I: the filled PPU cupboards are joined to the single flow out of two different PPU filling lines for transferring them to the sort warehouse, and are supplied to assembly line in a centralized manner.

The main investment projects of 2005:

The total investments of the company in 2005 amounted to 11.6 mill. LTL, 7.86 mill. LTL of which were invested into manufacture of new products.

There were six projects implemented at AB “Snaigė” in 2005, according to the investment program. Three of them have been already finished and implemented (CD 480, RF 390-1703 and RF 390-4703, RF 390-5703). The activities of other projects are continued in 2006.

Commercial Refrigerator CD 480

CD 480 is a 203 cm high, 480 litres capacity professional commercial refrigerator with an advertising plate mounted (removable) on the glass door. The refrigerator places 553 (0.33 l) or 274 (0.5 l) bottles. Beside that, the design of the refrigerator provides for many user-friendly elements: self-closing door, vertical illumination within the whole height of the refrigerator, possibility to mount the shelves in horizontal or leaned position, etc.

This project served as a basis for manufacture of various commercial refrigerators.

RF 390-1703 in Alytus Plant

This project was meant for satisfying the demand of two-meter-height, two-freeze-chambers refrigerators in the EU market. The production line of the two-freeze-chambers refrigerators have been finalised in the company.

The production line of this refrigerator was prepared in Kaliningrad plant in 2004. Since export of the refrigerators from Russia is not cost-effective, it was decided to manufacture the products in Alytus. Thus, starting from 2005 manufacture of refrigerators RF 390 was launched in Lithuania.

RF 390 is a 2-meter high, 365 litres volume two-freeze-chambers refrigerator, maintaining all the best features of “Snaigė” refrigerators, as well as variety of modifications.

RF 390-4703 and RF 390-5703

In order to complement the line of the “TOP” class refrigerators and considering the increasing customers’ needs and technological progress, we developed a two-freeze-chambers fridge freezer with switch valve. The project was completed at the end of 2005.

RF 390-4703 and **RF 390-5703** are the variations of RF 390 with a valve-operated freezing system. Those freezing system is much more progressive than the products with two-compressors freezing system.

A one-compressor system is exceptional for the following reasons:

1. the temperature of the refrigerator and the freezer can be adjusted with the accuracy of one degree in each separate freeze chamber;
2. a one compressor freezing system with a switch valve consumes less electrical power than the refrigerators with two compressors system;
3. the refrigerator or the freezer chamber can be switched off and used independently from each other.

Both chambers of RF 390-5703 can be manually operated independently from each other. Added value is provided to the RF 390-4703 by electronic control system, low energy consumption and convenient details.

RF 390, RF 360, RF 315, RF 310, RF 300, RF 270 new design

Recently a trend of angular domestic appliances has been observed. Besides, technical and energetic requirements are rapidly increasing, which are not possible to satisfy by the current design of the “Snaigė” refrigerators. Therefore presently the new refrigerator design is being developed, complying with the mainstream trends and the existing and prospective requirements.

The idea of new design was created in 2004, which encompasses all three versions listed below:

- the door is mounted up to the top of the refrigerator, and control panel is mounted under the door, on the upper angle;
- the upper part of the door includes a window, where the control panel can be seen;
- the door is mounted with the additional finishing plate, where the control panel is mounted.

The construction basis of all the variations is the same: the side panels are mounted up to the top, thicker insulation, updated internal chamber design and construction. Internal illumination is ensured in the upper part, and the shelves are mounted in the special formed grooves. Various handles may be used with this design (vertical, horizontal, integrated), which further enhances the choice of the available variations.

Manufacture of the refrigerators of the first design variation was started in 2005.

Investments into new technologies of AB “Snaigė” amounted to 1.38 mill. LTL in 2005. New progressive technologies were implemented in the company, which enlarge production capacity, comply with the environmental requirements, improve quality of the products and work conditions. Within the process of development of new products new technologies were implemented and the existent ones improved.

35.5. Information about prospective investments:

According to the plan of investments, during 2006 company will develop and start to produce 6 types of new design two-freeze-chambers refrigerators. Thus not only design will be renewed, but also new basic construction will be created for production of new range of refrigerators. It will allow to reach new energy efficiency requirements and in the future with relatively low investments to prepare new exterior of refrigerators.

Also, in 2006 company will modernize current and will adopt new advanced technologies and equipment. Extraordinary attention will be paid to metal processing. New equipment will be of higher efficiency, easily reprogrammable and will be of higher technical-technological flexibility. This will allow offering new products for the market and modifying them with minimal costs and time.

During 2006 company is planning to invest 13 565 thous. LTL into development of new products and technologies.

36. Competitors

The Company is a competitive member of the market, selling its products in more than 40 countries. The markets are divided into Lithuanian, Baltic, Eastern, Central and Western European markets. Pursuant to the

available statistical analysis the refrigerators-freezers produced by the Company are equal to the products of Western European manufacturers with respect of reliability.

The goal of the company is to successfully compete in the markets, deliver to the customer energy effective, ecological, modern, well designed and functional domestic appliances. In order to achieve this goal market research was performed in various countries in 2005, on the basis of which long-term priority development tendencies were created. The main competitors in internal and external markets are Italian “Ardo“, Korean “Daewoo“, “Samsung“, “LG“, Turkish “Beko“, German “Hansa“, Belorussian “Atlant“, Ukrainian “Nord“, Russian “Stinol“, “Indesit“, and Chinese “Haier”.

37. Dividends paid

Table 10: Dividends paid

Year	Dividends reckoned, LTL	Amount of dividends per share, LTL	Percentage of the nominal value of a share
1997	634 014	0,50	3,33
1998	900 299	0,71	4,73
1999	553 690	0,36	2,40
2000	169 183	0,11	0,73
2001	2 676 166	1,74	11,60
2002	18 456 324	12,00	80,00
2003	3 074 054	2,00	11,33
2004	1 384 224	0,06	6,00
2005	0	0	0

V. FINANCIAL STATUS**38. Financial statements composed in accordance with the International Financial Reporting Standards (IFRS)**

AB “Snaigė” is a parent company situated in Lithuania with subsidiaries in Russia and Ukraine. The financial statements of the subsidiary companies are integrated into the consolidated financial statements.

38.1. Consolidated accounting balance sheet, in thous. LTL

ASSETS	2005 12 31	2004 12 31	2003 12 31
Non-current assets			
Property, plant and equipment	105 472	105 833	95 110
Intangible assets	7 369	6 514	5 225
Investments	0	0	1
Deferred tax asset	918	0	0
Other amounts receivables	0	0	0
Total non-current assets	113 759	112 347	100 336
Current assets			
Inventories	60 761	53 876	38 189
Trade receivable	61 733	50 104	30 698
Other receivables	4 847	11 918	9 582
Cash and cash equivalents	5 186	5 409	6 641
Total current assets	132 526	121 307	85 110
TOTAL ASSETS	246 284	233 654	185 446

EQUITY AND LIABILITIES	2005 12 31	2004 12 31	2003 12 31
Capital and reserves			
Share capital	23 070	23 070	23 070
Share premium	3 644	3 644	3 644
Own shares	0	0	-200
Legal reserve	2 338	2 338	2 338
Other reserves, distributable	26 899	26 588	12 135
Retained earnings	48 612	35 291	39 091
Translation reserve	-1 289	-786	
Total equity attributable to the equity holders of the parent	103 274	90 145	80 078
Minority interest	23	0	-171
Non-current liabilities			
Warranty provision	1 625	897	865
Deferred tax liability	0	320	277
Deferred grants	5 109	6 369	7 628
Interest bearing loans and borrowings	46 294	67 558	52 140
Total non-current liabilities	53 027	75 144	60 910
Current liabilities			
Interest bearing loans and borrowings	24 188	18 276	103
Trade creditors	45 983	37 751	35 240
Other current liabilities	19 788	12 338	9 286
Total current liabilities	89 959	68 365	44 629
Total liabilities	142 986	143 509	105 539
TOTAL EQUITY AND LIABILITIES	246 284	233 654	185 446

38.2. Consolidated profit (loss) report, in thous. LTL

	2005	2004	2003
Revenue	368 878	293 367	269 417
Cost of sale	-300 043	-229 891	-218 566
Gross profit	68 836	63 477	50 851
Distribution expenses	-26 448	-13 119	-8 905
Administrative expenses	-22 704	-23 636	-15649
Other operating income and costs	819	371	46
Operating profit	20 502	27 091	26 343
Financial income and expenses	1 294	-8 672	-2 265
Profit before tax	19 208	18 419	24 078
Corporate income tax	4 168	4 492	-2 749
Profit for the year	15 040	13 927	21 329
Attributable to:			
Equity holders of the parent	13 722	15 158	21 502
Minority interest	1 318	-1 232	-173
Profit for the year	15 040	13 927	21 329
Earnings per share	0,59	0,66	15,00

38.3. Cash Flows Statement, in thous. LTL

	2005	2004
Result before tax	19 208	18 419
Depreciation and amortisation	19 300	14 333
Amortisation of grants	-1 371	-1 389
Result of non current assets disposed	-79	119
Write down of inventories	40	24
Impairment of trade receivables	2 000	219
Reversal of impairment of trade receivables	-61	0
Unrealised loss on revaluation of currency derivatives	4 120	0
Change in warrantee provision	2 262	996
Currency exchange gains and losses	-502	895
Interest income	-44	-217
Interest expense	2 931	2 552
Net cash inflow from ordinary activities before any change in working capital	47 803	34 159
Change in trade and other receivables	-5 106	-21 959
Change in inventories	-6 924	-15 711
Change in trade creditors and other creditors	10 056	7 601
Net cash inflow from ordinary activities	45 829	4 090
Interest received	44	217
Interest paid	-2 931	-2 552
Profit tax paid	-6 825	-7 451
Net cash inflow from operating activities	36 117	-5 695
Acquisition of property, plant and equipment	-18 204	-27 215
Capitalisation of intangible fixed assets	-2 195	-2 539
Proceeds from disposed non current assets	684	3 291
Net cash outflow from investing activities	-19 715	-26 464
Proceeds from sales of own shares	0	279
Dividend paid	-1 384	-3 074
Subsidies received	111	130
Proceeds from loans	80 156	34 896
Payments of loans	-95 202	-1 904
Leasing obtained	76	993
Payments of leasing liabilities	-382	-393
Net cash inflow/(outflow) from financing	-16 625	30 927
Net cash inflow/outflow from operating activities, investing activities and financing	-223	-1 233
Cash and cash equivalents at 1 January	5 409	6 641
Cash and cash equivalents at 31 December	5 186	5 409

38.4. Appropriation account of profit (loss) (in LTL)*

Ref. No.	ITEMS	2005	2004	2003
I.	Profit (loss) brought forward			
	from previous years	48 537 666	24 393 045	11 135 392
II.	Net profit (loss) of the reporting period	7 545 957	26 728 844	24 782 471
III.	Profit (loss) to be appropriated	56 083 623	51 121 889	35 917 863
	at the end of the year			
IV.	Shareholders' contributions for covering losses	0	0	0
V.	Transfers from reserves	26 588 000	26 588 000	19 297 926
VI.	Profit to be appropriated	82 671 623	77 709 889	55 215 789
VII.	Appropriation of profit:	26 899 000	29 172 224	31 227 054
VII.1.	to legal reserves			
VII.2.	to other reserves(for social - cultural purposes and charity)	561 000	588 000	588 000
VII.3.	dividends	0	1 384 224	3 074 054
VII.4.	for acquisition of own shares	10 000 000	10 000 000	10 000 000
VII.5.	for investments	16 338 000	16 000 000	16 000 000
VII.6.	for bonus and tantieme	0	1 200 000	1 565 000
VIII.	Profit (loss) brought forward	55 722 623	48 537 665	23 988 735
	at the end of the year			

*The report was issued in accordance with the accounting standards of the Republic of Lithuania.

39. Notes to the financial statements

39.1. Explanatory note to the annual financial statement

Provided in Annex No. 1 "AB "SNAIGĖ" Annual Accounts for 2005".

39.2. Consolidated annual statements

Provided in Annex No. 2 "AB "SNAIGĖ" Consolidated Annual Accounts for 2005".

39.3. Major changes and the reasons thereof

Provided in Annex No. 3 "Report on the Company's activities for the year 2005 including review report".

40. The report issued by the issuer's Board or other management body acting as the Board

SPEECH OF THE CHAIRMAN OF THE BOARD

Dear Shareholders, Partners, Customers and Employees

2005 was a very important year for AB “Snaigė”, having required significant investments and decisions.

According to the audited consolidated data the turnover together with other activity income of AB “Snaigė” in 2005 amounted to 372.1 mill. LTL, whereas the consolidated profit before tax amounted to 19.2 mill. LTL. The turnover rise was determined by significantly increased sales figures and development in the Russian market, namely due to the expanded distributors' network and entrance of the company's products into the large chains selling domestic electric appliances.

Despite increased prices of materials and customs duties in Ukraine, the profit growth was achieved by investing into the sales procedures, optimising the costs and improving the manufacture processes.

The long-term strategy of the company served the purpose. After launch of new plant in Kaliningrad and increase of production capacity, we have established our position in the Russian market and expanded the production volumes for export to other Eastern countries. This year the turnover gained due to the operations in Russia and other Eastern countries amounted to near 50 percent of the total consolidated turnover of AB “Snaigė”.

Due to progressively more stiffened requirements of the EU Directives with regard to the reduced consumption of electrical power, and due to growing customer needs and severe competition in comparison with cheap products imported from the Asian region, we must continuously invest and perform researches in order to maintain a competitive product. We are pleased to confirm that the energy effectiveness dynamics at the refrigerators plant of Alytus comply with the trends in EU markets. It is of utmost importance to state that currently new next generation, two-freeze chambers fridge-freezer type refrigerators are being developed and tested, which belong to the A+ energy class, thus requiring 40 % of the average electrical power that could have been used for a comparable old generation refrigerator.

We believe that next year AB “Snaigė” will not only be able to maintain the similar figures but also improve its return. We hope that the company's development strategy will help in achieving the set goals.

We will continue popularising the “Snaigė” brand and enlarge its position in foreign markets. Assurance of high quality, satisfaction of customers' expectations and effective management – these are some of the company's strategic priorities. Innovations are always being considered in our company.

We hope that the amount of the produced refrigerators will ensure fast growth of the company's consolidated income and profit during next year.

In 2006 cost reduction will remain one of the company's priorities, whereas comprehensive analysis and development strategy will help in achieving the set goals.

We believe that the most progressive ideas of our employees will be thereafter implemented in line with the up-to-date market trends. With the help of internal resources and intellectual potential possessed by the company, AB “Snaigė” is capable of entering competitive international markets.

We believe that next year we will actively strive for remarkable results, which will be devoted to you and your benefit.

Sincerely,

Giedrius Barysas

Chairman of the Board of AB “Snaigė”

Note: the complete report of the Board is provided in Annex No. 3 hereto.

41. Information about the audit

AUDITORS' REPORT FOR THE SHAREHOLDERS OF AB "SNAIGĖ"

We have audited the accompanying consolidated balance sheet of AB Snaigė group ("the Group") as at 31 December 2005 and the related statements of income, statement of changes in equity and cash flows for the year then ended.

These consolidated financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

(i) The Group capitalizes expenditure related to replacement parts and major overhauls on its property, plant and equipment without derecognizing the carrying amount of replaced parts and previous overhaul, which does not comply with IAS 16. As at 31 December 2005, the carrying amount of such expenditure recognized in property plant and equipment amounts to Litas 13,345 thousand, of which Litas 7,811 thousand is capitalized on buildings and Litas 5,534 thousand is capitalized on equipment. No information is available to identify the value of the replaced parts and prior overhaul that had to be derecognized.

(ii) The Group has overdue receivables in the amount of Litas 18,410 thousand from Russian customers. The Group has set aside an impairment loss of Litas 2,000 thousand for the overdue receivables. In our opinion, additional impairment loss of Litas 9,400 thousand should be recognized for the mentioned receivables in the consolidated accounts.

(iii) We did not observe the physical inventories located in Pskov warehouses amounting to Litas 5,031 thousand as at 31 December 2005. We were unable to apply alternative audit procedures to satisfy ourselves as to the existence of the inventory.

(iv) Management has not tested goodwill of Techprominvest for impairment. As at 31 December 2005, the carrying amount of goodwill is of Litas 2,472 thousand. We have not been provided by sufficient information to assess potential impairment, if any.

In our opinion therefore, except for the effects of the matters referred to in paragraph (i), (iii) and (iv), if any, and except for the effect of the matter referred to in paragraph (ii), the consolidated financial statements give a true and fair view of the financial position of AB Snaigė group as at 31 December 2005, and of the results of its operations and its cash flows for the year then ended in conformity with International Financial Reporting Standards as adopted by the European Union.

Report on AB Snaigė activities is presented separately from the consolidated financial statements. This is a requirement of Lithuanian legislation. We have read the report on the Company's activities for the year 2005 with the objective of considering whether it is consistent with the audited financial statements. Upon completion of the review, we have issued a separate review report, dated 31 March 2006, on the report on the Company's activities in which we state that there were no apparent or material inconsistencies with the financial statements that came to our attention.

Vilnius, 31 March 2006
KPMG Baltics, UAB

Leif Rene Hansen
Danish State Authorised Public Accountant

Domantas Dabulis
Certified Auditor

Note: the complete auditor's report is provided in Annex No. 2 hereto.

VI. INFORMATION ABOUT THE ISSUER'S MANAGEMENT BODIES

42. Members of the Management Bodies

42.1. Data with regard to the share of the issuer's authorized capital

Name	Position	Amount of shares available, in pcs.	Share of the capital available, in percentage	Share of votes, percentage
BOARD OF OBSERVERS:				
Domininkas Kašys	Chairman of the Board of Observers of AB "Snaigė"	-	-	-
Saulius Butkus	Member of the Board of Observers of AB "Snaigė"	-	-	-
Jamie Richard	Member of the Board of Observers of AB "Snaigė"	-	-	-
Algis Pakalnis	Member of the Board of Observers of AB "Snaigė"	-	-	-
Martynas Česnavičius	Member of the Board of Observers of AB "Snaigė"	15	-	-
BOARD				
Giedrius Barysas	Chairman of the Board of AB "Snaigė", Managing Director	-	-	-
Albinas Valašinas	Member of the Board of AB "Snaigė", Technical Manager	165 149	0,72	0,72
Titas Sereika	Member of the Board of AB "Snaigė"	-	-	-
Nerijus Dagilis	Member of the Board of AB "Snaigė"	-	-	-
Mindaugas Šeštokas	Member of the Board of AB "Snaigė", Managing Director	-	-	-
ADMINISTRATION (Administrative Manager, Chief Accountant)				
Mindaugas Šeštokas	Managing Director of AB "Snaigė"	-	-	-
Arūnas Lingė	Finance Director of AB "Snaigė"	-	-	-

Mr. Giedrius Barysas was recalled from the position of the managing director of the Company since January 3, 2005, and Mr. Mindaugas Šeštokas was appointed as the Managing Director from January 4, 2005.

Ms. Virginija Graudinienė resigned from the office of the Finance Manager of the Company on August 15, 2005. Mr. Arūnas Lingė was appointed as the Finance Manager from August 18, 2005.

42.2. Chairman of the Board, Administrative Manager and Chief Accountant

Name	Education, qualification	Workplaces and positions during the recent 10 years
Giedrius Barysas	University education, Business administration	From 1993 to 2004 Director of UAB “Somera” From 1998 to 2002 Financial Advisor of UAB “Gintarinis amžius” Since 2002 Chairman of the Board of AB “Kelmės pieninė” From 2001 to 2004 Chief Internal Auditor of AB “Vilniaus vingis” Since 2001 Chairman of the Board of Observers of AB “Snaigė”
Mindaugas Šeštokas	University education (VDU), Master of Business and Management	1995 - Product Manager of UAB Kraft Jacobs Lietuva From 1998 to 2000 Sales, Marketing and Distribution Manager of UAB “Utenos gėrimai” From 2000 to 2004 Marketing Manager (change of company’s names: from UAB “Utenos gėrimai” to UAB “Utenos alus” (1999), to UAB “Jungtinis alaus centras” (2000) and to UAB “Švyturys-Utenos alus” (2002) Since 2004 Managing Director of AB “Snaigė”
Arūnas Lingė	University education (KTU), master of Management Science	From 1996 to 2001 - Chief Auditor of UAB “Artur Andersen” From 2001 to 2003 Project Manager of Ernst & Young (CIS) Ltd. From 2003 to 2005 Project Manager of UAB Ernst & Young Baltic Since 2005 Finance Director of AB “Snaigė”

42.3. Information with regard participation in the activities of other companies and organisations

Name	Name of organisation, position	Share of the capital and votes available in other companies, in percentage
Giedrius Barysas	Member of the Board of UAB “Hermis Capital”	12,98
	UAB “Gulbinų turizmas”	16,67
	UAB “Gintarinis amžius”	50,00
	UAB “Somera”	90,00
Domininkas Kašys	Director of UAB “Vespera”	0,75
	Member of the Board of UAB “Hermis Capital”	11,11
	Director of UAB “Gulbinų turizmas”	17,52

Nerijus Dagilis	Chairman of the Board of UAB “Hermis Capital”	-
	Member of the Board of AB “Kelmės pieninė“	-
	Member of the Board of KITRON ASA	-
	UAB „Ežerų pasaulis“	25,00
	UAB „Baltijos polistirenas“	40,00
	Director of UAB „Survesta“	-
	Director of UAB „Hermis fondų valdymas“	-
	AB „Vilniaus Vingis“ valdybos pirmininkas	-
	UAB “Gulbinų turizmas“	11,11
Titas Sereika	UAB “Ežerų pasaulis“	25,00
	Member of the Board of UAB “Hermis Capital”	18,54
	Director of UAB “Vinvesta”	-
	Director of UAB „Timidus“	-
	Member of the Board of KITRON ASA	-
	Member of the Board of UAB “Baltijos vertybiniai popieriai”	-
	Member of the Board of UAB “BVP investicijų valdymas”	-
	Chairman of the Board of UAB „Žemės vystymo fondas“	25
	UAB „Žemės vystymo fondas 11“	25,67
	UAB „Žemės vystymo fondas 12“	13,58
	UAB „Agrovaldymo grupė“	9,98
UAB “Gulbinų turizmas“	11,11	
Jamie Richard	-	-
Algis Pakalnis	Finance Director of UAB “Sanitex”	-
Saulius Butkus	Member of the Board of Observers of UAB “Sanitex”	13,80
	Member of the Board of UAB “Hermis Capital”	-
	Member of the Board of AB „Klaipėdos kartonas“	-
	Member of the Board of UAB „Turto valdymo įmonių grupė“	-
Martynas Česnavičius	Member of the Board of UAB LNK (Free and Independent Channel)	-
	Chairman of the Board of UAB 1L Ekspresas	45,00
	Member of the Board of AB “Vilniaus Vingis” (until March of 2005)	-
	Member of the Board of AB “Utenos Trikotažas”	-
	Member of the Board of AB “Malsena”	-
	Member of the Board of UAB “Litagros Chemija”	-
	Member of the Board of AB “Sidabra”	-
	Member of the Board of AB “Atradimų studija”	-
Member of the Board of AB "Kauno pieno centras"	-	
Mindaugas Šeštokas	-	-
Arūnas Lingė	-	-
Albinas Jonas Valašinas	-	-

42.4. Information regarding valid conviction of the members of the management bodies for the offences against property, farming procedure and finance

42.5. 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
BOARD OF OBSERVERS		
Domininkas Kašys	2004.03.29	2008.03.29
Saulius Butkus	2004.03.29	2008.03.29
Jamie Richard	2004.03.29	2008.03.29
Algis Pakalnis	2004.03.29	2008.03.29
Martynas Česnavičius	2004.03.29	2008.03.29
BOARD		
Giedrius Barysas	2004.04.13	2008.04.13
Albinas Valašinas	2004.04.13	2008.04.13
Titas Sereika	2004.04.13	2008.04.13
Nerijus Dagilis	2004.04.13	2008.04.13
Mindaugas Šeštokas	2005.10.07	2008.04.13
ADMINISTRATION (Managing Director and Chief Accountant)		
Mindaugas Šeštokas	2005.01.04	Termless agreement
Arūnas Lingė	2005.08.16	Termless agreement

During the General meeting of the shareholders held on 2006-04-27 the Statute of the Company was changed by withdrawing the Board of Observers and electing the Board of the Company consisting of four members.

BOARD		
Nerijus Dagilis	2006 05 02	2010.05.02
Domininkas Kašys	2006 05 02	2010.05.02
Martynas Česnavičius	2006 05 02	2010.05.02
Mindaugas Šeštokas	2006 05 02	2010.05.02

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

43.1. Information about the total amounts and average amounts of the salaries, tantiemes and other profit benefits paid by the issuer during the reporting period per person

The salaries paid to the members of the Board of Observers, Board and Administration during 2005 amounted to 935,032 LTL (Social taxes excluded), i.e., 85,003 LTL per person. The dividends, tantiemes and other benefits paid amounted to 1222042 LTL (social taxes excluded), i.e., 111,095 LTL per person.

43.2. Information about the salaries, tantiemes and other profit benefits paid to the members of the issuer's Board of observers, Board and Administration sourced from the enterprises where the share of the authorized capital owned by the issuer amounts to more than 20 percent

43.3. The loans, warranties and securities of the performance of liabilities granted to the members of the management body during the accounting period.

44. Transactions with the related parties

44.1. Types of transactions

Real estate agreements, unaccustomed sales and purchase agreements, and loans granted.

44.2. Terms of transactions

On December 22, 2001 AB “Snaigė” enabled sales of 76 thous. of shares to UAB “Snavesta” for the amount of 3,052 thous. LTL (40 Litas per share). The residual amount of 2,136 thous. LTL was not repaid until December 31, 2002. Residual amount was repaid in March of 2003 without interest. UAB “Snavesta” mortgaged 70 thous. of the shares of AB “Snaigė” to secure the residual value.

On March 17, 2002 the Board of AB “Snaigė” enabled sales of 44 thous. of shares to UAB “Snavesta” for the amount of 1,748 thous. LTL (40 Litas per share). The residual amount of 1,223 thous. LTL was not repaid until December 31, 2002. Residual amount was repaid in July of 2003 without interest.

On December 19, 2002 the Company purchased the capital share of 35 % of “General Frost” (Slovakia) from the former Managing Director of AB “Snaigė” for the price of 662 thous. of Litas.

In 2003 the amount of 3,359 thous. of Litas was obtained from UAB “Snavesta” for the shares sold in 2001-2002.

In January of 2004 upon the decision of the Board the Company granted loan of 9,000 Litas to "Snavesta". The loan was secured by the ownership right of UAB “Snavesta” with regard to 51 thous. of the ordinary registered shares of AB “Snaigė”, which had been limited until repay of the loan (the shares can neither be sold nor mortgaged). The repay term is April 30, 2004; the established interest rate is higher than the one paid by the Company for the loans granted.

In 2003 the Company leased representative premises in the centre of Vilnius from UAB "Hermis fondų valdymas". The lease charge paid during 2003 amounted to 60 thous. of Litas.

Transactions with the interested parties executed in 2004

Pursuant to the report of the Board No. 1-8 issued on 2004-05-11 the decision was made to change the contractual terms with regard to the loan agreement concluded between the company and UAB “Snavesta”. A partial amendment to the loan agreement (No. 04-1) was signed, which postponed the repay term to December 31, 2004. The loan recipient undertook to limit circulation of the shares belonging to the loan recipient and amounting to 20 000 of the ordinary registered shares of AB “Snaigė”.

Pursuant to the report of the Board No. 1-24 issued on 2004-10-04 the decision was made to acquire a vehicle from UAB “Hermis fondų valdymas”. In October of 2004 vehicle Audi A8 was bought from UAB “Hermis fondų valdymas“ for the price of 228 000 LTL.

Pursuant to the report of the Board No. 1-27 issued on 2004-11-15 the decision was made to change the contractual terms of the loan agreement concluded between the Company and UAB “Hermis capital”. On 2004-11-15 a partial amendment to the loan agreement (No. 04-1) was signed, which postponed the repay term to December 31, 2005 by providing the opportunity to repay the loan or part thereof prior to the set term upon the two day notice to the loan granter. The loan was repaid.

Pursuant to the report of the Board No. 1-32 issued on 2004-12-23 the decision was made to renew the lease contract with UAB “Hermis fondų valdymas”. The lease charge paid during 2004 amounted to 60 480 Litas (VAT excluded). The same amount was paid during 2005.

In 2006 it was decided to acquire 100% of the share capital of Russian company OOO “Liga Servis“ (registered in Moscow) from Estonian citizen Mr. S. Butenko for the price of 1000 (one thousand) Litas.

Pursuant to the decision of the Board of February 28, 2006 AB “Snaigė” granted the loan of 5 500 000 (five million five hundred thousand) Litas to UAB “Hermis Capital“. The loan was repaid.

Pursuant to the decision of the Board of March 23, 2006 AB “Snaigė” granted the loan of 15 000 000 (fifteen million) Litas to UAB “Hermis Capital”. The loan was repaid.

VII. UPDATE AND ESSENTIAL EVENTS OF THE ISSUER'S ACTIVITIES, THE PERSPECTIVES THEREOF

45. Recent events of the issuer's activities

January 23, 2006. During the meeting of the Company's Board of 2006-01-20 it was decided to acquire 100% of the share capital of Russian company OOO "Liga Servis".

February 28, 2006. The preliminary, not audited, consolidated results of the activities of AB "Snaigė" are as follows: sales - 376,6 mill. of LTL (109,1 mill. of EUR); profit before taxes – 19,7 mil. of LTL (5.7 mill. EUR).

March 23, 2006. Regarding the general meeting of shareholders

March 23, 2006. The Board of AB "Snaigė" decided to call the general meeting of shareholders of AB "Snaigė" (enterprise reg. No. 249664610, legal address Pramonės str. 6, Alytus) on April 27, 2006, at 14.00, in Alytus, at Pramonės str. 6, in the Company's conference room. The registration of shareholders begins at 13.30 and ends at 13.50.

The agenda of the meeting:

1. The report of the Board of AB "Snaigė" with regard to the company's activities during 2005.
2. The auditor's report with regard to the Company's financial statements as of 2005.
3. Approval of the Company's financial statements as of 2005.
4. Distribution of the profit of 2005.
5. Regarding distribution of own shares.
6. Approval of new revision of the Company's Statute.
7. Election of the Company's Board.

Only the persons who were the shareholders of the Company at the end of the meeting date (April 20, 2006) have the right to participate and vote in the general meeting of shareholders, either personally or through the authorized persons, or the persons who entered into agreement regarding transition of the voting right. In the meeting the participants shall have the personal identity document. The authorized persons shall have the Power of Attorney issued in accordance with the valid legislation.

April 19, 2006. Draft decisions of the general meeting of shareholders.

Pursuant to the resolution of the Board of the Company dated on 2006-04-19 the following draft decisions of the ordinary general meeting of shareholders of April 27, 2006 have been proposed:

The report of the Board of AB "Snaigė" with regard to the companies activities during 2005. It was proposed: To approve the report of the Board of AB "Snaigė" with regard to the Company's activities during 2005.

The auditor's report with regard to the Company's financial statements as of 2005. It was proposed: To advise the shareholders to consider the auditor's report while voting regarding the financial statement of the Company.

Approval of the Company's financial statements as of 2005. It was proposed: To approve the financial statements of the Company of 2005.

Distribution of the profit of 2005. It was proposed: To approve distribution of profit.

Profit brought forward at the beginning of the reporting fiscal year amounted to 48 537 666 LTL (14 057 480 EUR).

The net financial profit of the year amounted to 7 545 957 LTL (2 185 460 EUR).

Transfers from reserves - 26 588 000 LTL (7 700 417 EUR).

Total profit to be appropriated amounted to - 82 671 623 LTL (23 943 357 EUR).

The profit share appropriated to the reserve for acquisition of own shares is - 10 000 000 LTL (2 896 200 EUR).

The profit share appropriated to the reserve for investments - 16 338 000 LTL (4 731 812 EUR).

The profit share appropriated to the other reserves - 561,000 LTL (162,477 EUR), including: for charity and donation - 151 000 LTL (43 733 EUR), for social and cultural needs - 410 000 LTL (118 744 EUR).

The profit share appropriated for payment of dividends - 0 LTL (0 EUR).

The profit share appropriated for payment of bonuses - 0 LTL (0 EUR).

Profit brought forward at the end of the reporting fiscal year amounted to 55 772 623Lt (16 152 868 EUR).

Regarding distribution of own shares.

It was proposed: To purchase the ordinary registered shares (with the nominal value of 1 LTL each / VP ISIN code LT 0000109274), by submitting the official tender in accordance to the procedure established in the legislative enactments regulating the securities market and implementing it in Vilnius securities stock Exchange;

The purpose of acquisition of shares is to maintain and increase the price of the Company's shares;

To purchase up to 10 percent of the Company's shares in the National securities market for the price of 10 000 000 (ten million) Litas, i.e., such profit share appropriated to the reserve for acquisition of own shares.

The Company will purchase the shares up to October 27, 2007;

The maximum and minimum acquisition price of the shares: the minimum acquisition price of the shares is 12 LTL, the maximum acquisition price of the shares is 20 LTL.

The minimum sales price of own shares is 12 LTL for one share. To ensure the equal opportunities for all the shareholders willing to purchase the Company's shares. The acquired own shares of the Company will be sold in Vilnius securities stock exchange only. The particular conditions and terms of the official tender and the amounts and prices of the shares to be purchased, the sales price of the shares and sales terms shall be determined by the Board of the Company. All other issues not mentioned in the above resolutions shall be solved by the Board of the Company.

Acceptance of the new revision of the company's Statute.

It was proposed: To approve the new revision of the Statute.

To withdraw the Board of Observers by cancelling clause 6.1.2 of the Statute of the Company.

To replace clause 6.1.3 by clause 6.1.2 and to add the following remark: "6.1.2. The Board shall be composed of four members and elected for the period of four years."

To replace clause 6.1.4 by clause 6.1.3.

To withdraw clause 6.3, and to replace clause 6.4 by clause 6.3 and the following remark: "6.3. The Board of the Company shall be elected and withdrawn by the general meeting of shareholders in accordance with the procedure established in the Law on Public Companies of the Republic of Lithuania. The Board of the Company shall have the right to draw the decision with regard to issue of bonds. The competence of the Board with regard to other issues shall not be different from the one determined in the Law on public Companies of the Republic of Lithuania. The operating procedure of the Board shall be determined in the operating regulation of the Board.

To replace clause 6.5 by clause 6.4.

Election of the Board of the Company. It was proposed: To elect the Board of the Company during the meeting of shareholders.

April 19, 2006. Audited consolidated results of activities as of 2005

Turnover and other operating income amount to 372,1 mill. of LTL (107.8 mill. EUR).

Profit before taxes – 19.2 mil. of LTL (5.6 mill. EUR).

EBITDA – 41,4 mill. of LTL (12.0 mill. EUR).

April 27, 2006. Resolutions of the general meeting of shareholders.

During the general meeting of shareholders held on April 27, 2006 it was decided:

1. To approve the report of the Board of AB “Snaigė” with regard to the Company’s activities during 2005.
2. To consider the auditor’s report while voting regarding the financial statement of the Company.
3. To approve the financial statements of the Company of 2005.
4. To approve distribution of profit:

Profit brought forward at the beginning of the reporting fiscal year amounted to 48 537 666 LTL (14 057 480 EUR).

The net financial profit of the year amounted to 7 545 957 LTL (2 185 460 EUR).

Transfers from reserves - 26 588 000 LTL (7 700 417 EUR).

Total profit to be appropriated amounted to - 82 671 623 LTL (23 943 357 EUR).

The profit share appropriated to the reserve for acquisition of own shares is - 10 000 000 LTL (2 896 200 EUR).

The profit share appropriated to the reserve for investments - 16 338 000 LTL (4 731 812 EUR).

The profit share appropriated to other reserves -561,000 LTL (162,477 EUR).

including: for charity and donation - 151 000 LTL (43 733 EUR), for social and cultural needs - 410 000 LTL (118 744 EUR).

The profit share appropriated for payment of dividends 0 LTL (0 EUR).

The profit share appropriated for payment of bonuses - 0 LTL (0 EUR).

Profit brought forward at the end of the reporting fiscal year amounted to 55 772 623 Lt (16 152 868 EUR).

5. To purchase the ordinary registered shares (with the nominal value of 1 LTL each / VP ISIN code LT 0000109274), by submitting the official tender in accordance to the procedure established in the legislative enactments regulating the securities market and implementing it in Vilnius securities stock Exchange;

The purpose of acquisition of shares is to maintain and increase the price of the Company’s shares;

To purchase up to 10 percent of the Company’s shares in the National securities market for the price of 10 000 000 (ten million) Litas, i.e., such profit share appropriated to the reserve for acquisition of own shares.

The Company will purchase the shares up to October 27, 2007;

The maximum and minimum acquisition price of the shares: the minimum acquisition price of the shares is 12 LTL, the maximum acquisition price of the shares is 20 LTL.

The minimum sales price of own shares is 12 LTL for one share. To ensure the equal opportunities for all the shareholders willing to purchase the Company’s shares. The acquired own shares of the Company will be sold in Vilnius securities stock exchange only.

The particular conditions and terms of the official tender and the amounts and prices of the shares to be purchased, the sales price of the shares and sales terms shall be determined by the Board of the Company.

All other issues not mentioned in the above resolutions shall be solved by the Board of the Company.

6. To approve the new revision of the Statute.

To withdraw the Board of Observers by cancelling clause 6.1.2 of the Statute of the Company.

To replace clause 6.1.3 with clause 6.1.2 and to add the following remark:

“6.1.2. The Board shall be composed of four members and elected for the period of four years.”

To replace clause 6.1.4 with clause 6.1.3.

6.3. To withdraw clause 6.3, and to replace clause 6.4 by clause 6.3 and the following remark:

“6.3. The Board of the Company shall be elected and withdrawn by the general meeting of shareholders in accordance with the procedure established in the Law on Public Companies of the Republic of Lithuania. The Board of the Company shall have the right to draw the decision with regard to issue of bonds. The competence of the Board with regard to other issues shall not be different from the one determined in the Law on public Companies of the Republic of Lithuania. The operating procedure of the Board shall be determined in the operating regulation of the Board.

6.5. To replace clause 6.5 with clause 6.4.

7. To elect the following persons to the Board of the Company for the new term of office of the Board (amounting to four years):

Mr. Nerijus Dagilis, Mr. Domininkas Kašys, Mr. Martynas Česnavičius, and Mr. Mindaugas Šeštokas.

April 27, 2006. Not audited consolidated results of activities as of I half of 2005

Turnover and other operating income amount to 52,68 mill. LTL (15.26 mill. of EUR); profit before taxes – - 0.84 mill. LTL (0.24 mill. of EUR), EBITDA -6,73 mill. LTL (1.95 mill. of EUR).

May 2, 2006. Not audited consolidated results of activities as of I quarter of 2006

Turnover and other operating income amount to 52,68 mill. LTL (15.26 mill. of EUR); profit before taxes – - 0.84 mill. LTL (0.24 mill. of EUR), EBITDA -6,73 mill. LTL (1.95 mill. of EUR).

May 2, 2006. Election of the Chairman of the Board of the Company.

During the meeting of the Board held on May 2, 2006 Mr. Nerijus Dagilis was appointed the Chairman of the Board of AB “Snaigė”.

46. Essential events of the issuer’s activities

The essential events are announced to the Lithuanian Securities Commission, the National Securities Stock Exchange, the daily newspaper “Lietuvos rytas” and the news agency BNS.

February 28, 2005

The preliminary, not audited, not consolidated and not approved by the Board results of the activities of AB “Snaigė” as of 2004: sales - 313,66 mill. LTL; profit before taxes - 31,82 mill. LTL.

March 25, 2005

Pursuant to the resolution of the Board of the Company the ordinary general meeting of shareholders has been organized on April 27, 2006 at 14.00. The registration of the shareholders starts at 13. 30 and lasts to 13. 50. The meeting record date is April 20, 2005. A personal identity document is required for registration. The authorized persons shall have the Power of Attorney issued in accordance with the valid legislation.

The agenda of the meeting:

1. Approval of the report of the Board of AB “Snaigė” with regard to the Company’s activities during 2004.
2. The auditor’s report as of 2004.
3. Approval of the annual financial statements as of 2004.
4. Approval of profit appropriation as of 2004.

5. Regarding distribution of own shares.

Draft decisions of the meeting are available at AB “Snaigė”, phone 8 315 56205, starting from April 17, 2004.

March 29, 2005

The audited results of the activities as of 2004 are as follows: consolidated results: sales - 297.0 mill. LTL); profit before taxes – -18.4 mill. LTL), EBITDA -35.3 mill. LTL;

results of AB SNAIGĖ: sales -313.5 mill. LTL); profit before taxes – -30.1 mill. LTL), EBITDA -45.4 mill. LTL.

March 30, 2005

During the general meeting of shareholders held on April 27 it will be proposed to pay the dividends of 6 cents for one share with the nominal value of 1 Litas, the total funds amounting to 1.384 mill. LTL.

April 27, 2005

Resolutions of the general meeting of shareholders held on April 27, 2005:

1. The report of the Board of AB “Snaigė” with regard to the Company’s activities during 2004 has been approved.
2. The audited annual financial statements of the Company as of 2004 prepared in accordance with the Business Accounting Standards (BAS) of Lithuania and the International Accounting Standards (IAS), and the consolidated annual report as of 2004 have been approved.
3. The appropriation of profits of 2004 has been approved.

The profit share appropriated to the reserve for acquisition of own shares is -10,000,000 LTL

The profit share appropriated to investments and other reserves is 16,588,000 LTL.

The profit share appropriated to dividends is 1,384,224 LTL.

The profit share appropriated to tantiemes is 1,200,000 LTL.

The set dividends amount to 0,06 LTL per share. The dividends shall be paid in the cash desk of the Company in accordance with the procedure established by the Law, or transferred to the shareholder’s personal account upon request.

The dividends shall be paid to the shareholders owning the shares at the end of the present day.

4. The Company decided to purchase own shares.

To purchase the ordinary registered shares (with the nominal value of 1 LTL each / VP ISIN code LT 0000109274), by submitting the official tender in accordance to the procedure established in the legislative enactments regulating the securities market and implementing it in Vilnius securities stock Exchange;

The purpose of acquisition of shares is to maintain and increase the price of the Company’s shares;

To purchase up to 10 percent of the Company’s shares in the National securities market for the price of 10 000 000 (ten million) Litas, i.e., such profit share appropriated to the reserve for acquisition of own shares.

The Company will purchase the shares up to October 27, 2006;

The maximum and minimum acquisition price of the shares: the minimum acquisition price of the shares is 14 LTL, the maximum acquisition price of the shares is 22 LTL.

The minimum sales price of own shares is 14 LTL for one share. To ensure the equal opportunities for all the shareholders willing to purchase the Company’s shares. The acquired own shares of the Company will be sold in Vilnius securities stock exchange only.

The particular conditions and terms of the official tender and the amounts and prices of the shares to be purchased, the sales price of the shares and sales terms shall be determined by the Board of the Company.

All other issues not mentioned in the above resolutions shall be solved by the Board of the Company.

5. The statement is not confidential.

April 27, 2005

Not audited consolidated results of activities as of I quarter of 2005:

Sales income - 69.45 mill. LTL

Other sales income - 1.60 mill. LTL

Profit before taxes – 4.79 mil. LTL.

October 10, 2005

Changes in the Board of the Company

Ms. Virginija Graudinienė resigned from the office of the Members of the Board of the company. The Managing Director of AB “Snaigė” Mr. M. Šeštokas was elected to the Board of the Company.

October 28, 2005

The turnover of AB “Snaigė” increased by 22,1 percent

According to the not audited consolidated data the turnover of the Company during the nine months of the present year amounted to 279,4 mill. LTL (80,9 mill. of EUR, whereas the consolidated profit before taxes amounted to 25,7 mill. LTL (7,4 mill. of EUR). During the respective period of the last year the turnover of the Company amounted to 228,8 mill. LTL (66,3 mill. of EUR), whereas the consolidated profit before taxes amounted to 26.9 mill. LTL (7,8 mill. of EUR). During the nine months of the present year the consolidated EBITDA (profit before interest, taxes and depreciation) of the Company amounted to 41,5 mill. LTL (12,0 mill. of EUR), whereas the consolidated EBITDA as of the respective period of last year amounted to 39,9 mill. LTL (11.6 mill. of EUR).

The consolidated turnover of the Company increased by 22,1% in comparison with the same period of the previous year, whereas the consolidated profit before taxes decreased by 4,3%. The turnover increase was determined by significantly increased sales figures and development in the Russian market. Slight decrease in the consolidated profit was caused by price increase of the materials and customs duty increase in Ukraine in comparison with the previous year.

December 12, 2005

December 12, 2005 “Hermis Capital“ assigned 22.77 % of the shares of AB “Snaigė“ to its daughter-enterprise “Survesta” for the price of 85.05 mill. LTL. The shares were assigned to “Survesta” in order to dissolve the debt of “Hermis Capital“ to the daughter-enterprise, which provided the loan to the investment company after profitable sale of the shares of “Rokiškio sūris”.

December 23, 2005

The consolidated prospective results of the activities as of 2005 and the planned budget of 2006

The prospective results of the activities as of 2005 are as follows:

sales - 376,6 mill. LTL (109,1 mill. of EUR).

EBITDA - 43,7 mill. LTL (12.7 mill. of EUR).

Profit before taxes – 22.7 mill. LTL (6.6 mill. of EUR).

The planned budget of 2006:

sales - 461,6 mill. LTL (133.7 mill. of EUR).

EBITDA -53.1 mill. LTL (15.4 mill. of EUR).

Profit before taxes – 30.7 mill. LTL (8.9 mill. of EUR).

47. The strategy of the activities and the prospective changes thereof during next financial (economical) year

- Sales development in Russia. The main challenges are improvement of the general distribution level, introduction of own products to the major retail trade chain of domestic electric appliances, popularisation of the SNAIGĖ brand.
- Consolidation of market share in Ukraine and Baltic countries, by improving professional level of sales, and investing to trademark image and the incentive programs of retailers (so-called dealers) and product sales.
- Cost and activities optimisation. The company plans to achieve the level of operation effectiveness, which would not be inferior to the one demonstrated by the Western European manufactures. In order to achieve the above-mentioned goal the plan for investments into new technologies and company modernisation is required, which is based on costs and effective operation. Continuous objective and motivation to decrease net cost of the products without compromising on quality; improvement of sales and logistics processes.
- Reorganisation of the management model. Due to increase in business volume and complexity of SNAIGĖ the management of four existent companies is planned to be reorganised to single concern model (by reorganizing the organisation structure, functional responsibilities, consolidated accounting, etc.). It will enable effective management and optimal results.
- Investment into new products and design. In 2007 the series of completely new refrigerator models is planned to be introduced to the consumers. Focus on quality, improvement of operational characteristics and continuous service in order to increase competitiveness of the products.
- Development of other product groups – cooker, dishwasher, etc., in order to ensure continuous increase of income.
- Expansion to other perspective markets (Kazakhstan, etc.)
- Investment to human resources and organisation development. The main long-term goal is professional and loyal employees, as well as the Board complying with the Western standards.

ANNEXES

1. Annex No. 1 “AB “SNAIGĖ” Annual Accounts for 2005”.
2. Annex No. 2 “AB “SNAIGĖ” Consolidated Annual Accounts for 2005”.
3. Annex No. 3 “Report on the Company’s activities for the year 2005 including review report”.