SNAIGĖ

Snaigė AB

CONFIRMATION OF RESPONSIBLE PERSONS

Following the Article No. 22 of the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission, we Gediminas Čeika, CEO of Snaigė, AB and Neringa Menčiūnienė, Finance Director of Snaigė AB hereby confirm that, to the best of our knowledge, the attached unaudited interim consolidated Snaigė AB financial statements for the 1st half of year 2012, prepared in accordance to the applied accounting standards, reflects the reality correctly and fairly shows issuer's assets, liabilities, financial position, profit or loss of Snaigė, AB. Responsible persons also confirm that interim report fairly presents the review of issuer's business development and business activities.

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

July 31, 2012

AB SNAIGĖ

SEMI-ANNUAL CONSOLIDATED FINACIAL STATEMENTS FOR 2012

CONTENTS

I. GENERAL PROVISIONS

1. Accounting period of the report

The report has been issued for the first Half-year, 2012.

2. The basic data about the issuer

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

Authorised capital – LTL 39,622,395

Address - Pramones str. 6, LT-62175 Alytus

Phone - (8-315) 56 206

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E-mail – snaige@snaige.lt

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

Legal organisation status – legal entity, public limited company

Registered as an enterprise on December 1, 1992 in the Municipality Administration of Alytus; registration number AB 92-119; enterprise register code 249664610. The latest Statute of AB "Snaige" was registered on May 24, 2012 in Legal Entities of the Republic of Lithuania.

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

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

The mass media – daily paper „Kauno diena".

II. FINANCIAL STATUS

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

1. Profit (Loss) Report (in LTL)

Ref. No.	ITEMS	30 06 2012	01 04 2012 30 06 2012	30 06 2011	01 04 2011 30 06 2011
I.	**SALES AND SERVICES**	**65,242,747**	**43,411,018**	**54,414,067**	**32,452,714**
I.1	Income of goods and other products sold	9,694,261	6,856,631	7,331,722	4,548,284
I.2	Income of refrigerators sold	55,548,486	36,554,387	47,082,345	27,904,430
II.	**COST OF GOODS SOLD AND SERVICES RENDERED**	**54,710,212**	**35,406,602**	**46,592,747**	**27,512,318**
II.1	Net cost of goods and other products sold	1,281,476	568,412	1,301,932	635,595
II.2	Net cost of refrigerators sold	53,428,736	34,838,190	45,290,815	26,876,723
III.	**GROSS PROFIT**	**10,532,535**	**8,004,416**	**7,821,320**	**4,940,396**
IV.	**OPERATING EXPENSES**	**10,449,528**	**6,242,079**	**8,798,295**	**4,113,013**
IV.1	Sales expenses	4,538,953	3,108,586	3,240,262	1,467,405
IV.2	General and administrative expenses	5,910,575	3,133,493	5,558,033	2,645,608
V.	**PROFIT (LOSS) FROM OPERATIONS**	**83,007**	**1,762,337**	**(976,975)**	**827,383**
VI.	**OTHER ACTIVITY**	**29,668**	**(3,768)**	**533,757**	**240,524**
VI.1.	Income	240,055	163,877	654,912	330,749
VI.2.	Expenses	210,387	167,645	121,155	90,225
VII.	**FINANCIAL AND INVESTING ACTIVITIES**	**(792,481)**	**(168,808)**	**(1,764,036)**	**(1,098,952)**
VII.1.	Income	253,405	252,001	1,431,547	1,167,647
VII.2.	Expenses	1,045,886	420,809	3,195,583	2,266,599
VIII.	**PROFIT (LOSS) FROM ORDINARY ACTIVITIES**	**(679,806)**	**1,589,761**	**(2,207,254)**	**(31,045)**
IX.	EXTRAORDINARY GAIN				
X.	EXTRAORDINARY LOSS				
XI.	**CURRENT ACCOUNTING PERIOD PROFIT (LOSS) BEFORE TAXES**	**(679,806)**	**1,589,761**	**(2,207,254)**	**(31,045)**
XII.	**TAXES**	**1,360**	**1,360**		
XII.1	PROFIT TAX	1,360	1,360		
XIII.	Adjustment of deferred profit tax				
XIV.	Social tax				
XV.	MINORITY INTEREST	24	(29)	(249)	(326)
XVI.	**NET CURRENT ACCOUNTING PERIOD PROFIT (LOSS)**	**(681,142)**	**1,588,372**	**(2,207,503)**	**(31,371)**

2. Accounting Balance Sheet (in LTL)

Ref. No.	ASSETS	Notes	30 06 2012	31 12 2011
A.	**Non-current assets**		**54,177,555**	**57,091,539**
I.	**INTANGIBLE ASSETS**	10	**4,775,414**	**4,967,217**
II	**TANGIBLE ASSETS**	11	**28,380,707**	**30,701,361**
II.1.	Land			
II.2.	Buildings		9,378,910	9,508,019
II.3.	Other non-current tangible assets		18,847,486	20,700,707
II.4.	Construction in progress and advance payments		154,311	492,635
III.	INVESTMENT PROPERTY	**11**	**18,861,720**	**19,263,247**
IV.	NON-CURRENT FINANCIAL ASSETS			
IV.1	Deferred taxes assets		1,159,714	1,159,714
IV.2	Other non-current assets		1,000,000	1,000,000
V.	Amounts receivable after one year			
VI.	**Assets classified as held for sale**		**2,154,250**	**2,144,363**
B.	**Current assets**		**49,067,267**	**30,078,201**
I.	INVENTORY AND CONTRACTS IN PROGRESS		16,026,769	13,231,841
I.1.	Inventory	12	16,026,769	13,231,841
I.2.	Advance payments			
I.3.	Contracts in progress			
II.	ACCOUNTS RECEIVABLE WITHIN ONE YEAR		31,895,735	15,870,874
III.	INVESTMENTS AND TERM DEPOSITS			
IV.	CASH AT BANK AND ON HAND		1,129,763	960,486
V.	Other current assets	15	15,000	15,000
	Planned to sell non-current assets			
C.	**Accrued income and prepaid expenses**			
	TOTAL ASSETS		**105,399,072**	**89,314,103**

Ref. No.	SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	30 06 2012	31 12 2011
A.	**Capital and reserves**		**35,339,362**	**35,736,312**
I.	SHARE CAPITAL		**45,321,051**	**45,321,051**
I.1.	Authorized (subscribed) share capital		39,622,395	39,622,395
I.2.	Uncalled share capital (-)			
I.3.	Share premium (surplus of nominal value)		5,698,656	5,698,656
	Own shares (-)			
III.	REVALUATION RESERVE		(4,673,856)	(4,958,048)
IV.	RESERVES	17	5,125,835	4,016,955
V.	PROFIT (LOSS) BROUGHT FORWARD		(10,433,668)	(8,643,646)
	Current Profit (Loss)		(681,142)	(5,042,923)
	The previous year Profit (Loss)		(9,752,526)	(3,600,723)
B.	**Minority interest**		**1,921**	**1,945**
D.	**Provisions and deferred taxes**		**0**	**0**
I.	PROVISIONS FOR COVERING LIABILITIES AND DEMANDS			
II.	DEFERRED TAXES			
E.	**Accounts payable and liabilities**		**70,057,789**	**53,575,846**
I.	ACCOUNTS PAYABLE AFTER ONE YEAR AND NON-CURRENT LIABILITIES		36,549,117	16,855,148
C	**Financing (grants and subsidies)**		781,267	934,133
I.1.	Financial debts	20	34,559,231	14,742,077
I.2.	Warranty provisions		684,540	684,540
I.3.	Deferred income tax liability		147,585	147,015
I.4.	Advances received on contracts in progress			
I.5.	Non-current employee benefits		347,383	347,383
I.6.	Non-current liabilities to suppliers		29,111	
II.	ACCOUNTS PAYABLE WITHIN ONE YEAR AND CURRENT LIABILITIES		33,508,672	36,720,698
II.1.	Current portion of non-current debts		1,257,667	15,081,591
II.2.	Financial debts			924,184
II.3.	Trade creditors		26,625,621	14,966,916
II.4.	Advances received on contracts in progress		294,017	216,184
II.5.	Taxes, remuneration and social security payable	23	3,817,145	3,277,967
II.6.	Warranty provisions		1,351,246	1,373,072
II.7.	Other provisions			
II.8.	Other current liabilities		162,976	880,784
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**105,399,072**	**89,314,103**

3. Cash Flows Statement

Ref. No.		30 06 2012	30 06 2011
I.	**Cash flows from the key operations**		
I.1	Result before taxes	(679,806)	(2,207,254)
I.2	Depreciation and amortization expenses	3,955,298	4,021,023
I.3	Subsidies amortization	(152,866)	(174,150)
I.4	Result of sold non-current assets	(23,134)	(81,889)
I.5	Write-off of non-current assets	27,294	
I.6	Write-off of inventories	93,772	
I.7	Depreciation of receivables		
I.8	Non-realized loss on currency future deals		
I.9	Change in provision for guarantee repair	(21,826)	(145,888)
I.10	Recovery of devaluation of trade receivables	234,270	41,196
I.11	Influence of foreign currency exchange rate change	(17,379)	95,997
I.12	Financial income (interest income)	(42,325)	(2,915)
I.13	Financial expenses (interest expenses)	852,185	1,591,339
	Cash flows from the key operations until decrease (increase) in working capital	**4,225,483**	**3,137,459**
II.1	Decrease (increase) in receivables and other liabilities	(16,024,861)	(5,628,231)
II.2	Decrease (increase) in inventories	(2,794,928)	(4,025,006)
II.3	Decrease (increase) in trade and other debts to suppliers	12,062,480	4,955,227
	Cash flows from the main activities	**(2,531,826)**	**(1,560,551)**
III.1	Other cash income		1,713,360
III.2	Interest received		
III.3	Interest paid	(1,385,676)	(798,221)
III.4	Profit tax paid		
	Net cash flows from the key operations	**(3,917,502)**	**(645,412)**

IV.	**Cash flows from the investing activities**		
IV.1	Acquisition of tangible non-current assets	(1,001,073)	(1,118,913)
IV.2	Capitalization of intangible non-current assets	(6,065)	(3,500)
IV.3	Sales of non-current assets	24,870	109,165
IV.4	Loans granted		
IV.5	Loans regained		
	Net cash flows from the investing activities	**(982,268)**	**(1,013,248)**

III.	**Cash flows from the financial activities**	**5,069,047**	**3,057,816**
III.1	Cash flows related to the shareholders of the company		
III.1.1	Issue of shares		
III.1.2	Shareholders' contributions for covering losses		3,000,000
III.1.3	Sale of own shares		
III.1.4	Payment of dividends		
III.2	Cash flows arising from other financing sources		
III.2.1	Subsidies received		
III.2.1.1	Inflows from non-current loans	6,617,276	11,896,600
III.2.1.2	Loans repaid	(624,045)	(395,091)
III.2.2	Finance lease received		
III.2.2.1	Payments of leasing (finance lease) liabilities	(71,152)	(411,892)
III.3	Other decreases in the cash flows from financial activities		
III.4.	Redemption of issued securities	(853,032)	(11,031,801)
	Net cash flows from the financial activities	**5,069,047**	**3,057,816**

IV.	**Cash flows from extraordinary items**		
IV.1.	Increase in cash flows from extraordinary items		
IV.2.	Decrease in cash flows from extraordinary items		
V.	**The influence of exchange rates adjustments on the balance of cash and cash equivalents**		
VI.	**Net increase (decrease) in cash flows**	**169,277**	**1,399,156**
VII.	**Cash and cash equivalents at the beginning of period**	**960,486**	**1,970,839**
VIII.	**Cash and cash equivalents at the end of period**	**1,129,763**	**3,369,995**

4. Statement of Changes in Equity

	Paid up authorised capital	Share premium	Own shares (-)	Legal reserves		Other reserves			Retained earnings (losses)	**TOTAL**	**Minority shareholders**	**TOTAL**
				Compulsory	For acquiring own shares	For social needs	For investments	Currency exchange reserve				
Balance as of December 31, 2010	**30,735,715**	**5,698,656**	**0**	**2,828,472**	**0**	**30,000**	**1,830,000**	**(6,274,902)**	**(4,272,240)**	**30,575,701**	**1,475**	**30,577,176**
Total registered income and expenses as of 2011 1st half						0			(2,207,503)	**(2,207,503)**	**(78)**	**(2,207,581)**
Formed reserves						30,000	1,158,483	(1,188,483)	**0**	**0**	**0**	30,000
Transfers from reserves						(30,000)	(1,830,000)	1,860,000	**0**	**0**	**0**	(30,000)
Increase of authorized capital	8,886,680									**8,886,680**		**8,886,680**
Loss coverage									(671,517)	**(671,517)**	**0**	**(671,517)**
Other changes								11,325		**11,325**		**11,325**
Balance as of June 30, 2011	**39,622,395**	**5,698,656**	**0**	**2,828,472**	**0**	**30,000**	**1,158,483**	**(6,263,577)**	**(5,808,226)**	**37,266,204**	**1,397**	**37,267,601**
Total registered income and expenses as of 2011 2d half									(2,835,420)	**(2,835,420)**	**548**	**(2,834,872)**
Formed reserves										**0**		**0**
Other changes								1,305,529		**1,305,529**		**1,305,529**
Balance as of December 31, 2011	**39,622,395**	**5,698,656**	**0**	**2,828,472**		**30,000**	**1,158,483**	**(4,958,048)**	**(8,643,646)**	**35,736,312**	**1,945**	**35,738,257**
Total registered income and expenses as of 2012 1st half									**(681,142)**	**(681,142)**	**(24)**	**(681,166)**
Formed reserves				55,448		30,000	2,211,915	0	(2,297,363)	**0**	**0**	**0**
Transfers from reserves						(30,000)	(1,158,483)	0	1,188,483	**0**	**0**	**0**
Other changes								284,192		**284,192**		**284,192**
Balance as of June 30, 2012	**39,622,395**	**5,698,656**	**0**	**2,883,920**	**0**	**30,000**	**2,211,915**	**(4,673,856)**	**(10,433,668)**	**35,339,362**	**1,921**	**35,341,283**

III. EXPLANATORY NOTES

1 Basic information

Snaigė AB (hereinafter the Company) is a public company registered in the Republic of Lithuania. The address of its registered office is as follows:

Pramonės Str. 6,
Alytus,
Lithuania.

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

Main shareholders of AB „Snaigė" as on June 30, 2012 and December 31, 2010 were:

	June 30, 2012		**December 31, 2011**	
	Number of shares owned	**Share of total capital, %**	**Number of shares owned**	**Share of total capital, %**
VAIDANA UAB	36,096,193	91.10%,	23,716,668	59.86%
Skandinaviska Enskilda Banken AB clients	4,000	0.01%	2,266,389	5.72%
Swedbank AS (Estonia) clients	102,247	0.26%	3,321,701	8.38%
Other shareholders	3,419,955	8.63%	10,317,637	26.04%
Total	**39,622,395**	**100%**	**39,622,395**	**100%**

All the shares of the Company are ordinary shares with the par value of LTL 1 each and were fully paid as of 30 June 2012 and 2011. As of 30 June 2012 and 2011 the Company did not hold its own shares.

On 18 April 2011 pursuant to the decision of convertible bonds owners 23,386 units of convertible bonds with the par value of EUR 100 (equivalent to LTL 345) each were converted into 8,886,680 ordinary registered shares of the Company with the par value of LTL 1 each (conversion ratio 380 shares for EUR 100 bond) and the share capital was increased accordingly. The increased share capital was registered on 12 May 2011.

On 12 December 2011 VAIDANA UAB acquired 17,602,215 ordinary registered shares of the Company with the par value of LTL 1 each, which represents 44.42% of the total shares of the Company and voting rights in the general meeting.

On 21 December 2011 VAIDANA UAB additionally acquired 6,114,453 ordinary registered shares of the Company (15.43% of total shares of the Company).

The non-competitive offer for the remaining 15,905,727 ordinary shares of the Company with the par value of LTL 1 each (amounting to 40.14% of the total share capital) was announced on 21 March 2012 and is valid till 28 May 2012.

On 30 June 2012 VAIDANA UAB owned 36,096,193 ordinary shares of the Company (91.1% of total shares of the Company.

VAIDANA UAB is ultimately owned by Tetal Global Ltd.

The Group consisted of AB "Snaige" and the followings subsidiaries as of 30 June 2012 (hereinafter – Group) (the structure of the Group remains unchanged comparing to 2010):

Company	Country	Percentage of the shares held by the Group	Profit (loss) for the reporting year	Shareholders' equity
OOO Techprominvest	Russia (Kaliningrad)	100%	(16,904,490)	21,790,028
TOB Snaige Ukraina	Ukraine	99%	1,093	74,382
OOO Moroz Trade	Russia	100%	-	(13,755,915)
OOO Liga Servis	Russia	100%	5,022	(1,248,266)
UAB Almecha	Lithuania	100%	187,319	636,233

As of 30 June 2012 the Board of the Company comprised 2 employees of the Company and 4 representatives of Vaidana UAB. As of 31 December 2011 the Board of the Company comprised 2 employees of the Company and 4 representatives of Vaidana UAB.

In 2002 „Snaige" AB bought „Techprominvest" (Kaliningrad, Russia) in 2002. On 12 August 2009 due to global economic crisis and particularly unfavourable effect of it on the Group activities, the management of the Group made a decision to terminate the activities of Snaigė AB refrigerator factory OOO Techprominvest. Goodwill that arose during the acquisition of minority of the subsidiary in 2006 and 2007 amounting to LTL 12,313 thousand (at the moment of acquisition RUB 123,168 thousand) was written off as of 31 August 2009.

The Board of directors of the Company in its meeting on 30 September 2011 decided to sell 100% share capital of OOO Techprominvest held by Company through a public tender. It was also decided to convert the receivables in the amount of LTL 38,509 thousand from OOO Techprominvest into its share capital by increasing it up to 88,852,896 LTL.

The reduction of the credit commitment helped the subsidiary Techprominvest OOO to become more attractive to investors.

The share capital was increased in October 2011.

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

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

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

UAB Almecha (Alytus, Lithuania) was established on 9 November 2006. The main activities of the company are production of refrigerating components and equipment.

As of 30 June 2012 the number of employees of the Group was 823 (as of 30 June 2011 – 789).

2 Accounting principles

The principal accounting policies adopted in preparing the Group's financial statements as of 30 June, 2012 are as follows:

2.1. Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (hereinafter the EU).

These financial statements are prepared on the historical cost basis.

2.2. Going concern

The Group's current assets exceeded current liabilities by LTL 15,559 thousand of 30 June 2012 (whereas in the year 2011, December 31st, the current liabilities exceeded current assets by LTL 6,642 thousand).

- liquidity ratios: general coverage ratio (total current assets / total current liabilities) was 1.46 (0.82 in 31 December 2011),
- quick ratio ((total current assets – inventories) / total current liabilities) – 0.99 (0.46 in 2011).
- In 2012 the Group incurred LTL 680 thousand pre-tax losst (in 2011 incurred loss of LTL 2,207 thousand),
- commitment ratios: the ratio of debt/asset was 0.66 (whereas in the year 2011, December 31st 0.6).

Despite this, these financial statements for the six months of 2012 are prepared under the assumption that the Group will continue as a going concern at least 12 months from the balance sheet date. The going concern is based on the following assumptions:

in 2012 the Group expects 22% increase in sales comparing to 2011 (comparing 2012 first half of the year with 2011 first half of the year sales increased by 19.9 percent) and additionally to optimize fixed costs;

- in order to finance the working capital the Group is planning to perform successful sales of finished goods and the continuation of cooperation only with trustful partners. Trade payables are planned to be decreased using free operational cash flowstrade payables are planned to be decreased using free operational cash flows;
- after strategic investor acquisition of the majority of the Group's share (91.1%), it is expected that this will have a positive impact on the Group's development.;
- at the date of release of these financial statements all convertible bonds have the maturity term ending in 2013 and all current borrowings were refinanced in 2012 at more favorable interest rates, as well as additional loan agreements have been signed, as disclosed in Note 18.

All obligations of the Company before the convrtible bonds holders have been fulfilled.

The direction of the Company agrees that all those assumptions above could be influenced of significant uncertainties, which could raise doubts about Company's ability to continue operating, because of the disability to realize its property and to implement its commitments by carrying out its normal activities. However despite all this the Company's direction expects that the Company will have enough resources to continue operating in the near future. Therefore, the Group has continued to adopt the going concern basis of accounting in preparing these financial statements.

2.3. Currency of financial statement

The Group's financial statements are presented in local currency of the Republic of Lithuania, Litas (LTL), which is the Company's functional and the Group's and Company's presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the statement of financial position date. All differences are taken to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as of the date of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign entity and translated at the balance sheet date rate.

The functional currency of the foreign entities OOO Techprominvest, OOO Moroz Trade and OOO Liga Servis is Russian rouble (RUB) and of Snaige Ukraina TOB - Ukrainian hryvnia (UAH). As of the reporting date, the assets and liabilities of these subsidiaries are translated into the presentation currency of Snaigė AB (LTL) at the rate of exchange on the balance sheet date and their statement of comprehensive incomes are translated at the average monthly exchange rates for the reporting period. The exchange differences arising on the translation are taken to other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognized in the shareholder/s equity caption relating to that particular foreign operation is transferred to the statement of comprehensive income.

Lithuanian litas is pegged to euro at the rate of 3.4528 litas for 1 euro, and the exchange rates in relation to other currencies are set daily by the Bank of Lithuania.

The applicable exchange rates of the functional currencies as follows:

	30-06-2012	**31-12-2011**
RUB	0.083657	0.083334
UAH	0.34191	0.33243

2.4. Principles of consolidation

The consolidated financial statements of the Group include Snaigė AB and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting year, using consistent accounting policies.

Subsidiaries are consolidated from the date from which effective control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Group. All intercompany transactions, balances and unrealised gains and losses on transactions among the Group companies have been eliminated. The equity and net income attributable to non-controlling interests are shown separately in the statement of financial position and the statement of comprehensive income.

From 1 January 2010 losses of a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. Prior to 1 January 2010 losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further excess losses were attributed to the parent, unless the non-controlling interest had a binding obligation to cover these losses. Losses prior to 1 January 2010 were not reallocated between non-controlling interests and the parent shareholders.

Acquisitions and disposals of non-controlling interest by the Group are accounted as equity transaction: the difference between the carrying value of the net assets acquired from/disposed to the non-controlling interests in the Group's financial statements and the acquisition price/proceeds from disposal is accounted directly in equity.

2.5. Intangible assets, except for goodwill

Intangible assets are measured initially at cost. Intangible assets are recognised if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of asset can be measured reliably. After initial recognition, intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised on a straight-line basis over their estimated useful lives (1-8 years).

Research and development

Research costs are expensed as incurred. Development expenditure on an individual projects is recognized as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization periods from 1 to 8 years are applied by the Group.

Licenses

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

Software

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

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

2.6. Tangible non-current assets

Property, plant and equipment, including investment property, are assets that are controlled by the Group, which are expected to generate economic benefits in the future periods with the useful life exceeding one year, and which acquisition (manufacturing) costs could be reliably measured. Property, plant and equipment and investment property is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of such assets when that cost is incurred if the asset recognition criteria are met. Replaced parts are written off.

The carrying values of property, plant and equipment property are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized in the statement of comprehensive income, whenever estimated.
An item of property, plant and equipment property is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

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

Buildings and structures (excluding commercial buildings)	15 – 63 years
Machinery and equipment	5 – 15 years
Vehicles	4 – 6 years
Other assets	3 – 8 years

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

2.7. Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Property, plant and equipment once classified as held for sale are not depreciated.

If the Group has classified an asset as held for sale, but the above mentioned criteria are no longer met, the Group ceases to classify the asset as held for sale and measure a non-current asset that ceases to be classified as held for sale at the lower of: its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held for sale, and its recoverable amount at the date of the subsequent decision not to sell. The adjustment to the carrying amount of a non-current asset that ceases to be classified as held for sale and recorded in profit or loss in the period in which the criteria are no longer met.

2.8. Inventories

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

2.9. Receivables and loans granted

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

2.10. Cash and cash equivalents

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

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

2.11. Borrowings

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised, otherwise – expensed as incurred. No borrowing costs were capitalised as of 30 June 2012 and 31 December 2011.

Borrowings are initially recognised at fair value of proceeds received, net of expenses incurred. They are subsequently carried at amortised cost, the difference between net proceeds and redemption value being recognised in the net profit or loss over the period of the borrowings (except for the capitalised portion as discussed above).

Borrowings are classified as non-current if the completion of a refinancing agreement before the balance sheet date provides evidence that the substance of the liability at the balance sheet date was non-current.

2.12. Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into. Subsequent to initial recognition and measurement, outstanding derivatives are carried in the statement of financial position at the fair value. Fair value is determined using the discounted cash flow method applying the effective interest rate. The estimated fair values of these contracts are reported on a gross basis as financial assets for contracts having a positive fair value; and financial liabilities for contracts with a negative fair value. Contracts executed with the same counterparty under legally enforceable master netting agreements are presented on a net basis. The Group had no derivative contracts outstanding as of 30June 2012 and 31 December 2011.

Gain or loss from changes in the fair value of outstanding derivative contracts is recognised in the comprehensive income statement as they arise.

2.13. Factoring

Factoring transaction is a funding transaction wherein the company transfers to factor claim rights for determined fee. The companies alienate rights to receivables due at a future date according to invoices.
At the date of the making this statement the Group had not such transactions.

2.14. Financial lease and operating lease

Finance lease – the Group as lessee

The Group recognises finance leases as assets and liabilities in the statement of financial position at amounts equal at the inception of the lease to the fair value of the leased property or, if lower, to the present value of the minimum lease payments. The rate of discount used when calculating the present value of minimum payments of finance lease is the nominal interest rate of finance lease payment, when it is possible to determine it, in other cases, Group's composite interest rate on borrowings is applied. Directly attributable initial costs are included into the asset value. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Direct expenses incurred by the lessee during the lease period are included in the value of the leased asset.

The depreciation is accounted for finance lease assets and it also gives rise to financial expenses in the statement of comprehensive income for each accounting period. The depreciation policy for leased assets is consistent with that for depreciable assets that are owned. The leased assets cannot be depreciated over the period longer than the lease term, unless the Group according to the lease contract, gets transferred their ownership after the lease term is over.

If the result of sales and lease back transactions is finance lease, any profit from sales exceeding the book value is not recognised as income immediately. It is deferred and amortised over the finance lease term.

Operating lease – the Group as lesse

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

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

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

2.15. Grants and subsidies

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

Grants received as a compensation for the expenses or unearned income of the current or previous reporting period, also, all the grants, which are not grants related to assets, are considered as grants related to income (mainly received from the EU and other structural funds). The income-related grants are recognised as used in parts to the extent of the expenses incurred during the reporting period or unearned income to be compensated by that grant.

2.16. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The provisions are reviewed at each balance sheet date and adjusted in order to present the most reasonable current estimate.

2.17. Non-current employee benefits

According to the collective agreement, each employee leaving the Company at the retirement age is entitled to a one-time payment. Employment benefits are recognised in the statement of financial position and reflect the present value of future payments at the date of the statement of financial position. The above mentioned employment benefit obligation is calculated based on actuarial assumptions, using the projected unit credit method. Present value of the non-current obligation to employees is determined by discounting estimated future cash flows using the discount rate which reflects the interest rate of the Government bonds of the same currency and similar maturity as the employment benefits. Actuarial gains and losses are recognised in the statement of comprehensive income as incurred.

2.18. Revenue recognition

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

Revenue from sales of goods is recognised when delivery has taken place and transfer of risks and rewards has been completed.

Revenue from services is recognized on accrual basis when services are rendered.

In these consolidated financial statements intercompany sales are eliminated.

2.19. Impairment of assets

<u>Financial assets</u>

Financial assets are reviewed for impairment at each balance sheet date.

For financial assets carried at amortised cost, whenever it is probable that the Group will not collect all amounts due according to the contractual terms of loans or receivables, impairment is recognised in the statement of comprehensive income. The reversal of impairment losses previously recognised is recorded when the decrease in impairment loss can be justified by an event occurring after the write-down. Such reversal is recorded in the statement of comprehensive income. However, the increased carrying amount is only recognised to the extent it does not exceed the amortised cost that would have been had the impairment not been recognised.

Other assets

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of comprehensive income. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is accounted for in the same caption of the statement of comprehensive income as the impairment loss.

2.20. Subsequent events

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

2.21. Offsetting and comparative figures

When preparing the financial statements, assets and liabilities, as well as revenue and expenses are not set off, except the cases when a certain International Financial Reporting Standard specifically requires such set-off.

3 Segment information

The Group's sole business segment identified for the management purposes is the production of refrigerators and specialised equipment, therefore this note does not include any disclosures on operating segments as they are the same as information provided by the Group in these financial statements.

Information for the reporting period 30 June 2012 and 30 June 2011 with respect to geographical location of the Group's sales and assets (in LTL thousand) is presented below:

Group	**Total segment sales revenue**		**Inter-segment sales**		**Sales revenue**		**Total assets by its location ***	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Russia	7,060	734	(94)	(10)	6,966	724	22,872	27,246
Ukraine	28,723	21,460	-	-	28,723	21,460	70	74
Western Europe	15,577	22,041	-	-	15,577	22,041	-	-
Eastern Europe	3,841	4,182	-	-	3,841	4,182	-	-
Lithuania	12,313	11,521	(9,093)	(7,412)	3,220	4,109	82,457	74,627
Other CIS countries	6,551	1,592	-	-	6,551	1,592	-	-
Other Baltic states	359	306	-	-	359	306	-	-
Other countries	6	-	-	-	6	-	-	-
Total	**74,430**	**61,836**	**(9,187)**	**(7,422)**	**65,243**	**54,414**	**105,399**	**101,947**

* Assets located not in Lithuania mainly comprise property, plant and equipment, inventories and accounts receivable.

Transactions between the geographical segments are generally made on commercial terms and conditions. Inter-segments sales are eliminated on consolidation.

In 2012 1st half the sales to the five largest buyers comprised 35.08% of total sales, including:„Severin" 9.23%, Peidž AP CP 7.0%, Bonzer Trading 6.63%, Polair 6.58%, Versija 5.64% (in 2011 1st half – 36,63

%, including: „Severin“ 10.49%, Conforama 9.48%, Mario Miranda 4.35%, Versija 4.26%, Agro samara 4.03%, SKS 4.02%)

4 Cost sales

	30 06 2012	30 06 2011
Raw materials	41,637,644	34,744,330
Salaries and wages	3,784,484	3,262,603
Depreciation and amortisation	2,075,144	1,956,125
Other	7,212,940	6,629,689
Total:	**54,710,212**	**46,592,74**

5 Other income

	30 06 2012	30 06 2011
Income from transportation services	162,483	134,638
Income from rent of premises	3,921	367,795
Gain on disposal of property, plant and equipment	23,134	81,889
Income from rent of equipment	1,461	710
Other	49,056	69,880
	240,055	**654,912**

6 Operatin expenses

	30 06 2012	30 06 2011
Sales expenses	4,538,953	3,240,262
General and administrative expenses	5,910,575	5,558,033
	10,449,528	**8,798,295**

7 Other operating expenses

	30 06 2012	30 06 2011
Transportation expenses	170,772	81,283
Rent of fixed asset	1,317	564
Rent of equipment	-	-
Other	38,298	39,308
	210,387	**121,155**

8 Net result from financial activities

	30 06 2012	30 06 2011
Financial income		
Profit from currency exchange	211,080	1,428,632
Gain of foreign currency translation transactions	-	-
Interest income and other	42,325	2,915
	253,405	**1,431,547**

9 Financial expenses

	30 06 2012	30 06 2011
Interest expenses	852,185	1,591,339
Foreign currency exchange loss, net	188,483	1,505,790
Realized loss on foreign currency derivatives	-	8,106
Other	5,218	90,348
	1,045,886	**,3,195,583**

10 Non-current intangible assets

	Balance sheet value	
	30 06 2012	**31 12 2011**
Development costs	4,481,964	4,910,162
Software, license	293,450	57,055
Other intangible assets	-	-
Total:	**4,775,414**	**4,967,217**

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

Over the 6 months of 2012, the Group has accumulated LTL 368 thousand (6 months of 2011 - LTL 378 thousand) of non-current intangible assets depreciation.

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11 Non-current tangible assets

	Balance sheet value	
	30 06 2012	**31 12 2011**
Land and buildings	9,378,910	9,508,019
Machinery and equipment	16,993,937	19,033,637
Vehicles and other	1,853,549	1,667,070
Construction in progress and advance payments	154,311	492,635
Total:	**28,380,707**	**30,701,361**

Investment asset	18,861,720	19,263,247
Assets held for sale	2,154,250	2,144,363
Total:	**49,396,677**	**52,108,971**

The depreciation charge of the Group's property, plant and equipment on 30 June, 2012 amounts to LTL 3,567 thousand (LTL 3,643 thousand for 2011). The amount of LTL 2,830 thousand for 2012 (LTL 2,891 thousand for 2011) was included into production costs. The remaining amount of LTL 737 thousand including depreciation of investment property (LTL 752 thousand for 2011) was included into administration expenses in the Group's statement of comprehensive income.

At 30 June 2012 buildings of the Group with the net book value of LTL 7,234 thousand (as of 31 December 2011 – LTL 7,359 thousand) and machinery and equipment with the net book value of LTL 5,150 thousand (as of 31 December 2011 – LTL 5,870 thousand) were pledged to banks as a collateral for the loans (Note 20).

The liabilities to the owners of ordinary bonds are secured by the pledge of machinery and equipment with the net book value of LTL 1,896 thousand as of 30 June 2012 (as of 31 December 2011 – LTL 2,344 thousand) (Note 18).

In order to assure the proper fulfilment of Group's liabilities to suppliers according to legal proceedings, the rights to machinery and equipment with the net book value of LTL 861 thousand as of 30 June 2012 (as of 31 December 2011 – LTL 1,047 thousand) were limited by law.

Although the peace treaty was signed, but at the report release date pending abolition of collaterals

12 Inventories

	30 06 2012	31 12 2011
Raw materials, spare parts and production in progress	11,878,977	8,198,991
Finished goods	4,742,886	5,627,944
Other	-	-
Total inventories, gross	16,621,863	13,826,93
Less: net realizable value allowance	(595,094)	(595,094)
Total inventories, net	**16,026,769**	**13,231,84**

Raw materials and spare parts consist of compressors, components, plastics, wires, metals and other materials used in the production.
As described in Note 20, in order to secure the repayment of bank loans, the Group pledged inventories with the value of not less than LTL 10,500 thousand as of 30 June 2012 (as of 31 December 2011 – LTL 10,500 thousand).

13 Trade receivables

Trade receivables were composed as follows:

	30 06 2012	31 12 2011
Trade receivables from the Group companies	42,822,698	26,306,167
Less: allowance for doubtful trade receivables	(14,155,058)	(13,115,430)
	28,667,640	**13,190,737**

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

As of 30 June 2012 trade receivables with the carrying value of LTL 14,115 thousand (as of 31 December 2011 – LTL 13,115 thousand) were impaired and fully provided for. Change in valuation allowance for doubtful trade receivables was included within administration expenses.

The Group's trade receivables from Western countries and Lithuanian amounting to LTL 5,304 thousand as of 30 June 2012 (LTL 4,157 thousand as of 31 December 2011) were insured by credit insurance Atradius Sweden Kreditförsäkring Lithaunia branch.

Movements in the individually assessed impairment of trade receivables were as follows:

	30 06 2012	31 12 2011
Balance at the beginning of the period	(13,115,430)	(13,585,026)
Charge for the year	(835,076)	(87,431)
Write-offs of trade receivables	29,718	224,893
Effect of the change in foreign currency exchange	(234,270)	279,495
Amounts paid	-	52,639
Balance in the end of the period	**(14,155,058)**	**(13,115,430)**

The ageing analysis of trade receivables as of 30 June 2012 and 31 December 2011 is as follows:

	Trade receivables neither past due nor impaired	Trade receivables past due but not impaired					Total
		Less than 30 days	30 – 60 days	60 – 90 days	90 – 120 days	More than 120 days	
2012	23,680,332	4,389,787	270,142	2,853	140,500	184,026	**28,667,640**
2011	9,748,804	2,218,263	526,531	233,792	286,157	177,190	**13,190,737**

As of 30 June 2012 and 31 December 2011 the Group had no factoring with recourse agreements, therefore no limitations on disposable assets were present.

14 Other current assets

	30 06 2012	31 12 2011
Prepayments and deferred expenses	1,598,734	1,704,548
VAT receivable	1,082,896	535,286
Compensations receivable from suppliers	425	60,072
Restricted cash	15,000	15,000
Other receivables	1,982,701	1,811,345
Less: valuation allowance for doubtful other receivables	(1,436,661)	(1,431,114)
	3,243,095	**2,695,137**

Change in valuation allowance for doubtful other receivables was included within administration expenses.

Movements in the individually assessed impairment of other receivables were as follows:

	30 06 2012	31 12 2011
Balance at the beginning of the period	(1,431,114)	(1,469,690)
Charge for the year	-	-
Effect of the change in foreign currency exchange rate	(5,547)	37,800
Amounts paid	-	776
Balance in the end of the period	(1,436,661)	(1,431,114)

15 Cash and cash equivalents

	30 06 2012	31 12 2011
Cash at bank	1,122,673	952,623
Cash on hand	7,090	7,863
	1,129,763	**960,486**

As of 30 June 2012 the accounts of the Group in foreign currency and Litas up to LTL 15,085 thousand (up to LTL 12,085 thousand in 2011) are pledged as a collateral for bank loans (Note 20).

16 Share capital

According to the Law on Companies of the Republic of Lithuania the Company's total equity cannot be less than 1/2 of its share capital specified in the Company's by-laws. As on the 30 of June, 2012 and of 31 December 2011, the Company was in compliance with this requirement.

17 Reserves

Legal reserve

A legal reserve is a compulsory reserve under Lithuanian legislation. Annual transfers of not less than 5% of net profit are compulsory until the reserve reaches 10% of the share capital.

As of 30 June 2012 the legal reserve amounted to LTL 2,884 thousand.

Non-restricted reserves

Other reserves are formed based on the decision of the General Shareholders' Meeting for special purposes. All distributable reserves before distributing the profit are transferred to retained earnings and redistributed annually under a decision of the shareholders.

As of 30 June 2012 other distributable reserves consisted of a reserve for investments amounting to LTL 2,212 thousand (as of 31 December 2011 - LTL 1,158 thousand) and reserve for social and cultural needs amounting to LTL 30 thousand (as of 31 December 2011 – LTL 30 thousand).

Foreign currency translation reserve

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

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

18 Subsidies

Subsidies on 1 January 2010	10,703,880
Increase during period	-
Subsidies on 31 December 2010	10,703,880
Increase during period	-
Subsidies on 31 December 2011	10,703,880
Increase during period	-
Subsidies on 31 March 2012	10,703,880
Increase during period	-
Subsidies on 30 June 2012	10,703,880
Accumulated amortization on 1 January 2010	9,103,143
Amortization during period	318,304
Accumulated amortization on 31 December 2010	9,421,447
Amortization during period	348,300
Accumulated amortization on 31 December 2011	9,769,747
Amortization during period	87,075
Accumulated amortization on 31 March 2012	9,856,822
Amortization during period	65,791
Accumulated amortization on 30 June 2012	9,922,613
Net residual value 30 June 2012	**781,267**

The subsidies were received for the renewal of production machinery and repairs of buildings in connection with the elimination of CFC 11 element from the production of polyurethane insulation and filling foam, and for elimination of green house gases in the manufacturing of domestic refrigerators and freezers. Subsidies are amortised over the same period as the machinery and other assets for which subsidies were designated when compensatory costs are incurred. The amortisation of subsidies is included in production cost against depreciation of machinery and reconstruction of buildings for which the subsidies were designated.

19 Provisions for guarantee related liabilities

The Group provides a warranty of up to 2 years for the production sold since 1 January 2009 (up to 3 years before 1 January 2009). The provision for warranty repairs was accounted for based on the expected cost of repairs and statistical warranty repair rates and divided respectively into non-current and current provisions.

Changes over the reporting period were:

	30 06 2012
1 January,	2,057,612
Changes over reporting period	486,397
Used	(508,223)
Foreign currency exchange effect	
30 June, 2012	**2,035,786**

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

	30 06 2012
- Long-term	684,540
- Shot-term	1,351,246

	31 12 2011
- Long-term	684,540
- Shot-term	1,373,072

20 Borrowings

	30 06 2012	31 12 2011
Non-current borrowings		
Non-current borrowings with fixed interest rate	10,843,143	6,543,142
Non-current borrowings with variable interest rate	16,351,412	898,935
Ordinary bonds	7,300,000	7,300,000
Interest on bonds	64,676	-
	34,559,231	14,742,077
Current borrowings		
Convertible bonds	-	-
Ordinary bonds	-	853,032
Current borrowings with fixed interest rate	980,667	5,776,468
Current borrowings with variable interest rate	277,000	9,305,123
	1,257,667	15,934,623
Total	**35,816,898**	**30,676,700**

On 16 June 2010 the Company issued 10,000 units of ordinary bonds with the par value of EUR 100 each and yielding 10%. The Company is obliged to redeem 416 units of bonds and pay accrued interest on the 20th day of each month during the validity period and redeem 432 units of bonds at maturity date on 15

June 2012. The liabilities to the owners of ordinary bonds are secured by the pledge of machinery and equipment with the net book value of LTL 2,344 thousand as of 31 December 2011.

On 18 April 2011 the Company issued 30,000 units of convertible bonds with the par value of LTL 100 each with the annual yield of 9%.

On 2 May 2011 the Company issued 43,000 units of convertible bonds with the par value of LTL 100 each, with the annual yield of 9%, redemption date 2 May 2013, interest is paid annually. The purpose is the refinancing of part of the convertible bonds emission issued in 2010 with the maturity date of 11 April 2011. Bonds and accrued interest, which in 2012 June 30 amounted to LTL 65 thousand covered in the form of long-term loans. Interest on the bonds is payable at the time of their maturity(2012-05 paid LTL 387 thousand), with the exception of 30,000 units bond holder to whom the interest shall be paid on the last day of the quarter time in the quarter.

On 18 April 2011 pursuant to the decision of convertible bonds owners 23,386 units of convertible bonds with the par value of EUR 100 (equivalent to LTL 345) each were converted into 8,886,680 ordinary registered shares of the Company with the par value of LTL 1 each and the share capital was increased accordingly (Note 1)..

Borrowings with variable interest rate bear 6-month VILIBOR + from 3.88 % till 4.5 %, but not less than 6.5 % annual interest rate as of 30 June 2012 (6 month VILIBOR + 3.88% - 6.1 % annual interest rate as of 31 December 2011). Borrowings with the fixed interest rate bear 6.5% annual interest rates.

As of 30June 2012 buildings with the carrying amount of LTL 7,234 thousand (as of 31 December 2011 – LTL 7,359 thousand), machinery and equipment with the net book value of LTL 5,150 thousand (as of 31 December 2011 – LTL 5,870 thousand), inventories with the net book value of not less than LTL 10,500 thousand (as of 31 December 2011 – LTL 10,500 thousand), cash inflows into the bank accounts up to LTL 15,085 thousand (as of 31 December 2011 – LTL 12,085 thousand, was pledged to the banks for loans. In addition LTL 1,000 thousand cash deposit accounted for in other non-current assets was restricted and pledged to banks until May 2015.

Investicijų ir Verslo Garantijos,UAB (entity owned by the government of the Republic of Lithuania) guaranteed the long term fixed rate borrowing repayment in total of LTL 5,000 thousand until 24 May 2015.

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

	30 June 2012	31 December 2011
Borrowings denominated in:		
EUR	3,797,396	3,250,061
USD	-	-
LTL	31,913,258	27,426,639
RUB	106,244	**-**
	35,816,898	**30,676,700**

Repayment schedule for non-current borrowings, except for convertible and ordinary bonds, is as follows:

	Fixed interest rate	Variable interest rate
2012	980,667	277,000
2013 – 2017	18,207,819	16,351,412
After 2017	-	-
	19,188,486	**16,628,412**

21 Financial leasing

The Group has not financial lease payables on 30 June,2012.

Principal amounts of financial lease payables as 31 December 2011 are denominated in EUR.

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

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

	30 06 2012	31 12 2011
Within one year	-	71,321
From one to five years	-	-
Total financial lease obligations	-	71,321
Interest	-	(169)
Present value of financial lease obligations	-	71,152
Financial lease obligations are accounted for as:		
- current	-	71,152
- non-current	-	-

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

	30 06 2012	31 12 2011
Machinery and equipment	-	2,123,131
Vehicles	-	-
	-	2,123,131

22 Operating lease

The Group has concluded several contracts of operating lease of land and premises. The terms of lease do not include restrictions of the activities of the Group in connection with the dividends, additional borrowings or additional lease agreements. In 2012 1st half the lease expenses of the Group amounted to LTL 199 thousand (LTL 207 thousand in 2011 1st half).

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

Future lease payments according to the signed lease contracts are not defined as contracts might be cancelled upon the notice.

23 Other current liabilities

	30 06 2012	31 12 2011
Accrued interest on convertible bonds	89,581	349,028
Salaries and related taxes	2,328,877	2,039,592
Vacation reserve	1,488,268	1,238,375
Other accrued interest	129,925	128,723
Other taxes payable	242,555	217,514
Other payables and accrued expenses	(299,085)	185,519
	3,980,121	**4,158,751**

Terms and conditions of other payables:

- Other payables are non-interest bearing and have the settlement term up to six months.
- Interest payable is normally settled monthly throughout the financial year.

24 Basic and diluted earnings (loss) per share

	30 06 2012	31 12 2011
Shares issued 1 January	39,622,395	30,735,715
Weighted average number of shares	-	36,432,929
Net result for the year, attributable to the parent company	(681,142)	(5,042,923)
Basic (loss) per share, in LTL	(0.017)	(0.138)

25 Risk and capital management

Credit risk

The maximum exposures of the credit as of 30 June 2012 and as of 31 December 2011 comprise the carrying values of receivables, cash and cash equivalents.

Concentration of trading counterparties of the Group is average. As of 30 June 2012 amounts receivable from the main 10 customers of the Group accounted for approximately 66.57 % (58.64 % as of 31 December 2011) of the total Group's trade receivables.

The credit policy implemented by the Group and credit risk is constantly controlled. Credit risk assessment is applied to all clients willing to get a payment deferral.

At 2012 30th of June the Group's trade receivables, after elimination of reserves, was 28.668 thousand LTL, 5.304 thousand LTL was insured by credit insurance in "Atradius Sweden Kreditförsäkring" Lithuania Branch (at 2011 31st of December trade receivables was 13.191 thousand LTL insured 4.157 thousand LTL.

In accordance with the policy of receivables recognition as doubtful, the payments variations from agreement terms are monitored and preventive actions are taken in order to avoid overdue receivables in accordance with the standard of the Group entitled "Trade Credits Risk Management Procedure".

According to the policy of the Group, receivables are considered to be doubtful if they meet the following criteria:

- the client is late with settlement for 60 and more days, receivable amount is not covered by insurance and it does not come from subsidiaries;
- factorised clients late with settlement for 30 and more days;
- client is unable to fulfil the obligations assumed;
- reluctant to communicate with the seller;
- turnover of management is observed;

- reorganisation process is observed;
- information about tax penalties, judicial operation and restrictions of the use of assets is observed;
- bankruptcy case;
- inconsistency and variation in payments;
- other criteria.

The Group's management believes that its maximum exposure is equal to the trade receivables netted with allowance losses recognized as at the balance sheet date.

Interest rate risk

The part of the Group's borrowings is with variable rates, related to VILIBOR and EURIBOR, which creates an interest rate risk. As of 30 June 2012 and 2011 the Group did not use any financial instruments to manage interest rate risk.

Liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents by using cash flows statements with liquidity forecasting for future periods. The statement comprises predictable cash flows of monetary operations and effective planning of cash investment if it is necessary.

The purpose of the Group's liquidity risk management policy is to maintain the ratio between continuous financing and flexibility in using overdrafts, bank loans, bonds, financial and operating lease agreements.

The Group seeks to maintain sufficient financing to meet the financial liabilities on time. Additionally, in 2012 the restructuring of maturity terms of some financial obligations and the additional monetary funds to finance the operations of the Company have been implemented.

Foreign exchange risk

The Company significantly reduced income earned in US dollars, in this way receivable incomes became very close to the commitments in USD. Liabilities in US dollars as of 30 June 2012 were only 56 thousand US dollars (as of 31 December 2011 were only 166 thousand US dollars). Consequently, foreign exchange risk decreased because most of income is earned in euros, Litas is pegged to euro at the rate of 3.4528 litas for 1 euro.

Capital management

The Group manages share capital, share premium, legal reserves, reserves, foreign currency translation reserve and retained earnings as capital. The primary objective of the Group's capital management is to ensure that the Group complies with the externally imposed capital requirements and to maintain appropriate capital ratios in order to ensure its business and to maximise the shareholders' benefit.

The Group manages its capital structure and makes adjustments to it in the light of changes in the economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. As described in Note 1, 8,886,680 ordinary shares with the nominal value of LTL 1 each were issued in 2011.

A company is obliged to keep its equity up to 50% of its share capital, as imposed by the Law on Companies of Republic of Lithuania. As of 30 June 2012 and as of 31 December 2011 the Company complied with this requirement. There were no other significant externally imposed capital requirements on the Group.

26 Commitments and contingencies

The General Meeting of shareholders of Snaige AB was held on 30 April 2012. At the meeting following resolutions were made:

- Approved the Company's financial statements for the year 2011.

- Approved the distribution of profit (loss) (LTL 45.4 thousand – to reserves foreseen by law, LTL 30 thousand - for social and cultural needs and LTL 2 021 thousand – to reserve for investments).

Elected „Ernst & Young Baltic“ UAB for 2012 auditing purposes of annual financial statements

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

On 12 February 2010 Kaunas County Court adopted a decision to satisfy the claim and adjudged the debt of LTL 2,049 thousand of the Company for the benefit of the Plaintiff along with LTL 126 thousand interest and 6% legal interest on the adjudged amount to be calculated from the day the proceedings started until the day the court decision is executed. In 2010 the Company appealed to the Appeal Court of Lithuania. On 5 October 2010 the Appeal Court of Lithuania announced that repayment of total adjudged amount shall be paid in two instalments: LTL 1,096 thousand shall be paid until 1 February 2011 and the remaining amount including 6% of legal interest shall payable in equal parts until 12 February 2012 on a monthly basis.

The Company did not fulfil this Appeal court decision.

According to the bailiff’s decision on February 2011, the amount of LTL 566 thousand was written – off from the Company’s bank account and as at 30 June 2012 the amount was in the bailiff’s bank account. The Company appealed against this bailiff’s decision and clamed for the production, which was not received from the supplier.

At 13th of June Company signed peace treaty with supplier “Comfitt Glass”, under peace treaty supplier abandoned interest (385 thousand LTL), penalties, and legal costs also reduced the overall size of requirement till 1.806 thousand LTL. Newly supplier undertakes to sell and buyer to buy the products in sum of 150 thousand LTL by applying 50% discount and deliver not delivered production, also signed product delivery and payment schedule. At the report preparation date part of products has been received and the amount written off by a bailiff (566 thousand LTL) was transferred to supplier.

As at 30 June 2012 the litigation is ongoing with Format Sp.z.o.o., regarding their claim on proceeding breaches against the Company. The Company appealed against the court decision regarding the proceeding breaches (the claim was cleared by the court, however interest calculated did not agree to the agreement conditions). The accumulated interest amount is equal to LTL 78 thousand, during 2012 – LTL 6 thousand.

Poznan Court of Appeal annulated the contested decision and dismissed the appeal also ordered the plaintiff Format Sp. z o. o. 7 thousand PLN costs of the representation process. At the report preparation date verdict wasn’t yet in force and charged interest on the balance recorded under "Trade payables" line.

VAIDANA UAB, the buyer of the Company’s shares, acting with Russian company POLAIR.

At the end of compulsory non-competitive formal proposal for the remaining 15,905,727 ordinary registered 1 LTL par value of shares constituting 40.14%, the buying UAB Vaidana control 36 096 193 ordinary registered shares, which is 91,10 percent of all shares and allocation of votes at the general meeting of shareholders of the Company.

On 28 March 2012 the credit line contract was signed with „AB Šiaulių bankas“ on additional granting credit of LTL 5 000 thousand. with a duration of 6 months VILIBOR and a fixed margin of 3,5% of annual interest and return by the term from 5 June 2015 till 27 March 2017.

On 28 March 2012 with AB „Šiaulių bankas“ agreements were signed on:

LTL 8,300 ths. Amendments of the schedule of credit repayment were made and annual interest rate of 6,5% was fixed. The loan will be repaid in accordance with this agreement, in the following terms:

LTL 300 thousand on 5 September 2012 while the remaining amount evenly over the period 2014 January - 2017 December.

LTL 6,785 ths. Amendment of the schedule of credit repayment . Under this agreement the loan will be repaid gradually during the period of January 2014 - December 2016.

On 22 March 2012 with „Swedbank" AB Amendment of the Treaty was signed by the credit line on the credit line increase EUR 405 thousand and the loan withholding to 31 March 2013.

The company's shareholder „Vaidana" UAB acquired all the company's issued bonds 2011 in 04-05 month (73 thousand units, each with a value of LTL 100). Procedure for the payment of interest and redemption of the bonds have not changed (read more in Note 18).

In accordance with the sponsorship-agreement No 2012-02-12, guarantees the Company with its complete existing and future asset toward the AB Šiaulių bankas for the appropriate fulfilment of obligations by the UAB "Vaidana" concerning of credit of 4 million LTL granted to it.

27 Related party transactions

According to IAS 24 *Related Party Disclosures*, the parties are considered related when one party can unilaterally or jointly control other party or have significant influence over the other party in making financial or operating decisions or operation matters, or when parties are jointly controlled and if the members of management, their relatives or close persons who can unilaterally or jointly control the Group or have influence on it. To determine whether the parties are related the assessment is based on the nature of relation rather than the form.

Amber Trust II S.C.A. (former shareholder);
Hermis Capital UAB (companies controlled by members of management and their close relatives);

VAIDANA UAB (shareholder);

OAO Polair (related shareholders).

The related parties of the Group and the transactions with related parties during 2012 and 2011 were as follows:

Amber Trust II S.C.A. (former shareholder);
OAO Polair (related shareholders);

VAIDANA UAB (shareholder);

The Group has a policy to conduct related party transactions on commercial terms and conditions. Outstanding balances at the year-end are unsecured, interest-free and settlement occurs in cash. There were no guarantees provided or received for any related party receivables or payables. As of 30 June 2012 and as of 31 December 2011 the Group has not recorded any impairment of receivables from related parties.

30 June, 2012	**Purchases**	**Sales**	**Accounts receivable**	**Accounts payables**
OAO „ Polair" (refrigerators)	-	4,392,268	4,392,268	
	-	**4,392,268**	**4,392,268**	

2011	**Purchases**	**Sales**	**Accounts receivable**	**Accounts payables**
OAO „ Polair"	-	-	-	
	-	-	-	

Financial and investment activities with related parties:

	30 June 2012				31 December 2011		
	Sold bonds	**Loans received**	**Repayment of loans**	**Interest paid**	**Loans received**	**Repayment of loans**	**Interest paid**
„Amber Trust II" S.C.A.	-		-	-	-	423,058	141,859
UAB„Vaidana" obligacijos	7,300,000		-	521,630	-	-	-
	7,300,000		**-**	**521,630**	**-**	**423,058**	**141,859**

In 2012 June 30, the company has not been entered into indemnity agreements under which were guaranteed suppliers for subsidiary OOO „Techprominvest" and „Almecha" UAB, „Snaige Ukraina"; „Moroz Trade"; „Liga Servis"debt.

Remuneration of the management and other payments

Remuneration of the Company's and subsidiaries' management amounted to LTL 684 thousand and LTL 1851 thousand, respectively, in 2012 1st half (651 thousand and LTL 214 thousand in 1st half, respectively). The management of the Group did not receive any other loans, guarantees; no other payments or property transfers were made or accrued.

28 Subsequent events

At 2012 13th of July machinery and equipment withdrawn mortgage bond holders (current value -1,896 thousand. LTL)

At 2012 18th of July machinery and equipment, which current value at 2012 30th of June was 1,896 thousand LTL, pledged to bank for the loan

At 2012 16th of August expected to convene an extraordinary shareholders meeting whose main agenda - board members change.

Snaigė AB

CONFIRMATION OF RESPONSIBLE PERSONS

Following the Article No. 22 of the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission, we Gediminas Čeika, CEO of Snaigė, AB and Neringa Menčiūnienė, Finance Director of Snaigė AB hereby confirm that, to the best of our knowledge, the attached unaudited interim consolidated Snaigė AB financial statements for the 1st half of year 2012, prepared in accordance to the applied accounting standards, reflects the reality correctly and fairly shows issuer's assets, liabilities, financial position, profit or loss of Snaigė, AB. Responsible persons also confirm that interim report fairly presents the review of issuer's business development and business activities.

Gediminas Čeika
Managing Director

Neringa Menčiūnienė
Finance Director

July 31, 2012

SNAIGE AB

INTERIM CONSOLIDATED REPORT FOR THE SIX MONTHS OF THE YEAR 2012

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

CONTENTS

GENERAL PROVISIONS

1. Accounting period of the interim report

The interim report has been issued as of the six months of 2012.

2. The basic data about the issuer

The name of the company – *SNAIGĖ* PLC (hereinafter referred to as the Company)
Authorised capital – LTL 39,622,395
Address - Pramones str. 6, LT-62175 Alytus
Phone - (8-315) 56 206
Fax - (8-315) 56 207
E-mail – snaige@snaige.lt
Internet address - http://www.snaige.lt
Legal organisation status – legal entity, public limited company

Registered as an enterprise on December 1, 1992 in the Municipality Administration of Alytus; registration number AB 92-119; enterprise register code 249664610. The latest Statute of AB "Snaige" was registered on May 24, 2012 in Legal Entities of the Republic of Lithuania.

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

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

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

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

The mass media – daily paper „Kauno diena".

II. INFORMATION ABOUT THE ISSUER'S AUTHORIZED CAPITAL, THE ISSUED SECURITIES, SHAREHOLDERS AND MEMBERS OF THE MANAGEMENT BODIES

5. The issuer's authorized capital

5.1. The authorized capital registered in the enterprise register

Name of the securities	Amount of the securities	Nominal value, LTL	Total nominal value, LTL	Share of the authorized capital, in percentage
Ordinary registered shares	39,622,395	1	39,622,395	100

6. Major shareholders

The total number of the shareholders on 30 June 2012 was 981.
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	
Vaidana UAB – Konstitucijos ave.7, Vilnius, Lithuania, 302473720	36,096,193	91.10	91.10	91.10	91.10	91.10	-

7. Securities without a share of the authorized capital, the circulation of which is regulated by the Law on the Securities Market of the Republic of Lithuania

On 18 April 2011 the issue of convertible bonds was subscribed and paid:
- total number of convertible bonds: 30,000 units;
- nominal value of the convertible bond: LTL 100;
- issue price per convertible bond: LTL 100;
- total nominal value: LTL 3,000,000;
- total amount of the issue: LTL 3,000,000;
- the rights granted to holders of convertible bonds: according to the set order to receive interest from the Company; on redemption day to receive a redemption amount or to request to change convertible bonds to the shares at the end of redemption term; also, all other rights set to the creditors of the companies by the laws;
- subscription and payment day: 18 April 2011;
- duration: 725 days;
- interest: 9 % per annum;
- the method of interest calculation: act/365;
- redemption day: 12 April 2013;
- the redemption price per convertible bond: LTL 100;
- payment of interest: once per quarter on the last day of the quarter (if the last day of the quarter is not a

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

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

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

8. The secondary turnover of the issuer's securities

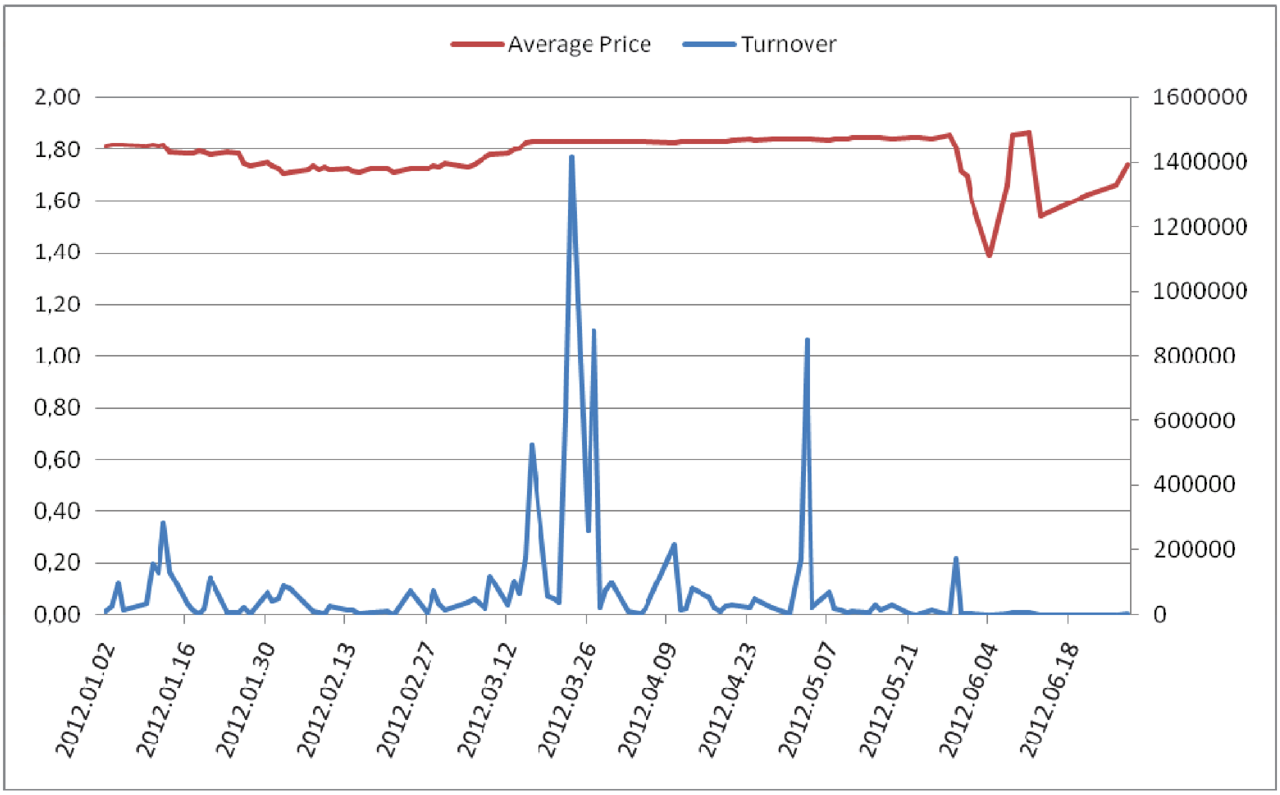
The securities issued by the Company have been listed in the Official Trading List of NASDAQ OMX Villnius since April 9, 1998. Trade of the Company's ordinary registered shares in the securities stock exchange was started on August 11, 1995. The VP ISIN number is LT0000109274.
Name of the securities – the ordinary registered shares of AB "Snaige".

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

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

Trade in securities

Accounting period		Price (LTL)			Turnover (LTL)		Date of last session min.	Total turnover	
from	to	Max.	Min.	As of last session	from	Max.		As of last session	from
2012.01.01	2012.03.31	1.837	1.692	1.830	1,416,693.09	100,996.82	2012.03.30	3,512,198	6,360,740.70
2012.04.01	2012.06.30	2.072	1.385	1.854	849,446.84	904.12	2012.06.28	1,115,949	2,047,057.29



9. Agreements with the stakeholders of public circulation of securities

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

10. Members of the Management Bodies

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

Name. surname	**Position**	**Amount of shares available. in units**	**Share of the capital available. in percentage**	**Share of votes. in percentage**
BOARD				
Aleksey Kovalchuk	Chairman of the Board of Snaige AB	-	-	-
Andrei Dribny	Member of the Board of Snaige AB	-	-	-
Mikhail Stukalo	Member of the Board of Snaige AB	-	-	-
Robin Peter Walker	Member of the Board of Snaige AB	-	-	-
Martynas Česnavičius	Member of the Board of Snaige AB	15	0.00	0.00
Robertas Beržinskas	Member of the Board of Snaige AB	-	-	-

ADMINISTRATION (Administrative Manager. Chief Accountant)				
Gediminas Čeika	Managing Director of Snaige AB	-	-	-
Neringa Menčiūnienė	Finance Director of Snaige AB	-	-	-

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

Name	Start date of the Office term	End date of the Office term
BOARD		
Aleksey Kovalchuk	2011 12 14	till 2015 GMS
Andrei Dribny	2011 12 14	till 2015 GMS
Mikhail Stukalo	2011 12 14	till 2015 GMS
Robin Peter Walker	2011 12 14	till 2015 GMS
Martynas Česnavičius	2006 05 02	till 2015 GMS
Robertas Beržinskas	2008 04 23	till 2015 GMS
ADMINISTRACIJON (Managing Director and Chief / accountant)		
Gediminas Čeika	2008 01 03	Term less agreement
Neringa Menčiūnienė	2008 06 02	Term less agreement

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

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

III. INFORMATION ABOUT THE ISSUER'S BUSINESS

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

During the first half of 2012 turnover reached nearly 67m. Lt (unaudited, unconsolidated results) which is almost 19% more than in the same period last year. Also the company generated 419k Lt unaudited, unconsolidated profit which is 16% more than the same period last year. Unaudited unconsolidated EBITDA in the first half exceeded the 4,9 mln. Lt i.e. 16% more than during the same period last year.

According to Gediminas Čeika, these results were achieved by a focus in the main on the more profitable markets with particular success in Ukraine where sales were ahead by 62% compared with the previous year for the same period. „This development was caused by a number of factors ",-says G. Čeika," the first is the national advertising campaign on Ukrainian TV, Internet and outdoor advertising. We not only remind the user about ourselves, but also we enhance our customers ' confidence in us in Ukraine

The successful marketing campaign in Ukraine has not only grown the sales, but also significantly strengthened AB Snaige's brand position in this market. We now hold 6,2% of the refrigerators category in the Ukrainian market and are now one of the market leaders.

AB Snaige also found additional clients in Asian markets. During the first 6 months of this year to export sales to Uzbekistan, Tajikistan and Kazakhstan exceeded 8000 PCs. of refrigerators, which is 35% more than last year. Users in these countries, in particular, value the quality of the Lithuanian refrigerators and the European origin.

„We also achieved strong results in Germany, during the first half of this year. The company has exported over 14 000 refrigerators, 16% above with the same period last year.- said G. Čeika. –„ Part of this growth was due to the trade with a new client „Bomann“.

According to G. Čeika the trade with Russia is also recovering. „Compared with the previous year to Russia we sold more than six times as many refrigerators. Of course, the majority of refrigerators were sold with the help of our partner company Russian industrial refrigeration equipment manufacturer "Polair".

AB Snaige CEO G. Čeika welcomes the results of the H1. „19% sales growth is a great result“, - said G. Čeika. „However we are going ahead. The cultivation of profitable sales is one of the most important objectives of the company of the year.

12. Information about Company‘s employees

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

Employees group	January – June of 2012	
	Average number of employees	**Average monthly salary. LTL**
Administrative employees (with executive officers)	171	3,266
Factory workers	593	1,579
In total	**764**	**1,955**

13. Information about the subsidiary companies of the issuer

On 30 June 2011 the AB „Snaige“ group consisted of the following companies: the parent company of the group AB „Snaige“. subsidiary companies „Techprominvest“. „Moroz trade“. „Liga servis“. „Snaige- Ukraine“. „Almecha“. The main information about the Group‘s subsidiary companies is presented in the table below:

	TECHPROMINVEST	**MOROZ TRADE**	**LIGA SERVIS**	**SNAIGE – UKRAINE**	**ALMECHA**
Head-office address	Russia	Russia	Russia	Ukraine	Alytus. Lithuania
Type of activities	Manufacture of refrigerators and freezers	Sales and marketing services	Sales and marketing services	Sales . consult and service	Manufacture of equipment
Share of the authorized capital available to Snaige.AB. %	100 %	100%	100%	99 %	100 %
The authorized capital (LTL)	89.197.287	837	837	56.805	1.375.785
Share of the authorized capital unpaid by the issuer	Completely paid	Completely paid	Completely paid	Completely paid	Completely paid

14. Transactions with the related parties

The parties are considered related when one party has the possibility to control the other one or have significant influence over the other party in making financial and operating decisions. The related parties of the Group and the transactions with related parties during the 1st half of 2012 and 2011 were:

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

OAO Polair (related shareholders);

VAIDANA UAB (shareholder).

15. The risk

Credit risk

The maximum exposures of the credit as of 30 June 2012 and as of 31 December 2011 comprise the carrying values of receivables, cash and cash equivalents.

Concentration of trading counterparties of the Group is average. As of 30 June 2012 amounts receivable from the main 10 customers of the Group accounted for approximately 66.57 % (58.64 % as of 31 December 2011) of the total Group's trade receivables.

The credit policy implemented by the Group and credit risk is constantly controlled. Credit risk assessment is applied to all clients willing to get a payment deferral.

At 2012 30th of June the Group's trade receivables, after elimination of reserves, was 28.668 thousand LTL, 5.304 thousand LTL was insured by credit insurance in "Atradius Sweden Kreditförsäkring" Lithuania Branch (at 2011 31st of December trade receivables was 13.191 thousand LTL insured 4.157 thousand LTL.

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- the client is late with settlement for 60 and more days, receivable amount is not covered by insurance and it does not come from subsidiaries;
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- client is unable to fulfil the obligations assumed;
- reluctant to communicate with the seller;
- turnover of management is observed;
- reorganisation process is observed;
- information about tax penalties, judicial operation and restrictions of the use of assets is observed;
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- inconsistency and variation in payments;
- other criteria.

The Group's management believes that its maximum exposure is equal to the trade receivables netted with allowance losses recognized as at the balance sheet date.

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The part of the Group's borrowings is with variable rates, related to VILIBOR and EURIBOR, which creates an interest rate risk. As of 30 June 2012 and 2011 the Group did not use any financial instruments to manage interest rate risk.

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The Group's policy is to maintain sufficient cash and cash equivalents by using cash flows statements with liquidity forecasting for future periods. The statement comprises predictable cash flows of monetary operations and effective planning of cash investment if it is necessary.

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The Group seeks to maintain sufficient financing to meet the financial liabilities on time. Additionally, in 2012 the restructuring of maturity terms of some financial obligations and the additional monetary funds to finance the operations of the Company have been implemented.

Foreign exchange risk

The Company significantly reduced income earned in US dollars, in this way receivable incomes became very close to the commitments in USD. Liabilities in US dollars as of 30 June 2012 were only 56 thousand US dollars (as of 31 December 2011 were only 166 thousand US dollars). Consequently, foreign exchange risk decreased because most of income is earned in euros, Litas is pegged to euro at the rate of 3.4528 litas for 1 euro.

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

16. Essential events of the issuer's activities

25-07-2012
Convocation of the Extraordinary General Meeting of Shareholders
On 16 August 2012 the Extraordinary General Meeting of Shareholders of Snaigė AB, the address of head office Pramonės str. 6, Alytus, the company code 249664610 (hereinafter, the "Company") is convened (hereinafter, the "Meeting").
The place of the meeting – the meeting hall of the Company, at the address Kareiviu str. 6 (fifth flour), Vilnius, Lithuania.
The Meeting commences – at 10 a.m. (registration starts at 9.45 a.m.).
The Meeting's accounting day – 8 August 2012 (the persons who are shareholders of the Company at the end of accounting day of the General Meeting of Shareholders or authorized persons by them, or the persons with whom shareholders concluded the agreements on the disposal of voting right, shall have the right to attend and vote at the General Meeting of Shareholders).
The Board of directors of the Company initiates and convenes the meeting.
Agenda of the Meeting:
1 agenda question: The revocation of the Board members of the Company
2 agenda question: The appointment of the new Board members of the Company
2012-06-06
On the implementation of mandatory non-competitive tender offer report
On 6 June 2012 Snaigė AB received a report from its shareholder VAIDANA, UAB on the implementation of the mandatory non-competitive tender offer.
Through the implementation period of the tender offer, VAIDANA, UAB bought-up 12,379,525 ordinary registered shares of Snaigė AB, with nominal value of LTL 1 each (ISIN code LT0000109274), which represent 31.24 percent voting rights at the general meeting of shareholders of the company.
2012-06-04
Notification about acquisition of voting rights
Snaige, AB received a notification from VAIDANA, UAB about crossing the threshold of 75 per cent of votes at the General Meeting of the Company's shareholders.
2012-06-01
Notification on transaction
Snaige AB has received notification on the transaction in issuer's securities concluded by the person closely associated with the manager of the issuer.

2012-05-30
Notification on transaction by manager of the company
Snaige AB has received notification on the transaction in issuer's securities concluded by the manager of the issuer.
2012-05-29
Registered the Articles of Association of Snaige AB
On 24th of May, 2012 the Articles of Association of Snaige AB (which was approved by shareholders on 30 April, 2012 shareholders meeting) was registered on Register of Legal Entities.
2012-05-11
AB "Snaigė" delivers strong sales Q1 in a declining market
In Q1 2012 AB Snaige has had a strong overall sales performance well ahead of their key markets and has matched 2011 sales value with revenues of 22m LTL (unaudited, unconsolidated results). "With some of our key markets affected in the short term by the economic downturn this has been an excellent result" - said CEO Gediminas Čeika.
According to Gediminas Čeika these results was achieved by a focus in the main on the more profitable Baltic and Eastern markets with particular success in Ukraine where sales were ahead by 36% compared with the previous year for the same period. "However, the company also had a successful result from selected western markets and in particular in Germany where sales increased by 30%, partly helped by sales to a new customer "Bomann", which is famous home appliance brand in Germany",- said G. Čeika.
Also in Q1 AB „Snaigė" gained the first benefits of the link with Russian industrial refrigerators producer „Polair". With the help of "Polair" the company produced and sold 3600 units of commercial refrigerators, which is double compared at the same period last year. Additionally the two companies are working closely together using their corporate procurement specialists to focus on optimization of corporate procurement to save on raw materials and on parts for the production process.
Gediminas Čeika said,- "We are satisfied with the results of Q1 and have delivered against the sales targets we set for the quarter. Additionally we focused on developing new products and preparation for the summer season."
In the second and third quarter of this year, AB Snaige is preparing to deliver updated series of „Snaigė Ice Logic" refrigerators to maximize its results. These new products have a refreshed internal design and new technologies such as dynamic cooling system, zero zone, and the electronic control which company believes it will delight its consumers.
In order to further strengthen the delivery of these products in Ukraine, the company is going to launch a national advertising campaign on TV, Internet and outdoor media channels.
Finally during Q1 AB „Snaigė" refinanced it's short term loan portfolio onto long-term loans with the aim of maximizing the benefits from the loan portfolio.
Unaudited unconsolidated EBITDA profit of the company in the first quarter of 2012 exceeded the LTL 583 thousand.
2012-04-30
Decisions of annual general meeting of shareholders of Snaigė AB
The General Meeting of shareholders of Snaige AB was held on 30 April 2012. The meeting heard the consolidated annual report of the Company for the year 2011 and the Auditor's report for the year 2011.
At the meeting was made following resolutions:

1. THE AGENDA QUESTION: Consolidated annual report of "Snaigė" AB on the company's activity for 2011.
In the meeting taken for information the consolidated annual report of "Snaigė" AB on the company's activity for 2011.
2. THE AGENDA QUESTION: Auditor's conclusion on the company's financial statements for 2011.
In the meeting taken for information with the auditor's conclusion on the company's financial statements for 2011.

3. THE AGENDA QUESTION: Approval of the set of financial statements of the company for 2011.
THE DECISION: To approve the set of financial statements of the company for 2011 (enclosed Snaigė AB and consolidated statements).
4. THE AGENDA QUESTION: Approval of distribution of profit (loss) of "Snaigė" AB for 2011.
THE DECISION:
To approve the distribution of profit (loss) of "Snaigė" AB for 2011:
Non-distributed profit (loss) at the end of the last financial year: LTL 0 (EUR 0)
Net result - profit (loss) of financial year: LTL 908,126 (EUR 263,011.47)
Distributable result- profit (loss) of financial year: LTL 908,126 (EUR 263,011.47)

Contributions of shareholders to cover loss: LTL 0 (EUR 0)
Share premium for covering of loss LTL 0 (EUR 0)
Transfers from reserves: LTL 1,188,483 (EUR 344,208.47)
Distributable profit: LTL 2,096,609 (EUR 607,219.94)
Distribution of profit:
Portion of profit allocated to reserves foreseen by law: LTL 45,410 (EUR 13,151.65)
Portion of profit allocated to other reserves: LTL 30,000 (EUR 8,688.60)
- for support and charity LTL 0 (EUR 0)
- for social and cultural needs LTL 30,000 (8,688.6 EUR)
Portion of profit allocated for payment of dividends: LTL 0 (EUR 0)
Portion of profit allocated for payment of premiums: LTL 0 (EUR 0)
Portion of profit allocated for payment of tantiemes: LTL 0 (EUR 0)
Other: LTL 2,021,199 (EUR 585,379.69)
- portion of profit allocated to reserve for acquisition of own shares: LTL 0 (EUR 0)
- portion of profit allocated to reserve for investments: LTL 2,021,199 (EUR 585,379.69)
Non-distributed result - profit (loss) at the end of financial year: LTL 0 (EUR 0)
5. THE AGENDA QUESTION: Election of the audit firm for auditing purposes of financial statements and establishment of terms regarding the payment for audit services.
THE DECISION: For 2012 auditing purposes of annual financial statements to elect UAB „Ernst & Young Baltic“. To authorize (with the right to delegate) the General Director of the company to sign the agreement with the audit firm by establishing the terms of payment for the audit services and other terms.
6. THE AGENDA QUESTION: Election of members of Audit Committee
THE DECISION: Until the end of term of the Company's Board To elect the chairman of audit committee Anton Kudryashov, as the members of Audit Committee Virginijus Dumbliauskas and Rasa Balčiūnaitė Kaminskienė.
7. THE AGENDA QUESTION: Amending the Articles of Association of the Company
THE DECISION:
1) To amend Clauses 6.2 and 6.3 of the Articles of Association of the Company to be read as follows:
6.2. The convening and the powers of the General Meeting of Shareholders shall conform to the procedures of convening and the powers of the General Meeting of Shareholders stipulated in the Law on Companies, except where these Articles of Association provide otherwise.
6.3. The General Meeting of Shareholders shall elect and remove the Board of the Company in compliance with the procedure prescribed by the Law on Companies. The Board of the Company shall have the right to adopt a decision on issuing debentures, as well as, following the procedure approved by the General Meeting of Shareholders, to resolve the matters related to the establishment of remuneration to the Board members. The Board's powers with regard to other matters shall conform to the powers stipulated in the Law on Companies. The working procedure of the Board shall be laid down in the rules of procedure of the Board.
To supplement the Articles of Association of the Company with Clause 6.5 to be read as follows:
6.5. The members of the Board of the Company shall enter into agreements on their activity within the Board. Remuneration may be paid to the Board members of the Company for their activity within the Board of the Company. The General Meeting of Shareholders of the Company shall approve the form of the agreement with the Board members of the Company and the procedure for payment of remuneration by the Company for the activity of the Board members.
2) In the light of the said amendments of the Articles of Association of the Company, to approve the new wording of the Articles of Association of the Company (enclosed). To authorize (with the right to subdelegate) the head of the Company to sign the new wording of the Articles of Association of the Company and to submit it for registration with the Register of Legal Entities.
8. THE AGENDA QUESTION: Approving the procedure for payment of remuneration by the Company for the activity of the members of the Board and the form of the agreement with members of the Board of the Company
THE DECISION:
1) To establish that according to the respective decision of the Board of the Company remuneration may be paid to the Board members of the Company for their activity within the Board.
2) To approve the form of the agreement with members of the Board of the Company (enclosed).
3) To approve the procedure for payment of remuneration by the Company for the activity of the members of the Board (enclosed).
To establish that the adopted decisions referred to in Clauses 1), 2) and 3) hereof, relating to the establishment of the remuneration to the Board members of the Company for their activity within the

Board, shall come into force and shall be applied after the registration of the new wording of the Articles of Association of the Company as approved by this General Meeting of Shareholders with the Register of Legal Entities.

2012-04-25

Approval additions of the draft decisions of the 5th and 6th questions of the meeting agenda

The Board of Snaigė AB on 25 April 2012 adopted the decision to approve April 30th 2012 the ordinary general meeting of Company's shareholders additions of the draft decisions of the 5th and 6th questions of the meeting agenda:

The decision project of the 5th agenda question: "For 2012 auditing purposes of financial statements to elect UAB „Ernst & Young Baltic". To authorize (with the right to delegate) the General Director of the company to sign the agreement with the audit firm by establishing the terms of payment for the audit services and other terms".

The decision project of the 6th agenda question: "Until the end of term of the Company's Board to elect Virginijus Dumbliauskas and Rasa Balciunaite Kaminskiene. Anton Kudryashov to elect the chairman of the audit committee".

2012-04-19

The addition of agenda of the ordinary General Meeting of Shareholders

AB Snaige Board by its decision, adopted on 16 April 2012, decided to supplement agenda of the Ordinary General Shareholders Meeting of the Company by item No. 7 and No. 8:

7 question of agenda: Amending the Articles of Association of the Company.

8 question of agenda: Approving the procedure for payment of remuneration by the Company for the activity of the members of the Board and the form of the agreement with members of the Board of the Company.

Drafts of decisions of additional agenda questions of the Ordinary General Meeting of Shareholders are attached.

The ordinary General Meeting of Shareholders of Snaigė AB, the address of head office Pramonės str. 6, Alytus, the company code 249664610 (hereinafter, the "Company") is convened (hereinafter, the "Meeting") on 30 April 2012.

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

The Meeting commences – at 10.00 a.m. (registration starts at 9.45 a.m.).

The Meeting's accounting day – 23 April 2012 (the persons who are shareholders of the Company at the end of accounting day of the General Meeting of Shareholders or authorized persons by them, or the persons with whom shareholders concluded the agreements on the disposal of voting right, shall have the right to attend and vote at the General Meeting of Shareholders).

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

Agenda of the Meeting:

1. Consolidated Annual report of "Snaigė" AB on the company's activity for 2011.
2. Auditor's conclusion on the company's financial statements for 2011.
3. Approval of the set of financial statements of the company for 2011.
4. Approval of distribution of profit (loss) of "Snaigė" AB for 2011.
5. Election of the audit firm for auditing purposes of financial statements and establishment of terms regarding the payment for audit services.
6. Election of members of Audit Committee.
7. Amending the Articles of Association of the Company.
8. Approving the procedure for payment of remuneration by the Company for the activity of the members of the Board and the form of the agreement with members of the Board of the Company.

2012-04-10

Convocation of the ordinary General Meeting of Shareholders

On 30 April 2012 the ordinary General Meeting of Shareholders of Snaigė AB, the address of head office Pramonės str. 6, Alytus, the company code 249664610 (hereinafter, the "Company") is convened (hereinafter, the "Meeting").

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

The Meeting commences – at 10.00 a.m. (registration starts at 9.45 a.m.).

The Meeting's accounting day – 23 April 2012 (the persons who are shareholders of the Company at the end of accounting day of the General Meeting of Shareholders or authorized persons by them, or the persons with whom shareholders concluded the agreements on the disposal of voting right, shall have the right to attend and vote at the General Meeting of Shareholders).

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

Agenda of the Meeting:

1. Consolidated Annual report of “Snaigė” AB on the company’s activity for 2011.
2. Auditor’s conclusion on the company’s financial statements for 2011.
3. Approval of the set of financial statements of the company for 2011.
4. Approval of distribution of profit (loss) of “Snaigė” AB for 2011.
5. Election of the audit firm for auditing purposes of financial statements and establishment of terms regarding the payment for audit services.
6. Election of members of Audit Committee.

2012-03-22

The Board of Snaige AB approved the opinion about the submitted mandatory non-competitive tender offer to buy shares of the company

The Board of Snaige AB having familiarised itself with the mandatory non-competitive tender offer material presented to it by the offeror UAB “Vaidana”, in its meeting held on 21 March 2012 approved the opinion about the submitted mandatory non-competitive tender offer to buy shares of the company.

2012-03-16

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

On 15 March 2012, Snaigė AB received an announcement from the shareholder UAB “VAIDANA” about 15 March, 2012 the decision of the Bank of Lithuania to approve the circular of a non-competitive mandatory tender offer to buy up the remaining ordinary registered voting shares of Snaigė AB.

The tender offer price is EUR 0.54 (fifty four euro cents) per 1 (one) ordinary registered share of Snaigė AB, LTL 1 (one litas) par value (ISIN code LT0000109274) each. Commencement of the implementation of the tender offer is on 21 March 2012, termination – on 29 May 2012.

2012-03-05

Notification on transactions concluded by managers of the companies

On 5 March, 2012 Snaige AB has received notifications on the transactions in issuer's securities concluded by the person closely associated with the manager of the issuer.

2012-03-02

Unconsolidated unaudited EBITDA of „Snaigė“ for 2011 achieved LTL 9.3 million

For AB „Snaigė“ 2011 became a year of significant achievement and great opportunities. Last year Company sold over 175k refrigerators. The largest proportion was exported to 30 countries in Europe and Asia. Key sales were in Germany, Ukraine, France and Portugal.

The Company significantly stepped up its sales positions in Ukraine started trading with one of the most important Ukrainian household appliances retailers – "Eldorado". Also after a few years break "Snaigė" refrigerators again were exported to Russia and Belarus.

According to CEO Gediminas Čeika in 2011 the Company also has several positive achievements which will have a positive effect on the future of the business. The most important one was introduction of strategic investor. “Polair” a Russian manufacturer of industrial refrigeration equipment acting indirectly through the “Vaidana” UAB, acquired 23,716,668 ordinary shares amounting 59,86% of all shares and votes given by the general meeting of shareholders of the Company.

According to CEO Gediminas Čeika, 2011 the company put a lot of effort into creating new products and improving existing ones. “In June, we manufactured a new premium class refrigerator with glass doors - Snaigė Glassy“, said G. Čeika. “These refrigerators have received a lot of attention both from Lithuanian consumers and from consumers in Western Europe, and at the end of the year they were awarded by golden medal in the annual "Lithuanian product of the Year" Competition said G. Čeika.„We have created a new refrigerator RF35 with increased freezer section, which within a short time became one the best selling product of AB "Snaigė" in Baltic and Eastern markets.

The company participated in one of the most important household appliances exhibitions in Europe - the IFA 2011, where there was an extremely positive assessment by customers and partners.”

Unconsolidated unaudited EBITDA of the Company for 2011 totaled LTL 9.3 million which is clearly a positive performance for the Company. AB “Snaigė” incurred a consolidated unaudited loss of LTL 0.53 million.

According to Gediminas Čeika, „Snaigė“ AB CEO , due to foreign currency exchange fluctuations, „Snaigė“ AB had revaluated debts from the closed factory in Kaliningrad. For these reasons the Company lost LTL 5,6 million. “However, this revaluation of the paper debt is unrelated to the activities of the Company and should be eliminated in assessing the annual results of the company.“- said G. Čeika.

Due to damage and repair of the factory roof, the Company wasn‘t able to sell the Kaliningrad plant last year. Currently, the Company is actively negotiating with potential buyers of factory in Kaliningrad and in 2012 expects revenue from this sale.

AB “Snaigė“ during the 2011 reached 111,1 million. Lt unaudited consolidated turnover and suffered a consolidated unaudited loss of 5 million.

17. Court and arbitrage processes

The information about court and arbitrage processe is revealed in the 26 note of explanatory notes.