

RESPONSIBLE PERSONS CONFIRMATION

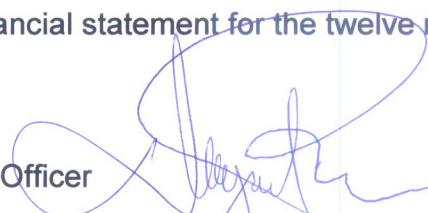
27.02.2009

Confirm that by LR Law on Securities article 22, part 1 Vilniaus baldai AB Financial statement for the twelve months of 2008 have been prepared in accordance with International Financial Reporting Standards (IFRS). We consider that the accounting policies used are appropriate and financial statement thus gives a true and fair view in equity, cash flow, assets, liabilities and income statement.

APPENDIX:

Consolidate Financial statement for the twelve months of 2008.

Chief Executive Officer



Nerijus Pacevicius

Chief Financial Officer



Ausra Kibirkstiene

Public company Vilniaus baldai
Consolidate Financial Statement
for the twelve months of 2008

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GROUP INFORMATION

1. Reporting period covered by this Report

The Report has been drawn up for the twelve months of 2008.

2. Main data about the issuer

Name of the issuer	Public company (AB) Vilniaus baldai
Code	121922783
Authorized capital	15 545 068 LTL
Office address	Savanoriu Ave. 178, LT-03154 Vilnius
Telephone	(+370~5) 252 57 00
Fax	(+370~5) 231 11 30
E-mail	info@vilniausbaldai.lt
Website	www.vilniausbaldai.lt
Legal and organizational form	Legal person of limited liability; public company
Date and place of registration	9 February 1993; Vilnius City Board
Register, in which data about the company are accumulated and stored	Register of legal entities
Type of activity	Design, manufacturing and sale of office, bedroom, sitting room and hall furniture

Main data about the subsidiary company of the issuer

Name of the issuer	Public company (UAB) "Ari-Lux"
Code	120989616
Authorized capital	10 000 LTL
Share of Vilniaus baldai AB in the company	100 %
Office address	Savanoriu Ave. 178, LT-03154 Vilnius
Telephone	(+370~5) 252 5744
Fax	(+370~5) 252 5744
E-mail	saxela@takas.lt
Website	-
Legal and organizational form	private limited liability company
Date and place of registration	28 October 1991; Vilnius City Board
Register, in which data about the company are accumulated and stored	Register of legal entities
Type of activity	Fitting packing

3. Information about where and how to access the Report and the documents, on the basis of which it has been drawn up, and the designation of the means of mass media for announcements

The Report and supporting documents, on the basis of which it has been drawn up, can be accessed at the Company's registered office at Savanorių Ave. 178, Vilnius.

The means of mass media for Vilniaus baldai AB announcements: NASDAQ OMX Vilnius AB, Central Storage Facility – Search for information.

4. Board

Prezident of board: Vytautas Bucas.

Members of board: Darius Sulnis,
Raimondas Rajeckas.

5. Persons responsible for the accuracy of the information in the Report

Members of the managing bodies, employees and the Head of the Administration of the issuer are responsible for the accuracy of the information:

Nerijus Pacevicius, Chief Executive Officer, tel. (+370~5) 252 57 00, fax. +370 5 231 11 30

Ausra Kibirkstiene, Chief Financial Officer, tel. (+370~5) 252 57 20

6. Declaration by the members of the issuer's managing bodies, employees, the Head of the Administration and the issuer's consultants that the information contained in the Report is in accordance with the facts and that the Report makes no omission likely to have an effect on the investors' decision concerning purchase, sale or valuation of the issuer's securities or on the market price of these securities.

Vilniaus baldai AB, represented by Nerijus Pacevicius, Chief Executive Officer, and Ausra Kibirkstiene, Chief Financial Officer, hereby confirm that the information contained in the Report is in accordance with the facts and that the Report makes no omission likely to have an effect on the investors' decision concerning purchase, sale or valuation of the issuer's securities or on the market price of these securities.

Nerijus Pacevicius, Chief Executive Officer of Vilniaus baldai AB

Ausra Kibirkstiene, Chief Financial Officer of Vilniaus baldai AB

Date of signing the Report – 27 February 2009.

INTERMEDIATE CONSOLIDATE FINANCIAL STATEMENT FOR THE TWELVE MONTHS OF 2008

The financial statements of Vilniaus baldai AB presented in this section of the Report are drawn up in accordance with the International Financial Reporting Standards (IFRS).

The auditors reviewed the financial statements of 31 December 2007, while those of 31 December 2008 are unaudited.

1. BALANCE SHEET

	LTL thousand	
	31.12.2008	31.12.2007
Assets		
Non - current assets:		
Non - current tangible assets	45 509	51 866
Intangible assets	270	306
Investments	2	22 697
Total non - current assets	45 781	74 869
Current assets		
Inventories	12 359	11 587
Trade debtors	10 534	11 162
Other accounts receivables	30 562	2 530
Cash and cash equivalents	18	61
Total current assets	53 473	25 340
Total assets	99 254	100 209
Shareholders' equity and liabilities		
Capital and reserves		
Share capital	15 545	15 545
Revaluation reserve	8 356	8 356
Legal reserve	1 422	1 222
Retained earnings	10 073	2 917
Total capital and reserves	35 396	28 040
Non - current liabilities		
Grants	19	31
Deferred tax liabilities	1 769	1 769
Loans and other interest bearing payables	6 261	23 358
Total non - current liabilities	8 049	25 158
Current liabilities		
Loans and other interest bearing payables	37 716	30 105
Debts to suppliers	15 355	13 874
Other liabilities	2 738	3 032
Total current liabilities	55 809	47 011
Total liabilities	63 858	72 169
Total equity and liabilities	99 254	100 209

2. INCOME STATEMENT

	LTL thousand			
	2008 Year	2007 Year	IV quarter 2008	IV quarter 2007
Turnover	137 523	151 404	35 714	37 220
Production costs	(129 400)	(136 590)	(34 365)	(34 931)
Gross profit	8 123	14 814	1 349	2 289
Distribution costs	(1 289)	(1 481)	(256)	(244)
Administrative costs	(7 202)	(6 667)	(1 950)	(1 994)
Other operating income, net	1 325	1 859	243	520
Profit (loss) from operating activities	957	8 525	(614)	571
Financial income, net	11 268	(3 448)	13 923	(756)
Share of the associate's result	(4 202)	(2 361)	(884)	(1 220)
Profit (loss) before tax	8 023	2 716	12 425	(1 405)
Income tax	(667)	(917)	(667)	-
Net annual profit (loss)	7 356	1 799	11 758	(1 405)
Earnings (loss) per share (in LTL)	1,89	0,46	3,03	(0,36)

3. STATEMENT OF CHANGES IN EQUITY

	LTL thousand				
	Share capital	Legal reserve	Revaluation reserve	Accrued earnings	Total
Capital and reserves as of 31 December 2006	15 545	1 222	8 554	920	26 241
Replacement of the revaluation reserve	-	-	(198)	198	-
Dividends	-	-	-	-	-
Allocation to the legal reserve	-	-	-	-	-
Net profit (loss)	-	-	-	1 799	1 799
Capital and reserves as of 31 December 2007	15 545	1 222	8 356	2 917	28 040
Replacement of the revaluation reserve	-	-	-	-	-
Dividends	-	-	-	-	-
Allocation to the legal reserve	-	200	-	(200)	-
Net profit (loss)	-	-	-	7 356	7 356
Capital and reserves as of 31 December 2008	15 545	1 422	8 356	10 073	35 396

4. CASCH FLOW STATEMENT

	LTL thousand	
	31.12.2008	31.12.2007
Net profit (loss)	7 356	1 799
Adjustments:		
Depreciation and amortization	7 217	8 717
Result on disposal, writing off, etc. of non - current tangible assets	(420)	(1 268)
Result on disposal of investments	(14 507)	-
Share of (profit) loss of associated company	4 202	2 361
Interest expenses (income)	3 359	3 470
Allowance for trade and other receivables	-	(869)
Allowance for inventories	-	320
Deferred taxation	-	25
Income tax expenses	667	892
Other gains	-	(60)
Other financial (income) expenses	(121)	-
Cash flow from ordinary activities before changes in working capital	7 753	15 387
Changes in trade receivables and other amounts receivable	1 514	(2 283)
Changes in inventories	(772)	1 700
Changes in debts to suppliers and other liabilities	1 183	(1 925)
Cash flow from operating activities	9 678	12 879
Income tax paid	(725)	(204)
Cash flow from operating activities	8 953	12 675
(Acquisition) of tangible non - current assets	(1 151)	(1 005)
(Acquisition) of investments, net of cash acquired	-	19
Proceeds of sale of investment properties	33 000	-
Sale / writing of non - current tangible assets	732	3 063
Cash flows from investing activities	32 581	2 077
Loans granted / repayed	(28 732)	-
Loans received / repayed	(9 486)	(11 376)
Interest paid / received	(3 359)	(3 330)
Cash flows from financing activities, net	(41 577)	(14 706)
Cash flows from operating, investing and financing activities	(43)	46
Cash and cash equivalents as of 1 January 2008	61	15
Cash and cash equivalents as of 31 December 2008	18	61

Explanatory Notes

1 Summary of the basic accounting principles and practices

The public company Vilniaus baldai AB is a listed company in Lithuania.

The company manufactures furniture. As on 31 December 2008 the Group employed 579 people, Company employed 534 people (on 31 December 2007 Group employed 716 employees).

The Company's shares are traded on the Official List of the OMX Vilnius Stock Exchange.

Compliance of the statements with established standards

Financial statements were drawn up in accordance with the International Financial Reporting Standards (IFRS) issued by the International Financial Reporting Standards Board (IFRSB) and with the interpretations of the Standard Interpretation Committee of the IFRSB.

Basis for drawing up of the statements

In the financial statements all figures are provided in LTL thousand. The statements are drawn up applying the method of historical costs.

When drawing up the financial statements in accordance with the IFRS, the managers are required to make calculations and estimations to support the assumptions that have an impact on application of the accounting principles and on the amounts of assets and liabilities, income and costs. The calculations and related assumptions are based on historical experience and other factors that correspond to the present situation and on the basis of which conclusions concerning the carrying amount of assets and liabilities are made that cannot be decided on the basis of other sources. The actual amounts may differ from these assumptions.

The Company's accounting policies are consistent with those used in the previous years.

Amounts in foreign currencies are shown in the national currency

Transactions in foreign currencies are recorded in litas at the official exchange rate on the day of the transaction. Accounts receivable and payable and cash in foreign currencies are translated into litas at the exchange rate on the balance sheet day. The differences in the currency exchange rates that occur after the transactions are recorded in the Income Statement.

Balance Sheet

Non - current tangible assets

Non - current tangible assets, except buildings, are disclosed at acquisition or production cost, less accrued depreciation and impairment losses. The costs of internally developed assets include the costs of materials, direct labour costs and respective indirect production costs.

The value of buildings is disclosed at revaluation cost less accrued depreciation and impairment losses. Revaluation of buildings is performed every five years.

The costs suffered in an attempt to replace an element of tangible assets that is recorded separately, including costs of major repairs, undergo capitalisation. Other costs are capitalized only if they increase the expected economic benefit receivable from those assets. All other costs related to these assets are recorded in the Income Statement when incurred. Depreciation (amortization) of the non - current tangible assets is calculated on a straight - line basis over the estimated useful life of the assets and disclosed in the Income Statement, while its major elements are recorded separately.

The projected useful economic life of the assets is as follows:

- | | |
|---------------------------------|--------------|
| – buildings | 40 years |
| – non - current tangible assets | 6 – 10 years |
| – vehicles | 5 – 10 years |
| – other assets | 2 – 6 years |

Non - current intangible assets

Non - current intangible assets that consist of the acquired software are recorded at actual acquisition or production cost, less accrued amortisation. Amortization is calculated on a straight – line basis over a period of 3 years.

Trade debtors and other accounts receivable

Trade debtors and other accounts receivable are disclosed at costs after the deduction of the provisions for potential losses.

Inventories

Raw materials are recorded at the acquisition cost or at net realizable value, whichever are lower, less provisions for slow-turnover and outdated inventory items.

Construction in progress is disclosed at costs that include the purchase price of raw materials and assembling units, direct labour costs and related indirect production costs.

Completed products are disclosed at the standard sales price adjusted by an estimated average margin.

When calculating the costs the FIFO method is applied.

Cash and cash equivalents

For the purposes of this Cash Flow Statement, cash and cash equivalents include cash on hand and demand deposits.

Impairment

The carrying amount of the Company's assets, excluding inventories and the deferred tax assets is tested at each balance sheet date for impairment when changes in circumstances indicate that the carrying amount may not be recoverable.

If any such indication exists, the recoverable amount of the assets is tested. The recoverable amount of the intangible assets not yet used is tested at each balance sheet date. Where the carrying amount of the asset exceeds the estimated recoverable amount, the impairment losses are recognized in the Income statement.

Calculation of the recoverable amount

The recoverable amount is its fair value less costs to sell or its value in use, whichever is higher. The asset value in use is calculated by discounting future cash flows to their present value applying a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Dividend

Dividends are recorded as a liability in the period they are announced.

Amounts carrying interest

The amounts carrying interest are disclosed at nominal value, less the costs of related transactions. After the initial recognition, the amounts carrying interest are recorded at amortized value, showing the difference between the nominal and amortized value in the Income Statement during the lifetime of the liability in accordance with the effective interest rates.

Income Statement

Income

Income from sales is recognised in the Income Statement when the material risk and benefit in relation to title has been accepted by the customer. Income from services is recognised in the Income Statement if they were rendered before the balance sheet date. Income is not recognized if there are doubts concerning recovery of the transaction amounts or related costs or there is a probability that the goods will be returned.

Production costs

Production costs cover direct and indirect costs related to income from the sales of the year, including depreciation and remuneration. The costs of imported products include acquisition costs and transportation costs related to the sales of the year.

Income tax for the reporting year

The income tax includes current and deferred taxes. Income tax is recorded in the Income Statement, except those instances when it is related to items directly recorded in shareholders' equity, in which case it is recorded in shareholders' equity.

The current income tax is the actual tax calculated on the annual taxable income, applying tax rates effective and applicable at the balance sheet date, including adjustments to tax amounts in the previous year, if any.

The deferred tax is calculated using the liability method of net positive timing differences between accounting and taxation balance sheet values of assets and liabilities. The deferred tax amount depends on the projected use of the assets and coverage of the liabilities in the future and projected tax rates at the balance sheet date.

Deferred tax allowances are recognized as an asset in the balance sheet to the extent that they are considered capable of being realized in the future. The deferred tax asset is discounted to the amount to be realized.

Segment reporting

A segment is a significant part of the enterprise business, based on the products supplied or services rendered (business segment) or on the supply of products/ rendering of services within a particular economic environment that is subject to risks and returns particular for that economic environment.

Cash Flow Statement

The cash flow statement shows inflow and outflow of cash during the reporting period and the financial status at the end of the year. The cash flows are classified according to three main types of activities, namely, operating, investing and financing activities.

In the Cash Flow Statement the operating cash flows are recorded using the indirect method, i.e. on the basis of income and costs as recorded in the Income Statement.

Cash and cash equivalents comprise cash at bank and on hand together with short-term securities recorded in current assets.

Cash flows from operating activities are recorded as a net profit or loss adjusted for the effects of non - cash transactions, changes in working capital, financial and extraordinary items, less income tax paid.

Working capital includes current assets, except those recorded in cash and cash equivalents, and current liabilities, except loans, taxes and dividends. Cash at bank and on hand together with short - term securities recorded in current assets are not included.

Cash flows from investing comprise increase and decrease in non - current assets. The increase is shown as costs. The decrease is recorded as the sales costs after deduction of the expenses.

Cash flows from financing activities include cash received from and paid to the shareholders, loans received and repaid, and long - term and short - term liabilities, not included into the working capital.

2 Segment reporting

The Company's single business segment (the basis for the primary segment report format) pertains to furniture manufacturing. Information about the segments is provided with regard to the Company's geographical segments (the secondary segment report format).

Income and all assets according to geographical segments:

	Sales		Total assets	
	31.12.2008 LTL thousand	31.12.2007 LTL thousand	31.12.2008 LTL thousand	31.12.2007 LTL thousand
Lithuania	1 320	3 881	99 254	100 209
Other European countries	79 474	96 522		
Other countries	56 729	51 001		
	<u>137 523</u>	<u>151 404</u>	<u>99 254</u>	<u>100 209</u>

3 Distribution costs

	31.12.2008	31.12.2007
	LTL thousand	LTL thousand
Remuneration and social insurance	949	622
Depreciation	142	133
Export costs (transportation)	78	185
Business trips	10	4
Advertising	2	6
Other	108	531
	<u>1 289</u>	<u>1 481</u>

4 Administrative costs

	31.12.2008	31.12.2007
	LTL thousand	LTL thousand
Remuneration and social insurance	3 511	3 047
Repairs and maintenance costs	387	176
Utilities and communication	355	262
Depreciation and amortization	623	669
Employee training and other	659	576
Insurance	152	112
Business trips	78	105
Bank services	39	30
Professional services	7	41
Other	1 391	1 649
	<u>7 202</u>	<u>6 667</u>

5 Income from ancillary activities, net

	31.12.2008	31.12.2007
	LTL thousand	LTL thousand
Rent income	936	331
Sale, writing off, etc. of non – current tangible assets	420	1 293
Other income and loss	(31)	235
	<u>1 325</u>	<u>1 859</u>

6 Financial income, net

	31.12.2008	31.12.2007
	LTL thousand	LTL thousand
Profit on sale of investment properties	14 507	-
Bank loan interest costs	(3 359)	(3 470)
Currency exchange profit, less loss	123	14
Other income and loss	(3)	8
	<u>11 268</u>	<u>(3 448)</u>

During period 2008 January – December was recognized 14 507 thousand LTL profit from financial – investment activities from sale of shares Giriu bizonas UAB on 10 December 2008.

7 Earnings per share

The basic portion of earnings per share is computed by dividing net shareholders' earnings by the weighted average number of common shares outstanding during the year.

	31.12.2008	31.12.2007
	LTL thousand	LTL thousand
Net annual profit	7 356	1 799
Weighted average number of the shares (thousand)	3 886	3 886
Earnings per share (LTL)	<u>1,89</u>	<u>0,46</u>

The Company has issued no other securities that could be potentially converted into common shares. The earnings per share and the earnings per potentially convertible share is the same.

8 Non - current tangible assets

LTL thousand	Buildings	Machinery and equipment	Vehicles	Other non-current assets	Construction in progress	Total
Costs as of 1 January	33 093	59 596	374	2 912	-	95 975
Increase	145	599	-	189	-	933
Sales	(460)	(306)	(241)	(9)	-	(1 016)
Writing off	-	(258)	-	(105)	-	(363)
Regrouping	-	-	-	-	-	-
Costs as of 31 December	32 778	59 631	133	2 987	-	95 529
Depreciation as of 1 January	10 585	31 373	189	1 962	-	44 109
Depreciation during first quarter of the year	1 009	5 648	16	308	-	6 981
Sales	(262)	(305)	(133)	(7)	-	(707)
Writing off	-	(258)	-	(105)	-	(363)
Regrouping	-	-	-	-	-	-
Depreciation as of 31 December	11 332	36 458	72	2 158	-	50 020
Net carrying value as of 31 December	21 446	23 173	61	829	-	45 509
Net carrying value as of 1 January	22 508	28 223	185	950	-	51 866
Depreciation period	40 years	6 - 10 years	5 – 10 years	2 – 6 years	-	-

Depreciation was broken down as follows:

	31.12.2008	31.12.2007
	LTL thousand	LTL thousand
Production and product development costs	6 452	7 683
Sales, administrative and other costs	529	807
Total	6 981	8 490

9 Investments

	31.12.2008	31.12.2007
	LTL thousand	LTL thousand
Shares of Giriu Bizonas UAB	-	26 250
The result of proprietary method	-	(3 555)
Other	2	2
Net carrying value as of 31 December	2	22 697

10 Inventories

	31.12.2008	31.12.2007
	LTL thousand	LTL thousand
Raw materials	7 264	8 356
Production in progress	2 071	2 537
Finished products	3 024	1 215
Goods for resale	0	27
Net realisable value allowance	0	(548)
Net carrying value as of 31 December	12 359	11 587

Raw materials include wood, fittings and accessories, plastic elements, chemicals and other materials used in production.

11 Other accounts receivable

	31.12.2008	31.12.2007
	LTL thousand	LTL thousand
Loans granted	28 732	-
Advance income tax	186	-
Amounts receivable from the state (VAT recoverable)	1 227	1 105
Other amounts receivable and future costs	417	1 425
Net carrying value as of 31 December	30 562	2 530

Grant loans

The difference between the balances of the loans granted to and received from Invalda AB as of December 31, 2008, was 16 798 thousand LTL. After finishing Giritu bizonas UAB shares' sale deal and till the pay up to the Danske Bankas A/S Lithuanian branch, on December 2008 the company granted loans to Invalda AB in the total amount of 28 732 thousand LTL, while amount of loans provided to the company by Invalda AB was equal to 11 934 thousand LTL.

After the netting and returns carried out in January 2009 the company was clear of 11 934 thousand LTL debt to Invalda AB. The loans granted by the company to Invalda AB was equal to 5 387 thousand LTL as of January 31, 2009.

12 Cash and cash equivalents

	31.12.2008	31.12.2007
	LTL thousand	LTL thousand
Cash in banks	14	38
Cash on hand	4	23
Cash and cash equivalents at the end of the period	18	61

13 Capital and reserves

Share capital

The share capital is made up of 3 886 267 common shares of the nominal value of LTL 4, while the total value of the share capital amounts to LTL 15 545 068.

Legal reserve

The reserve of 1 422 thousand LTL is the legal reserve made under the laws of the Republic of Lithuania. An allocation of at least 5% of the net profit must be made into the legal reserve out of the profit to be appropriated every year until the legal reserve reaches 10% of the authorized capital.

14 Loans and other borrowings, secured with pledged assets

	31.12.2008	31.12.2007
	LTL thousand	LTL thousand
Non - current liabilities		
Long - term loans	6 261	23 358
Net carrying value as of 31 December	6 261	23 358
Short - term liabilities, secured with pledged assets		
Current portion of loans	25 739	18 032
Net carrying value as of 31 December	25 739	18 032

Terms and maturity

The credit agreement with Sampo bankas AB was extended on 3 September 2004. The agreement guaranteed a loan extension in the amounts of EUR 2540 thousand to refinance liabilities to SEB VB lizingas UAB and the loan issued by Sampo bankas AB as well as to finance investment into plant and equipment. The loan matures on 25 February 2010. The annual interest rate on the credit is 6 months' Euribor + 1.3%.

On 8 August 2005, the Company signed a credit agreement with Sampo bankas AB concerning extension of EUR 4 650 thousand credit limit to finance investment into production buildings and equipment. The term of maturity is 28 December 2011; the annual interest rate on the credit equals 6 months' Euribor + 1.5%.

On 30 June 2006, the Company extended its credit line agreement with Sampo bankas AB concerning financing of the working capital. The maximum credit line amounts to LTL 14 447 thousand and matures on 25 February 2007. The annual interest rate on the credit equals 6 months' Vilibor + 1.3%.

On 27 November 2006, the Company signed a credit extension agreement with Sampo bank AB. Sampo bank AS shall transfer to Sampo bankas AB all rights and duties related to the portion of the loan and remaining no repaid, amount of EUR 4 719 thousand. The loan matures on 1 July 2012; the annual interest rate on the credit amounts to 6 months' Euribor + 1.5%.

On 01 March 2007, the Company extended its credit line agreement with Sampo bankas AB concerning financing of the working capital. The maximum credit line amounts to LTL 14 447 thousand and matures on 25 February 2008. The annual interest rate on the credit equals 6 months' Vilibor + 1.3%.

On 10 August 2007 the Company signed appendix on credit line agreement with Sampo bankas AB. The maximum credit line amounts to 12 500 thousand LTL. The annual interest rate on the credit equals 6 months' Vilibor + 1.1%.

On 10 August 2007 the Company signed appendix on 28 December 2004 loan agreement with Sampo bankas AB. The annual interest rate on the credit equals 6 months' Euribor + 1.1%.

On 10 August 2007 the Company signed appendix on 25 February 2003 loan agreement with Sampo bankas AB. The annual interest rate on the credit equals 6 months' Euribor+ 1.1%.

On 22 February 2008 the Company re-form credit line agreement with Sampo bankas AB. The maximum credit line amounts to 3 620 thousand EUR. The annual interest rate on the credit equals 6 months' Euribor + 1.1%.

On 8 December 2008 the Company signed on 25 February 2003 loan agreement with Sampo bankas AB (now Danske Bank A/S Lithuanian branch) supplementation. The annual interest rate on the credit equals 6 months' Euribor+ 2.5%.

On 8 December 2008 the Company signed on 28 December 2004 credit agreement with Sampo bankas AB (now Danske Bank A/S Lithuanian branch) supplementation. The annual interest rate on the credit equals 6 months' Euribor+ 2.5%. The maximum loan amount is 6 178 thousand EUR. After the reduction of credit on 31 December 2008 amount of credit will be equal to 2 539 178 thousand EUR.

On 16 January 2009 the company signed on 28 December 2004 credit agreement with Sampo bankas AB (now Danske Bank A/S Lithuanian branch) supplementation. The Parties agreed that, until 16 January 2009 the company will bear the entire credit of the obligation under the on 25 February 2003 on a credit agreement and reduce the long – term loans of not less than 15 000 thousand LTL or the amount of the appropriate amount in euros. The Company has fulfilled the agreement. Loans were repaid to the following terms: 2008 December – 2.88 million LTL, 2009, until 13 January – 12.12 million LTL.

Schedule of payment for financial liabilities, secured with pledged assets:

	Total amount payable as of 31 December 2008	2009	2010	2011-2012
LTL thousand				
Loan of EUR 6 178 thousand	20 885	14 624	2 504	3 757
Used credit	11 115	11 115	-	-
Total	32 000	25 739	2 504	3 757

15 Other creditors

	31.12.2008	31.12.2007
	LTL thousand	LTL thousand
Holiday pay reserve	1 115	1 202
Remuneration	446	628
Operating taxes	59	7
Income tax liability	668	688
Other accounts payable and accrued taxes	450	507
Net carrying value as of 31 December	2 738	3 032

16 Personnel costs

	31.12.2008	31.12.2007
	LTL thousand	LTL thousand
Production and product development costs	19 296	21 883
Sales, administrative and other costs	4 460	3 669
		<u>25 552</u>
	<u>23 756</u>	<u>25 552</u>

Currency risk

The Company's exposure to the currency risk when selling, purchasing and borrowing in foreign currencies, except EUR is mostly related to the SEK.

Accounts receivable and payable in foreign currencies as of 31 December 2008 may be broken down as follows:

LTL thousand	EUR	USD	SEK	Other
Loans granted	3 798	0	0	0
Borrowings	(33 288)	0	0	0
Debts to suppliers	(4 704)	0	(942)	0
	<u>(34 194)</u>	<u>0</u>	<u>(942)</u>	<u>0</u>

Interest risk

Euribor related floating interest rates are applied to the loans extended to the Company.

As of 31 December 2008 the Company used no financial instruments as interest risk hedging.