



## JOINT STOCK VILNIAUS VINGIS

2008-08-25 Nr. 575-

Lithuanian Securities Commission  
Konstitucijos ave. 23  
08105 Vilnius, Lithuania

### 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, Neringa Menciuniene, Liquidator and Svetlana Ivanova, Chief Accountant of VILNIAUS VINGIS AB, hereby confirm that, to the best of our knowledge, the attached not audited VILNIAUS VINGIS, AB Interim Financial Statements of for the first half of 2008, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of VILNIAUS VINGIS, AB.

Liquidator

Neringa Menciuniene

Chief Accountant

Svetlana Ivanova

***Vilniaus Vingis AB***

*Interim Financial Statements and Interim Report for the First Half of the  
Year 2008*

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## Interim Report

### Reporting period for which the report has been prepared

The report has been prepared for the first half of the year 2008.

### Main data about the Issuer

Name of the Issuer	<b>Vilniaus Vingis AB</b>
Code in the Register of Enterprises	1225 97830
Authorised capital	36 492 420 LTL
Address	Savanoriu ave. 176, LT-03154 Vilnius, Lithuania
Telephone	+370 5 239 25 00
Fax	+370 5 239 25 55
E-mail address	<a href="mailto:info@vingis.lt">info@vingis.lt</a>
Internet address	<a href="http://www.vingis.lt">www.vingis.lt</a>
Legal and organisational form	public company (joint-stock company)
Date and place of registration	25 February 1994, State Enterprise Centre of Registers
Date and place of re-registration	28 September 2001, State Enterprise Centre of Registers
Register	Register of Legal Persons

### Activity

The Company is involved in the manufacture of electronic components.

### Share capital

The share capital comprises 9,123,105 ordinary shares with a nominal value of Litas 4 each and the total share capital amounts to Litas 36,492,420.

There is the Agreement with Finasta JSC FMI due to arrangement of securities invoices.

### Shareholders

On 13 May 2008 the total number of Vilniaus Vingis AB shareholders was 632.

Shareholders who held more than 5 per cent of the Issuer's authorised capital or / and votes on 13 May 2008

Name of the shareholder (name of the company, its type, address of head office, code in the Register of Enterprises)	Number of ordinary registered shares owned by the right of ownership	Part in the authorised capital, %	Part of votes given by the shares owned by the right of ownership, %	Part of votes of shareholders that are acting jointly, %
HERMIS CAPITAL UAB A.Tumėno Str.4, 01109 Vilnius, Lithuania 1256 99527	5,533,191	60.65	63.98	---
FINANCIAL SPECTRUM INVESTMENT Konstitucijos Ave. 23, LT-08105 Vilnius, Lithuania 132209272	1,717,129	18.82	19.86	---

ŠIAULIŲ BANKAS Tilžės Str 149 Šiauliai, Lithuania 112025254	905,000	9.92	10.47	---
VILNIAUS VINGIS AB Savanoriu Ave. 176, LT-03154 Vilnius, Lithuania 122597830	475,817	5.22	---	---

## Main characteristics of the shares of Vilniaus Vingis AB

Type of shares	ISIN Code	Number of shares	Nominal value, LTL	Total nominal value, LTL
Ordinary registered shares	LT0000103673	9,123,105	4.00	36,492,420.00

## Trading shares of Vilniaus Vingis AB

Period	Price, LTL			Turnover, LTL			Date of the last session	Total turnover	
	Highest	Lowest	Last session	Biggest	Smallest	Last session		Number of shares	LTL
1 <sup>st</sup> quarter of 2008	6.10	6.00	6.00	247,276.70	27,132.00	0	28.02.2008	45,069	274,408.70
2 <sup>nd</sup> quarter of 2008	6.10	4.40	4.80	154,341.10	2,785.20	0	25.06.2008	74,002	407,186.65

## Capitalisation of shares of Vilniaus Vingis AB, LTL

Last session date	Capitalisation, LTL
30.03.2008	54,738,630.00
30.06.2008	43,790,904.00

**Employees.**

5 people are working in Vilniaus Vingis AB on 30 June, 2008.

**Members of the managing bodies**

Vilniaus Vingis AB has the General Meeting, a single-person management organ – the manager (General Director) and collegial management organ – the Board. The Supervisory Board is not formed in the Company.

The Board is elected by the General Meeting for a term of 4 years. The Board has 3 members.

The Board elects and removes from office the manager of the Company, fixes his salary, approves his job description, provides incentives for him and imposes penalties.

Position held, names and surnames, data about participation in the Issuer's authorised capital

Name, surname	Position held	Share of the capital held, %	Share of the votes held, %
<b>THE BOARD</b>			
Nerijus Dagilis (till 2008 05 13)	Chairman	-	-
Darius Janulevičius (till 2008 05 13)	Member	-	-
Marija Leitonienė (till 2008 05 13)	Member	-	-
<b>ADMINISTRATION</b>			
Neringa Menčiūnienė (till 2008 05 13)	General Director	-	-
Neringa Menčiūnienė (from 2008 05 14)	Liquidator	-	-
Svetlana Ivanova (till 2008 05 13)	Chief Accountant	-	-



### Important events in the Issuer's activity

The Ordinary General Shareholder's meeting of Vilnius Vingis AB held on 29 April 2008 in which adopted the following resolutions:

1. To approve of the annual report on the Company's in 2008.
2. Debriefed "KPMG Baltics" UAB the annual report of the Company for the year 2007.
3. To approve the financial statements on the Company's in 2007.
4. To approve the company's profit (loss) distribution:
  - 1) Not allotted profit (loss) brought forward from the previous year at beginning of the financial year LTL - 18,575,912 (EUR -5,379,956);
  - 2) Net profit for the accountable financial year LTL 29,348,848 (EUR 8,500,014);
  - 3) Not acquainted profit (loss) in report for the accountable financial year LTL 0 (EUR 0);
  - 4) Transference from reserve LTL 6,565,626 (EUR 1,901,537);
  - 5) Shareholders contribution against losses (if the shareholders decide to cover all or part of the profit (loss) to be appropriated) LTL 0 (EUR 0);
  - 6) Profit appropriated LTL 17,338,562 (EUR 5,021,595);
  - 7) Appropriation of profit to legal reserve LTL 908,715 (EUR 263,182);
  - 8) The share of profit of a public limited liability company allocated to the reserve for own shares LTL 0 (EUR 0);
  - 9) Appropriation of profit to other reserve LTL 0 (EUR 0);
  - 10) Appropriation of profit for the payment of dividend LTL 16,429,847 (EUR 4,758,413);
  - 11) The share of profit for the payment of annual bonuses to Board and Supervisory Board members, payment of incentives to workers and other allocations – LTL 0 (EUR 0);
  - 12) Profit (loss) to be carried forward to the next financial year LTL 0 (EUR 0).

Shareholders decision is as follows: Approve Company's profit distribution for the year 2007 as provided above. Pay dividends in the amount of LTL 16,429,847, one share of nominal value of LTL 4 should receive LTL 1.90 dividend.

Extraordinary General Shareholder's meeting of Vilnius Vingis AB held on 13 May 2008 in which adopted the following resolutions:

1. To start the liquidation process of Vilnius Vingis AB based on 1p. of CK 2.106 article from the 30<sup>th</sup> of May, 2008.
2. Neringa Menciuniene is confirmed as the liquidator of Vilnius Vingis AB:
  - 2.1. The official salary and operating contract conditions, the same as for General Director's official salary and operating contract conditions appointed by Management Board on 6th of June 2007, are fixed.
  - 2.2. Nerijus Dagilis the representative of shareholders is empowered to sign the liquidator's contract.
  - 2.3. The senior accountant Svetlana Ivanova is elected, as the Liquidator at interim being the liquidator on holidays or temporary disability.

**Balance sheet**

LTL

No.	ASSETS	NOTE	COMPANY	
			30.06.2008	31.12.2007
<b>A.</b>	<b>NON – CURRENT ASSETS</b>		<b>972,798</b>	<b>1,091,500</b>
I.	INTANGIBLE ASSETS	2	53,524	102,358
I.1.	Licences and patents		8,734	17,425
I.2.	Computer software		44,790	84,933
I.3.	Other intangible assets		0	0
II.	TANGIBLE ASSETS	1	13,274	83,142
II.1.	Land			
II.2.	Buildings and constructions		0	0
II.3.	Machinery and equipment		0	0
II.4.	Means of transportation		0	63,156
II.5.	Other fixtures, fittings, tools and equipment		13,274	19,985
II.6.	Construction in progress		0	0
II.7.	Provisions for construction in progress		0	0
II.8.	Other tangible assets		0	1
II.9.	Provisions		0	0
III.	FINANCIAL ASSETS		906,000	906,000
IV.	DEFERRED TAX ASSETS		0	0
<b>B.</b>	<b>CURRENT ASSETS</b>		<b>40,216,171</b>	<b>55,988,814</b>
I.	INVENTORIES, PREPAYMENTS AND CONTRACTS IN PROGRESS		0	6,102
I.1.	Inventories		0	0
I.1.1.	Raw materials and consumables		0	0
I.1.2.	Work in progress		0	0
I.1.3.	Finished products		0	0
I.1.4.	Goods for resale		0	0
I.2.	Prepayments		0	6,102
I.3.	Contracts in progress		0	0
II.	AMOUNTS RECEIVABLE WITHIN ONE YEAR		40,207,031	55,948,520
II.1.	Trade debtors	3	599,318	1,744,839
II.2.	Receivables from subsidiaries and associates		0	0
II.3.	Other amounts receivable		39,607,713	54,203,681
III.	OTHER CURRENT ASSETS		0	0
IV.	CASH AND CASH EQUIVALENTS	4	9,140	34,192
	<b>TOTAL ASSETS</b>		<b>41.188,969</b>	<b>57,080,314</b>

continuation

NO.	EQUITY AND LIABILITIES	NOTE	COMPANY	
			30.06.2008	31.12.2007
<b>C.</b>	<b>EQUITY</b>		<b>38,361,520</b>	<b>54,181,745</b>
I.	CAPITAL		34,756,952	34,756,952
I.1.	Authorised (subscribed)	5	36,492,420	36,492,420
I.2.	Share premium		2,211,200	2,211,200
I.3.	Own shares (-)	6	(3,94, 668)	(3,946,668)
II.	REVALUATION RESERVE (RESULTS)		275	275
III.	RESERVES		2,994,671	8,651,582
III.1.	Legal reserve		2,994,671	2,085,956
III.2.	Reserve for acquiring own shares		0	6,565,626
III.3.	Other reserves		0	0
IV.	RETAINED EARNINGS (LOSSES)		609,622	10,772,936
<b>D.</b>	<b>GRANTS AND SUBSIDIES</b>			<b>0</b>
<b>E.</b>	<b>AMOUNTS PAYABLE AND LIABILITIES</b>		<b>2,827,449</b>	<b>2,898,569</b>
I.	AMOUNTS PAYABLE AFTER ONE YEAR AND NON-CURRENT LIABILITIES		0	0
I.1.	Financial debts		0	0
II.	AMOUNT PAYABLE WITHIN ONE YEAR AND CURRENT LIABILITIES		2,827,449	2,898,569
II.1.	Current portion of non-current debts		0	0
II.2.	Financial debts to credit institutions		0	0
II.3.	Trade creditors		5,718	167,619
II.4.	Debts to subsidiaries and associates		154,595	167,595
II.5.	Amounts received in advance (on contracts in progress)		0	0
II.6.	Profit tax liabilities	7	2,426,739	2,426,739
II.7.	Liabilities related with labour relations	7	12,698	3,067
II.8.	Provisions		0	0
II.9.	Other amounts payable and current liabilities	7	227,699	133,549
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>41, 188,969</b>	<b>57,080,314</b>



**Profit (loss) statement, LTL**

NO.	ITEMS	NOTE	COMPANY	
			1ST HALF OF 2008	1ST HALF OF 2007
I.	TURNOVER	7	2,121	8,162,296
II	PRODUCTION COST		2,121	9,166,851
III.	GROSS PROFIT (LOSS)		0	(1,004,555)
IV.	OPERATING COSTS		29,941	3,652,717
IV.1.	Sales		0	119,000
IV.2.	General and administrative		292,941	3,533,717
V.	OPERATING PROFIT (LOSS)		(292,941)	(4,657,272)
VI.	OTHER ACTIVITIES		(55,983)	38,367,556
VI.1	Income		5,814	61,067,725
VI.II	Expenses		61,797	22,700,169
VII.	FINANCING AND INVESTING ACTIVITIES		958,546	164,391
VI.1	Income		961,893	543,192
VI.II	Expenses		3,347	378,801
VIII.	PROFIT (LOSS) FROM NORMAL ACTIVITIES		609,622	33,874,675
IX.	EXTRAORDINARY GAIN		0	0
X.	EXTRAORDINARY LOSSES		0	0
XI.	PROFIT (LOSS) BEFORE TAXES	7	609,622	33,874,675
XII.	PROFIT TAX			
XIII.	NET PROFIT (LOSS)		609,622	33,874,675

**Statement of changes in shareholders' equity**
**Company, LTL**

	Share capital	Share premium	Own shares (-)	Legal reserve	Other reserves	Retained earnings (losses)	Total
<b>SHAREHOLDERS' EQUITY AT 31 DECEMBER 2006</b>	36,492,420	2,211,200	(3,946,668)	2,085,956	6,565,901	(18,575,912)	24,832,897
Transfer to reserves							
Profit of 2007						33,874,675	33,874,675
<b>SHAREHOLDERS' EQUITY AT 30 JUNE 2007</b>	36,492,420	2,211,200	(3,946,668)	2,085,956	6,565,901	15,298,763	58,707,572
<b>SHAREHOLDERS' EQUITY AT 31 DECEMBER 2007</b>	36,492,420	2,211,200	(3,946,668)	2,08,956	6,565,901	10,772,936	54,181,745
Used reserves					(6,565,626)	5,656,911	(908,715)
Stored reserves				908,715			908,715
Dividend of 2007						(16,429,847)	(16,429,847)
Profit of 2008						609,622	609,622
<b>SHAREHOLDERS' EQUITY AT 30 JUNE 2008</b>	36,492,420	2,211,200	(3,946,668)	2,994,671	275	609,622	38,361,520

**Cash flow statement, LTL**

No.	ITEMS	COMPANY	
		1ST HALF OF 2008	1ST HALF OF 2007
<b>I.</b>	<b>CASH FLOW FROM MAIN ACTIVITY</b>		
I.1.	Cash inflows (including VAT) of the reporting period	6,195,518	9,612,856
I.1.1.	Cash inflows from customers	6,125,263	9,363,669
I.1.2.	Other inflows	70,255	249,187
I.2.	Cash payments of the reporting period	(432,864)	(13,430,462)
I.2.1.	Payments (including VAT) for raw materials, goods and services	(229,896)	(10,137,699)
I.2.2.	Payments related to labour relations	(73,854)	(1,015,734)
I.2.3.	Taxes paid	(126,403)	(30,131)
I.2.4.	Other payments	(2,711)	(2,246,898)
	<b>NET CASH FLOW FROM MAIN ACTIVITY</b>	<b>5,762,654</b>	<b>(3,817,606)</b>
<b>II.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
II.1.	Purchases of non-current assets (except investments)	0	0
II.2.	Sales of non-current assets (except investments)	903	55,499,517
II.3.	Purchases of long-term investments	0	0
II.4.	Sales of long-term investments	0	0
II.5.	Loans provided	(90,000)	(52,501,650)
II.6.	Loans returned	0	2,200,000
II.7.	Dividends, interests received	24	30,740
II.8.	Subsidies received	0	0
II.9.	Other increases in cash flow from investing activities	0	0
	<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(89,073)</b>	<b>5,228,607</b>
<b>III.</b>	<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
III.1.	Cash flows related to owners	(5,698,464)	(788)
III.1.1.	Emission of shares	0	0
III.1.2.	Owners contributions against losses	0	0
III.1.3.	Redemption of own shares	0	0
III.1.4.	Dividend paid	(5,698,464)	(788)
III.2.	Cash flows related to other financing sources	0	(1,883,757)
III.2.1.	Increase in financial debts	0	4,708,715
III.2.1.1.	Loans gained	0	4,708,715
III.2.1.2.	Bonds emission	0	0
III.2.2.	Decrease in financial debts	0	(6,590,205)
III.2.2.1.	Loans paid	0	(6,590,205)
III.2.2.2.	Redemption of bonds	0	0
III.2.2.3.	Interests paid	0	0
III.2.2.4.	Leasing payments	0	0
III.2.3.	Increase in other liabilities	0	0
III.2.4.	Decrease in other liabilities	0	(2,267)
III.3.	Increase in other cash flows from financial activities	0	0
III.4.	Decrease in other cash flows from financial activities	0	0
	<b>NET CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>(5,698,464)</b>	<b>(1,884,545)</b>

## Continuation

No.	Items	COMPANY			
		1ST HALF OF	2008	1ST HALF OF	2007
IV.	CASH FLOWS FROM EXTRAORDINARY ACTIVITIES		0		0
IV.1.	Increase in cash flows from extraordinary activities		0		0
IV.2.	Decrease in cash flows from extraordinary activities		0		0
V.	INFLUENCE OF CHANGES IN FOREIGN CURRENCY EXCHANGE RATES TO BALANCE OF CASH AND CASH EQUIVALENTS		1		(14,343)
VI.	INCREASE (DECREASE) IN NET CASH FLOW		(24, 882)		(487,887)
VII.	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		34,192		836,273
VIII.	CASH AND CASH EQUIVALENTS AT THE END OF THE PEIOD		9,140		348,386



## **Explanatory letter**

### EXPLANATORY LETTER OF VILNIUS VINGIS FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2008

The Vilnius Vingis AB is a publicly listed company domiciled in Lithuania. The company is involved in the manufacture of electronic components. The main products are deflection yokes.

#### **Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).

#### **Basis of preparation**

The financial statements are presented in Litas. They are prepared on the historical cost basis except for derivative financial instruments, which are stated at their fair value.

Loans and receivables originated by the Company are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost, less impairment, if any.

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Litas at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Litas at foreign exchange rates ruling at the dates the fair value was determined.

#### **1. Non-current tangible assets**

##### *Owned assets*

Non-current tangible assets are stated at cost as deemed cost less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Where parts of an item of non-current tangible assets have different useful lives, they are accounted for as separate items of non-current tangible assets.

##### *Depreciation*

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of non-current tangible assets. The estimated useful lives are as follows:

- buildings 8 - 60 years
- non-current tangible assets 2 - 15 years
- motor vehicles 5 - 6 years
- other machinery and equipment 2 - 8 years

#### **2. Intangible assets**

Intangible assets, comprising computer software, that are acquired by the company are stated at cost less accumulated amortisation. Computer software is amortised using the straight-line method over a 1-3 years' period.

**3. Customers debt**

LTL	30-06-2008	31-12-2007
<b>Customers debt</b>		
Vilniaus Vingio Gija UAB	539,555	1,543,353
Telebaltikos importas ir eksportas UAB	0	55,710
TDP Sp. z o.o.	13,136	96,225
Other	46,626	49,551
	<u>599,317</u>	<u>1,744,839</u>

**4. Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows, if it complies with the cash management policy.

<b>Cash and cash equivalents</b>	30-06-2008	31-12-2007
Term deposits	0	0
Cash at bank	9,058	30,294
Cash in hand	82	3,898
<b>Cash and cash equivalents</b>	<u>9,140</u>	<u>34,192</u>

**Reacquired own shares**

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity.

The Company reacquired own shares in the Vilnius Stock Exchange as follows:

	2008	
	Number of shares	Value, LTL
At 1 January 2008	475,817	3,946,668
Treasury shares acquired in the market	0	0
At 31 March 2008	<u>475,817</u>	<u>3,946,668</u>

Reacquired own shares are stated as a deduction from the equity at their acquisition price.

**Liabilities**

Litas	30-06-2008	31-12-2007
<b>Other creditors</b>		
Salaries and related taxes	12,698	3,067
Taxes	2,426,739	2,426,739
Dividend payable for previous year	225,218	130,494
Advances		0
Other payables and accrued charges	2,481	3,055
	<u>2,667,136</u>	<u>2,563,355</u>

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### **7. Activity results**

During the 1<sup>st</sup> half of 2008 Vilniaus Vingis the profit is amounted to LTL 609.622 thousand. The loss is reached LTL 181.9 thousand of main activity, LTL 526.7 thousand – of financial activity and the profit of other activities reached LTL 0.3 thousand.

### **8. Information about the audit**

Company's non-consolidated and consolidated financial statements for the 1st half of 2008 are unaudited.