

GRIGIŠKĖS, AB

To: Lithuanian Securities Commission  
Konstitucijos ave. 23  
LT-08105 Vilnius, Lithuania

2008-08-29 Nr. *SK/1008-386*

Confirmation of responsible persons

Following Part 1 of Article 22 of the Law on Securities of the Republic of Lithuania, and rules prepared by the Lithuanian Securities Commission for preparation and announcement of periodical and supplementary information, we, the undersigned - Director of Finance Department Nina Šilerienė and Head of Finance Management Division Evaldas Burneika, hereby confirm that, to the best of our knowledge, the attached interim consolidated report correctly reflects development and activities of the business.

AB Grigiškės, Director of Finance Department Nina Šilerienė

AB Grigiškės, Head of Finance Management Division Evaldas Burneika



ENCLOSURE: Grigiškės, AB Interim Consolidated Report for the first half of 2008 (13 pages)

**GRIGIŠKĖS, AB**

*Interim consolidated report for the first half of 2008*

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## 1. ACCOUNTING PERIOD COVERED BY THE REPORT

The report covers the first half of 2008.

## 2. GROUP COMPANIES AND THEIR CONTACT PARTICULARS

Grigiškės, AB has two subsidiaries: Baltwood, UAB with core activities in wood processing and Grigiškių Transporto Centras, UAB which has not been operating since 2006.

Issuer's name	Public Company <b>GRIGIŠKĖS</b>	Subsidiary: Private Limited Company <b>BALTWOOD</b>
Company's ID number	110012450	126199731
Authorised capital	60.000.000 Lt	LTL 9.950.000
Address	Vilniaus str. 10, Grigiškės, Vilnius	Vilniaus str. 10, Grigiškės, Vilnius
Phone	(8~5) 243 58 01	(8~5) 243 59 45
Fax	(8~5) 243 58 02	(8~5) 243 58 98
E-mail	<a href="mailto:info@grigiskes.lt">info@grigiskes.lt</a>	<a href="mailto:info@baltwood.lt">info@baltwood.lt</a>
Internet	<a href="http://www.grigiskes.lt">www.grigiskes.lt</a>	<a href="http://www.baltwood.lt">www.baltwood.lt</a>
Legal-organisation form	Public company, limited liability private legal person	Private limited company, limited liability legal person
Date and place of registration	2 April 1992, Ministry of Economy of the Republic of Lithuania	10 April 2003, State Enterprise The Centre of Registers

## 3. NATURE OF CORE ACTIVITIES OF THE GROUP COMPANIES

Core business activities of Grigiškės, AB are as follows: manufacturing of toiler paper, paper towels and paper napkins, medical cellulose wadding, corrugated board, products from corrugated board, self-coloured and painted hardboard.

Core business activities of Baltwood, UAB are as follows: wood processing; manufacturing of container wood, granules and bonded furniture panel.

## 4. CONTRACTS WITH INTERMEDIARIES OF PUBLIC TRADING IN SECURITIES

The company has signed a contract with Finasta, AB (financial brokerage firm) (Konstitucijos av. 23, Vilnius, tel. (8~5) 278 6833, fax. (8~5) 278 6838) on the handling of securities issued by the Company and payment of dividend to the shareholders for 2004 – 2007 financial years.

## 5. AUTHORISED CAPITAL OF THE ISSUER

### 5.1. The authorised capital registered at the Register of Legal Persons

#### 5.1.1. Table. Structure of the authorised capital

Type of shares	Number of shares	Par value, LTL	Total par value, LTL	Interest in the authorised capital, %
Ordinary registered shares	60.000.000	1	60.000.000	100,00

All shares of Grigiškės, AB are fully paid up.

### 5.2. Information on the prospective increase of the authorised capital by converting issued debt securities or derivative securities into shares

Grigiškės, AB has not issued any debt securities or derivative securities to be converted into shares.

### 5.3. Rights and obligations conferred by the shares

The shareholders shall have no other obligations to the company except for payment of the issue price for all the subscribed shares.

Where the general meeting of shareholders adopts resolution to cover Company's losses with additional contributions of the shareholders, such contributions must be paid by the shareholders who voted "for" the mentioned resolution. The shareholders who were absent at the general meeting of shareholders or voted "against" the mentioned resolution shall be entitled to withdraw from the payment of the additional contributions.

The shareholders must repay dividend to the Company if the dividend is paid down in breach of imperative provisions of the Company Law of the Republic of Lithuania and the Company proves that the shareholder was or should have been aware of this.

The shareholders shall have the following property and non-property rights:

- 1) a share of the profits of the Company (the dividend);
- 2) a share of the assets of the Company when its authorised capital is reduced in order to pay Company's funds to the shareholders;
- 3) a share of the assets of the Company in case of its liquidation;
- 4) free shares when the authorised capital of the Company is enlarged out of own funds of the company;
- 5) pre-emption in acquisition of the shares or convertible bonds issued by the Company with the exception of the event when the general meeting of shareholders decides not to confer pre-emption to all the shareholders in the procedure specified by the Company Law of the Republic of Lithuania;
- 6) to bequeath all or a part of the shares to a single person or several persons;
- 7) to transfer all or any of the shares to other persons in the procedure prescribed by the legal acts of the Republic of Lithuania;
- 8) to borrow funds to the Company in the statutory procedure, but when borrowing moneys from its shareholders, the Company shall not be entitled to mortgage its property to the mentioned shareholders;
- 9) other property rights set forth by the laws.
- 10) to attend the general meetings of shareholders and vote according to the rights granted by the shares held;
- 11) to be informed on the economic activities of the Company, as stipulated in the Company Law of the Republic of Lithuania;
- 12) to lodge complaints in a court of law against resolutions or actions of the general meeting of shareholders, the board and the head of administration, claim for compensation of damage to the Company caused due to non-fulfilment or improper fulfilment of the duties prescribed by laws and/or the Articles of Association of the Company by the head of the Company or the members of the board;
- 13) the shareholders or a group of the shareholders holding shares of the total par value of at least one tenth of the authorised capital of the Company are entitled to enter into a contract with an audit company at the shareholders' choice for auditing the activities and financial statements of the Company, ascertaining whether or not there are any indications of insolvency or fraudulent bankruptcy, whether or not the Company's assets are being squandered, loss-yielding contracts are concluded, the rights of the shareholders are infringed, including an unwarranted payment of wages or application of relief or concessions.
- 14) to give powers to other person to vote on his/her behalf at the meeting of shareholders or perform any other legal acts;
- 15) to exercise other non-property rights provided for by laws.

## 6. SHAREHOLDERS

On 30 June 2008, there were 2,659 shareholders of AB Grigiškės.

6.1. Table. Shareholders owning in excess of 5 per cent of the authorised capital of the issuer as of 30 June 2008

Shareholder's name (company's name, type, headquarters address, corporate ID number)	Number of ordinary registered shares owned by the shareholder	Interest in the authorised capital, %	Votes granted by shares held by the right of ownership, %	Votes held by the shareholder together with other persons, %
UAB GINVILDOS INVESTICIA Turniškių str. 10a-2, Vilnius 125436533	28 732 479	47,89	47,89	----
ROSEMOUNT HOLDING LLC 8130 S.W.Beaverton-Hillsdale, Portland OR97225 05195698	5 425 441	9,04	9,04	----
DAILIUS JUOZAPAS MIŠEIKIS	4 391 057	7,32	7,32	----

There are no shareholders holding special controlling rights.

There are no restrictions of the voting rights.

The issuer is not aware of any agreements between/among the shareholders likely to result in the restriction of securities transfer and (or) voting rights.

## 7. INFORMATION ON TRADING WITH ISSUER'S SECURITIES ON THE REGULATED MARKETS

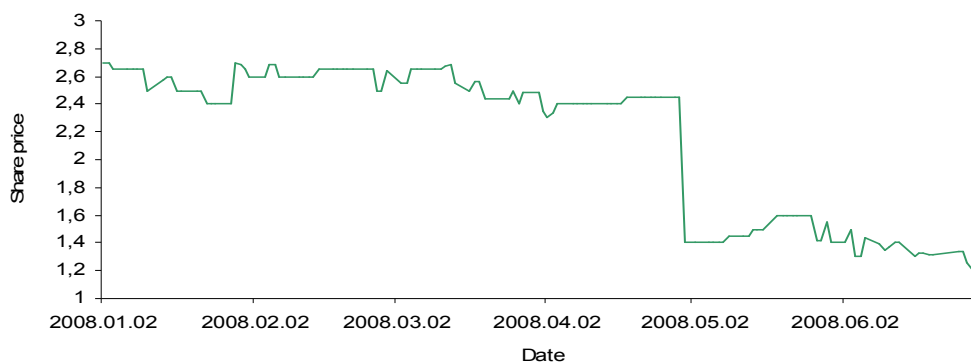
Registered ordinary shares of Grigiškės, AB are listed on the secondary lists of Vilniaus Vertybinių Popierių Birža, AB (Vilnius Stock Exchange, further – “the VVPB, ticker – GRG1L).

7.1. Table. Key characteristics of the shares of the company

Type of shares	Securities ISIN code	Number of shares	Par value, LTL	Total par value, LTL
Registered ordinary shares	LT0000102030	60.000.000	1	60.000.000

7.2. Table. Trading with the shares of the company

Reported period	Price, LTL			Turnover, LTL			Total turnover	
	Max.	Min.	Last session	Max.	Min.	Last session	Pcs.	LTL
2008, I Q	2,70	2,40	2,48	183.621,11	0,00	0,00	167.207	431.406,87
2008, II Q	2,45	1,11	1,11	45.477,80	0,00	5.909,58	96.273	174.178,64



7.2.1. Fig. Share price dynamics in January – June 2008.

Grigiškės, AB share price declined in May because of annual general meeting decision to increase authorized capital to 60.000.000 Lt (registered in May, 2008). Annual general meeting decided to issue 20 043 343 ordinary registered shares of the nominal value of 1 (one) litas and to give the newly issued ordinary registered shares of the nominal value of 1 (one) litas to the shareholders for free.

7.3. Table. Capitalisation of the company's shares

Last session date	Capitalisation, LTL	Number of shares
31 March 2008	99.092.509	39.956.657
30 June 2008	66.600.000	60.000.000

## 8. EMPLOYEES

Over the first six months, there were minor changes in the number of employees in Public Company Grigiškės.

8.1. Table. Average number of listed employees

	30 June 2008	2007
Number of employees	693	714

8.2. Table. Average wage/salary per month (LTL)

Period	Average wage/salary per month (LTL)
2007 m.	2328
2008 m. I ketv.	2504
2008 m. II ketv.	2558

8.3. Table. Number of employees and grouping of employees by education in 2007

Employees	Total	Grouping of employees by education				
		University	College	Secondary	Basic	Elementary
Blue-collar workers	575	13	102	375	80	5
Officers	52	41	11	0	0	0
Experts	87	63	20	4	0	0
<b>Total</b>	<b>714</b>	<b>117</b>	<b>133</b>	<b>379</b>	<b>80</b>	<b>5</b>

## 8.4. Table. Number of employees and grouping of employees by education in the first half of 2008

Employees	Total	Grouping of employees by education				
		University	College	Secondary	Basic	Elementary
Blue-collar workers	545	12	101	350	79	3
Officers	54	44	10	0	0	0
Experts	94	71	19	4	0	0
<b>Total</b>	693	127	130	354	79	3

**9. AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE ISSUER**

The Articles of Association of Grigiškės, AB are amended in the procedure prescribed by legal acts of the Republic of Lithuania.

**10. INFORMATION ON THE MANAGING BODIES OF THE ISSUER**

The Company has the general meeting of shareholders, the sole-person managing body – the head of the Company (director general), the collegial managing body – supervisory council and the collegial managing body – the board.

The supervisory council shall be comprised of 5 members. The members to the supervisory council shall be elected by the general meeting of shareholders for a period of 4 years. The supervisory council shall elect and revoke the members of the board. The board of the Company consists of 5 members.

The board of the Company shall elect and revoke the head of the Company, fix his salary, approve his job description, award bonuses to and impose penalties on the head of the Company.

*10.1. Members to the managing bodies**10.1.1. Positions, names, personal ID numbers, information on the interests in the authorised capital of the Issuer**10.1.1.1. Table. Members to the supervisory council, board and administration, and their interest in the authorised capital of the Company*

Full names	Positions	Capital interest and votes, %
<b>SUPERVISORY COUNCIL</b>		
Norimantas Stankevičius	Chairman	-
Algimantas Goberis	Member	-
Valdas Urbonas	Member	-
Romualdas Juškevičius	Member	-
Tautvilas Adamonis	Member	-
<b>BOARD</b>		
Gintautas Pangonis	Chairman	0,22
Nina Šilerienė	Member	0,02
Audris Vilčinskis	Member	-
Normantas Paliokas	Member	-
Vigmantas Kažukauskas	Member	0,92
<b>ADMINISTRATION</b>		
Gintautas Pangonis	Director General	0,22
Nina Šilerienė	Director of Finance Department	0,02
Vigmantas Kažukauskas	Head of Personal Division at interim	0,92



### 10.2. Information of the chairman of the board, head of administration and director of Finance Department

**Gintautas Pangonis** – chairman of the board, director general. Education – university degree. Profession – multichannel telecommunication engineer. Employers in the last 10 years:

Employers	Positions
Ministry of Communications and Information	Secretary
Lietuvos Telekomas, AB (current name TEO LT, AB)	Director general, chairman of the board
Lietuvos Telekomas, AB (current name TEO LT, AB)	Executive vice president
Bitė GSM, UAB (current name Bite, UAB)	Director general, chairman of the board
Grigiškės, AB	Director general, chairman of the board

**Nina Šilerienė** – Director of Finance Department. Education – university degree. Profession – economist for accounting, control and analysis of economic activities. Employers in the last 10 years:

Employers	Positions
Lietuvos Telekomas, AB (current name TEO LT, AB)	Chief Finance Manager
Grigiškės, AB	Director of Finance Department, member of the board

### 10.3. Information on the participation in the activities of other enterprises, agencies and organisations (name of the enterprise, agency or organisation and position thereat, capital interest and votes in excess of 5 per cent)

10.3.1. Table. Participation of the members of the supervisory council, board and administration in the activities of other enterprises, agencies and organisations

Name	Business participation		Capital interest	
	Name of enterprise, agency and organisation	Position	Name of enterprise, agency and organisation	Capital share and votes, %
Norimantas Stankevičius	Didma, UAB	Director	Didma, UAB	51,00
			Naras, UAB	62,48
	Grigiškių transporto centras, UAB	Member of the board		
	Baltwood, UAB	Member of the board		
	Grigiškės, AB	Chairman of the supervisory board		
		Ginvildos investicija, UAB	21,0	
Tautvilas Adamonis	Remada, UAB	Director	Remada, UAB	100,0
	Grigiškės, AB	Member of the supervisory board		
Gintautas Pangonis	Grigiškės, AB	Director General		
	Grigiškės, AB	Chairman of the board		
	Grigiškių transporto centras, UAB	Chairman of the board		
	Baltwood, UAB	Chairman of the board		
			Ginvildos investicija, UAB	79,0

## 10.3.1. Table continuation

Name	Business participation		Capital interest	
	Name of enterprise, agency and organisation	Position	Name of enterprise, agency and organisation	Capital share and votes, %
Normantas Paliokas	Didma, UAB	Head of Vilnius Representative Office		
	Ginvildos investicija, UAB	Director		
	Baltwood, UAB	Member of the board		
	Grigiškės, AB	Member of the board		
Vigmantas Kažukauskas	Grigiškės, AB	Member of the board		
	Grigiškės, AB	Head of Personal Division at interim		
	Grigioškių transporto centras, UAB	Member of the board		
Audris Vilčinskas	Grigiškės, AB	Member of the board		
Nina Šilėrienė	Grigiškės, AB	Member of the board		
	Baltwood, UAB	Member of the board		
	Grigiškės, AB	Director of Finance Department		

*10.4. Data on the still valid criminal records of the members of the managing bodies for crimes on property, order of business and finances*

The members of the managing bodies of the Company have no valid criminal records for crimes on property, order of business and finances.

*10.5. Data on the commencement and expiration of the tenure of each managing body*

The supervisory council of Grigiškės, AB was elected on 11 December 2007 for a 4 years' period (ending in 2011). The board of the Company was elected on 11 December 2007 for a 4 years' period (ending in 2011).

*10.6. Information about payments and loans to the members of the managing bodies*

10.6.1. Table. Information on the salaries, tantiemmes and other payments from profit paid by the Issuer within the reported period (average amounts per person)

10.6.1.1. Table. Information on the salaries, tantiemmes and other payments from profit paid by the Issuer within the reported period (average amounts per person)

	Salaries, LTL	Tantiemmes, LTL	Dividends, LTL	Other payments, LTL
Totally for all members of the supervisory council	-	-	-	-
In average per one member of the supervisory council	-	-	-	-
Totally for all members of the board	-	-	-	-
In average per one member of the board	-	-	-	-
Totally for all members of the administration	192297	-	40100	-
In average per one member of the administration	64099	-	13367	-

10.6.2. *The sums paid to the members of the supervisory council, board and administration of the Issuer, as salaries, tantiemes and other payments from profit in the reported period, received from companies where the share of the Issuer in the authorised capital exceeds 20 per cent*

None.

10.7. *Loans, guarantees and warranties granted to the members of the supervisory council, board and administration to secure fulfilment of their obligations*

None.

## **11. INFORMATION ABOUT COMPLIANCE WITH GOVERNANCE CODE**

Grigiškės, AB follows a Corporate Governance Code for the Companies Listed on the Vilnius Stock Exchange adopted on August 21, 2006. Information presented in the Annual Report for 2007 has not undergone any changes.

## **12. REVIEW OF THE ACTIVITIES OF GROUP COMPANIES**

### *12.1. Material events in the Issuer's activities*

The Board meeting on 14 February 2008 approved a budget and an investment plan for the year 2008. This year the Group (AB "Grigiskes" and UAB "Baltwood") plans to invest to production LTL 26,7 mln. (EUR 7.7 mln.), reach a turnover of LTL 200 mln. (EUR 57.9 mln.) and earn a profit before taxes of LTL 10 mln. (EUR 2.9 mln.).

In the year 2007 the Group reached a turnover of LTL 144 mln. (EUR 41.71 mln.) which is by 20 % more than for the year 2006 when the turnover was LTL 120 mln. (EUR 34.75 mln.). In the year 2007 the Group earned an unaudited profit before taxes of LTL 6.5 mln. (EUR 1.88 mln.).

The most influence to lesser results had unexpected rise of raw material prices. The price of main raw material such as wood, chips, gas and others rose up by 35 % in the year 2007. Also unachieved the turnover plan because the new Paper machine started working later as expected.

In January the Group which consists of JSC Grigiskes and daughter enterprise Baltwood LTD reached a turnover of LTL 14.2 mln. (EUR 4.1 mln.) which is by 26.8 % more than for January in 2007 when the turnover was LTL 11.2 mln. (EUR 3.24 mln.) and earned a profit before taxes of LTL 0.69 mln. (EUR 0,2 mln.).

In the year 2008 the Group is planning to sell products and services of LTL 200 mln. (EUR 57.9 mln.) and earn a profit before taxes of LTL 10 mln. (EUR 2.9 mln.).

Management Board of Joint-stock company "GRIGIŠKĖS" passed the following decision on 07 03 2008: the General Meeting will take place on 25 04 2008 at 10 a.m. at the company's administration building (Vilniaus str. 10, Grigiškės, Vilnius city municipality). Accounting day is 18 04 2008.

- On the agenda:
- Company's annual report 2007.
- Company's auditor's report 2007.
- Approval of the financial statements for the year 2007.
- Net Profit appropriation for the year 2007.
- The increase of the authorised capital of the Company out of the Company's funds

In February the Group which consists of JSC Grigiskes and daughter enterprise Baltwood LTD reached a turnover of LTL 12.73 mln. (EUR 3.69 mln.) which is by 18.0 % more than for October in 2006 when the turnover was LTL 10.79 mln. (EUR 3.13 mln.) and earned a profit of LTL 0,29 mln. (EUR 0,08 mln.). Over two months this year the Group's turnover outmeasured LTL 26.94 mln. (EUR 7.80 mln.), comparing with the same period 2006 the sales increased in 22.6 %. Over two months 2008 the Group earned a profit of LTL 0.99 mln. (EUR 0.29 mln.).

The Management Board meeting on 14 04 2008 adopted a resolution on 25 04 2008 to propose for Annual General Meeting for dividends to distribute LTL 0.05 (0.01 EUR) per ordinary registered share and to pay in total LTL 2 mln. (EUR 0.58 mln.) of dividends and to increase the authorised capital of the Company out of the unappropriated profit of the Company from 39 956 657 Lt to 60 000 000 Lt and to issue 20 043 343 ordinary registered shares of the nominal value of 1 (one) litas. On 2007 audited net profit - LTL 5.5 mln. (EUR 1.59 mln.). The Group's (Grigiškės AB and "Baltwood" UAB) audited net profit on 2007 amounted to LTL 5.1 mln. (EUR 1.48 mln.).

The Management Board approved the audited Company's annual report, heard the auditor's opinion on the company's activities year 2007, evaluated positive and decided to supply for approval the projects of annual financial statement and profit appropriation for Annual General Meeting.

In March the Group which consists of JSC Grigiskes and daughter enterprise Baltwood LTD reached a turnover of LTL 12.3 mln. (EUR 3.56 mln.) which is by 1.2 % more than for March in 2007 when the turnover was LTL 12.15 mln. (EUR 3.52 mln.). Over three months this year the Group's turnover outmeasured LTL 39.24 mln. (EUR 11.36 mln.), comparing with the same period 2007 the sales increased in 15 %. Over three months 2008 the Group earned a profit of LTL 1.04 mln. (EUR 0.30 mln.).

The AB "Grigiškės" general Meeting was held on 25 04 2008. Resolutions of the meeting:

- Stated, that the annual report for the year 2007 was heard.
- Stated, that the Auditor's report for the year 2007 was heard.
- Decides to approve the Company's financial statements for the year 2007.
- Decides to approve the appropriation of Company's profit (loss) for the year 2007: for dividends to distribute LTL 0.05 (0.01 EUR) per ordinary registered share and to pay in total LTL 2 000 000 (579240 EUR) of dividends and to increase the authorised capital of the Company by 20 043 343 LTL.
- to increase the authorised capital of the Company out of the unappropriated profit of the Company from 39 956 657 Lt (thirty-nine million, nine hundred and fifty-six thousand, six hundred and fifty-seven litas) to 60 000 000 Lt (sixty million litas) and to issue 20 043 343 (twenty million, forty-three thousand, three hundred and forty-three) ordinary registered shares of the nominal value of 1 (one) litas.
- To give the newly issued ordinary registered shares of the nominal value of 1 (one) litas to the shareholders for free and to distribute the shares to the shareholders in proportion to the nominal value of the shares owed by the shareholders on the day the General meeting adopted the decision to increase the authorised capital.
- To amend the articles 3.1. and 4.1. of the Articles of Association of Joint-stock company "GRIGIŠKĖS" and to set their new edit as follows:
  - "3.1. The authorised capital of the Company - 60 000 000 (sixty million) litas."
  - "4.1. The authorised capital of the Company is divided into 60 000 000 (sixty million) ordinary registered shares. The nominal value of one share – 1 (one) litas."
- To amend the Articles of Association of Joint-stock company "GRIGIŠKĖS" due to the above decision and to authorise the Director General of Joint-stock company "GRIGIŠKĖS" Gintautas Pangonis to sign the amended Articles of Association of Joint-stock company "GRIGIŠKĖS".

Due to the decision of the General Meeting held on 25 04 2008 to increase the authorized capital of the Company up to LTL 60 mln., the amended Articles of Association of Joint-stock company "GRIGIŠKĖS" were registered on May 22, 2008 with the Register of Enterprises.

In April the Group which consists of JSC Grigiskes and daughter enterprise Baltwood LTD reached a turnover of LTL 13.7 mln. (EUR 4 mln.), which is by 30.5 % more than for April in 2007 when the turnover was LTL 10.5 mln. (EUR 3 mln.). Over four months this year the Group's turnover outmeasured LTL 52.9 mln. (EUR 15.3 mln.), comparing with the same period 2007 the sales increased in 18.6 %. Over four months 2008 the Group earned a profit before taxes of LTL 1 mln. (EUR 0.3 mln.).

In May the Group which consists of JSC Grigiskes and daughter enterprise Baltwood LTD reached a turnover of LTL 12.5 mln. (EUR 3.6 mln.), which is by 8.7 % more than for May in 2007 when the turnover was LTL 11.5 mln. (EUR 3.3 mln.). Over five months this year the Group's turnover outmeasured LTL 65.4 mln. (EUR

18.9 mln.), comparing with the same period 2007 the sales increased in 16.6 %. Over five months 2008 the Group earned a profit before taxes of LTL 0.7 mln. (EUR 0.2 mln.).

#### 12.2. Newest events in the Issuer's activities

Over six months this year the Group's turnover outmeasured LTL 77.1 mln., comparing with the same period 2007 the sales increased by 14.2 % when the turnover was LTL 67,5 mln. The Group loss reached LTL 132,2 thousand.

In June the Group which consists of JSC Grigiskes and daughter enterprise Baltwood LTD reached a turnover of LTL 11,7 mln. (EUR 3,4 mln.), which is by 2,6 % more than for June in 2007 when the turnover was LTL 11,4 mln. (EUR 3,3 mln.).

#### 12.3. The strategy of activities and its envisioned changes in the nearest financial year

The Board meeting on 14 February 2008 approved a budget and an investment plan for the year 2008. This year the Group (Grigiškės, AB and Baltwood, UAB) plans to invest in production LTL 26,7 mln., reach a turnover of LTL 200 mln. and earn a profit before taxes of LTL 10 mln.

Comparing to the earlier plan, Group's reached lower results were caused by adverse situation in the market, which caused lower sales results and higher prices of the raw materials.

The Board meeting on 22 August 2008 approved revised budget for year 2008. This year the Group plans to reach turnover of LTL 160 mln. and earn a profit before taxes of LTL 1,4 mln.

The Board meeting approved the revised investment plan for the year 2008. This year the Group plans to invest LTL 27,1 mln.

#### 12.4. Financial and non-financial indicators of the Company

Indicators		Group		Company	
		30.06.2008	30.06.2007	30.06.2008	30.06.2007
Gross profit margin (%)	Gross profit / sales	13,1	17,8	13,5	18,6
Net profit margin (%)	Net profit / sales	-0,2	3,0	1,0	4,2
Return on assets (%)	Net profit / assets	-0,1	1,6	0,6	2,3
Return on equity (%)	Net profit / equity	-0,2	3,0	1,1	3,9
Debts factor	Liabilities / debt	0,5	0,5	0,4	0,4
Debt / equity factor	Liabilities / equity	1,0	0,8	0,8	0,7
Current liquidity ratio	Current assets / short-term liabilities	0,9	0,9	1,1	1,2
Assets turnover	Sales / assets	0,6	0,5	0,6	0,6
Book value per share, LTL	Equity / number of shares	1,1	1,7	0,9	1,7
Net profit per share, LTL	Net profit / number of shares	x	0,05	0,01	0,07

More information about six months' activity and financial results of the Company in 2008 as well as main types of risks faced by the Company is presented in the interim consolidated financial statements report of Grigiškės, AB for six month of 2008.

### 13. TRANSACTIONS WITH INTERESTED PERSONS

All transactions with related persons were carried out at market prices.

Grigiškių Transporto Centras, UAB – subsidiary of the group not subject to consolidation.

Ginvildos Investicija, UAB – major shareholders of AB Grigiškės.

Didma, UAB and Remada, UAB – companies related to the managing officers of the group.

13.1. Table. Group's transactions with related persons in the first half of 2008. Balances of amounts receivable/payable in relation thereto on 30 June 2008 (LTL)

	Sales of goods and services	Acquisition of goods and services	Receivable from related persons	Amounts payable to related persons
Baltwood, UAB	2.120.837	1.282.680	3.926.123	-
Ginvildos Investicija, UAB	-	1.019.698	-	-
Didma, UAB	29533	336.479	-	154.580
Remada, UAB	5.446	-	589	-
Grigiškių Transporto Centras, UAB	-	-	-	-
	<b>2.155.816</b>	<b>2.638.857</b>	<b>3.926.712</b>	<b>154.580</b>

#### 14. COURT AND ARBITRATION PROCEEDINGS

Over the first half of 2008 there were no court or arbitration proceedings which influenced or are likely to influence the financial standing of Grigiškės, AB.