



AB „SANITAS“

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER OF 2007

(NOT AUDITED)

CONFIRMATION OF RESPONSIBLE PERSONS

Following the Rules on Preparation And Submission Of Periodic And Additional Information Of The Lithuanian Securities Commission and the Law on Securities Of The Republic Of Lithuania, we Saulius Jurgelėnas, General Manager of AB „Sanitas“, and Eladijus Kirijanovas, Chief Financial Officer of AB „Sanitas“, hereby confirm that, to the best of our knowledge, the attached interim consolidated financial statements of AB „Sanitas“ for the first quarter of 2007, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of AB „Sanitas“ and the Consolidated Group.

ENCLOSURE: Interim consolidated financial statements of AB „Sanitas“ for the first quarter of 2007.

AB „Sanitas“ General Manager

A handwritten signature in blue ink, appearing to be "S. Jurgelėnas".

Saulius Jurgelėnas

AB „Sanitas“ Chief Financial Officer

A handwritten signature in blue ink, appearing to be "E. Kirijanovas".

Eladijus Kirijanovas



TABLE OF CONTENTS

BALANCE SHEET 3

INCOME STATEMENT 4

STATEMENTS OF CHANGES IN EQUITY 5

CASH FLOW STATEMENTS 6

NOTES TO THE FINANCIAL ACCOUNTS 7

 1 **GENERAL INFORMATION** 7

 2 **ACCOUNTING PRINCIPLES** 10

 3 **PERFORMANCE OVERVIEW** 11

 4 **MATERIAL EVENTS** 13

 5 **SUBSEQUENT EVENTS** 13

**BALANCE SHEET (LTL)**

ASSETS	GROUP		COMPANY	
	31.03.2007	31.12.2006	31.03.2007	31.12.2006
NON-CURRENT ASSETS				
Goodwill	267,663,294	270,279,249		
Property, plant and equipment	265,707,094	273,348,407	17,953,266	17,949,188
Intangible assets	41,493,808	41,963,103	215,045	210,083
Investments			107,694,414	107,694,414
Long-term receivables	31,461	32,942	227,821,719	227,870,856
Deferred tax assets	13,874,636	18,100,365	517,474	517,474
TOTAL NON-CURRENT ASSETS	588,770,293	603,724,066	354,201,918	354,242,016
CURRENT ASSETS				
Inventories	42,776,768	42,080,745	5,970,791	7,011,676
Trade receivables	59,980,473	55,328,137	3,378,646	3,737,953
Income tax prepaid	714,706	306,684	648,497	122,271
Other receivables	4,007,793	3,780,575	10,230,402	7,780,094
Investment in associate				
Assets held for sale	8,724,897	8,727,330	8,199,916	8,199,916
Cash and cash equivalents	5,508,695	11,505,806	84,396	98,116
TOTAL CURRENT ASSETS	121,713,333	121,729,277	28,512,649	26,950,026
TOTAL ASSETS	710,483,626	725,453,343	382,714,567	381,192,042

EQUITY AND LIABILITIES	GROUP		COMPANY	
	31.03.2007	31.12.2006	31.03.2007	31.12.2006
EQUITY				
Share capital	31,105,920	31,105,920	31,105,920	31,105,920
Share premium	248,086,422	248,086,422	248,086,422	248,086,422
Legal reserves	3,110,592	3,110,592	3,110,592	3,110,592
Other distributable reserves	9,964,095	13,418,651		
Retained earnings	21,403,541	15,176,509	39,202,187	34,909,760
TOTAL EQUITY	313,670,570	310,898,094	321,505,121	317,212,694
NON CURRENT LIABILITIES				
Interest bearing loans and borrowings	37,606,962	40,469,400	16,817,996	17,337,181
Deferred income from subsidies	3,687,518	3,687,518	3,687,518	3,687,518
Deferred tax liability		15,192,631		
Provisions	5,193,570	6,202,249		
TOTAL NON CURRENT LIABILITIES	46,488,050	65,551,798	20,505,514	21,024,699
CURRENT LIABILITIES				
Interest bearing loans and borrowings	299,057,708	310,073,669	26,683,373	26,675,211
Trade creditors	20,454,439	25,912,996	9,941,285	13,383,337
Other creditors	28,228,172	11,544,382	2,056,396	1,963,033
Corporate income tax payable	2,584,689	1,472,404	2,022,878	933,068
TOTAL CURRENT LIABILITIES	350,325,007	349,003,451	40,703,932	42,954,650
TOTAL LIABILITIES	396,813,057	414,555,249	61,209,446	63,979,348
TOTAL EQUITY AND LIABILITIES	710,483,626	725,453,343	382,714,567	381,192,042

**INCOME STATEMENT (LTL)**

	Group		Company	
	I Q 2007	I Q 2006	I Q 2007	I Q 2006
TURNOVER	78,557,676	16,171,030	10,466,578	9,124,414
Cost of sales	42,014,598	11,256,704	4,834,321	(4,668,249)
GROSS PROFIT	36,543,078	4,914,326	5,632,257	13,792,663
Distribution expenses	12,043,913	843,333	404,233	(530,317)
Administrative expenses	10,141,951	2,420,064	2,033,105	(1,565,725)
Other operating income	113,431	982,566	40,808	210,149
Other operating expense	30,846	358,623	1,450	(189,654)
OTHER OPERATING INCOME AND EXPENSE, NET	82,585	623,943	39,358	399,803
OPERATING PROFIT BEFORE FINANCING ACTIVITIES	14,439,799	2,274,872	3,234,277	2,380,618
Dividends	-	-	-	3,975,733
Financial income	970,650	157,410	2,488,307	57,944
Financial expense	5,828,226	1,198,556	540,003	(787,638)
FINANCING COST, NET	(4,857,576)	(1,041,146)	1,948,304	845,582
PROFIT BEFORE TAXES	9,582,223	1,233,726	5,182,581	5,626,657
Corporate income tax	3,355,194	329,739	890,154	(329,739)
NET PROFIT FOR THE QUARTER	6,227,032	903,987	4,292,427	5,296,918
Earnings per share (LTL)	0.20	0.08	0.14	0.48

**STATEMENTS OF CHANGES IN EQUITY (LTL)**

Group	SHARE CAPITAL	SHARE PREMIUM	LEGAL RESERVE	TRANSLATION RESERVE	OTHER RESERVES	RETAINED EARNINGS	TOTAL
BALANCE AS OF 31.12.2005	11,000,000	17,553,588	1,801,104	1,556,062	(3,042,276)	23,821,040	52,689,518
Net profit	-	-	-	-	-	903,987	903,987
Reversal of fair value reserve	-	-	-	-	3,042,276	-	3,042,276
Change in translation reserve	-	-	-	283,021	-	-	283,021
BALANCE AS OF 31.03.2006	11,000,000	17,553,588	1,801,104	1,839,083	-	24,725,027	56,918,802
New emission of shares	20,105,920	230,532,834	-	-	-	-	250,638,854
Transferred to reserve	-	-	1,309,488	-	-	(1,309,488)	-
Change in translation reserve	-	-	-	11,579,568	-	-	11,579,568
Net profit	-	-	-	-	-	(8,239,030)	(8,239,030)
BALANCE AS OF 31.12.2006	31,105,920	248,086,422	3,110,592	13,418,651	-	15,176,509	310,898,094
Net profit	-	-	-	-	-	6,227,032	6,227,032
Change in translation reserve	-	-	-	(3,454,556)	-	-	(3,454,556)
BALANCE AS OF 31.03.2007	31,105,920	248,086,422	3,110,592	9,964,095	-	21,403,541	313,670,570

COMPANY	SHARE CAPITAL	SHARE PREMIUM	LEGAL RESERVE	TRANSLATION RESERVE	OTHER RESERVES	RETAINED EARNINGS	TOTAL
BALANCE AS OF 31.12.2005	11,000,000	17,553,588	1,801,104	-	(3,042,276)	25,579,374	52,891,790
Net profit	-	-	-	-	-	5,296,918	5,296,918
Reversal of fair value reserve	-	-	-	-	(3,042,276)	-	(3,042,276)
BALANCE AS OF 31.03.2006	11,000,000	17,553,588	1,801,104	-	-	30,876,292	61,230,984
Transferred to legal reserve	-	-	1,309,488	-	-	(1,309,488)	-
New emission of shares	20,105,920	230,532,834	-	-	-	-	250,638,754
Net profit	-	-	-	-	-	5,342,956	5,342,956
BALANCE AS OF 31.12.2006	31,105,920	248,086,422	3,110,592	-	-	34,909,760	317,212,694
Net profit	-	-	-	-	-	4,292,427	4,292,427
BALANCE AS OF 31.03.2007	31,105,920	248,086,422	3,110,592	-	-	39,202,187	321,505,121

**CASH FLOW STATEMENTS (LTL)**

	Group		Company	
	I Q 2007	I Q 2006	I Q 2007	I Q 2006
Profit before taxation	9,582,223	1,233,726	5,182,581	5,626,657
Adjustments for:				
Depreciation and amortization	10,053,433	2,317,548	409,224	874,293
Gain/ loss on disposal of fixed assets	(992,057)	2,279	(22)	2,279
Write down of inventories	-	31,417	-	31,417
Interest received	-	(11,807)	(2,415,241)	(10,065)
Interest paid	2,712,823	835,681	431,648	773,500
Unrealised foreign exchange loss	(8,766,985)	161,994	12,922	
Dividends received	-	-	-	(3,975,733)
Net cash inflow from ordinary activities before any change in working capital	12,589,441	4,570,838	3,621,112	3,322,348
Change in trade and other receivables	(4,878,073)	(937,209)	(2,041,864)	1,444,391
Change in inventories	(696,024)	(1,285,398)	1,040,885	283,417
Change in trade creditors and other creditors	10,216,554	25,440,622	(3,332,316)	(1,712,143)
Interest received	-	11,807	1,407,911	10,065
Interest paid	(4,221,323)	(835,681)	(431,648)	(773,500)
Profit tax paid	(404,961)	(459,446)	(404,961)	(425,827)
	-	-	-	-
NET CASH INFLOW FROM OPERATING ACTIVITIES	12,605,614	26,505,533	(140,881)	2,148,751
Acquisition of property, plant and equipment	(3,596,038)	(792,625)	(384,643)	(774,413)
Capitalisation of intangible fixed assets	(1,129,768)	(14,490)	(33,641)	(14,490)
Disposal of property, plant and equipment	-	55,466	-	55,466
Acquisition of subsidiary Sanitas Polska	-	-	-	(45,175)
Acquisition of other equity securities (Jelfa)	-	(9,110,077)	-	(9,110,077)
Change in investment asset	-	(1,731,689)	-	-
Dividends received	-	-	-	3,975,733
	-	-	-	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(4,725,806)	(11,593,415)	(418,284)	(5,912,956)
Proceeds of long-term borrowings	(2,860,957)	(4,227,568)	(1,000,000)	(4,227,568)
Proceeds/payments of short-term borrowings	(11,015,961)	(13,421,480)	1,545,445	7,348,305
NET CASH INFLOW/OUTFLOW FROM FINANCING, NET	(13,876,918)	(17,649,048)	545,445	3,120,737
NET CASH INFLOW/OUTFLOW FROM OPERATING ACTIVITIES, INVESTING ACTIVITIES AND FINANCING	(5,997,111)	(2,736,930)	(13,719)	(643,468)
Cash and cash equivalents of January 1, 2007	11,505,806	4,846,639	98,116	1,559,601
CASH AND CASH EQUIVALENTS OF MARCH 31, 2007	5,508,695	2,109,710	84,396	916,133



NOTES TO THE FINANCIAL ACCOUNTS

1 GENERAL INFORMATION

AB Sanitas (hereinafter “the Company”) is a public limited liability company registered in the Republic of Lithuania on 30 June 1994.

The Company is involved in production and trade of generic medicines, namely injection preparations, tablets, capsules, galenic solutions and ointments. The Company’s shares are listed in the Main List on the Vilnius Stock Exchange.

The consolidated financial statements include the financial statements of AB Sanitas and the subsidiaries listed in the following table (hereinafter “the Group”):

NAME	MAIN ACTIVITIES	COUNTRY OF INCORPORATION	% OF EQUITY INTEREST		
			31.03.2007	31.12.2006	31.03.2006
Jelfa S.A.	Production and trade of medicines	Poland	100.00	100.00	8.38
Hoechst-Biotika s.r.o.	Production and trade of medicines	Slovakia	100.00	100.00	100.00
UAB „Altisana“	Real estate	Lithuania	100.00	100.00	100.00
Sanitas Polska spol. s.r.o.	Special purposes	Poland			100.00

Data on the Company, its subsidiaries and affiliates

NAME OF THE COMPANY	AB SANITAS
Code	1341 36296
Authorised capital	LTL 31,105,920 divided into 31,105,920 ordinary registered shares with nominal value LTL 1 per share
Address	Vytauto Ave. 3, LT-44354 Kaunas
Telephone	(+370~37) 22 67 25
Fax	(+370~37) 22 36 96
E-mail address	info@sanitas.lt
Internet website	www.sanitas.lt
Legal and organisational form	Public company, legal person with limited liability
Duration of activity	Unlimited
Scope of activity	Manufacturing of pharmaceutical products
Date and place of registration	30 June 1994, Kaunas Municipality Board
Register, in which data about the company are stored	Register of Legal Entities

NAME OF THE COMPANY	HOECHST-BIOTIKA, SPOL. S R.O.
Authorised capital	SKK 416,640,000 not divided into shares
Number of shares owned by AB Sanitas	-
Portion of capital and votes held by AB Sanitas	100 percent
Address	Sklabinská 30, Martin 036 80, Slovakia
Legal and organisational form	Limited Liability Company
Register, in which data about the company are stored	District Court in Žilina
Scope of activity	Manufacturing of pharmaceutical products
Additional information	Hoechst-Biotika, spol. s r.o. established Branch of the Foreign Company in Prague, Czech Republic on 12 February 2007



NAME OF THE COMPANY	JELFA S.A.
Authorised capital	PLN 27,316,160
Number of shares owned by Sanitas, AB	709,035
Portion of capital and votes held by Sanitas, AB	Portion of capital 10.38 percent, portion of votes 100 percent
Address	58-500 Jelenia Góra, ul. W.Pola 21
Legal and organisational form	Joint stock company
Register, in which data about the company are stored	National Court Register, Wrocław branch
Scope of activity	Manufacturing of pharmaceutical products
Additional information	Jelfa S.A. is the owner of 6,120,005 its shares, 89.62% of the share capital

NAME OF THE COMPANY	UAB ALTISANA
Authorised capital	LTL 4,337,200 divided into 43,372 ordinary registered shares with nominal value LTL 100 per share
Number of shares owned by Sanitas, AB	43,372
Portion of capital and votes held by Sanitas, AB	100 percent
Address	Vytauto 3, LT-44354 Kaunas, Lithuania
Legal and organisational form	Limited Liability Company
Register, in which data about the company are stored	Companies Register of Republic of Lithuania
Scope of activity	Purchase, sell and rent of real estate

NAME OF THE COMPANY	SANITAS POLSKA SP. Z O.O.
Authorised capital	PLN 550,000, divided into 11,000 shares ordinary registered shares with nominal value of PLN 50
Number of shares owned by Sanitas, AB	11,000
Portion of capital and votes held by Sanitas, AB	100 percent
Address	00-695 Warszawa, ul. Nowogrodzka 50
Legal and organisational form	limited liability company
Register, in which data about the company are stored	National Court Register for the capital city of Warsaw
Scope of activity	Special purpose venture
Additional information	Sanitas Polska and was merged with Jelfa S.A. on 29 December 2006



MAIN SHAREHOLDERS

Shareholders that are acting jointly, who held more than 5 percent of the Issuer's authorised capital or votes of AB „Sanitas“ as of March 31, 2007:

NAME OF THE SHAREHOLDER, ITS TYPE, ADDRESS OF HEAD OFFICE, CODE IN THE REGISTER OF ENTERPRISES	NUMBER OF ORDINARY REGISTERED SHARES OWNED BY THE RIGHT OF OWNERSHIP	SHARE OF THE AUTHORISED CAPITAL, %	SHARE OF VOTES GIVEN BY THE SHARES OWNED BY THE RIGHT OF OWNERSHIP, %	SHARE OF VOTES OF SHAREHOLDERS THAT ARE ACTING JOINTLY, %
AB Invalda Seimyniskiu str. 3, Vilnius, Lithuania 121304349	8,594,680	27.63	27.63	
UAB Finasta Rizikos Valdymas Konstitucijos pr. 23, Vilnius, Lithuania 300045450	369,471	1.19	1.19	
UAB Nenuorama J. Tumo–Vaizganto str. 9-38, Vilnius 122649227	2,308,323	7.42	7.42	
Darius Šulnis	198,369	0.64	0.64	
Alvydas Banys	127 710	0.41	0.41	
Dailius Juozapas Mišeikis	95,265	0.31	0.31	66.3
Jonas Bielinis	330,965	1.06	1.06	
Nerijus Nausėda	248,805	0.8	0.8	
Tomas Nausėda	333,220	1.07	1.07	
Alvydas Dirvonas	516,707	1.66	1.66	
Arūnas Tuma	516,727	1.66	1.66	
Darius Žaromskis	516,702	1.66	1.66	
Donatas Jazukevičius	441,702	1.42	1.42	
Citigroup Venture Capital International Jersey Limited, 90207	5,312,000	17.08	17.08	
Firebird Republics Fund Ltd.	711,808	2.29	2.29	
Hansabank Clients, Liivalaia 8, 15040 Tallinn, Estonia, 10060701	5,110,186	16.43	16.43	----

AB Sanitas has the General Meeting, single person management organ – the manager (General Manager) and collegial supervisory organ – the Board. The Supervisory Board is not formed in the company.

The Board of the Company is formed from 5 members and is elected by the General Meeting for the 4 years period.

The manager of the company is elected and dismissed by the Board which also fix his salary, approve his job description, provide incentives and impose penalties.

MEMBERS OF THE MANAGING BODIES

SHARE OF THE CAPITAL OWNED BY THE RIGHT OF OWNERSHIP, %	POSITION HELD	SHARE OF THE CAPITAL OWNED BY THE RIGHT OF OWNERSHIP, %
MANAGEMENT BOARD		
Darius Šulnis	Chairman of the Board	0.61
Darius Žaromskis	Member	1.66
Martynas Česnavičius	Member	-
Since 26.04.2007 Vytautas Bučas	Member	-
Since 26.04.2007 Ashwin Roy	Member	-
Till 25.04.2007 Dailius Juozapas Mišeikis	Member	0.31
Till 25.04.2007 Sunil Kumar Nair	Member	-
ADMINISTRATION		
Saulius Jurgelėnas	General Manager	-
Eladijus Kirijanovas	Chief Financial Officer	-



2 ACCOUNTING PRINCIPLES

The principal accounting policies adopted in preparing the Group's and the Company's financial statements as of March 31, 2007 are as follows:

STATEMENT OF COMPLIANCE

The financial statements of the Group and the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (further "the EU").

BASIS OF PREPARATION

These Interim Financial Statements as of March 31, 2007 have been prepared according 34th International Accounting Standard (IAS 34) Interim Financial Reporting. Audit has not been conducted for Interim Financial Statements as of March 31, 2007. Annual financial statements as of December 31, 2006 have been audited.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of AB Sanitas and its subsidiaries as of 31 March 2007. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies, that have been applied in Annual Financial Statements.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognised in assets, are eliminated in full.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

FOREIGN CURRENCY TRANSLATION

The Company's and Group's financial statements are presented in local currency of the Republic of Lithuania, Litas (LTL), which is the Company's functional and the Company's and Group'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 functional currency 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 balance sheet 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 at the dates 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 operation and translated at the closing rate.

The functional currency of the foreign operations, Jelfa S.A. and Hoechst-Biotika s.r.o., is Polish Zloty (PLZ) and Slovak Crown (SKK) respectively. As at the reporting date, the assets and liabilities of these subsidiaries are translated into the presentation currency of AB Sanitas (LTL) at the rate of exchange ruling at the balance sheet date and their income statements are translated at the weighted average exchange rates for the quarter. The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

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



3 PERFORMANCE OVERVIEW

The key financial ratios of the Group for the first quarter of 2007 as well as their dynamics are presented in the table below:

FINANCIAL RESULTS (LTL)

	Group		
	I Q 2007	I Q 2006	Change
TURNOVER	78,557,676	16,171,030	386%
Cost of sales	42,014,598	11,256,704	273%
GROSS PROFIT	36,543,078	4,914,326	644%
GROSS MARGIN	46.52%	30.39%	53%
Distribution costs	12,043,913	843,333	1328%
Administrative costs	10,141,951	2,420,064	319%
Other operating income	113,431	982,566	(88%)
Other operating expense	30,846	358,623	(91%)
OTHER OPERATING INCOME AND EXPENSE, NET	82,585	623,943	(87%)
OPERATING PROFIT BEFORE FINANCIAL ITEMS AND TAXES	14,439,799	2,274,872	535%
OPERATING PROFIT MARGIN BEFORE FINANCIAL ITEMS AND TAXES	18.38%	14.07%	31%
Financial income	970,650	157,410	517%
Financial expense	5,828,226	1,198,556	386%
FINANCING COST, NET	(4,857,576)	(1,041,146)	367%
PROFIT (LOSS) BEFORE TAXES	9,582,223	1,233,726	677%
PROFIT MARGIN BEFORE TAXES	12.20%	7.63%	60%
NET PROFIT (LOSS) FOR THE PERIOD	6,227,032	903,987	589%
EARNINGS PER SHARE (LTL)	0.20	0.08	150%
NET PROFIT MARGIN	7.93%	5.59%	42%

During the first quarter of 2007 the consolidated sales of AB Sanitas group amounted to 78,558 thousand LTL. In comparison with the first quarter of 2006, sales increased 386%*. Cost of sales during the quarter increased 273%. Gross profit in comparison with the first quarter of 2006 increased 644% and amounted to 36,543 thousand LTL

Revenue structure of the Group and the Company for the 1st quarter of 2007 presented in the tables below:

REVENUE STRUCTURE OF THE GROUP BY BUSINESS SEGMENTS

LTL	INJECTION PREPARATIONS		TABLETS		OINTMENTS, EYE DROPS, TINCTURES		UNALLOCATED		TOTAL	
	I Q 2007	I Q 2006	I Q 2007	I Q 2006	I Q 2007	I Q 2006	I Q 2007	I Q 2006	I Q 2007	I Q 2006
	Revenue	27,998,605	9,405,556	25,324,767	5,217,454	24,806,693	1,525,754	427,611	22,266	78,557,676
Change	198%		385%		1526%		1820%		386%	

* Jelfa S. A. was acquired after 31.03.2006.



REVENUE STRUCTURE OF THE COMPANY BY BUSINESS SEGMENTS

LTL	INJECTION PREPARATIONS		TABLETS		OINTMENTS, EYE DROPS, TINCTURES		UNALLOCATED		TOTAL	
	I Q 2007	I Q 2006	I Q 2007	I Q 2006	I Q 2007	I Q 2006	I Q 2007	I Q 2006	I Q 2007	I Q 2006
	Revenue	7,591,579	6,041,193	2,466,460	1,856,065	408,439	1,227,056	100	100	10,466,578
Change	26%		33%		(67%)		0%		15%	

REVENUE STRUCTURE BY GEOGRAPHICAL SEGMENTS

LTL	GROUP			COMPANY		
	I Q 2007	I Q 2006	Change	I Q 2007	I Q 2006	Change
Latvia	7,365,623	4,743,365	55%	5,835,525	4,743,365	23%
Lithuania	3,749,089	4,051,641	(7%)	3,749,083	4,042,616	(7%)
Germany	4,584,692	4,015,143	14%	-	-	-
Slovakia	3,691,472	2,826,575	31%	-	-	-
Poland	43,868,639	-	-	790,976	-	-
Russia	9,592,545	-	-	-	-	-
Unallocated	5,705,616	534,306	968%	90,994	338,433	(73%)
TOTAL	78,557,676	16,171,030	386%	10,466,578	9,124,414	15%

Consolidated Net Profit during the period amounted to LTL 6,227,032 and increased 598% in comparison with the same quarter of 2006.

Financial expenses of the Group increased by 386% compared with corresponding period of 2006 and amounted to LTL 5,828 thousand.

Non-current Assets amounted to major part of Assets (83%), where Goodwill and Property, Plant and Equipment amounted to 45% of Non-current assets each. Trade Receivables (49%) and Inventory (35%) represented major part of Current Assets.

During the first quarter of 2007 Non-current assets of the Group decreased 2.48%. Change of Current Assets was less than 1% (major changes in Income Tax Prepaid (increased 133%) and Cash And Cash Equivalents (decreased 52%)).

Shareholders Equity amounted to 44% of Total Equity and Liabilities as of March 31, 2007 increased by 0.89 percent during the quarter. Translation reserves decreased by 26%, Retained Earnings increased by 41% during the reporting period. Non-current liabilities amounted to 8% of Equity and Liabilities as of March 31, 2007 and decreased by 29% during the quarter, Current Liabilities decreased 0.38%, Total change of Liabilities was down by 4.28%. Decrease of Liabilities were influenced by partial repayment of Group's loans.



4 MATERIAL EVENTS

In the beginning of 2007 subsidiary of AB Sanitas – Hoechst-Biotika spol.s.r.o. established a Branch of the Foreign Company in Prague, Czech Republic, previously being a representative office of the company.

On the basis of the decision of 17 January 2007 made by Polish General Pharmaceutical Inspection, the sale of Corhydron 100 and Corhydron 25 – medicine, manufactured by Jelfa was renewed. This decision was made after pharmaceutical inspectors had investigated all documentation and records of manufacturing and packing of the said product, the procedures of cleaning of manufacturing premises and production lines, took into account their efficiency. The investigation proved the fact that there was no possibility of contaminating Corhydron” with other substances in the process of its manufacturing. The sale of Corchydron 250 was renewed earlier on.

On 21 January 2007 AB Sanitas certificate of Quality Management System according to LST EN ISO 9001:2001 expired. It was decided not to have the term of the certificate prolonged, because the principles of the said system had been applied in the process of implementation of the requirements of Good Manufacturing Practice in the company. Presently all manufacturing departments are certificated according to GMP. In pharmaceutical industry it is the highest indicator of quality evaluation.

5 SUBSEQUENT EVENTS

On 25 April 2007 AB Sanitas Member of the Board Dailius Juozapas Mišeikis resigned.

On 24 April 2007 the General Meeting of Shareholders of Jelfa SA elected the Managing Bodies of the Company for the new term of office. Saulius Jurgelėnas (the chairman), Rūta Milkuvienė and Ireneusz Oraczwere elected to the Supervisory Board of the Company. Marek Wojcikowski was elected as a President of the Management Board of the Company. Hagen Dahms, Eladijus Kirijanovas and Inga Urbonavičiūtė were elected as members of the Management Board.

On April 25 2007 the Management Board of Sanitas AB approved the audited financial statements for the year 2006 and consolidated financial statements for the year 2006 as well as the Annual Report. The result of the activity in 2006 is net loss totaling to LTL 7.3 m., EBITDA amounting to LTL 30.1 m. The audited result differs more than 10 percent from the previously announced preliminary result (net loss LTL 10.8 m., EBITDA LTL 16.4 m.). The corrections related to the acquisition of Jelfa SA made the main impact on the said difference (reevaluation of goodwill, evaluation of Jelfa's assets to fair value, recalculation of the impact of merger between Jelfa and Sanitas Polska, consideration of particular events as related to the acquisition). The positive impact of the said corrections on net profit (loss) totaled to LTL 2.7 m., on EBITDA amounts to LTL 15.0 m. Also the difference was impacted by the additional accruals and provisions.

In the Ordinary General Meeting of AB Sanitas Shareholders on 26 April 2007:

1. Company's financial statements for the year 2006 and consolidated financial statements for the year 2006 approved.

2. Approved Company's profit distribution for the year 2006 (LTL thousand):

Undistributed result – profit (loss) – at the end of the previous financial year	24,269
The net result of the financial year – profit (loss)	10,641
Result available for distribution – profit (loss) – at the end of the financial year	34,910
Shareholders' distributions to cover loss	0
Transfers from the reserves	0
Result available for distribution – profit (loss) – at the end of the financial year	34,910
Distribution of the profit:	
- to the reserves provided by law	0
- to other reserves	0
- dividends	0
- etc.	0
Undistributed result – profit (loss) – at the end of the financial year	34,910

3. Vytautas Bučas and Ashwin Roy were elected to the Management Board for the remaining period of the tenure instead of resigned Dailius Juozapas Mišeikis and Sunil Kumar Nair.

4. Approved Stock option plan of the Company.