

GUIDE TO LISTED COMPANIES

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EXCHANGE

BIRŽA

OF LITHUANIA



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LITHUANIAN COMPANIES

NACIONALINĖ VERTYBINIŲ POPIERIŲ BIRŽA

Guide to Listed Companies

2000

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The GUIDE TO LISTED COMPANIES is already the fourth edition of the fact book issued by the National Stock Exchange of Lithuania, which presents listed Lithuanian companies. It is meant for investors, market analysts, business intermediaries and consultants, information agencies, academic youth, and for all who are interested in the country's securities market and its development.

The fact book concisely presents objective information prepared on the basis of formal reports of the companies and results of trading on the Exchange, namely, information about the company, its managers, authorised capital, structure of shareholders, and share issues. In addition, financial statements, profit and loss accounts, financial and market value ratios, trading results of the four recent years, price diagrams of the equity market, as well as the company's history, development and perspectives are available in the GUIDE TO LISTED COMPANIES. Moreover, the fact book contains the principal macroeconomic ratios, trading statistics of the period from 1993 to 1999, diagrams of equity indices, and the structure of investment into securities.

The GUIDE TO LISTED COMPANIES covers information on 56 Official and Current Lists companies grouped according to industries, which enables market analysts and managers of the companies to compare results of individual companies. Each economic industry is presented in a brief review.

The information contained in the fact book not only represents the securities market of Lithuania but also allows to objectively evaluate tendencies of its development. This fact book of listed companies enables investors to make informed decisions and select attractive companies for investment. The academic youth will find concentrated data for their papers, while business intermediaries will be provided with reliable and objective arguments to support their commercial offers. Those who have not become acquainted with the securities market of Lithuania will have an excellent opportunity to do so.

National Stock Exchange of Lithuania

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SOME ECONOMIC INDICATORS COMPANIES

NACIONALINĖ VERTYBINIŲ POPIERIŲ BIRŽA

| KEY STATISTICS | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999* |
|---|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| GDP at current prices (LTL m) | 11590.0 | 16904.0 | 24103.0 | 31569.0 | 38340.3 | 42990 | 42596.9 |
| As compared to corresponding period of previous year at constant prices of 1993 (%) | -16.2 | -9.8 | 3.3 | 4.7 | 7.3 | 5.1 | -4.1 |
| Inflation(average) (%) | | 45.1 | 35.7 | 13.1 | 8.4 | 2.4 | 0.3 |
| Population (beginning of period) (th) | 3730 | 3721 | 3715 | 3710 | 3706 | 3701 | 3698.5 |
| GDP per capita at current prices (LTL) | 3107 | 4543 | 6488 | 8510 | 10347 | 11611 | 11514 |
| Unemployment (annual) rate (%) | 4.4 | 3.8 | 6.1 | 7.1 | 5.9 | 6.4 | 8.4 |
| Structure* of GDP by production approach (at current price) (%) | | | | | | | |
| Agriculture, fishing, hunting and forestry | 13.8 | 10.1 | 10.8 | 12.3 | 11.7 | 10.3 | 8.8 |
| Manufacturing, mining and quarrying | 29.4 | 22.8 | 20.6 | 22.3 | 21.0 | 18.8 | 18.0 |
| Electricity, gas and water supply | 4.0 | 2.7 | 3.5 | 3.5 | 4.2 | 4.6 | 4.5 |
| Construction | 5.0 | 6.8 | 7.1 | 7.1 | 7.7 | 8.6 | 7.8 |
| Wholesale and retail trade | 13.7 | 16.6 | 17.7 | 16.8 | 16.5 | 16.3 | 15.4 |
| Restaurants and hotels | 1.3 | 1.3 | 1.6 | 1.7 | 1.8 | 1.4 | 1.6 |
| Transport, storage and communications | 9.5 | 9.5 | 9.4 | 9.5 | 9.6 | 9.6 | 10.8 |
| Financial intermediation | 7.2 | 4.7 | 3.4 | 2.8 | 2.4 | 2.3 | 2.5 |
| Real estate | 4.1 | 6.4 | 7.1 | 7.6 | 7.2 | 7.7 | 8.4 |
| Public administration and defence | 2.9 | 4.8 | 5.6 | 6.2 | 5.9 | 7 | 7.2 |
| Education | 2.7 | 4.0 | 4.8 | 5.0 | 5.5 | 6.2 | 7.2 |
| Health and social work | 1.8 | 2.4 | 2.8 | 2.8 | 3.6 | 3.7 | 3.8 |
| Other community, social and personal service activities | 2.3 | 2.4 | 2.6 | 2.5 | 3.0 | 3.5 | 4.0 |
| FOREIGN TRADE | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999* |
| Goods (LTL m) | | | | | | | |
| Trade balance | -665.00 | -802.04 | -2791.73 | -3584.81 | -4589.95 | -6073.43 | -5618.26 |
| Merchandise exports (f.o.b.prices) | 8711.00 | 8078.98 | 10824.38 | 13652.40 | 16769.65 | 15846.30 | 12586.73 |
| As compared to previous period (%) | | 92.7 | 134.0 | 126.1 | 122.8 | 94.5 | 79.4 |
| Merchandise imports (f.o.b.prices) | 9376.00 | 8881.02 | 13616.11 | 17237.21 | 21359.60 | 21919.73 | 18204.99 |
| As compared to previous period (%) | | 94.7 | 153.3 | 126.6 | 123.9 | 102.6 | 83.1 |
| Services (LTL m) | | | | | | | |
| Balance | -240.45 | -215.52 | -51.65 | 483.4 | 537.91 | 962.84 | 1221.62 |
| Credit | 855.77 | 1281.86 | 1940.87 | 3190.13 | 4127.39 | 4436.15 | 4366.17 |
| As compared to previous period (%) | | 149.8 | 151.4 | 164.4 | 129.4 | 107.5 | 98.4 |
| Debit | 1096.22 | 1497.38 | 1992.52 | 2706.73 | 3589.48 | 3473.31 | 3144.55 |
| As compared to previous period (%) | | 136.6 | 133.1 | 135.8 | 132.6 | 96.8 | 90.5 |
| Balance of goods (f.o.b.prices) and services (LTL m) | -905.4 | -1017.6 | -2843.3 | -3101.4 | -4052.1 | -5110.6 | -4396.64 |
| Exports of goods (f.o.b.prices) and services (LTL m) | 9566.8 | 9360.8 | 12765.3 | 16842.5 | 20897.0 | 20282.5 | 16953 |
| As compared to previous period (%) | | 97.8 | 136.4 | 131.9 | 124.1 | 97.1 | 83.6 |
| Imports of goods (f.o.b.prices) and services (LTL m) | 10472.2 | 10378.4 | 15608.6 | 19943.9 | 24949.1 | 25393.0 | 21349.6 |
| As compared to previous period (%) | | 99.1 | 150.4 | 127.8 | 125.1 | 101.8 | 84.1 |
| Foreign trade balance compared with GDP (%) | -7.8 | -6.0 | -11.8 | -9.8 | -10.6 | -11.9 | -10.3 |
| Current account balance (LTL m) | -362.8 | -359.7 | -2457.5 | -2890.3 | -3925.41 | -5192.48 | -4776.3 |
| Current account balance compared with GDP (%) | -3.1 | -2.1 | -10.2 | -9.2 | -10.2 | -12.1 | -11.2 |
| Gross saving (LTL m) | 1858.7 | 2753.4 | 3501.5 | 4841.1 | 5191.9 | 5301.2 | 5033.1 |
| Gross saving compared with GDP (%) | 16 | 16.3 | 14.5 | 15.3 | 13.6 | 12.3 | 11.8 |
| Gross domestic investment (LTL m) | 2221.4 | 3113.4 | 5958.7 | 7731.3 | 10176.3 | 10493.9 | 9809.2 |
| As compared to previous period (%) | | 140.2 | 191.4 | 129.7 | 131.6 | 103.1 | 93.5 |
| Lithuania's investment abroad (USD m) | 94.37 | -26.6 | -47.53 | -197.29 | -238.62 | -38.33 | -193.08 |
| As compared to previous period (%) | | 178.6 | 415.1 | 121.0 | 16.1 | 503.7 | |
| Foreign investment in Lithuania (USD m) | 207.22 | 334.91 | 645.01 | 875.21 | 1256.03 | 1452.27 | 1237.13 |
| As compared to previous period (%) | | 161.6 | 192.6 | 135.7 | 143.5 | 115.6 | 85.2 |
| Foreign investment in Lithuania per capita (USD m) | 55.6 | 90.0 | 173.6 | 235.9 | 338.9 | 392.40 | 334.50 |
| Reserves assets (USD m) | 412.3 | 587.2 | 819.0 | 834.3 | 1062.7 | 1460.0 | 1242.1 |
| Reserves assets compared with GDP (%) | 13.9 | 13.9 | 13.6 | 10.6 | 11.1 | 13.6 | 11.7 |
| Foreign debt (USD m) | 352.6 | 481.1 | 826.3 | 1206.6 | 1401.8 | 1684.5 | 2428.8 |
| Foreign debt compared with GDP (%) | 13.2 | 11.4 | 13.7 | 15.3 | 14.6 | 15.8 | 22.8 |
| Foreign debt per capita (USD) | 94.52 | 129.30 | 222.42 | 325.26 | 378.26 | 455.15 | 656.70 |
| Foreign debt compared with exports of goods and services (%) | 16.0 | 20.4 | 25.9 | 28.7 | 26.8 | 33.2 | 57.3 |
| Internal debt (LTL m) | * | * | * | 2499.1 | 2470.1 | 2876.1 | 2354 |

* – inconclusive data

LITHUANIAN COMPANIES SOME ECONOMIC INDICATORS

NATIONAL STOCK EXCHANGE OF LITHUANIA

| AVERAGE ANNUAL INTEREST RATES ON RESIDENT DEPOSITS (%) | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999* |
|--|-------|-------|-------|-------|------|-------|-------|
| Total time deposits in Litas | 79.90 | 19.73 | 16.81 | 11.04 | 6.03 | 6.06 | 5.6 |
| up to 1 month | 85.52 | 21.94 | 14.78 | 11.39 | 5.27 | 4.37 | 3.87 |
| 1-3 months | 77.64 | 19.39 | 17.56 | 10.62 | 6.18 | 7.05 | 8.09 |
| 3-6 months | 76.69 | 20.9 | 16.69 | 11.17 | 6.40 | 7.39 | 8.57 |
| 6-12 months | 86.76 | 25.03 | 16.98 | 13.49 | 7.16 | 7.88 | 9.36 |
| 1-2 years | 61.12 | 16.81 | 11.94 | 12.27 | 7.05 | 8.45 | 10.2 |
| over 2 years | - | - | - | - | 7.62 | 7.18 | 8.95 |
| Demand deposits in Litas | 19.68 | 7.61 | 7.38 | 4.25 | 1.94 | 2.43 | 1.53 |
| Savings deposits | - | - | - | - | - | - | 5.99 |
| Total time deposits in foreign currencies | 32.72 | 14.21 | 13.09 | 7.85 | 4.75 | 4.53 | 4.15 |
| up to 1 month | 42.58 | 10.92 | 12.18 | 6.07 | 3.36 | 3.70 | 3.46 |
| 1-3 months | 32.97 | 16.14 | 13.06 | 7.11 | 4.74 | 4.29 | 4.44 |
| 3-6 months | 27.46 | 16.03 | 13.26 | 8.84 | 4.76 | 4.69 | 4.87 |
| 6-12 months | 36.29 | 15.82 | 15.10 | 14.64 | 5.82 | 5.17 | 5.23 |
| 1-2 years | 30.62 | 16.84 | 12.69 | 8.65 | 5.98 | 5.89 | 5.92 |
| over 2 years | - | - | - | - | 5.00 | 5.13 | 5.92 |
| Demand deposits in foreign currencies | 2.50 | 2.38 | 2.72 | 1.39 | 1.25 | 1.95 | 1.24 |
| Savings deposits | - | - | - | - | - | - | 4.16 |
| The average yield on the T-bills (%) | | | | | | | |
| 1 month | | 13.92 | 26.24 | 20.49 | 6.7 | 8.8 | 8.12 |
| 3 months | | 21.38 | 27.12 | 20.53 | 8.97 | 10.62 | 10.33 |
| 6 months | | - | 27.56 | 17.1 | 9.18 | 11.46 | 12.25 |
| 12 months | | - | 20.15 | - | 9.25 | 12.44 | 13.65 |
| Government Bonds | | - | - | - | - | - | 13.75 |

* - inconclusive data

LITHUANIAN COMPANIES

NACIONALINĖ VERTYBINIŲ POPIERIŲ BIRŽA

| NAME OF RATIO | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | Change per year (%) |
|---|-------------|-------------|--------------|--------------|---------------|---------------|---------------|------------------------|
| Total NSEL capitalisation (LTL m) | 71 | 635 | 2160 | 6100 | 10202 | 13424 | 13882 | 3.42 |
| Equity capitalisation (LTL m) | 71 | 417 | 1518 | 5012 | 8691 | 11834 | 12706 | 7.37 |
| Capitalisation of listed equity (LTL m) | 39 | 246 | 630 | 3604 | 6824 | 4297 | 4555 | 6.00 |
| Capitalisation of unlisted equity (LTL m) | 32 | 171 | 888 | 1408 | 1867 | 7537 | 8151 | 8.15 |
| Capitalisation of debt securities (LTL m) | - | 218 | 642 | 1088 | 1511 | 1590 | 1176 | -26.04 |
| Total capitalisation as % of GDP | 0.6 | 3.7 | 9.1 | 19.4 | 26.6 | 31.2 | 32.6 | |
| Trading sessions | 14 | 50 | 148 | 255 | 255 | 255 | 254 | |
| Equity trading sessions | 14 | 50 | 66 | 117 | 255 | 255 | 254 | |
| Number of transactions | 36 | 2307 | 6289 | 12059 | 71118 | 84409 | 62087 | -26.45 |
| Equity supply-demand ratio | 1.3 | 1.6 | 5.7 | 3.3 | 8.2 | 12.3 | 11.8 | -4.50 |
| Total turnover (units, m) | 0.16 | 18.4 | 81.9 | 60.5 | 220.4 | 233.2 | 195.9 | -15.98 |
| Average turnover per session (units, m) | 0.01 | 0.37 | 0.50 | 0.20 | 0.98 | 0.91 | 0.77 | -15.79 |
| Equity turnover (units, m) | 0.16 | 18.2 | 78.3 | 57.4 | 215.3 | 227.0 | 184.9 | -18.55 |
| Debt securities turnover (units, m) | - | 0.1 | 3.6 | 3.1 | 5.1 | 6.2 | 10.9 | 77.24 |
| Total turnover value (LTL m) | 1.2 | 77.8 | 499.9 | 509.6 | 1463.4 | 1487.7 | 2302.3 | 54.76 |
| Average turnover value per session (LTL m) | 0.1 | 1.6 | 3.4 | 2 | 5.7 | 5.8 | 9.1 | 55.98 |
| Average transaction value (LTL th) | 33.1 | 33.7 | 79.5 | 42.3 | 20.6 | 17.6 | 37.1 | 110.39 |
| Turnover CM (LTL m) | 0.01 | 11.1 | 16.8 | 154.2 | 653.5 | 287.2 | 154.6 | -46.17 |
| Number of CM transactions | 26 | 1932 | 4378 | 10250 | 62116 | 71208 | 46698 | -34.42 |
| Average CM transaction value (LTL th) | 0.2 | 5.8 | 3.9 | 15.1 | 10.5 | 4.0 | 3.3 | -17.92 |
| Average CM turnover per session (LTL m) | 0.0 | 0.2 | 0.3 | 0.6 | 2.6 | 1.1 | 0.6 | -45.96 |
| CM turnover as % of total (%) | 0.4 | 14.3 | 3.4 | 30.3 | 44.7 | 19.3 | 6.7 | |
| Turnover BT (LTL m) | 1.2 | 66.7 | 483.1 | 355.4 | 809.9 | 1200.5 | 2147.7 | 78.90 |
| Number of BT transactions | 10 | 375 | 1911 | 1809 | 9002 | 13201 | 15389 | 16.57 |
| Average BT transaction value (LTL th) | 0.1 | 177.8 | 261.6 | 196.5 | 90.0 | 90.9 | 139.6 | 53.46 |
| Average BT turnover per session (LTL m) | 0.1 | 1.3 | 3.3 | 1.4 | 3.2 | 4.7 | 8.5 | 79.60 |
| BT turnover as % of total (%) | 99.5 | 85.7 | 96.6 | 69.7 | 55.3 | 80.7 | 93.3 | |
| Equity turnover value (LTL m) | 1.2 | 65.5 | 148.3 | 188.9 | 959.1 | 891.1 | 1236.1 | 38.72 |
| Equity turnover on CM (LTL m) | 0.005 | 8.5 | 11.8 | 40.2 | 262.9 | 217.3 | 142.2 | -34.56 |
| Equity turnover by BT (LTL m) | 1.19 | 5.7 | 136.5 | 148.7 | 696.1 | 673.8 | 1093.9 | 62.35 |
| Number of equity transactions | 36 | 2297 | 4893 | 10137 | 70567 | 83412 | 60348 | -27.65 |
| Average equity transaction value (LTL th) | 33.1 | 28.5 | 30.3 | 18.6 | 13.6 | 10.7 | 20.5 | 91.73 |
| Average equity turnover per session (LTL m) | 0.1 | 1.3 | 2.2 | 1.6 | 3.8 | 3.5 | 4.9 | 39.26 |
| Equity turnover as % of total turnover (%) | 100.0 | 84.2 | 29.7 | 37.1 | 65.5 | 59.9 | 57.6 | |
| Equity turnover on CM as % of total equity turnover | 0.4 | 13.0 | 8.0 | 21.3 | 27.4 | 24.4 | 11.5 | |
| Debt securities turnover value (LTL m) | - | 12.3 | 351.6 | 320.7 | 504.3 | 596.6 | 1066.1 | 78.70 |
| Debt securities turnover on CM (LTL m) | - | 2.6 | 4.9 | 114 | 390.5 | 70.0 | 12.4 | -82.29 |
| Debt securities turnover by BT (LTL m) | - | 9.7 | 346.6 | 206.7 | 113.8 | 526.6 | 1053.7 | 100.09 |
| Number of debt securities transactions | - | 10 | 1396 | 1922 | 551 | 997 | 1739 | 74.42 |
| Average debt securities transaction value (LTL th) | - | 1232.6 | 251.8 | 166.8 | 915.3 | 598.4 | 613.1 | 2.45 |
| Average debt securities turnover per session (LTL m) | - | 0.6 | 2.4 | 1.3 | 1.9 | 2.3 | 4.2 | 79.40 |
| Debt securities turnover as % of total turnover (%) | - | 15.8 | 70.3 | 62.9 | 34.5 | 40.1 | 46.3 | |
| Debt securities turnover on CM as % of total debt securities turnover | - | 21.1 | 1.4 | 35.5 | 77.4 | 11.7 | 1.2 | |
| Indices | | | | | | | | |
| LITIN | - | - | - | - | 903.48 | 535.28 | 523.49 | -2.20 |
| LITIN-A | - | - | - | 1660.68 | 1930.85 | 1133.63 | 1109.17 | -2.16 |
| LITIN-G | - | - | - | 1327.47 | 1862.89 | 1088.75 | 1088.85 | 0.01 |
| LITIN-10 | - | - | - | - | - | 1000.00 | 1147.30 | 14.73 |
| LITIN-VVP | - | - | - | 1235.36 | 1368.43 | 1513.23 | 1704.02 | 12.61 |

LITHUANIAN COMPANIES' FINANCIAL RESULTS

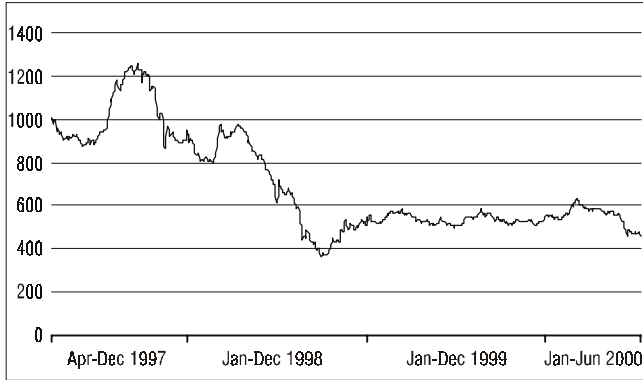
NATIONAL STOCK EXCHANGE OF LITHUANIA

| Issuer | Net sales (LTL th) | | | Net profit (LTL th) | | |
|-----------------------------------|--------------------|-----------|-----------|---------------------|---------|----------|
| | 1997 | 1998 | 1999 | 1997 | 1998 | 1999 |
| Kalnailis | 89,782 | 106,190 | 96,789 | 29,721 | 25,288 | 10,231 |
| Lietuvos Telekomas | 662,842 | 891,891 | 969,494 | 131,828 | 232,706 | 224,397 |
| Rokiškio Sūris | 211,685 | 204,949 | 191,545 | 19,601 | 22,038 | 20,675 |
| Snaigė | 171,268 | 174,009 | 149,443 | 5,320 | 9,299 | 2,720 |
| Utenos Trikotažas | 80,307 | 100,972 | 109,001 | 5,132 | 11,839 | 13,095 |
| Akmenės Cementas | 114,873 | 133,894 | 112,560 | 2,466 | 12,989 | 3,462 |
| Alita | 95,689 | 86,180 | 79,096 | 16,432 | 8,808 | 6,367 |
| Alytaus Tekstilė | 191,587 | 201,278 | 170,637 | -19,401 | -19,695 | -23,760 |
| Anykščių Vynas | 75,252 | 78,158 | 75,550 | 12,968 | 10,606 | 7,775 |
| Apranga | 37,002 | 47,652 | 50,140 | 3,095 | 4,005 | 5,543 |
| Baltijos Laivų Statykla | 65,553 | 66,693 | 83,609 | 9,793 | 6,368 | 6,955 |
| Biržų Akcinė Pieno Bendrovė | 128,726 | 128,362 | 145,811 | 2,447 | 1,925 | -8,245 |
| Dirbtinis Pluoštas | 238,698 | 189,106 | 121,060 | 6,359 | 694 | -25,721 |
| Dvarcionių Keramika | 30,204 | 31,008 | 40,609 | 4,605 | -5,594 | 138 |
| Ekranas | 309,899 | 291,466 | 279,361 | 13,742 | 712 | 2,661 |
| Endokrininiai Preparatai | 25,364 | 20,352 | 9,598 | 2,196 | 1,272 | -4,371 |
| Grafobal Vilnius | 28,584 | 25,302 | 17,224 | 1,861 | -1,103 | -1,362 |
| Grigiškės | 74,980 | 68,890 | 55,032 | 1,391 | 2,870 | -770 |
| Kauno Audiniai | 28,257 | 36,190 | 21,101 | -2,335 | -5,746 | -5,048 |
| Kauno Energija | 85,857 | 201,033 | 190,423 | -9,418 | 1,383 | -56,992 |
| Klaipėdos Baldai | 32,483 | 41,928 | 46,106 | 962 | 3,361 | 2,086 |
| Klaipėdos Jūrų Krovinių Kompanija | 179,438 | 163,831 | 98,320 | 20,586 | 16,282 | -19,755 |
| Lietuvos ir JAV Klaipėdos Nafta | 76,514 | 55,178 | 105,045 | 43,289 | 10,828 | 39,701 |
| Klaipėdos Transporto Laivynas | 97,516 | 86,681 | 67,925 | 27,666 | 19,924 | 10,751 |
| Lietuvos Draudimas | 126,230 | 189,752 | 191,853 | 7,357 | 8,108 | -6,016 |
| Lietuvos Dujos | 675,032 | 589,210 | 558,826 | 16,844 | -20,909 | -13,497 |
| Lietuvos Energija | 2,052,400 | 1,807,007 | 1,468,362 | -79,199 | 153,468 | 180,238 |
| Lietuvos Jūrų Laivininkystė | 298,307 | 255,978 | 227,876 | 44,287 | 1,835 | 8,406 |
| Lietuvos Kuras | 313,353 | 257,489 | 164,146 | -21,887 | -30,035 | -37,810 |
| Lifosa | 309,433 | 400,037 | 479,899 | 6,110 | 43,474 | -6,746 |
| Linas | 61,680 | 69,012 | 76,042 | 3,914 | 4,126 | 5,514 |
| Lithun | 41,948 | 96,871 | 38,309 | 738 | 2,074 | 396 |
| Mažeikių Nafta | 2,427,766 | 2,800,169 | 2,283,924 | 39,130 | -93,171 | -130,863 |
| Panevėžio Pienas | 86,028 | 100,825 | 72,107 | 8,431 | 7,801 | -1,123 |
| Panevėžio Statybos Trestas | 55,403 | 99,112 | 72,744 | 1,587 | 3,326 | 2,841 |
| Pieno Žvaigždės | - | 183,785 | 147,094 | - | 6,623 | 5,008 |
| Ragutis | 36,385 | 40,494 | 28,265 | 4,802 | 6,188 | -2,601 |
| Sanitas | 45,875 | 38,506 | 18,214 | 4,872 | 9,973 | -4,953 |
| Sema | 52,473 | 38,413 | 18,244 | 3,766 | -386 | -6,940 |
| Stumbras | 139,012 | 85,474 | 74,316 | 15,840 | 9,202 | 8,868 |
| Šiaulių Stumbras | 44,910 | 42,764 | 42,436 | 511 | 142 | 577 |
| Takioji Neris | 5,423 | 4,726 | 4,696 | 558 | 490 | 216 |
| Trinyčiai | 24,822 | 26,390 | 14,783 | -1,519 | 59 | -2,948 |
| Ventus - Nafta | - | 55,643 | 66,634 | - | 97 | -2,951 |
| Vilniaus Baldų Kombinas | 12,748 | 15,536 | 31,847 | -711 | -2,540 | -5,439 |
| Vilniaus Vingis | 62,155 | 62,094 | 81,225 | 13 | 3,000 | 5,114 |
| Žemaitijos Pienas | 140,770 | 213,453 | 138,683 | 13,263 | 14,541 | 3,689 |
| KIB Invalda | 18,385 | 26,946 | 21,567 | 5,413 | -2,159 | 2,357 |

INDICES. CAPITALISATION COMPANIES

NACIONALINĖ VERTYBINIŲ POPIERIŲ BIRŽA

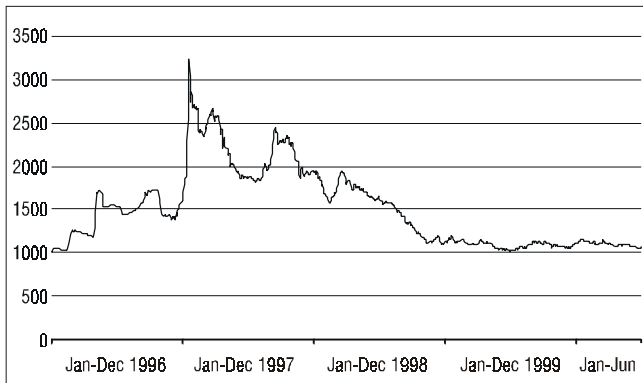
**NSEL INDICES (Official List)
LITIN**



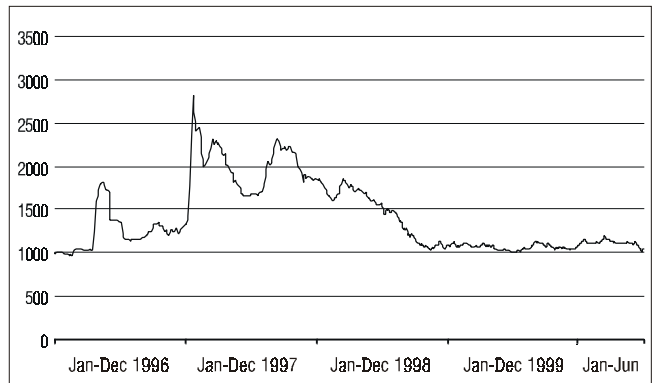
**NSEL INDICES (TOP-10 Shares)
LITIN-10**



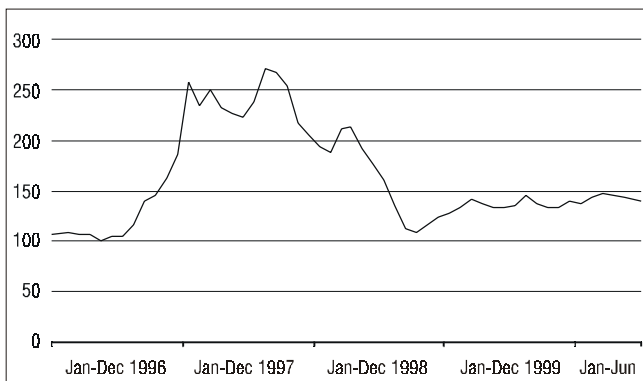
**NSEL INDICES (Current List)
LITIN-A**



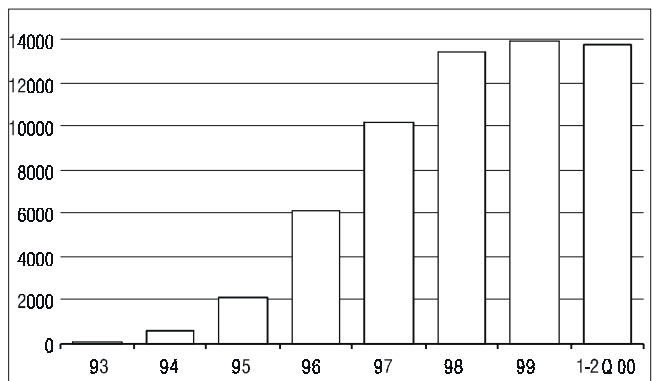
**NSEL INDICES (All Quoted Shares)
LITIN-G**



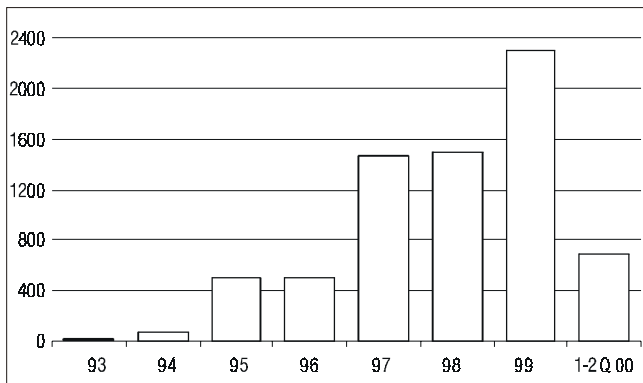
**S&P/IFCG
Total Return Index (Lithuania)**



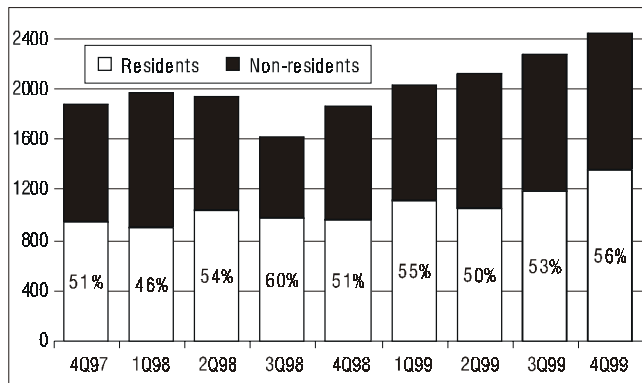
**TOTAL CAPITALISATION
(LTL m)**



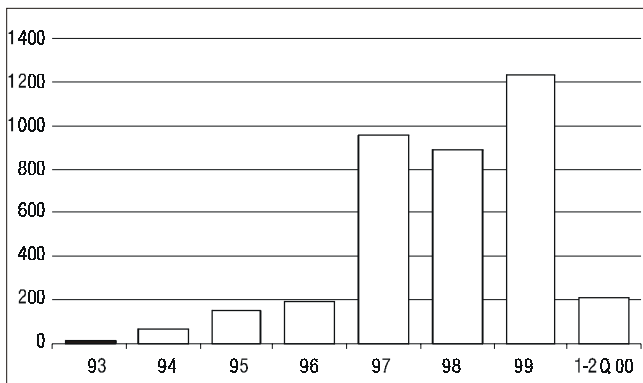
TOTAL TURNOVER
(LTL m)



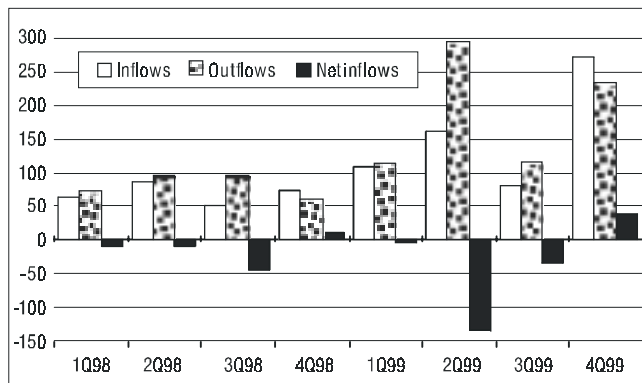
INVESTORS INTO EQUITIES (end-of-period)
(LTL m)



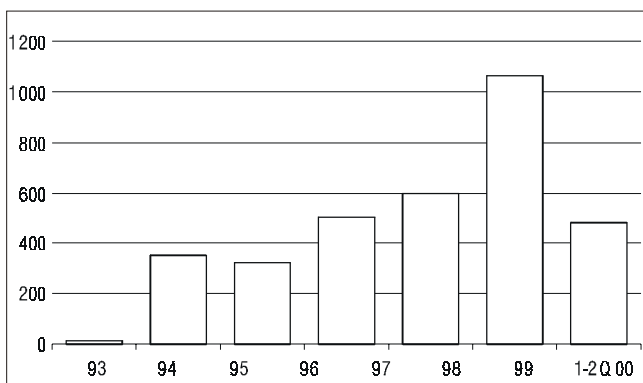
EQUITY TURNOVER
(LTL m)



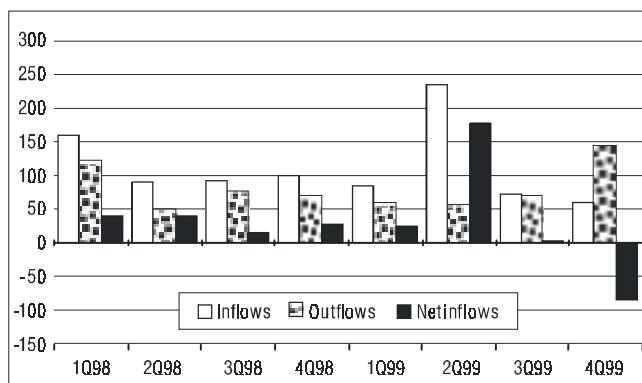
RESIDENT INVESTMENT FLOWS INTO LITHUANIAN EQUITY MARKET
(LTL m)



T-BILLS TURNOVER
(LTL m)



NON-RESIDENT INVESTMENT FLOWS INTO LITHUANIAN EQUITY MARKET
(LTL m)



FOOD INDUSTRY

The sector of food products and beverages is one of the predominating manufacturing industry's components, though its share slightly diminished over recent years. In 1999, the sector of food products and beverages produced about 28 percent of mining and manufacturing industrial production sales (for example, in 1995, 35 percent), value added accounted for 27 percent (of total value added by mining and manufacturing industry), and capital investment, together with tobacco industry, substituted 44 percent (of total capital investment in mining and manufacturing industry).

The annual volume of food industrial production sales at constant prices grew significantly in 1997, changed negligibly in 1998, and declined by 5.3 percent in 1999. As compared with 1998, in 1999, the decrease of food industrial production at current prices was even bigger, 7.8 percent, because output as well as prices diminished. On the contrary, profits before taxes turned up by 46.0 percent.

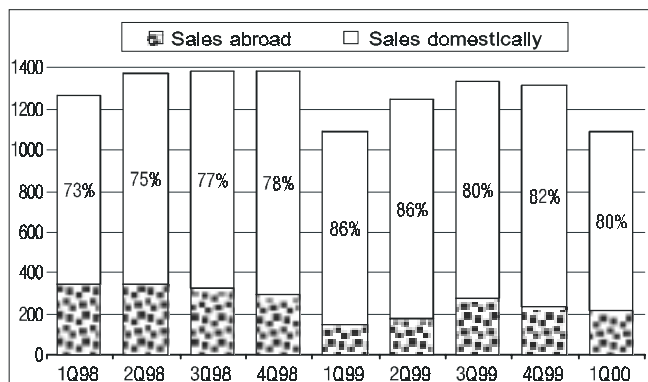
Recently, tendencies changed for the better. In the first quarter of 2000, as compared with the respective period of last year, the volume of food industrial production sales at constant prices rose by 1.0 percent for the first time since declines in 1998 and 1999. The volume of food industrial production sales at current prices has hardly changed (see Diagram).

Rouble devaluation resulted in the loss of the Lithuanian goods markets in Russia and other CIS countries. As an outcome, difficulties in the sector of food products and beverages persisted in 1999 and partially up until now. Because of unfavourable price differences for our producers, the sales of the Lithuanian goods in the above mentioned region became unprofitable. Consequently, the share of exported production was shrinking constantly over recent years. It accounted for 27.3 percent (of food industrial production) in 1997, 24.5 percent in 1998, and only 16.7 percent in 1999. In the first quarter of 2000, the situation improved and exports increased to 20.2 percent of food output. Due to complicated environment for food products sales abroad, they were oversupplied domestically; this caused a decrease in food prices and even in the whole index of inflation.

Despite various barriers, the qualitative Lithuanian food products have satisfactory prospects to compete in the West. Nevertheless, it is a long process to achieve acknowledgement in the markets of pampered by choice abundance customers. Furthermore, the radical progress of the Russian economy might promote the expansion of food exports to the East. Statistics for the beginning of 2000 already points to the improvement. In the first quarter, as compared with the respective period of last year, total exports of food and agricultural products increased by even 20.7 percent.

The Lithuanian economic recovery should also have a positive effect on the expansion of food industry by predetermining a rise in domestic consumption.

**Production Sales Volume
of Food and Beverages Industry**
(LTL million)



Dairy Products

According to the detailed analysis of food industry's components, currently, the sector of milk products undergoes particularly severe difficulties. Although turnover of the biggest milk product enterprises expanded during the first months of 2000, their profit was lesser, as compared with the corresponding period of last year.

From January to March, gross sales of milk enterprises rose by 11.3 percent, as compared with the respective interval of last year. Turnover of *Rokiškio Sūris* constituted LTL 55.5 million (in the analogous period of last year, LTL 39.4 million), *Žemaitijos Pienas* – LTL 39.1 million (LTL 33.0 million), *Pieno Žvaigždės* – LTL 41.8 million (LTL 32.6 million), *Biržų Akcinė Pieno Bendrovė* together with *Vilniaus Pienas* and *Panevėžio Pienas* – LTL 33.8 million. In the period from January to May, *Rokiškio Sūris* turnover reached LTL 95.2 million, i.e. was 46.0 percent higher than in the respective period of last year.

Profits of all milk industry's enterprises shrank during the first quarter of 2000, as compared with the analogous quarter of 1999. Net profits of *Rokiškio Sūris* accounted for LTL 5.1 million (a year ago, LTL 6.0 million), *Žemaitijos Pienas* – LTL 0.68 million (LTL 0.76 million), *Pieno Žvaigždės* – LTL 0.25 million (LTL 0.6 million). *Biržų Akcinė Pieno Bendrovė* worked unprofitably and encountered LTL 4.7 million losses. *Šiaulių Pienas* (bankruptcy case started) and *Marijampolės Pieno Konservai* suffered considerable losses, too.

Unpaid export subsidies and minimal prices of milk buying up regulated by the state are some of the main reasons for the complicated financial position of the sector. Not long ago, the government declared that direct subsidies are the most expedient way to support the milk products sector, while concrete prices of milk buying up should be negotiated between milk producers and processors.

Sector of Beverages

Last year, the sector of beverages operated satisfactory. Sales of *Alita*, *Anykščių Vynas* and *Stumbras* dropped; only *Vilniaus Degtinė* increased its sales by 20 percent. Profits of the sector shrank by 9 percent.

In the first months of 2000, no characteristics of improvement are observable. In the period from January to April, sales of *Anykščių Vynas* totalled LTL 25.6 million or 7.6 percent less than in the analogous interval of last year. *Alita* was not very successful, too. Its turnover fell from LTL 14.3 million in the first quarter of 1999 to LTL 11.9 million in the first quarter of 2000. In the first three months of this year, *Alita* gained no profits. Activities of the company were negatively effected by the excise tax regulations, which favour beer production more than stronger alcoholic beverages. Nevertheless, in May, *Alita* expanded its operations by selling beverages for 11.2 percent more (LTL 7.2 million) than in the corresponding month of last year.

Beer Sector

High competitiveness level exists in the **beer sector**. Breweries are urged to renovate technologies, introduce new brands and improve product quality. Essentially, last year the sector operated successfully, though *Ragutis* worked unprofitably and *Kalnapolis* profits shrank from LTL 25 million to LTL 10 million.

The prospects of beer industry are bright, because opportunities for exports as well as domestic beer consumption are expanding. Furthermore, the existing system of excise taxes is favourable (in the future, it is planned to increase excise taxes on beer).

The results of beer industry for the first quarter of 2000 are optimistic. In spring, *Kalnapolis* introduced 6 new beer brands. Sales of the brewery in May reached the record level of 557 thousand decalitres (or 48.7 percent more than in April) over lately five years.

Švyturys located in Klaipėda ranked the second by production sales. From January to May, the brewery sold 2.037 million decalitres of beer and its market share accounted for 26.6 percent. In June, *Švyturys* was acknowledged on a world scale by being awarded the silver medal in the World Cup of Beer Championship. Over the first four months of this year, turnover of the brewery increased by 34.2 percent, as compared with the corresponding period of last year. The largest problem of the company is limited production capacity, which does not allow satisfying excess demand for its products.

In the period from January to April, as compared with the respective period of 1999, turnover of *Utenos Alus* grew 2 times. *Vilniaus Tauras* is attempting to chase its competitors and is planning to invest LTL 10 million in production renovation. From January to April, the brewery sold 551 million decalitres of beer and its market share amounted to 10.3 percent.

BIRŽŲ AKCINĖ PIENO BENDROVĖ

NACIONALINĖ VERTYBINIŲ POPIERIŲ BIRŽA

DAIRY PRODUCTS

| | |
|----------|----------------------------|
| Address: | Parodos g. 21, 5280 Biržai |
| Phone: | (370-20) 31251 |
| Fax: | (370-20) 31747 |
| E-mail: | bapb@post.omnitel.net |

| | |
|----------------------------|------------|
| Registration date: | 31.03.1992 |
| Registration code: | 5474961 |
| Established: | 1926 |
| Privatised: | 1992 |
| Number of employees: | 775 |
| Authorised capital: | LTL 44.3m |
| Capitalisation (30.06.00): | LTL 6.1m |

| | |
|---------------|------------------------|
| Auditor: | PricewaterhouseCoopers |
| Trading List: | Current |

Supervisory Board (participation in the company):

Janina Krūminienė, Chairwoman (0.007%), Vaidotas Bagdonas (0.006%), Feliksas Grunskis (0.01%), Egidijus Karpavičius (0.03%), Algirdas Antanas Tauras (0.05%)

Management Board (participation in the company):

Vladas Songaila, Chairman (0.18%), Raimonda Ajutienė (0.02%), Genovaitė Gabriūnienė (0.03%)

Managing Director (participation in the company):

Vladas Songaila, Chairman (0.18%)

Contact Person: Audronė Kairienė, Marketing Director, tel. (370-2) 790947

STRUCTURE OF OWNERSHIP

| | |
|----------------------------------|--------|
| Bankers Trust Company (New York) | 52.13% |
| Bank of Bermuda (Guernsey) | 5.57% |

CORPORATE HISTORY

The company's predecessor was established in 1926 as a joint stock company. In 1945 it was nationalised and subsequently integrated into a group of dairies under the name of PANEVĖŽIO PIENO KOMBINATAS. However, in 1991 the company split from this group and became a milk-processing state enterprise BIRŽŲ PIENO PERDIRBIMO ĮMONĖ.

In March 1992, the company underwent privatisation and was registered in the Register of Enterprises as a joint stock company with the authorised capital of LTL 180,285 (36,057 shares at LTL 5 par). Later the size of the share capital multiply changed, mainly by issuing new shares out of the company's reserves (profit or revaluation reserves) and distributing them among shareholders in proportion with their holdings. In December 1996, BIRŽŲ AKCINĖ PIENO BENDROVĖ issued 4.8m shares out of additional contributions and sold them for LTL 24m to foreign investors.

In 1997 BIRŽŲ AKCINĖ PIENO BENDROVĖ acquired Kauno Sūrinė (cheese-maker) and increased share capital from LTL 42.25 million to LTL 43.29 million

In 1999 the company increased its authorised capital out of supplementary contributions to LTL 44.3m by issuing 206,333 ORS at LTL 5 par.

Year after year, the company invested substantial amounts into production and know-how seeking to enrich the assortment. As a result, the annual output of dairy products kept growing: in 1992 the company produced and realised its production for LTL 10.28m, in 1993 this figure tripled to LTL 35.90m, in 1994 and 1995 sales totalled LTL 51.60m and 83.7m respectively, in 1996 the company generated LTL 99.40m revenue, while in 1997 sales reached LTL 128.7 million.

In summer 1997, the International Economic Forum granted BIRŽŲ AKCINĖ PIENO BENDROVĖ certificate of The Most Rapidly Growing Manufacturer in Central and Eastern Europe.

In 1998 BIRŽŲ AKCINĖ PIENO BENDROVĖ won AB Vilniaus Pienas (dairy) privatisation competition and acquired 70% of the company's shares for LTL 16m. At the end of 1998 the company bought up 10% of AB Panevėžio Pienas (dairy) share capital.

BUSINESS ACTIVITY

The company's principal activity is manufacture of dairy products. BIRŽŲ AKCINĖ PIENO BENDROVĖ produces dry milk powder (4201 t in 1997, 3189 t in 1998, 2025 t in 1999), sour cream and cream (2830 t in 1997, 2467 t in 1998, 3098 t in 1999), butter (2404 t in 1997, 2701 t in 1998, 2771 t in 1999), curd (1479 t in 1997, 1671 t in 1998, 1237 t in 1999), milk (8710 t in 1997, 16,686 t in 1998, 10,121 t in 1999), aged cheese Feta (702 t in 1997, 398 t in 1998, 976 t in 1999), sour milk products (1780 t in 1997, 1418 t in 1998, 1035 t in 1999), yoghurt (692 t in 1997, 481 t in 1998, 257 t in 1999).

The company's production constitutes about 18% of the Lithuanian dairy market. The share of production sold in Lithuania was constantly growing from 45% in 1993 to 72% in 1999. The production is delivered to over 3100 shops in Lithuania. About 38% of the company's income is received from the large buyers in the main Lithuanian cities: Vilnius, Kaunas, and Klaipėda.

Structure OF SHARE CAPITAL

| | |
|------------------|--|
| Share capital: | LTL 44,323,330 |
| Ordinary shares: | 8864666 registered shares at LTL 5 par (security code 10923) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 24.07.95, listed on the Official List on 12.05.97) |

BIRŽŲ AKCINĖ PIENO BENDROVĖ has the EU veterinary licence which was expanded in 1999 and now permits the company to export its dairy products to the EU. The Orthodox Union awarded the company with the kosher certificate permitting the export to the USA and Canada. BIRŽŲ AKCINĖ PIENO BENDROVĖ exports its products to CIS countries, EU countries, the USA, Japan, and Latvia. Export of milk powder, milk albumen concentrate, butter, cheese, and fresh milk products accounts for the largest export volumes.

During 1998 the company bought up 110thou t of milk. The company strives to get the highest quality milk. Therefore, milk buying centres are provided with refrigerators. Having milk keeping conditions improved, the amount of the collected highest quality milk has been increasing rapidly during the recent years.

DEVELOPMENTS IN 1999

In 1999, the company's production and sales volumes accounted for LTL 145.8m. The Brazilian crisis that intensified at the beginning of 1999 had a negative impact on the international prices of dairy products and reduced possibilities of profitable export. BIRŽŲ AKCINĖ PIENO BENDROVĖ suffered a loss of LTL 8m (cf profit of LTL 1.9m in 1998).

In 1999 the company, together with partners, acquired 42% of AB Panevėžio Pienas shares. BIRŽŲ AKCINĖ PIENO BENDROVĖ has received a permit from the Competition Council of the Republic of Lithuania to purchase 75% of AB Panevėžio Pienas shares.

In August 1999, BIRŽŲ AKCINĖ PIENO BENDROVĖ signed Memorandum of Co-operation with the International Finance Corporation (IFC). IFC is considering the possibility to render technical assistance to farmers and to other milk suppliers of BIRŽŲ AKCINĖ PIENO BENDROVĖ as well as possibilities regarding financial collaboration with the company. IFC may invest by acquiring a new share issue of the company or by extending a loan.

In 1999 the company's authorised capital was increased from LTL 43.29m to LTL 44.3m by issuing 206,333 ORS at LTL 5 par. The long time partner of BIRŽŲ AKCINĖ PIENO BENDROVĖ Molkereigesellschaft Lauingen mbH was granted 193,333 ORS for the casein production provided for the company. The investor will assist in realisation of the produced casein. The production capacity of the line is 1440 tons of casein per year. Fayrefield FoodTee Scandinavia A/S. acquired 13,000 shares for LTL 78thou.

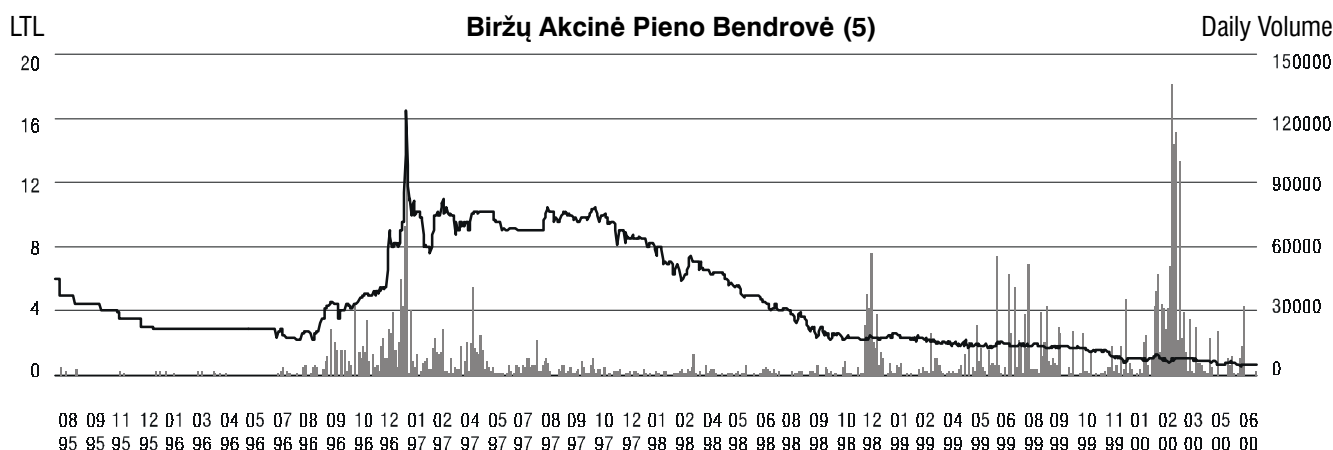
PLANS, PROSPECTS FOR 2000

BIRŽŲ AKCINĖ PIENO BENDROVĖ has concluded an agreement with Vilniaus Bankas and the finance brokerage company AB Vilfima (which is under control of the bank) regarding the search for the strategic investor.

The company's strategy for 2000 is to maintain and strengthen the position in the Lithuanian market of dairy products. BIRŽŲ AKCINĖ PIENO BENDROVĖ intends to renew assortment of whole milk products and prolong the safe selling period. In addition, the company plans to expand cheese export into Western markets.

SUBSIDIARIES

| | Authorised capital (LTL) | Participating interest |
|--------------------|--------------------------|------------------------|
| AB Vilniaus pienas | 25,101,438 | 83.37% |



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|----------|----------|-----------|-----------|
| LONG TERM ASSETS | 36055000 | 58368000 | 90054149 | 113538592 |
| SHORT TERM ASSETS | 36137000 | 28884000 | 53706911 | 37354200 |
| Stock | 9519000 | 7439000 | 20157003 | 8144293 |
| Amounts receivable within one year | 9035000 | 20198000 | 32981254 | 28945037 |
| TRANSFER ACCOUNTS | 0 | 0 | 97477 | 77667 |
| TOTAL ASSETS | 72192000 | 87252000 | 143858537 | 150970459 |
| CAPITAL AND RESERVES | 47236000 | 51453000 | 52396790 | 44503763 |
| Capital | 42251000 | 43292000 | 43291665 | 44323330 |
| Subscribed capital | 42251000 | 43292000 | 43291665 | 44323330 |
| Share premium account | 165000 | 894000 | 164886 | 371219 |
| Revaluation reserve | 0 | 0 | 447470 | 447470 |
| Reserves | 3592000 | 5486000 | 6567285 | 1809108 |
| Profit (loss) brought forward | 1228000 | 1781000 | 1925484 | -2447364 |
| Amounts payable after one year and long-term liabilities | 7200000 | 7484000 | 41913628 | 27582718 |
| Amounts payable within year and long-term liabilities | 17237000 | 25709000 | 49171960 | 78472380 |
| ACCRUED CHARGES AND DEFERRED INCOME | 519000 | 2606000 | 376154 | 411598 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 72192000 | 87252000 | 143858537 | 150970459 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|----------|-----------|-----------|-----------|
| SALES AND SERVICES | 99402000 | 128726000 | 128362307 | 145811210 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 86789000 | 111711000 | 113655426 | 134974943 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 2202000 | 2447000 | 1925485 | -8244558 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|--------------|-------------|-------------|-------------|
| PRICE (LTL) | | | | |
| First | 8.20 | 8.55 | 2.52 | 1.10 |
| Max | 16.41(01 20) | 8.55(01 05) | 2.60(01 13) | 1.31(02 03) |
| Min | 7.60(02 21) | 2.17(11 23) | 0.78(12 16) | 0.57(06 07) |
| Last | 8.55 | 2.52 | 1.10 | 0.69 |
| Change (%) | 4.27 | -70.53 | -56.35 | -37.27 |
| Number of transactions (CM) | 1836 | 1117 | 1498 | 1158 |
| Turnover CM (units) | 1139576 | 434165 | 1027099 | 1375158 |
| Turnover CM (LTL) | 11811814 | 1424664 | 1828546 | 1370032 |
| Turnover BT (units) | 228034 | 140768 | 320648 | 50000 |
| Turnover BT (LTL) | 2192085 | 475907 | 622899 | 52500 |
| CM turnover as % in total | 83.33 | 75.52 | 76.21 | 96.49 |
| Total turnover (units) | 1367610 | 574933 | 1347747 | 1425158 |
| Total turnover (LTL) | 14003899 | 1900572 | 2451445 | 1422532 |
| Turnover ratio (%) | 16.18 | 6.64 | 15.20 | 16.08 |
| As % in the total share turnover | 1.46 | 0.21 | 0.20 | 0.68 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|----------|--------|---------|-----------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 2.04 | 1.02 | 1.09 | 0.47 |
| Quick ratio | 1.50 | 0.76 | 0.68 | 0.37 |
| Net working capital (LTL thou) | 18381000 | 569000 | 4256274 | -41452111 |
| Net working capital to total assets | 0.25 | 0.01 | 0.03 | -0.27 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.02 | 0.02 | 0.02 | -0.06 |
| Return on assets (%) | 0.03 | 0.03 | 0.01 | -0.05 |
| Return on equity (%) | 0.05 | 0.05 | 0.04 | -0.19 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.35 | 0.41 | 0.64 | 0.71 |
| Debt / equity ratio | 0.53 | 0.70 | 1.75 | 2.39 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 10.94 | 13.18 | 8.24 | 9.54 |
| Receivables turnover | 13.42 | 8.81 | 4.83 | 4.71 |
| Net working capital turnover | 5.41 | 226.23 | 30.16 | -3.52 |
| Long-term assets turnover | 2.76 | 2.21 | 1.43 | 1.28 |
| Total assets turnover | 1.38 | 1.48 | 0.89 | 0.97 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|-------|-------|-------|-------|
| Capitalisation (LTL thou) | 29932 | 72249 | 21819 | 9,751 |
| Share book value (LTL) | 5.64 | 5.57 | 6.05 | 5.02 |
| Price / book value ratio (P/BV) | 1.45 | 1.54 | 0.42 | 0.22 |
| Earnings per share (LTL) | 0.22 | 0.28 | 0.22 | -0.93 |
| Price / earnings ratio (P/E) | 36.60 | 30.25 | 11.33 | - |
| Dividend per share (LTL) | - | - | 0.10 | - |
| Dividend yield | - | - | 0.04 | - |
| Dividend payout ratio | - | - | 0.45 | - |

MARIJAMPOLĖS PIENO KONSERVAI

NACIONALINĖ VERTYBINIŲ POPIERIŲ BIRŽA

(CANNED) DAIRY PRODUCTS

| | |
|----------|--------------------------------|
| Address: | Kauno g. 114, 4520 Marijampolė |
| Phone: | (370-43) 71420, 71620 |
| Fax: | (370-43) 73731 |

| | |
|----------------------------|------------|
| Registration date: | 22.11.1990 |
| Registration code: | 5100463 |
| Established: | 1978 |
| Privatised: | 1995 |
| Number of employees: | 1349 |
| Authorised capital: | LTL 44m |
| Capitalisation (30.06.00): | LTL 13.4m |

| | |
|---------------|----------------------------------|
| Auditor: | TŪB J. Kabašinskas ir Partneriai |
| Trading List: | Unlisted |

Supervisory Board (no participation in the company):

Regina Motiejūnienė, Chairwoman,
Raimondas Sedlevičius, Monika Kerzienė, Giedrė Aleknaitytė,
Henrikas Braškys, Marytė Svitojienė.

Managing Director (no participation in the company): Zenonas Skibinauskas

Contact Person: Ilma Bieliakaitė, Secretary, tel. (370-43) 71420

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 3551 |
| State Property Fund | 48.90% |

CORPORATE HISTORY

MARIJAMPOLĖS PIENO KONSERVAI, a milk processing plant, was built in 1978. It specialised in production of canned milk, butter, and whole milk products. In 1995 the state company was reorganised into a public limited company with the authorised capital of LTL 56.8m, out of which 84% belonged to the state, 15.7% to employees, and 0.3% to farmers. In March 1996, the authorised capital was increased to LTL 63m (74.69% belonged to the state).

With the acquisition of Prienų Dairy in 1997, the company's share capital augmented by LTL 0.9 million and constituted LTL 63.9m, including 48.86% held by the state, 36.6% by farmers and 14.54% by other individuals.

BUSINESS ACTIVITY

MARIJAMPOLĖS PIENO KONSERVAI is the largest manufacturer of dairy products in the Baltic region. The company produces canned milk of 6 types, butter, ice-cream, whole milk products, powdered skim milk, casein, ultra heat treated milk, natural instant coffee, dry soluble products, aged cheese, juice, and non-alcoholic beverages.

The company encompasses 6 dairies, Kalvarija shop, Belvédėrio Sūrinė (cheese-maker), and 208 purchase centres for buying up raw milk. The main administrative unit of the company is located in Marijampolė.

There are some types of products, namely, all types of canned milk, instant coffee, various dry soluble products, to which the company has no rivals among Lithuanian companies.

The bulk of MARIJAMPOLĖS PIENO KONSERVAI production is sold on Lithuanian market. Previously, the company used to export 80% of its output but now export accounts for just 20-30% of total sales and the local market is of primary importance.

In 1999, the company bought up 113thou tons of base milk from 8 regions of south-western Lithuania. Average fat level of the bought up milk is of 3%. There are 29 agricultural companies and about 12,500 individual suppliers that deliver milk for MARIJAMPOLĖS PIENO KONSERVAI.

DEVELOPMENTS IN 1999

In 1999, the company produced 23m milk cans (30.9m in 1998), 3191 t of butter (5446 t in 1998), 4189 t of skim milk powder (4881 t in 1998), 9448 t of whole milk products (12350 t in 1998), 200 t of ultra heat treated milk (695 t in 1998), 4361 t of skim milk products (4614 t in 1998), and 265 t of other products (ice-cream, aged cheese, etc). The total production of the company accounted for LTL 117m (by 30% less than in 1998).

The company generated sales and services of LTL 81.3m (cf. LTL 162.5m in 1998). In 1999, the company suffered a loss of LTL 21.8m (LTL 8m in 1998).

In April 1999, the shareholders' meeting decided to reduce the authorised capital by LTL 19.78m in order to eliminate the difference between own and authorised capital.

PLANS, PROSPECTS FOR 2000

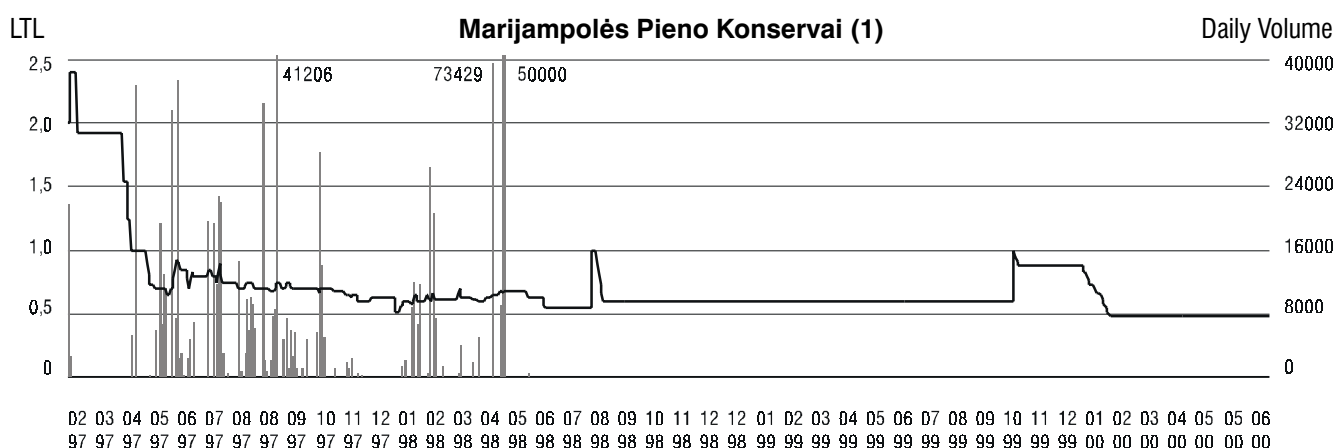
At the beginning of 2000, the general shareholders' meeting passed a decision to increase the company's authorised capital by LTL 19.3m by issuing 19,304,625 ORS at LTL 1 par.

Structure OF SHARE CAPITAL

| | |
|-----------------------------------|---|
| Share capital: | LTL 44,141,731 |
| Ordinary shares: | 27,876,232 registered shares at LTL 1 par (security code 11474) accounting for 63.15% of the auth. capital (admitted to trading at the NSEL on 10.02.97) |
| Preference shares: | 83,817 registered shares at LTL 1 par with 5% non-cumulative dividend (security code 12277) accounting for 0.19% of the auth. capital (admitted to trading at the NSEL on 01.06.1998) |
| Shares of agricultural producers: | 16,181,982 shares at LTL 1 par (security code 11475) accounting for 36.66% of the auth. capital (not admitted to trading at the NSEL) |

SUBSIDIARIES (Branch offices) Date of establishment (acquisition)

| | |
|------------------------------|------|
| Marijampolės pieninė (dairy) | 1978 |
| Virbalio pieninė (dairy) | 1981 |
| Jurbarko pieninė (dairy) | 1986 |
| Lukšių pieninė (dairy) | 1981 |
| Lazdijų pieninė (dairy) | 1981 |
| Prienų pieninė (dairy) | 1996 |



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|-----------|-----------|-----------|-----------|
| LONG TERM ASSETS | 81482547 | 88502306 | 88801860 | 80706244 |
| SHORT TERM ASSETS | 46909555 | 50042127 | 45896916 | 41347031 |
| Stock | 25407424 | 29762747 | 21496509 | 15700725 |
| Amounts receivable within one year | 17501883 | 18125536 | 23558818 | 24952501 |
| TRANSFER ACCOUNTS | 0 | 0 | 72651 | 37834 |
| TOTAL ASSETS | 128392102 | 138544433 | 134771427 | 122091109 |
| CAPITAL AND RESERVES | 44617741 | 52454255 | 44141731 | 22241688 |
| Capital | 63017725 | 63926843 | 63926843 | 44141731 |
| Subscribed capital | 63017725 | 63926843 | 63926843 | 44141731 |
| Share premium account | 0 | 0 | 0 | 0 |
| Revaluation reserve | 12438245 | 12438245 | 12391543 | 12377917 |
| Reserves | 810782 | 810782 | 810782 | 810782 |
| Profit (loss) brought forward | -31649011 | -24721615 | -32987437 | -35088742 |
| Amounts payable after one year and long-term liabilities | 74750159 | 66655348 | 44048277 | 41554561 |
| Amounts payable within year and long-term liabilities | 7074808 | 17920751 | 46581419 | 58294860 |
| ACCRUED CHARGES AND DEFERRED INCOME | 0 | 0 | 0 | 0 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 128392102 | 138544433 | 134771427 | 122091109 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|-----------|-----------|-----------|-----------|
| SALES AND SERVICES | 166216503 | 193816219 | 162479605 | 81336825 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 161255924 | 179733351 | 171554660 | 105699388 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 6466859 | 6927396 | -8265822 | -21836730 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|-------------|-------------|-------------|-------------|
| PRICE (LTL) | | | | |
| First | 2.00 | 0.63 | 0.60 | 0.73 |
| Max | 2.40(02 19) | 1.00(08 10) | 1.00(10 12) | 0.73(01 04) |
| Min | 0.60(12 15) | 0.52(01 19) | 0.59(04 29) | 0.48(06 30) |
| Last | 0.63 | 0.60 | 0.73 | 0.48 |
| Change (%) | -68.50 | -4.76 | 21.67 | -34.25 |
| Number of transactions (CM) | 423 | 116 | 4 | 0 |
| Turnover CM (units) | 636548 | 322321 | 30 | 0 |
| Turnover CM (LTL) | 516663 | 207340 | 26 | 0 |
| Turnover BT (units) | 149701 | 539625 | 105633 | 504 |
| Turnover BT (LTL) | 123559 | 330794 | 36964 | 101 |
| CM turnover as % in total | 80.96 | 37.39 | 0.03 | 0 |
| Total turnover (units) | 786249 | 861946 | 105663 | 504 |
| Total turnover (LTL) | 640222 | 538134 | 36990 | 101 |
| Turnover ratio (%) | 2.27 | 2.13 | 0.38 | 0 |
| As % in the total share turnover | 0.07 | 0.06 | 0 | 0 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|----------|----------|---------|-----------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 6.63 | 2.79 | 0.99 | 0.71 |
| Quick ratio | 3.04 | 1.13 | 0.53 | 0.44 |
| Net working capital (LTL thou) | 39834747 | 32121376 | -611852 | -16909995 |
| Net working capital to total assets | 0.31 | 0.23 | 0.00 | -0.14 |

| PROFITABILITY RATIOS | 1996 | 1997 | 1998 | 1999 |
|-----------------------------|------|------|-------|-------|
| Profit margin (%) | 0.04 | 0.04 | -0.05 | -0.27 |
| Return on assets (%) | 0.05 | 0.05 | -0.06 | -0.18 |
| Return on equity (%) | 0.14 | 0.13 | -0.19 | -0.98 |

| FINANCIAL LEVERAGE RATIOS | 1996 | 1997 | 1998 | 1999 |
|----------------------------------|------|------|------|------|
| Total debt ratio | 0.65 | 0.62 | 0.67 | 0.82 |
| Debt / equity ratio | 1.88 | 1.64 | 2.05 | 4.49 |

| ASSETS UTILISATION RATIOS | 1996 | 1997 | 1998 | 1999 |
|----------------------------------|------|-------|---------|-------|
| Inventory turnover | 6.61 | 6.52 | 6.69 | 5.68 |
| Receivables turnover | 9.86 | 10.88 | 7.80 | 3.35 |
| Net working capital turnover | 4.17 | 6.03 | -265.55 | -4.81 |
| Long-term assets turnover | 2.04 | 2.19 | 1.83 | 1.01 |
| Total assets turnover | 1.29 | 1.40 | 1.21 | 0.67 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|------|-------|-------|-------|
| Capitalisation (LTL thou) | - | 21817 | 24233 | 20350 |
| Share book value (LTL) | 0.71 | 0.82 | 0.69 | 0.50 |
| Price / book value ratio (P/BV) | - | 0.77 | 0.87 | 1.45 |
| Earnings per share (LTL) | 0.10 | 0.11 | -0.13 | -0.37 |
| Price / earnings ratio (P/E) | - | 5.81 | - | - |
| Dividend per share (LTL) | - | - | - | - |
| Dividend yield | - | - | - | - |
| Dividend payout ratio | - | - | - | - |

DAIRY PRODUCTS

| | |
|----------|-----------------------------|
| Address: | Tinklų g. 9, 5319 Panevėžys |
| Phone: | (370-5) 502064 |
| Fax: | (370-5) 502073 |
| E-mail: | l.p.p.pienas@takas.lt |

| | |
|----------------------------|------------|
| Registration date: | 22.06.1995 |
| Registration code: | 4702212 |
| Established: | 1942 |
| Privatised: | 1996 |
| Number of employees: | 793 |
| Authorised capital: | LTL 28m |
| Capitalisation (30.06.00): | LTL 20.4m |

| | |
|---------------|-------------------------|
| Auditor: | UAB Pačiolio auditoriai |
| Trading List: | Current |

Management Board (participation in the company):

Vidas Jelinskas, Chairman (0%),
 Albertas Balčiūnas (0.25%), Ignas Grudzinskas (0%), Alvydas Misiūnas (0%),
 Egidijus Bobinas (0%), Dalius Trumpa (0%), Audrius Zalatoris (433 shares)

Managing Director (participation in the company): Raimundas Mickūnas (0%)

Contact Person: Dangira Mikoliūnaitė, Secretary, tel. (370-5) 502064

STRUCTURE OF OWNERSHIP

| | |
|--|--------|
| Total number of shareholders amounts to | 2187 |
| Zigmantas Juškys | 22.26% |
| AB Biržų akcinė pieno bendrovė | 19.26% |
| UAB VB Rizikos kapitalo valdymas (risk capital management) | 8.89% |

CORPORATE HISTORY

The dairy was established in 1942 as a state-owned company. By 1996 it was fully transformed into a public limited company with no residual holdings retained by the state.

In March 1997, the general shareholders' meeting decided to raise the share capital out of the company's reserves by LTL 10 million. In December, 103,960 ordinary registered shares (ORS) acquired by farmers were converted into shares of agricultural producers.

In March 1998, the authorised capital of the company was increased by LTL 8m out of the company's funds by additionally issuing 4,033,074 ORS at LTL 2 par. At present, the authorised capital of the company equals LTL 28m. It is split into 9,104,840 ORS at LTL 2 par and 5,010,920 shares of agricultural producers at LTL 2 par.

BUSINESS ACTIVITY, LATEST DEVELOPMENTS

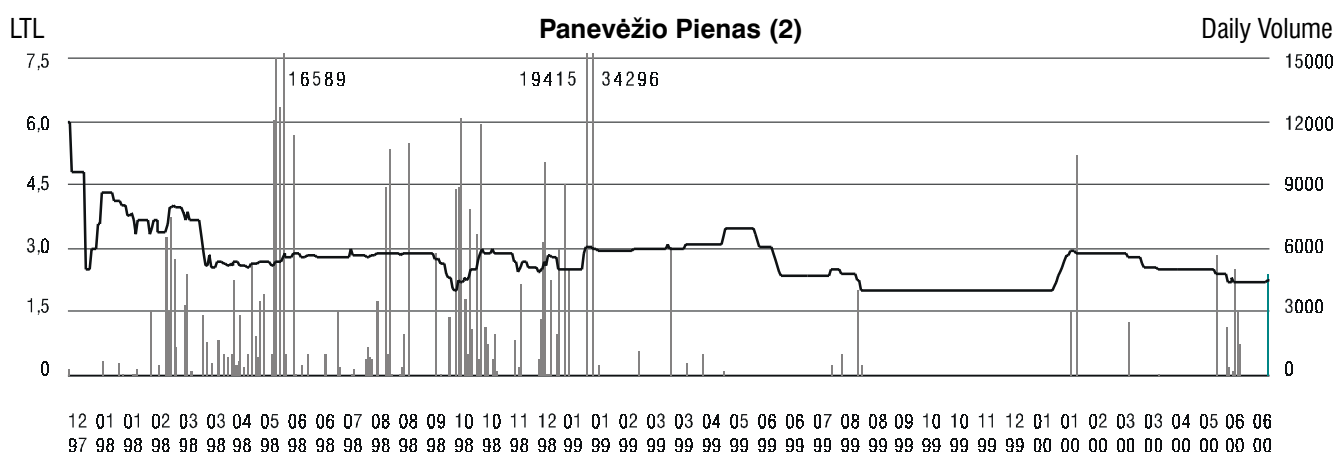
The company produces butter (12.3%), aged cheese (10.9%), ice-cream (13.8%), whole milk products (47%), skim-milk cheese, peptide (10.8%). Over 1999, PANEVĖŽIO PIENAS produced 1589 tons of butter, 964 tons of aged cheese, 36184 tons of whole milk products, 1685 tons of ice-cream, and 1310 tons of peptide and skimmed cheese. The company exports 22.7% of ice-cream, 49.97% of cheese, 69.88% of butter, 2.1% of whole milk products to Russia and other CIS countries, Germany, the Netherlands, France, Great Britain, Estonia, Latvia, Austria. Peptide and casein were exported to the Western European countries.

The principal raw material used in the production is bought in Lithuania. Various labels, package, peanuts, ice-cream filling are the main imported materials. They are brought in from Finland, Poland, Denmark, Latvia, Greece, and Sweden.

In 1999, PANEVĖŽIO PIENAS sales constituted LTL 72m (cf LTL 100m in 1998), and the company suffered a loss of LTL 1m (LTL 7.8m profit in 1998).

Structure OF SHARE CAPITAL

| | |
|-----------------------------------|--|
| Share capital: | LTL 28,231,520 |
| Ordinary shares: | 9104840 registered shares at LTL 2 par (security code 11311) accounting for 64.5% of the auth. capital (admitted to trading at the NSEL on 08.12.97) |
| Shares of agricultural producers: | 5010920 shares at LTL 2 par (security code 11312) accounting for 35.5% of the auth. capital (not admitted to trading at the NSEL) |



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|----------|----------|----------|----------|
| LONG TERM ASSETS | 14755615 | 17646492 | 23749905 | 25852117 |
| SHORT TERM ASSETS | 15417756 | 18746334 | 20030760 | 19083771 |
| Stock | 8357064 | 13236200 | 12876493 | 8672791 |
| Amounts receivable within one year | 5277837 | 4255785 | 6491962 | 10020820 |
| TRANSFER ACCOUNTS | 12722 | 63304 | 15322 | 9238 |
| TOTAL ASSETS | 30186093 | 36456130 | 43795987 | 44945126 |
| CAPITAL AND RESERVES | 26064771 | 32551854 | 37900628 | 36777495 |
| Capital | 10144267 | 20165372 | 28231520 | 28231520 |
| Subscribed capital | 10144267 | 20165372 | 28231520 | 28231520 |
| Share premium account | 0 | 0 | 0 | 0 |
| Revaluation reserve | 0 | 0 | 0 | 0 |
| Reserves | 12099223 | 2016537 | 9106879 | 9106879 |
| Profit (loss) brought forward | 3821281 | 10369945 | 562229 | -560904 |
| Amounts payable after one year and long-term liabilities | 0 | 0 | 0 | 0 |
| Amounts payable within year and long-term liabilities | 4121322 | 3904276 | 5895359 | 8167631 |
| ACCRUED CHARGES AND DEFERRED INCOME | 0 | 0 | 0 | 0 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 30186093 | 36456130 | 43795987 | 44945126 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|----------|----------|-----------|----------|
| SALES AND SERVICES | 76630669 | 86027537 | 100824909 | 72107309 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 61971727 | 70303779 | 84265060 | 61227186 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 8042851 | 8430558 | 7801111 | -1123133 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|-------------|-------------|-------------|-------------|
| PRICE (LTL) | | | | |
| First | 6.00 | 3.00 | 2.50 | 2.03 |
| Max | 6.00(12 10) | 4.30(01 14) | 3.50(05 28) | 2.93(02 01) |
| Min | 2.50(12 29) | 2.00(10 08) | 2.03(12 30) | 2.13(01 18) |
| Last | 3.00 | 2.50 | 2.03 | 2.24 |
| Change (%) | -50.00 | -16.67 | -18.80 | 10.34 |
| Number of transactions (CM) | 11 | 489 | 77 | 38 |
| Turnover CM (units) | 330 | 333739 | 74223 | 38944 |
| Turnover CM (LTL) | 1875 | 935056 | 217048 | 98514 |
| Turnover BT (units) | 4866 | 3573235 | 8331178 | 3838052 |
| Turnover BT (LTL) | 15231 | 13063522 | 32272735 | 16833720 |
| CM turnover as % in total | 6.35 | 8.54 | 0.88 | 1.00 |
| Total turnover (units) | 5196 | 3906974 | 8405401 | 3876996 |
| Total turnover (LTL) | 17106 | 13998578 | 32489783 | 16932234 |
| Turnover ratio (%) | 0.10 | 42.91 | 92.32 | 42.58 |
| As % in the total share turnover | 0 | 1.57 | 2.63 | 8.10 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|----------|----------|----------|----------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 3.74 | 4.82 | 3.40 | 2.34 |
| Quick ratio | 1.72 | 1.43 | 1.22 | 1.28 |
| Net working capital (LTL thou) | 11309156 | 14905362 | 14150723 | 10925378 |
| Net working capital to total assets | 0.37 | 0.41 | 0.32 | 0.24 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.11 | 0.10 | 0.08 | -0.02 |
| Return on assets (%) | 0.27 | 0.23 | 0.18 | -0.03 |
| Return on equity (%) | 0.31 | 0.26 | 0.21 | -0.03 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.14 | 0.11 | 0.13 | 0.18 |
| Debt / equity ratio | 0.16 | 0.12 | 0.16 | 0.22 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 8.23 | 6.51 | 6.45 | 5.68 |
| Receivables turnover | 15.97 | 18.05 | 18.76 | 8.73 |
| Net working capital turnover | 6.78 | 5.77 | 7.13 | 6.60 |
| Long-term assets turnover | 5.19 | 4.88 | 4.25 | 2.79 |
| Total assets turnover | 2.54 | 2.36 | 2.30 | 1.60 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|------|-------|-------|--------|
| Capitalisation (LTL thou) | - | 15215 | 22762 | 18,483 |
| Share book value (LTL) | 2.57 | 3.23 | 2.68 | 2.61 |
| Price / book value ratio (P/BV) | - | 0.93 | 0.93 | 0.78 |
| Earnings per share (LTL) | 0.79 | 0.84 | 0.55 | -0.08 |
| Price / earnings ratio (P/E) | - | 3.59 | 4.52 | - |
| Dividend per share (LTL) | 0.10 | 0.10 | 0.14 | - |
| Dividend yield | - | 0.03 | 0.06 | - |
| Dividend payout ratio | 0.13 | 0.12 | 0.25 | - |

DAIRY PRODUCTS

| | |
|----------|--------------------------|
| Address: | Laisvės pr. 125, Vilnius |
| Phone: | (370-2) 481528 |
| Fax: | (370-2) 481434 |

| | |
|--------------------|------------|
| Registration date: | 23.12.1998 |
| Registration code: | 41774105 |
| Established: | 1998 |

| | |
|----------------------------|-----------|
| Number of employees: | 1396 |
| Authorised capital: | LTL 41.7m |
| Capitalisation (30.06.00): | LTL 18.9m |

| | |
|---------------|---------------------------------|
| Auditor: | TŪB J.Kabašinskas ir partneriai |
| Trading List: | Current |

Management Board:

Voldemaras Klovas, Chairman (5.2%), Julius Kvaraciejus (7.48%), Virginijus Jankauskas (2.7%), Aleksandras Smaginas (4.85%), Valentinas Paura (0.29%), Kristina Mileiko (0.79%), Regina Kvaraciejienė (0.15%), Arnoldas Burkovskis (0%)

Managing Director (participation in the company): Julius Kvaraciejus (7.48%)

Contact Person: Kristina Mileiko, Director of UAB Agrolitas Imeks Lesma, tel. (370-2) 481438, 481525

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 4710 |
| ŽŪKB Smilgelė | 12.07% |
| UAB Agrolitas Imeks Lesma | 9.99% |
| Julius Kvaraciejus | 7.48% |
| Trigon Capital AS | 6.68% |
| Voldemaras Klovas | 5.20% |

CORPORATE HISTORY

PIENO ŽVAIGŽDĖS was founded in 1998 by merging MAŽEIKIŲ PIENINĖ and PASVALIO SŪRIAI. MAŽEIKIŲ PIENINĖ was registered with the municipality of Mažeikiai region in 1990, the amended Articles of Association were re-registered in 1997. The authorised capital of the company constituted LTL 14.8m. PASVALIO SŪRIAI was registered with the municipality of Pasvalys region in 1994. The amended Articles of Association were re-registered in May 1998. The authorised capital of the company amounted to LTL 15.87m.

The authorised capital of PIENO ŽVAIGŽDĖS makes up LTL 41.77m, it is divided into 31,431,502 ordinary registered shares at LTL 1 par and 10,342,603 shares of agricultural producers (at LTL 1 par). Former shareholders of MAŽEIKIŲ PIENINĖ received 62%, and those of PASVALIO SŪRIAI got 38% of PIENO ŽVAIGŽDĖS shares. The company was registered with the municipality of Vilnius in December 1998.

BUSINESS ACTIVITY, LATEST DEVELOPMENTS

The main activity of the company is milk processing and production of dairy products. In 1999 PIENO ŽVAIGŽDĖS produced 3433 tons of butter, 321 tons of skimmed cheese, 4897 tons of aged cheese, 53thou tons of whole milk products, 3480 tons of skimmed milk powder, 1800 tons of whole milk powder.

In 1999, the company's activity was orientated towards production of whole milk products which, as compared with 1998, augmented by 15.6%. Since butter production is unprofitable for the company, whole milk powder was launched into production. In addition, last year PIENO ŽVAIGŽDĖS launched production of new sorts of butter, milk, sour cream, kefir, and sour milk drink Ūpas with fruit and berries. At the Tauragė shop, aged cheese Atletas (fat: 45% per cent), Svalia (fat: 30% per cent), and Tauragės (fat: 30% per cent) were introduced. Pasvalio Sūrinė started producing dry whey powder, aged cheese Dvaro (fat: 50 per cent), sour cream Svalia (fat: 15 per cent). Last year, at the event Lithuanian Product of the Year organised by the Confederation of Lithuanian Industrialists the sour milk drink Ūpas and the aged cheese Svalia were awarded medals.

At the end of 1999 Pasvalio Sūrinė was granted the license to export its products to the EU.

The company's production is sold in Lithuania (70%) and abroad (30%). As compared with 1998, sales in the domestic market advanced by 12.6%, and the daily output turnover in Lithuania reached approximately LTL 300thou. Dairy products are exported to the CIS and neighbouring Baltic states, milk powder - to Japan, the Netherlands, Germany, Bangladesh, Pakistan, and Poland. PIENO ŽVAIGŽDĖS exports 91% of whole milk powder, 81% of produced aged cheese, 55% of dry whey powder, 51% skimmed milk powder. The realisation of the production is carried out on the basis of short term contracts.

In 1999 PIENO ŽVAIGŽDĖS bought up 15% (177thou tons) of the total amount of milk bought up in Lithuania. Agricultural companies and farmers of North Lithuania are the main milk suppliers. The company purchases milk from 54 agricultural enterprises, 24 individual enterprises, 145 stationary centres. Small farmers supply 83% of raw milk. The majority of other ingredients (salt, sugar, jam, oil, spicery, and ferments) used in the production process come from Lithuanian suppliers as well as from Latvia and Denmark.

In 1999 the income from the main activity of the company amounted to LTL 147m, PIENO ŽVAIGŽDĖS gained LTL 5m of net profit, which is by LTL 1.6m less than in 1998. Low prices of aged cheese, butter, and skimmed milk powder account for the profit decrease.

In 1999 PIENO ŽVAIGŽDĖS acquired 50.3% of AB Kauno Pienas shares for LTL 3.65m.

PLANS, PROSPECTS FOR 2000

The company cares about the quality of the supplied milk, therefore, it intends to carry out major repairs in all milk buying centres and provide them with refrigerators. It is also planned to increase export volumes to Russia and expand product assortment for the local market.

Structure OF SHARE CAPITAL

| | |
|-----------------------------------|--|
| Share capital: | LTL 41,774,105 |
| Ordinary shares: | 31431502 registered shares at LTL 1 par (security code 11167) accounting for 75.24% of the auth. capital (admitted to trading at the NSEL) |
| Shares of agricultural producers: | 10342603 registered shares at LTL 1 par (security code 11168) accounting for 24.76% of the auth. capital (not admitted to trading at the NSEL) |

| SUBSIDIARIES | Date of establishment | Authorised capital (LTL) | Participating interest |
|-----------------|-----------------------|--------------------------|------------------------|
| AB Kauno pienas | 1999 | 19,508,075 | 71.99% |

DAIRY PRODUCTS

| | |
|----------|------------------------------|
| Address: | Pramonės g. 3, 4820 Rokiškis |
| Phone: | (370-78) 51130 |
| Fax: | (370-78) 53370 |
| E-mail: | rokiskis@rsuris.lt |

| | |
|----------------------------|-------------------------|
| Registration date: | 28.02.1992 |
| Registration code: | 7305751 |
| Established: | 1966 |
| Privatised: | 1992 |
| Number of employees: | 850 (in the group 1800) |
| Authorised capital: | LTL 47.46m |
| Capitalisation (30.06.00): | LTL 95.5m |

| | |
|---------------|------------------------|
| Auditor: | PricewaterhouseCoopers |
| Trading List: | Official |

Management Board (participation in the company):

Kaj Forssell, Chairman (0%),
Vytautas Legas (0.004%), Inga Skisaker (0%),
Antanas Trumpa (21.3%), Alfonsas Sigitas Tamošiūnas (0%),
Toby Moore (0%), William Crewdson (0%), Paul Pegden Smith (0%),
Aldona Tursienė (0.3%), Dalius Trumpa (2.4%), Stasė Jasinevičienė (0.01%)

Managing Director (participation in the company):

Antanas Trumpa (21.3%)

Contact Person: Antanas Trumpa, Director General, tel. (370-78) 51130

STRUCTURE OF OWNERSHIP

| | |
|------------------------------|-------|
| EBRD | 24.9% |
| Antanas Trumpa | 21.3% |
| Bank of Bermuda (Luxembourg) | 11.7% |

CORPORATE HISTORY

The company's predecessor, a specialised state enterprise ROKIŠKIO SŪRIS, established in February 1966 was the largest cheese manufacturing company in the Baltics. In 1991, ROKIŠKIO SŪRIS was partially privatised through an initial public offering and registered as a public company. The nominal value of an ordinary registered share equalled LTL 1. In 1993 the remainder of the state's stake was sold and converted into shares with LTL 5 par. In the following year the company's assets were indexed, and the authorised capital reached LTL 11.23 million. Within 1993-1999, the share capital was raised 8 times out of supplementary contributions, twice out of the company's reserves, and 3 times due to reorganisation. In November 1997, the company issued 150thou shares represented by GDRs.

Due to constant investments ROKIŠKIO SŪRIS is a modern dairy that has the up-to-date equipment and produces aged cheese of high quality. In order to ensure a regular milk supply and strengthen the company's positions on the local market, in 1994-1998 ROKIŠKIO SŪRIS acquired 3 milk processing companies – Zarasai, Ukmergė, and Šalčininkai dairies. The company holds a 49.9% share block of UAB Utenos Pienas and a 62.7% share block of UAB Švenčionių Pieninė.

BUSINESS ACTIVITY

ROKIŠKIO SŪRIS is the leading Lithuanian dairy specialising in production of aged cheese and one of the largest food processing companies in Lithuania. The company provides 50% of all aged cheese produced in Lithuania. Besides aged cheese, ROKIŠKIO SŪRIS produces curd cheese, butter, whey protein concentrate (WPC), milk sugar, cheese spreads, and whole milk products - milk, kefir, curds. This company is the only producer of milk sugar and WPC.

As a cheese-maker, ROKIŠKIO SŪRIS is a modern company that meets European quality standards. In January 1998, ROKIŠKIO SŪRIS was granted a European Union certificate (EU veterinary code) permitting the export to the EU countries. This certificate is issued to the companies dairy products of which satisfy the EU veterinary control and quality requirements.

ROKIŠKIO SŪRIS realises its products on the local market (25%) as well as in Western countries (53%), CIS and the Baltic (22%) countries. The company exports its products to 15 countries, including the USA, the Netherlands, Russia, Cyprus, Poland, and Hungary. In 1994 company signed an agreement with the world-wide known company VONK DAIRY regarding the sale of Goja cheese and up to the present co-operation of the two companies is successful. ROKIŠKIO SŪRIS' aged cheese export constitutes 60% of the total exported aged cheese in Lithuania and 24% of the total amount of cheese sold in Lithuania. On the local Lithuanian dairy market, the company's cheese Rokiškis takes 18%.

All main raw material – fresh milk – is purchased in Lithuania. ROKIŠKIO SŪRIS buys up approximately 21% of all supplied milk in Lithuania. Over 1999, together with the subsidiaries the company bought up 132thou tons of milk. The company buys milk from 269 milk centres, 54 agricultural companies, and 19 private milk buying centres. Milk purchase-sales contracts are signed with almost 20 thousand milk producers. In order to increase the volumes of the highest quality milk, the company maintains close relations with milk suppliers by granting credits for purchase of new technology, enlargement and grading up of the cattle herds.

DEVELOPMENTS IN 1999

Despite the fact that the year 1999 was unfavourable for exporters of milk products all over the world and especially unfavourable for dairy industry of Lithuania when both small and large milk processing companies faced the bankruptcy, ROKIŠKIO SŪRIS managed to increase its share capital and to work profitably. In 1999, ROKIŠKIO SŪRIS group's sales amounted to LTL 32m, net profit reached LTL 7.27m.

Aged cheese accounts for the largest production volumes of ROKIŠKIO SŪRIS and constitutes 17472 tons, which means a 15% increase compared with 1998. In 1999 the company also produced 112 tons of cheese spread, 12thou tons of whole milk products, 2thou tons of butter, 1.6thou tons of milk sugar, and 17thou tons of WPC.

Due to unstable situation and low prices of products in the Russian market, cheese production and sales were reoriented to a more stable Western market. Sales of cheese in the Western market improved from 35% to 52% from overall sales volume, whereas sales in the Eastern market declined from 42% to 25%.

In 1999 company launched into production a new brand of milk sugar, i.e. nutritious lactose, which widely used in infant food production industry, confectionery, etc. (previously, technical lactose was produced). The niro lactose production line mounted by the Danish company GEA enables to process all the whey resulting from the cheese production process. The arrangement of the new shop cost about LTL 20m. The major markets for food lactose are foreseen in Japan, India, Korea, and other Eastern countries.

While rationalising the collection of milk, the company united the largest milk collection centres. At the end of 1999, ROKIŠKIO SŪRIS enlarged the areas of raw material in Kupiškis, Biržai, Pakruojis, and Raseiniai regions by establishing new milk buying centres and concluding agreements with new milk producers.

In 1999 ROKIŠKIO SŪRIS issued 1.4m ordinary registered shares at LTL 10 par. The shares were sold to the European Bank for Reconstruction and Development and Bank of Bermuda. The received investment amounting to LTL 40m were used to expand cheese production, promote food lactose production, and build the waste water treatment plant.

Last year 6,452 preference registered shares were converted into ordinary registered shares.

In 1999, when participating in the public auction ROKIŠKIO SŪRIS purchased 62.7% of AB Švenčionių Pieninė shares from the State Property Fund.

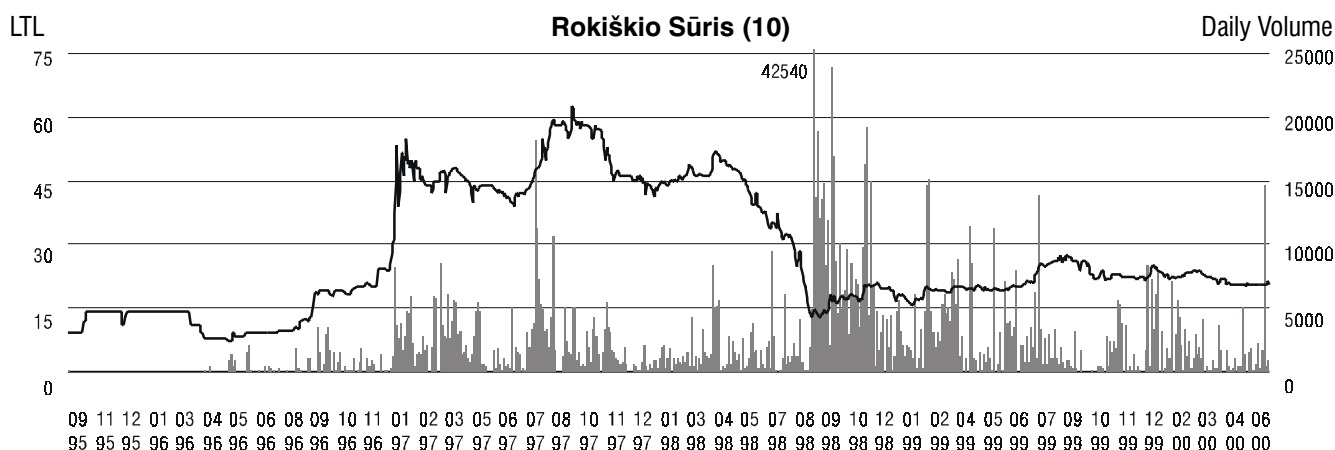
PLANS, PROSPECTS FOR 2000

The company will seek to hold up to 49.9% of raw milk market in Lithuanian, enlarge the share in the cheese market to 49.9% in Lithuania, increase cheese sales volumes by 10% in the course of the year, annually improve profitability by at least 10%, penetrate deeper into the markets of Russia and Baltic countries, and merge with other companies. The merger of ROKIŠKIO SŪRIS and AB Utenos Pienas is currently being considered.

ROKIŠKIO SŪRIS plans to introduce RVA, SVT, ISO 9001-2000 programs, the integrated control system, improve training of employees and milk producers. The company intends to specialise the production: to produce cheese and milk sugar in Rokiškis, and butter, IBK, milk powder and, if not chosen otherwise, fresh milk in Utena. The company foresees to start construction of its own waste water treatment facilities, and the work is expected to be completed in the summer of 2001. It is intended to optimise the work of procurement net by helping to establish modern milk production farms that meet the EU standards.

It is believed that since 2003 the company will be able to work for 5-7 years without any major investments, except renovation.

In January 2000, ROKIŠKIO SŪRIS was admitted to the list of the most liquid Baltic securities.



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|----------|-----------|-----------|-----------|
| LONG TERM ASSETS | 35877000 | 54263000 | 56293487 | 95950998 |
| SHORT TERM ASSETS | 39793000 | 100449000 | 92626532 | 107660531 |
| Stock | 20162000 | 53635000 | 37900844 | 54639000 |
| Amounts receivable within one year | 8970000 | 31791000 | 39015898 | 30599000 |
| TRANSFER ACCOUNTS | 0 | 0 | 70351 | 247000 |
| TOTAL ASSETS | 75670000 | 154712000 | 148990370 | 203858529 |
| CAPITAL AND RESERVES | 58120000 | 108428000 | 113557497 | 173971529 |
| Capital | 18236000 | 33235000 | 33462700 | 47462700 |
| Subscribed capital | 18236000 | 33235000 | 33462700 | 47462700 |
| Share premium account | 2237000 | 13599000 | 16803427 | 43403427 |
| Revaluation reserve | 3593000 | 4963000 | 3592773 | 3592773 |
| Reserves | 8400000 | 20349000 | 37402197 | 36541629 |
| Profit (loss) brought forward | 25654000 | 26964000 | 22296400 | 42971000 |
| Amounts payable after one year and long-term liabilities | 6624000 | 24746000 | 9428651 | 16118000 |
| Amounts payable within year and long-term liabilities | 10498000 | 21538000 | 26004222 | 13048000 |
| ACCRUED CHARGES AND DEFERRED INCOME | 428000 | 0 | 0 | 721000 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 75670000 | 154712000 | 148990370 | 203858529 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|-----------|-----------|-----------|-----------|
| SALES AND SERVICES | 123457000 | 211685000 | 204949258 | 191545000 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 104097000 | 175733000 | 174174164 | 170386000 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 10463000 | 19601000 | 22038278 | 20675000 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|--------------|--------------|--------------|--------------|
| PRICE (LTL) | | | | |
| First | 24.06 | 46.00 | 19.23 | 22.40 |
| Max | 62.68(09 29) | 52.05(04 27) | 27.63(09 13) | 25.11(01 17) |
| Min | 24.00(01 06) | 12.62(09 21) | 15.60(02 02) | 20.00(05 30) |
| Last | 46.00 | 19.23 | 22.40 | 20.65 |
| Change (%) | 91.19 | -58.20 | 16.48 | -7.81 |
| Number of transactions (CM) | 2598 | 5492 | 2159 | 899 |
| Turnover CM (units) | 415778 | 691182 | 390678 | 158527 |
| Turnover CM (LTL) | 20157258 | 15913226 | 7971360 | 3562278 |
| Turnover BT (units) | 1171344 | 1035932 | 443708 | 92474 |
| Turnover BT (LTL) | 44801117 | 34089061 | 14221043 | 2038934 |
| CM turnover as % in total | 26.20 | 40.02 | 46.82 | 63.16 |
| Total turnover (units) | 1587122 | 1727114 | 834386 | 251001 |
| Total turnover (LTL) | 64958375 | 50002287 | 22192403 | 5601211 |
| Turnover ratio (%) | 93.05 | 52.99 | 18.05 | 5.43 |
| As % in the total share turnover | 6.77 | 5.61 | 1.80 | 2.68 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|----------|----------|----------|----------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 3.64 | 4.66 | 3.56 | 7.84 |
| Quick ratio | 1.80 | 2.17 | 2.11 | 3.87 |
| Net working capital (LTL thou) | 28867000 | 78911000 | 66692661 | 94138531 |
| Net working capital to total assets | 0.38 | 0.51 | 0.45 | 0.46 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.08 | 0.09 | 0.11 | 0.11 |
| Return on assets (%) | 0.14 | 0.13 | 0.15 | 0.10 |
| Return on equity (%) | 0.18 | 0.18 | 0.19 | 0.12 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.23 | 0.30 | 0.24 | 0.15 |
| Debt / equity ratio | 0.30 | 0.43 | 0.31 | 0.17 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 5.96 | 4.76 | 3.81 | 3.68 |
| Receivables turnover | 14.57 | 10.39 | 5.79 | 5.50 |
| Net working capital turnover | 4.28 | 2.68 | 3.07 | 2.03 |
| Long-term assets turnover | 3.44 | 3.90 | 3.64 | 2.00 |
| Total assets turnover | 1.63 | 1.37 | 1.38 | 0.94 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|-------|-------|-------|---------|
| Capitalisation (LTL thou) | 37531 | 78464 | 61864 | 103,566 |
| Share book value (LTL) | 33.98 | 29.86 | 33.98 | 36.65 |
| Price / book value ratio (P/BV) | 0.71 | 1.54 | 0.57 | 0.61 |
| Earnings per share (LTL) | 6.71 | 5.91 | 6.60 | 5.27 |
| Price / earnings ratio (P/E) | 3.58 | 7.78 | 2.92 | 4.25 |
| Dividend per share (LTL) | 1.00 | 1.00 | 1.41 | 0.50 |
| Dividend yield | 0.04 | 0.02 | 0.07 | 0.02 |
| Dividend payout ratio | 0.17 | 0.17 | 0.21 | 0.09 |

Structure OF SHARE CAPITAL

| | |
|-----------------------------------|--|
| Share capital: | LTL 47,462,700 |
| Ordinary shares: | 4,623,499 registered shares at LTL 10 par (security code 10037) accounting for 97.4% of the auth. capital (admitted to trading at the NSEL on 24.07.95, listed on the Official List on 07.04.97) |
| Shares of agricultural producers: | 122,771 shares at LTL 10 par (sec. code 11667) accounting for 2.6% of the auth. capital (not admitted to trading at the NSEL) |

| SUBSIDIARIES | Date of establishment | Authorised capital (LTL) | Participating interest |
|-----------------------------|-----------------------|--------------------------|------------------------|
| Švenčionių pieninė (dairy) | 1999 | 3.6m | 62.7% |
| AFFILIATE COMPANIES: | | | |
| Zarasų pieninė (dairy) | 1995 | | 100% |
| Ukmergės pieninė (dairy) | 1996 | | 100% |
| Šalčininkų pieninė (dairy) | 1998 | | 100% |

DAIRY PRODUCTS

| | |
|----------------------------|----------------------------|
| Address: | Sedos g. 35, 5610 Telšiai |
| Phone: | (370-94) 22201 |
| Fax: | (370-94) 74897 |
| E-mail: | zpienas@telšiai.omitel.net |
| Registration date: | 23.06.1993 |
| Registration code: | 8024075 |
| Established: | 1924 |
| Privatised: | 1993 |
| Number of employees: | 979 |
| Authorised capital: | LTL 37m |
| Capitalisation (30.06.00): | LTL 15.2m |
| Auditor: | Deloitte & Touche |
| Trading List: | Current |

Supervisory Board (participation in the company):

Asta Kiguolienė, Chairwoman (1.97%),
Grażina Norkevičienė (0.15%), Žita Vaitkuvienė (0.12%), Algirdas Stulpinas (0.14%),
Algirdas Mika (0.05%), Vincas Rupšlaukis (0.05%), Veronika Masiliauskienė (0.01%)

Management Board (participation in the company):

Algirdas Pažemeckas, Chairman (26.34%),
Romusas Jarulaitis (2.53%), Irena Baltrušaitienė (0.23%), Dalia Gecienė (1.15%),
Gediminas Vaitkevičius (0.24%), Bronius Žibaitis (0%), Borisas Seminogovas (0.06%)

Managing Director (participation in the company):

Algirdas Pažemeckas (26.34%)

Contact Person:

Borisas Seminogovas, Member of the Board, tel. (370-94) 22201

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 4378 |
| Algirdas Pažemeckas | 26.34% |
| Williams de Broe | 6.34% |
| UAB FMJ VB Vilfima (brokerage) | 6.26% |

CORPORATE HISTORY

The company began its activity in 1924. For a number of decades, the company was known as a Telšiai cheese maker. On 23 June 1993, the company was registered as a public company ŽEMAITIJOS PIENAS. Since then, the company became one of the largest producer of milk products in Lithuania.

In 1994, 144,522 state-held shares were sold to farmers at a discount. In March 1995, a general shareholders' meeting decided to raise the company's authorised capital by LTL 3.46m out of supplementary contributions. In September 1995, ŽEMAITIJOS PIENAS registered share capital of LTL 7.77 million. The capital was divided into 632,159 ordinary registered shares (ORS) (81.4%) and 144,522 shares of agricultural producers (18.6%). In March 1996, the general meeting resolved to increase authorised capital out of the company's reserves by LTL 6m and issue 504,408 ORS and 115,316 shares of agricultural producers. The shares were successfully placed and the stock capital increased to LTL 13.96 million.

With the acquisition of UAB Ūta in February 1997, the authorised capital of ŽEMAITIJOS PIENAS reached LTL 14.75 million. The general shareholders' meeting that followed in March decided to increase the share capital by LTL 8.32m out of reserves and supplementary contributions to LTL 23.52 million.

In 1997 the company acquired substantial holdings in two Lithuanian dairies: Klaipėdos Pienas (85%) and Šilutės Rambynas (59%). In 1997 the authorised capital of the company was increased to LTL 27,371,790 out of supplementary contributions by issuing an additional issue of ORS.

On 5 February 1998, the company was granted EU certificate which permits to deliver dairy products to the EU countries.

The general shareholders' meeting of ŽEMAITIJOS PIENAS held in April 1999 decided to deepen the authorised capital of the company by LTL 7.6m out of reserves available for distribution. The reserve was formed while distributing the profit of 1997 by additionally issuing 762,821 ORS at LTL 10 par. In May 1999, the authorised capital of LTL 37m was registered with the Ministry of Economy.

BUSINESS ACTIVITY

ŽEMAITIJOS PIENAS, possessing 20% of Lithuanian market of milk products, specialises in production of various dairy products: butter, milk, sour milk products, cream, sour cream, cottage cheese, aged cheese, curds, and dry milk products. The company produces a whole spectrum of products – it reaches 60 product titles and is regularly changing with regard to the changing demand of consumers.

Aged cheeses produced in ŽEMAITIJOS PIENAS have been winning gold medals for several years in a row: in 1996 – cheese Verpstė, 1997 – cheese Olimpinis, 1998 – cheese Palanga, 1999 – cheese Džiugas.

ŽEMAITIJOS PIENAS sells its products in Lithuania (78.4%), Western countries (20.3%), the CIS and Baltic countries (1.3%). Distribution net of the company's products covers the whole territory of Lithuania. In the largest towns of Lithuania – Vilnius, Kaunas, Klaipėda - there are distribution centres which supply the corresponding region with the company's products. ŽEMAITIJOS PIENAS also has the distributor in Riga, Latvia.

The branch company UAB Žemaitijos Pieno Žaliava, established in 1999, supplies ŽEMAITIJOS PIENAS with the principle raw material – milk. The milk is supplied to 119 stationary and 123 mobile milk buying centres. In 1999, 84,977 tons of milk were bought up.

DEVELOPMENTS IN 1999

In 1999 the company produced 3.4thou tons of aged cheese (29.6% of the total output in value terms), 2.6thou tons of butter (20.6%), 3thou tons of yoghurt (14%), 13.2thou tons of milk (13.4%), 5.8thou tons of sour milk products (7.6%), etc. Total production volume accounted for 33.3thou tons or LTL 106.7 million.

The net profit of the ŽEMAITIJOS PIENAS group for the year 1999 constituted LTL 4.3 million, i.e. decreased twice in comparison with the previous year.

In 1999, Ementhal type of cheese was firstly produced and sold. Negotiations started with the USA regarding the long term agreement to export cheese.

PLANS, PROSPECTS FOR 2000

Business strategy of ŽEMAITIJOS PIENAS for the year 2000 is to maintain and improve the position in the Lithuanian market of milk products. It is also intended to expand the cheese export to the Western countries. In addition, the company expects to participate in the SAPARD programme of the European Union.

Structure OF SHARE CAPITAL

| | |
|----------------------------------|--|
| Share capital: | LTL 37,000,000 |
| Share Structure: | 3297983 registered shares at LTL 10 par (security code 12186) accounting for 89.14% of the auth. capital (admitted to trading at the NSEL on 13.10.97) |
| Shares of agriculture producers: | 402017 shares at LTL 10 par (security code 12187) accounting for 10.86% of the auth. capital (not admitted to trading at the NSEL) |

SUBSIDIARIES

| | Date of establishment | Authorised capital (LTL) | Participating interest |
|------------------------------|-----------------------|--------------------------|------------------------|
| AB Klaipėdos pienas | 30.12.92 | 21.9m | 84.80% |
| ABF Šilutės Rambynas | 09.12.92 | 5.6m | 58.21% |
| AB Telšių autoservisas | 16.03.92 | 1.2m | 67.37% |
| UAB Žemaitijos prekyba | 29.01.96 | 25thou | 68.00% |
| SIA Žemaitijos piens | 29.10.97 | LVL 2000 | 99.00% |
| UAB Žemaitijos pieno žaliava | 1999 | 10thou | 100.00% |

SPARKLING WINE

| | |
|----------------------------|-------------------------------|
| Address: | Miškininkų g. 17, 4580 Alytus |
| Phone: | (370-35) 79243 |
| Fax: | (370-35) 79467 |
| E-mail: | alita@alytus.omnitel.net |
| | www.alita.lt |
| Registration date: | 10.12.1990 |
| Registration code: | 4951989 |
| Established: | 1963 |
| Privatised: | 1991 |
| Number of employees: | 544 |
| Authorised capital: | LTL 73.09m |
| Capitalisation (30.06.00): | LTL 43.85m |
| Auditor: | Arthur Andersen |
| Trading List: | Current |

CORPORATE HISTORY

ALITA's predecessor, Alytus wine plant, was established in 1963. In 1964 the reconstruction was carried out and in the following year 169thou dal of grape wine were bottled. The company started processing local raw material - apples. The second reconstruction of the wine plant started in 1969 and was completed by 1975. A new juice section was launched into operation. After the reconstruction, the production volume increased to 1800thou dal of wine including 1000thou dal of fruit-berry wine. The range of products was growing together with the company: aromatic wines were introduced in 1968, natural fruit-berry wine in 1975, semi-dry wine appeared in 1976.

The year 1980 was the most significant in the company's history. The construction of a new section was completed and sparkling wine was produced for the first time. The projected capacity of the section amounted to 3m bottles per year. However, in 1985 the company produced 5.6m bottles of sparkling wine and 10m bottles in 1990.

In 1981 ALITA introduced new brand Aukšinis and in 1983 Muskatinis joined the product line. In 1990, first bottles of sparkling wine Dainava appeared on the market; sparkling wines Karalius Mindaugas and Ieva were introduced in 1994 and 1996 accordingly. The section of sparkling wines was designed on the most update technical and technological achievements and most progressive production methods. The company makes all sorts of sparkling wine Alita: brute, semi dry, dry, semi sweet, and sweet. In 1995, 11.7m bottles of these wines were produced. In 1996, a new Italian bottling line was installed in the wine department. In addition, product packaging was renewed.

In 1989, the Italian line Manzini designed for the production of juice concentrate was mounted. The capacity of this line amounts to 400t of apples per 24 hours. With the help of this equipment, 25thou tons of apples are processed per season, 2000t of concentrate are produced, and about 400thou dal of juice are fermented.

Brandy Alita was launched into production in 1995. It is produced from matured French brandy spirit. Samané, a strong drink from wheat-rye, joined the family of ALITA's products in 1998.

In 1991, the company was reorganised into the state enterprise ALITA. In 1994, it was divided into two separate companies: state enterprise ALITA and Alytus soft drinks maker. On 16 March 1995, the company was registered as a special purpose public company ALITA.

In 1997, the authorised capital of the company was increased by LTL 24.6m out of profit reserves to LTL 73m and remained the same until present. The state (Ministry of Agriculture) holds 83.77% of the stock, while the remaining 16.23% are in private hands.

BUSINESS ACTIVITY

Currently, grape and fruit-berry wines are the most popular ALITA's products among consumers; they comprise about 70% of the total production. In 1999, grape wine production surged by even 79% in comparison with 1998. ALITA produces over 10 brands of white, pink, and red sparkling grape wine. The production of the company's sparkling wine is similar to the classical technology of champagne production, because biochemical processes that take place in the fermentation tanks are the same as those in bottles when fermenting champagne in a classical way. Sparkling wine accounts for 26% of the company's total production.

During 1996-1998, in addition to wine, ALITA started to produce strong alcoholic drinks: brandy Alita from French raw materials, Giminių Trauktinė made out of natural apple juice and mix of aromatic herbs, Samané from wheat-rye. Strong drinks account just for 3% of

Management Board (no participation in the company):

Pranas Jaciunskas, Chairman, Rūta Bilkštytė, Ona Vitartienė, Mindaugas Kuklieris

Managing Director (participation in the company): Vytautas Junevičius (0.62%)

Contact Person: Vilmantas Pečiūra, Director of Finance and Administration, tel. (370-35) 79900

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 599 |
| Ministry of Agriculture | 83.77% |

ALITA's total sales, however their production volume has been constantly growing from 41thou bottles in 1995 to 504thou bottles in 1999. In the previous year, production volumes of strong alcoholic drinks advanced by 26%.

The company also produces concentrated apple juice (2118t in 1997, 30t in 1998, 1505t in 1999). The production volumes heavily rely on the apple harvest. All the production is exported.

Alcohol, sugar and apples are secured from local resources. The company imports raw materials for production of wines, sparkling wines, brandies, and whisky from Moldova, France, and Scotland. Natural corks are purchased in Spain and Germany, bottles in Estonia, Germany and the Czech Republic, ferments in Switzerland. Labels are printed not only in Lithuania, but also in Italy, Denmark, Sweden, and Poland.

In 1999, the company exported its production to Poland and Latvia.

DEVELOPMENTS IN 1999

Last year the company devoted much attention to market analysis as well as to renewal and expansion of the assortment, searched for new partners abroad. Considering demands of the market, last year the company introduced 22 new products and terminated manufacture of 6 unprospective products.

In 1999 the total volumes of alcohol production, namely sparkling grape wine and fortified grape as well as fruit wine, decreased by 11%. However, production volumes in individual product lines advanced significantly: natural grape wines (78.7%), brandy (4.1%), production of other strong drinks increased 3 times, while that of concentrated apple juice improved 50.8 times. The reason for the growth of juice production was a favourable year for the apple harvest.

Last year ALITA was the first in Lithuania to bottle whisky which is produced from the mixture of French whisky spirit matured in oak barrels for three years. In addition, the company signed the co-operation agreement with the Scotch whisky production company Inver House Distillers and was the first in the Baltic countries to hold the licence for selling genuine Scotch whisky. In December, 1999 bottling of Scotch whisky Diplomat was started.

In response to the users' demand, last year the company launched production of refreshing sparkling drinks Nordas, Oostas, Brizas, and Musonas.

In 1999, ALITA was awarded the international quality certificate ISO 9002.

Last year the company's turnover constituted LTL 79m. Net profit in 1999 amounted to LTL 6m (cf. LTL 8m in 1998).

PLANS, PROSPECTS FOR 2000

In 2000 the company intends to arrange premises, acquire equipment, and implement technology of the classical method for production of sparkling wine.

ALITA will search for new sales markets in Estonia, Poland, Germany, and Denmark.

Next year the company foresees to sell 4203thou bottles of sparkling grape wine, 10471thou bottles of wine, 631thou bottles of strong alcoholic drinks, and 1000 tons of apple juice concentrate.

Structure OF SHARE CAPITAL

| | |
|------------------|--|
| Share capital: | LTL 73,088,135 |
| Ordinary shares: | 73088135 registered shares at LTL 1 par (security code 11865) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 25.05.98) |

MANUFACTURE AND BOTTLING OF WINE

| | |
|----------|---------------------------------------|
| Address: | Darius ir Girėno g. 8, 4930 Anykščiai |
| Phone: | (370-51) 50399, 50290 |
| Fax: | (370-51) 52868, 50350 |
| E-mail: | vynas@vynas.elnet.lt |

www.anyksciu-vynas.lt

| | |
|--------------------|------------|
| Registration date: | 21.11.1990 |
| Registration code: | 5411165 |
| Established: | 1926 |

| | |
|----------------------------|-----------|
| Number of employees: | 749 |
| Authorised capital: | LTL 33.4m |
| Capitalisation (30.06.00): | LTL 30.4m |

| | |
|---------------|-----------------|
| Auditor: | Arthur Andersen |
| Trading List: | Current |

Management Board (no participation in the company):

Virginija Žostauienė, Chairwoman, Gražina Belian, Nerijus Čepauskas, Angelė Žadeikaitė

Managing Director (participation in the company): Jonas Makštelė (0.17%)

Contact Person: Petras Visakavičius, Director of Economy, tel. (370-51) 50288

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 887 |
| State (Ministry of Agriculture) | 73.50% |

CORPORATE HISTORY

In 1926, Balys Karazija started producing excellent, fragrant fruit and berry wine in Anykščiai region. Soon his wine gained international recognition. In 1938, wine Birutė won the first prize in the international exhibition in Paris, while wines Senasis and Banga were awarded gold medals.

After World War II ANYKŠČIŲ VYNAS became the leading wine-maker and laboratory for research and development. Natural wines received a quality mark and were displayed in international exhibitions in New York, Leipzig, and London. The company's wines were a great success in London exhibition in 1969.

From 1965 to 1995 the company had undergone a number of changes in its status from an experimental wine plant to the state enterprise and finally to a joint stock company ANYKŠČIŲ VYNAS.

BUSINESS ACTIVITY

ANYKŠČIŲ VYNAS is the oldest and largest wine-maker not just in Lithuania, but in the whole Baltic region. The company produces fruit and berry wine, grape wine, sparkling wine, wine cocktails, vodka-liqueur products, brandies, and juice concentrates.

The latest ANYKŠČIŲ VYNAS technologies enable within 24 hours to process 400t of apples and 100t of berries and to produce 3000t of concentrated juice as well as raw material for 1.2m dal of fruit-berry and sparkling wines, 200thou dal of liqueur and brandies during the season. Modern technologies and know-how of the main wine producing and bottling sections allow to produce 3m bottles of sparkling wines and 1.5m dal of fruit-berry and grape wines.

99% of the alcoholic drink production is sold on the domestic market, and the remaining part is exported to Latvia, and Kaliningrad region (Russia). Local growers of fruits and berries are the main suppliers of raw materials. Other material supplies and complementary parts are acquired in Lithuania and imported from foreign countries (Germany, France, Argentina, Spain, Estonia, and Slovakia).

For achievements in modernising production, expanding the assortment, and improving working conditions ANYKŠČIŲ VYNAS has retained its position among first ten companies in TOP 20 of Lithuanian companies for the third year in a row and has been awarded diplomas of Confederation of Lithuanian Industrialists.

DEVELOPMENTS IN 1999

In 1999, ANYKŠČIŲ VYNAS bottled 1333thou dal of alcoholic drinks (2.4% less than in 1998). 1148thou dal of fruit and berry semi-product (3.6% more than in 1998) were prepared. As compared with 1998, production volumes of sweet brandy improved by 6.3% mainly due to the introduction of new sweet cranberry brandy Bobelinė. Last year the company launched into production new fruit and berry wines Vega, Korallas, Viesulas, Jara, and others, and the production volumes of fruit and berry wines increased by 3.1%. After expansion of the assortment, production of grape wine improved by 40%. As compared with 1998, sparkling wine output was reduced by 18.5% due to heavy competition on this market. In 1999, production of liqueurs declined by 34.3% because this production became too expensive for buyers after the excise duty was increased.

In 1999 the company's sales constituted LTL 75.55m (cf. LTL 78m in 1998), and net profit accounted for LTL 7.77m (cf. 10.6m in 1998).

During 1999 ANYKŠČIŲ VYNAS opened 5 new shops in Šiauliai, Druskininkai, Šilutė Panevėžys, and Plungė and their current number amounts to 26.

In 1999 preparation of the quality system complying with ISO 9000 standards was completed. This system was certified by the international certification organisation Veritas Quality International. In addition to this system, last year mandatory requirements of the global market for production of safe food were prepared and were implemented in 2000.

In order to introduce its products on foreign markets, expand export volumes, and popularise the country abroad, last year ANYKŠČIŲ VYNAS participated in the following international exhibitions: "Vinorum" in Tallinn, "Interfood" in St. Petersburg, "Polagra-99" in Poznan, "Worldfood" in Moscow, "Sial Merkosur 99" in Argentina, "Riga Food-99" in Riga, and Agro Balt-99 in Vilnius. At the international and state competitions the best products of the company were awarded 9 gold medals and 1 silver medal, also were conferred a title of the Product of the Year and a diploma of the exhibition "Choose the Lithuanian Good."

PLANS, PROSPECTS FOR 2000

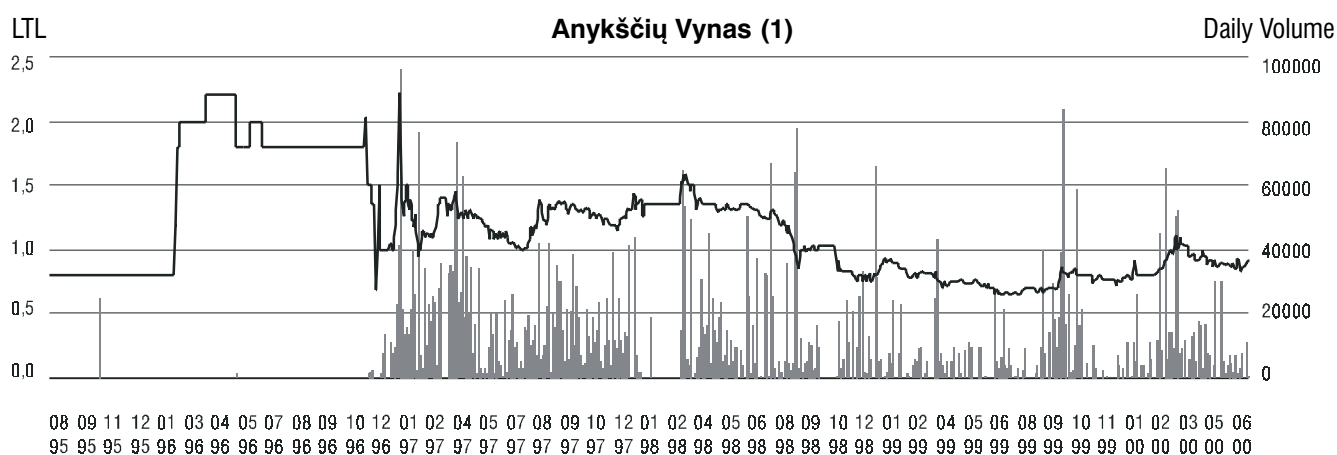
The company's objectives for the near future are to enhance production quality, reduce costs, expand and modify the range of products based on the carried-out market research.

Structure OF SHARE CAPITAL

| | |
|------------------|--|
| Share capital: | LTL 33,429,005 |
| Ordinary shares: | 33429005 registered shares at LTL 1 par (security code 11277) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 10.07.95) |

LITHUANIAN COMPANIES BEVERAGES

NATIONAL STOCK EXCHANGE OF LITHUANIA



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|----------|-----------|----------|-----------|
| LONG TERM ASSETS | 55087356 | 65320609 | 46016510 | 55903983 |
| SHORT TERM ASSETS | 35468372 | 43928695 | 46568788 | 47031701 |
| Stock | 22423729 | 29856608 | 34138415 | 35767858 |
| Amounts receivable within one year | 12110485 | 10909089 | 11290420 | 9622540 |
| TRANSFER ACCOUNTS | 0 | 469780 | 725106 | 478897 |
| TOTAL ASSETS | 90555728 | 109719084 | 93310404 | 103414581 |
| CAPITAL AND RESERVES | 74058604 | 81290113 | 63428096 | 66840727 |
| Capital | 57039646 | 57039646 | 33429005 | 33429005 |
| Subscribed capital | 57039646 | 57039646 | 33429005 | 33429005 |
| Share premium account | 0 | 0 | 0 | 0 |
| Revaluation reserve | 0 | 0 | 0 | 0 |
| Reserves | 17018958 | 9661121 | 15497007 | 23985622 |
| Profit (loss) brought forward | 0 | 14589346 | 14502084 | 9426100 |
| Amounts payable after one year and long-term liabilities | 2595107 | 5962551 | 1822500 | 7563101 |
| Amounts payable within year and long-term liabilities | 12842017 | 20891684 | 27724162 | 28909707 |
| ACCRUED CHARGES AND DEFERRED INCOME | 0 | 257195 | 235646 | 0 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 90555728 | 109719084 | 93310404 | 103414581 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|----------|----------|----------|----------|
| SALES AND SERVICES | 60437559 | 75251957 | 78157909 | 75550468 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 37705950 | 46412595 | 51959963 | 51457478 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 13383619 | 12968055 | 10606147 | 7774730 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|-------------|-------------|-------------|-------------|
| PRICE (LTL) | | | | |
| First | 1.00 | 1.42 | 0.89 | 0.79 |
| Max | 2.22(01 17) | 1.58(03 20) | 0.93(01 18) | 1.11(03 16) |
| Min | 0.95(02 14) | 0.75(12 18) | 0.65(07 02) | 0.77(01 11) |
| Last | 1.42 | 0.89 | 0.79 | 0.91 |
| Change (%) | 42.00 | -37.32 | -11.24 | 15.19 |
| Number of transactions (CM) | 1891 | 1255 | 613 | 481 |
| Turnover CM (units) | 3091774 | 1850906 | 1004564 | 692826 |
| Turnover CM (LTL) | 3988306 | 2234792 | 778091 | 649693 |
| Turnover BT (units) | 626979 | 545538 | 164931 | 83003 |
| Turnover BT (LTL) | 753840 | 556439 | 199590 | 61937 |
| CM turnover as % in total | 83.14 | 77.24 | 85.90 | 89.30 |
| Total turnover (units) | 3718753 | 2396444 | 1169495 | 775829 |
| Total turnover (LTL) | 4742146 | 2791231 | 977682 | 711630 |
| Turnover ratio (%) | 6.52 | 7.17 | 3.50 | 2.32 |
| As % in the total share turnover | 0.49 | 0.31 | 0.08 | 0.34 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|----------|----------|----------|----------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 2.76 | 2.10 | 1.69 | 1.64 |
| Quick ratio | 1.02 | 0.69 | 0.47 | 0.41 |
| Net working capital (LTL thou) | 22626355 | 23249596 | 19334086 | 18600891 |
| Net working capital to total assets | 0.25 | 0.21 | 0.21 | 0.18 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.22 | 0.17 | 0.14 | 0.10 |
| Return on assets (%) | 0.15 | 0.12 | 0.11 | 0.08 |
| Return on equity (%) | 0.18 | 0.16 | 0.17 | 0.12 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.18 | 0.26 | 0.32 | 0.35 |
| Debt / equity ratio | 0.22 | 0.35 | 0.47 | 0.55 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 1.81 | 1.78 | 1.62 | 1.47 |
| Receivables turnover | 5.33 | 6.54 | 7.04 | 7.23 |
| Net working capital turnover | 2.67 | 3.24 | 4.04 | 4.06 |
| Long-term assets turnover | 1.10 | 1.15 | 1.70 | 1.35 |
| Total assets turnover | 0.67 | 0.69 | 0.84 | 0.73 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|-------|-------|-------|--------|
| Capitalisation (LTL thou) | 57040 | 80996 | 29752 | 26,409 |
| Share book value (LTL) | 1.30 | 1.43 | 1.90 | 2.00 |
| Price / book value ratio (P/BV) | 0.77 | 1.00 | 0.47 | 0.40 |
| Earnings per share (LTL) | 0.23 | 0.23 | 0.32 | 0.23 |
| Price / earnings ratio (P/E) | 4.26 | 6.24 | 2.81 | 3.40 |
| Dividend per share (LTL) | 0.07 | 0.04 | 0.07 | - |
| Dividend yield | 0.07 | 0.03 | 0.08 | - |
| Dividend payout ratio | 0.30 | 0.18 | 0.22 | - |

ALCOHOLIC DRINKS

| | |
|----------|-----------------------------------|
| Address: | Respublikos g. 82, 5319 Panevėžys |
| Phone: | (370-5) 461327 |
| Fax: | (370-5) 465793 |

| | |
|----------------------------|------------|
| Registration date: | 28.03.1995 |
| Registration code: | 4702413 |
| Established: | 1891 |
| Privatised: | 1992 |
| Number of employees: | 212 |
| Authorised capital: | LTL 29.2m |
| Capitalisation (30.06.00): | LTL 4.6m |

| | |
|---------------|------------------------|
| Auditor: | PricewaterhouseCoopers |
| Trading List: | Current |

Supervisory Board (no participation in the company):

Benas Gudelis, Chairman,
Rimvydas Jasinavičius, Leonas Pobedonoscevas,
Alma Grigalienė, Rimas Jakučionis, Nijolė Bieliauskienė

Management Board (participation in the company):

Gediminas Sargūnas, Chairman (3.68%),
Remigijus Rutkauskas (0.11%), Elvyra Juzėnienė (0.02%)

Managing Director (participation in the company): Gediminas Sargūnas (3.68%)

Contact Person: Gediminas Sargūnas, Director General, tel. (370-5) 461327

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 1020 |
| Lithuanian-USA UAB Bennett Distributors | 35.60% |
| State Property Fund | 19.25% |

CORPORATE HISTORY

SEMA is one of the oldest companies operating in Lithuania. Its history tracks date as far back as 1891, when S.MONTVILA'S DISTILLERY was founded. During World War I the plant was destroyed, equipment dismantled and transported to Germany. In 1921 the re-established distillery S.MONTVILA'S SUCCESSORS & CO started producing yeast, alcohol, and vodka. With the occupation of Lithuania by the Soviet Army in 1940, the company was nationalised.

In 1992 PANEVĖŽYS STATE DISTILLERY underwent partial privatisation (22% of the enterprise's capital were privatised) and was transformed into a public company with state capital SEMA. When part of the 1992 profit was capitalised in 1993, state holdings fell to 27%.

Since 1993 the authorised capital of the company has been increased 4 times (in 1995 - from LTL 1.65m to LTL 12.19m, in 1996 - to LTL 15.5m, and in 1997 - to LTL 20.69m). On 12 November 1997, the shareholders approved the issue of 17,000 convertible bonds amounting to LTL 8.5m. On 15 January 1998, the distribution of this issue was successfully completed. In May 1998, having converted bonds into 1.7m ordinary registered shares at LTL 5 par, the authorised capital was increased by LTL 8.5m.

In November 1998, the Lithuanian and USA joint venture UAB Bennet Distributors acquired a 35.6% block of SEMA's shares.

BUSINESS ACTIVITY

The company offers diversified products. Rectified spirit constitutes 24.6%, baking yeast accounts for 52.8%, and alcoholic drinks amount to 13% of the total production. SEMA occupies 30% of the domestic spirit market and 50% of baking yeast market.

Until the end of last year, SEMA exported rectified spirit to Kazakhstan, however, in 1999 it was realised only in Lithuania for medical and pharmaceutical purposes, manufacture of alcoholic drinks and food products. AB Alita is the largest purchaser of the company's produced spirit (58%). The domestic market consumes the bulk of baking yeast (95%), the remaining part is exported into the CIS countries. Technical products of spirit, namely window cleaner, organic solvent, and others, are exported to Latvia and Estonia.

75% of all alcoholic drinks produced by SEMA are sold by private company Bennett Distributors, the major distributor of the company's alcoholic drinks.

The supplies of raw materials - molasses, sulphuric acid, homogenous yeast culture, potassium chloride, etc. - come from Lithuanian sugar factories and other domestic companies as well as from Polish, German, and Estonian partners.

The company fully implemented the quality control system according to ISO 9002 and in 1997 was awarded an international quality certificate by German agency TUV-CERT.

DEVELOPMENTS IN 1999

In 1999, SEMA produced 98.3thou dal of rectified spirit, 2460 t of baking yeast, 398.4thou bottles of alcoholic drinks. Last year the turnover of SEMA accounted for LTL 18m, and the company suffered a loss of LTL 6.9m.

The principal problems and reasons that determined the unprofitable financial activity of the company in 1999 were spirit overproduction and decreased demand for spirit on both foreign and domestic markets. Last year the production volume of rectified spirit decreased 5.4 times as compared with 1998. Revenues from spirit production in 1999 declined twice, and in the same year the company ceased production of carbon dioxide.

At the end of 1999, SEMA launched production of technical products of spirit: window cleaner, organic solvent, various additives for production of paint, and others. The principal raw material for production of the previously mentioned products is spirit produced at the company.

Due to a 25% rise in baking yeast import and increased competition on the domestic market, the company's production volumes of yeast declined twice, and sales went down by 30%.

During last year SEMA continued to develop the production of alcoholic drinks by expanding the present assortment and introducing new products - 16% vol. wines Vyšnaitė, Šermukšnis, Serbentėlė, and wines from the series of Zodiac signs. Due to high level of competition, sales volumes of alcoholic drinks dropped by 15%. In 1999, glintwine Šventinis vynas Kalėdoms (Christmas Wine) as well as white and red vermouth Sema accounted for the largest share in the company's sales. In 1999, the red vermouth Sema was recognised the best product of the year.

At the end of 1999 the company invested into a newly established private company Sema Mielės which is occupied with yeast manufacture and sales business. It is planned to sell this company in the future.

PLANS, PROSPECTS FOR 2000

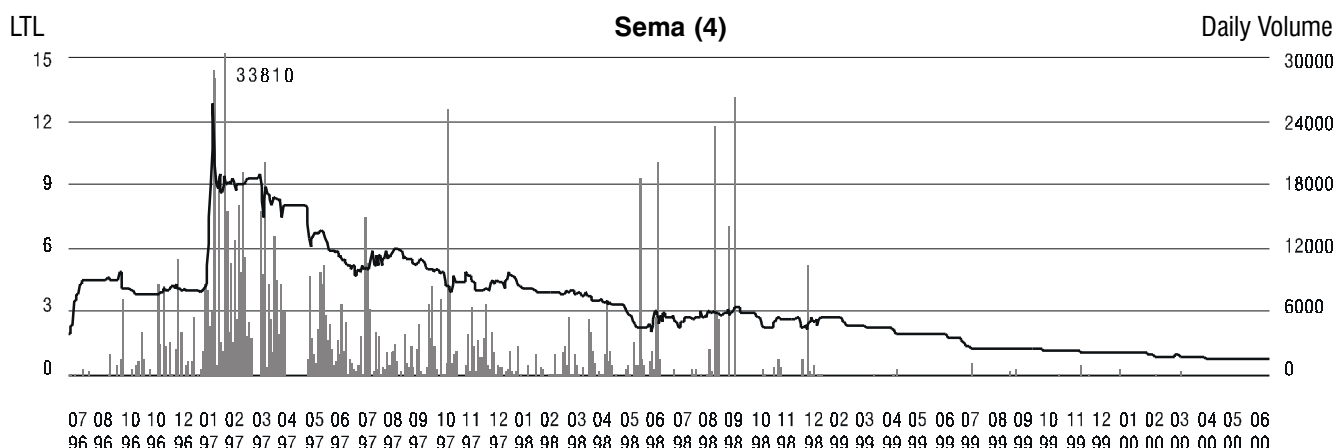
In 2000 SEMA intends to expand production and sales of technical products of spirit. It is planned to increase revenues from the sale of this product twice.

In total, next year the company expects to increase the income by 20% and to earn profit of LTL 300thou.

In June, 2000 SEMA reduced its authorised capital due to the losses from LTL 29,195,565 to LTL 23,331,160, by decreasing the number of own shares (6323) and by changing the nominal value of a share from LTL 5 to LTL 4.

Structure OF SHARE CAPITAL

| | |
|------------------|---|
| Share capital: | LTL 23,331,160 |
| Ordinary shares: | 5832790 registered shares at LTL 4 par (security code 11069) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 17.07.95) |



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|----------|----------|----------|----------|
| LONG TERM ASSETS | 25093033 | 26313022 | 36923151 | 37473576 |
| SHORT TERM ASSETS | 14546874 | 33234375 | 22766815 | 8180618 |
| Stock | 11272625 | 17568420 | 10440871 | 5869794 |
| Amounts receivable within one year | 2769033 | 15358714 | 12106530 | 2095922 |
| TRANSFER ACCOUNTS | 120899 | 95035 | 64544 | 85683 |
| TOTAL ASSETS | 39760806 | 59642432 | 59754510 | 45739877 |
| CAPITAL AND RESERVES | 21756934 | 25556600 | 32563763 | 25569572 |
| Capital | 15509310 | 20695565 | 29195565 | 29195565 |
| Subscribed capital | 15509310 | 20695565 | 29195565 | 29195565 |
| Share premium account | 3 | 34005 | 34005 | 34005 |
| Revaluation reserve | 0 | 0 | 0 | 0 |
| Reserves | 6247621 | 1061366 | 2834056 | 2204407 |
| Profit (loss) brought forward | 0 | 3765664 | 500137 | -5864405 |
| Amounts payable after one year and long-term liabilities | 2915000 | 3213921 | 13802345 | 4794013 |
| Amounts payable within year and long-term liabilities | 14723713 | 30523947 | 13008074 | 15352272 |
| ACCRUED CHARGES AND DEFERRED INCOME | 365159 | 347964 | 380328 | 23069 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 39760806 | 59642432 | 59754510 | 45739877 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|----------|----------|----------|----------|
| SALES AND SERVICES | 54768512 | 52473119 | 38413490 | 18243513 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 36265168 | 31670729 | 25929170 | 15552934 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 6406584 | 3765664 | -386057 | -6939690 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|--------------|-------------|-------------|-------------|
| PRICE (LTL) | | | | |
| First | 4.00 | 4.11 | 2.58 | 1.10 |
| Max | 12.81(01 20) | 4.89(01 07) | 2.79(01 04) | 1.10(01 04) |
| Min | 3.90(10 28) | 2.07(06 26) | 1.10(12 30) | 0.78(06 23) |
| Last | 4.11 | 2.58 | 1.10 | 0.78 |
| Change (%) | 2.75 | -37.23 | -57.36 | -29.09 |
| Number of transactions (CM) | 1607 | 608 | 36 | 12 |
| Turnover CM (units) | 834579 | 231825 | 5688 | 1519 |
| Turnover CM (LTL) | 6258927 | 716450 | 9676 | 1520 |
| Turnover BT (units) | 265393 | 2512681 | 28090 | 39234 |
| Turnover BT (LTL) | 1613114 | 10373608 | 66950 | 25529 |
| CM turnover as % in total | 75.87 | 8.45 | 16.84 | 3.73 |
| Total turnover (units) | 1099972 | 2744506 | 33778 | 40753 |
| Total turnover (LTL) | 7872042 | 11090058 | 76626 | 27049 |
| Turnover ratio (%) | 26.58 | 47.00 | 0.58 | 0.70 |
| As % in the total share turnover | 0.82 | 1.25 | 0.01 | 0.01 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|---------|---------|---------|----------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 0.97 | 1.08 | 1.71 | 0.54 |
| Quick ratio | 0.23 | 0.51 | 0.93 | 0.16 |
| Net working capital (LTL thou) | -421099 | 2457499 | 9442957 | -7109040 |
| Net working capital to total assets | -0.01 | 0.04 | 0.16 | -0.16 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.12 | 0.07 | -0.01 | -0.38 |
| Return on assets (%) | 0.16 | 0.06 | -0.01 | -0.15 |
| Return on equity (%) | 0.29 | 0.15 | -0.01 | -0.27 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.45 | 0.57 | 0.46 | 0.44 |
| Debt / equity ratio | 0.83 | 1.33 | 0.84 | 0.79 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 4.30 | 2.20 | 1.85 | 1.91 |
| Receivables turnover | 24.44 | 5.79 | 2.80 | 2.57 |
| Net working capital turnover | -130.06 | 21.35 | 4.07 | -2.57 |
| Long-term assets turnover | 2.18 | 1.99 | 1.04 | 0.49 |
| Total assets turnover | 1.38 | 0.88 | 0.64 | 0.40 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|-------|-------|-------|-------|
| Capitalisation (LTL thou) | 12407 | 17012 | 15065 | 6,423 |
| Share book value (LTL) | 7.01 | 6.17 | 5.58 | 4.38 |
| Price / book value ratio (P/BV) | 0.57 | 0.67 | 0.46 | 0.25 |
| Earnings per share (LTL) | 2.07 | 0.91 | -0.07 | -1.19 |
| Price / earnings ratio (P/E) | 1.94 | 4.52 | - | - |
| Dividend per share (LTL) | 0.35 | 0.25 | - | - |
| Dividend yield | 0.09 | 0.06 | - | - |
| Dividend payout ratio | 0.17 | 0.27 | - | - |

ALCOHOLIC DRINKS

| | |
|----------|---------------------------|
| Address: | K.Būgos g. 7, 3000 Kaunas |
| Phone: | (370-7) 308800 |
| Fax: | (370-7) 222939 |
| E-mail: | stumbras@kaunas.aiva.lt |

www.stumbras.lt

| | |
|--------------------|------------|
| Registration date: | 04.10.1995 |
| Registration code: | 3208278 |
| Established: | 1906 |

| | |
|----------------------------|-----------|
| Number of employees: | 784 |
| Authorised capital: | LTL 76m |
| Capitalisation (30.06.00): | LTL 26.7m |

| | |
|---------------|------------------------|
| Auditor: | UAB Finansinis Auditas |
| Trading List: | Current |

Supervisory Board (no participation in the company):

I.Adomaitytė, A.Gabalis, J.Yla, R.Lygis

Management Board (participation in the company):

J.Žukauskas, Chairman (0%),

D.Gurevičienė (0%), V.Pliuskys (0.0002%), V.Švabas (0.0227%), V.Škarnulis (0.0123%)

Managing Director (no participation in the company): Jonas Žukauskas

Contact Person: Vaida Kalvaitienė, Assistant of Director General, tel. (370-7) 308800

STRUCTURE OF OWNERSHIP

| | |
|-------------------------|--------|
| Ministry of Agriculture | 91.95% |
|-------------------------|--------|

CORPORATE HISTORY

The company was established in 1906. Until 1952, the plant was not mechanised. In 1954, the first automatic vodka bottling line was launched, and after five years, major reconstruction of the factory's shops was carried out. In 1975, STUMBRAS production union of vodka-liqueur products was established. Antanava, Balbieriškis, and Šilutė alcohol plants were joined to STUMBRAS factory as branches. In 1990, the union was re-organised into the State owned company STUMBRAS. In 1991 STUMBRAS was transformed into a public company, and in 1995 it was reregistered as a special purpose public company. At the time the authorised capital of the company constituted LTL 25.4m. In 1996 the authorised capital was increased to LTL 50.8m. In 1998 the company raised its authorised capital by lifting the face value per share from LTL 2 to LTL 3. At present the company's authorised capital equals LTL 76m, with 92% in the hands of the state.

BUSINESS ACTIVITY

STUMBRAS mainly specialises in manufacture of vodka-liqueur products (913thou dal in 1999). The company also produces rectified ethyl alcohol (448thou dal in 1999), raw ethyl spirit (437thou dal in 1999), carbonic acid (601 t in 1999) and non-pasteurised beer (90thou l in 1999). The company has 4 spirit plants in Kaunas, Antanava, Balbieriškis, and Šilutė.

STUMBRAS occupies 64.5% of alcohol market in Lithuania. Nearly all production of the company is realised in Lithuania. Over 1% of the production is exported to Latvia, Estonia, and Israel. First steps are made in production export to Western Europe, the USA, Latin America, the CIS countries. Most of the company's production is certificated in the USA and other countries.

In order to get qualitative raw material, STUMBRAS concludes long-term agreements with reliable and trustworthy suppliers. The company maintains close relations with Lithuanian farmers, who provide the company with ecologically clean raw materials (grain, potatoes, holly grass, pear and apple leaves, etc.) used in the production process. 75% of the company's suppliers are Lithuanian companies and farmers. Some of the raw materials (bottles, juice concentrates, raw distiller and raw wine, aromatisers, whisky) are imported from Western Europe, Estonia, and Poland.

DEVELOPMENTS IN 1999

In 1999, STUMBRAS employed only 40% of its capacity. The company's sales precipitated from LTL 85.47m to LTL 74.3m. The pre-tax profit comprised LTL 11m (LTL 10m in 1998), net profit totalled LTL 8.87 million (LTL 9.2m in 1998).

In 1999, STUMBRAS introduced 7 new products to its trading network: brandy "Victoria", 2 types of sweet brandy, 3 new brands of vodka, whisky "Stumbras".

In 1999, "Prezidento" vodka was granted a gold medal, and brandy "Trejos devynerios" won a silver medal at the international exhibition.

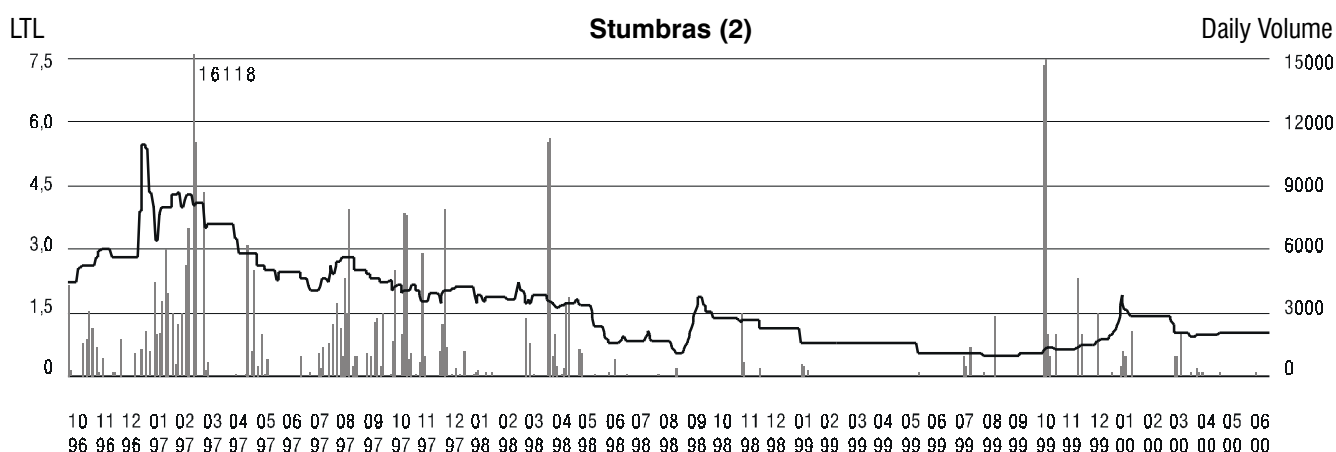
In 1999-2000, the company is intensively preparing to reorientate one of its alcohol plants towards production of ecologically clean fuel. The work is intended to start in the second half of 2000.

PLANS, PROSPECTS FOR 2000

In 2000 STUMBRAS plans to invest LTL 6m into production: to renew production of mineral water, reconstruct a liqueur bar, commence production of bio-fuel. The company expects to be granted the ISO-9002 certificate. Until the end of the year, STUMBRAS hopes to complete at least one of the three long-term marketing programmes for selling its products on the markets of Western Europe and the USA.

Structure OF SHARE CAPITAL

| | |
|------------------|--|
| Share capital: | LTL 76,268,826 |
| Ordinary shares: | 25422942 registered shares at LTL 3 par (security code 11943) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 30.09.96) |



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|-----------|-----------|-----------|-----------|
| LONG TERM ASSETS | 59134126 | 61774843 | 65272802 | 64514169 |
| SHORT TERM ASSETS | 97680143 | 105110321 | 89309596 | 93549551 |
| Stock | 27756021 | 36328033 | 27818355 | 26812577 |
| Amounts receivable within one year | 59882786 | 51866618 | 44576270 | 35427231 |
| TRANSFER ACCOUNTS | 164346 | 218827 | 116664 | 395233 |
| TOTAL ASSETS | 156978615 | 167103991 | 154699062 | 158458953 |
| CAPITAL AND RESERVES | 133559374 | 141313300 | 142005604 | 143724694 |
| Capital | 50845884 | 50845884 | 50845884 | 76268826 |
| Subscribed capital | 50845884 | 50845884 | 50845884 | 76268826 |
| Share premium account | 0 | 0 | 0 | 0 |
| Revaluation reserve | 0 | 0 | 0 | 0 |
| Reserves | 82713490 | 83986575 | 89050760 | 65306619 |
| Profit (loss) brought forward | 0 | 6480841 | 2108960 | 2149249 |
| Amounts payable after one year and long-term liabilities | 0 | 0 | 0 | 0 |
| Amounts payable within year and long-term liabilities | 23419241 | 25790691 | 12693458 | 14734259 |
| ACCRUED CHARGES AND DEFERRED INCOME | 0 | 0 | 0 | 0 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 156978615 | 167103991 | 154699062 | 158458953 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|-----------|-----------|----------|----------|
| SALES AND SERVICES | 156867034 | 139011889 | 85474129 | 74315800 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 109139584 | 105331857 | 63922766 | 52257523 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 32391530 | 15840086 | 9201551 | 8868494 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|-------------|-------------|-------------|-------------|
| PRICE (LTL) | | | | |
| First | 2.80 | 2.05 | 1.14 | 0.87 |
| Max | 5.48(01 20) | 2.23(03 16) | 1.14(01 21) | 1.92(01 19) |
| Min | 1.73(12 12) | 0.55(09 11) | 0.50(08 25) | 0.91(01 04) |
| Last | 2.05 | 1.14 | 0.87 | 1.05 |
| Change (%) | -26.79 | -44.39 | -23.68 | 20.69 |
| Number of transactions (CM) | 381 | 131 | 44 | 49 |
| Turnover CM (units) | 210607 | 54197 | 51829 | 10684 |
| Turnover CM (LTL) | 647081 | 93303 | 32904 | 13755 |
| Turnover BT (units) | 28703 | 20139 | 0 | 200 |
| Turnover BT (LTL) | 81940 | 11234 | 0 | 2100 |
| CM turnover as % in total | 88.01 | 72.91 | 100.00 | 98.16 |
| Total turnover (units) | 239310 | 74336 | 51829 | 10884 |
| Total turnover (LTL) | 729021 | 104537 | 32904 | 15855 |
| Turnover ratio (%) | 0.94 | 0.29 | 0.20 | 0.04 |
| As % in the total share turnover | 0.08 | 0.01 | 0 | 0.01 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|----------|----------|----------|----------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 4.18 | 4.08 | 7.05 | 6.38 |
| Quick ratio | 2.99 | 2.68 | 4.85 | 4.56 |
| Net working capital (LTL thou) | 74425248 | 79538457 | 76732802 | 79210525 |
| Net working capital to total assets | 0.47 | 0.48 | 0.50 | 0.50 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.21 | 0.11 | 0.11 | 0.12 |
| Return on assets (%) | 0.21 | 0.09 | 0.06 | 0.06 |
| Return on equity (%) | 0.24 | 0.11 | 0.06 | 0.06 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.15 | 0.15 | 0.08 | 0.09 |
| Debt / equity ratio | 0.18 | 0.18 | 0.09 | 0.10 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 4.00 | 3.29 | 1.99 | 1.91 |
| Receivables turnover | 3.05 | 2.49 | 1.77 | 1.86 |
| Net working capital turnover | 2.11 | 1.75 | 1.11 | 0.94 |
| Long-term assets turnover | 2.65 | 2.25 | 1.31 | 1.15 |
| Total assets turnover | 1.00 | 0.83 | 0.55 | 0.47 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 31.03.99* |
|---------------------------------|-------|-------|-------|-----------|
| Capitalisation (LTL thou) | 71184 | 52116 | 28982 | 20338 |
| Share book value (LTL) | 5.25 | 5.56 | 5.59 | 5.71 |
| Price / book value ratio (P/BV) | 0.53 | 0.37 | 0.20 | 0.14 |
| Earnings per share (LTL) | 1.27 | 0.62 | 0.36 | 0.31 |
| Price / earnings ratio (P/E) | 2.20 | 3.29 | 3.15 | 2.60 |
| Dividend per share (LTL) | 0.14 | 0.14 | 0.21 | - |
| Dividend yield | 0.05 | 0.07 | 0.18 | - |
| Dividend payout ratio | 0.11 | 0.22 | 0.58 | - |

* - AB Stumbras was not included in the Current Trading List from 14 06 1999 to 22 05 2000

BREWERY

| | |
|----------------------------|------------------------------|
| Address: | Taikos al. 1, 5319 Panevėžys |
| Phone: | (370-25) 505249 |
| Fax: | (370-25) 464667 |
| E-mail: | info@kalnapiilis.lt |
| | www.kalnapiilis.lt |
| Registration date: | 16.10.1996 |
| Registration code: | 4767199 |
| Established: | 1902 |
| Privatised: | 1992 |
| Number of employees: | 299 |
| Authorised capital: | LTL 25.42m |
| Capitalisation (30.06.00): | LTL 78.3m |
| Auditor: | KPMG Lietuva |
| Trading List: | Official |

CORPORATE HISTORY

KALNAPILIS brewery is one of the oldest companies in Panevėžys, situated 130 km northwest of Vilnius. Its history began in 1902, when Albert Foight started producing beer at the BERGSCHLOSSCHEN BREWERS. The capacity of beer brewery equalled 300thou dal. In 1926, operations were expanded to include production of soft drinks. Although production volumes were fairly modest at first, in early 1940s annual volume increased to 1.4m litres.

After a drastic fall during World War II, production revived and, in the beginning of the 1960s, stood at 4m litres of beer and nearly 1m litres of soft drinks per year. A new bottling plant, installed in the mid-1960s, doubled bottling capacity to 6,000 bottles per hour. KALNAPILIS brewery has always been self-sufficient in malt for brewing. A new malt-house, with a capacity of 10000 t per year, was constructed in 1970. The Biržai Brewery, located about 60 km from Panevėžys, was established in 1973. KALNAPILIS was privatised in 1992 (3600 shareholders).

In June 1994, Baltic Beverages Holding, which was founded by Swedish Pripps and Finnish Hartwall, acquired the controlling interest (86%) in KALNAPILIS. The Lithuanian-Swedish public company KALNAPILIS was registered in 1995.

LITMALT company was established (50% of shares are under control of the Finnish concern OY Lahden Polttime AB and 50% are held by KALNAPILIS) for the production of malt.

In 1995, a new bottling line with the capacity of 40thou bottles per hour was mounted in the brewery. In 1996 a new unit of beer fermentation and maturation was opened. The fundamental modernisation of KALNAPILIS was completed in 1997. In 1998 production volumes were expanded. In 1999 the modernisation of the beer boiling section was completed, and the entire beer production process was fully computerised and automated. General investment of KALNAPILIS for the period 1995-2000 constitute LTL 160m.

At the time the public company AB KALNAPILIS was established in 1992, the registered authorised capital amounted to LTL 626thou. In 1993, it was deepened to LTL 1.06m out of the company's profit reserves and dividends. In 1994, the authorised capital was increased twice: to LTL 2.69m out of the company's profit reserves and to 8.47m by supplementary contributions. In 1997 the authorised capital was increased to LTL 25.4m from share premiums and remained unchanged until present.

Structure OF SHARE CAPITAL

| | |
|------------------|--|
| Share capital: | LTL 25,424,031 |
| Ordinary shares: | 25424031 registered shares at LTL 1 par (security code 10545) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 04.10.94) |

Management Board (participation in the company):

Andres Erm, Chairman (0.03%),
Lionginas Romualdas Mackevičius (0.14%), Olav Mofjell (0.007%),
Saulius Endriuška (0.007%), Stasys Krasauskas (0.0004%)

Managing Director (participation in the company): Remigijus Šydeikis (0.013%)

Contact Person: Lina Markevičiūtė, Director of Finance, tel. (370-5) 505249

STRUCTURE OF OWNERSHIP

Total number of shareholders amounts to 2167.

| | |
|--------------------------------------|--------|
| Baltic Beverages Holding AB (Sweden) | 86.37% |
|--------------------------------------|--------|

BUSINESS ACTIVITY

Beer is the main KALNAPILIS product (87.4% in 1997, 88.4% in 1998, 91.36% in 1999). In 1999, the company produced 4.06m dal of beer. Only additionally processed water, the flavour of which lends the beer a more delicate taste, is used in manufacture of all beer brands of KALNAPILIS. Currently KALNAPILIS beer production technology in the main corresponds with the international ISO 9000 which confirms the product's capability to compete on foreign markets. The greater part of the company's beer is sold in Lithuania. KALNAPILIS accounts for 20.34% of the domestic beer market. In 1999, beer export to Russia constituted 0.09% (cf. 0.5% in 1998; 0.8% in 1997). From June 1999, beer is distributed into the retail trading net through UAB Jungtinis Alaus Centras.

Mineral water makes up 5% of KALNAPILIS output, and in 1999 its production reached 3.7m dal. Carbonized mineral water Vichy Classique, which was launched into production in 1997, constituted 11% of the market in 1999.

The suppliers of KALNAPILIS are both Lithuanian and foreign companies. All hops needed for production of beer are imported from Germany, 40% of malt is brought from Finland, and packaging materials come from Sweden, Italy, Denmark, Estonia, and Finland.

DEVELOPMENTS IN 1999

It is not the first year that KALNAPILIS works under conditions of intensive competition on the domestic market. The changed economic situation of the country had an impact on the company as well. Total beer sales in Lithuania increased by 15% as compared with the results of 1998. In the beginning of 1999 the market beer price significantly decreased, while demand for cheap beer augmented, which worsened the company's results. As compared with 1998, KALNAPILIS share on the market declined by 8.66%. Sales of bottled beer also fell. In 1998, KALNAPILIS accounted for 35% of the total domestic market, while in 1999 this share dropped to 25.1%. Having occupied the leading market position in 1997 - 1998, KALNAPILIS was outperformed by Švyturys.

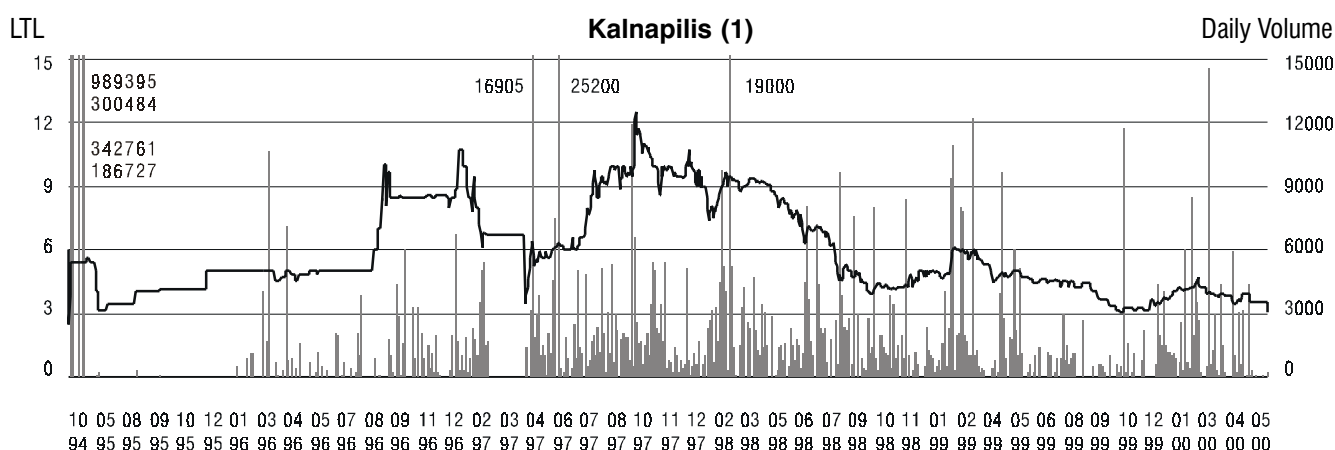
The company's sales revenue constituted LTL 96.8m during the year, the net profit in 1999 exceeded LTL 10m (LTL 25m in 1998). In 1999 the company invested LTL 24m in production, sales, marketing, and distribution (cf. LTL 22.65m in 1998, LTL 14m in 1997). Seeking to be the best in the beer market, in 1999 KALNAPILIS was actively preparing a programme for comprehensive improvement of beer quality. This programme is to be accomplished in 2000.

PLANS AND PROSPECTS FOR 2000

At the beginning of 2000, KALNAPILIS presented 4 brands of new quality beer. These are the first results of the company's long-term quality programme. The quality programme that lasted for two years was carried out by improving all activity spheres, including processes of production technology, recipes, product packaging, and introduction to consumers. The preparation of the new beer formula was based on the opinion of over 50thou questioned consumers. Labels of the new beer contain temperature indicators.

It is expected that KALNAPILIS will remain a stable, and constantly developing company which produces the Lithuanian beer of the highest quality by applying the latest technologies, has a strong trade mark and firm position in the market, carries out researches, forms and satisfies the needs of consumers, and is closely connected with cultural and social life of Lithuania.

| SUBSIDIARIES | Date of establishment | Authorised capital (LTL) | Participating interest |
|--------------|-----------------------|--------------------------|------------------------|
| UAB Litmalt | 1997 | 20m | 100% |



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|----------|-----------|-----------|-----------|
| LONG TERM ASSETS | 60090571 | 85312254 | 111967505 | 111171764 |
| SHORT TERM ASSETS | 24035868 | 34261418 | 24600951 | 13733637 |
| Stock | 15786261 | 5979843 | 13545073 | 9110483 |
| Amounts receivable within one year | 7388489 | 24049505 | 8794881 | 3355679 |
| TRANSFER ACCOUNTS | 125557 | 103631 | 152347 | 81840 |
| TOTAL ASSETS | 84251996 | 119677303 | 136720803 | 124987241 |
| CAPITAL AND RESERVES | 53194518 | 82915985 | 98452349 | 106349017 |
| Capital | 8474677 | 25424031 | 25424031 | 25424031 |
| Subscribed capital | 8474677 | 25424031 | 25424031 | 25424031 |
| Share premium account | 24491460 | 7542106 | 7542106 | 7542106 |
| Revaluation reserve | 7260884 | 7260884 | 7260884 | 7260884 |
| Reserves | 978040 | 978040 | 2464113 | 2464113 |
| Profit (loss) brought forward | 11989457 | 41710924 | 55761215 | 63657883 |
| Amounts payable after one year and long-term liabilities | 19371844 | 13623241 | 12000000 | 8000000 |
| Amounts payable within year and long-term liabilities | 9230167 | 22635128 | 25422114 | 9939388 |
| ACCRUED CHARGES AND DEFERRED INCOME | 2376888 | 221444 | 846340 | 698836 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 84251996 | 119677303 | 136720803 | 124987241 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|----------|----------|-----------|----------|
| SALES AND SERVICES | 57804020 | 89781960 | 106190404 | 96789184 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 27723409 | 38110635 | 44693723 | 56822427 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 10430101 | 29721467 | 25287788 | 10230677 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|--------------|--------------|-------------|-------------|
| PRICE (LTL) | | | | |
| First | 8.49 | 9.44 | 4.58 | 3.63 |
| Max | 12.55(10 20) | 10.75(01 13) | 6.15(03 03) | 4.71(03 16) |
| Min | 3.50(05 06) | 3.90(10 23) | 3.10(11 18) | 3.08(06 30) |
| Last | 9.44 | 4.58 | 3.63 | 3.08 |
| Change (%) | 11.19 | -51.48 | -20.74 | -15.15 |
| Number of transactions (CM) | 1246 | 1612 | 668 | 309 |
| Turnover CM (units) | 308334 | 335713 | 183787 | 116998 |
| Turnover CM (LTL) | 2501606 | 2405828 | 915124 | 462124 |
| Turnover BT (units) | 208157 | 156987 | 43362 | 0 |
| Turnover BT (LTL) | 1479422 | 1194060 | 255836 | 0 |
| CM turnover as % in total | 59.70 | 68.14 | 80.91 | 100.00 |
| Total turnover (units) | 516491 | 492700 | 227149 | 116998 |
| Total turnover (LTL) | 3981027 | 3599888 | 1170960 | 462124 |
| Turnover ratio (%) | 2.03 | 1.94 | 0.89 | 0.46 |
| As % in the total share turnover | 0.42 | 0.40 | 0.10 | 0.22 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|----------|----------|----------|---------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 2.08 | 1.50 | 0.94 | 1.30 |
| Quick ratio | 0.72 | 1.24 | 0.43 | 0.44 |
| Net working capital (LTL thou) | 12554370 | 11508477 | -1515156 | 3177253 |
| Net working capital to total assets | 0.15 | 0.10 | -0.01 | 0.03 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.18 | 0.33 | 0.24 | 0.11 |
| Return on assets (%) | 0.12 | 0.25 | 0.19 | 0.08 |
| Return on equity (%) | 0.20 | 0.36 | 0.26 | 0.10 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.37 | 0.31 | 0.28 | 0.15 |
| Debt / equity ratio | 0.58 | 0.44 | 0.39 | 0.18 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 2.15 | 3.50 | 4.58 | 5.02 |
| Receivables turnover | 9.45 | 5.71 | 6.47 | 15.93 |
| Net working capital turnover | 4.60 | 7.80 | -70.09 | 30.46 |
| Long-term assets turnover | 0.96 | 1.05 | 0.95 | 0.87 |
| Total assets turnover | 0.69 | 0.75 | 0.78 | 0.77 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|-------|--------|--------|--------|
| Capitalisation (LTL thou) | 71950 | 240003 | 116442 | 92,289 |
| Share book value (LTL) | 6.28 | 3.23 | 3.87 | 4.21 |
| Price / book value ratio (P/BV) | 1.35 | 2.92 | 1.18 | 0.86 |
| Earnings per share (LTL) | 1.23 | 1.17 | 0.99 | 0.40 |
| Price / earnings ratio (P/E) | 6.90 | 8.08 | 4.60 | 9.09 |
| Dividend per share (LTL) | 0.25 | 0.16 | 0.1599 | 0.07 |
| Dividend yield | 0.03 | 0.02 | 0.03 | 0.02 |
| Dividend payout ratio | 0.20 | 0.14 | 0.16 | 0.18 |

BREWERY

| | |
|----------------------------|-------------------------------|
| Address: | Kaunakiemio g. 2, 3000 Kaunas |
| Phone: | (370-7) 228495, 324425 |
| Fax: | (370-7) 321503 |
| E-mail: | info@ragutis.lt |
| | www.ragutis.lt |
| Registration date: | 08.03.1994 |
| Registration code: | 3399058 |
| Established: | 1863 |
| Privatised: | 1994 |
| Number of employees: | 271 |
| Authorised capital: | LTL 21.8m |
| Capitalisation (30.06.00): | LTL 19.6m |
| Auditor: | Arthur Andersen |
| Trading List: | Current |

Supervisory Board (participation in the company):

Heikki Hortling, Chairman (0%),
Timo Hortling (0%), Markku Ronkko (0%),
Danutė Kietienė (0.20%), Edvardas Rudzevičius (0.33%)

Management Board (no participation in the company):

Audrius Mikšys, Chairman, Pirjo Hortling, Jarkko Leskinen

Managing Director (no participation in the company): Audrius Mikšys

Contact Person: Sandra Kučinskaitė, Secretary, tel. (370-7) 324345

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 827 |
| AS A.Le Coq (Estonia) | 49.98% |
| State Property Fund | 5.5% |

CORPORATE HISTORY

The history of RAGUTIS brewery began in 1853, when I.B.Wolf brewery and malthouse were established in Kaunas. In 1860, when ENGELMAN brewery and malthouse were established, beer was produced in the territory where currently RAGUTIS is located. In 1928, the two companies merged, and the new one was called I.B.WOLF & ENGELMAN, which reached the production level of 3.5m litres of beer per year in 1930. It constituted 1/3 of all beer market in Lithuania at that time. In 1940, the brewery was nationalised and transformed into a state enterprise called RAUDONOJI PAŠVAISĖ (The Red Glow). In 1959, several small soft drinks plants and soft drinks' plant RAGUTIS merged to one enterprise together with RAUDONOJI PAŠVAISĖ. In 1967, the joint enterprise was named RAGUTIS. In 1992, a part of the company's production equipment, buildings, land were separated and new company – Žalsvytis - was established.

RAGUTIS was privatised in 1994 and was registered as a public limited company with the share capital of LTL 2.2 million. The capital was divided into 227,473 ordinary registered shares at LTL 10 par.

In 1997, Plzensky Prazdroj a.s. acquired 51% of RAGUTIS share capital. Plzensky Prazdroj a.s. began renovation of RAGUTIS' main equipment and reorganisation of the company's management and marketing strategy immediately after the acquisition. In the same year the company brewed a new brand of beer, Gambrinus, in accordance with Plezensky Prazdroj a.s. technology.

In September 1999, Estonian holding company A.Le.Coq, belonging to the Finnish beer concern Olvi OY, have bought 49.98% of company's shares from Plzensky Prazdroj a.s.

BUSINESS ACTIVITY, LATEST DEVELOPMENTS

At present, RAGUTIS is the fifth largest brewery in Lithuania and has 7% of the country's beer market.

The company produces 11 brands of beer: Ragutis Premium (a highest quality classical light beer), Ragutis Pilsner, Širvenos (a beer of traditional prescription and original flavour, produced by the company since 1988), Biržiečių (a dark beer of traditional prescription and exceptional flavour, produced by the company since 1968, the name is connected with the region of Biržai that cherishes traditions of beer production), Fortas (strong beer), Fortas light beer, a "younger brother" of the strong beer Fortas.

In 1999, RAGUTIS produced 1296thou dal of beer, the main part of it falling to the traditional Lithuanian brand of beer - Širvenos (35.6%) and the strongest of the company's products - Biržiečių (31%) beer. The company sells all its products in Lithuania.

The company buys principle raw material for beer production from Lithuania (sugar) and from the Czech Republic (hop and malt).

In 1999, the company's sales were LTL 28m (in 1998, LTL 34m). The company suffered a loss of LTL 2.6m (In 1998, the profit was LTL 4.8m).

During the last year, the company invested LTL 11.4m into the beer production and fermentation departments.

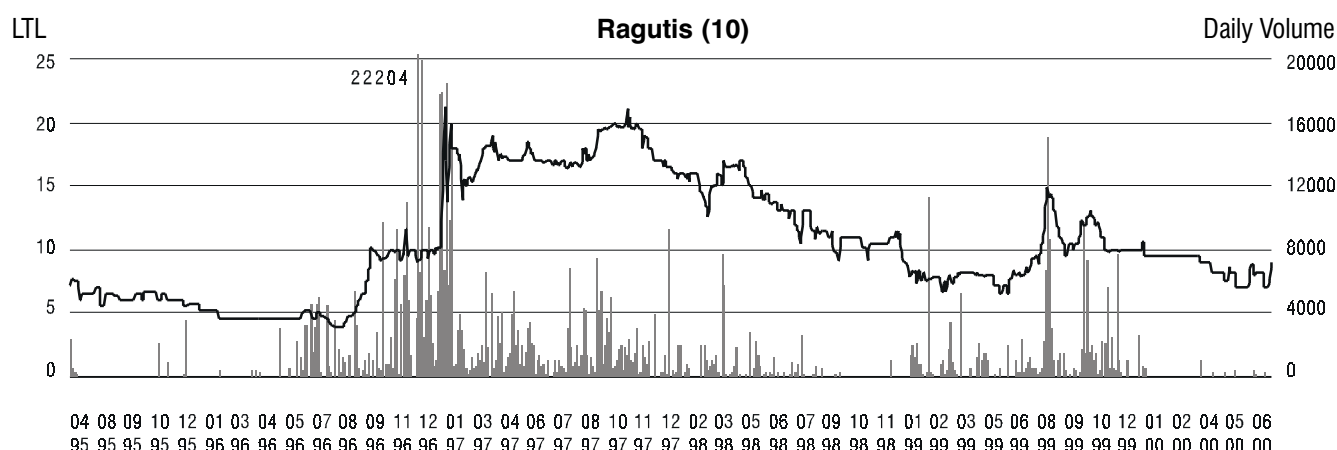
PLANS, PROSPECTS FOR 2000

In 2000 RAGUTIS began to produce two brands of Fortas beer which, nowadays, takes the largest part of the production. In April 2000, Fortas light constituted 28.6% of all sales, Fortas dark – 32.5%. In the summer of 2000, the company will offer two new brands of light beer. One of them will be Premium type with 5.2% alcohol, the other – Pilsner type with 4.7% alcohol beer.

In 2000, company plans to invest LTL 6m into production process.

Structure OF SHARE CAPITAL

| | |
|------------------|--|
| Share capital: | LTL 21,807,040 |
| Ordinary shares: | 2180704 registered shares at LTL 10 par (security code 11029) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 04.04.95) |



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|----------|----------|----------|----------|
| LONG TERM ASSETS | 10338050 | 20547935 | 37722828 | 43183000 |
| SHORT TERM ASSETS | 11024512 | 13684076 | 14812555 | 11741000 |
| Stock | 4411684 | 6343935 | 6092392 | 5930000 |
| Amounts receivable within one year | 3332547 | 5675638 | 7692530 | 3328000 |
| TRANSFER ACCOUNTS | 0 | 24447 | 68318 | 0 |
| TOTAL ASSETS | 21362562 | 34256458 | 52603701 | 54924000 |
| CAPITAL AND RESERVES | 16773939 | 30339043 | 36079994 | 30557000 |
| Capital | 10685450 | 21807040 | 21807040 | 21807000 |
| Subscribed capital | 10685450 | 21807040 | 21807040 | 21807000 |
| Share premium account | 0 | 0 | 0 | 0 |
| Revaluation reserve | 0 | 0 | 0 | 0 |
| Reserves | 3127252 | 8532003 | 12896345 | 2181000 |
| Profit (loss) brought forward | 2961237 | 0 | 1376609 | 6569000 |
| Amounts payable after one year and long-term liabilities | 0 | 0 | 10491913 | 4348000 |
| Amounts payable within year and long-term liabilities | 4588623 | 3728010 | 5862730 | 20019000 |
| ACCRUED CHARGES AND DEFERRED INCOME | 0 | 0 | -20341 | 0 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 21362562 | 34256458 | 52603701 | 54924000 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|----------|----------|----------|----------|
| SALES AND SERVICES | 21359457 | 36384708 | 40494118 | 28265000 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 16610857 | 26094567 | 23247309 | 14078000 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 3527151 | 4802263 | 6188304 | -2601000 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|--------------|--------------|--------------|-------------|
| PRICE (LTL) | | | | |
| First | 9.59 | 16.25 | 8.10 | 9.55 |
| Max | 21.20(01 17) | 17.00(04 17) | 14.84(07 27) | 9.55(03 14) |
| Min | 9.59(01 02) | 7.92(12 24) | 6.56(05 18) | 7.02(06 26) |
| Last | 16.25 | 8.10 | 9.55 | 9.00 |
| Change (%) | 69.45 | -50.15 | 17.90 | -5.76 |
| Number of transactions (CM) | 1413 | 538 | 941 | 41 |
| Turnover CM (units) | 383496 | 78637 | 178163 | 3224 |
| Turnover CM (LTL) | 6407826 | 1116928 | 1937975 | 27561 |
| Turnover BT (units) | 183669 | 136280 | 1225312 | 27851 |
| Turnover BT (LTL) | 3113129 | 1494840 | 25639638 | 279725 |
| CM turnover as % in total | 67.62 | 36.59 | 12.69 | 10.37 |
| Total turnover (units) | 567165 | 214917 | 1403475 | 31075 |
| Total turnover (LTL) | 9520955 | 2611768 | 27577614 | 307286 |
| Turnover ratio (%) | 53.08 | 20.11 | 64.36 | 1.43 |
| As % in the total share turnover | 0.99 | 0.29 | 2.23 | 0.15 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|---------|---------|---------|----------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 2.40 | 3.68 | 2.55 | 0.59 |
| Quick ratio | 1.44 | 1.98 | 1.50 | 0.29 |
| Net working capital (LTL thou) | 6435889 | 9980513 | 9038484 | -8278000 |
| Net working capital to total assets | 0.30 | 0.29 | 0.17 | -0.15 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.17 | 0.13 | 0.15 | -0.09 |
| Return on assets (%) | 0.17 | 0.14 | 0.12 | -0.05 |
| Return on equity (%) | 0.21 | 0.16 | 0.17 | -0.09 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.21 | 0.11 | 0.31 | 0.44 |
| Debt / equity ratio | 0.27 | 0.13 | 0.46 | 0.80 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 4.50 | 4.85 | 3.74 | 2.34 |
| Receivables turnover | 3.49 | 8.08 | 6.06 | 5.13 |
| Net working capital turnover | 3.32 | 3.65 | 4.48 | -3.41 |
| Long-term assets turnover | 2.07 | 1.77 | 1.07 | 0.65 |
| Total assets turnover | 1.00 | 1.06 | 0.77 | 0.51 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|-------|-------|-------|--------|
| Capitalisation (LTL thou) | 10247 | 17364 | 8655 | 20,826 |
| Share book value (LTL) | 15.70 | 13.91 | 16.55 | 14.01 |
| Price / book value ratio (P/BV) | 0.61 | 1.17 | 0.49 | 0.68 |
| Earnings per share (LTL) | 3.30 | 2.20 | 2.84 | -1.19 |
| Price / earnings ratio (P/E) | 2.91 | 7.38 | 2.85 | - |
| Dividend per share (LTL) | - | - | - | - |
| Dividend yield | - | - | - | - |
| Dividend payout ratio | - | - | - | - |

BREWERY

| | |
|----------------------------|---------------------------------|
| Address: | Kulių vartų g. 7, 5799 Klaipėda |
| Phone: | (370-6) 484000 |
| Fax: | (370-6) 484009 |
| E-mail: | svyturys@svyturys.com |
| | www.svyturys.com |
| Registration date: | 16.03.1993 |
| Registration code: | 4065901 |
| Established: | 1784 |
| Privatised: | 1993 |
| Number of employees: | 294 |
| Authorised capital: | LTL 18m |
| Capitalisation (30.06.00): | LTL 369m |
| Auditor: | Arthur Andersen |
| Trading List: | Unlisted |

Management Board (no participation in the company):

Nils Smedegaard Andersen, Chairman,
Ole Faerge, Algimantas Stanaitis, Vytenis Aleškaitis,
Claudia Lindby Laursen, Henrik Lannero

Managing Director (no participation in the company):

Tomas Kučinskas
Contact Person: Ramutė Mankienė, Securities Accounting Manager, tel. (370-6) 484089
Rima Gabšienė, Chief Accountant, tel. (370-2) 484011

STRUCTURE OF OWNERSHIP

| | |
|--|--------|
| Carlsberg A/S | 57.83% |
| Investment Fund for central and Eastern Europe (Denmark) | 20.61% |
| EBRD | 19.90% |

CORPORATE HISTORY

ŠVYTURYS is proud of having the oldest roots among the Lithuanian breweries. The history of the company dates as far back as 1748 when the German businessman J.V.Reinecke founded Klaipėda Brewery based on the joint capital. After some time Theodor Preuss joined the Klaipėda Brewery, and the new enterprise became an indisputable leader among brewers of Klaipėda region. After the war, ŠVYTURYS brewery was rebuilt and the first batch of beer was boiled in 1946. At first, it was poured out into barrels and distributed to the bars of Klaipėda region. In 1950 a bottling line was mounted which was constantly replaced with a more powerful one due to the increasing demand for Klaipėda beer. In 1960 experts of ŠVYTURYS created a recipe of Baltija beer which became a flagman of the beer group produced by the company. In 1973 the company was one of the first in Lithuania to introduce beer pasteurisation. Over 1975 ŠVYTURYS produced 2.76m decalitres of beer.

Since the beginning of the privatisation, ŠVYTURYS has made capital investment fully upgrading its technological process to produce beer of the highest quality. In 1995 the company introduced the pasteurisation process increasing the self life of the bottled beer. In 1996 modern beer filtration equipment was installed. During these years, the company mounted necessary equipment to start the distribution of beer in kegs for bars and restaurants. The company modernised its labelling machines and equipped its transport division with new vehicles. In 1997 the company was ready to deliver the beer nationally. In 1998 the company's capital investment amounted to LTL 19.7m.

Excellent financial results of the company and popularity of ŠVYTURYS beer in Lithuania attracted attention of foreign investors. On 28 April 1999, Carlsberg A/S acquired 95% of the shares of ŠVYTURYS for LTL 180.5 million. On July 15 1999, Carlsberg A/S sold 19.9% of ŠVYTURYS shares to the European Bank for Reconstruction and Development. In August 1999, Carlsberg A/S sold one more block of ŠVYTURYS shares (20.60%) to the Investment Fund of Denmark.

BUSINESS ACTIVITY

Over the recent years, ŠVYTURYS developed from a Klaipėda region brewery into a beer producer well known all over the country. Since 1996 the company has been considerably increasing annual beer production volumes. ŠVYTURYS was the first in Lithuania to reorganise the production in the main in 1989. Therefore, the production of beer that satisfies the international quality requirements and possesses characteristics of genuine Lithuanian beer was launched. At that time a new family of ŠVYTURYS beer was created

which currently includes the following 6 beer brands: "Ekstra" – 5.2% vol., light beer of Vienna Amber class created in 1991; "Švyturio" – light beer of 5.2% vol.; "Gintarinis" – 4.7% vol., light beer of "Pilsner" class; "Originalusis" – 5.0% vol. beer for production of which caramel malt is used (it is the most popular beer in Samogitia); "Baltijos" – 6.4% vol. dark beer, the oldest product of ŠVYTURYS which resembles the drink offered by J.W.Reinecke, the predecessor of the company, over 200 years ago; "Stipriausias" – 8.2% vol., strong beer with deep fermentation. ŠVYTURYS beer is unique by the fact that it may be the only beer in Lithuania created by a woman.

The company produces beer in bottles, kegs, and draught beer. The company sells its production in the north-west of Lithuania and in all major cities and regional centres of the country.

ŠVYTURYS purchases barley malt from the Lithuanian enterprise Litmalt as well as imports from England (Muntons PLC) and Denmark (Danish Malting Group).

DEVELOPMENTS IN 1999

ŠVYTURYS was the third most popular company in the Lithuanian beer market according to sales volumes in 1999. Beer production volumes of ŠVYTURYS improved by 18.4%, and the company produced 3958thou dal of beer where bottled beer constituted 76.2%. As the demand for draught beer increased, its production volumes surged by 53.2%. The company's sales exceeded LTL 73.7m (LTL 48.4m in 1997; LTL 61.7m in 1998), net profit constituted LTL 24.5m (LTL 15m in 1997; LTL 24.5m in 1998).

Over 1999 the internal structure of the company was significantly changed, with particular attention to the development of sales and marketing units. The market of draught beer was constantly expanded, new sales forms were implemented. Moreover, a considerable amount of money was invested into advertising means.

PLANS, PROSPECTS FOR 2000

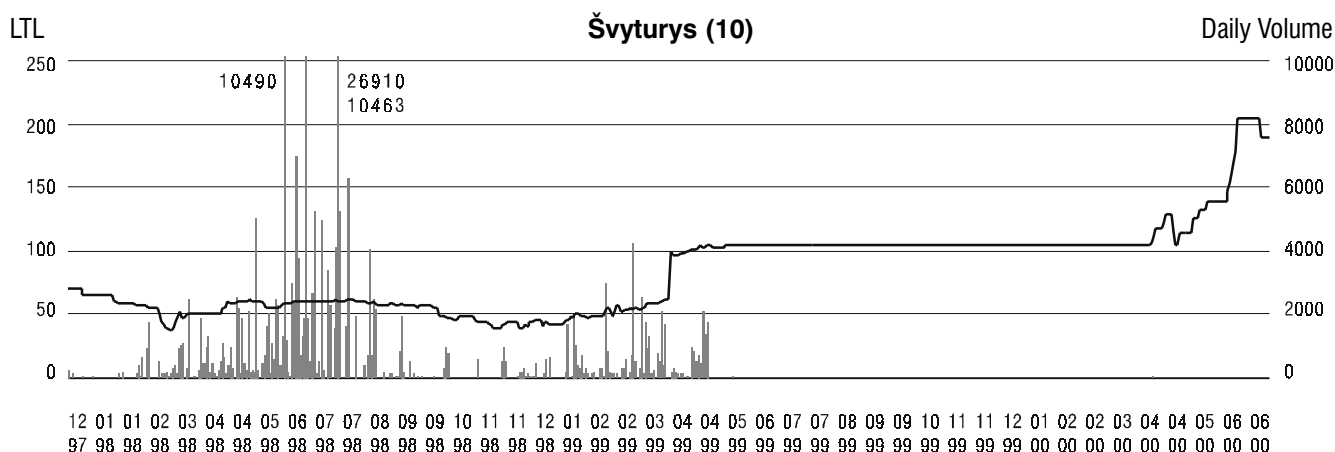
At the World Beer Cup in New York, ŠVYTURYS "Ekstra" beer was awarded a silver medal in the category of "Export" beer of Dortmund - Europe style.

ŠVYTURYS plans that sales for the period 2000 01 01 - 09 30 will amount to LTL 89.78m, and net profit for the same period will come to LTL 17.7m.

In April 2000, a meeting of ŠVYTURYS shareholders passed a decision to reorganise the company into a close stock company. All the resolutions related to the anticipated reorganisation of the company shall come into force when ŠVYTURYS meets the requirements for reorganisation into a close stock company provided for in the laws.

Structure OF SHARE CAPITAL

| | |
|------------------|--|
| Share capital: | LTL 18,000,000 |
| Ordinary shares: | 1,800,000 registered shares at LTL 10 par (security code 11790) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 15.12.97) |



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|----------|----------|----------|----------|
| LONG TERM ASSETS | 10807680 | 16467923 | 34245885 | 55715746 |
| SHORT TERM ASSETS | 9612633 | 15592244 | 18437390 | 22111107 |
| Stock | 7119960 | 6963818 | 9711416 | 6398941 |
| Amounts receivable within one year | 1540106 | 2638504 | 6180548 | 5435329 |
| TRANSFER ACCOUNTS | 99819 | 181106 | 201044 | 388187 |
| TOTAL ASSETS | 20520132 | 32241273 | 52884319 | 78215040 |
| CAPITAL AND RESERVES | 15344046 | 26028810 | 49795663 | 68746398 |
| Capital | 7074820 | 11347600 | 18000000 | 18000000 |
| Subscribed capital | 7074820 | 11347600 | 18000000 | 18000000 |
| Share premium account | 0 | 0 | 0 | 0 |
| Revaluation reserve | 0 | 0 | 0 | 0 |
| Reserves | 3996446 | 7918545 | 20853300 | 39324589 |
| Profit (loss) brought forward | 0 | 6762665 | 10942363 | 11421809 |
| Amounts payable after one year and long-term liabilities | 0 | 0 | 0 | 0 |
| Amounts payable within year and long-term liabilities | 5176086 | 6206718 | 3088656 | 9459248 |
| ACCRUED CHARGES AND DEFERRED INCOME | 0 | 5745 | 0 | 9394 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 20520132 | 32241273 | 52884319 | 78215040 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|----------|----------|----------|----------|
| SALES AND SERVICES | 29201164 | 48401137 | 61704177 | 73714249 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 17456106 | 27584469 | 32347546 | 39955016 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 8625751 | 15075117 | 24507139 | 24512300 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|--------------|--------------|---------------|---------------|
| PRICE (LTL) | | | | |
| First | 70.00 | 66.00 | 43.27 | 105.00 |
| Max | 70.00(12 29) | 66.00(01 07) | 105.00(05 31) | 205.00(06 23) |
| Min | 66.00(12 31) | 37.02(03 10) | 43.27(01 05) | 104.50(04 21) |
| Last | 66.00 | 43.27 | 105.00 | 190.00 |
| Change (%) | -5.71 | -34.44 | 142.66 | 80.95 |
| Number of transactions (CM) | 15 | 1308 | 646 | 22 |
| Turnover CM (units) | 463 | 199475 | 43148 | 109 |
| Turnover CM (LTL) | 32210 | 11654969 | 2850866 | 14813 |
| Turnover BT (units) | 2091 | 176642 | 2507911 | 5692 |
| Turnover BT (LTL) | 135915 | 10008179 | 266413198 | 603080 |
| CM turnover as % in total | 18.13 | 53.04 | 1.69 | 1.88 |
| Total turnover (units) | 2554 | 376117 | 2551059 | 5801 |
| Total turnover (LTL) | 168125 | 21663149 | 269264064 | 617893 |
| Turnover ratio (%) | 0.23 | 33.15 | 141.73 | 0.32 |
| As % in the total share turnover | 0.02 | 2.43 | 21.79 | 0.30 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|---------|---------|----------|----------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 1.88 | 2.54 | 6.03 | 2.38 |
| Quick ratio | 0.50 | 1.42 | 2.89 | 1.70 |
| Net working capital (LTL thou) | 4536366 | 9560887 | 15549778 | 13030652 |
| Net working capital to total assets | 0.22 | 0.30 | 0.29 | 0.17 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.30 | 0.31 | 0.40 | 0.33 |
| Return on assets (%) | 0.42 | 0.47 | 0.46 | 0.31 |
| Return on equity (%) | 0.56 | 0.58 | 0.49 | 0.36 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.25 | 0.19 | 0.06 | 0.12 |
| Debt / equity ratio | 0.34 | 0.24 | 0.06 | 0.14 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 1.78 | 3.92 | 3.88 | 4.96 |
| Receivables turnover | 24.98 | 23.17 | 13.99 | 12.69 |
| Net working capital turnover | 6.44 | 5.06 | 3.97 | 5.66 |
| Long-term assets turnover | 2.70 | 2.94 | 1.80 | 1.32 |
| Total assets turnover | 1.42 | 1.50 | 1.17 | 0.94 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|-------|-------|-------|--------|
| Capitalisation (LTL thou) | - | 74894 | 77886 | 39,874 |
| Share book value (LTL) | 26.93 | 22.94 | 27.66 | 0.76 |
| Price / book value ratio (P/BV) | - | 2.88 | 1.56 | 1.78 |
| Earnings per share (LTL) | 12.19 | 13.28 | 13.62 | -1.16 |
| Price / earnings ratio (P/E) | - | 4.97 | 3.18 | - |
| Dividend per share (LTL) | 5.00 | 3.00 | 1.41 | - |
| Dividend yield | - | 0.05 | 0.03 | - |
| Dividend payout ratio | 0.41 | 0.23 | 0.10 | - |

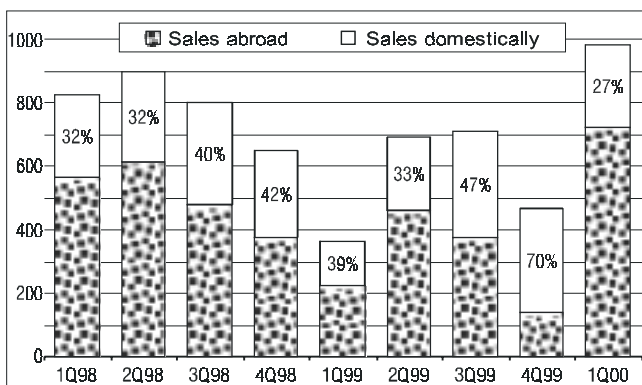
LITHUANIAN COMPANIES

REFINED OIL INDUSTRY

Although production of refined oil industry was shrinking in 1998 and 1999, its share in total industry of the country remains rather considerable. Last year, production sales of the sector summed up to 12.3 percent of mining and manufacturing industrial production sales. The value added by the industry constituted 6.2 percent of the value added by mining and manufacturing industry (about 1 percent of GDP). Unfortunately, this year, the sector faces difficulties.

Although production sales of oil industry in nominal terms grew in the first quarter of this year, as compared with the respective period of last year, it was solely due to the increase in the producer prices of oil products that climbed 2.65 times on the average. In the first quarter of 2000, exports of refined oil products accounted for 73.2 percent of output, i.e. more than in any quarter of 1998 or 1999 (see Diagram).

Sales of Oil Products
(LTL million)



Due to irregular supply of crude oil, the financial and production results of the industry for 1999 were unsatisfactory. As compared with 1998, in 1999, sales at current prices fell by 29.7 percent, while sales at constant prices deteriorated by even 36.9 percent. *Mažeikių Nafta*, a dominating oil refinery in the sector, suffered LTL 130.9 million losses (in 1998, LTL 93.2 million losses).

After the government sold 33 percent of its *Mažeikių Nafta* shares to the strategic investor *Williams International* in October 1999, it was anticipated that the results of the sector would get better. However, expectations failed. In November and December of last year, *Mažeikių Nafta* stood idle for 29 days due to insufficient supply of crude oil. Because of the same reason, operations were interrupted for 10 days this year, again. The refinery asked the government to follow its obligations stated in the privatisation agreement and cover consequential losses by LTL 140 million from the Reserve fund, which was specially founded for *Mažeikių Nafta* compensations.

Due to insufficient supply of raw materials, sales of refined oil industry at constant prices contracted by 1.6 percent in the first quarter of this year, as opposed to the corresponding quarter of 1999 (though the first quarter of last year was far from being successful). Losses totalled LTL 17.2 million.

From January to May of 2000, *Mažeikių Nafta* refined 6.7 percent of crude oil less than in the respective period of last year. The problem of crude oil supply can be solved, if currently taking place, intensive negotiations on long term raw material provision and an establishment of joint company between *Williams International* and the largest Russian oil extraction enterprise *Lukoil* will end successfully.

WHOLESALE AND RETAIL TRADE IN FUEL

| | |
|----------|----------------------------|
| Address: | Aguonų g. 24, 2600 Vilnius |
| Phone: | (370-2) 687422 |
| Fax: | (370-2) 624847 |
| E-mail: | kuras@post.omnitel.net |

| | |
|----------------------------|------------|
| Registration date: | 19.07.1995 |
| Registration code: | 2005933 |
| Established: | 1946 |
| Privatised: | 1995, 1999 |
| Number of employees: | 917 |
| Authorised capital: | LTL 62m |
| Capitalisation (30.06.00): | LTL 16.75m |

| | |
|---------------|------------------------|
| Auditor: | PricewaterhouseCoopers |
| Trading List: | Current |

Management Board (participation in the company):

Steve Homewood, Chairman (0%),
 Juozas Aliukonis (0%), Eugenijus Kaziliūnas (0%), Vidūnas Mekšrūnas (0.0001%),
 Arūnas Vilkelis (0%)

Managing Director: Eugenijus Kaziliūnas

Contact Person: Rimvydas Velička, Director of Economy, tel. (370-2) 687407

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 2624 |
| Kopcke International Holdings B.V. and D.C.Berkel | 67.76% |
| AB Kauno ketaus liejykla | 5.39% |

CORPORATE HISTORY

The history of LIETUVOS KURAS dates from 1946, when the Lithuanian Board of Oil Products Provision was established. In 1980, the State Oil Products Committee replaced the Board. Throughout the decades the name of the company was changed a number of times.

The state company LIETUVOS KURAS was registered in 1990. The company's authorised capital amounted to RBL 31.8 million. In 1993, LIETUVOS KURAS had the authorised capital in excess of LTL 56.2 million. The state holdings accounted for 61%, and the share capital made up 39%. On 5 November 1994, the authorised capital was raised out of the revaluation reserve and reached LTL 127 million.

In 1995, the state enterprise was reorganised into a public limited company. With the changes made in the company's fixed capital during 1994 and 1995, LIETUVOS KURAS' authorised capital amounted to LTL 178.6 million. The state participating interest constituted 73.35%. The state block in LIETUVOS KURAS' was reduced by 6.2m shares or LTL 30.9m, and the authorised capital amounting to LTL 147,679,710 was registered on 7 July 1999. The state controlled 67.76% of the stock.

BUSINESS ACTIVITY

LIETUVOS KURAS engages in wholesale and retail trade of non-ethyl petrol, diesel fuel, and coal. In 1999, the company sold 80.6thou tons (140.5thou t in 1998) of oil products and 9.9thou tons (14.7thou t in 1998) of coal. Revenue generated from the sale of oil products accounted for 96% of the total proceeds in 1999. The rest of the revenue was derived from the coal business and other services. The company decided not to develop trading in coal, since it has no future. Therefore, the remainder of the coal was sold in 1999. In comparison with 1998, the amount of the sold oil products was by 42.7% smaller.

Lithuanian residents and entities constitute the realisation market of the company. Oil products are distributed through LIETUVOS KURAS branch offices and their departments (petrol stations) in Kaunas and Vilnius. The company has 121 petrol stations, 86 of which are exploited by LIETUVOS KURAS, 25 rented, while 10 closed. Lukoil Baltija (42.1%) and Mažeikių Nafta (18.4%) are the company's main suppliers of oil products. In 1999, import accounted for 18.4%, other Lithuanian entities - for 15.9% of all purchased light oil products.

DEVELOPMENTS IN 1999

In 1999, sales of the company exceeded LTL 164m (LTL 257m in 1998). Income of LIETUVOS KURAS amounted to LTL 157.4m (37.9% less than last year) for the sold oil products.

Over 1999 the company's warehouses stored 15thou tons of other owners' oil, which is by 43.7% less than in 1998. Revenue from those services equalled LTL 0.72m. In 1999, the company incurred LTL 37.8m losses (LTL 30m in 1998). Maintenance of the excess assets and financial obligations (namely, loans from the World Bank, EEC, Lithuanian Savings Bank and interest paid) had the most serious negative influence on the activity results of the company.

In October 1999, while implementing the privatisation programme of LIETUVOS KURAS, the State Property Fund sold all 67.76% of the state-owned shares to Kopcke International Holdings B.V. (Rotterdam).

In 1999, the company's capital was reduced from LTL 147.6m to LTL 62m in order to eliminate the difference which resulted from the losses, between the own funds and the authorised capital. In December, the Lithuanian Securities Commission cancelled 17,126,747 ORS of LIETUVOS KURAS.

PLANS, PROSPECTS FOR 2000

LIETUVOS KURAS will be concentrating on the retail trade of oil products. When reorganising the company and centralising its activities (closing subsidiary offices in Vilnius and Kaunas), the number of employees will be reduced doubly. The company will also seek to restructure its financial obligations and attract investments.

Structure OF SHARE CAPITAL

| | |
|------------------|--|
| Share capital: | LTL 62,045,975 |
| Ordinary shares: | 12,409,195 registered shares at LTL 5 par (security code 11436) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 12.02.96) |

OIL AND CRUDE OIL REFINING

| | |
|----------------------------|--------------------------------|
| Address: | Juodeikiai, 5520 Mažeikių raj. |
| Phone: | (370-93) 92286 |
| Fax: | (370-93) 92525 |
| E-mail: | post@nafta.lt |
| | www.nafta.lt |
| Registration date: | 24.01.1991 |
| Registration code: | 6645172 |
| Established: | 1980 |
| Privatised: | 1999 |
| Number of employees: | 3735 |
| Authorised capital: | LTL 1035m |
| Capitalisation (30.06.00): | LTL 540.9m |
| Auditor: | Arthur Andersen |
| Trading List: | Current |

Supervisory Board (no participation in company):

G.Kazakevičius, Chairman,

J.Bumgarner, J.Savolainen, B.Boreikaitė, G.Geleževičienė, T.Statkus

Management Board (participation in company):

R.A.Majors, Chairman (0%),

S.Hunkus (0%), K.Balkevičius (0%),

V.Petrošienė (0.002%), G.Vaičiūnas (0%), V.Valys (0%)

Managing Director (no participation in company): James Eugene Scheel

Contact Person: Alan George Henderson, Director of Communications, tel. (370-93) 92503

STRUCTURE OF OWNERSHIP

| | |
|--|--------|
| Total number of shareholders amount to | 2509 |
| State (Ministry of Economy) | 59.30% |
| Williams International Company | 33.00% |

CORPORATE HISTORY

The decision to build a crude oil processing plant in Lithuania was made by the authorities of the former Soviet Government at the beginning of the sixth decade. The main objective of the plant was to supply the Baltic Region with oil products and export part of the production abroad. The location for the refinery was chosen in the western part of Lithuania, 18 km to the northwest of the town of Mažeikiai and in approximately 90 km from the Baltic Sea. The construction of the crude oil processing plant started in 1972.

On 31 March 1980, the act was issued for commissioning and start-up of the first processing line and the first refined product obtained was fuel oil. On 25 September 1980, the first hydro-skimming unit LK-6 was put into operation. In 1982, a bitumen production unit was built to achieve higher-grade fuel and to meet the shift in demand from winter to summer. The refinery started the production of road and roofing bitumen. In 1984, a second hydro-skimming unit was added and in 1989, FCC based conversion unit KT-1/1 was installed. This unit added to the conversion capacity and increased yields of high value light products. FCC complex included vacuum distillation and visbreaking units with vacuum gasoil HDT, FCC, LPG and MTBE units together with a hydrogen plant and a new sulphur recovery plant. Total processing capacity of the refinery reached 15 million MT per year.

In 1995, the crude oil processing plant Nafta was transformed into a joint stock company with 90% state ownership, the remaining 10% held by the company's employees and other legal and natural entities. In February 1996, the first gas-filling station owned by MAŽEIKIŲ NAFTA was opened, and the company started to develop its own service network in the local market.

The company succeeded in raising funds to finance its activities. In February 1997, corporate Eurobonds were issued with the face value of US\$ 40m and maturity of 7 months. In September, the debt was refinanced, and a new issue of corporate Eurobonds of total face value of US\$ 89m was arranged with the average maturity of 3 years. All funds were used to purchase feedstock and fulfil new short pay-back projects.

From 1995 the authorised capital of the company was reduced once and increased five times. In the 4th quarter of 1998 public companies Mažeikių Nafta, Naftotiekis and Būtingės Nafta merged into one entity MAŽEIKIŲ NAFTA, whose authorised capital after the reorganisation reached LTL 693.4m. After the companies had merged, MAŽEIKIŲ NAFTA reduced its share capital by the held shares of UAB Ventus-Nafta, UAB Plinkščių Viešbutis, and UAB Tvoklė at the par value. The shares of those companies were distributed among MAŽEIKIŲ NAFTA shareholders in proportion to shares of MAŽEIKIŲ NAFTA and Naftotiekis held by them. Before the merger, Būtingės Nafta's shares held by MAŽEIKIŲ NAFTA and Naftotiekis were annulled.

In December 1998, Lithuanian Securities Commission registered a share issue of 341,546,650 ORS with the face value of LTL 1 per share. The issue constitutes 33% of the company's share capital. In 1999, the issue was sold to Williams International Company for USD 150 m. Authorised capital of MAŽEIKIŲ NAFTA rose up to LTL 1,035m.

MAŽEIKIŲ NAFTA owns 34% of Lithuanian-French joint venture Naftelf shares. The company supplies Jet A-1 fuel of high quality to airports. The company also owns 33% of oil product company Liteximp shares.

BUSINESS ACTIVITY

MAŽEIKIŲ NAFTA is the only crude oil processing company in Lithuania and Baltic States, which works as a typical complex refinery. The company's main activity is to process crude oil and other feedstock. In addition, it renders processing services, produces light petroleum products, engages in wholesale and retail trade of petroleum products and their transportation. The company is capable of processing 8m tons of crude oil per year. Crude oil processing accounts for over 90% of the company's services, processing of vacuum distillate and atmospheric residue takes the remaining part. Every year MAŽEIKIŲ NAFTA produces more than a million tons of gasoline, the same amount of diesel fuel (each constitutes 30% of all products), almost 900thou tons of heavy fuel oil (21%) and almost 300thou tons of kerosene (7%). The company produces and sells only ecologically clean leaded gasoline.

Before the end of 1999, essentially all of the crude oil processed by MAŽEIKIŲ NAFTA was supplied by pipelines from Russia. The company purchased crude oil both directly from suppliers and through intermediaries. The main supply source of feedstock was a branch of the pipeline "Družba", with a capacity of 15m tons per year. The main crude oil suppliers in 1999 were Tintrade (17.9%), Andre & CIE SA (13.7%), IpcO Trading (10.2%). Since November

1999, after construction of Būtingė terminal was completed, the company does not depend on the only crude oil supply source. At the end of December, 83.5thou tons of Northern Sea crude oil FLOTTA were supplied to the refinery by pipeline Būtingė - Mažeikiai.

MAŽEIKIŲ NAFTA exports over 70% of gasoline, 60% of diesel fuel, more than 90% of jet fuel, 30% heavy fuel oil, more than 50% of LPG. The company's production is used in the countries of Western Europe, Baltic countries, Russia, Ukraine, Poland, Belarus.

After AB Naftotiekis merged with MAŽEIKIŲ NAFTA, the company transports crude oil by Polock - Biržai - Mažeikiai pipeline to MAŽEIKIŲ NAFTA and by Polock - Biržai - Ventspils pipeline to Ventspils terminal (Latvia). It also transports petroleum products (diesel fuel) to Ventspils terminal by the product-line Samara - Ventspils crossing the territory of Lithuania. Lukoil, Orako Tupeks, Sidanko, Poliarnoje Sijanije and some others are the main crude oil transporting clients.

DEVELOPMENTS IN 1999

1999 was a year of significant events for MAŽEIKIŲ NAFTA. One of the most important events in the company's history was further privatisation of the company. 33% of the company's shares was bought by Williams International Company which overtook all management of the company as well.

At the end of 1999, Būtingė crude oil export-import terminal became operational, with technical capability to handle tankers of 80thou DWT. On 23 July 1999, the first oil tanker "Centaur" was loaded. The owner of the loaded oil - YUKOS oil company from Russia - was the only client of the terminal in 1999. MAŽEIKIŲ NAFTA signed an agreement regarding export of 800thou tons of crude oil in 1999. During last year, 9 tankers, or 690.1thou tons of crude oil, were unloaded, including 606.7 tons of Russian crude oil exported and 83.5thou tons of FLOTTA crude oil imported.

The refinery started to produce newly certified petroleum products in compliance with LST EN 228 (gasoline) and LST EN 590 (diesel fuel) standards.

MAŽEIKIŲ NAFTA managed to increase its share in the Lithuanian market: from 66% to 76% in the gasoline market, from 82% to 85% in the jet fuel market, from 70% to 89% in the diesel fuel market, from 55% to 64% in heavy fuel oil market. However, volume of sales in Lithuania decreased by 238thou tons in comparison with 1998. As forecasted, the sales and consumption of A-80 and A-92 gasoline grades dropped in Lithuania, and the demand for such gasoline grades as A-95 and A-98 is on increase. Export volume shrank by 1,352thou tons. Export to all foreign countries diminished, except Poland, where MAŽEIKIŲ NAFTA's sales rose by 14.4thou tons.

There were plans to refine 6.3m tons of owned crude oil and 0.7m tons of crude oil of other corporate entities over 1999. However, crude oil supply was irregular from the beginning of the year. In order to avoid outages, the refinery operated at the minimum rate, however, shutdowns were unavoidable. In 1999, the refinery was shut down eight times due to crude oil shortage. In 1999, MAŽEIKIŲ NAFTA processed over 4.56m tons of feedstock, including 4.36m tons of crude oil. Production volume shrank by 32% in comparison with 1998. Company's owned feedstock accounted for 97.6% (90% in 1998) of the total refined volume.

Biržai pipeline transportation volumes also decreased. 13m tons of crude oil (14.5m tons in 1998) and 3.6m tons (3.2m tons in 1998) of petroleum products were transported to Ventspils, 4.9m tons (6.3m tons in 1998) were transported to the Mažeikiai direction.

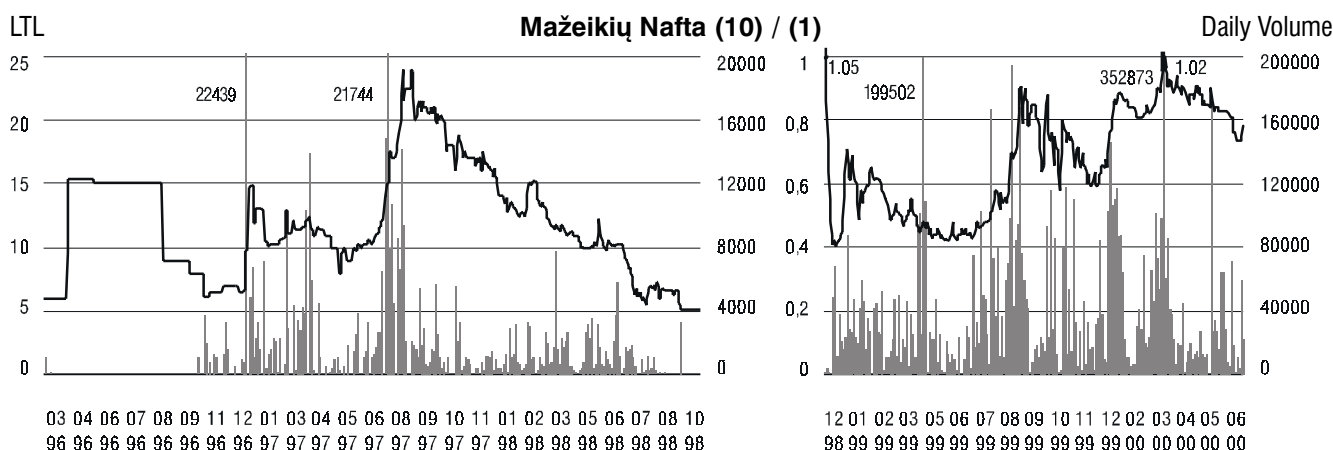
Over the year, turnover of the company diminished from LTL 2.8bn to LTL 2.3bn. MAŽEIKIŲ NAFTA incurred LTL 130.8m of losses.

At the end of 1999, the balance of the company's long-term loans was almost LTL 2bn.

PLANS, PROSPECTS FOR 2000

MAŽEIKIŲ NAFTA intends to process 7m tons of feedstock, to transport 24.5m tons of crude oil and its products, and to sell refined products for LTL 4.46m in 2000.

Sales of petroleum products will depend on the stable and sufficient crude oil supply. The most important task for the marketing department of the company will be securing the local market share and extending it, increasing the sales' volume in the neighbouring countries (Poland, Latvia, Estonia), forming partnerships with branches of world-class oil companies (Neste, Statoil, Shell), and utilising sales capabilities in the Ukraine and Russia, provided that solvent customers are found.



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|-----------|------------|------------|------------|
| LONG TERM ASSETS | 579043922 | 700468351 | 1585639425 | 2137964093 |
| SHORT TERM ASSETS | 272552148 | 593517937 | 5309442841 | 077080805 |
| Stock | 139056558 | 328258414 | 148501907 | 399542070 |
| Amounts receivable within one year | 78123760 | 197532603 | 250992470 | 178648172 |
| TRANSFER ACCOUNTS | 1246828 | 15585157 | 50044409 | 6721825 |
| TOTAL ASSETS | 852842898 | 1309571445 | 2166628118 | 3221766723 |
| CAPITAL AND RESERVES | 563459734 | 597491715 | 521547757 | 990684519 |
| Capital | 580734080 | 584634390 | 6934432001 | 034989850 |
| Subscribed capital | 580734080 | 584634390 | 6934432001 | 034989850 |
| Share premium account | 1623 | 3424 | 17 | 258453367 |
| Revaluation reserve | 0 | 0 | 436994 | 436994 |
| Reserves | 518890 | 12853901 | 41503626 | 32728242 |
| Profit (loss) brought forward | -17794859 | 0 | -213836080 | -335923934 |
| Amounts payable after one year and long-term liabilities | 41600000 | 433335785 | 4751174861 | 898598438 |
| Amounts payable within year and long-term liabilities | 238383164 | 266093945 | 956299584 | 246150051 |
| ACCRUED CHARGES AND DEFERRED INCOME | 0 | 0 | 166166734 | 65896896 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 852842898 | 1309571445 | 2166628118 | 3221766723 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|-----------|------------|------------|------------|
| SALES AND SERVICES | 998129078 | 2427765829 | 2800168737 | 2283923797 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 803074545 | 2141881375 | 2462126169 | 2055687996 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | -17794859 | 39129870 | -93171419 | -130863237 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|--------------|--------------|-------------|-------------|
| PRICE (LTL) | | | | |
| First | 6.90 | 16.99 | 0.42 | 0.70 |
| Max | 24.00(09 19) | 17.50(01 08) | 0.91(09 07) | 1.02(03 16) |
| Min | 6.50(01 13) | 0.40(12 29) | 0.42(06 11) | 0.74(06 28) |
| Last | 16.99 | 0.42 | 0.70 | 0.78 |
| Change (%) | 146.23 | -75.29* | 66.67 | 11.43 |
| Number of transactions (CM) | 1631 | 1510 | 3473 | 1969 |
| Turnover CM (units) | 350794 | 353480 | 7284501 | 4013118 |
| Turnover CM (LTL) | 5351405 | 1912869 | 4507862 | 3507806 |
| Turnover BT (units) | 300426 | 3958104 | 1425005 | 858671 |
| Turnover BT (LTL) | 4821306 | 9650253 | 690933 | 783515 |
| CM turnover as % in total | 53.87 | 8.20 | 83.64 | 82.37 |
| Total turnover (units) | 651220 | 4311584 | 8709506 | 4871789 |
| Total turnover (LTL) | 10172711 | 11563122 | 5198795 | 4291321 |
| Turnover ratio (%) | 1.11 | 0.62 | 1.26 | 0.70 |
| As % in the total share turnover | 1.06 | 1.30 | 0.42 | 2.05 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|----------|-----------|------------|-----------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 1.15 | 2.29 | 0.52 | 3.47 |
| Quick ratio | 0.57 | 1.06 | 0.39 | 2.19 |
| Net working capital (LTL thou) | 35415812 | 343009149 | -541477625 | 771755683 |
| Net working capital to total assets | 0.04 | 0.26 | -0.25 | 0.24 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | -0.02 | 0.02 | -0.03 | -0.06 |
| Return on assets (%) | -0.02 | 0.03 | -0.04 | -0.04 |
| Return on equity (%) | -0.03 | 0.07 | -0.18 | -0.13 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.34 | 0.54 | 0.76 | 0.69 |
| Debt / equity ratio | 0.51 | 1.19 | 3.15 | 2.25 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 5.62 | 9.17 | 10.79 | 7.50 |
| Receivables turnover | 10.15 | 17.61 | 11.33 | 10.63 |
| Net working capital turnover | 28.18 | 7.08 | -5.17 | 2.96 |
| Long-term assets turnover | 1.72 | 3.47 | 1.77 | 1.07 |
| Total assets turnover | 1.17 | 1.85 | 1.29 | 0.71 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|--------|--------|--------|---------|
| Capitalisation (LTL thou) | 400707 | 993294 | 291246 | 485,410 |
| Share book value (LTL) | 9.70 | 10.22 | 0.75 | 0.96 |
| Price / book value ratio (P/BV) | 0.71 | 1.66 | 0.56 | 0.73 |
| Earnings per share (LTL) | -0.31 | 0.67 | -0.09 | -0.17 |
| Price / earnings ratio (P/E) | - | 25.38 | - | - |
| Dividend per share (LTL) | - | 0.1539 | - | - |
| Dividend yield | - | 0.01 | - | - |
| Dividend payout ratio | - | 0.23 | - | - |

Structure OF SHARE CAPITAL

| | |
|------------------|---|
| Share capital: | LTL 1,034,989,850 |
| Ordinary shares: | 1,034,989,850 registered shares at LTL 1 par (security code 11555) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 05.02.96) |

| SUBSIDIARIES | Date of establishment | Authorised capital (LTL) | Participating interest |
|---|-----------------------|--------------------------|------------------------|
| UAB MN Saugos Tarnyba | 1998 | 1.2m | 100% |
| UAB Juodeikių Nafta | 1993 | 2.39m | 60% |
| UAB Biržietiška Aibė (retail trade) | | 4.5m | 100% |
| UAB Energetikos Naujienos (publication) | | 11thou | 62% |

HANDLING OF OIL PRODUCTS

| | |
|----------|----------------------------|
| Address: | Laisvės g. 30, Mažeikiai |
| Phone: | (370-93) 25173, 25172 |
| Fax: | (370-93) 35431 |
| E-mail: | postmaster@ventus-nafta.lt |

| | |
|--------------------|------------|
| Registration date: | 24.12.1997 |
| Registration code: | 6692002 |
| Established: | 1996 |

| | |
|----------------------------|----------|
| Number of employees: | 233 |
| Authorised capital: | LTL 69m |
| Capitalisation (30.06.00): | LTL 3.2m |

| | |
|---------------|-----------------|
| Auditor: | Arthur Andersen |
| Trading List: | Current |

Management Board (no participation in the company):

Vitalija Krolienė, Chairwoman,
Sergej Tuguši, Giedrė Aleknaitė

Managing Director (no participation in the company): Sergej Tuguši, tel. (370-93) 25173

Contact Person: Linas Žukauskas, Lawyer, tel. (370-93) 35476

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 2086 |
| UAB Uotas | 54.20% |
| State Property Fund | 36.13% |

CORPORATE HISTORY

In 1996 AB Mažeikių Nafta established a petrol station construction and management unit from which UAB VENTUS NAFTA was founded with the aim to develop a positive image of AB Mažeikių Nafta. Due to the creation of such an image and ineffective management of the State owned company, the investments into each petrol station and the company's management costs were very high. In 1998, UAB VENTUS NAFTA was separated from AB Mažeikių Nafta concern and became State owned public company VENTUS-NAFTA. Unfortunately, this did not increase management efficiency of the company. It continued to use loans for the company's development despite low return on investment.

In 2000 the winner of the privatisation tender UAB Uotas acquired a 90.33% share block of VENTUS-NAFTA (6,243,296 shares). According to the agreement between UAB Uotas and the State Property Fund, the sale of the shares was arranged in 2 stages. During the first stage, a 54.2% share package was bought. The remaining package was to be paid for until 11 June 2000.

BUSINESS ACTIVITY

The main activity of VENTUS-NAFTA - retail trade in petroleum. Its production is sold only in Lithuania. The only supplier of the company's production until 2000 was AB Mažeikių Nafta. Currently, petrol is being supplied also by UAB Uotas.

VENTUS-NAFTA runs 20 petrol stations, 18 of which belong to the company and 2 are leased.

Three petrol stations are automatic. All petrol stations of VENTUS-NAFTA are new, built or reconstructed in 1997-98. All of them are built on the rented land. The lease term of the majority of the land for the petrol stations is 99 years except for Žiežmarių petrol station in Kaišiadorys where the land is leased for 20 years. The company also leased 11 areas of land for building petrol stations (the term of the lease agreement - 99 years, except for the land in Marijampolė leased for 25 years).

DEVELOPMENTS IN 1999

In 1999, turnover of VENTUS-NAFTA augmented in comparison with 1998. This resulted from the opening of new petrol stations in 1999. Over 1999, the company's sales totalled LTL 66.9m (LTL 55.7m in 1998). VENTUS-NAFTA sold 21.7m litres of petrol (A-80, A-92, AI-95, AI-98) and 11.89m litres of diesel fuel.

In 1999, VENTUS-NAFTA incurred LTL 6m loss.

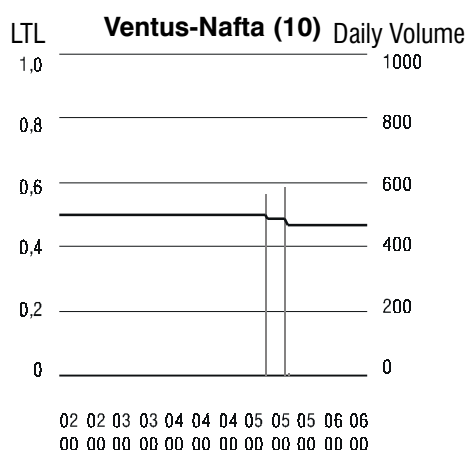
Financial standing of the company is very complicated. At the moment, VENTUS-NAFTA has loan agreements with various Lithuanian credit and leasing institutions as well as with AB Mažeikių Nafta for LTL 52.7m. The company mortgaged almost all its petrol stations. AB Mažeikių Nafta guaranteed for all the loans taken by VENTUS-NAFTA.

PLANS, PROSPECTS FOR 2000

In the nearest future the company does not intend to change the nature of its activities nor its sales volume. The objective of VENTUS-NAFTA for the coming year is to reduce costs, settle accounts with its creditors, and improve financial situation of the company.

Structure OF SHARE CAPITAL

| | |
|------------------|--|
| Share capital: | LTL 69,120,000 |
| Ordinary shares: | 6,912,000 registered shares at LTL 10 par (security code 12452) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 02.12.98) |



| BALANCE SHEET (LTL) | | 1998 | 1999 | FINANCIAL RATIOS | | 1998 | 1999 |
|--|--|-------------|-------------|-------------------------------------|----------------|-------------|-------------|
| LONG TERM ASSETS | | 99333120 | 112519755 | LIQUIDITY RATIOS | | | |
| SHORT TERM ASSETS | | 12783108 | 5916428 | Current ratio | | 0.63 | 1.15 |
| Stock | | 9658882 | 4073178 | Quick ratio | | 0.31 | 0.82 |
| Amounts receivable within one year | | 2460832 | 1253838 | Net working capital (LTL thou) | | -10943196 | 1841705 |
| TRANSFER ACCOUNTS | | 6250517 | 8181060 | Net working capital to total assets | | -0.09 | 0.01 |
| TOTAL ASSETS | | 118366745 | 126617243 | PROFITABILITY RATIOS | | | |
| CAPITAL AND RESERVES | | 69124825 | 66173928 | Profit margin (%) | | 0.00 | -0.04 |
| Capital | | 69120000 | 69120000 | Return on assets (%) | | 0.00 | -0.02 |
| Subscribed capital | | 69120000 | 69120000 | Return on equity (%) | | 0.00 | -0.04 |
| Share premium account | | 0 | 0 | FINANCIAL LEVERAGE RATIOS | | | |
| Revaluation reserve | | 0 | 0 | Total debt ratio | | 0.42 | 0.48 |
| Reserves | | 4825 | 4825 | Debt / equity ratio | | 0.71 | 0.91 |
| Profit (loss) brought forward | | 0 | -2950897 | ASSETS UTILISATION RATIOS | | | |
| Amounts payable after one year and long-term liabilities | | 19265099 | 48187522 | Inventory turnover | | | |
| Amounts payable within year and long-term liabilities | | 29976821 | 12255783 | Receivables turnover | | | |
| ACCRUED CHARGES AND DEFERRED INCOME | | 0 | 0 | Net working capital turnover | | -5.08 | 36.18 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 118366745 | 126617243 | Long-term assets turnover | | 0.56 | 0.59 |
| | | | | Total assets turnover | | 0.47 | 0.53 |
| PROFIT (LOSS) ACCOUNT (LTL) | | 1998 | 1999 | | | | |
| SALES AND SERVICES | | 55642860 | 66633657 | | | | |
| COST OF GOODS SOLD AND SERVICES RENDERED | | 42520153 | 56844062 | | | | |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | | 96502 | -2950897 | | | | |
| TRADING STATISTICS | | 1997 | 1998 | 1999 | 1Q 2000 | | |
| PRICE (LTL) | | | | | | | |
| First | | | | - | 0.50 | | |
| Max | | | | - | 0.50(05 17) | | |
| Min | | | | - | 0.47(06 30) | | |
| Last | | | | - | 0.47 | | |
| Change (%) | | | | - | -6.00 | | |
| Number of transactions (CM) | | | | - | 54 | | |
| Turnover CM (units) | | | | - | 1373 | | |
| Turnover CM (LTL) | | | | - | 666 | | |
| Turnover BT (units) | | | | 5661 | 206 | | |
| Turnover BT (LTL) | | | | 2571 | 103 | | |
| CM turnover as % in total | | | | 0 | 86.95 | | |
| Total turnover (units) | | | | 5661 | 1579 | | |
| Total turnover (LTL) | | | | 2571 | 769 | | |
| Turnover ratio (%) | | | | 0.08 | 0.02 | | |
| As % in the total share turnover | | | | 0 | 0 | | |

LITHUANIAN COMPANIES

LIGHT INDUSTRY

It is the second largest (after food industry) component of manufacturing industry in Lithuania. The sector consists of textiles, apparel and dressing of fur, and leather and leather products' branches. Last year, production sales of light industry accounted for about 18 percent of mining and manufacturing industrial production sales. Over 85 percent of light industry's production were exported, from which more than 2/3 to the European Union (EU). As compared with 1998, in 1999, production sales of light industry slightly increased, while many other Lithuanian industrial sectors experienced sales shrinkage.

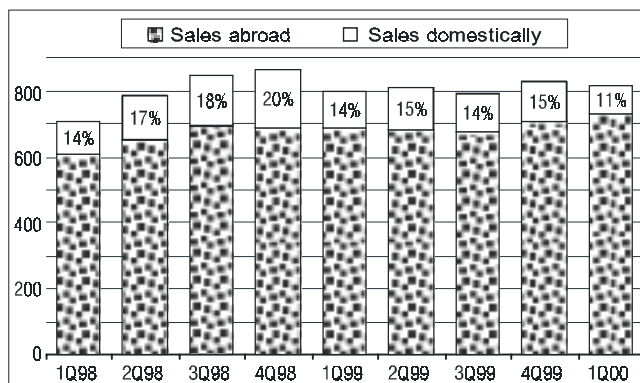
In 1999, sales of textile industry's companies at current prices went down by 6.1 percent and losses summed up to LTL 51.9 million. *Alytaus Tekstilė* and *Liteksas ir Calw* were particularly misfortunate and suffered LTL 21 million and LTL 7 million losses, respectively. Their sales dropped by 15 percent and 42 percent, accordingly. Oppositely, *Utenos Trikotažas* and *Linas* expanded their sales by 8 percent and 10 percent, while their profits grew and reached LTL 13 million and LTL 5.8 million, respectively. Although *Drobė* did not experience losses, its profits contracted 4.5 times and sales subdued by 14.8 percent.

Last year, production sales of apparel and dressing of fur industry rose. Production sales of the largest representative *Lelija* declined insignificantly, but its profits turned up from LTL 2.3 million to LTL 5 million.

The indicators of leather industry for 1999 were not inspiring. Nevertheless, sales of *Šiauliy Stumbras* were constant, while profits accounted for LTL 0.6 million. 23 cent of output). In the time interval from January to May, product and service sales of *Šiauliy Stumbras* accounted for LTL 22.8 million or 50 percent more than in the respective period of last year. Profits added up to LTL 100 thousand, while LTL 50 thousand losses were suffered in the first five months of 1999.

The prospects of light industry are rather promising in the near future. This is supported by the industry results for the first quarter of 2000 (see Diagram), when production sales at current prices grew by 2.4 percent and production sales at constant prices rose by more than 5 percent, as compared with the respective quarter of 1999.

Production Sales Volume of Light Industry
(LTL million)



In the period from January to May of this year, production sales of successfully operating textile company *Linas* amounted to LTL 37.7 million or 17.8 percent more than in the respective period of last year. Solely in May, the company sold its production for LTL 7.2 million, 90.8 percent of which was exported to Western Europe and the USA.

Audėjas, a manufacturer of sportswear, anticipates that its profits in 2000 will be not less than last year, i.e. LTL 2 million. Expected production sales are LTL 34 million or 31 percent more than in 1999. Currently, the company runs a chain of 4 brand stores and plans to export about 82 percent of its output.

In the first quarter of this year, exports of *Utenos Trikotažas* expanded by 20 percent. A number of orders for *Kaunas Audiniai* products are increasing, too.

Šiauliy Stumbras, a company specialising in leather dressing, is totally utilising its production capacity and anticipating the best results (LTL 50-60 million turnover and LTL 2 million profits) in its history during this year. After LTL 28 million investment in facility renovation, the company is planning to increase its market share in the West (current exports constitute 60 per cent of output). In the time interval from January to May, product and service sales of *Šiauliy Stumbras* accounted for LTL 22.8 million or 50 percent more than in the respective period of last year. Profits added up to LTL 100 thousand, while LTL 50 thousand losses were suffered in the first five months of 1999.

FABRICS AND OTHER TEXTILES

| | |
|----------------------------|----------------------------|
| Address: | Pramonės g. 1, 4580 Alytus |
| Phone: | (370-35) 77357 |
| Fax: | (370-35) 78666, 78776 |
| Registration date: | 24.09.1993 |
| Registration code: | 4969877 |
| Established: | 1968 |
| Privatised: | 1993 |
| Number of employees: | 3935 |
| Authorised capital: | LTL 100.2m |
| Capitalisation (30.06.00): | LTL 15m |
| Auditor: | PricewaterhouseCoopers |
| Trading List: | Current |

CORPORATE HISTORY

ALYTAUS TEKSTILĖ's predecessor, Alytaus state cotton factory, was established in 1968 and reorganised into a public limited company on 24 September 1993. The first batch of textiles was produced in 1969. In the period between 1988 and 1990, the company was modernised. After the renovation of spinning-weaving equipment, the company introduced a new product - cotton-polyester fabrics for outdoor clothing.

The company's production had been oriented to meet the demands of the huge Soviet market which required large amounts of narrow range textiles. During the years of flourishing, ALYTAUS TEKSTILĖ sold 13.9thou tons of yarn and 91m metres of cloth per year.

In 1996 the general shareholders' meeting decided to reduce the company's authorised capital by LTL 33m in order to eliminate the discrepancy between the assets and authorised capital that appeared due to losses. Consequently, 33m ordinary shares were annulled. New size of the share capital - LTL 100.2m - was registered in February 1997. It remained unchanged up to date.

On 29 September 1998, ALYTAUS TEKSTILĖ was privatised through public tender - 63.18% of its stock were sold by the Ministry of Economy to strategic investor Asean Interest Limited. Asean Interest Limited commitment to invest LTL 240m in the course of 5 years should improve ALYTAUS TEKSTILĖ economic and financial standing.

BUSINESS ACTIVITY

ALYTAUS TEKSTILĖ is the largest producer of cotton-type and mixed fibre fabrics in the Baltic states. It manufactures various types of yarn and textile, knitted, cotton-type and mixed fabrics for uniforms, rain-coats, shirts, bedding, pyjamas, and special outfit. The company produces bed and kitchen linen, curtains, and other articles.

In the total output of ALYTAUS TEKSTILĖ, fabrics account for the largest part (approximately 60%), sewing goods take nearly 30%, and the remaining part goes to yarn and other products.

Supervisory Board (participation in the company): Mohan K. Vaswani, Chairman (0%), Sajen Ghanshamdas Aswani (0%), Narinder Kumar Ghanshamdas Aswani (0%), Genovaitė Urniežienė (0%), Jonas Marcinkevičius (0.02%)

Management Board (participation in the company):

Gintautas Andriškevičius, Chairman (0.6%), Povilas Tunaitis (0.01%), Albinas Jasiulevičius (0.02%), Gražina Ludavičienė (0.03%), Dalia Rimkuvienė (0.01%), Voldemaras Marčiauskas (0.01%), Ventzi Zachev (0%)

Managing Director (participation in the company): Gintautas Andriškevičius (0.6%)

Contact Person: Gintaras Andriškevičius, Director General, tel. (370-35) 77357

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 2844 |
| Asean Interest Ltd (Hong Kong) | 44.23% |
| Tolaram Investments AS (Estonia) | 21.87% |
| State Property Fund | 18.95% |

The company's assortment is regularly renewed. In 1997 ALYTAUS TEKSTILĖ created 22, in 1998 - 27, and in 1999 - 20 new products. Last year the company implemented production of fabrics with flax. ALYTAUS TEKSTILĖ produces 1 m, 1.5 m, and 3 m width fabrics.

On the domestic market the company realises approximately only 20% of its output, the rest of production is exported to 28 countries, mainly to Italy (30% of total sales), Sweden (16%), and Germany (11%).

Just 1.4% of the major raw material - cotton - is acquired in Lithuania, the remaining amount needed is imported from Austria, Switzerland, England, and Italy. The company imports 65% of polyester and 30% of grey fabrics from the USA.

DEVELOPMENTS IN 1999

During last year the company produced 11thou tons of yarn, wove 33thou tons of grey fabrics. Output of finished fabrics diminished by 11% to 35.5thou tons.

ALYTAUS TEKSTILĖ sales and services in 1999 accounted for LTL 170.6 million. Compared to 1998, there was a decrease of LTL 30.7 million. The company suffered a loss of LTL 23.7m.

In 1999, the company's strategic investor Tolaram Investments prepared a short-term strategy for improvement of the company's activity. ALYTAUS TEKSTILĖ is constantly improving the management structure and has already renounced the unprofitably operating subsidiaries. In addition, the company is planning to reduce the number of employees.

PLANS, PROSPECTS FOR 2000

The company is searching for possibilities to enlarge and re-orientate the production capacities, concentrate on finished fabrics and sewing goods having greater added value rather than on grey fabrics. In 2000, production of finished fabrics will increase by 2.3% and their assortment will change. ALYTAUS TEKSTILĖ intends to allot LTL 25m for investments.

ALYTAUS TEKSTILĖ decided to increase the company's authorised capital by LTL 12m out of additional contributions by issuing 12 million ORS at LTL 1 par.

Structure OF SHARE CAPITAL

| | |
|------------------|---|
| Share capital: | LTL 100,212,726 |
| Ordinary shares: | 100212726 registered shares at LTL 1 par (security code 10090) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 23.11.93) |

FABRICS AND OTHER TEXTILES

| | |
|----------|-------------------------------|
| Address: | Grünvaldo g. 3/5, 3000 Kaunas |
| Phone: | (370-7) 322978 |
| Fax: | (370-7) 323070 |

| | |
|----------------------------|------------|
| Registration date: | 12.02.1992 |
| Registration code: | 3320724 |
| Established: | 1930 |
| Privatised: | 1992 |
| Number of employees: | 439 |
| Authorised capital: | LTL 24.2m |
| Capitalisation (30.06.00): | LTL 1.9m |

| | |
|---------------|---------------------------------|
| Auditor: | TŪB J.Kabašinskas ir partneriai |
| Trading List: | Current |

Supervisory Board (participation in the company):

Rymantas Juozaitis, Chairman (7.06%), Vida Gričiuvienė (100 shares), Arvydas Garbaravičius (4.87%), Jarmo Olavi Rautiainen (0%), Romanas Urniežius (0%)

Management Board (participation in the company):

Ramūnas Garbaravičius, Chairman (4.26%), Egidijus Pažarauskas (4.35%), Rita Bražėnienė (0.06%), Ovidijus Stačkūnas (100 shares)

Managing Director (participation in the company): Egidijus Pažarauskas

Contact Person: Egidijus Pažarauskas, Director General, tel. (370-7) 322978

STRUCTURE OF OWNERSHIP

| | |
|--------------------------------------|--------|
| Total number of shareholders amounts | 2239 |
| Hansabank Ltd. (Estonia) | 5.27% |
| Baltic Investment Fund | 18.22% |
| Rymantas Juozaitis | 7.06% |
| State (Ministry of Economy) | 6.09% |

CORPORATE HISTORY

KAUNO AUDINIAI, a silk factory, was established by Mr Robert Hirsh in September 1930. Next year, there were 102 employees, and the company produced 53thou metres of various fabrics (silk, woollen, and those made from artificial fibres). In 1940, the company was nationalised. Distinguished for the quality products, it used to be one of the leading enterprises in the former Soviet Union.

The company was transformed into a public company in February 1992. The issue of shares registered with the Lithuanian Securities Commission on 13 September 1996 amounted to LTL 1.47 million. The state was granted the exclusive right to purchase this issue. Thus, the company's indebtedness to the budget for the period of 1992-1994 was converted into shares. On 27 August 1997, the share capital was increased to LTL 24.2m by issuing 2.8m ordinary shares at LTL 1 par.

BUSINESS ACTIVITY, LATEST DEVELOPMENTS

KAUNO AUDINIAI produces silk fabrics. Fabrics for women's dress constitute over 90% of the output, lining fabrics and fabrics for raincoats account for 2% and 6%, respectively.

Last year, the company produced fabrics and other items for LTL 17.9m (cf. LTL 24m in 1998). In 1999 the KAUNO AUDINIAI received less orders, thus, the production volume decreased by 1204thou metres. The output of structural and lining fabrics declined. Fabrics for shirts accounted for the largest share of the company's production.

In 1999 KAUNO AUDINIAI realised 2574thou metres of fabrics (cf 3465thou metres in 1998). Last year the company's sales were diversified and in addition to its major clients, German company Sohl & Sohlke (45.3%) and Italian company Miroglio Tessile (21.1%), KAUNO AUDINIAI launched sales of its fabrics in six large enterprises of the EU countries. Only 3.9% of the output is realised in Lithuania. The major customers of KAUNO AUDINIAI in Lithuania are Lelija, Šatrija, Rožė, and others. Export to the Baltic countries constituted 9% of the total turnover, and the company's sales in this region advanced by 8.7%.

The main suppliers of the company's raw material are Italy (48%) and Germany (41%).

Last year the company allotted all of its means for investments into production. New technical equipment and technologies were implemented. The major innovations are related with the employment of new types of yarn, increase of productivity of the weaving loom, upgrading of dyeing quality.

In 1999, KAUNO AUDINIAI suffered a loss of LTL 5m.

PLANS, PROSPECTS FOR 2000

KAUNO AUDINIAI will seek to maintain its current position on the market, thus, the company intends to increase product variety that corresponds to the needs of the market, reduce production costs by optimising technological processes, reconstruct and renovate the company's machinery, and execute sales through agents.

Structure OF SHARE CAPITAL

| | |
|------------------|--|
| Share capital: | LTL 24,225,815 |
| Ordinary shares: | 24225815 registered shares at LTL 1 par (security code 10154) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 04.01.94) |

LINEN FABRICS AND TEXTILES

| | |
|----------|-----------------------------------|
| Address: | S.Kerbedžio g. 23, 5319 Panevėžys |
| Phone: | (370-25) 506100 |
| Fax: | (370-25) 422607 |
| E-mail: | linas@mail.linas.lt |

| | |
|----------------------------|------------|
| Registration date: | 08.03.1993 |
| Registration code: | 4768908 |
| Established: | 1957 |
| Privatised: | 1993 |
| Number of employees: | 1635 |
| Authorised capital: | LTL 24m |
| Capitalisation (30.06.00): | LTL 12.5m |

| | |
|---------------|---------------------------------|
| Auditor: | TŪB J.Kabašinskas ir partneriai |
| Trading List: | Current |

Management Board (participation in the company):

Ramūnas Lenčiauskas, Chairman (0.324%),
Edmundas Alijauskas (0%), Aldona-Marija Mažylienė (0.083%),
Algirdas Valentukevičius (0.066%), Aldona Mikulskienė (0.010%)

Managing Director (participation in the company): Aldona-Marija Mažylienė (0.083%)

Contact Person: Ramūnas Lenčiauskas, President, Chairman of the Board,
tel. (370-25) 506101

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 2093 |
| New Markets Investments Ltd. | 41.71% |
| State Securities Fund | 15.37% |

CORPORATE HISTORY

In 1957 a state enterprise engaged in manufacture of linen cloth - the predecessor of LINAS - was established in Panevėžys. During the first years of business activity the company weaved 481 thousand metres of packaging material and bleached linen cloth. In 1962, construction of the enterprise was completed, and its production capacity accounted for 10 million metres of cloth per year. During 1975-1990, after linen cloth manufacturer Siūlas and flax spinning and weaving factory Linų Audiniai merged, Panevėžys enterprise became the main company of Panevėžys group LINAS.

In 1993 the company was registered as a public limited company LINAS. Today, it is the largest linen cloth manufacturer not only in the Baltics, but in Western Europe as well, recognised internationally for high quality of linen fabrics.

After the reorganisation in 1993, the authorised capital of the company came to LTL 4.4 million. Employees and other private shareholders acquired 64.9% of the stock. State interest amounted to 35.1%.

On 8 October 1993, the Lithuanian Securities Commission gave a permit to offer a LTL 4.2m issue. Therefore, the authorised capital rose to LTL 8.6m and was divided into 8.6m ordinary shares.

With the revaluation of assets in 1994, the authorised capital of LTL 22.87m was registered with Panevėžys Municipality. Reducing the state held share in the company's authorised capital, the capital decreased to LTL 22.36m in March 1995. After a new issue of LTL 1.2m in 1996, the company's share capital amounted to LTL 23.58m. A new issue was issued in March 1999 lifting the authorised capital to LTL 24m. The size of share capital remained unchanged up to date.

In 1998, in order to produce long linen fibre of higher quality for the production of fabrics of higher technical level, LINAS founded a subsidiary UAB Lino Pluoštas, the authorised capital of which constituted LTL 10 thousand. At the end of 1999, LINAS sold the subsidiary's shares to a private person.

BUSINESS ACTIVITY

LINAS manufactures high quality linen cloth: white, coloured, motley, striped, jacquard, used for production of curtains, tablecloth, napkins, towels, and clothing. Patterns and structures of more than a half of production are renewed annually. The company has its own sewing section, where table-covers, napkins, towels, bedding, and curtains are manufactured. Linen fabrics constitute 76%, and sewn articles take 24% of the company's output.

Nearly 90% of production are exported to Western countries. The main buyers are the USA (36.6%), Sweden (20.6%), and Italy (9.7%). 0.4% of the production is sold through the company outlet Gija.

Supplies are delivered by domestic companies as well as by foreign partners. 14% of flax fibre is provided by Lithuanian manufacturers, 59% come from Western countries, 25.3% from Ukraine, the rest is brought from Latvia. Cotton-type yarn comes mainly (75%) from Latvia, while chemical materials and paint are from Germany, Switzerland, and Scandinavian countries.

LINAS regularly participates in international fairs and exhibitions.

DEVELOPMENTS IN 1999

Over the previous year, the company produced 6.5 million metres of ready-made linen fabrics and 4 million units of sewn articles. The company generated revenues of LTL 76 million. Sales increased by 9 per cent in comparison with 1998 (exports augmented by 15%).

Last year LINAS earned a pre-tax profit of LTL 6.6 million (LTL 5.08m in 1998). Net profit amounted to LTL 5.5m in 1999 (LTL 4.1m in 1998).

Since 1997 the company has been executing technical, technological, and organisational renovation. Thanks to this process, LINAS implemented production of thinner yarn (No 25 and 30) and light textile of a higher level as well as a new textile printing technology. In order to satisfy the needs of customers, the company created 240 fabrics with new patterns and structures, 68 patterns, launched 145 textile and 12 yarn colours.

In 1999 the company increased its authorised capital out of supplementary contributions (LTL 462246) from LTL 23.6m to LTL 24m.

PLANS, PROSPECTS FOR 2000

LINAS objective for the near future is to enter new sales markets in Japan and South Africa. In 2000 the company plans to increase its income by 3.3% and to receive revenues of LTL 78.5m and profit of LTL 3.9m.

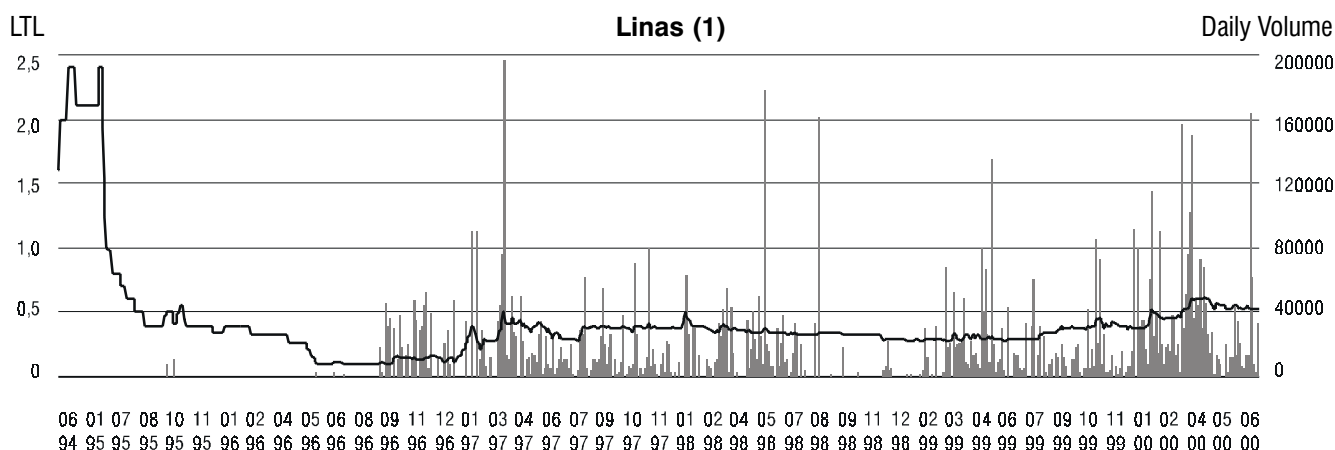
Implementation of LST EN ISO 9001 standard requirements will be continued. In addition, monitoring system will be created and launched. The company will develop a new sales strategy by exploring the possibilities of electronic commerce.

Structure OF SHARE CAPITAL

| | |
|-----------------|--|
| Share capital: | LTL 24,038,990 |
| Ordinary shares | 24,038,990 registered shares at LTL 1 par (security code 10066) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 02.11.93) |

LITHUANIAN TEXTILES AND LEATHER

NATIONAL STOCK EXCHANGE OF LITHUANIA



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|----------|----------|----------|----------|
| LONG TERM ASSETS | 15194998 | 18100271 | 19766553 | 22509446 |
| SHORT TERM ASSETS | 23698510 | 27990810 | 34334001 | 41067812 |
| Stock | 17808684 | 18841149 | 21368392 | 25506026 |
| Amounts receivable within one year | 5273454 | 8856994 | 12586114 | 14769778 |
| TRANSFER ACCOUNTS | 27134 | 260460 | 55106 | 128251 |
| TOTAL ASSETS | 38920642 | 46351541 | 54155660 | 63705509 |
| CAPITAL AND RESERVES | 25134288 | 29048439 | 31137295 | 34983805 |
| Capital | 23576744 | 23576744 | 23576744 | 24038990 |
| Subscribed capital | 23576744 | 23576744 | 23576744 | 24038990 |
| Share premium account | 0 | 0 | 0 | 0 |
| Revaluation reserve | 0 | 0 | 0 | 0 |
| Reserves | 227575 | 5471695 | 7560551 | 7927760 |
| Profit (loss) brought forward | 1329969 | 0 | 0 | 3017055 |
| Amounts payable after one year and long-term liabilities | 0 | 2535789 | 7818534 | 6418698 |
| Amounts payable within year and long-term liabilities | 12358912 | 14376067 | 15199831 | 22303006 |
| ACCRUED CHARGES AND DEFERRED INCOME | 0 | 0 | 0 | 0 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 38920642 | 46351541 | 54155660 | 63705509 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|----------|----------|----------|----------|
| SALES AND SERVICES | 52587645 | 61680316 | 69011902 | 76042438 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 46470110 | 46192240 | 49497104 | 53147142 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 6990239 | 3914151 | 4126408 | 5514302 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|-------------|-------------|-------------|-------------|
| PRICE (LTL) | | | | |
| First | 0.14 | 0.38 | 0.28 | 0.37 |
| Max | 0.51(03 28) | 0.50(01 09) | 0.46(10 25) | 0.62(04 06) |
| Min | 0.12(01 13) | 0.27(11 17) | 0.27(02 04) | 0.37(01 04) |
| Last | 0.38 | 0.28 | 0.37 | 0.52 |
| Change (%) | 171.43 | -26.32 | 32.14 | 40.54 |
| Number of transactions (CM) | 1184 | 697 | 860 | 1207 |
| Turnover CM (units) | 2363670 | 1729799 | 2404416 | 2809581 |
| Turnover CM (LTL) | 896488 | 630616 | 803782 | 1495504 |
| Turnover BT (units) | 2706871 | 3611892 | 12243296 | 1276473 |
| Turnover BT (LTL) | 1003970 | 485459 | 2835230 | 418284 |
| CM turnover as % in total | 46.62 | 32.38 | 16.41 | 68.76 |
| Total turnover (units) | 5070541 | 5341691 | 14647712 | 4086054 |
| Total turnover (LTL) | 1900458 | 1116076 | 3639011 | 1913788 |
| Turnover ratio (%) | 21.51 | 22.66 | 60.93 | 17.00 |
| As % in the total share turnover | 0.20 | 0.13 | 0.29 | 0.92 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|----------|----------|----------|----------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 1.92 | 1.97 | 2.26 | 1.85 |
| Quick ratio | 0.48 | 0.65 | 0.86 | 0.70 |
| Net working capital (LTL thou) | 11366732 | 13875203 | 19189276 | 18893057 |
| Net working capital to total assets | 0.29 | 0.30 | 0.35 | 0.30 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.13 | 0.06 | 0.06 | 0.07 |
| Return on assets (%) | 0.18 | 0.08 | 0.08 | 0.09 |
| Return on equity (%) | 0.28 | 0.13 | 0.13 | 0.16 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.35 | 0.37 | 0.43 | 0.45 |
| Debt / equity ratio | 0.55 | 0.60 | 0.74 | 0.82 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 2.55 | 2.52 | 2.46 | 2.27 |
| Receivables turnover | 11.46 | 8.73 | 6.44 | 5.56 |
| Net working capital turnover | 4.63 | 4.45 | 3.60 | 4.02 |
| Long-term assets turnover | 3.46 | 3.41 | 3.49 | 3.38 |
| Total assets turnover | 1.35 | 1.33 | 1.27 | 1.19 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|------|------|------|-------|
| Capitalisation (LTL thou) | 3301 | 8959 | 6601 | 8,894 |
| Share book value (LTL) | 1.07 | 1.23 | 1.32 | 1.46 |
| Price / book value ratio (P/BV) | 0.13 | 0.31 | 0.21 | 0.25 |
| Earnings per share (LTL) | 0.30 | 0.17 | 0.18 | 0.23 |
| Price / earnings ratio (P/E) | 0.47 | 2.29 | 1.60 | 1.61 |
| Dividend per share (LTL) | - | - | 0.03 | - |
| Dividend yield | - | - | 0.11 | - |
| Dividend payout ratio | - | - | 0.17 | - |

LEATHER AND LEATHER PRODUCTS

| | |
|----------|------------------------------|
| Address: | Tilžės g. 225, 5400 Šiauliai |
| Phone: | (370-1) 523117 |
| Fax: | (370-1) 523117 |
| E-mail: | siauliumstumbas@takas.lt |

| | |
|----------------------------|------------|
| Registration date: | 30.06.1994 |
| Registration code: | 4493224 |
| Established: | 1898 |
| Privatised: | 1994 |
| Number of employees: | 344 |
| Authorised capital: | LTL 33.1m |
| Capitalisation (30.06.00): | LTL 3m |

| | |
|---------------|--------------|
| Auditor: | UAB Nauditas |
| Trading List: | Current |

Management Board (participation in the company):

Gedeminas Šaulys, Chairman (33.03%),
Sigitas Vilčiauskas (0.64%), Selestinas Skripkauskas (0.62%), Gintaras Marazas (0.12%),
Gintaras Juknevičius (0.09%), Antanas Šaulys (4.52%), Leonas Marazas (2.63%),
Pavelas Bašlaminovas (0.13%), Jonas Adomavičius (5.22%)

Managing Director (participation in the company): Jonas Adomavičius (5.22%)

Contact Person: Gintaras Juknevičius, Marketing Director, tel. (370-1) 523117

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| The total number of shareholders amounts to | 416 |
| Gedeminas Šaulys | 33.03% |
| State Property Fund | 15.43% |
| IAB Europos Investicija (holding) | 9.90% |
| G.Šaulys firm | 8.46% |
| IAB Inbūsto Investicija (holding) | 7.83% |
| Jonas Adomavičius | 5.22% |

CORPORATE HISTORY

Tannery STUMBRAS was established in 1898 by brothers Nurokai. The tannery manufactured hard leather for soles. Since 1926, STUMBRAS has been producing soft leather. During 1945-1993, the company manufactured yuft (Russian leather) for the military footwear industry, felt boots, natural and model linings for footwear. In 1993, the selection of goods radically changed - the prefabricated box-calf leather, all kinds of leather used for manufacture of footwear, wearing apparel, belts, luggage, handbags, and other articles were introduced into production.

ŠIAULIŲ STUMBRAS emerged in the privatisation process of the state tannery Stumbras. The new company was registered in June 1994. The company's authorised capital before the privatisation amounted to LTL 5.8 million. With the revaluation of long-term assets, the authorised capital reached LTL 30.3 million. In October 1996, the new issue of LTL 2.8m was registered with the Lithuanian Securities Commission. Major part of the issue was sold to the shareholders, nearly LTL 300thou were subscribed by the State Securities Fund. In 1997, the authorised capital of ŠIAULIŲ STUMBRAS equalled LTL 33.1 million.

BUSINESS ACTIVITY, LATEST DEVELOPMENTS

The principal activity of ŠIAULIŲ STUMBRAS is manufacturing of leather and leather articles. The company is also engaged in wholesale and retail trade. The company sells its products in the domestic and foreign markets.

During 1998 ŠIAULIŲ STUMBRAS processed 4993t of raw material into chrome-plated semi-product: 4959t of cattle material, 34t of pig material. It makes 460 t or 8.4% less than in 1998. 617119 m² of finished leather as well as coloured and greased semi-product "Crust" was produced in 1999, which is 125805 m² or 25.6% more than in 1998. The company also produced 7 t of slash glue, 421 t of material for belkozin foils production, 835 t of whitewashed scraps for gelatine production, 15 t of technical grease. In the course of 1999, ŠIAULIŲ STUMBRAS expanded the refined leather and leather from split production, increased "Crust" production, launched production of split with polyurethane foil. The sales of the production in 1999 accounted for LTL 39.5m (by 0.4% more than in 1998).

ŠIAULIŲ STUMBRAS production is divided between Lithuania and foreign markets in proportion of 44% to 56%. Up to present, the largest part of the company's production was exported to the CIS countries. Due to the crisis, sales in Russia decreased and in 1999 the bulk of exports - 57% - was realised in the EU countries (the Netherlands, Portugal, England, and Finland), 30% were forwarded to the CIS countries, 13% to other countries (Latvia, Estonia, and Poland). Seeking to expand the sales market, the company regularly participates in exhibitions in Vilnius, Bologna, and Moscow.

The main suppliers of raw material are sole proprietorship of G. Šaulys, Hertford Trading Ltd (UK), other foreign and Lithuanian companies and entrepreneurs.

Sales revenue of the company amounted to LTL 42.4m in 1999 (LTL 42.7m in 1998). In 1999, net profit generated by ŠIAULIŲ STUMBRAS totalled LTL 577thou (142thou in 1998).

PLANS, PROSPECTS for 1999

No changes in assortment are anticipated in the company which intends to proceed with the same activities as in 1999.

ŠIAULIŲ STUMBRAS sales to Eastern countries (Belarus and Ukraine) reached the pre-crisis volumes. During the first quarter of 2000, the company's sales improved 1.6 times as compared with the results of the same period in 1998, the company's profit augmented 10 times. If the company manages to avoid negative influence of the EURO plunge, in 2000 the annual sales volume is expected to rise at least twice.

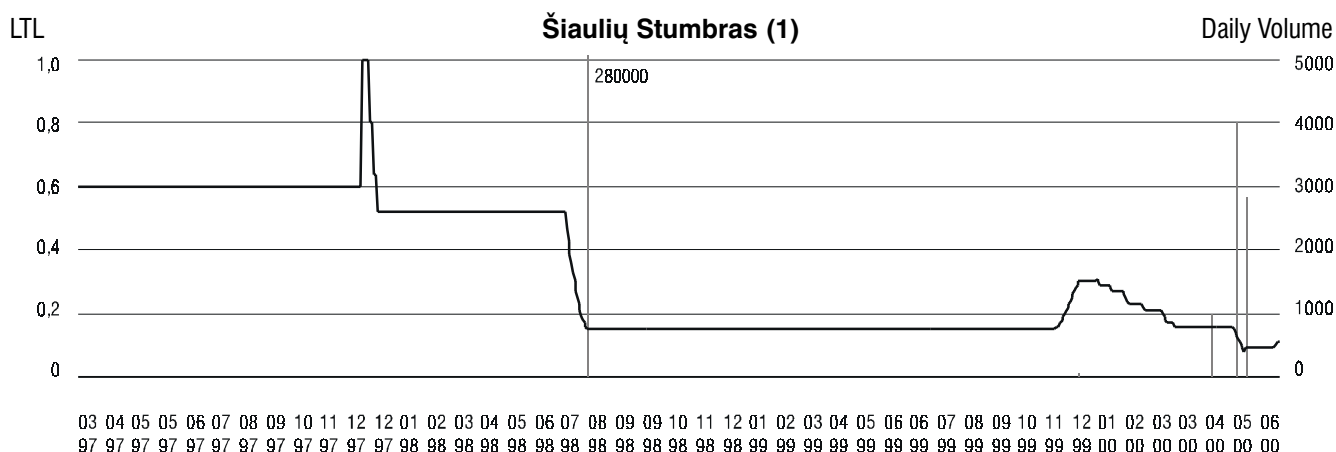
Structure OF SHARE CAPITAL

| | |
|------------------|--|
| Share capital: | LTL 33,109,211 |
| Ordinary shares: | 33109211 registered shares at LTL 1 par (security code 11869) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 01.04.96) |

| SUBSIDIARIES | Date of establishment | Participating interest |
|--|-----------------------|------------------------|
| UAB Šiaulių Stumbro statyba (construction) | 1986 | 60% |

LITHUANIAN TEXTILES AND LEATHER

NATIONAL STOCK EXCHANGE OF LITHUANIA



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|----------|----------|----------|----------|
| LONG TERM ASSETS | 47433312 | 51836222 | 54341333 | 49682436 |
| SHORT TERM ASSETS | 14912939 | 16819619 | 19849536 | 27072617 |
| Stock | 10221951 | 10863502 | 14440517 | 18068806 |
| Amounts receivable within one year | 2919158 | 3620638 | 5320735 | 8744755 |
| TRANSFER ACCOUNTS | 1734376 | 1347798 | 361578 | 415411 |
| TOTAL ASSETS | 64080627 | 70003639 | 74552447 | 77170464 |
| CAPITAL AND RESERVES | 42168976 | 42680336 | 42822764 | 43096862 |
| Capital | 30609211 | 33109211 | 33109211 | 33109211 |
| Subscribed capital | 30609211 | 33109211 | 33109211 | 33109211 |
| Share premium account | 0 | 0 | 0 | 0 |
| Revaluation reserve | 12262926 | 12262926 | 12262926 | 11960324 |
| Reserves | 2500000 | 0 | 0 | 0 |
| Profit (loss) brought forward | -3203161 | -2691801 | -2549373 | -1972673 |
| Amounts payable after one year and long-term liabilities | 12516380 | 14905900 | 9455163 | 9338537 |
| Amounts payable within year and long-term liabilities | 9395271 | 12417403 | 22274520 | 24735065 |
| ACCRUED CHARGES AND DEFERRED INCOME | 0 | 0 | 0 | 0 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 64080627 | 70003639 | 74552447 | 77170464 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|----------|----------|----------|----------|
| SALES AND SERVICES | 26564748 | 44910456 | 42763906 | 42436382 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 20983017 | 35013243 | 30221949 | 30278457 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 182565 | 511360 | 142428 | 576700 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|-------------|-------------|-------------|-------------|
| PRICE (LTL) | | | | |
| First | 0.60 | 0.64 | 0.15 | 0.30 |
| Max | 1.00(12 22) | 0.64(01 05) | 0.31(12 29) | 0.29(01 12) |
| Min | 0.60(12 15) | 0.15(12 31) | 0.16(11 18) | 0.08(05 26) |
| Last | 0.64 | 0.15 | 0.30 | 0.11 |
| Change (%) | 6.67 | -76.56 | 100.00 | -63.33 |
| Number of transactions (CM) | 4 | 2 | 4 | 6 |
| Turnover CM (units) | 16 | 280000 | 60 | 7823 |
| Turnover CM (LTL) | 10 | 42000 | 18 | 934 |
| Turnover BT (units) | 0 | 1641692 | 0 | 2591913 |
| Turnover BT (LTL) | 0 | 418631 | 0 | 181434 |
| CM turnover as % in total | 100.00 | 14.57 | 100.00 | 0.30 |
| Total turnover (units) | 16 | 1921692 | 60 | 2599736 |
| Total turnover (LTL) | 10 | 460631 | 18 | 182368 |
| Turnover ratio (%) | 0 | 5.80 | 0 | 7.85 |
| As % in the total share turnover | 0 | 0.05 | 0 | 0.09 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|---------|---------|----------|---------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 1.77 | 1.46 | 0.91 | 1.11 |
| Quick ratio | 0.68 | 0.59 | 0.26 | 0.38 |
| Net working capital (LTL thou) | 7252044 | 5750014 | -2063406 | 2752963 |
| Net working capital to total assets | 0.11 | 0.08 | -0.03 | 0.04 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.01 | 0.01 | 0.00 | 0.01 |
| Return on assets (%) | 0.00 | 0.01 | 0.00 | 0.01 |
| Return on equity (%) | 0.00 | 0.01 | 0.00 | 0.01 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.34 | 0.39 | 0.43 | 0.44 |
| Debt / equity ratio | 0.52 | 0.64 | 0.74 | 0.79 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 2.49 | 3.32 | 2.39 | 1.86 |
| Receivables turnover | 10.87 | 13.73 | 9.57 | 6.03 |
| Net working capital turnover | 3.66 | 7.81 | -20.72 | 15.41 |
| Long-term assets turnover | 0.56 | 0.87 | 0.79 | 0.85 |
| Total assets turnover | 0.41 | 0.64 | 0.57 | 0.55 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|------|-------|-------|-------|
| Capitalisation (LTL thou) | - | 19590 | 4966 | 9,933 |
| Share book value (LTL) | 1.38 | 1.29 | 1.29 | 1.30 |
| Price / book value ratio (P/BV) | - | 0.50 | 0.12 | 0.23 |
| Earnings per share (LTL) | 0.01 | 0.02 | 0.004 | 0.017 |
| Price / earnings ratio (P/E) | - | 41.56 | 34.87 | 17.22 |
| Dividend per share (LTL) | - | - | - | - |
| Dividend yield | - | - | - | - |
| Dividend payout ratio | - | - | - | - |

YARN

| | |
|----------------------------|--|
| Address: | Bangų g. 22, 5800 Klaipėda |
| Phone: | (370-6) 314305 |
| Fax: | (370-6) 311735 |
| E-mail: | trinyčiai@takas.lt, trinyčiai@klaipeda.omnitel.net |
| | www.yarn.lt |
| Registration date: | 18.03.1993 |
| Registration code: | 4066028 |
| Established: | 1923 |
| Privatised: | 1993 |
| Number of employees: | 352 |
| Authorised capital: | LTL 17.87m |
| Capitalisation (30.06.00): | LTL 9.2m |
| Auditor: | KPMG Lietuva |
| Trading List: | Current |

Management Board (no participation in the company):

Rimas Varanauskas, Chairman,

Regina Sajienė, Rimantas Akulevičius, Bjorn G. Gillberg, Christoffer Kurpatov

Managing Director (no participation in the company): Daiva Urbonienė

Contact Person: Daiva Urbonienė, Director General, tel. (370-6) 314305

STRUCTURE OF OWNERSHIP

| | |
|--|--------|
| Total number of shareholders amounts to | 1811 |
| KIB Koncerno SBA Investicija (holding) | 44.25% |
| European Bank for Reconstruction and Development | 22.38% |
| State Property Fund | 7.03% |

CORPORATE HISTORY

The establishment of the textile plant TRINYČIAI dates as far back as 1923. The company was founded by brothers Feinbergs. World War II destroyed the plant, but it was rebuilt in 1945. In the post-war period, the company was reconstructed three times (in 1954, 1964 and 1986) almost in its entirety.

In 1976, TRINYČIAI, the knitwear factory Gulbé and Kaunas cotton-spinning factory were merged into the group TRINYČIAI. In 1990, the group was liquidated and all the three companies regained their independence. On 18 March 1993, TRINYČIAI became a private capital company. In 1995, the company's subsidiary Trinyčių Medvilnė was established in Uzbekistan. The subsidiary engages in the distribution of Lithuanian goods and supplies TRINYČIAI with cotton fibre.

After the privatisation, the company's authorised capital stood at LTL 2.6 million. On 4 August 1995, a new share issue of LTL 6.8m was registered with the Lithuanian Securities Commission. The stock capital was raised out of the revaluation reserve from LTL 2.6m to LTL 9.4 million. In 1996, the authorised capital was increased for the second time to LTL 13.8 million. In 1998 the authorised capital was increased by LTL 4 million to reach LTL 17.9 million (the EBRD purchased an additional share issue).

BUSINESS ACTIVITY, LATEST DEVELOPMENTS

The company manufactures cotton-type yarn for weaving and knitting. According to the production technology, yarn is produced by open end or ring spun spinning. Based on the quality, yarn is also divided into carded and combed. The bulk of production consists of 100% cotton yarn, however mixed types (cotton-linen, cotton-wool) are also manufactured.

During 1999, nearly half (LTL 7.2m) of yarn production was sold on the domestic market. The largest purchasers are textile companies and producers of wearing apparel: AB Audėjas, AB Sparta, AB Pakaita. Another 50% (LTL 7.3m) of yarn were sold in the foreign market in 1999. The bulk of exports goes to Western Europe: France, Poland, Finland. The Baltic countries receive 9% of the company's output. TRINYČIAI purchases the greatest part of the principal material (cotton fibre) from the following foreign countries: Rosby Oil Corporation (Panama), ALTRO Warenhandels Gesmb (Austria), Indutech SPA (Italy), and JECOT S.A (Switzerland).

In 1999, due to the crises in Asia and Russia sales of cotton yarn and their demand abroad as well as on the domestic market decreased, which resulted in a 1.8% fall in yarn manufacture as compared with 1998. When Western Europe countries were flooded with cheap yarn due to devaluation of local currencies of the Asian countries, sales of TRINYČIAI yarn in countries of West Europe dropped 2.4 times. Crisis in Russia was the reason for a 26% fall of yarn sales in the Lithuanian market.

During the preceding year, the company actively invested into acquisition of technical equipment. In total, TRINYČIAI invested over LTL 3m and purchased 11 machines for circular spinning, 5 winding machines, 2 pre and even feed, a doubling machine as well as other equipment.

In 1999, the company's sales constituted LTL 14.78m. The gross profit of TRINYČIAI equalled LTL 243thou, which is 16 times less than that in 1998. In 1999, the company suffered a loss of LTL 2.9m.

PLANS, PROSPECTS FOR 2000

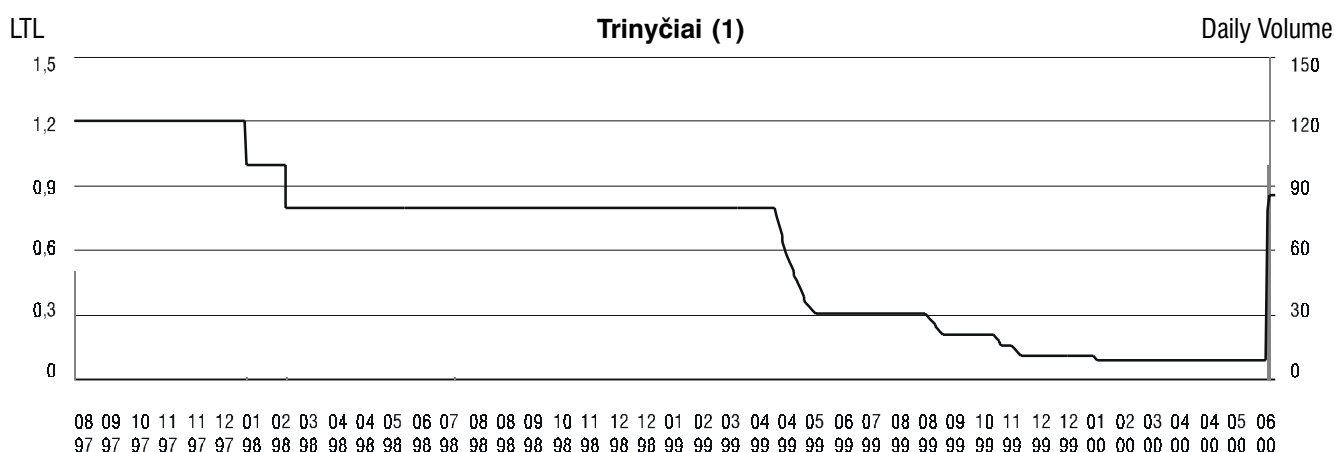
In 2000, TRINYČIAI expects to increase sales to LTL 22.6m, enhance effectiveness of the activity, and improve quality of the produced yarn.

In the near future the company intends to introduce its production in the new markets in England and Greece.

Structure OF SHARE CAPITAL

| | |
|---------------------|---|
| Authorised capital: | LTL 17,871,872 |
| Ordinary shares: | 13,871,872 ordinary registered shares at LTL 1 par (security code 11120) accounting for 77.62% of the auth. capital (admitted to trading at the NSEL on 04.08.98) |
| | 4,000,000 ordinary registered shares at LTL 1 par (security code 12437) accounting for 22.38% of the auth. capital |

| SUBSIDIARIES | Date of establishment | Authorised capital (LTL) | Participating interest |
|-------------------|-----------------------|--------------------------|------------------------|
| Trinyčių Medvilnė | 1995 | 40thou | 100% |



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|----------|----------|----------|----------|
| LONG TERM ASSETS | 21296048 | 18957320 | 17159263 | 18540250 |
| SHORT TERM ASSETS | 7082565 | 7426651 | 13455312 | 7725718 |
| Stock | 2179497 | 2539221 | 4385970 | 2240986 |
| Amounts receivable within one year | 4750584 | 4505160 | 6230841 | 5070620 |
| TRANSFER ACCOUNTS | 292486 | 177575 | 228060 | 194820 |
| TOTAL ASSETS | 28671099 | 26561546 | 30842635 | 26460788 |
| CAPITAL AND RESERVES | 14152686 | 12633886 | 16692824 | 13744979 |
| Capital | 13871872 | 13871872 | 17871872 | 17871872 |
| Subscribed capital | 13871872 | 13871872 | 17871872 | 17871872 |
| Share premium account | 947 | 947 | 947 | 947 |
| Revaluation reserve | 0 | 0 | 0 | 0 |
| Reserves | 8380 | 13993 | 13993 | 13993 |
| Profit (loss) brought forward | 271487 | -1252926 | -1193988 | -4141833 |
| Amounts payable after one year and long-term liabilities | 3306663 | 2986593 | 7201836 | 6262288 |
| Amounts payable within year and long-term liabilities | 11206235 | 10873563 | 6916226 | 6439404 |
| ACCRUED CHARGES AND DEFERRED INCOME | 5515 | 67504 | 31749 | 14117 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 28671099 | 26561546 | 30842635 | 26460788 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|----------|----------|----------|----------|
| SALES AND SERVICES | 24704759 | 24821678 | 26389623 | 14783207 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 21115119 | 22383931 | 22494496 | 14540244 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 112266 | -1518800 | 58938 | -2947845 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|-------------|-------------|-------------|-------------|
| PRICE (LTL) | | | | |
| First | 1.20 | 1.20 | 0.80 | 0.11 |
| Max | 1.20(12 08) | 1.20(01 21) | 0.80(03 06) | 0.86(06 30) |
| Min | 1.20(12 08) | 0.80(09 18) | 0.11(12 30) | 0.09(02 08) |
| Last | 1.20 | 0.80 | 0.11 | 0.86 |
| Change (%) | -2 | -33.33 | -86.25 | 681.82 |
| Number of transactions (CM) | | 6 | 0 | 6 |
| Turnover CM (units) | 50 | 3 | 0 | 250 |
| Turnover CM (LTL) | 60 | 3 | 0 | 208 |
| Turnover BT (units) | 0 | 63730 | 35085 | 1734085 |
| Turnover BT (LTL) | 0 | 3845 | 10063 | 295856 |
| CM turnover as % in total | 100.00 | 0 | 0 | 0.01 |
| Total turnover (units) | 50 | 63733 | 35085 | 1734335 |
| Total turnover (LTL) | 60 | 3848 | 10063 | 296064 |
| Turnover ratio (%) | 0 | 0.46 | 0.25 | 16.27 |
| As % in the total share turnover | 0 | 0 | 0 | 0.14 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|----------|----------|---------|---------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 0.66 | 0.70 | 1.97 | 1.23 |
| Quick ratio | 0.46 | 0.46 | 1.34 | 0.88 |
| Net working capital (LTL thou) | -3836699 | -3336841 | 6735397 | 1467017 |
| Net working capital to total assets | -0.13 | -0.13 | 0.22 | 0.06 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.00 | -0.06 | 0.00 | -0.20 |
| Return on assets (%) | 0.00 | -0.06 | 0.00 | -0.11 |
| Return on equity (%) | 0.01 | -0.12 | 0.00 | -0.21 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.51 | 0.52 | 0.46 | 0.48 |
| Debt / equity ratio | 1.03 | 1.10 | 0.85 | 0.93 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 7.43 | 9.49 | 6.50 | 4.39 |
| Receivables turnover | 6.92 | 5.36 | 4.92 | 2.62 |
| Net working capital turnover | -6.44 | -7.44 | 3.92 | 10.08 |
| Long-term assets turnover | 1.16 | 1.31 | 1.54 | 0.80 |
| Total assets turnover | 0.86 | 0.93 | 0.86 | 0.56 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|------|-------|--------|-------|
| Capitalisation (LTL thou) | - | 16646 | 11097 | 1,526 |
| Share book value (LTL) | 1.02 | 0.91 | 0.93 | 0.39 |
| Price / book value ratio (P/BV) | - | 1.32 | 0.86 | 0.28 |
| Earnings per share (LTL) | 0.01 | -0.11 | 0.003 | -0.21 |
| Price / earnings ratio (P/E) | - | - | 242.59 | - |
| Dividend per share (LTL) | - | - | - | - |
| Dividend yield | - | - | - | - |
| Dividend payout ratio | - | - | - | - |

WEARING APPAREL

| | |
|----------|------------------------------------|
| Address: | J.Basanavičiaus g. 122, 4910 Utena |
| Phone: | (370-39) 51445 |
| Fax: | (370-39) 69358 |
| E-mail: | utenos.trikotazas@ut.lt |

www.utenostrikotazas.lt

| | |
|----------------------------|------------|
| Registration date: | 06.12.1994 |
| Registration code: | 8370946 |
| Established: | 1967 |
| Privatised: | 1993 |
| Number of employees: | 1503 |
| Authorised capital: | LTL 23m |
| Capitalisation (30.06.00): | LTL 77.9m |

| | |
|---------------|------------------------|
| Auditor: | PricewaterhouseCoopers |
| Trading List: | Official |

Management Board (participation in the company):

Nijolė Dumbliauskienė (7.77%), Rimas Varanauskas (2.58%), Nerijus Datkūnas (0%), Regina Sajienė (2.57%), Bjorn G Gillberg (0%), Rimas Jakučionis (0%)

Managing Director (participation in the company): Nijolė Dumbliauskienė (7.77%)

Contact Person: Nijolė Dumbliauskienė, Director General, tel. (370-39) 51445

STRUCTURE OF OWNERSHIP

| | |
|--|--------|
| Total number of shareholders amounts to | 1263 |
| AB Koncernas SBA | 37.12% |
| European Bank for Reconstruction and Development | 29.17% |
| N.Dumbliauskienė | 7.77% |

CORPORATE HISTORY

UTENOS TRIKOTAŽAS was established in 1967. The factory was built to produce goods for export to the former USSR. Projected industrial capacity of the factory was 17.7m units of knitted shirts per year. Until 1990 UTENOS TRIKOTAŽAS was the largest textile manufacturer in Lithuania. In 1989 the company produced over 19m units of knitted underwear. At that time the company employed 3000 people. Sales in Lithuania constituted 30% of the total, while the rest production was realised in Russia, Ukraine, and Central Asia. In 1975, UTENOS TRIKOTAŽAS was named M.Melnikaitė Knitwear and Haberdashery Production Unification. Besides, in addition to UTENOS TRIKOTAŽAS, unification was formed from Zarasai haberdashery factory and 7 sewing departments in different neighbouring towns. The unification existed until 1990.

In 1993 UTENOS TRIKOTAŽAS was privatised and transformed into a public limited company. Later, the company's authorised capital was raised by LTL 2.5m, including LTL 2m invested by Concern SBA. On 30 November 1994, UTENOS TRIKOTAŽAS was registered with Utena Municipality as a public company. The registered authorised capital amounted to LTL 18.9 million.

On 31 December 1997, the company's authorised capital totalled LTL 18.3 million. The share par value equalled LTL 1. The authorised capital decreased over last year, once UTENOS TRIKOTAŽAS transmitted the company's property worth LTL 556thou to the state. As a result, the state interest in the company decreased.

On 19 March 1998, the general shareholders' meeting resolved to raise the capital out of supplementary contributions from LTL 18.3m to LTL 23.3 million. 3,489,074 of the newly issued shares were acquired by the European Bank for Reconstruction and Development.

BUSINESS ACTIVITY

UTENOS TRIKOTAŽAS is the largest company producing underwear in Lithuania. The company produces knitted garments such as babywear, underwear, nightwear, sports and leisure wear from its own knitted fabrics. The company produces about 2,000 tons of cloth or almost 11m units of knitted products every year. Exports from the company go to Sweden, Denmark, Germany, Finland, Great Britain, and Spain.

British Standardisation Institute has awarded UTENOS TRIKOTAŽAS a Certificate BS EN ISO 9001: 1994. UTENOS TRIKOTAŽAS, one of the first enterprises engaged in the textile industry in Lithuania, has been awarded an OEKO-TEX 100 Standard Certificate. This certifies that UTENOS TRIKOTAŽAS products are free of harmful substances and are perfectly safe to wear.

In Lithuania, the company sells its products in specialised shops (68%) and through wholesale dealers. UAB Utenos Trikotaža Prekyba realised 80% of the products and occupied 11% of the Lithuanian knitted products sale market in Lithuania.

The company exports over 80% of its products. Products exported to the Western European countries are manufactured following the buyers' orders, involving the entire production cycle from knitting to packaging. 21% of export goes to field shirts for women, 19% - to field shirts for girls, 10.5% - to T shirts for men, the rest - to underwear for men and women, sport shirts for children, etc. Major UTENOS TRIKOTAŽAS' clients in the European countries are the cloth trading nets Hennes & Mauritz (in 1999 bought the company's products for LTL 38.6m), Bestseller (Vero Moda, Jack Jones, Exit) (LTL 21m), CA (LTL 6.9m), Jeans Clothies (LTL 5.7m), and others.

UTENOS TRIKOTAŽAS imports 80% of its raw materials from Asian countries (India, Pakistan), 11% come from the Western Europe, 9% are acquired in the local market. 75% of contracts regarding supply of raw material are long-term ones.

DEVELOPMENTS IN 1999

During the year 1999, the volumes of traded products of UTENOS TRIKOTAŽAS grew by LTL 8.4m or by 8.5%. In 1999, the company manufactured 9.8m units of knitted products, which is by 6.1% less than in the previous year – in 1999 the company manufactures more complex goods. Subcontractors made 0.9m units of knitted products.

Last year 15% of the production were sold in Lithuania. As compared to 1998, the assortment demand of the sold products did not change dramatically. The sales increased in sport shirts for men, field shirts for women, jumpers for children. Nominal collections were traded on the wholesale and retail markets. The sales of collections' products accounted for 14.2% of the total knitted products realisation. Gunda, Rokas, Pipiras, Tangomanija, and Vasara collections experienced the greatest demand.

In 1999, UTENOS TRIKOTAŽAS exported 85% of its main products. Clients from the Western Europe bought 8.75m units of knitted products for LTL 91.3m. The majority of export went to Sweden (48.8%), Denmark (31%), Germany (1%), and Finland (4%).

In 1999, UTENOS TRIKOTAŽAS invested LTL 10.2m into new equipment, technology and the real estate. The company allotted LTL 1.1m for marketing, LTL 103thou for charity and financial support (to support sport and cultural events, social needs of disabled people).

In February 1999, UTENOS TRIKOTAŽAS acquired 49.5% of Šatrija (sewing factory) shares. Sales revenue saw an 8% increase compared with 1998 and reached LTL 109m.

In 1999 the company's profit before tax amounted to LTL 15.6m and, compared to 1998, increased by LTL 1.07m. The net profit accounted for LTL 13.09m.

In April, at the auction of the State Property Fund 13.7% shares of UTENOS TRIKOTAŽAS were bought by the EBRD for LTL 8m, at LTL 2.50 per share of LTL 1.00 par value. UTENOS TRIKOTAŽAS shares were admitted to the NSEL Official Trading List on 1 June 1999.

PLANS, PROSPECTS FOR 2000

In 2000, the company was included into the joint list of the Lithuanian, Latvian, and Estonian most liquid securities – Baltic List.

In March 2000, UTENOS TRIKOTAŽAS additionally acquired 533,935 Šatrija shares and increased its interest in the company's share capital to 64.87%.

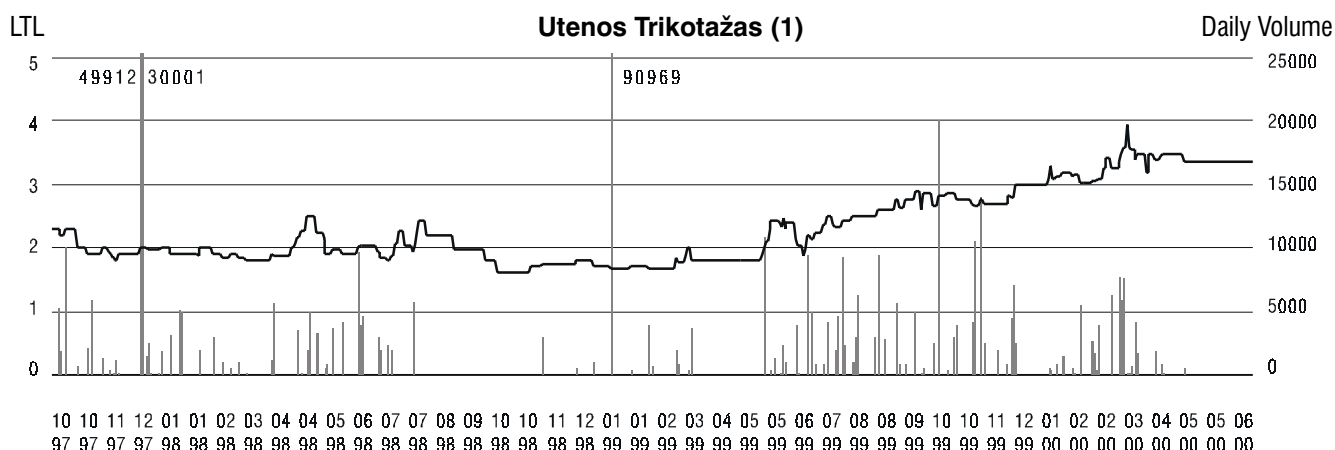
In 2000, the company signed a LTL 1.8m worth agreement with UAB VB Lizingas in order to buy a store in Kaunas on lease.

The anticipated investment in 2000 accounts for LTL 7.9m.

Implementation of Orgatex – dyeing process management and control programme - began, 2 new Thies dyeing machines were ordered. In the second half of 2000, the capacity of the dyeing shop of UTENOS TRIKOTAŽAS will increase by 20%, and the shop will become the most up-to-dated in the Baltic countries. The purchased Gerber software, which will be implemented in 2000, will speed up the process of production preparation, therefore, the orders will be executed more quickly.

In 2000, UTENOS TRIKOTAŽAS plans to sell its products for LTL 124m, and this way to increase the sales volume by 15%. It is intended to realise 12.3m units of knitted products. On the Lithuanian market, products will be presented in collections with new trade marks. The collections will consist of outdoor clothes, underwear, sportswear, and nightwear.

The company hopes to export 86.6% of its products. It is foreseen to search for companies for co-operation on the new markets as well as to find new companies on the current markets.



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|----------|----------|----------|----------|
| LONG TERM ASSETS | 20726938 | 21594606 | 32469270 | 42009914 |
| SHORT TERM ASSETS | 16630382 | 21406437 | 25844756 | 33650266 |
| Stock | 10321260 | 11662911 | 10338822 | 14159397 |
| Amounts receivable within one year | 6013705 | 9336806 | 13429568 | 15567005 |
| TRANSFER ACCOUNTS | 64806 | 59147 | 100248 | 102767 |
| TOTAL ASSETS | 37422126 | 43060190 | 58414274 | 75762947 |
| CAPITAL AND RESERVES | 27247806 | 31823876 | 50852326 | 63947397 |
| Capital | 18877021 | 18320637 | 23260491 | 23260491 |
| Subscribed capital | 18877021 | 18320637 | 23260491 | 23260491 |
| Share premium account | 0 | 0 | 7409780 | 7409780 |
| Revaluation reserve | 0 | 0 | 0 | 0 |
| Reserves | 5724610 | 5724610 | 12627999 | 12627999 |
| Profit (loss) brought forward | 2646175 | 7778629 | 7554056 | 20649127 |
| Amounts payable after one year and long-term liabilities | 5117815 | 3290337 | 0 | 0 |
| Amounts payable within year and long-term liabilities | 4638361 | 7945977 | 6347261 | 10540714 |
| ACCRUED CHARGES AND DEFERRED INCOME | 0 | 0 | 0 | 1274836 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 37422126 | 43060190 | 58414274 | 75762947 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|----------|----------|-----------|-----------|
| SALES AND SERVICES | 77506736 | 80306774 | 100971795 | 109000973 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 60158501 | 60520154 | 70208798 | 77610729 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 3714354 | 5132454 | 11839356 | 13095073 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|-------------|-------------|-------------|-------------|
| PRICE (LTL) | | | | |
| First | 2.30 | 1.99 | 1.72 | 3.00 |
| Max | 2.30(10.22) | 2.50(05.13) | 3.00(12.30) | 3.96(03.20) |
| Min | 1.80(11.25) | 1.62(11.04) | 1.69(03.06) | 3.00(01.12) |
| Last | 1.99 | 1.72 | 3.00 | 3.35 |
| Change (%) | -13.48 | -13.57 | 74.42 | 11.67 |
| Number of transactions (CM) | 74 | 120 | 233 | 82 |
| Turnover CM (units) | 113201 | 96167 | 279008 | 55707 |
| Turnover CM (LTL) | 230239 | 191545 | 626509 | 184768 |
| Turnover BT (units) | 42286 | 150138 | 3000473 | 125000 |
| Turnover BT (LTL) | 69428 | 251009 | 7104690 | 403250 |
| CM turnover as % in total | 72.80 | 39.04 | 8.51 | 30.83 |
| Total turnover (units) | 155487 | 246305 | 3279481 | 180707 |
| Total turnover (LTL) | 299667 | 442554 | 7731199 | 588018 |
| Turnover ratio (%) | 0.85 | 1.34 | 14.10 | 0.78 |
| As % in the total share turnover | 0.03 | 0.05 | 0.63 | 0.28 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|----------|----------|----------|----------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 3.60 | 2.70 | 4.09 | 2.86 |
| Quick ratio | 1.37 | 1.23 | 2.46 | 1.66 |
| Net working capital (LTL thou) | 12056827 | 13519607 | 19597743 | 21937483 |
| Net working capital to total assets | 0.32 | 0.31 | 0.34 | 0.29 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.05 | 0.06 | 0.12 | 0.12 |
| Return on assets (%) | 0.10 | 0.12 | 0.20 | 0.17 |
| Return on equity (%) | 0.14 | 0.16 | 0.23 | 0.20 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.27 | 0.26 | 0.13 | 0.16 |
| Debt / equity ratio | 0.37 | 0.35 | 0.15 | 0.18 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 6.85 | 5.51 | 6.38 | 6.34 |
| Receivables turnover | 13.08 | 10.46 | 8.87 | 7.52 |
| Net working capital turnover | 6.43 | 5.94 | 5.15 | 4.97 |
| Long-term assets turnover | 3.74 | 3.72 | 3.11 | 2.59 |
| Total assets turnover | 2.07 | 1.87 | 1.73 | 1.44 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|------|-------|-------|--------|
| Capitalisation (LTL thou) | - | 36458 | 31511 | 69,781 |
| Share book value (LTL) | 1.44 | 1.74 | 2.19 | 2.78 |
| Price / book value ratio (P/BV) | - | 1.15 | 0.79 | 1.08 |
| Earnings per share (LTL) | 0.20 | 0.28 | 0.51 | 0.59 |
| Price / earnings ratio (P/E) | - | 7.10 | 3.38 | 5.09 |
| Dividend per share (LTL) | - | 0.10 | - | 0.50 |
| Dividend yield | - | 0.05 | - | 0.17 |
| Dividend payout ratio | - | 0.01 | - | 0.85 |

Structure OF SHARE CAPITAL

| | |
|------------------|--|
| Share capital : | LTL 23,260,491 |
| Ordinary shares: | 23,260,491 registered shares at LTL 1 par (security code 10932) accounting for 100% of auth. capital (admitted to trading at the NSEL on 29.09.97) |

| SUBSIDIARIES | Date of establishment | Authorised capital (LTL) | Participating interest |
|------------------------------|-----------------------|--------------------------|------------------------|
| UAB Gotija | Oct 1994 | 144,740 | 90.50% |
| UAB Utenos trikotažo prekyba | Jul 1998 | 1,176,200 | 100% |
| AB Šatrija | 1999 | 10,420,551 | 64.87% |

PAPER AND PACKAGING PRODUCTS

| | |
|----------|-----------------------------|
| Address: | Paribio g. 12, 2600 Vilnius |
| Phone: | (370-2) 753274 |
| Fax: | (370-2) 757710 |
| E-mail: | grafobal@taide.lt |

| | |
|----------------------------|------------|
| Registration date: | 05.08.1992 |
| Registration code: | 2151401 |
| Established: | 1964 |
| Privatised: | 1992 |
| Number of employees: | 140 |
| Authorised capital: | LTL 6.5m |
| Capitalisation (30.06.00): | LTL 3.7m |

| | |
|---------------|--------------------------------|
| Auditor: | UAB Auditoriai ir Konsultantai |
| Trading List: | Current |

Management Board (participation in the company):

Marijan Kožišek, Chairman (0%), Antonin Kadlček (0%), Tibor Hubik (0%), Stanislovas Jurkuvėnas (0.3%), Albertas Povilaitis (0.15%).

Managing Director (participation in the company): Stanislovas Jurkuvėnas (0.3%)

Contact Person: Saulius Povilaitis, Chief Economist-Financier, tel. (370-2) 790425

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of the shareholders amounts to | 353 |
| Grafobal Skalica (Slovak Republic) A.s. | 78.05% |
| State Property Fund | 3.8% |

CORPORATE HISTORY

The company's legal predecessor, EXPERIMENTAL BUREAU OF PACKAGE DESIGN, was established in 1964. Later, with the gradual expansion of the technical platform, the bureau developed into a polygraphs (printing) company VILNIS. It was privatised through a public offering in 1992 and was registered under the name of VILPAKAS. In 1994, the Slovak firm Grafobal acquired a controlling interest in the company, and it was reregistered into GRAFOBAL VILNIUS. Within 3 years substantial investments were made into development: the company leased equipment for cutting the paperboard, carried out major repairs of the printing machinery, installed gluing equipment, and mounted model assembling outfitting. As a result of all the improvements, the production output increased almost sixfold.

At the beginning of 1996, the authorised capital of the company constituted LTL 5.6m. It was increased in the same year by LTL 0.9m through indexation of the main means and by issuing new shares which were distributed to the shareholders proportionally to the nominal value of their holdings. In 1997 - 1999, the authorised capital of GRAFOBAL VILNIUS did not experience any changes. Currently the authorised capital amounts to LTL 6.5m.

Technological progress, efficient execution of orders, favourable payment terms, and stable long-term relationship with business partners enabled the company to acquire competitive advantage among Lithuanian and Western producers. The company was noticed by major Lithuanian food makers, pharmaceutical and light manufacturing companies that became permanent customers. GRAFOBAL VILNIUS developed into an attractive company due to its creative approach and became distinguished for its design and quality both in Lithuania, the CIS and Eastern Europe.

BUSINESS ACTIVITY, LATEST DEVELOPMENTS

The company prints packaging products, manufactures containers of paper and paperboard, provides design and printing services (printing on paper, paperboard, oilpaper, folios and films, also paper paraffining and cutting into spools and sheets).

Last year GRAFOBAL VILNIUS sold 68% of its production in Lithuania, 21% were exported to Belarus, 6% - to Russia, the remaining 3% were sold in other countries. The main suppliers of raw material are Finnish, Belgian, and Swedish companies.

The new eight-colour flexographic printing machine Soloflex 8L was launched in the first quarter of 1999. Company repaired many other technological equipment as well.

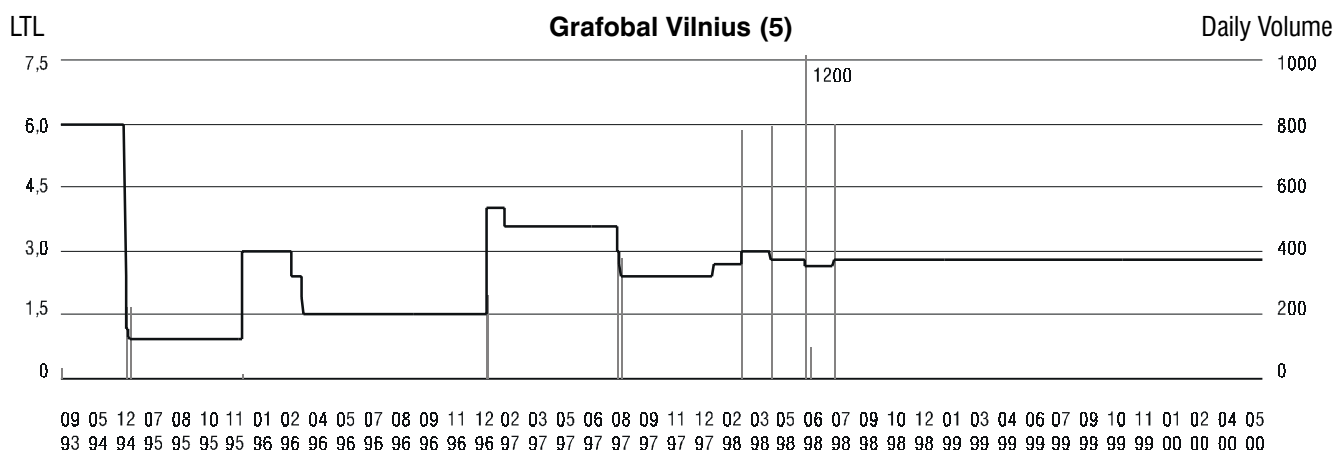
The company produced packaging of paper and paperboard for LTL 17.2 million (LTL 28.58m in 1997, LTL 25.3m in 1998). In 1999, due to Russian crisis the company's sales decreased. The revenues from the principal activity of GRAFOBAL VILNIUS, compared to 1998, decreased by 31% last year. In 1999, the company suffered a loss of LTL 1.36m (LTL 1.86m net profit in 1997, LTL 1.1m loss in 1998).

PLANS, PROSPECTS FOR 2000

In 2000, company plans to decrease financial loss, find reliable partners, decrease risk to a minimum by insuring or otherwise protecting company's interests.

Structure OF SHARE CAPITAL

| | |
|------------------|---|
| Share capital: | LTL 6,544,475 |
| Ordinary shares: | 1308895 registered shares at LTL 5 par (security code 10031) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 14.09.93) |



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|-----------------|-----------------|-----------------|-----------------|
| LONG TERM ASSETS | 5770783 | 5521725 | 4337944 | 7876241 |
| SHORT TERM ASSETS | 9484094 | 13353601 | 18105199 | 12855564 |
| Stock | 5128916 | 5564863 | 8126003 | 3581279 |
| Amounts receivable within one year | 3906742 | 7329945 | 8670004 | 8310860 |
| TRANSFER ACCOUNTS | 92757 | 22582 | 27420 | 303067 |
| TOTAL ASSETS | 15347634 | 18897908 | 22470563 | 21034872 |
| CAPITAL AND RESERVES | 9362660 | 11158782 | 9980005 | 8556446 |
| Capital | 6544475 | 6544475 | 6544475 | 6544475 |
| Subscribed capital | 6544475 | 6544475 | 6544475 | 6544475 |
| Share premium account | 47152 | 47152 | 47152 | 47152 |
| Revaluation reserve | 279759 | 279759 | 279759 | 279759 |
| Reserves | 2477445 | 2526476 | 4171670 | 4110517 |
| Profit (loss) brought forward | 13829 | 1760920 | -1063051 | -2425457 |
| Amounts payable after one year and long-term liabilities | 1369213 | 1368971 | 6632971 | 7451331 |
| Amounts payable within year and long-term liabilities | 4615761 | 6370155 | 5857587 | 5027095 |
| ACCRUED CHARGES AND DEFERRED INCOME | 0 | 0 | 0 | 0 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 15347634 | 18897908 | 22470563 | 21034872 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|--------------|----------------|-----------------|-----------------|
| SALES AND SERVICES | 18336846 | 28584348 | 25302275 | 17223843 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 12874996 | 18494266 | 17698521 | 12514911 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 14557 | 1860790 | -1102883 | -1362405 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|-------------|-------------|-------------|----------------|
| PRICE (LTL) | | | | |
| First | 1.54 | 2.40 | 2.80 | 2.80 |
| Max | 4.00(02 18) | 2.97(04 27) | 2.80(12 30) | 2.80(06 30) |
| Min | 1.54(01 21) | 2.40(01 21) | 2.80(12 30) | 2.80(06 30) |
| Last | 2.40 | 2.80 | 2.80 | 2.80 |
| Change (%) | 55.84 | 16.67 | - | - |
| Number of transactions (CM) | | 12 | 0 | 0 |
| Turnover CM (units) | 1037 | 3669 | 0 | 0 |
| Turnover CM (LTL) | 3143 | 10211 | 0 | 0 |
| Turnover BT (units) | 0 | 0 | 0 | 0 |
| Turnover BT (LTL) | 0 | 0 | 0 | 0 |
| CM turnover as % in total | 100.00 | 100.00 | 0 | 0 |
| Total turnover (units) | 1037 | 3669 | 0 | 0 |
| Total turnover (LTL) | 3143 | 10211 | 0 | 0 |
| Turnover ratio (%) | 0.08 | 0.28 | 0 | 0 |
| As % in the total share turnover | 0 | 0 | 0 | 0 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|-------------|-------------|-------------|-------------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 2.07 | 2.10 | 3.10 | 2.62 |
| Quick ratio | 0.96 | 1.23 | 1.71 | 1.91 |
| Net working capital (LTL thou) | 4961090 | 7006028 | 12275032 | 8131536 |
| Net working capital to total assets | 0.32 | 0.37 | 0.55 | 0.39 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.00 | 0.07 | -0.04 | -0.08 |
| Return on assets (%) | 0.00 | 0.10 | -0.05 | -0.06 |
| Return on equity (%) | 0.00 | 0.17 | -0.11 | -0.16 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.39 | 0.41 | 0.56 | 0.59 |
| Debt / equity ratio | 0.64 | 0.69 | 1.25 | 1.46 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 3.38 | 3.46 | 2.59 | 2.14 |
| Receivables turnover | 3.92 | 5.09 | 3.16 | 2.03 |
| Net working capital turnover | 3.70 | 4.08 | 2.06 | 2.12 |
| Long-term assets turnover | 3.18 | 5.18 | 5.83 | 2.19 |
| Total assets turnover | 1.19 | 1.51 | 1.13 | 0.82 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|-------------|-------------|-------------|-------------|
| Capitalisation (LTL thou) | 2016 | 3141 | 3665 | 3,665 |
| Share book value (LTL) | 7.15 | 8.53 | 7.62 | 6.54 |
| Price / book value ratio (P/BV) | 0.22 | 0.28 | 0.37 | 0.43 |
| Earnings per share (LTL) | 0.01 | 1.42 | -0.84 | -1.71 |
| Price / earnings ratio (P/E) | 138.47 | 1.69 | - | - |
| Dividend per share (LTL) | - | - | - | - |
| Dividend yield | - | - | - | - |
| Dividend payout ratio | - | - | - | - |

WOOD FIBRE BOARD, PAPER PRODUCTS

| | |
|----------|-------------------------------------|
| Address: | Vilniaus g. 10, Grigiškės, Trakų r. |
| Phone: | (370-2) 333904, 652173 |
| Fax: | (370-2) 651486, 521486 |
| E-mail: | grigiskes@auste.elnet.lt |

| | |
|----------------------------|------------|
| Registration date: | 02.04.1992 |
| Registration code: | 1001245 |
| Established: | 1922 |
| Privatised: | 1991 |
| Number of employees: | 1097 |
| Authorised capital: | LTL 37.3m |
| Capitalisation (30.06.00): | LTL 6.3m |

| | |
|---------------|-----------------|
| Auditor: | Arthur Andersen |
| Trading List: | Current |

Supervisory Board (participation in the company):

Liudvikas-Vaidievičius Miškinis, Chairman (6.19%),
Gintautas Laukaitis (0.01%), Daliūtė Kornilovič (0.77%), Jonas Petiukonis (0.02%),
Asta-Jolanta Polikevičienė (5.3%), Jonas Rainys (0.04%), Virginija Narbutienė (0.27%),
Dalytė Uldukienė (0.02%), Egidijus Jadenkus (0.02%)

Management Board (participation in the company):

Romaldas Jadenkus, Chairman (6.10%),
Kęstutis Murauskas (2.94%), Arvydas Narbutas (3.45%), Arūnas Rozenbergas (1.12%),
Jadvyga Samuilova (2.81%), Raisa Udalova (3.39%), Rimantas Švedas (0.02%)

Managing Director: Romaldas Jadenkus

Contact Person: Arvydas Kvietkauskas, Deputy Chief Financier, tel. (370 -2) 521572

STRUCTURE OF OWNERSHIP

Total number of shareholders amounts to 5370.

| | |
|---------------------------------|-------|
| Liudvikas-Vaidievičius Miškinis | 6.19% |
| Romaldas Jadenkus | 6.10% |
| Asta-Jolanta Polikevičienė | 5.30% |

CORPORATE HISTORY

The company's predecessor, GRIGIŠKĖS pulp processing plant, was established in 1922. Originally run by 200 employees, it produced 15 tons of paperboard and 10 tons of paper per day. Since then the plant has been steadily expanding - erecting new premises, updating technologies, installing new equipment, and broadening the range of paper products.

During 1959-1964 the company installed three machines for manufacturing crepe paper, during 1965-1968 fourteen machines for cigarette filter paper manufacturing were mounted. During 1964 - 1971 with the installment of hardboard lines of the Polish company Zemek, GRIGIŠKĖS launched production of hardboard. In 1973, a German company Hilderbrant installed two lines for painting and lacquering of hardboard. In 1975 boxes of corrugated board were introduced into production. Recently machines have been renovated or replaced by modern ones, accompanied by subsidiary equipment.

After Lithuania regained its independence, the company lost a significant part of its markets in the former USSR countries and strove to conquer new markets with newly-developed products. Thus, in 1992 with the acquisition of a German production line, the company started manufacturing incontinence pads. In 1993 the company launched production of paper towels and serviettes. In 1996 a new Italian toilet paper line was put into operation. During 1997 machinery for the production of toilet paper GRITE and paper towels was fully installed. The toilet paper GRITE was recognized the best product of the year. In 1998 the boiler-house for steam generation from wood waste was constructed, and in the following year waste paper converting line was implemented.

In 1997 the company made a buy-back of its shares (9.99%) and distributed them among shareholders in proportion to their holdings.

The company's authorised capital currently amounts to LTL 37.3m.

BUSINESS ACTIVITY

At present the company produces paper (crepe paper, cellulose wadding medical, wrapping paper), personal hygiene and medical products (toilet paper, paper towels, handkerchiefs, cleaning paper), paper napkins, incontinence pads, etc.), 2.5, 3.2 ir 4.0 mm hardboard; corrugated paperboard and its articles. Hardboard (43%) and paper products (34.6%) constitute the largest share of the company's production. GRIGIŠKĖS is the only company in Lithuania producing incontinence pads. GRITE paper product group takes approximately 54% of Lithuanian tissue paper market.

GRIGIŠKĖS is the first paper industry company of Lithuania that was awarded EN ISO 9001 quality certificate.

GRIGIŠKĖS exports hardboard to Belarus, Germany, Ukraine, Estonia, Switzerland, Denmark, Finland, Sweden, Great Britain, Latvia, Poland, and the USA. Incontinence pads and paper towels are sold in the Baltic countries, Russia, Belarus, the toilet paper is sold in the Baltic countries, Russia, Belarus, Ukraine, Sweden, and Denmark. Corrugated paperboard is exported only to Latvia. In 1999, the company's sales on the foreign markets accounted for LTL 20.1m (40% of all sales).

The main supplies of raw materials come from Lithuania (55%), Russia (15%), Sweden (10%), Poland (5%), Estonia (5%), Finland (5%), and Germany (5%).

GRIGIŠKĖS is a member of Feropa (European Federation of Hardboard Manufacturers).

DEVELOPMENTS IN 1999

GRIGIŠKĖS sold 47.3m rolls of toilet paper, 1.075m paper towels rolls, 320thou packages of paper napkins, 143 tons of cellulose wadding medical, 9.5 million m2 of hardboard, 194.6thou m2 of painted hardboard. The company generated LTL 55m sales revenue (LTL 68m in 1998). The company's losses amounted to LTL 0.77m (LTL 2.87m net profit in 1998).

The GRITE toilet paper was awarded a medal at the "A Lithuanian Product is the Right Choice" competition in 1999. The production of GRITE toilet paper increased by 23% during the last year.

At the end of last year, GRIGIŠKĖS produced trial batches of special coated with filler hardboard for "Ikea" furniture. After customers' appreciation, the company started serial production of this hardboard. Using a three - colour wood grain reproducing machine, GRIGIŠKĖS started to produce a new painted hardboard with beech, birch, cherry-tree wood textures.

In 1999 a waste paper converting line was set up in the company, which improved the quality of tissue paper, reduced its costs, and increased production volumes by 9m rolls per year.

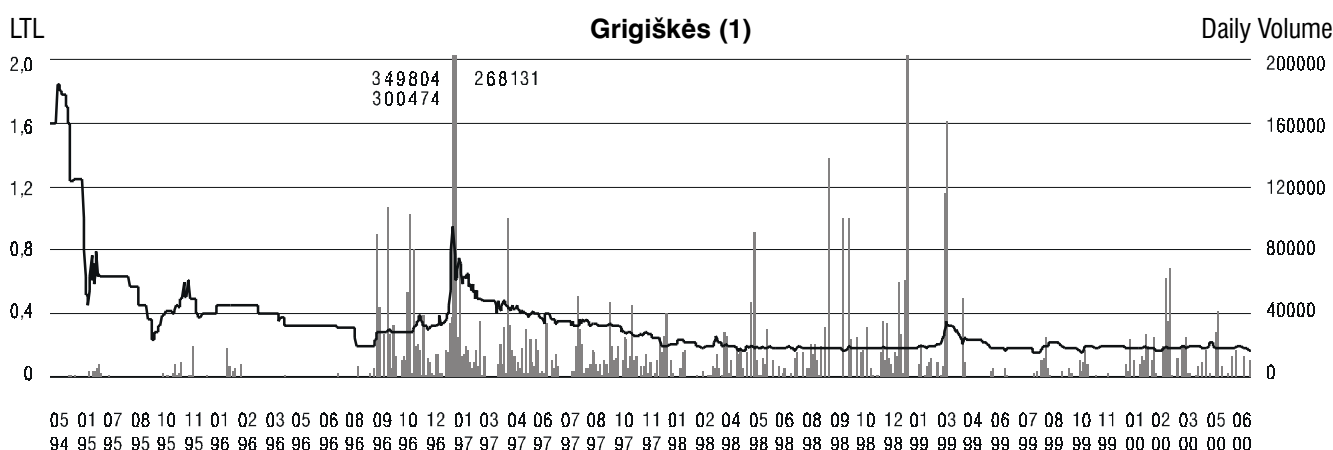
PLANS, PROSPECTS FOR 2000

The company began implementation of the quality management system ISO 14000.

GRIGIŠKĖS projects to increase production of new generation goods - paper "honeycombs" and calibrated hardboard. In 2000 the company plans to acquire new calibrating-sanding machine that would enable to increase production of calibrated hardboard up to 1.5m m2 per month. In addition, the company prospects to increase toilet paper sales by 10% (i.e. up to 52m rolls per year). Such a rise is expected due to a successful start of GRIGIŠKĖS distributor in the Latvian market and due to increasing export volumes to Estonia and Scandinavian countries. Sale of hardboard in the traditional markets of GRIGIŠKĖS is rather complicated, thus, the company will seek to enter new markets in Canada, the USA, and South Korea and at the same time to maintain its current markets.

Structure OF SHARE CAPITAL

| | |
|------------------|--|
| Share capital: | LTL 37,300,000 |
| Ordinary shares: | 37300000 registered shares at LTL 1 par (security code 10203) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 01.02.94) |



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|----------|----------|----------|----------|
| LONG TERM ASSETS | 37229167 | 32189219 | 34472748 | 34476858 |
| SHORT TERM ASSETS | 17818815 | 23482637 | 24752182 | 22462470 |
| Stock | 10820140 | 10672596 | 15441434 | 9573056 |
| Amounts receivable within one year | 6520390 | 10821754 | 8612027 | 12239573 |
| TRANSFER ACCOUNTS | 117786 | 145854 | 141119 | 1044606 |
| TOTAL ASSETS | 55165768 | 55817710 | 59366049 | 57983934 |
| CAPITAL AND RESERVES | 42411681 | 41553935 | 42033645 | 41263605 |
| Capital | 37300000 | 37300000 | 37300000 | 37300000 |
| Subscribed capital | 37300000 | 37300000 | 37300000 | 37300000 |
| Share premium account | 0 | 0 | 0 | 0 |
| Revaluation reserve | 0 | 0 | 0 | 0 |
| Reserves | 2992173 | 2863095 | 4733645 | 3963605 |
| Profit (loss) brought forward | 2119508 | 1390840 | 0 | 0 |
| Amounts payable after one year and long-term liabilities | 4078941 | 5782619 | 3611020 | 2810264 |
| Amounts payable within year and long-term liabilities | 8569186 | 8424858 | 13637972 | 13860847 |
| ACCRUED CHARGES AND DEFERRED INCOME | 105960 | 29533 | 83412 | 49218 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 55165768 | 55817710 | 59366049 | 57983934 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|----------|----------|----------|----------|
| SALES AND SERVICES | 77494698 | 74980045 | 68889510 | 55032095 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 61116877 | 58091730 | 52042504 | 44271463 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 2119508 | 1390840 | 2870384 | -770040 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|-------------|-------------|-------------|-------------|
| PRICE (LTL) | | | | |
| First | 0.34 | 0.21 | 0.18 | 0.18 |
| Max | 0.95(01 17) | 0.26(03 09) | 0.35(03 06) | 0.22(05 22) |
| Min | 0.20(12 18) | 0.17(09 30) | 0.16(10 08) | 0.17(06 30) |
| Last | 0.21 | 0.18 | 0.18 | 0.17 |
| Change (%) | -38.24 | -14.29 | - | -5.56 |
| Number of transactions (CM) | 1081 | 417 | 263 | 247 |
| Turnover CM (units) | 3137000 | 1756208 | 681353 | 630985 |
| Turnover CM (LTL) | 1732493 | 322109 | 166890 | 114887 |
| Turnover BT (units) | 17023340 | 195231 | 69858 | 760336 |
| Turnover BT (LTL) | 5812250 | 36223 | 15960 | 176327 |
| CM turnover as % in total | 15.56 | 90.00 | 90.70 | 45.35 |
| Total turnover (units) | 20160340 | 1951439 | 751211 | 1391321 |
| Total turnover (LTL) | 7544743 | 358333 | 182850 | 291214 |
| Turnover ratio (%) | 54.05 | 5.23 | 2.01 | 3.73 |
| As % in the total share turnover | 0.79 | 0.04 | 0.02 | 0.14 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|---------|----------|----------|---------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 2.07 | 2.79 | 1.81 | 1.69 |
| Quick ratio | 0.82 | 1.53 | 0.69 | 1.00 |
| Net working capital (LTL thou) | 9261455 | 15174100 | 11171917 | 9597011 |
| Net working capital to total assets | 0.17 | 0.27 | 0.19 | 0.17 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.03 | 0.02 | 0.04 | -0.01 |
| Return on assets (%) | 0.04 | 0.02 | 0.05 | -0.01 |
| Return on equity (%) | 0.05 | 0.03 | 0.07 | -0.02 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.23 | 0.26 | 0.29 | 0.29 |
| Debt / equity ratio | 0.30 | 0.34 | 0.41 | 0.41 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 4.86 | 5.41 | 3.99 | 3.54 |
| Receivables turnover | 11.68 | 8.65 | 7.09 | 5.28 |
| Net working capital turnover | 8.37 | 4.94 | 6.17 | 5.73 |
| Long-term assets turnover | 2.08 | 2.33 | 2.00 | 1.60 |
| Total assets turnover | 1.40 | 1.34 | 1.16 | 0.95 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|-------|------|------|-------|
| Capitalisation (LTL thou) | 12682 | 7833 | 6714 | 6,714 |
| Share book value (LTL) | 1.14 | 1.11 | 1.13 | 1.11 |
| Price / book value ratio (P/BV) | 0.30 | 0.19 | 0.16 | 0.16 |
| Earnings per share (LTL) | 0.06 | 0.04 | 0.08 | -0.02 |
| Price / earnings ratio (P/E) | 5.98 | 5.63 | 2.34 | - |
| Dividend per share (LTL) | - | - | 0.02 | - |
| Dividend yield | - | - | 0.11 | - |
| Dividend payout ratio | - | - | 0.26 | - |

PHARMACEUTICALS

| | |
|----------|-----------------------------|
| Address: | Veiverių g. 134, Kaunas |
| Phone: | (370-7) 227432 |
| Fax: | (370-7) 390985 |
| E-mail: | endoprep@kaunas.omnitel.net |

| | |
|----------------------------|------------|
| Registration date: | 30.01.1998 |
| Registration code: | 3355216 |
| Established: | 1969 |
| Privatised: | 1992 |
| Number of employees: | 326 |
| Authorised capital: | LTL 25.9m |
| Capitalisation (30.06.00): | LTL 1.5m |

| | |
|---------------|-----------------------------------|
| Auditor: | M.Česnyienė's Sole Proprietorship |
| Trading List: | Current |

Management Board (participation in the company):

Kostas Deveikis, Chairman (0.0009%),
Arūnas Jurgulis (0.00175%), Kęstutis-Alfonsas Skadas (0.0359%),
Virginija Maldutienė (0.00103%), Gytis Tamėnas (0.00341%), Dalia Žukauskienė (0%)

Managing Director: (participation in the company): Gytis Tamėnas (0.00341%)

Contact Person: Gytis Tamėnas, President, tel. (3707) 227432

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 1072 |
| AB Olainfarma (Latvia) | 30.89% |
| KIB Kauno Investicija (holding) | 28.42% |
| State Property Fund | 7.88% |

CORPORATE HISTORY

The company has long experience in production of endocrine preparations. Their production was launched together with the Danish company Nordisk in 1935, when the insulin production shop had been founded. A new plant was constructed in 1969, which was privatised in 1992 and reorganised into a public company ENDOKRININIAI PREPARATAI. At that time the authorised capital of the company constituted LTL 940thou and was divided into 188,058 ORS at LTL 5 par.

In 1993 the authorised capital of the company was increased to LTL 1.29m by issuing 71thou ORS. In the following year the face value of ENDOKRININIAI PREPARATAI shares advanced to LTL 10, and the authorised capital was increased out of own funds.

In 1995 the company increased its authorised capital by additional contributions to LTL 10.99m by issuing 171,720 ORS at LTL 10 par. A year later, the authorised capital was increased to LTL 14.28m out of revaluation reserve by issuing 328,731 ORS at LTL 10 par. In the same year, ENDOKRININIAI PREPARATAI issued 10thou bonds with maturity of 12 months at 20% annual interest rate.

In 1997 ENDOKRININIAI PREPARATAI increased the authorised capital out of the company's reserves and issued 361,946 ORS at LTL 10 par. In the same year, the company issued LTL 500thou bonds with maturity of 12 months at 15% fixed interest rate. The issue was placed publicly, however, the bonds were not listed on any stock exchange.

In 1998, with the issue of 800,000 ORS at LTL 10 par, ENDOKRININIAI PREPARATAI raised its authorised capital to LTL 25.9m. The whole issue was sold to the Latvian pharmaceutical company Olainfarm for LTL 12 million. In the same year the company issued 3985 one-year maturity bonds with 15% annual interest (par value LTL 100).

BUSINESS ACTIVITY, LATEST DEVELOPMENTS

The range of ENDOKRININIAI PREPARATAI products includes tablets, ampoules, eye drops, etc. Injections account for over 59% of the overall output. Eye drops and tablets make up 23% and 15% accordingly. During last year, the company registered or reregistered 153 names of medications.

The sales of the company split between Lithuania, Ukraine, Latvia and CIS countries. Lithuanian consumers purchase 58% (LTL 5.5m) of the products, Ukrainian - 14%, Latvian - 5%, the rest are exported to Russia (8%) and other CIS countries (15%). Endocrine raw materials are supplied from Lithuania (56%), Belarus (24%), and Western Europe(20%).

The year 1999 was the most difficult for the company since its restoration because the company's production became incompetent in Russia and CIS countries as the Russian rouble depreciated against USD 4 times. Due to this, sales of ENDOKRININIAI PREPARATAI production declined by 47% (or LTL 9.6m) and this was the first financial year that the company ended with a loss of LTL 4m. In the result of significant fall in sales and production volumes, in 1999 the company dismissed 32 people, and in 2000 it is planned to discharge 90 employees.

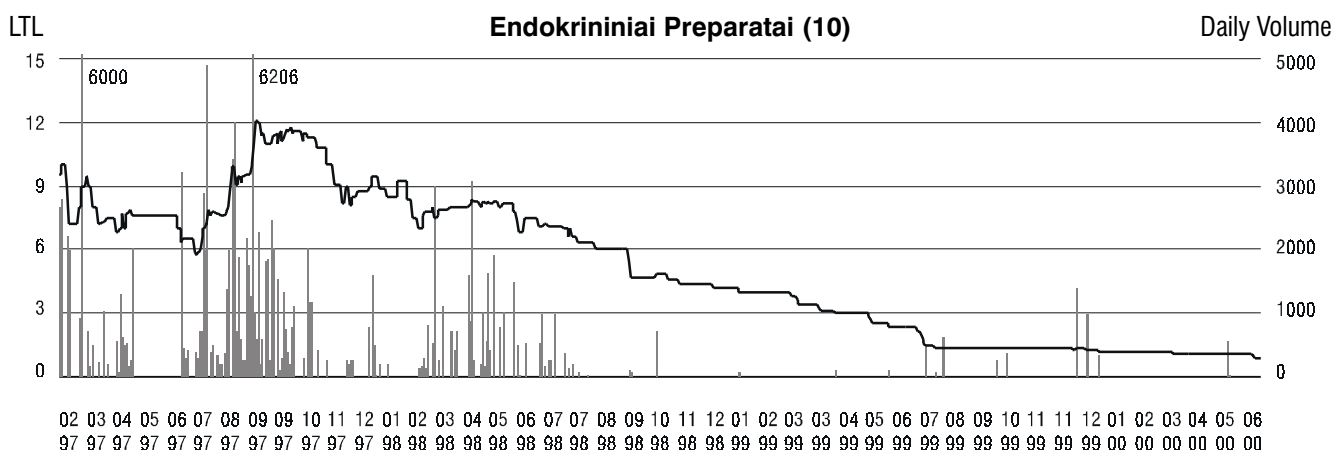
In 1999, ENDOKRININIAI PREPARATAI production of injections constituted LTL 4.79m, that of tablets and eye drops made up LTL 1.2m and LTL 1.87m, respectively.

PLANS, PROSPECTS FOR 2000

ENDOKRININIAI PREPARATAI aims at maintaining its Ukrainian, Belarus, Russian, and Kazakhstan markets.

Structure OF SHARE CAPITAL

| | |
|------------------|---|
| Share capital: | LTL 25,900,960 |
| Ordinary shares: | 2590096 registered shares at LTL 10.00 par (security code 10627) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 24.04.97) |



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|----------|----------|----------|----------|
| LONG TERM ASSETS | 11364233 | 11095000 | 14590964 | 13692570 |
| SHORT TERM ASSETS | 12159295 | 19958000 | 24193693 | 19863007 |
| Stock | 5975569 | 6490000 | 8903022 | 8049894 |
| Amounts receivable within one year | 5795171 | 7353000 | 8811291 | 8447110 |
| TRANSFER ACCOUNTS | 475453 | 382000 | 16399 | 15231 |
| TOTAL ASSETS | 23998981 | 31435000 | 38801056 | 33570808 |
| CAPITAL AND RESERVES | 18573779 | 20491000 | 33545598 | 29174657 |
| Capital | 14281500 | 17896000 | 25900960 | 25900960 |
| Subscribed capital | 14281500 | 17896000 | 25900960 | 25900960 |
| Share premium account | 5633 | 0 | 4000000 | 4000000 |
| Revaluation reserve | 0 | 0 | 0 | 0 |
| Reserves | 2062880 | 921000 | 3644638 | 0 |
| Profit (loss) brought forward | 2223766 | 1674000 | 0 | -726303 |
| Amounts payable after one year and long-term liabilities | 1583008 | 783000 | 800000 | 0 |
| Amounts payable within year and long-term liabilities | 3629908 | 10116000 | 4430551 | 4396151 |
| ACCRUED CHARGES AND DEFERRED INCOME | 212287 | 32000 | 24906 | 0 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 23998981 | 31435000 | 38801056 | 33570808 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|----------|----------|----------|----------|
| SALES AND SERVICES | 19303007 | 25364000 | 20352473 | 9598282 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 11064440 | 15769000 | 13008857 | 8023990 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 2203766 | 2196000 | 1272274 | -4370941 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|--------------|-------------|-------------|-------------|
| PRICE (LTL) | | | | |
| First | 9.50 | 8.80 | 4.17 | 1.34 |
| Max | 12.10(09 12) | 9.40(01 15) | 4.17(01 15) | 1.34(01 05) |
| Min | 5.75(07 15) | 4.17(12 31) | 1.24(12 23) | 0.83(06 30) |
| Last | 8.80 | 4.17 | 1.34 | 0.83 |
| Change (%) | -7.37 | -52.61 | -67.87 | -38.06 |
| Number of transactions (CM) | 534 | 192 | 38 | 12 |
| Turnover CM (units) | 104953 | 35886 | 3898 | 1896 |
| Turnover CM (LTL) | 970380 | 284172 | 5826 | 2226 |
| Turnover BT (units) | 20238 | 19090 | 147 | 0 |
| Turnover BT (LTL) | 187845 | 135625 | 368 | 0 |
| CM turnover as % in total | 83.83 | 65.28 | 96.37 | 100.00 |
| Total turnover (units) | 125191 | 54976 | 4045 | 1896 |
| Total turnover (LTL) | 1158226 | 419797 | 6194 | 2226 |
| Turnover ratio (%) | 6.99 | 3.07 | 0.23 | 0.11 |
| As % in the total share turnover | 0.12 | 0.05 | 0 | 0 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|---------|----------|----------|----------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 3.29 | 2.00 | 5.43 | 4.52 |
| Quick ratio | 1.73 | 1.36 | 3.44 | 2.69 |
| Net working capital (LTL thou) | 8792553 | 10192000 | 19754635 | 15482087 |
| Net working capital to total assets | 0.37 | 0.32 | 0.51 | 0.46 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.11 | 0.09 | 0.06 | -0.46 |
| Return on assets (%) | 0.09 | 0.07 | 0.03 | -0.13 |
| Return on equity (%) | 0.12 | 0.11 | 0.04 | -0.15 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.23 | 0.35 | 0.14 | 0.13 |
| Debt / equity ratio | 0.29 | 0.53 | 0.16 | 0.15 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 2.14 | 2.53 | 1.69 | 0.95 |
| Receivables turnover | 3.93 | 3.86 | 2.52 | 1.11 |
| Net working capital turnover | 2.20 | 2.49 | 1.03 | 0.62 |
| Long-term assets turnover | 1.70 | 2.29 | 1.39 | 0.70 |
| Total assets turnover | 0.80 | 0.81 | 0.52 | 0.29 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|-------|-------|-------|-------|
| Capitalisation (LTL thou) | - | 15753 | 7465 | 2,399 |
| Share book value (LTL) | 13.01 | 11.45 | 12.95 | 11.26 |
| Price / book value ratio (P/BV) | - | 0.77 | 0.32 | 0.12 |
| Earnings per share (LTL) | 1.54 | 1.23 | 0.49 | -1.69 |
| Price / earnings ratio (P/E) | 0.00 | 7.17 | 8.49 | - |
| Dividend per share (LTL) | - | - | 0.10 | - |
| Dividend yield | - | - | 0.02 | - |
| Dividend payout ratio | - | - | 0.20 | - |

PHARMACEUTICALS

| | |
|----------|----------------------------|
| Address: | Vytauto pr. 3, 3000 Kaunas |
| Phone: | (370-7) 226725, 223170 |
| Fax: | (370-7) 223696 |
| E-mail: | sanitas@post.sonexco.com |

| | |
|----------------------------|------------|
| Registration date: | 30.06.1994 |
| Registration code: | 3413629 |
| Established: | 1922 |
| Privatised: | 1994 |
| Number of employees: | 457 |
| Authorised capital: | LTL 17.3m |
| Capitalisation (30.06.00): | LTL 4.2m |

| | |
|---------------|------------------------|
| Auditor: | PricewaterhouseCoopers |
| Trading List: | Current |

Supervisory Board (participation in the company):
 prof. Paulius Vainauskas, Vice-Chairman (0.0004%),
 Piret Raudsepp (0%), Arnoldas Bukovskis (0%),
 Joakim Helenius (0%), Genovaitė Aliulienė (0.007%)

Management Board (participation in the company):
 Dr. Albertas Bertulis, Chairman (0.08%),
 Nerijus Eidukevičius (0%), Vladas Talandis (0.1%), Virginija Limantienė (0.04%)

Managing Director (participation in the company): Albertas Bertulis (0.08%)

Contact Person: Dr. Albertas Bertulis, Director General, tel. (370-7) 226725

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total amount of shareholders amounts to | 989 |
| Bank of Bermuda (Guernsey) Ltd | 41.90% |
| Hansabank | 18.09% |
| Firebird Republics Fund | 5.65% |

CORPORATE HISTORY

The company's legal predecessor, pharmaceutical laboratory SANITAS, was founded by 3 private individuals in 1922. Originally, it produced spirituous solutions, tinctures, and ointments. In the post-war period the company was nationalised under the name of State Pharmacy Enterprise SANITAS. In 1945 the company produced 0.6m ampoules and 12.4 tons of galenic preparations. In 1990 the company underwent partial privatisation and was transformed into the state-public company. In 1994 SANITAS was ultimately privatised through a public offering and registered as a public limited company with the authorised capital of LTL 10.75m. With the sale of shares in exchange for compensation vouchers, the state interest was reduced to 12.11%. Remaining 87.89% were sold to management, employees, other natural persons and legal entities. Since 1997 the State has no interest in the company.

In February 1997, shareholders decided to raise capital by LTL 4.2m, i.e. issue 167,984 ordinary shares. At present, SANITAS share capital amounts to LTL 17.3 million.

In 1994 SANITAS won the Best Business Plan Competition in pharmaceuticals sector organised by the Italian Government. The winnings were used to purchase and install a modern tableting press.

In 1997 the company began packing ointments in tubes. Liquid medicines are now packaged in vessels of Western produce.

During 1998 and the 1st quarter of 1999 the project of the ampoule preparations according to the Good Manufacturing Practice (GMP) was completed.

BUSINESS ACTIVITY

Among 13 Lithuanian pharmaceutical companies, SANITAS is the oldest and the largest one. It accounts for over 50% of the pharmaceutical products produced within the country. SANITAS produces 77 different medicines, mainly concentrating on medicines treating digestion problems and metabolism, non-narcotic analgesics, medicines for blood and blood building, dermatologicals, cardiovascular agents, systemic antibiotics, other various medical preparations. Range of products includes ampoules, ointments, spirituous solutions, tablets, antiseptic preparations, etc. Medicines in ampoules (47.6%), tablets, capsules and granules (24.3%), galenic preparations and ointments (23.1%) constituted the biggest part in the total production in 1999.

In 1999, 40% of the SANITAS production was sold in Lithuania, direct and indirect export made up 60%. Currently, the company increases its sales volumes in Lithuania. A new marketing strategy that is expected to expand sales in CIS countries and the Baltic region was created.

Last year SANITAS bought raw material, packing and other various materials from 14 states. The collaboration with western countries was further developed, whereas co-operation with the CIS countries was diminishing. In 1999, 40% of raw material and other various materials were purchased from Lithuanian enterprises, 50.5% were acquired from European countries (mainly from Germany, Switzerland, Slovakia, and Hungary), and the remaining part came from the CIS countries, Estonia and Ukraine.

DEVELOPMENTS IN 1999

In 1999 the company's output totalled LTL 20.2m, which is twice less than in 1998. This was influenced by the financial-economic crisis in Russia. When the sell price in CIS countries decreased on average by 25% and Russia lifted duties for the imported medications up to 20%, the company carried out a flexible pricing policy by reducing the prices to a certain level enabling to retain the position in the markets of those countries.

In 1999 the company produced 65.2m ampoules, 4.9m packages of tablets, capsules, and biopolimeric membranes, 4.2m packages of galenic preparations and ointments. Production of 4 new vitamins and cardiological preparations was launched. Sales reached LTL 18.2m, i.e. decreased by 52%. The company's profit from operations amounted to LTL 0.9m in 1999.

In 1999 SANITAS completed construction of the new ampoule line, that would comply with the requirements of the GMP. This is the first bar of the kind in the Baltic countries, and investments into this project constituted LTL 12.2m.

Last year the company signed a contract with a Turkish company Mustafa Newzat regarding packaging of medicines.

SANITAS obtained 2 new licenses giving the right to be engaged in wholesale of medicines and medical substances and in pharmaceutical activity in veterinary. In 1999 the company registered 8 medications with the right to use them in veterinary medicine. It was planned to start production of these medications for the needs of the Lithuanian market in the course of the year.

PLANS, PROSPECTS FOR 2000

Due to the increased demand, during the first quarter of 2000 the production volumes advanced by 51.2% as compared with the same period of 1999.

The quality control system that is adequate to the ISO 9002 standard is being implemented in order to ensure the efficiency of the company's performance and 85% of documentation necessary for this system has been already prepared.

Normative documentation for registration of 19 medications in CIS country will be prepared. In addition, documents for registration of medications in Malaysia, Nicaragua, Tanzania, Venezuela, Bulgaria, and Czechia will be prepared and filed.

In 2000 SANITAS intends to implement business management system Navision Financials, carry out renovation of individual production bars, project and build a new production modulus for ointments and liquid medications, modify aseptic production into production of liofilisates in vial.

Structure OF SHARE CAPITAL

| | |
|--------------------|--|
| Share capital: | LTL 17,279,625 |
| Ordinary shares: | 662805 registered shares at LTL 25 par (security code 10617) accounting for 95.89% of the auth. capital (admitted to trading at the NSEL on 13.09.94) |
| Preference shares: | 28380 registered shares at LTL 25 par with cumulative dividend 20% (security code 10618) accounting for 4.11% of the auth. capital (admitted to trading at the NSEL on 13.09.94) |

| SUBSIDIARIES | Authorised capital (LTL) | Participating interest |
|---------------|--------------------------|------------------------|
| LUAB Altisana | 4.2m | 100% |

LITHUANIAN COMPANIES

CHEMISTRY INDUSTRY

Chemistry industry is one of the largest manufacturing industry components, ranking the fourth after food and beverages, light and refined oil industries. In 1999, production sales of chemistry industry accounted for 8.0 percent of the adequate indicator of mining and manufacturing industry.

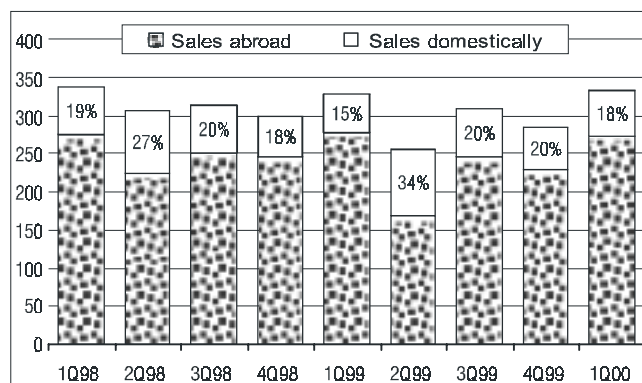
Almost 80 percent of domestically produced chemical products, the large part of which is fertilisers, were exported. Accordingly, the prospects of chemistry industry are very dependent on fertiliser prices and demand in international markets, particularly the EU.

The year of 1999 was unsuccessful for the overviewed industry. Production sales of chemistry industry at current prices decreased by 6.3 percent, but at constant prices grew by 9.7 percent. About 2/3 of chemical industrial output are produced by fertiliser factories. The results of the latter for 1999 were controversial. Last year, *Achema* sales fell by 21 percent (to LTL 340 million), while *Lifosa* sold 23.5 percent of its production more than in 1998. On the other hand, *Achema* profits almost stood the same, while *Lifosa* profits shrank by 32.7 percent. The main reason for the decrease in profits was declining fertiliser prices. In the last quarter of 1999, the prices of fertilisers dropped by 25 percent.

Companies producing artificial fibre operated unsuccessfully in 1999, too. Sales of Kaunas *Dirbtinis Pluoštas* and *Vernitas* (enterprise producing yarn) contracted by 36 percent. Both companies suffered LTL 22 million and LTL 4 million losses, respectively. Some chemistry industry representatives of smaller size worked rather satisfactory. In 1999, *Vilniaus Buitinė Chemija* earned LTL 0.13 million profits and its turnover accounted for LTL 4 million.

In the first quarter of this year, the industry of chemistry was recovering. Production sales at current prices rose by 1.3 percent (see Diagram), while at constant prices expanded by even 19.1 percent, as compared with the corresponding period of last year. Unfortunately, in the period from January to May, *Lifosa* experienced LTL 20.1 million losses already. The company planned to suffer LTL 30 million over the whole year of 2000. An increase in the prices of fertilisers is expected to occur in July, when Europe will buy fertilisers for the season of autumn.

Production Sales Volume of Chemistry Industry (LTL million)



Achema anticipates that its financial results will improve as an outcome of increased demand (and thus higher prices) for fertilisers in China. Due to accelerated energy prices, the company plans to suffer LTL 10 million additional losses this year. Nevertheless, profits and sales are expected to remain approximately the same as in 1999.

Sanitas is recovering after the huge slump. In the first quarter of 2000, its turnover amounted to LTL 6.2 million, while profits equalled LTL 0.3 million.

ARTIFICIAL YARN

| | |
|----------------------------|-------------------------------|
| Address: | Pramonės pr. 4, 3711 Kaunas |
| Phone: | (370-7) 351175 |
| Fax: | (370-7) 451369 |
| E-mail: | dp.general@kaunas.omnitel.net |
| | www.dp.lt |
| Registration date: | 14.12.1992 |
| Registration code: | 3353911 |
| Established: | 1965 |
| Privatised: | 1992 |
| Number of employees: | 1211 |
| Authorised capital: | LTL 96.5m |
| Capitalisation (30.06.00): | LTL 30.9m |
| Auditor: | Deloitte&Touche |
| Trading List: | Current |

Supervisory Board (no participation in the company):

Ala Kurauskienė, Chairwoman,
Rita Paulavičiūtė, Vladimiras Romanovas, Arnoldas Vankevičius, Ina Malyško

Management Board (no participation in the company):

Gintautas Ramanauskas, Chairman, Vladimiras Romanovas, Piero Musetta

Managing Director (no participation in the company):

Gintautas Ramanauskas, Director General, tel. (370-7) 351175

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 1030 |
| AB Holdinginė tekstilės korporacija | 25.00% |
| State Property Fund | 16.07% |
| UAB Vakuolė | 13.41% |
| AB Ūkio bankas | 9.84% |
| IAB Nekilnojamas Turtas (holding) | 9.54% |

CORPORATE HISTORY

The company's legal predecessor, state plant of artificial fibre VALSTYBINĖ PLUOŠTO GAMYKLA, was established in 1965. The state plant started operations in co-operation with the British firm Courtaulds and the French partner Ateliers Roannais de Constructions Textiles. In December 1992, the company underwent privatisation. The state factory of artificial fibre was reorganised and registered as a public limited company DIRBTINIS PLUOŠTAS. The company's authorised capital constituted LTL 5.4 million.

Changes in the company's authorised capital were registered with Kaunas Municipality Register on 11 August 1993, 28 December 1993, and 22 June 1994. On 24 March 1995, stock capital of DIRBTINIS PLUOŠTAS amounted to LTL 5.75 million.

In the period from 27 January 1995 to 20 March 1997 the company raised its capital out of revaluation reserve and share premium reserve several times until it finally reached LTL 96.5m represented by the same number of ordinary shares at LTL 1 par.

In September 1997, DIRBTINIS PLUOŠTAS issued and privately placed 5,000 bearer discount bonds in dematerialised form for the total of USD 5 million. Bonds with 6 months maturity and annual interest of 9.5% were not listed on any stock exchange.

DIRBTINIS PLUOŠTAS actively participates in the capital of other companies. In 1998 the company invested LTL 1.68m into establishment of a joint venture UAB Silvos Trikotažas. At present, DIRBTINIS PLUOŠTAS participates in it with 24.9% of shares. DIRBTINIS PLUOŠTAS took part in the establishment of yet another joint stock trading company Syntraco International S.p.a. The company was founded together with an Italian partner. DIRBTINIS PLUOŠTAS holds 50% of the authorised capital of the company. Syntraco International S.p.a. is the only DIRBTINIS PLUOŠTAS representative for trading in acetate fibre in Europe.

BUSINESS ACTIVITY

Since its establishment DIRBTINIS PLUOŠTAS has been producing two types of cellulose fibre: acetate and triacetate yarn. Initially the company produced 7000 t of acetate yarn and 7200 t of triacetate fibre per year. Until 1990 the company sold its production exclusively in the USSR. After restoration of Lithuania's independence and recession of the former Soviet Union economy, production volumes declined. In the course of 1992-1993, artificial fibre output fell to 4300-3400 tons.

Starting with 1993, production volumes began to increase. Good management policy attracted Western and Asian partners. At the beginning of 1995, the company achieved maximum utilisation of its productive capacity and adapted its equipment for manufacturing acetate fibre instead of triacetate yarn. Modernisation of equipment and growth of capacity continued until 1996, which resulted in 11,558 t of production. The following year, 1997, the company produced 13,095 t of acetate yarn, nearly the maximum of its capacity as it is estimated that the company could produce 14,000 tons of acetate and textured yarn rolled up in drum-type and cone shaped spools if it were operating 345 days per year non-stop.

Structure OF SHARE CAPITAL

| | |
|------------------|---|
| Share capital: | LTL 96,543,400 |
| Ordinary shares: | 96543400 registered shares at LTL 1.00 par (security code 10206) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 19.04.94) |

DIRBTINIS PLUOŠTAS is the only producer of acetate fibre in the Baltic States.

When in 1999 DIRBTINIS PLUOŠTAS shifted its orientation from previously the major South Korean market to that of Western Europe, where the company occupied a considerable market share, assortment of products expanded significantly. The company produces and sells yarn of 65 names, rapidly develops new products. Currently, the quality of DIRBTINIS PLUOŠTAS products yields only to the producers of Celanese acetate yarn

DIRBTINIS PLUOŠTAS delivers acetate yarn to the main Lithuanian knitwear and textile producers. In Lithuania the company realises approximately 24% of its output which is supplied to the major knitwear and textile enterprises. The geography of the company's suppliers is very wide. You can find them in Italy, Russia, Germany, Finland, and England.

DEVELOPMENTS IN 1999

Last year DIRBTINIS PLUOŠTAS launched into production acetate and blended yarn (acetate-polyamide, acetate-cotton, acetate-linen, acetate-wool, and others) of new structures. In addition, coloured yarn production was started in small quantities. In 1999 the company sold 4992 t of acetate yarn for LTL 74.9m (68% of the total sales volume), 1589 t of blended yarn for LTL 33m, and 54 t of coloured yarn for LTL 1.3m. As compared with 1998, the total production level decreased by 38%.

Last year the company exported over 70% of its production. 2146 t of yarn (32.35% of all sales) were sold in Italy, 1970 t (29.7%) – in England, 85 t (1.29%) – in Korea, the remaining part was exported to the Netherlands, Russia, and other countries.

In 1999 DIRBTINIS PLUOŠTAS received profit from sales and services, however, the final result of the economic activity constituted a loss of LTL 44m. Beginning already from the end of 1998, the company was forced to reduce production volumes due to financial crisis in the Far East and south-east Asia and in Russia. The acetate yarn market, which by its nature is cyclic, was disbalanced to the disadvantage of DIRBTINIS PLUOŠTAS, as the company's major sales were orientated to Korea (approximately 60%) which, in turn, exported locally produced goods to Russia. Moreover, much cheaper synthetic yarn became more popular than natural and artificial-acetate yarn which, naturally, are more expensive. Another reason that determined considerable losses was trading in the Euro zone as the Euro rate was constantly depreciating over 1999. The third reason that accounts for the losses is the unpredicted bankruptcy of the business partner (Richard Hamerle, Austria) in the joint company Kateks and retreat of the Korean company Dumi from the activities in the joint enterprise Korelita. Due to unprofitable activity of these companies and large debts DIRBTINIS PLUOŠTAS was forced to reduce the production volume by almost 20%.

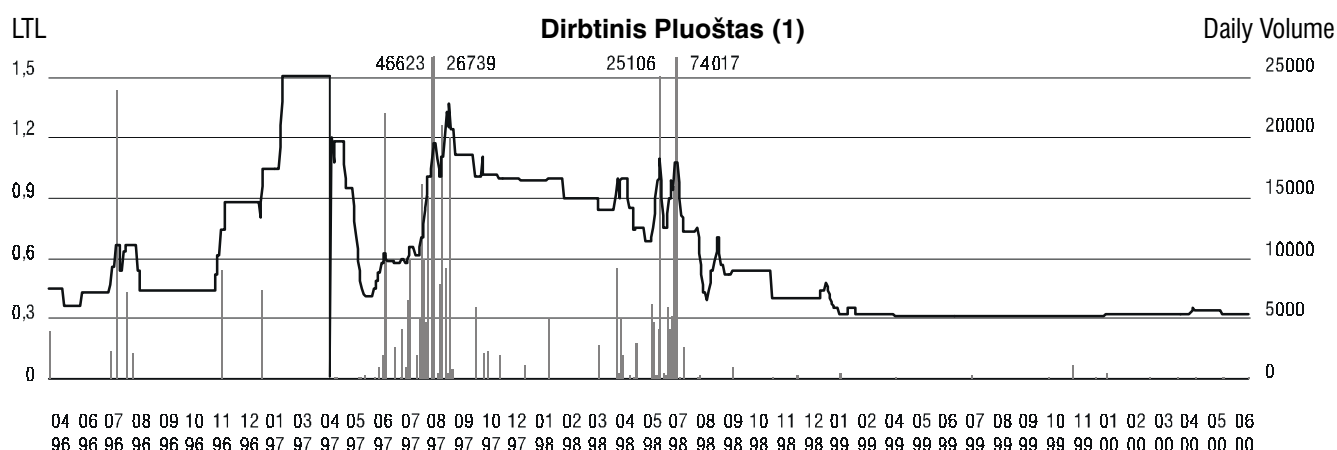
In 1999 formation of the trade company DP International S.p.A., which is expected to become the principal representative of the company in Western Europe, was completed.

PLANS, PROSPECTS FOR 2000

In 2000 it is expected to launch production of coloured yarn. Dyeing tanks will be mounted, and a laboratory as well as special equipment necessary for production of coloured yarn will be established. The company plans to increase the share of high twist yarn in the total production volume, to expand the assortment of blended yarn as well as lift their output volume.

SUBSIDIARIES

| | Authorised capital (LTL) | Participating interest |
|---------------------------------------|--------------------------|------------------------|
| DP International S.p.A | 1000m | 100% |
| UAB Joniškėlių siuvykla (tailor shop) | 303.9thou | 64.7% |



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|-----------|-----------|-----------|-----------|
| LONG TERM ASSETS | 96052396 | 103221958 | 130265797 | 104848014 |
| SHORT TERM ASSETS | 59188313 | 80630514 | 85052967 | 91041506 |
| Stock | 28994475 | 44599864 | 48942792 | 48871204 |
| Amounts receivable within one year | 23321849 | 34991653 | 30234122 | 35266089 |
| TRANSFER ACCOUNTS | 13774 | 32257 | 72729 | 93302 |
| TOTAL ASSETS | 155254483 | 183884729 | 215391493 | 195982822 |
| CAPITAL AND RESERVES | 103517050 | 109755920 | 108833571 | 83112322 |
| Capital | 48292600 | 96543400 | 96543400 | 96543400 |
| Subscribed capital | 48271700 | 96543400 | 96543400 | 96543400 |
| Share premium account | 2188798 | 1972065 | 1972065 | 1972065 |
| Revaluation reserve | 48054968 | 0 | 0 | 0 |
| Reserves | 523470 | 841414 | 9949204 | 9949204 |
| Profit (loss) brought forward | 4457214 | 10378141 | 348002 | -25373247 |
| Amounts payable after one year and long-term liabilities | 3842402 | 3774802 | 34786132 | 41141847 |
| Amounts payable within year and long-term liabilities | 46753309 | 69968573 | 70409692 | 71474719 |
| ACCRUED CHARGES AND DEFERRED INCOME | 30000 | 36000 | 0 | 0 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 155254483 | 183884729 | 215391493 | 195982822 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|-----------|-----------|-----------|-----------|
| SALES AND SERVICES | 204849331 | 238698391 | 189106229 | 121059952 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 188048815 | 214917380 | 167789205 | 120107400 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 4088929 | 6358871 | 693965 | -25721249 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|-------------|-------------|-------------|-------------|
| PRICE (LTL) | | | | |
| First | 0.88 | 0.99 | 0.40 | 0.32 |
| Max | 1.51(04 23) | 1.10(06 16) | 0.48(01 12) | 0.35(04 21) |
| Min | 0.01(04 24) | 0.39(08 14) | 0.31(12 29) | 0.32(06 30) |
| Last | 0.99 | 0.40 | 0.32 | 0.32 |
| Change (%) | 12.50 | -59.60 | -20.00 | - |
| Number of transactions (CM) | 173 | 125 | 25 | 14 |
| Turnover CM (units) | 285984 | 186667 | 2909 | 561 |
| Turnover CM (LTL) | 266407 | 181455 | 916 | 182 |
| Turnover BT (units) | 953525 | 37858542 | 16006771 | 7894956 |
| Turnover BT (LTL) | 859988 | 5270687 | 5131919 | 4016306 |
| CM turnover as % in total | 23.07 | 0.49 | 0.02 | 0.01 |
| Total turnover (units) | 1239509 | 38045209 | 16009680 | 7895517 |
| Total turnover (LTL) | 1126395 | 5452141 | 5132835 | 4016488 |
| Turnover ratio (%) | 1.28 | 39.41 | 16.58 | 8.18 |
| As % in the total share turnover | 0.12 | 0.61 | 0.42 | 1.92 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|----------|----------|----------|----------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 1.27 | 1.15 | 1.21 | 1.28 |
| Quick ratio | 0.65 | 0.52 | 0.51 | 0.59 |
| Net working capital (LTL thou) | 12418778 | 10658198 | 14716004 | 19660089 |
| Net working capital to total assets | 0.08 | 0.06 | 0.07 | 0.10 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.02 | 0.03 | 0.00 | -0.21 |
| Return on assets (%) | 0.03 | 0.03 | 0.00 | -0.13 |
| Return on equity (%) | 0.04 | 0.06 | 0.01 | -0.31 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.33 | 0.40 | 0.49 | 0.58 |
| Debt / equity ratio | 0.50 | 0.68 | 0.98 | 1.36 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 8.59 | 5.84 | 3.59 | 2.46 |
| Receivables turnover | 10.34 | 8.19 | 5.80 | 3.70 |
| Net working capital turnover | 16.50 | 22.40 | 12.85 | 6.16 |
| Long-term assets turnover | 2.13 | 2.31 | 1.45 | 1.15 |
| Total assets turnover | 1.32 | 1.30 | 0.88 | 0.62 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|-------|-------|----------|--------|
| Capitalisation (LTL thou) | 35439 | 95578 | 38617 | 30,894 |
| Share book value (LTL) | 2.14 | 1.14 | 1.13 | 0.86 |
| Price / book value ratio (P/BV) | 0.41 | 0.87 | 0.35 | 0.37 |
| Earnings per share (LTL) | 0.08 | 0.07 | 0.01 | -0.27 |
| Price / earnings ratio (P/E) | 10.39 | 15.02 | 55.65 | - |
| Dividend per share (LTL) | - | - | -35.0000 | - |
| Dividend yield | - | - | 0.01 | - |
| Dividend payout ratio | - | - | 0.49 | - |

PHOSPHATIC FERTILISERS

| | |
|----------------------------|----------------------------------|
| Address: | Juodkiškio g. 50, 5030 Kėdainiai |
| Phone: | (370-57) 52273 |
| Fax: | (370-57) 53537 |
| E-mail: | info@lifosa.com |
| | www.lifosa.com |
| Registration date: | 30.10.1996 |
| Registration code: | 6111045 |
| Established: | 1963 |
| Privatised: | 1996 |
| Number of employees: | 1426 |
| Authorised capital: | LTL 220.8m |
| Capitalisation (30.06.00): | LTL 134.7m |
| Auditor: | Arthur Andersen |
| Trading List: | Current |

Management Board (participation in the company):

Danas Tvarijonavičius, Chairman (41.05%),
Raimondas-Gintautas Kriūnas (0.11%), Pierre Sicouri (0.54%), Jonas Dastikas (0.28%),
Albertas Surma (0.04%), Henticius Matheus Mathot (0%), Aryan Van Der Blink (0%)

Managing Director (participation in the company): Jonas Dastikas (0.28%)

Contact Person: Jonas Dastikas, Director General, tel. (370-57) 66483

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 669 |
| Danas Tvarijonavičius | 41.05% |
| Cargill Holdings Denmark ApS | 15.00% |
| Groupe Participations Financieres (NL) | 10.21% |
| Indutech SpA (Italy) | 8.23% |
| LIPRAMA A.p.S | 5.00% |

CORPORATE HISTORY

In 1958, it was decided to build Fostra – a state plant of mineral phosphorous fertilisers – which is the predecessor of LIFOSA. The first product – sulphuric acid – was manufactured in 1963. At the end of the same year, production of powder superphosphate was launched, while shops of wet process phosphoric acid and ammophos production commenced their activity at the end of 1968. During 1991-1994 the company underwent partial privatisation and was transformed into the state-public company Fostra AB.

In 1994, the company was listed for the final privatisation. The privatisation agreement had to be signed with the potential investor that had presented the best business plan. The winner of the competition was a group of legal and natural persons Minta Ltd and partners led by the present Chairman (Danas Tvarijonavičius) of LIFOSA. The agreement was signed on 29 June 1996 and on 30 August 1996 the company was registered as a public limited liability company AB LIFOSA.

On 4 August 1997, LIFOSA, Kemira Agro Oy (Finland), and Fund of Finnish Industry Co-operation agreed to establish a joint-venture Kemira-Lifosa Ltd. Kemira-Lifosa engages in manufacture of granulated super phosphatic, phosphoric-potassic, nitric-phosphoric-potassic fertilisers. LIFOSA owns 49% of the above mentioned company's stock.

In 1998 the company reconstructed the ammophos shop and launched production of diammonium phosphate fertilisers instead of the previously produced mono-ammonium phosphate (MAP).

In April 1998, the company increased its share capital by LTL 64.99m out of revaluation reserves. After the issue of new shares, LIFOSA authorised capital amounted to LTL 220.8 million.

In 1999, the company's 61,668 preference shares at LTL 20 par value with the cumulative dividend of 3% were converted into ordinary registered shares at LTL 20 par value.

On 8 July 1999, LIFOSA and Cargill Holdings Denmark ApS (international company of production and realisation of agricultural, food, and industrial products) signed an agreement pursuant to which Cargill acquired 15% of the company's shares.

BUSINESS ACTIVITY

The main product of LIFOSA is phosphorous fertiliser - phosphate of diammonium (DAP). Sulphuric acid and phosphorus acid needed in the production of diammonium phosphate are also produced by the company. Other products manufactured by LIFOSA include aluminium fluoride, electrolyte, battery sulphuric acid.

The major raw materials used by the company are sulphur, apatit concentrate, ammonia, aluminium hydroxide, and lime. Apatit concentrate is imported from Russia, and a certain amount of sulphur is brought from Russia and Ukraine.

About 98% of produced diammonium phosphate and all aluminium fluoride are exported to Western European countries, the rest is sold in Lithuania. Export makes up 88% of the total company's sales.

DEVELOPMENTS IN 1999

In 1999 LIFOSA realised 610.1thou tons of DAP, 6.58thou tons of aluminium fluoride, 31.5thou tons of sulphuric acid. In the course of several years, the company's sales were constantly improving, and in 1999 they accounted for nearly LTL 480m (cf LTL 309.4m in 1997, LTL 400m in 1998). However, LIFOSA suffered a loss of LTL 6.7m (cf profit of LTL 43.5m in 1998). The fall in the international market prices of DAP, the major product exported by the company, as well as the unstable market of aluminium fluoride had a negative impact on the results of economic activity of LIFOSA (during 1999, Tampa price index, which is the main index on the phosphorus market, plunged by approximately 30% and the prices in Western Europe were the lowest since 1993).

Last year the company carried out reconstruction of the sulphuric acid complex and of phosphorous acid shop. Total investments into production amounted to LTL 60m.

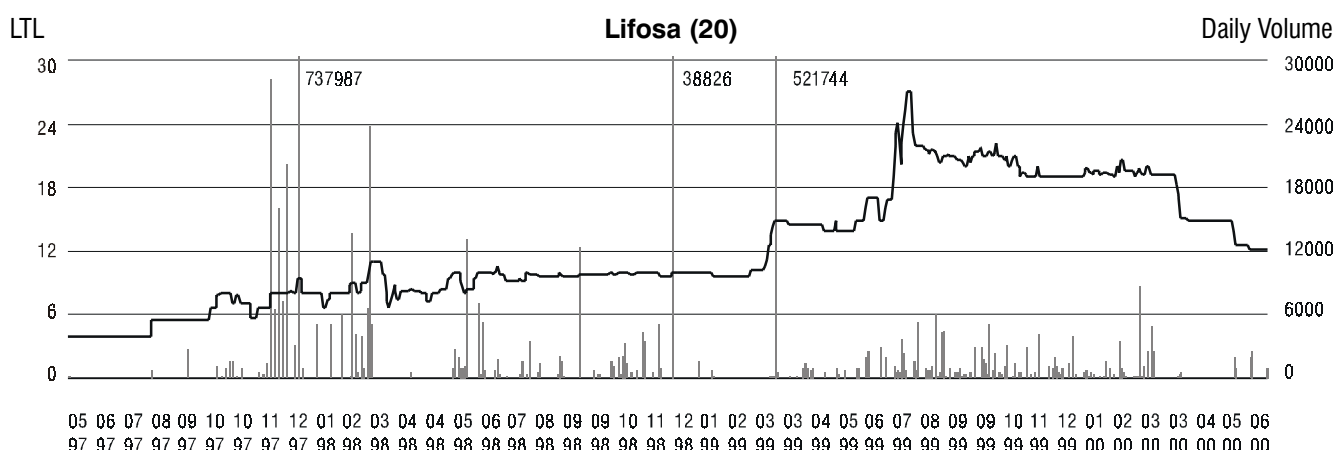
In 1999, LIFOSA commenced controlling the production of DAP in accordance with western methodologies that correspond to ISO 9000 standard which is currently being prepared at the company.

PLANS, PROSPECTS FOR 2000

LIFOSA plans to increase production of sulphuric acid to 3300 tons per twenty-four hours. Having improved productivity of the sulphuric acid shop, it is expected that production volumes of phosphorus acid and DAP should advance by 40% as compared with 1998.

Structure OF SHARE CAPITAL

| | |
|--------------------|---|
| Share capital: | LTL 220,800,000 |
| Ordinary shares: | 10978332 registered shares at LTL 20 par (security code 11669) accounting for 99.44% of the auth. capital (admitted to trading at the NSEL on 12.05.97) |
| Preference shares: | 61668 registered shares with 3% cumulative dividend at LTL 20 par (security code 11670) accounting for 0.56% of the auth. capital (admitted to trading at the NSEL on 12.05.97) |



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|-----------|-----------|-----------|-----------|
| LONG TERM ASSETS | 197586133 | 214414685 | 278155540 | 320537976 |
| SHORT TERM ASSETS | 55643321 | 82064227 | 106097030 | 108694787 |
| Stock | 37132062 | 53191722 | 53378573 | 60578003 |
| Amounts receivable within one year | 12431397 | 17981612 | 28781221 | 33489868 |
| TRANSFER ACCOUNTS | 2232004 | 1648243 | 947080 | 911201 |
| TOTAL ASSETS | 255461458 | 298127155 | 385199650 | 430143964 |
| CAPITAL AND RESERVES | 237891859 | 242592116 | 282409369 | 252564840 |
| Capital | 155814600 | 155814600 | 220800000 | 220800000 |
| Subscribed capital | 155814600 | 155814600 | 220800000 | 220800000 |
| Share premium account | 14782 | 14782 | 79815 | 79815 |
| Revaluation reserve | 65797522 | 65797522 | 6326400 | 400 |
| Reserves | 16264955 | 20965212 | 55203154 | 38430992 |
| Profit (loss) brought forward | 0 | 0 | 0 | -6746367 |
| Amounts payable after one year and long-term liabilities | 449671 | 1232778 | 22563162 | 66158326 |
| Amounts payable within year and long-term liabilities | 17119928 | 54302261 | 80227119 | 111420798 |
| ACCRUED CHARGES AND DEFERRED INCOME | 0 | 0 | 0 | 0 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 255461458 | 298127155 | 385199650 | 430143964 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|-----------|-----------|-----------|-----------|
| SALES AND SERVICES | 266379393 | 309433439 | 400037013 | 479899032 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 235722650 | 270582585 | 310879276 | 392116946 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 3400160 | 6109700 | 43473780 | -6746367 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|-------------|--------------|--------------|--------------|
| PRICE (LTL) | | | | |
| First | 4.00 | 9.50 | 10.00 | 18.99 |
| Max | 9.50(12 31) | 11.00(03 20) | 27.00(08 02) | 20.50(02 17) |
| Min | 4.00(08 13) | 6.57(03 27) | 9.64(03 01) | 12.20(06 30) |
| Last | 9.50 | 10.00 | 18.99 | 12.20 |
| Change (%) | 137.50 | 5.26 | 89.90 | -35.76 |
| Number of transactions (CM) | 160 | 405 | 886 | 195 |
| Turnover CM (units) | 832125 | 217379 | 640359 | 45608 |
| Turnover CM (LTL) | 7748944 | 2058656 | 10149909 | 813000 |
| Turnover BT (units) | 728693 | 2188086 | 1844448 | 39363 |
| Turnover BT (LTL) | 2142109 | 14887611 | 60255815 | 723392 |
| CM turnover as % in total | 53.31 | 9.04 | 25.77 | 53.67 |
| Total turnover (units) | 1560818 | 2405465 | 2484807 | 84971 |
| Total turnover (LTL) | 9891053 | 16946267 | 70405724 | 1536392 |
| Turnover ratio (%) | 20.19 | 21.91 | 22.51 | 0.77 |
| As % in the total share turnover | 1.03 | 1.90 | 5.70 | 0.74 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|----------|----------|----------|----------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 3.38 | 1.54 | 1.33 | 0.98 |
| Quick ratio | 1.21 | 0.56 | 0.67 | 0.44 |
| Net working capital (LTL thou) | 40755397 | 29410209 | 26816991 | -1814810 |
| Net working capital to total assets | 0.16 | 0.10 | 0.07 | 0.00 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.01 | 0.02 | 0.11 | -0.01 |
| Return on assets (%) | 0.01 | 0.02 | 0.11 | -0.02 |
| Return on equity (%) | 0.01 | 0.03 | 0.15 | -0.03 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.07 | 0.19 | 0.27 | 0.41 |
| Debt / equity ratio | 0.07 | 0.23 | 0.36 | 0.70 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 7.64 | 5.99 | 5.83 | 6.88 |
| Receivables turnover | 16.99 | 20.35 | 17.11 | 15.41 |
| Net working capital turnover | 6.54 | 10.52 | 14.92 | -264.43 |
| Long-term assets turnover | 1.35 | 1.44 | 1.44 | 1.50 |
| Total assets turnover | 1.04 | 1.04 | 1.04 | 1.12 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|-------|-------|--------|---------|
| Capitalisation (LTL thou) | - | 73426 | 109783 | 209,650 |
| Share book value (LTL) | 30.61 | 31.22 | 25.61 | 22.88 |
| Price / book value ratio (P/BV) | - | 0.30 | 0.39 | 0.83 |
| Earnings per share (LTL) | 0.44 | 0.79 | 3.96 | -0.61 |
| Price / earnings ratio (P/E) | - | 12.09 | 2.53 | - |
| Dividend per share (LTL) | - | 0.378 | 0.235 | - |
| Dividend yield | - | 0.04 | 0.02 | - |
| Dividend payout ratio | - | 0.48 | 0.06 | - |

MANUFACTURE OF CEMENT

| | |
|----------|--|
| Address: | J.Dalinkevičiaus g. 2, 5464 Naujoji Akmenė |
| Phone: | (370-95) 58323 |
| Fax: | (370-95) 56198 |
| E-mail: | sekretoriatas@cementas.lt |

| | |
|----------------------------|------------|
| Registration date: | 16.09.1993 |
| Registration code: | 5300914 |
| Established: | 1962 |
| Privatised: | 1993-1995 |
| Number of employees: | 914 |
| Authorised capital: | LTL 46.16m |
| Capitalisation (30.06.00): | LTL 57.4m |

| | |
|---------------|--------------|
| Auditor: | KPMG Lietuva |
| Trading List: | Current |

Management Board (participation in the company):

Simonas Vytiš Anužis, Chairman (0%),
Olius Danyla (0%), Algimantas Mituzas (0.58%), Vincas Montvila (0%),
Karsten Bomann-Jonsen (0%), Christian Thjomoc (0%)

Managing Director (participation in the company): Pranas Krištopaitis (0%)

Contact Person: Artūras Zaremba, Director of Finance, tel. (370-95) 56789, 58299

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 1859 |
| Ole Gunnar Selvaag | 33.95% |
| UAB Cementija | 24.93% |
| Stanislava Anužienė | 9.90% |
| Edmundas Montvila | 9.43% |

CORPORATE HISTORY

In July 1945 plans for building a cement manufacturing plant in Lithuania were made. Akmenės region was chosen due to its rich limestone-bed. The first clinker burning rotary kiln was launched in September 1952, and over several decades the plant gradually grew into a national cement manufacturing leader. With new technological lines built in the eighties, AKMENĖS CEMENTAS increased its capacity to annual average of 3.3m tons and became one of the largest cement producers in Europe.

During the initial mass privatisation in 1993-1995, the enterprise was privatised through a public offering. Currently, all company's capital is in private hands. Since 1996 the size of share capital has remained the same (LTL 46.16m). In August 1998, the general shareholders' meeting decided to reduce the rate of non-cumulative dividend of preference shares from 90% to 30%.

In September 1997, an independent cement testing laboratory was founded in AKMENĖS CEMENTAS. The laboratory was accredited at the National Accreditation Bureau of Lithuania in May 1998.

BUSINESS ACTIVITY

The company is primarily engaged in the production and sales of cement of different kinds: CEM I 42.5, CEM I 42.5R, CEM I 52.5, CEM II.A-M 42.5. Mainly local raw materials are used to produce cement, a limited range of materials is outsourced abroad. Company has two sand-pits which will be used in exploitation for 15 years.

40% of AKMENĖS CEMENTAS output are sold on the domestic market, 51% fall to Western Europe (Finland, the Netherlands, Denmark, Sweden, Belgium, and Norway), the remaining 9% are exported to the Baltic countries and Kaliningrad region (Russia). AKMENĖS CEMENTAS occupies 58% of all Lithuanian cement market, the remaining part (i.e. 42%) of cement is imported to Lithuania.

Besides its main activity, AKMENĖS CEMENTAS provides mechanical shop services (metal forging, pressing, punching, production of metal constructions and construction parts), freight transportation, technical research and testing (electrical laboratory and cement testing laboratory), rents building machines and renders other services.

AKMENĖS CEMENTAS has been awarded certificates of conformity for each kind of cement that is exported to Western markets. The certificates are issued by the authorised bodies in Sweden, Denmark, Belgium, the Netherlands, Germany and Estonia. Today, all kinds of cement produced by the company hold certificates of conformity of the product with the Lithuanian standard LST 1455:1996.

DEVELOPMENTS IN 1999

In 1999, AKMENĖS CEMENTAS produced 666thou tons of cement (788thou in 1998). CEM I 42.5 R brand cement constituted 70 % (466thou tons) of production. Revenues from cement sales constituted LTL 105m, or 93% of all income of the company that in total amounted to LTL 112.6m.

Compared with 1998, cement sales volume in the Lithuanian market declined by 94thou tons and accounted for 270thou tons. Due to the import of cheap cement from the Commonwealth of Independent States (CIS), in 1999 AKMENĖS CEMENTAS lost 17% of the market in Lithuania. In West European countries the company sold 340thou tons of cement, in Latvia - 35thou tons, in Estonia - 22thou tons. Due to the depreciation of the Russian national currency, in 1999 the company ceased cement export to the Kaliningrad region (Russia). Last year, the company's net profit accounted for LTL 3.6m. In 1999 the Swedish National Experiment and Research Institute certified the quality control system of AKMENĖS CEMENTAS according to LST EN ISO 9002 standard.

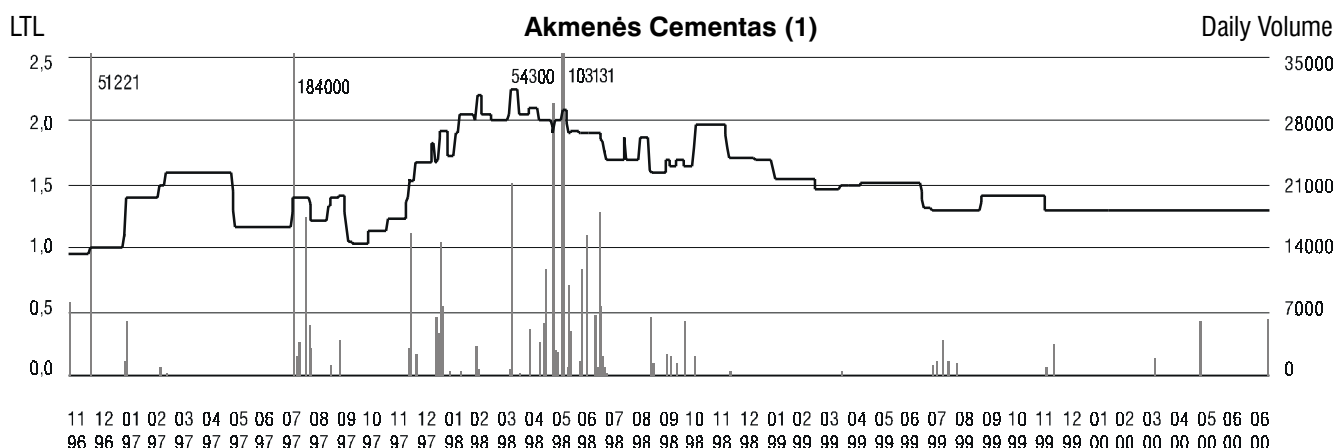
PLANS PROSPECTS FOR 2000

Major objectives of AKMENĖS CEMENTAS are to maintain their present markets and strengthen the company's positions in the Lithuanian market. AKMENĖS CEMENTAS will seek to continue the company reconstruction process with the aim to reduce the costs of production and ensure the stable quality.

Structure OF SHARE CAPITAL

| | |
|--------------------|--|
| Share capital: | LTL 46,164,555 |
| Ordinary shares: | 44127021 registered shares at LTL 1 par (security code 10189) accounting for 95.59% of the auth. capital (admitted to trading at the NSEL on 30.07.96) |
| Preference shares: | 2037534 registered shares at LTL 1 par with 30% non-cumulative dividend (security code 10190) account for 4.41% of the auth. capital (admitted to trading at the NSEL on 01.06.98) |

| SUBSIDIARIES | Date of establishment | Authorised capital (LTL) | Participating interest |
|------------------------------------|-----------------------|--------------------------|------------------------|
| UAB Jūsų Laisvalaikis | 23.07.96 | 1,112,133 | 100% |
| UAB Naujosios Akmenės Deguonis | 23.07.96 | 114,389 | 100% |
| UAB Naujosios Akmenės Sanatorija | 23.07.96 | 451,668 | 100% |
| UAB Naujosios Akmenės Sporto Rūmai | 23.07.96 | 324,896 | 100% |
| UAB Medis ir Betonas | 23.01.97 | 396,548 | 100% |



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|----------|-----------|-----------|-----------|
| LONG TERM ASSETS | 50853715 | 63867292 | 64519738 | 61184250 |
| SHORT TERM ASSETS | 34640923 | 48614539 | 46056030 | 41981711 |
| Stock | 23978207 | 26175655 | 25965376 | 21436280 |
| Amounts receivable within one year | 8714008 | 12931031 | 11098188 | 14914439 |
| TRANSFER ACCOUNTS | 80235 | 1279607 | 535660 | 136244 |
| TOTAL ASSETS | 85574873 | 113761438 | 111111428 | 103302205 |
| CAPITAL AND RESERVES | 58913047 | 59437216 | 72426611 | 75277806 |
| Capital | 46164555 | 46164555 | 46164555 | 46164555 |
| Subscribed capital | 46164555 | 46164555 | 46164555 | 46164555 |
| Share premium account | 46905 | 46905 | 46905 | 46905 |
| Revaluation reserve | 0 | 0 | 0 | 0 |
| Reserves | 12701587 | 13148321 | 13148321 | 19329906 |
| Profit (loss) brought forward | 0 | 7743526 | 13066830 | 9736440 |
| Amounts payable after one year and long-term liabilities | 5096640 | 18198059 | 5864116 | 3361534 |
| Amounts payable within year and long-term liabilities | 19623405 | 36126163 | 32820701 | 23802865 |
| ACCRUED CHARGES AND DEFERRED INCOME | 0 | 0 | 0 | 860000 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 85574873 | 113761438 | 111111428 | 103302205 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|-----------|-----------|-----------|-----------|
| SALES AND SERVICES | 109704546 | 114872916 | 133893565 | 112559709 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 87723200 | 85879544 | 91691869 | 73690535 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 3402107 | 2465950 | 12989395 | 3462455 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|-------------|-------------|-------------|-------------|
| PRICE (LTL) | | | | |
| First | 1.00 | 1.92 | 1.54 | 1.30 |
| Max | 1.92(12 31) | 2.25(03 25) | 1.54(02 13) | 1.30(06 30) |
| Min | 1.00(01 13) | 1.54(12 31) | 1.30(12 30) | 1.30(06 30) |
| Last | 1.92 | 1.54 | 1.30 | 1.30 |
| Change (%) | 92.00 | -19.79 | -15.58 | - |
| Number of transactions (CM) | 86 | 197 | 25 | 15 |
| Turnover CM (units) | 297311 | 369920 | 14922 | 14263 |
| Turnover CM (LTL) | 437517 | 736956 | 19514 | 18542 |
| Turnover BT (units) | 9592332 | 416648 | 185421 | 87712 |
| Turnover BT (LTL) | 35528019 | 716131 | 255433 | 174230 |
| CM turnover as % in total | 3.01 | 47.03 | 7.45 | 13.99 |
| Total turnover (units) | 9889643 | 786568 | 200343 | 101975 |
| Total turnover (LTL) | 35965537 | 1453087 | 274946 | 192772 |
| Turnover ratio (%) | 22.41 | 1.78 | 0.45 | 0.23 |
| As % in the total share turnover | 3.75 | 0.16 | 0.02 | 0.09 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|----------|----------|----------|----------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 1.77 | 1.38 | 1.42 | 1.71 |
| Quick ratio | 0.55 | 0.66 | 0.63 | 0.84 |
| Net working capital (LTL thou) | 15097753 | 13767983 | 13770989 | 17455090 |
| Net working capital to total assets | 0.18 | 0.12 | 0.12 | 0.17 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.03 | 0.02 | 0.10 | 0.03 |
| Return on assets (%) | 0.04 | 0.02 | 0.12 | 0.03 |
| Return on equity (%) | 0.06 | 0.04 | 0.18 | 0.05 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.31 | 0.48 | 0.35 | 0.27 |
| Debt / equity ratio | 0.45 | 0.91 | 0.53 | 0.37 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 4.57 | 3.42 | 3.52 | 3.11 |
| Receivables turnover | 12.89 | 10.61 | 11.14 | 8.65 |
| Net working capital turnover | 7.27 | 8.34 | 9.72 | 6.45 |
| Long-term assets turnover | 2.16 | 1.80 | 2.08 | 1.84 |
| Total assets turnover | 1.28 | 1.01 | 1.21 | 1.09 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|-------|--------|-------|--------|
| Capitalisation (LTL thou) | 44127 | 84724 | 67956 | 57,365 |
| Share book value (LTL) | 1.29 | 1.31 | 1.58 | 1.65 |
| Price / book value ratio (P/BV) | 0.78 | 1.47 | 0.97 | 0.79 |
| Earnings per share (LTL) | 0.04 | 0.01 | 0.28 | 0.06 |
| Price / earnings ratio (P/E) | 28.17 | 134.02 | 5.49 | 20.12 |
| Dividend per share (LTL) | - | - | - | - |
| Dividend yield | - | - | - | - |
| Dividend payout ratio | - | - | - | - |

CERAMIC PRODUCTS

| | |
|----------|-----------------------------|
| Address: | Keramikų g. 2, 2036 Vilnius |
| Phone: | (370-2) 317021 |
| Fax: | (370-2) 317061 |
| E-mail: | dvarcionys@post.omnitel.net |

| | |
|----------------------------|------------|
| Registration date: | 10.06.1994 |
| Registration code: | 1062848 |
| Established: | 1888 |
| Privatised: | 1992 |
| Number of employees: | 410 |
| Authorised capital: | LTL 48.7m |
| Capitalisation (30.06.00): | LTL 8.9m |

| | |
|---------------|--------------|
| Auditor: | KPMG Lietuva |
| Trading List: | Current |

Supervisory Board (participation in the company):

Mindaugas Danilevičius, Chairman (0%), Povilas Skuodas (0.045%), Jonas Liubertas (0.018%), Liudmila Subač (0.017%), Eugenijus Pokulnevičius (0.007%), Michele Pulpito (0%), Tomas Tumėnas (0%)

Management Board (participation in the company):

Juozas Raišelis, Chairman (18.27%), Romanas Urniežius (0.18%), Ženius Butkus (0.33%), Romualdas Aidukas (0.06%)

Managing Director (participation in the company):

Juozas Raišelis (18.27%)

Contact person: Romanas Urniežius, Finance Director (tel. (370-2) 317021)

STRUCTURE OF OWNERSHIP

| | |
|--------------------------|--------|
| Iberian Ceramics Limited | 21.14% |
| Juozas Raišelis | 18.27% |
| Bank of Bermuda | 13.75% |
| Baltic Fund Securities | 11.08% |
| LIAB Invilis | 10.78% |
| Abdulaziz A.M. Al-Brahim | 5.44% |

CORPORATE HISTORY

The company's predecessor was a small brickyard with three furnaces for burning bricks opened back in 1888 in Dvarčionys.

In 1963 Ukmergė ceramics unit was affiliated with the plant. In 1967, Širvintų plant merged with Dvarčionių brickworks. With the installation of new equipment in 1974, ceramic tiles were launched into production. In 1980 a new Italian line for production of glazed wall tiles was mounted. Within 1984-1985, the company introduced glazed and ornamented floor tiles. During 13 years (1974-1987) production of ceramic tiles augmented six-fold.

In 1992 the enterprise became a private limited company. The company's management found a reliable partner from Italy, Nasseti S.P.A., and in 1994 the joint Lithuanian and Italian venture UAB DVARČIONIŲ KERAMIKA was founded. The Italian partner held 30% of the stock at the time. In the same year, the contract with Nasseti S.P.A. regarding installation of new machinery was signed. The equipment was intended for production of new generation ceramic glazed wall and floor tiles. The total value of the project amounted to USD 11m, including USD 7.5m in the form of a long-term loan from a Swiss bank.

In December 1996, the company's general shareholders' meeting decided to transform closely-held UAB DVARČIONIŲ KERAMIKA into a public company with the share capital of LTL 30m divided into 6m ordinary shares at LTL 5 par. In 1997 the company raised its share capital out of supplementary contributions four times until it finally reached LTL 44.7 million.

In 1998 DVARČIONIŲ KERAMIKA increased its authorised capital to LTL 48.7m out of supplementary contributions by issuing 800,000 ordinary registered shares at LTL 5 par.

At the end of 1997, a new factory manufacturing ceramic glazed tiles started to operate. The capacity reached 1.3m square meters of tiles per year.

At the end of 1998, DVARČIONIŲ KERAMIKA, together with Gibraltar company Iberian Ceramics Ltd., founded the close company Baltijos Keramik (authorised capital amounts to LTL 0.98m) that produced glue and putty for ceramic tiles.

BUSINESS ACTIVITY

DVARČIONIŲ KERAMIKA is the only producer of ceramic tiles in Lithuania and the biggest factory of its kind in the Baltic countries. The company makes high-quality glazed and unglazed wall and floor tiles, ceramic roofing tiles, facade and hearth tiles, special ceramic products for restoration assignments.

The company is better-positioned comparing to its competitors due to high quality of the production (new Italian equipment and technology, qualified personnel, good quality of raw materials) and low cost (cheaper labour, use of the country's raw materials clay and sand, lower transport expenses). Production is carried out according to the most progressive Italian technology and meets European standards. DVARČIONIŲ KERAMIKA products have certificates issued by Lithuanian, Russian, Polish, Latvian and Ukrainian authorised bodies. TUV-Thuringen (Germany) issued to the company the certificate of a quality management which corresponds to the ISO 9001 standard.

The company exports over 30% of its production to Russia, Poland, Latvia, Germany, and other countries. In Lithuania, the distribution network embraces several outlets in major cities and all larger stores specialising in building materials. In 1998 DVARČIONIŲ KERAMIKA established its representative office in Moscow.

The company imports 19% of raw material from abroad (Russia, Turkey, Spain) under long term contracts.

DEVELOPMENTS IN 1999

In 1999, DVARČIONIŲ KERAMIKA produced 25.8thou m² of unglazed floor tiles, over 350thou m² of glazed floor tiles, 1020thou m² of rectangular glazed interior tiles, 195.5thou m² of facade tiles, 15.5thou m² of ceramic roofing tiles, 7.8thou m² of glazed stove tiles. The total output of the company accounted for LTL 43.7m.

In 1999, the sales of DVARČIONIŲ KERAMIKA increased 1.5 times in comparison with 1998 - from LTL 31m to LTL 40.6m. The company's net profit reached LTL 138thou.

PLANS, PROSPECTS FOR 2000

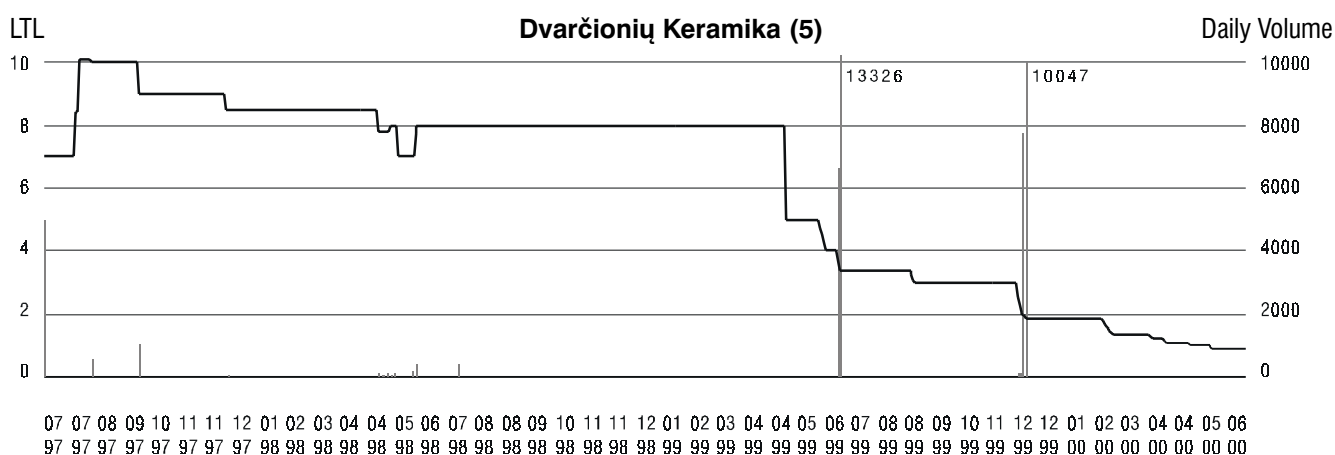
In the future, DVARČIONIŲ KERAMIKA intends to implement one more line for door tiles as well as a third-firing line for individual orders, produce high-quality tiles according to orders of clients by offering better characteristics of a product at a higher price.

Structure OF SHARE CAPITAL

| | |
|------------------|---|
| Share capital: | LTL 48,712,290 |
| Ordinary shares: | 9742458 registered shares at LTL 5 par (security code 12231) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 09.06.97) |

LITHUANIAN BUILDING MATERIALS

NATIONAL STOCK EXCHANGE OF LITHUANIA



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|-----------------|------------------|------------------|-----------------|
| LONG TERM ASSETS | 57614048 | 75421832 | 69433670 | 63822700 |
| SHORT TERM ASSETS | 14023887 | 27287230 | 30111656 | 31137519 |
| Stock | 12579716 | 15435584 | 18767285 | 18837460 |
| Amounts receivable within one year | 1014438 | 7000862 | 9212548 | 12147959 |
| TRANSFER ACCOUNTS | 3311 | 6645 | 1945262 | 2765900 |
| TOTAL ASSETS | 71641246 | 102715707 | 101490588 | 97726119 |
| CAPITAL AND RESERVES | 30031129 | 48476882 | 50953268 | 44374169 |
| Capital | 2816590 | 41962290 | 48712290 | 48712290 |
| Subscribed capital | 2816590 | 41962290 | 48712290 | 48712290 |
| Share premium account | 2658 | 3168432 | 6693433 | 6693433 |
| Revaluation reserve | 0 | 0 | 0 | 0 |
| Reserves | 27211881 | 3346160 | 1141722 | 1141722 |
| Profit (loss) brought forward | 0 | 0 | -5594177 | -12173276 |
| Amounts payable after one year and long-term liabilities | 29983548 | 32328248 | 32084781 | 29594218 |
| Amounts payable within year and long-term liabilities | 11450611 | 21766430 | 18328052 | 21818178 |
| ACCRUED CHARGES AND DEFERRED INCOME | 0 | 0 | 0 | 1856257 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 71641246 | 102715707 | 101490588 | 97726119 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|----------------|----------------|-----------------|---------------|
| SALES AND SERVICES | 13821525 | 30204354 | 31008070 | 40609237 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 12060645 | 25488678 | 32081659 | 29229469 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 1614466 | 4605204 | -5594177 | 138468 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|--------------|-------------|-------------|-------------|
| PRICE (LTL) | | | | |
| First | 7.00 | 8.50 | 7.99 | 1.85 |
| Max | 10.08(08 18) | 8.50(05 06) | 7.99(05 11) | 1.85(02 23) |
| Min | 7.00(08 04) | 7.00(06 08) | 1.85(12 30) | 0.91(06 30) |
| Last | 8.50 | 7.99 | 1.85 | 0.91 |
| Change (%) | 21.43 | -6.00 | -76.85 | -50.81 |
| Number of transactions (CM) | 14 | 26 | 30 | - |
| Turnover CM (units) | 6726 | 1443 | 40045 | - |
| Turnover CM (LTL) | 51116 | 11271 | 109239 | - |
| Turnover BT (units) | 789120 | 0 | 75428 | - |
| Turnover BT (LTL) | 6155136 | 0 | 416268 | - |
| CM turnover as % in total | 0.85 | 100.00 | 34.68 | - |
| Total turnover (units) | 795846 | 1443 | 115473 | - |
| Total turnover (LTL) | 6206252 | 11271 | 525507 | - |
| Turnover ratio (%) | 9.48 | 0.01 | 1.19 | - |
| As % in the total share turnover | 0.65 | 0 | 0.04 | - |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|---------|---------|----------|----------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 1.23 | 1.25 | 1.75 | 1.43 |
| Quick ratio | 0.13 | 0.54 | 0.73 | 0.64 |
| Net working capital (LTL thou) | 2576587 | 5527445 | 13728866 | 10228984 |
| Net working capital to total assets | 0.04 | 0.05 | 0.14 | 0.10 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.12 | 0.15 | -0.18 | 0.00 |
| Return on assets (%) | 0.02 | 0.04 | -0.06 | 0.00 |
| Return on equity (%) | 0.05 | 0.10 | -0.11 | 0.00 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.58 | 0.53 | 0.50 | 0.55 |
| Debt / equity ratio | 1.39 | 1.12 | 0.99 | 1.20 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 1.50 | 1.82 | 1.88 | 1.55 |
| Receivables turnover | 11.01 | 7.54 | 3.83 | 3.80 |
| Net working capital turnover | 5.36 | 5.46 | 2.26 | 3.97 |
| Long-term assets turnover | 0.24 | 0.40 | 0.45 | 0.64 |
| Total assets turnover | 0.19 | 0.29 | 0.31 | 0.42 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|-------|-------|-------|--------|
| Capitalisation (LTL thou) | - | 71336 | 77842 | 18,024 |
| Share book value (LTL) | 53.31 | 5.78 | 5.23 | 4.55 |
| Price / book value ratio (P/BV) | - | 1.47 | 1.53 | 0.41 |
| Earnings per share (LTL) | 2.87 | 0.55 | -0.57 | 0.01 |
| Price / earnings ratio (P/E) | - | 15.49 | - | 130.16 |
| Dividend per share (LTL) | - | - | - | - |
| Dividend yield | - | - | - | - |
| Dividend payout ratio | - | - | - | - |

LITHUANIAN COMPANIES

CONSTRUCTION

The share of construction in total value added by the economy constituted 7.8 percent in 1999. Rather large volumes of construction works are financed from the state budget in Lithuania. Accordingly, the relatively poor results of construction for 1999 reflected the complicated financial position of the state.

Construction works' volumes contracted by 16.4 percent in 1999, as compared with 1998 (in 1997 and 1998, increased by 9.4 and 15.6 percent respectively). A drastic decrease of construction works abroad, particularly in the CIS, negatively impacted the construction sector, too. During the past two years, construction works volumes in the CIS countries fell almost 6 times.

In 1999, the qualitative indicators of the largest construction companies differed significantly. *Kauno Tiltai*, *Panevėžio Keliai* and *Panevėžio Statybos Trestas* ended the year with the profits of LTL 2.9 million, LTL 6.3 million and LTL 2.8 million, accordingly, though they were lesser as compared with 1998. On the other hand, *Kausta* increased its works volumes by 40 percent, but suffered LTL 1.6 million losses (in 1998, LTL 2.8 million losses). *Lithun* earned insignificant profits, but its works volumes shrank by 24 percent.

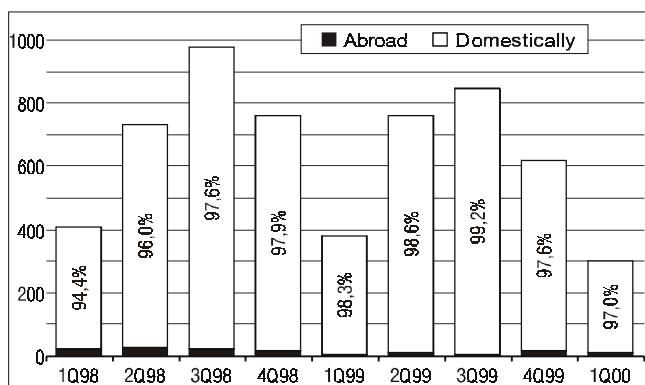
Akmenės Cementas, the largest company of building materials, experienced difficulties. Sales declined by 16 percent and profits fell by even 59 percent. Cheap production imported from the East, especially Belarus, caused tough competition in the markets of building materials.

Unfortunately, so far, the industry of construction did not recover in the first quarter of this year, too.

Total volume of construction works at current prices decreased by 20.5 percent (see Diagram), while at constant prices shrank by 20.1, as compared with the adequate period of 1999. On the other hand, construction works declined only in Lithuania. Construction abroad grew by 41.7 percent (construction of the Lithuania pavilion in the Hanover exhibition, gradual works expansion in Russia).

Although the economy is expected to continue recovering in the second half of this year, it is hardly possible that this would lead to a radical improvement of the state financial position and thus an increasing number of construction orders. Construction works expansion might be interrupted in 2001, too, because the privilege of tax exemptions on reinvested profits will be abolished next year. *The Association of the Lithuanian Builders* is forecasting that the abolition of this privilege will result in the contraction of LTL 0.3-0.5 billion in construction works. *The Ministry of Economics* will have to consider a possible impact of the discussed factor and revise its prognosis of the construction sector for 2001. According to the Ministry's estimations, next year, construction works at current prices will rise from LTL 2.77 billion to LTL 2.9 billion or by 4.7 percent. In the near future, exports of construction services might be the force driving the development of the overviewed sector. With the Russian economic revival, some construction companies of Lithuania revert to the eastern markets, again. *Kausta* expands its activities in Kaliningrad. *Panevėžio Keliai* and *Panevėžio Statybos Trestas* are researching this region, too. In addition, *Panevėžio Statybos Trestas* has representatives and promotes its activities in Cherepovec. However, this did not prevent the decrease of 14.3 percent in construction orders for *Panevėžio Statybos Trestas* during the first five months of this year, as compared with the corresponding period of last year. From January to May, turnover of works performed by *Montuotojas*, the largest processing enterprise of metal constructions, accounted for LTL 17.1 million or 1.2 percent less than in the adequate period of last year. Profits deteriorated 1.7 times. Due to high competitiveness of the Belarus products and expensive fuels (more than US\$ 100 per ton, instead of US\$ 60 last year), *Akmenės Cementas* suffered higher than LTL 5 million losses; nevertheless, it is anticipated to liquidate them till the end of this year. *The Commission on Goods Exports and Imports and Duties Changes* proposed for the government to increase import duty on the Belarus cement to 25 percent and on silicate bricks to 15 percent.

Construction Works Volume
(LTL million)



CONSTRUCTION

| | |
|----------|------------------------------|
| Address: | Lelevelio g. 4, 2001 Vilnius |
| Phone: | (370-2) 629621 |
| Fax: | (370-2) 628527 |
| E-mail: | centras@lithun.lt |

| | |
|----------------------------|------------|
| Registration date: | 25.04.1991 |
| Registration code: | 1000655 |
| Established: | 1990 |
| Privatised: | 1992-1993 |
| Number of employees: | 694 |
| Authorised capital: | LTL 15.4m |
| Capitalisation (30.06.00): | LTL 6.3m |

| | |
|---------------|--------------|
| Auditor: | KPMG Lietuva |
| Trading List: | Current |

Management Board (participation in the company):

Dalius Gedvilas, Chairman (42.77%),
Zigmantas Balčytis (125 shares), Birutė Krepštilienė (0%),
Raimundas Petras Luneckas (4.33%), Valdas Sinkevičius (4733 shares)

Managing Director (participation in the company): Dalius Gedvilas (42.77%),

Contact Person: Dalius Gedvilas, Director General, tel. (370-2) 629621

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 1274 |
| Dalius Gedvilas | 42.77% |
| State Property Fund | 7.77% |
| Mindaugas Gedvilas | 6.00% |
| Raimundas Petras Luneckas | 4.30% |

CORPORATE HISTORY

The Lithuanian-Hungarian close joint-stock company LITHUN was established in 1991 by 16 individuals and the Hungarian firm Talizman. The company's authorised capital at that time equalled 410thou roubles (LTL 4100), which grew to LTL 300thou by 1993.

During 1992-1993, the company was actively involved in the process of privatisation and thus acquired controlling interest in several construction-related companies, such as Vilnius Asphalt-Concrete Plant and the First Electric Company.

In 1995, LITHUN, Ltd. was transformed into a public limited company at the same time merging six affiliated enterprises: AB LH Asbet, UAB Elpirma, UAB Debiutas, UAB Balatonas, UAB Sūkis and investment company LH Kapitalas. During the reorganisation, the company raised the share capital out of the capital and revaluation reserves to LTL 7.9 million. In 1997, the company increased the authorised capital out of the capital reserve to LTL 10.4 million. In 1998, the company increased its authorised capital from LTL 4.99m to LTL 15.4m.

At present, the company consists of the central office and two business units-directorates, operating in the country's construction and construction materials markets. The business units combine 8 branches and two representative offices in Kaunas and Klaipėda regions. The company also controls blocks of shares of several subsidiaries and of several companies engaged in similar activity.

BUSINESS ACTIVITY

LITHUN consists of two business units that specialise in different activities, namely, 1) Building Business Unit Lithun with 3 branches: Lithun Ranga (building and reconstruction; roof installation and repairs; production of doors and windows), Elpirma (electrical installation works; installation of contact systems and substations; installation, adjustment and start-up of automation systems, technological equipment, communications networks, fire alarm, security and alarm systems), Lithun Transportas (road transport services, rent of construction mechanisms, vehicle repairs and maintenance) and 2) Building Materials Business Unit Lithun Asfaltbetonis which has 4 branches: Vilniaus Asfaltbetonis (manufacture and trade in concrete articles, asphalt concrete mix.), Trinkelė (production of concrete articles, asphalt mix, bituminous paste/emulsion, asphalt concrete), Lithun Keliai (road building and repairs, landscaping) and Klaipėda branch (production of concrete articles).

All branches of the company that engage in construction/erection and road building/repair works, have qualification certificates entitling to undertake construction projects of particular significance, including state projects. Therefore the state (Ministry of National Defence, Vilnius City Municipality, Customs Department, Labour Exchange) has become the principal customer of the company. Other main customers are Lithuanian companies.

Structure OF SHARE CAPITAL

| | |
|------------------|--|
| Share capital: | LTL 15,389,368 |
| Ordinary shares: | 15,389,368 registered shares at LTL 1 par (security code 11082) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 04.03.96) |

Among the most important achievements in the area of technology, the production of concrete landscaping elements by the vibrocompression method should be mentioned. At present there are two high-capacity production lines using low-slump mix. The company's specialists have a sixteen-year-long experience in the application of this method.

The company has 3 representative offices that realise the production in Lithuania. The bulk of the production is sold in Vilnius.

LITHUN suppliers differ depending on the activity type of the branch. The company's branch Lithun Ranga receives the required material from the following Lithuanian companies: AB Markučiai, AB Silikatas, and others. Another branch Vilniaus Asfaltbetonis brings 74% of granite chips and 11% of bitumen from foreign suppliers, other materials necessary for production are purchased from Lithuanian suppliers. Among suppliers of the branch Elpirma are ABB, Klinkmann, Ahlstrom.

DEVELOPMENTS IN 1999

In 1999 the company's sales and services totalled LTL 38 million (LTL 42m in 1997, LTL 96.9m in 1998) and net profit amounted to LTL 0.4m (LTL 2.07m in 1998).

In 1999, LITHUN implemented quality management system in accordance with the international standard ISO 9002 and received the corresponding certificate.

Last year the company built a considerable number of construction units: reconstructed the Vilnius Cathedral square, built computer centre for the Custom Department, mortgage court house under the Ministry of Justice, reconstructed the Opera and Ballet House, Vilnius Railway station, as well as other important objects. The company carried out construction works in Vilnius, Klaipėda, Tauragė, and Pakruojis. A large part of the construction works and services rendered were due to the Public purchase competition: branch Lithun Ranga had 60% of work of this type, and Elpirma – 80%.

In 1999, LITHUN realised 1.2% of concrete products in Latvia. The remaining part of the output of Lithun Asfaltbetonis was sold in Lithuania – Klaipėda, Kaunas and Vilnius areas.

In 1999, the representative office of LITHUN was registered in Latvia.

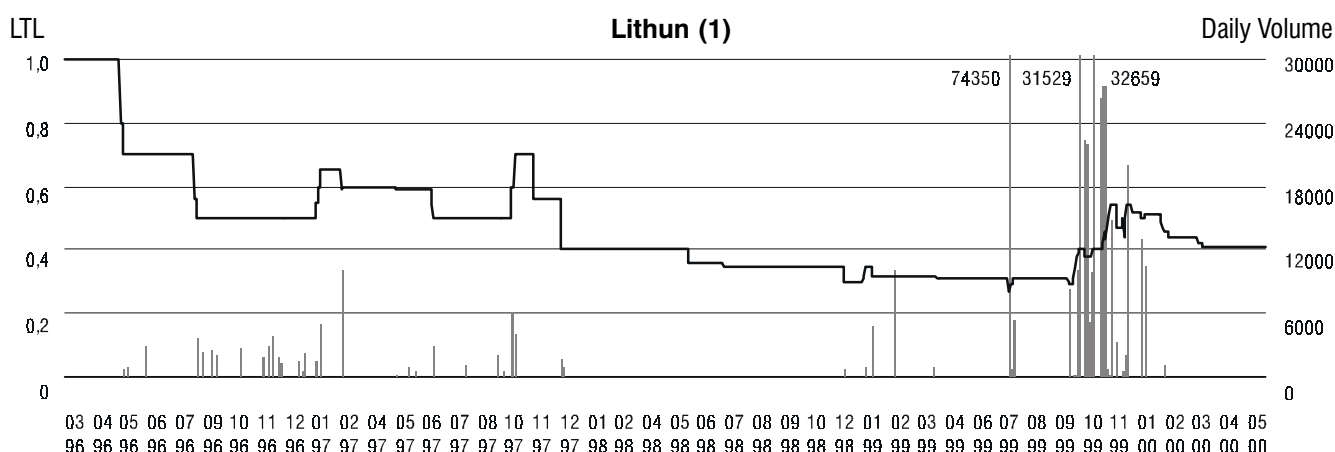
PLANS, PROSPECTS FOR 2000

In the near future, LITHUN plans to enter markets of Kaliningrad (Russia), Liepoja (Latvia) areas as well as those of other regions in Latvia.

| BRANCHES & SUBSIDIARIES | Date of establishment | Participating interest |
|--------------------------|-----------------------|------------------------|
| Vilniaus asfaltbetonis | 1994 | 100% |
| Lithun ranga | 1995 | 100% |
| Elpirma | 1995 | 100% |
| Lithun transportas | 1995 | 100% |
| Trinkelė | 1997 | 100% |
| Klaipėda branch | 1997 | 100% |
| Lithun keliai | 1997 | 100% |
| Brokerage company Lithun | | 100% |
| Lithun trading centre | | 64% |
| UAB Naigėda | | 100% |
| UAB Naujieji butai | | 100% |
| AB Viranga | | 56.93% |

LITHUANIAN COMPANIES CONSTRUCTION

NATIONAL STOCK EXCHANGE OF LITHUANIA



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|----------|----------|----------|----------|
| LONG TERM ASSETS | 12258926 | 24149297 | 31941100 | 30493842 |
| SHORT TERM ASSETS | 8202144 | 10546265 | 18292723 | 23654716 |
| Stock | 4484790 | 4298557 | 6490028 | 6181979 |
| Amounts receivable within one year | 2983036 | 4448140 | 11005459 | 11314496 |
| TRANSFER ACCOUNTS | 287598 | 346714 | 1884758 | 1687673 |
| TOTAL ASSETS | 20748668 | 35042276 | 52118581 | 55836231 |
| CAPITAL AND RESERVES | 10967034 | 16338324 | 18299602 | 16263055 |
| Capital | 7884972 | 10399368 | 15389368 | 15389368 |
| Subscribed capital | 7884972 | 10399368 | 15389368 | 15389368 |
| Share premium account | 0 | 0 | 0 | 0 |
| Revaluation reserve | 695641 | 4990000 | 0 | 0 |
| Reserves | 1900977 | 210791 | 836167 | 873687 |
| Profit (loss) brought forward | 485444 | 738165 | 2074067 | 0 |
| Amounts payable after one year and long-term liabilities | 3747192 | 9268753 | 15067806 | 10923274 |
| Amounts payable within year and long-term liabilities | 6034337 | 9431346 | 18171116 | 28074902 |
| ACCRUED CHARGES AND DEFERRED INCOME | 105 | 3853 | 35320 | 440000 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 20748668 | 35042276 | 52118581 | 55836231 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|----------|----------|----------|----------|
| SALES AND SERVICES | 36573086 | 41948363 | 96871148 | 38309376 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 22709229 | 30553246 | 80543400 | 26740530 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 1082941 | 738165 | 2074067 | 396008 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|-------------|-------------|-------------|-------------|
| PRICE (LTL) | | | | |
| First | 0.50 | 0.40 | 0.30 | 0.54 |
| Max | 0.70(10 22) | 0.40(05 29) | 0.54(12 30) | 0.54(01 06) |
| Min | 0.40(12 31) | 0.30(12 31) | 0.27(07 30) | 0.41(06 30) |
| Last | 0.40 | 0.30 | 0.54 | 0.41 |
| Change (%) | -20.00 | -25.00 | 80.00 | -24.07 |
| Number of transactions (CM) | 46 | 4 | 138 | 16 |
| Turnover CM (units) | 41527 | 661 | 388562 | 24518 |
| Turnover CM (LTL) | 23813 | 198 | 148715 | 12308 |
| Turnover BT (units) | 46000 | 205824 | 2377820 | 2000536 |
| Turnover BT (LTL) | 27600 | 50052 | 1363589 | 1484836 |
| CM turnover as % in total | 47.44 | 0.32 | 14.05 | 1.21 |
| Total turnover (units) | 87527 | 206485 | 2766382 | 2025054 |
| Total turnover (LTL) | 51413 | 50251 | 1512304 | 1497143 |
| Turnover ratio (%) | 0.84 | 1.34 | 17.98 | 13.16 |
| As % in the total share turnover | 0.01 | 0.01 | 0.12 | 0.72 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|---------|---------|---------|----------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 1.41 | 1.15 | 1.11 | 0.89 |
| Quick ratio | 0.66 | 0.70 | 0.75 | 0.67 |
| Net working capital (LTL thou) | 2455300 | 1457780 | 1971045 | -3172513 |
| Net working capital to total assets | 0.12 | 0.04 | 0.04 | -0.06 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.03 | 0.02 | 0.02 | 0.01 |
| Return on assets (%) | 0.05 | 0.02 | 0.04 | 0.01 |
| Return on equity (%) | 0.10 | 0.05 | 0.11 | 0.02 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.47 | 0.53 | 0.65 | 0.71 |
| Debt / equity ratio | 0.89 | 1.14 | 1.85 | 2.43 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 4.80 | 6.96 | 14.93 | 4.22 |
| Receivables turnover | 14.18 | 11.29 | 12.54 | 3.43 |
| Net working capital turnover | 14.90 | 28.78 | 49.15 | -12.08 |
| Long-term assets turnover | 2.98 | 1.74 | 3.03 | 1.26 |
| Total assets turnover | 1.76 | 1.20 | 1.86 | 0.69 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|------|------|--------|-------|
| Capitalisation (LTL thou) | 3942 | 4160 | 4617 | 8,310 |
| Share book value (LTL) | 1.39 | 1.57 | 1.19 | 1.06 |
| Price / book value ratio (P/BV) | 0.36 | 0.25 | 0.25 | 0.51 |
| Earnings per share (LTL) | 0.14 | 0.07 | 0.13 | 0.03 |
| Price / earnings ratio (P/E) | 3.64 | 5.63 | 2.23 | 20.99 |
| Dividend per share (LTL) | 0.04 | - | 0.0149 | - |
| Dividend yield | 0.07 | - | 0.05 | - |
| Dividend payout ratio | 0.25 | - | 0.11 | - |

DESIGN AND CONSTRUCTION

| | |
|----------|------------------------------|
| Address: | PPuzino g. 1, 5319 Panevėžys |
| Phone: | (370-5) 505501, 505508 |
| Fax: | (370-5) 505520 |
| E-mail: | pst@post.omitel.net |

| | |
|----------------------------|------------|
| Registration date: | 30.10.1993 |
| Registration code: | 4773296 |
| Established: | 1957 |
| Privatised: | 1999 |
| Number of employees: | 750 |
| Authorised capital: | LTL 16.35m |
| Capitalisation (30.06.00): | LTL 5.6m |

| | |
|---------------|-------------------------|
| Auditor: | UAB Pačiolio auditoriai |
| Trading List: | Current |

Management Board (participation in the company):

Gvidas Drobužas, Chairman (0%),
Antanas Pavalkis (1.1%), Remigijus Juodviršis (0%),
Albinas Šveikauskas (7.7%), Algimantas Butkūnas (0%), Mindaugas Vėgėlė (0%)

Managing Director (participation in the company): Eugenijus Rečiūnas (0.07%)

Contact Person: Adelė Liubartienė, Deputy Chief Accountant, tel. (370-5) 505522

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 544 |
| AB Panevėžio keliai | 49.80% |
| Jonas Vaškėlis | 7.60% |
| Albinas Šveikauskas | 7.70% |

CORPORATE HISTORY

The company was established on 1 February 1957 in Panevėžys, one of the industrial centres of Lithuania. In Panevėžys city and region all largest plants, including Linas, Ekranas, Lietkabelis, and the majority of apartment houses were constructed by PANEVĖŽIO STATYBOS TRESTAS. The company has also built a number of social, health, educational, and sports centres - drama theatre, hotel, hospitals, sports house, schools, kindergartens, and many other objects. The company's productive capacity, innovation, and quality of services were properly evaluated in 1969 when PANEVĖŽIO STATYBOS TRESTAS was granted the name of the Model Building Trust.

In 1991, the enterprise was reorganised into the state public company with the authorised capital of LTL 104thou, 64% of which were held by the state, with the remainder of the capital in the hands of public. With the revaluation of the company's fixed assets in 1993, the authorised capital amounted to LTL 1.48m, including the state holding of 42.2%. In the same year, PANEVĖŽIO STATYBOS TRESTAS was reorganised into a public joint stock company. After the transfer of some property to the state, the state's stake in the company decreased to 11.2%. With the second revaluation of the long-term assets, the authorised capital augmented to LTL 14.4 million. In 1998 the authorised capital was raised to LTL 16.35m out of the profit reserve.

Trading of PANEVĖŽIO STATYBOS TRESTAS shares became extremely active in 1998. At the end of the year about 50% of the company's capital concentrated in the hands of Estonian Hansabank and its partners.

The remainder of the state authorised capital - LTL 1.8m (11.15%) - was privatised at the beginning of 1999. Those shares, as well as a large amount of outstanding shares, were acquired by AB Panevėžio Keliai whose part in the company's authorised capital currently constitutes 49.8%.

BUSINESS ACTIVITY

The company's principle activity is design and construction of different types of buildings, constructions, and communication lines both in Lithuania and abroad. The main projects have shifted from regions to Vilnius (Vilnius Castles Ensemble, the President's Office, Vilnius Railway Station, etc.), where they constitute the bulk of construction works (50%). The company expanded geography of its activities: in Cherepovec town in Russia private

cottages are being built. Currently, the work there is stopped due to the financial crisis in Russia. The state department in charge of the protection of cultural values appraised the high quality of PANEVĖŽIO STATYBOS TRESTAS services and issued the license permitting to restore and rebuild historic buildings. In 1998, the company was granted a license to carry out the construction works related with the construction of depositories for dry storage of the utilised nuclear fuel.

In addition to construction services, the company produces building materials. Customers are supplied with wooden, metal, and glass products manufactured by PANEVĖŽIO STATYBOS TRESTAS. In 1998, the company launched the production of prefabricated wooden dwelling houses, and the first six houses were exported to Germany in the same year.

In 1998 the company was granted the international quality certificate ISO 9002.

DEVELOPMENTS IN 1999

Services and sales of PANEVĖŽIO STATYBOS TRESTAS in 1999 decreased by 26.6% and amounted to LTL 72.7m (LTL 99m in 1998), where construction-assembling works accounted for the biggest part (LTL 69.4m). In 1999, construction of the very significant object, exhibition pavilion for the international exhibition EXPO-2000 in Hanover, was commenced. Other largest objects constructed by the company include the following: the shopping centre of UAB Troja, the President's Office, Vilnius Railway Station, Polish House in Vilnius, waste-water treatment facilities of Palanga, reconstruction of electrical system of Panevėžys, Uptytė experimental station.

Last year, two industrial shops of the company were reorganised into subsidiary companies, namely, UAB Skydmedis (wooden dwelling houses and wooden articles) and UAB Metalo Meistrai (metal processing and metal articles).

In 1999 PANEVĖŽIO STATYBOS TRESTAS acquired a 51.1% share block of the electro-mounting company UAB Vekada.

Gross profit amounted to LTL 2.96 million (LTL 3.6m in 1998). Net profit constituted LTL 2.84 million.

PLANS, PROSPECTS FOR 2000

In 2000, agreements with PANEVĖŽIO STATYBOS TRESTAS to perform construction works reach nearly LTL 50m.

Structure OF SHARE CAPITAL

| | |
|------------------|--|
| Share capital: | LTL 16,350,000 |
| Ordinary shares: | 16350000 registered shares at LTL 1 par (security code 10144) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 14.04.97) |

SUBSIDIARIES

| | Date of establishment | Authorised capital (LTL) | Participating interest |
|---------------------|-----------------------|--------------------------|------------------------|
| UAB Skydmedis | | 12,500 | 100% |
| UAB Metalo meistrai | | 12,500 | 100% |
| UAB Vekada | 1999 | 211,488 | 51.10% |

LITHUANIAN COMPANIES

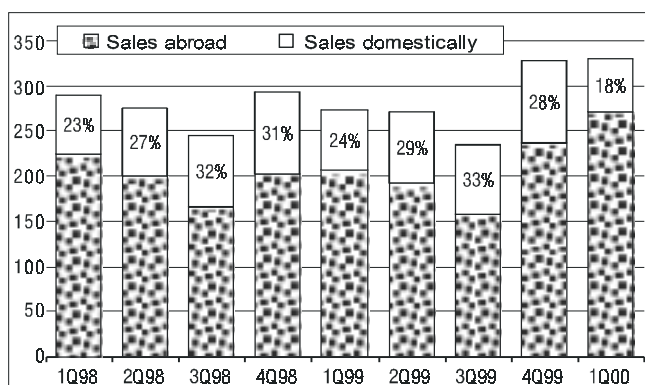
INDUSTRY OF ELECTRICAL AND OPTICAL EQUIPMENT

This industrial sector essentially consists of three manufacturing activities of: electrical machines and appliances; radio, television and communications equipment; medical and optical instruments. The industrial share of office machines and computers is insignificant.

Last year, the industrial share of electrical and optical equipment accounted for 6.1 percent of mining and manufacturing industry by production sales and 5.5 percent by value added. Over 70 percent of output were exported.

During 1999, as compared with 1998, sales volumes and the share of exports remained almost stable in the discussed sector. Nevertheless, by analysing each quarter separately, it is obvious that output sales as well as exports grew in the last quarter of 1999 and particularly in the first quarter of this year (see Diagram).

Production Sales Volume of Electrical and Optical Equipment Industry
(LTL million)



Unfortunately, the financial results of the overviewed sector worsened last year. Total losses accounted for LTL 1.9 million in 1999, while the industry earned LTL 24.5 million profits before taxes in 1998.

Profit and production indicators for the component economic activities of electrical and optical equipment industry differed significantly. In 1999, the sectors of electrical machines and appliances as well as radio, television and communications equipment suffered LTL 12.4 million and LTL 10.4 million losses, accordingly. On the contrary, the sector of medical and optical instruments earned LTL 23.3 million profits before taxes. Interestingly, production sales of the former two industries at constant prices increased by 12.3 percent and 17.4 percent, accordingly, but output sales of medical and optical instruments (at constant prices) dropped by 31.0 percent. In the first quarter of this year, production sales volumes of the latter shrank by 37.0 percent, again (of electrical machines and appliances grew by 36.2 percent, of radio, television and communications equipment increased by 49.0 percent).

Accordingly, it might be concluded that over recent time, especially in 1999, the companies of the discussed sector could not harmonise production growth and export expansion with profitability successfully. Nevertheless, exceptions exist. Last year, the company of electronics *Vilniaus Vingis* was able not only to increase its production sales volumes by 30 percent, but also earn LTL 5.1 million net profits, i.e. 70.6 percent more than in 1998. From January to May of 2000, the enterprise sold 73 percent more than in the corresponding period of last year. More than a half of its output was exported to Western Europe. In the first quarter of this year, *Vilniaus Vingis* already generated LTL 3.1 million net profits.

The producer of kinescopes *Ekranas*, located in Panevėžys, is operating pretty well. Although in 1999 production sales of the company were 4.1 percent less than in 1998, net profits accounted for LTL 2.8 million. In the first quarter of 2000, *Ekranas* earned LTL 13.5 million net profits (from January to May, LTL 23.7 million). Sales grew, too. The prospects of *Ekranas* improved significantly after it won the dumping case against *Philips* and new export markets flung open.

The situation is obviously getting better in *Šiaulių Tauro Televizoriai* (producer of televisions). Its production sales volume doubled in 1999. Currently, the company is exporting over 95 percent of its output.

The producer of electrical wires *Lietkabelis* is recovering after the crisis, too. During the first five months of this year, its turnover accounted for LTL 15 million, i.e. 60 percent more than a year ago. While from January to May of this year the company earned insignificant profits, it suffered LTL 1.5 million losses in the adequate period of last year.

ELECTRONIC TV COMPONENTS

| | |
|----------------------------|-----------------------------------|
| Address: | Elektronikos g. 1, 5319 Panevėžys |
| Phone: | (370-5) 436601, 463450 |
| Fax: | (370-5) 423415 |
| E-mail: | info@ekranas.lt |
| | www.ekranas.lt |
| Registration date: | 18.04.1994 |
| Registration code: | 4780222 |
| Established: | 1962 |
| Privatised: | 1994 |
| Number of employees: | 3264 |
| Authorised capital: | LTL 151m |
| Capitalisation (30.06.00): | LTL 83.3m |
| Auditor: | PricewaterhouseCoopers |
| Trading List: | Current |

Management Board (participation in the company):

Eimutis Žvybas, Chairman (4.6%), Aydın Giz (14%),

Vytautas Zabarskas (4.1%), Jonas Makūnas (4.1%), Alain Clement (0%)

Managing Director (participation in the company): Eimutis Žvybas (4.6%)

Contact Person: Angelija Zokaitienė, Head of Investment Dept., tel. (370-5) 436601

STRUCTURE OF OWNERSHIP

| | |
|---|-------|
| Total number of shareholders is | 3476 |
| Farimex S.A. (Šveicarij) (Switzerland) | 18.3% |
| Profilo Sanayi Ve Ticaret A.S. (Turkey) | 14.9% |
| Swiss citizen Aydın Giz | 14.0% |

CORPORATE HISTORY

Three decades ago EKRANAS, the largest TV tubes-manufacturing plant in the Baltics, emerged in the outskirts of Panevėžys. In 1967 television black-and-white picture tubes 24", which were in demand in a number of European countries, were launched into production. In 1978 the production of colour picture tubes of the same type was started. After Lithuania regained its independence, the range of products was enriched by 14" and 21" CPT sizes. The new model of the flat screen tube (21" FST) was launched into mass production in 1998.

In April 1994 the state-owned plant was transformed into a public limited company EKRANAS. As in 1993-1994 the company's Eastern European partners were experiencing difficulties, EKRANAS was intensively searching for new tube consumers. In 1994 the structure of company's export markets changed with the appearance of customers from Western Europe, Asia, and South America. The new tube model 20" was added to the assortment.

In 1995 EKRANAS was noticed by foreign investors. In June of the same year the Irish company Henley Trading, Ltd. acquired 29.8% of stock. In the beginning of 1996 the Ministry of Economy registered EKRANAS as a company with foreign capital. At the same time a new issue of USD 2.5m was acquired by Henley Trading, Ltd. Following increase of capital the company drew new funds to finance acquisition of new equipment that allowed to improve the quality of TV picture tubes.

In 1997 the company installed a new system for measuring glass components and equipment as well as a plunger compensation system, new pin sealing machines. Significant improvements in the quality of panels and funnels were achieved due to modernisation of equipment in the grinding shop and the use of new materials.

At the end of 1998, EKRANAS increased its authorised capital out of the company's funds (revaluation reserves and share premiums) from LTL 113,028,395 to LTL 151,472,000. 48.5% of the authorised capital are held by foreign investors.

Glass components production shop, tubes, and optical apparatuses assembling shop operate at the company; the main enterprise is attended by service groups. The company has founded 3 subsidiaries and has over 90% interest in these companies. EKRANAS owns 33% of shares in a joint Belarussian-Lithuanian company Beligor that produces TV sets.

EKRANAS is a member of the International Association of TV Tube Producers.

BUSINESS ACTIVITY

EKRANAS manufactures television CPTs of four types: 14", 20", 21" and "21 FST; glass details and components for tubes. Every year the company produces 1.7 million TV tubes (98.5% of the total production).

There are about 300 various materials and complementary components involved in the company's production process. EKRANAS selects the best suppliers on the basis of quality and price of the offered products. The biggest part (69%) of raw materials is imported from Western countries.

EKRANAS organises sales through services of distributors and agents. Moreover, the company has direct connections with TV set producers from CIS countries and Western Europe. EKRANAS is one of the major Lithuanian exporters. Its exports make up 4% of the Lithuanian exports to Western countries and 2% of the total Lithuanian exports. Nearly 80% of the company's production is sold to different Western European producers of TV sets. The Turkish TV set producers account for the bulk (45%) of the company's sales. EKRANAS has customers in more than twenty countries of the world. The company's clients include such internationally well-known companies as Profilo-Terla, Sanyo, Great Wall, Continental Edison, Formenti, and others.

DEVELOPMENTS IN 1999

In 1999 EKRANAS sales were over LTL 279m, and the net profit constituted LTL 2.66m. As compared with 1998, the sales volumes decreased by 3%, which was caused mainly by the decrease of prices on the international tube market. However, in terms of quantity the company's sales were by 9% larger as compared with 1998.

Last year the company managed to expand the geography of its markets significantly. The company's products are now bought by nearly all producers of short and medium diagonal TV sets in France, Italy, Turkey, Poland, Great Britain, Slovenia, and other countries.

In January 1999, the IFC signed the contract with EKRANAS regarding the loan of USD 15m that will be granted to the company for modernisation of its production processes.

In July 1999, EKRANAS obtained an ISO 9001 certificate issued by the Dutch auditing company KEMA.

PLANS, PROSPECTS FOR 2000

On 1 January 2000, the company's subsidiaries UAB Ekrano Statyba and UAB Ekrano Įrengimai merged.

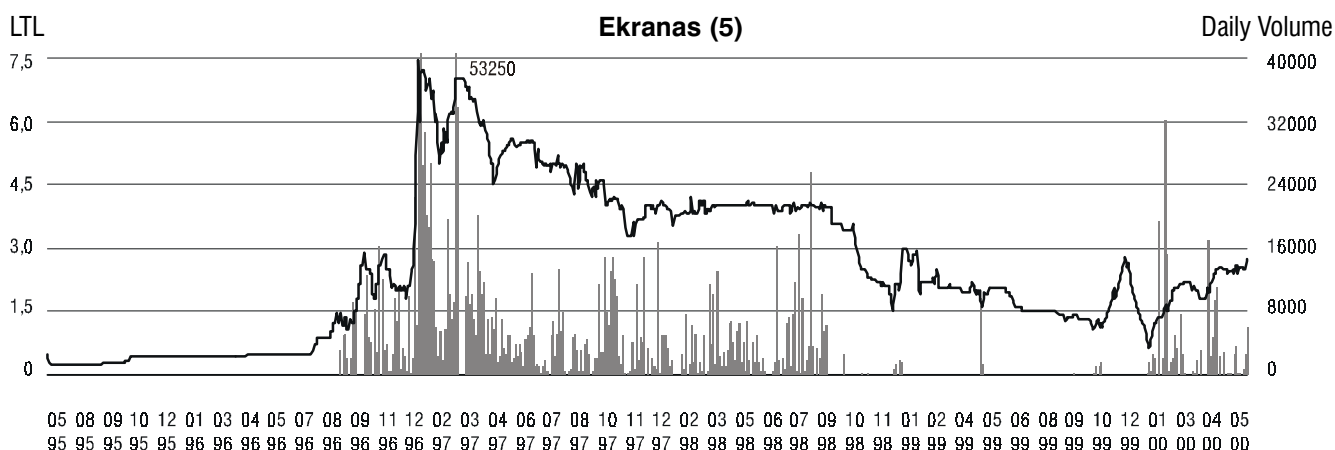
The objectives of EKRANAS for the year 2000 are to produce and sell 2.6 million TV tubes, increase revenues by 30% as compared to 1999, strive for net profit of LTL 35m, and invest LTL 50m into production development and improvement.

The company intends to continue its pursuit for new markets in South Africa, India, as well as in other countries.

Structure OF SHARE CAPITAL

| | |
|------------------|---|
| Share capital: | LTL 151,472,000 |
| Ordinary shares: | 30,294,400 registered shares at LTL 5.00 par (security code 10423) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 16.05.95) |

| SUBSIDIARIES | Date of establishment | Authorised capital (LTL) | Participating interest |
|------------------------|-----------------------|--------------------------|------------------------|
| UAB Ekrano Įrengimai | 24.03.97 | 689,958 | 95.3% |
| UAB Ekrano Ekspedicija | 30.10.97 | 3,406,320 | 90% |
| UAB Vasaros Malonumai | 17.05.96 | 795,500 | 92% |
| Branch offices | | | |
| Ekrano Elektronika | 21.11.96 | | |
| Ekrano Energomechanika | 21.11.96 | | |



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|-----------|-----------|-----------|-----------|
| LONG TERM ASSETS | 148959276 | 155083000 | 167446448 | 170280052 |
| SHORT TERM ASSETS | 101547468 | 91404000 | 113051026 | 110617711 |
| Stock | 59278805 | 46508000 | 71963594 | 60278699 |
| Amounts receivable within one year | 37906167 | 37145000 | 37816224 | 45652533 |
| TRANSFER ACCOUNTS | 81506 | 0 | 139243 | 655698 |
| TOTAL ASSETS | 250588250 | 246487000 | 280636717 | 281553461 |
| CAPITAL AND RESERVES | 174914858 | 176992000 | 181068074 | 180926190 |
| Capital | 113028395 | 113028000 | 151472000 | 151472000 |
| Subscribed capital | 113028395 | 113028000 | 151472000 | 151472000 |
| Share premium account | 1920 | 2000 | 6 | 6 |
| Revaluation reserve | 39224314 | 39225000 | 0 | 0 |
| Reserves | 3373115 | 3371000 | 3755503 | 6857533 |
| Profit (loss) brought forward | 19287114 | 21366000 | 25840565 | 22596651 |
| Amounts payable after one year and long-term liabilities | 6063963 | 4255000 | 11804583 | 12906910 |
| Amounts payable within year and long-term liabilities | 47895038 | 65240000 | 87300428 | 86821291 |
| ACCRUED CHARGES AND DEFERRED INCOME | 0 | 0 | 120000 | 114480 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 250588250 | 246487000 | 280636717 | 281553461 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|-----------|-----------|-----------|-----------|
| SALES AND SERVICES | 331080856 | 309899000 | 291465998 | 279361166 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 261537729 | 247681000 | 237943804 | 232114192 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 45597050 | 13742000 | 711898 | 2661059 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|-------------|-------------|-------------|-------------|
| PRICE (LTL) | | | | |
| First | 2.10 | 4.00 | 2.09 | 2.65 |
| Max | 7.45(01 16) | 4.23(03 09) | 3.00(01 29) | 2.75(06 30) |
| Min | 2.10(01 02) | 2.09(12 31) | 1.10(11 10) | 0.65(02 02) |
| Last | 4.00 | 2.09 | 2.65 | 2.75 |
| Change (%) | 90.48 | -47.75 | 26.79 | 3.77 |
| Number of transactions (CM) | 2241 | 751 | 223 | 358 |
| Turnover CM (units) | 1289640 | 388229 | 22773 | 198072 |
| Turnover CM (LTL) | 7423388 | 1546288 | 39123 | 378865 |
| Turnover BT (units) | 781523 | 8533661 | 7306 | 49811 |
| Turnover BT (LTL) | 4208913 | 29028226 | 13291 | 90878 |
| CM turnover as % in total | 62.27 | 4.35 | 75.71 | 79.91 |
| Total turnover (units) | 2071163 | 8921890 | 30079 | 247883 |
| Total turnover (LTL) | 11632301 | 30574514 | 52414 | 469744 |
| Turnover ratio (%) | 9.16 | 39.47 | 0.10 | 0.82 |
| As % in the total share turnover | 1.21 | 3.43 | 0 | 0.23 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|----------|----------|----------|----------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 2.12 | 1.40 | 1.29 | 1.28 |
| Quick ratio | 0.88 | 0.69 | 0.47 | 0.59 |
| Net working capital (LTL thou) | 53733936 | 26164000 | 25769841 | 24337638 |
| Net working capital to total assets | 0.21 | 0.11 | 0.09 | 0.09 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.14 | 0.04 | 0.00 | 0.01 |
| Return on assets (%) | 0.18 | 0.06 | 0.00 | 0.01 |
| Return on equity (%) | 0.26 | 0.08 | 0.00 | 0.01 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.30 | 0.28 | 0.35 | 0.36 |
| Debt / equity ratio | 0.43 | 0.39 | 0.55 | 0.56 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 5.06 | 4.68 | 4.02 | 3.51 |
| Receivables turnover | 7.65 | 8.26 | 7.78 | 6.69 |
| Net working capital turnover | 6.16 | 11.84 | 11.31 | 11.48 |
| Long-term assets turnover | 2.22 | 2.00 | 1.74 | 1.64 |
| Total assets turnover | 1.32 | 1.26 | 1.04 | 0.99 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|-------|-------|-------|--------|
| Capitalisation (LTL thou) | 47472 | 90423 | 47246 | 80,280 |
| Share book value (LTL) | 7.74 | 7.83 | 5.98 | 5.93 |
| Price / book value ratio (P/BV) | 0.27 | 0.51 | 0.35 | 0.45 |
| Earnings per share (LTL) | 2.02 | 0.61 | 0.02 | 0.08 |
| Price / earnings ratio (P/E) | 1.04 | 6.58 | 88.94 | 32.23 |
| Dividend per share (LTL) | - | - | - | - |
| Dividend yield | - | - | - | - |
| Dividend payout ratio | - | - | - | - |

REFRIGERATORS AND FREEZERS

| | |
|----------------------------|----------------------------|
| Address: | Pramonės g. 6, 4580 Alytus |
| Phone: | (370-35) 77580 |
| Fax: | (370-35) 77612, 78158 |
| E-mail: | snaige@snaige.lt |
| | www.snaige.lt |
| Registration date: | 01.12.1992 |
| Registration code: | 4966461 |
| Established: | 1963 |
| Privatised: | 1992 |
| Number of employees: | 1989 |
| Authorised capital: | LTL 23m |
| Capitalisation (30.06.00): | LTL 38m |
| Auditor: | Arthur Andersen |
| Trading List: | Official |

Supervisory Board (participation in the company):

Arvydas Paketūras, Chairman (0.07%),
Martynas Česnavičius (1 share), Irena Stočkūnaitė (0.20%),
Andrea Pinzauti (4.86%), Algimantas Krizinauskas (0%)

Management Board: Antanas Vytautas Andrušionis, Chairman (4.77%),
Romualdas Raudonis (6.58%), Rimantas Zibertas (1.97%),
Albinas Jonas Valašinas (1.89%)

Managing Director (participation in the company): Antanas Vytautas Andrušionis (4.77%)

Contact Person: Džuljeta Baliukevičiūtė, Administrator, tel. (370-35) 77580

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 1401 |
| Baltic Investment Fund Management Ltd. | 21.13% |
| Moller Invest AS | 7.11% |
| Romualdas Raudonis | 6.58% |

CORPORATE HISTORY

Alytus refrigerator plant was established in 1963. The major company's activities include manufacture of household refrigerators and refrigerators for hotels, offices, and restaurants. The company also produces spare parts for refrigerators, industrial lighting, tools, and equipment.

A new factory was built in Industrial district of Alytus in 1968. The company's products conquered the market soon, and in 1983 their export was started. SNAIGĖ was privatised in 1992 and reconstructed in 1995, when usage of freon was stopped. The company's share capital of LTL 19.02m was registered in March of 1995 and did not change until last year.

The company's activities have been focused on increase of sales, search for new markets and partners, introduction of new products and improvement of the quality control system. In 1997 the company's quality system was certified according to requirements of ISO 9001 standard. The company's refrigerator RF 310.0 was proclaimed the best Lithuanian product of 1997. Plastic reprocessing technology was modernised in 1998. In the same year, the display cooler of 350 l capacity was recognised Product of the Year by the Association of Lithuanian Industrialists.

BUSINESS ACTIVITY

SNAIGĖ produces household refrigerators and freezers, vertical display coolers, refrigerator-mini-bars, wine coolers. Every year the company designs new refrigerator models. Currently, the company produces refrigerators and freezers of 30 modifications which are sold in export markets under different trade marks.

While implementing new products, the company devotes most attention to visual design, energy consumption, ecology, steadiness, durability, and safety.

In manufacture of refrigerators and freezers the company exclusively uses compressors made by renowned Western producers, such as Electrolux, Zanusi, Danfos.

The company's products are exported to Western, Central and Eastern Europe, Asia and to the Baltic states. SNAIGĖ sells its production to 23 countries. The distribution network covers France, the Netherlands, Belgium, the UK, Ireland, Denmark, Germany, Sweden, Finland, Estonia, Latvia, Bulgaria, the Ukraine, Russia, Kazakhstan, and countries of Latin America. SNAIGĖ's imports geography is similar to that of the exports and embraces 21 European countries. Raw materials and components are brought from Denmark, Germany, Italy, the Netherlands, Russia, Spain, Sweden, and other countries.

DEVELOPMENTS IN 1999

In 1999 SNAIGĖ implemented production of new models; the group of fridge-freezers was supplemented with a new model RF 315 with enlarged storage chamber, the refrigerator of the old model was replaced by the cooler C290, and models RF310 and R 270 were modernised.

Traditionally, the company supplied its products to the majority of European countries. In 1999, Western Europe accounted for 55% (40.5% in 1998), Central Europe for 12% (11.2%), and Eastern markets for 9% (21.3%) of SNAIGĖ's export sales. 5% (5.9% in 1998) of products were realised on the Baltic market. Sales in Lithuania made up 19% (20.7% in 1998). The company's sales markets witnessed the greatest changes over the entire history of the company. The crisis in Russia did not allow to risk and sell production in this region where prices were the highest.

The company's sales diminished and totalled LTL 149m in 1999 (cf. LTL 174m in 1998 and LTL 171m in 1997). Profit before taxes constituted LTL 2.88m, and net profit amounted to LTL 2.7m (LTL 9.3m in 1998, LTL 5.8m in 1997). The fall of EURO against USD had especially negative effect on the company's turnover.

The general shareholders' meeting held on 15 January 1999 resolved to issue 270,000 ordinary shares and raise share capital to LTL 23 070 405.

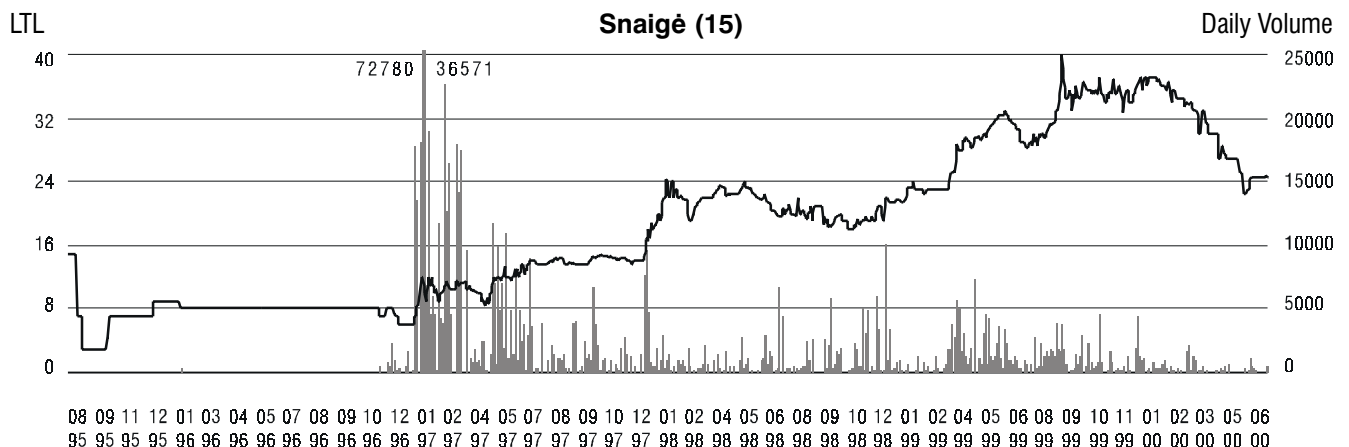
PLANS, PROSPECTS FOR 2000

In 2000 the company will attempt to maintain the leading position on the Lithuanian market, ensure high quality of products, competitive ratio of price and quality, and modern design of products. The company will strive to strengthen its position on the Eastern market.

Structure OF SHARE CAPITAL

| | |
|------------------|--|
| Share capital: | LTL 23,070,405 |
| Ordinary shares: | 1538027 registered shares at LTL 15 par (securities code 10927) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 10.07.95) |

| BRANCHES | Date of establishment | Participating interest |
|-------------|-----------------------|------------------------|
| Termosnaigė | 13.01.1999 | 100% |



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|-----------------|-----------------|-----------------|-----------------|
| LONG TERM ASSETS | 29540000 | 28559000 | 40880959 | 47282538 |
| SHORT TERM ASSETS | 28164000 | 33281000 | 37937375 | 37378200 |
| Stock | 21561000 | 22416000 | 22621821 | 24730627 |
| Amounts receivable within one year | 5844000 | 6923000 | 12917507 | 11108844 |
| TRANSFER ACCOUNTS | 0 | 0 | 470519 | 206624 |
| TOTAL ASSETS | 57704000 | 61840000 | 79288853 | 84867362 |
| CAPITAL AND RESERVES | 25045000 | 30365000 | 40806267 | 48817928 |
| Capital | 19020000 | 19020000 | 19020405 | 23070405 |
| Subscribed capital | 19020000 | 19020000 | 19020405 | 23070405 |
| Share premium account | 0 | 0 | 0 | 4050000 |
| Revaluation reserve | 0 | 0 | 0 | 0 |
| Reserves | 8896000 | 8896000 | 21785862 | 21697523 |
| Profit (loss) brought forward | -2871000 | 2449000 | 0 | 0 |
| Amounts payable after one year and long-term liabilities | 2457000 | 8186000 | 1500000 | 5757180 |
| Amounts payable within year and long-term liabilities | 30202000 | 23289000 | 36832386 | 29377278 |
| ACCRUED CHARGES AND DEFERRED INCOME | 0 | 0 | 150200 | 114976 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 57704000 | 61840000 | 79288853 | 84867362 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|-----------|-----------|-----------|-----------|
| SALES AND SERVICES | 145062000 | 171268000 | 174008996 | 149442709 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 130995000 | 149628000 | 149906833 | 131436259 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 1777000 | 5320000 | 9298685 | 2720232 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|--------------|--------------|--------------|--------------|
| PRICE (LTL) | | | | |
| First | 6.00 | 18.00 | 21.60 | 37.00 |
| Max | 18.71(12 30) | 24.25(01 21) | 40.11(09 01) | 37.00(01 19) |
| Min | 5.95(01 13) | 18.00(10 20) | 21.50(01 08) | 22.50(05 26) |
| Last | 18.00 | 21.60 | 37.00 | 24.70 |
| Change (%) | 200.00 | 20.00 | 71.30 | -33.24 |
| Number of transactions (CM) | 1904 | 1253 | 1807 | 280 |
| Turnover CM (units) | 642595 | 150358 | 178628 | 20778 |
| Turnover CM (LTL) | 7456379 | 3086067 | 5582657 | 665105 |
| Turnover BT (units) | 216921 | 464164 | 154135 | 27987 |
| Turnover BT (LTL) | 2691807 | 9246696 | 4840964 | 556026 |
| CM turnover as % in total | 74.76 | 24.47 | 53.68 | 42.61 |
| Total turnover (units) | 859516 | 614522 | 332763 | 48765 |
| Total turnover (LTL) | 10148186 | 12332764 | 10423621 | 1221131 |
| Turnover ratio (%) | 67.78 | 48.46 | 21.64 | 3.17 |
| As % in the total share turnover | 1.06 | 1.38 | 0.84 | 0.58 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|----------|---------|---------|---------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 0.93 | 1.43 | 1.04 | 1.27 |
| Quick ratio | 0.22 | 0.47 | 0.43 | 0.44 |
| Net working capital (LTL thou) | -2038000 | 9992000 | 1425308 | 8092570 |
| Net working capital to total assets | -0.04 | 0.16 | 0.02 | 0.10 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.01 | 0.03 | 0.05 | 0.02 |
| Return on assets (%) | 0.03 | 0.09 | 0.12 | 0.03 |
| Return on equity (%) | 0.07 | 0.18 | 0.23 | 0.06 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.57 | 0.51 | 0.49 | 0.42 |
| Debt / equity ratio | 1.30 | 1.04 | 0.94 | 0.74 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 5.21 | 6.80 | 6.66 | 5.55 |
| Receivables turnover | 15.84 | 26.83 | 17.54 | 12.44 |
| Net working capital turnover | -71.18 | 17.14 | 122.09 | 18.47 |
| Long-term assets turnover | 4.91 | 6.00 | 4.26 | 3.16 |
| Total assets turnover | 2.51 | 2.77 | 2.19 | 1.76 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|-------|-------|--------|--------|
| Capitalisation (LTL thou) | 7608 | 22824 | 27389 | 56,907 |
| Share book value (LTL) | 22.02 | 23.95 | 32.18 | 31.40 |
| Price / book value ratio (P/BV) | 0.27 | 0.75 | 0.67 | 1.18 |
| Earnings per share (LTL) | 0.49 | 4.20 | 7.33 | 1.91 |
| Price / earnings ratio (P/E) | 12.18 | 4.29 | 2.95 | 19.39 |
| Dividend per share (LTL) | - | 0.50 | 0.7099 | 0.36 |
| Dividend yield | - | 0.03 | 0.03 | 0.01 |
| Dividend payout ratio | - | 0.12 | 0.10 | 0.19 |

ELECTRONIC TV AND RADIO COMPONENTS

| | |
|----------------------------|---------------------------------|
| Address: | Savanorių pr. 176, 2600 Vilnius |
| Phone: | (370-2) 392500 |
| Fax: | (370-2) 392555 |
| E-mail: | vingis@vingis.lt |
| | www.vingis.lt |
| Registration date: | 25.02.1994 |
| Registration code: | 2259783 |
| Established: | 1959 |
| Privatised: | 1994 |
| Number of employees: | 1867 |
| Authorised capital: | LTL 45.6m |
| Capitalisation (30.06.00): | LTL 17.3m |
| Auditor: | PriceWaterhouse Coopers |
| Trading List: | Current |

Supervisory Board (no participation in the company):

Aurimas Maždzierius Chairman,

Aidas Galubickas, Eimutis Žvybas

Management Board (participation in the company):

Vaclovas Šleinota, Chairman (0.37%),

Vladislovas Cybas (0.24%), Rimvydas Savickas (0.24%),

Valdas Petrauskas (0.0001%), Jonas Mažuolis (0.08%), Darius Ožiušas (0.005%)

Managing Director (participation in the company): Vaclovas Šleinota (0.37%)

Contact Person: Stasys Čepė, Assistant of Director General, tel. (370-2) 392950

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 1989 |
| Talinvest Suprema Securities (Estonia) | 29.17% |
| State Property Fund | 23.34% |

CORPORATE HISTORY

The company's legal predecessor, a state plant Vingis, was founded in 1959. During the same year, the first batch of deflection yokes for black-and-white 35 cm screen TV sets and flyback transformers was produced. In 1968, the company started to produce deflection yokes and flyback transformers for coloured TV sets, and in 1971 - for the medical-purpose equipment monitors, and in 1976 - for picture tubes with the in-line optics.

Public company VILNIAUS VINGIS was established through public privatisation of the state enterprise in 1994. In 1994, the authorised capital amounted to LTL 5 million. At the end of 1994, the share capital reached LTL 14.6m due to revaluation of assets. In 1996 the capital was increased to LTL 31.8 million. In 1997 the company issued 276,400 ordinary shares at LTL 5 par and drew LTL 16m in cash contributions. On 6 June 1997, the company's share capital made up LTL 45.6 million.

BUSINESS ACTIVITY

For over 30 years, the company has been engaged in manufacture of deflection yokes (80%), flyback transformers for TV sets and monitors, video controlling apparatuses (18%), equipment for magnetic convergence, air heaters, ventilators as well as domestic electrical appliances and other equipment.

Purchase of RCA (USA) and SANYO (Japan) licences, as well as up-to-date know-how and equipment used for manufacture of deflection yokes and flyback transformers enabled the company to implement modern quality control and management systems. In 1997 the company was granted a quality certificate ISO 9001 by German company TUV-CERT. From then on, all new products are certified according to VDE, BSI, and UI systems.

36% of the company's production is sold in Lithuania, 40% - in Germany, 12% - in England, 10.27% - in the CIS countries, 2.66% - in Turkey, 0.07% - in Spain, 0.16% - in other countries.

Enterprises from Lithuania, Germany, Korea, and from other countries are among suppliers of the company.

DEVELOPMENTS IN 1999

In 1999 sales volumes of VILNIAUS VINGIS advanced by 31% and amounted to LTL 81.2m (LTL 62m in 1998). Only a dynamic increase of sales of the products in the Western market (36% in 1997, 54% in 1998, 60% in 1999) allowed the company to boost a general sales' level in comparison with 1998 and project growth in 2000. Such a significant augmentation in the sales resulted from the collaboration with the new customer - Philips Components in England (12% of all sales) and from the doubly increased sales to Samsung EB GmbH picture tubes plant in Germany (40% of all sales). AB Ekranas also influenced the positive results of the company. AB Ekranas doubled its orders to the company and intends to increase them in 2000.

In 1999 total profit of VILNIAUS VINGIS augmented by 72% as compared with 1998 and equalled LTL 14.1m. Net profit of 1999 constituted LTL 4.7m.

Last year the company's capital investment into business development totalled LTL 5.5m.

In order to expand its customers' network, in 1999 VILNIAUS VINGIS designed and sent a trial batch of deflection yokes for 14" picture tubes for Philips plant in Barcelona. The company started to design deflection yokes for Chunghwa (England) and Thomson (Poland). The company designed and started to implement automated horizontal coil winding equipment EVA-3 of a new generation as well as began a serial production of devise Vingelis-1 for automatic adjustment of deflection yokes. Both devices were demonstrated and positively evaluated in the international exhibition in Hanover (Germany). The device Vingelis-1 was recognised the best Lithuanian product of 1999 and was awarded a medal and a diploma from the Confederation of Industrialists.

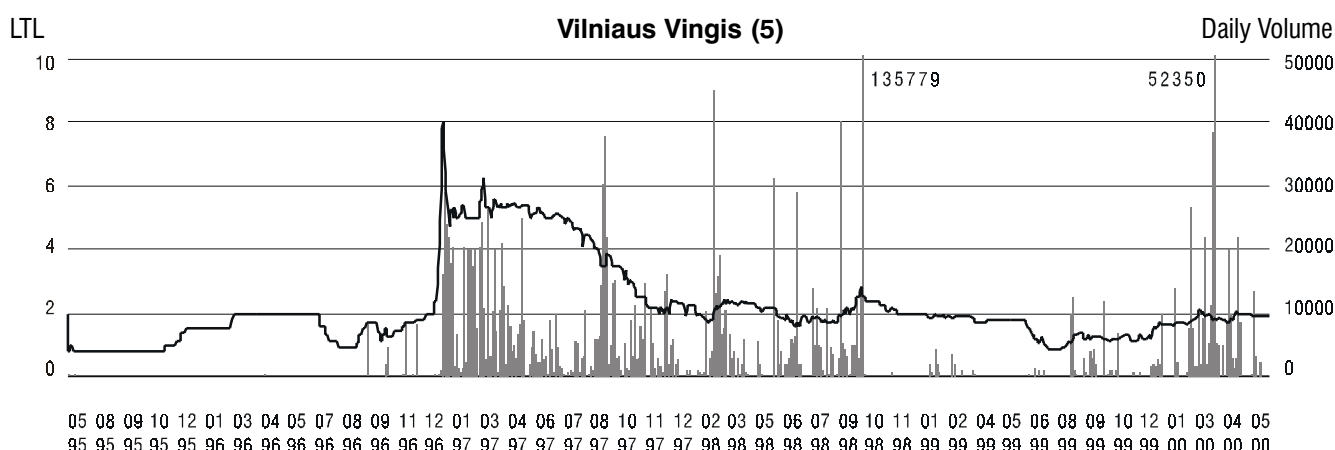
In 1999 the company improved its quality system, introduced in 1997, according to ISO-9001 standards.

PLANS, PROSPECTS FOR 2000

The company's main objectives for the year 2000 are the following: to sell production for LTL 95m, i.e. by 19% more than in 1999; to receive profit of LTL 18m, i.e. by 28.6% more than in 1999; to invest over LTL 3m into modernisation of the production and creation of the new products. In 2000 VILNIAUS VINGIS intends to receive net profit of LTL 5.9m. In the nearest future the company plans to expand its sales in the European market (England, Poland, Czech Republic, and Romania) as well as enter into a segment of magnificent TV screens. It is planned to design and start production of deflection yokes for the flat screen 110° 29" picture tubes. The company intends to prepare new production lines for production of up to 1m units of deflection yokes per year for Thomson (Poland) deflection yokes company's 20" picture tubes as well as up to 720thou units per year for Chunghwa (England) company's 14" picture tubes.

Structure OF SHARE CAPITAL

| | |
|------------------|---|
| Share capital: | LTL 45,615,525 |
| Ordinary shares: | 9123105 registered shares at LTL 5 par (security code 10367) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 26.04.94) |



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|----------|----------|----------|----------|
| LONG TERM ASSETS | 27998888 | 32972791 | 32535079 | 35841222 |
| SHORT TERM ASSETS | 17299217 | 27100778 | 29123479 | 33033053 |
| Stock | 11218193 | 15207226 | 15700720 | 11980921 |
| Amounts receivable within one year | 4478604 | 6992652 | 7873863 | 16096945 |
| TRANSFER ACCOUNTS | 125177 | 1336809 | 1352899 | 726514 |
| TOTAL ASSETS | 45423282 | 61410378 | 63011457 | 69600789 |
| CAPITAL AND RESERVES | 36215128 | 52259779 | 55259789 | 58903619 |
| Capital | 31795525 | 45615525 | 45615525 | 45615525 |
| Subscribed capital | 31795525 | 45615525 | 45615525 | 45615525 |
| Share premium account | 0 | 2211200 | 2211200 | 2211200 |
| Revaluation reserve | 275 | 275 | 275 | 275 |
| Reserves | 3714119 | 4419328 | 7432789 | 11076619 |
| Profit (loss) brought forward | 705209 | 13451 | 0 | 0 |
| Amounts payable after one year and long-term liabilities | 0 | 0 | 0 | 422730 |
| Amounts payable within year and long-term liabilities | 8856315 | 8864095 | 7526163 | 10109394 |
| ACCRUED CHARGES AND DEFERRED INCOME | 30186 | 30186 | 30186 | 30493 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 45423282 | 61410378 | 63011457 | 69600789 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|----------|----------|----------|----------|
| SALES AND SERVICES | 47073637 | 62155054 | 62093922 | 81225034 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 40830187 | 55757771 | 53895936 | 67095787 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 4418704 | 13451 | 3000010 | 5114203 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|-------------|-------------|-------------|-------------|
| PRICE (LTL) | | | | |
| First | 2.00 | 2.20 | 2.00 | 1.30 |
| Max | 8.00(01 22) | 2.82(10 19) | 2.00(02 09) | 2.13(03 20) |
| Min | 2.00(12 30) | 1.55(07 14) | 0.88(08 19) | 1.20(01 05) |
| Last | 2.20 | 2.00 | 1.30 | 1.90 |
| Change (%) | 10.00 | -9.09 | -35.00 | 46.15 |
| Number of transactions (CM) | 1704 | 741 | 195 | 341 |
| Turnover CM (units) | 1170338 | 660103 | 102185 | 425305 |
| Turnover CM (LTL) | 5477187 | 1452114 | 135951 | 774028 |
| Turnover BT (units) | 5416099 | 2387848 | 3580 | 230791 |
| Turnover BT (LTL) | 25055302 | 3569838 | 4960 | 353651 |
| CM turnover as % in total | 17.77 | 21.66 | 96.62 | 64.82 |
| Total turnover (units) | 6586437 | 3047951 | 105765 | 656096 |
| Total turnover (LTL) | 30532488 | 5021951 | 140911 | 1127680 |
| Turnover ratio (%) | 72.20 | 33.41 | 1.16 | 7.19 |
| As % in the total share turnover | 3.18 | 0.56 | 0.01 | 0.54 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|---------|----------|----------|----------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 1.96 | 3.20 | 4.03 | 3.33 |
| Quick ratio | 0.70 | 1.49 | 1.96 | 2.15 |
| Net working capital (LTL thou) | 8537893 | 19543306 | 22920029 | 23619680 |
| Net working capital to total assets | 0.19 | 0.32 | 0.36 | 0.34 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.09 | 0.00 | 0.05 | 0.06 |
| Return on assets (%) | 0.10 | 0.00 | 0.05 | 0.07 |
| Return on equity (%) | 0.12 | 0.00 | 0.05 | 0.09 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.20 | 0.15 | 0.12 | 0.15 |
| Debt / equity ratio | 0.25 | 0.18 | 0.14 | 0.18 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 3.71 | 4.22 | 3.49 | 4.85 |
| Receivables turnover | 12.22 | 10.84 | 8.35 | 6.78 |
| Net working capital turnover | 5.51 | 3.18 | 2.71 | 3.44 |
| Long-term assets turnover | 1.68 | 1.89 | 1.91 | 2.27 |
| Total assets turnover | 1.04 | 1.01 | 0.99 | 1.17 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|-------|-------|-------|--------|
| Capitalisation (LTL thou) | 12718 | 20071 | 18246 | 11,860 |
| Share book value (LTL) | 5.70 | 5.73 | 6.06 | 5.59 |
| Price / book value ratio (P/BV) | 0.35 | 0.38 | 0.33 | 0.23 |
| Earnings per share (LTL) | 0.69 | 0.002 | 0.33 | 0.52 |
| Price / earnings ratio (P/E) | 2.88 | - | 6.08 | 2.52 |
| Dividend per share (LTL) | - | - | - | 0.10 |
| Dividend yield | - | - | - | 0.08 |
| Dividend payout ratio | - | - | - | 0.19 |

ELECTRICITY AND THERMAL ENERGY SUPPLY

| | |
|----------|----------------------------------|
| Address: | Raudondvario pl. 84, 3021 Kaunas |
| Phone: | (370-27) 361459 |
| Fax: | (370-27) 361491 |
| E-mail: | kauno.energija@kst.balt.net |

| | |
|--------------------|------------|
| Registration date: | 22.08.1997 |
| Registration code: | 3501483 |
| Established: | 1997 |

| | |
|----------------------------|-------------|
| Number of employees: | 2292 |
| Authorised capital: | LTL 198.98m |
| Capitalisation (30.06.00): | LTL 70.8m |

| | |
|---------------|------------------------|
| Auditor: | PricewaterhouseCoopers |
| Trading List: | Current |

Supervisory Board (no participation in the company):

Kęstutis Mikėnas, Chairman, Karolis Bruderis, Anicetas Ignatas, Gintaras Palaima, Pranas Paškevičius, Rimantas Ruzas, Kazimieras Starkevičius

Management Board (participation in the company):

Alfредas Sabaliauskas, Chairman, (0.08%), Rymantas Juozaitis (0.25%), Arvydas Augonis, Rimantas Bakas, Gediminas Budnikas, Vidas Kazlauskas, Romualdas Škėma

Managing Director (participation in the company): Rymantas Juozaitis (0.25%)

Contact Person: Ingrida Krištaponytė, Advisor to the Director General, tel. (370-27) 260285

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 427 |
| Kaunas Municipality | 85.21% |
| Kaunas Region Municipality | 8.07% |

CORPORATE HISTORY

KAUNO ENERGIJA emerged after the reorganisation of a special purpose public company (SPAB) Lietuvos Energija in 1997 when independent branches of the company, Kauno Šilumos Tinklai (thermal network) and Kauno Elektrinė (electric power plant), merged forming SPAB KAUNO ENERGIJA. In 1998, the company was reorganised again and merged with SPAB Kauno Energetika. The authorised capital of KAUNO ENERGIJA was deepened from LTL 191m to LTL 198.98m.

BUSINESS ACTIVITY, DEVELOPMENTS IN 1999

KAUNO ENERGIJA produces and sells to consumers electricity and thermal energy, supplies heating and hot water. Electricity is produced at the branch Kaunas Elektrinė (electric power plant). Besides, 18 district boiler houses belong to the company. KAUNO ENERGIJA exploits more than 475.3 km of thermal system, controls 737.7 km of thermofication waters, 37.7 km of steam and 71.8 km of hot water-supply systems. More than 4660 heating junctions and over 7680 subscribers are connected to the company's thermal supply systems. KAUNO ENERGIJA sells energy to more than 128thou of users.

In 1999, the company produced 420.9 MWh (cf. 236 MWh in 1998, 197.2 MWh in 1997) of electricity, 321.9 MWh were consumed (cf. 141 MWh in 1998, 114.4 MWh in 1997). Last year the company produced 2318thou Gcal of thermal energy (cf. 2305thou Gcal in 1998, 2471thou Gcal in 1997) and sold 1624thou Gcal (cf. 1523thou Gcal in 1998, 1624thou Gcal in 1997). In 1999, KAUNO ENERGIJA heated and realised 3631thou m3 of hot water (cf. 4057thou m3 in 1998, 4897thou m3 in 1997).

Sales and services of the company accounted for LTL 190.4m in 1999 (LTL 201m in 1998). KAUNO ENERGIJA suffered a loss of LTL 57m (LTL 1.38m of net profit in 1998). The production and realisation of thermal energy produced a loss of LTL 43.9m, the profit of LTL 4.8m was from the electricity sale.

The centralised realisation of electricity is carried out through AB Lietuvos Energija. KAUNO ENERGIJA sells thermal energy and hot water to residents of Kaunas zone and to other consumers. The residents consume over 60% of the thermal energy.

PLANS, PROSPECTS FOR 2000

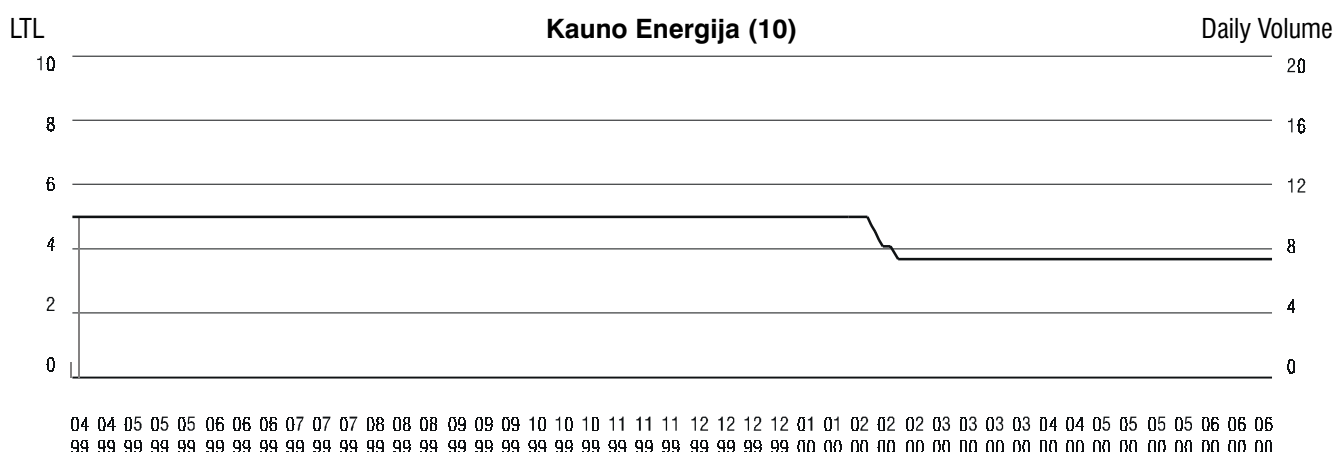
Aiming to improve the financial situation, the management of the company will implement the policy of strict control and reduction over expenses, improve the production and distribution of energy, expand the users' field of service.

At the extraordinary shareholders' meeting of 28 June 2000 a decision concerning the decrease of the authorised capital was passed. The authorised capital will be reduced by reducing the par value of shares to LTL 6.

It is planned to lease the company to a foreign enterprise.

Structure OF SHARE CAPITAL

| | |
|------------------|---|
| Share capital: | LTL 198,980,190 |
| Ordinary shares: | 19148019 registered shares at LTL 10 par (security code 12301) accounting for 96.23% of the auth. capital (admitted to trading at the NSEL on 01.06.98) |
| | 750000 registered shares at LTL 10 par (security code 12403) accounting for 3.77% of the auth. capital (not admitted to trading at the NSEL) |



| BALANCE SHEET (LTL) | 1997 | 1998 | 1999 | FINANCIAL RATIOS | 1997 | 1998 | 1999 |
|--|-------------|----------------|-------------|-------------------------------------|-------------|-------------|-------------|
| LONG TERM ASSETS | 215564999 | 268711689 | 265559377 | LIQUIDITY RATIOS | | | |
| SHORT TERM ASSETS | 128368680 | 136002995 | 117357661 | Current ratio | 1.62 | 1.20 | 0.70 |
| Stock | 38205642 | 30803396 | 20623900 | Quick ratio | 1.14 | 0.96 | 0.58 |
| Amounts receivable within one year | 85448578 | 103616581 | 93956790 | Net working capital (LTL thou) | 49252921 | 25515683 | -50499361 |
| TRANSFER ACCOUNTS | 223605 | 16644029 | 1945587 | Net working capital to total assets | 0.14 | 0.06 | -0.13 |
| TOTAL ASSETS | 344157284 | 421358713 | 384862625 | PROFITABILITY RATIOS | | | |
| CAPITAL AND RESERVES | 181600919 | 190153389 | 133161584 | Profit margin (%) | -0.11 | 0.01 | -0.30 |
| Capital | 191480190 | 198980190 | 198980190 | Return on assets (%) | -0.03 | 0.00 | -0.15 |
| Subscribed capital | 191480190 | 198980190 | 198980190 | Return on equity (%) | -0.05 | 0.01 | -0.43 |
| Share premium account | 0 | 0 | 0 | FINANCIAL LEVERAGE RATIOS | | | |
| Revaluation reserve | 0 | 0 | 0 | Total debt ratio | 0.47 | 0.55 | 0.65 |
| Reserves | 0 | 39099 | 39099 | Debt / equity ratio | 0.89 | 1.22 | 1.89 |
| Profit (loss) brought forward | -9879271 | -8865900 | -65857705 | ASSETS UTILISATION RATIOS | | | |
| Amounts payable after one year and long-term liabilities | 82354350 | 104073983 | 81898432 | Inventory turnover | 2.32 | 5.74 | 8.32 |
| Amounts payable within year and long-term liabilities | 72981011 | 123600025 | 158303486 | Receivables turnover | 1.28 | 2.13 | 1.93 |
| ACCRUED CHARGES AND DEFERRED INCOME | 6886781 | 3531316 | 11499123 | Net working capital turnover | 1.74 | 7.88 | -3.77 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 344157284 | 421358713 | 384862625 | Long-term assets turnover | 0.40 | 0.75 | 0.72 |
| | | | | Total assets turnover | 0.25 | 0.48 | 0.49 |
| PROFIT (LOSS) ACCOUNT (LTL) | 1997 | 1998 | 1999 | MARKET VALUE RATIOS | 1997 | 1998 | 1999 |
| SALES AND SERVICES | 85857158 | 201033436 | 190423314 | Capitalisation (LTL thou) | - | - | 95,740 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 98772355 | 198101567 | 214020224 | Share book value (LTL) | 9.51 | 9.56 | 7.45 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | -9418359 | 1382989 | -56991805 | Price / book value ratio (P/BV) | - | - | 0.67 |
| | | | | Earnings per share (LTL) | -0.49 | 0.07 | -2.10 |
| | | | | Price / earnings ratio (P/E) | - | - | - |
| | | | | Dividend per share (LTL) | - | - | - |
| | | | | Dividend yield | - | - | - |
| | | | | Dividend payout ratio | - | - | - |
| TRADING STATISTICS | 1999 | 1Q 2000 | | | | | |
| PRICE (LTL) | | | | | | | |
| First | 5.00 | 5.00 | | | | | |
| Max | 5.00(12 30) | 4.75(02 04) | | | | | |
| Min | 5.00(12 30) | 3.70(04 27) | | | | | |
| Last | 5.00 | 3.70 | | | | | |
| Change (%) | - | -26.00 | | | | | |
| Number of transactions (CM) | 4 | 0 | | | | | |
| Turnover CM (units) | 11 | 0 | | | | | |
| Turnover CM (LTL) | 55 | 0 | | | | | |
| Turnover BT (units) | 0 | 105616 | | | | | |
| Turnover BT (LTL) | 0 | 369656 | | | | | |
| CM turnover as % in total | 100.00 | 0.00 | | | | | |
| Total turnover (units) | 11 | 105616 | | | | | |
| Total turnover (LTL) | 55 | 369656 | | | | | |
| Turnover ratio (%) | 0 | 0.55 | | | | | |
| As % in the total share turnover | 0 | 0.18 | | | | | |

IMPORT, DISTRIBUTION AND SUPPLY OF NATURAL GAS

| | |
|----------|----------------------------|
| Address: | Aguonų g. 24, 2600 Vilnius |
| Phone: | (370-2) 360210 |
| Fax: | (370-2) 360200 |
| E-mail: | ld@lietuvosdujos.lt |

| | |
|----------------------------|------------|
| Registration date: | 01.08.1995 |
| Registration code: | 2005952 |
| Established: | 1961 |
| Privatised: | 1995 |
| Number of employees: | 3681 |
| Authorised capital: | LTL 392.4m |
| Capitalisation (30.06.00): | LTL 324.1m |

| | |
|---------------|------------------------|
| Auditor: | PricewaterhouseCoopers |
| Trading List: | Current |

Supervisory Board (no participation in the company):

Gediminas Miškinis, Chairman,
Genovaitė Kraujelienė, Robertas Martinkus, Vladas Gagilas, Henrika Štenger

Management Board (no participation in the company):

Virgilijus Poderys, Chairman,
Juozas Bivainis, Petras Povilas Čėsna, Raimundas Jurevičius,
Juozapas Audvydas Staškevičius

Managing Director (no participation in the company): Vytautas Mikaila

Contact Person: Rimas Masauskas,
Head of Public Relations and International Affairs Dept., tel. (370-2) 360219

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 2867 |
| State (Ministry of Economy) | 92.35% |

CORPORATE HISTORY

The state company LIETUVOS DUJOS was established by joining 8 gasifying houses in 1989. A year later LIETUVOS DUJOS was divided into self-dependent regional state gas companies that were incorporated in 1993. On 1 August 1995, the state company was reorganised into a public limited company LIETUVOS DUJOS.

Natural gas was first used by the Lithuanians in 1961, after a pipeline connecting Ukraine with Lithuania was constructed. Since 1962 until 1992 LIETUVOS DUJOS was the only supplier of natural gas in the country. In 1993 AB Achema, AB Lietuvos Energija and other companies appeared on the natural gas market, taking 16.7% of the market from LIETUVOS DUJOS, however they paid commission fees for transportation services. Today competitors of LIETUVOS DUJOS hold 39% of the market.

The investment project of gas network development in Lithuania was launched in 1996, the project was included into the State investment programme for 1996-1998. The total value of the project constituted LTL 242m. The project was carried out for three years. The financing of the project came from the Kuwait Fund, the European Investment Bank, loans granted by the Government of Denmark, the PHARE guarantee, the Lithuanian State budget, and loans taken on behalf of the State. In 1998, the 2nd main 47-kilometre gas pipeline Panevėžys-Šiauliai was constructed, a new main gas pipeline to Utena was also built, the town of Utena was gasified, distribution networks in Vilnius, Vilkaviškis, and Alytus were expanded.

In April 1997, the general shareholders' meeting resolved to raise authorised capital to LTL 338.74m out of additional contributions. The new issue was sold exclusively to the state and paid up in kind. Later the capital was increased several times and ultimately reached LTL 372.1 million. Two issues were acquired by the state, while one issue was placed among company's shareholders in proportion to their holdings. At the end of 1998, LIETUVOS DUJOS increased the authorised capital by additional pecuniary contributions and contributions in kind to LTL 421.9m by additionally issuing 49,847,056 ORS at LTL 1 par.

The extraordinary shareholders' meeting held in February 1999 decided to reduce the authorised capital of the company by LTL 29.48m by cancelling the state owned block of 29,483,521 shares, at LTL 1 par. At present, the authorised capital of LIETUVOS DUJOS amounts to LTL 392.4 million.

BUSINESS ACTIVITY

The company's principal activities include import, distribution, and supply of natural gas. In addition, LIETUVOS DUJOS trades in liquefied petroleum gas, designs and constructs gas supply systems, and manufactures machinery for the gas industry.

Lithuanian gas supply system consists of a 7900kW reversified compressory in Panevėžys, 1.45thou km of transmission gas pipelines and 51 gas distribution stations. The projected capacity of the gas main comes to 8bn m3 per year. This amount could satisfy the needs of the domestic market by 70%.

LIETUVOS DUJOS is the main gas importer in Lithuania and it manages 60% of the natural gas distribution. It is the only company that runs the gas main and thus enjoys a monopolist status in providing gas transport services. In addition, the company controls two thirds of the liquefied petroleum gas distribution network that encompasses 5 stations.

The company runs 10 branches: Magistraliniai Dujotiekiai (gas pipelines), Suskystintos Dujos (liquefied petroleum gas), Dujiniai Įrengimai (gas machinery), and 7 regional natural gas distribution firms based in the largest cities. The main suppliers of natural gas are Lithuanian-Russian joint venture Stella Vitae, Russian companies Gazprom and Iteralit, delivering 43%, 30%, and 21.5%, respectively, of total gas purchased by LIETUVOS DUJOS. 55% of liquefied petroleum gas is supplied by AB Mžeikių Nafta, 19.6% - by Mylena Import-Eksport S.A.

DEVELOPMENTS IN 1999

In 1999, 1.1bn m3 of natural gas (by 8% less than in 1998 and by 23% less than in 1997) were sold to Lithuanian consumers. The biggest part (56%) was sold to the energy sector (AB Lietuvos Energija), 14.7% - to manufacturing companies, 13.4% - to residents. In the course of the two preceding years, prices of oil and heavy fuel oil were very low on the world market, therefore, the majority of customers who had alternative for natural gas used heavy fuel oil, which caused the decrease in sales volumes of the company.

Last year the company transported 1588.2m m3 of natural gas, and sold 58.6thou tons of liquefied gas. The company realises liquefied gas through its branch Suskystintos Dujos, the wholesale trading constitutes 44% of sales, 30.1% of gas are sold to transport sector, and residents account for 22.9%.

LIETUVOS DUJOS' sales and services accounted for LTL 558.8 million (cf., LTL 589m in 1998). In 1999 the company encountered a net loss of LTL 13.5m. The loss resulted mainly from the increase of the company's exploitation costs as well as from the general decline in the country's economy and its direct impact on the decrease of realisation of natural gas.

PLANS, PROSPECTS FOR 2000

Having established new prices for users of natural gas since 1 January 2000, LIETUVOS DUJOS expects to work profitably this year. However, taking into account results of previous years, the consolidated balance of economic and financial activity in 2000 will be negative.

On 31 May 2000, the Government approved that the company shall distribute the issue of international debt securities (non-convertible bonds) with the maturity of 3 years up to EURO 50m and short-term debt securities (non-convertible bonds) with the maturity up to one year up to LTL 50m.

On 7 February 2000, LIETUVOS DUJOS issued a bond issue of USD 15m par value. The issue was sold to Depfa Investment Bank Ltd. Investors can require to redeem the bonds prior to their maturity if the state's stake in the company diminishes by more than two thirds (66.67%).

In 2000 it is planned to privatise LIETUVOS DUJOS. No less than 34% of the total share block will be sold to a strategic investor. A certain part of the share block might be sold to other investors as well. The state intends to keep 34% - 51% of the company's shares.

In the middle of 2000 LIETUVOS DUJOS, together with the Danish company Dong, intends to launch a two-year project of the Twinning programme AB LIETUVOS DUJOS Restructuring. The aim of this project is to provide support for company reorganisation in order to enable LIETUVOS DUJOS to fully apply the activity procedures established by the EU.

| SUBSIDIARIES | Date of establishment | Authorised capital (LTL) | Participating interest |
|--------------------------------------|-----------------------|--------------------------|------------------------|
| UAB Palangos Perlas (hotel services) | 1997 | 10.34m | 100% |

BRANCH OFFICES (The company has 10 branches)

Magistraliniai Dujotiekiai is engaged in transporting natural gas via transmission lines to the distribution stations

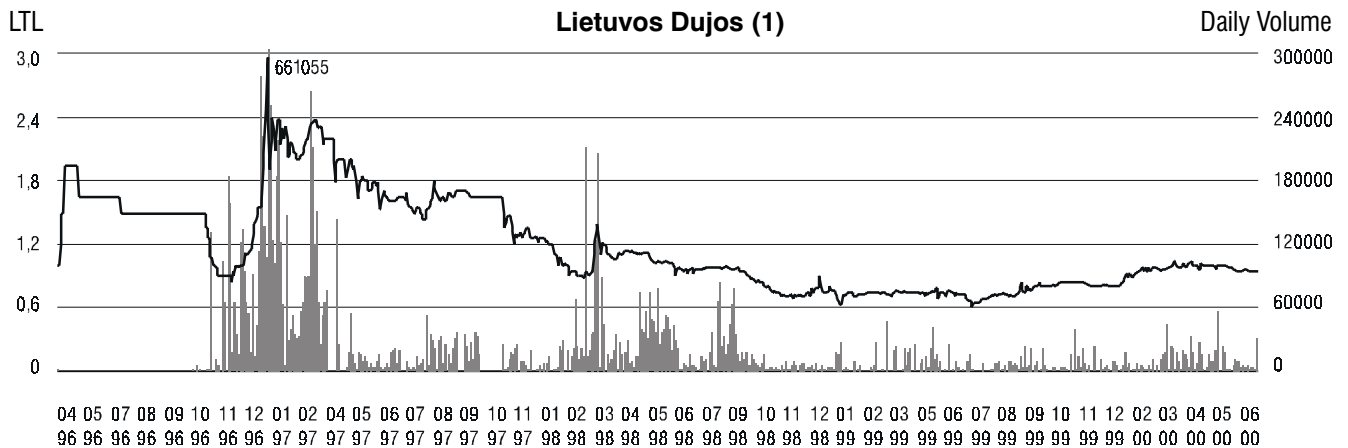
Seven regional natural gas distribution branches based in the largest Lithuanian cities (Vilnius, Kaunas, Klaipėda, Šiauliai, Panevėžys, Alytus, and Ukmergė)

Suskystintos Dujos is involved in wholesale and retail trade in liquefied petroleum gas
Dujiniai Įrengimai produces various appliances and components for the gas sector

LITHUANIAN COMPANIES

ELECTRICITY AND GAS SUPPLY

NATIONAL STOCK EXCHANGE OF LITHUANIA



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 | FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|--|-------------|-------------|-------------|----------------|-------------------------------------|---|-------------|-------------|-------------|
| LONG TERM ASSETS | 437805124 | 531590563 | 660842657 | 659558256 | LIQUIDITY RATIOS | | | | |
| SHORT TERM ASSETS | 209720006 | 201719028 | 191324648 | 179599312 | Current ratio | 1.74 | 1.82 | 0.78 | 0.82 |
| Stock | 41703748 | 53317466 | 26929209 | 28972051 | Quick ratio | 1.40 | 1.35 | 0.67 | 0.69 |
| Amounts receivable within one year | 152925815 | 74425515 | 146857196 | 130828806 | Net working capital (LTL thou) | 89510918 | 92496591 | -54560811 | -41425429 |
| TRANSFER ACCOUNTS | 293210 | 3942746 | 3163246 | 3544089 | Net working capital to total assets | 0.14 | 0.13 | -0.06 | -0.05 |
| TOTAL ASSETS | 647818340 | 737252337 | 855330551 | 842701657 | PROFITABILITY RATIOS | | | | |
| CAPITAL AND RESERVES | 374258206 | 376868986 | 326476849 | 362805604 | Profit margin (%) | 0.01 | 0.03 | -0.04 | -0.02 |
| Capital | 333783547 | 372098057 | 372098058 | 392441593 | Return on assets (%) | 0.01 | 0.02 | -0.02 | -0.02 |
| Subscribed capital | 333783547 | 372098057 | 372098058 | 392441593 | Return on equity (%) | 0.01 | 0.04 | -0.06 | -0.04 |
| Share premium account | 0 | 0 | -29483521 | 0 | FINANCIAL LEVERAGE RATIOS | | | | |
| Revaluation reserve | 0 | 1800 | 1800 | 0 | Total debt ratio | 0.42 | 0.49 | 0.62 | 0.57 |
| Reserves | 35372829 | 4742817 | 4742817 | 4742817 | Debt / equity ratio | 0.73 | 0.96 | 1.62 | 1.32 |
| Profit (loss) brought forward | 5101830 | 26311 | -20882305 | -34378806 | ASSETS UTILISATION RATIOS | | | | |
| Amounts payable after one year and long-term liabilities | 153057836 | 222868822 | 257587622 | 250002646 | Inventory turnover | 18.91 | 13.38 | 13.74 | 18.47 |
| Amounts payable within year and long-term liabilities | 120276001 | 113044641 | 244967914 | 214700938 | Receivables turnover | 4.91 | 5.94 | 5.33 | 4.02 |
| ACCRUED CHARGES AND DEFERRED INCOME | 226297 | 120542 | 4080791 | 9867892 | Net working capital turnover | 8.15 | 7.30 | -10.80 | -13.49 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 647818340 | 737252337 | 855330551 | 842701657 | Long-term assets turnover | 1.67 | 1.27 | 0.89 | 0.85 |
| | | | | | Total assets turnover | 1.13 | 0.92 | 0.69 | 0.66 |
| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 | MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
| SALES AND SERVICES | 729202028 | 675032423 | 589209727 | 558826297 | Capitalisation (LTL thou) | 433919 | 426456 | 259285 | 272,932 |
| COST OF GOODS SOLD | | | | | Share book value (LTL) | 1.12 | 1.01 | 0.88 | 0.92 |
| AND SERVICES RENDERED | 685860828 | 635565009 | 551239298 | 516340702 | Price / book value ratio (P/BV) | 1.16 | 1.23 | 0.87 | 0.87 |
| NET PROFIT OF THE CURRENT YEAR | | | | | Earnings per share (LTL) | 0.01 | 0.05 | -0.06 | -0.03 |
| FOR APPROPRIATION (LOSS) | 3926652 | 16843913 | -20908616 | -13496501 | Price / earnings ratio (P/E) | 110.51 | 27.59 | - | - |
| | | | | | Dividend per share (LTL) | - | - | - | - |
| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 | Dividend yield | - | - | - | - |
| PRICE (LTL) | | | | | Dividend payout ratio | - | - | - | - |
| First | 1.30 | 1.25 | 0.76 | 0.80 | Structure OF SHARE CAPITAL | | | | |
| Max | 2.96(01 17) | 1.40(03 16) | 0.85(11 19) | 1.03(04 07) | Share capital: | LTL 392,441,593 | | | |
| Min | 1.20(11 25) | 0.68(11 16) | 0.61(07 02) | 0.80(01 07) | Ordinary shares: | 341165051 registered shares at LTL 1 par (security code 11622) accounting for 86.93% of the auth. capital (admitted to trading at the NSEL on 22.04.96) | | | |
| Last | 1.25 | 0.76 | 0.80 | 0.95 | | 51276542 registered shares at LTL 1 par (security code 12316) accounting for 13.07% of the auth. capital (not admitted to trading at the NSEL) | | | |
| Change (%) | -3.85 | -39.20 | 5.26 | 18.75 | | | | | |
| Number of transactions (CM) | 2605 | 2455 | 819 | 610 | | | | | |
| Turnover CM (units) | 7697690 | 4074136 | 1067513 | 809530 | | | | | |
| Turnover CM (LTL) | 15816517 | 4201915 | 808645 | 789686 | | | | | |
| Turnover BT (units) | 4234239 | 5109661 | 1263466 | 25866 | | | | | |
| Turnover BT (LTL) | 7545269 | 4991889 | 964423 | 23924 | | | | | |
| CM turnover as % in total | 64.51 | 44.36 | 45.80 | 96.90 | | | | | |
| Total turnover (units) | 11931929 | 9183797 | 2330979 | 835396 | | | | | |
| Total turnover (LTL) | 23361786 | 9193805 | 1773068 | 813610 | | | | | |
| Turnover ratio (%) | 3.50 | 2.69 | 0.68 | 0.24 | | | | | |
| As % in the total share turnover | 2.44 | 1.03 | 0.14 | 0.39 | | | | | |

ELECTRICITY

| | |
|----------|---------------------------|
| Address: | Žvejų g. 14, 2600 Vilnius |
| Phone: | (370-2) 782406 |
| Fax: | (370-2) 226736 |

| | |
|----------------------------|-------------|
| Registration date: | 04.12.1995 |
| Registration code: | 2055155 |
| Established: | 1995 |
| Privatised: | 1991 |
| Number of employees: | 11325 |
| Authorised capital: | LTL 1844.7m |
| Capitalisation (30.06.00): | LTL 922.4m |

| | |
|---------------|-----------------|
| Auditor: | Arthur Andersen |
| Trading List: | Current |

Supervisory Board (no participation in the company):

Vytėnis Junevičius, Ramūnas Lygis, Faustas Juška, Rimantas Klionis, Erik Gunnar Lundberg

Management Board (no participation in the company):

Jurgis Vilemas (Chairman), Mikael Kramer, Rūta Skyrienė, Gintautas Bartkus, Arvydas Strumskis

Managing Director (no participation in the company):

Arūnas Keserauskas

Contact Person: Petras Apanavičius, Head of Information Dept., tel. (370-2) 782286

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Ministry of Economy | 86.25% |
| Municipalities | 0.06% |
| Vattenfall Ab Business Area Europe (Sweden) | 9.78% |

CORPORATE HISTORY

LIETUVOS ENERGIJA is a public limited liability company registered on 4 December 1995 as the successor of the former Energy and Electrification Board which was established in 1940 and subsequently reorganised into the Lithuanian State Power System in 1991. The Government owned 90.8% of the company and the remaining 9.2% were in the hands of the public, mainly employees.

On 8 April 1997, the Parliament passed the law providing for the separation of the company's district heating business from its electricity business and the transfer of ownership of the heating sector to the city and regional municipalities by 1 July 1997. The heating system, Vilnius and Kaunas thermoelectric power stations were separated from LIETUVOS ENERGIJA. After the reorganisation, the company's authorised capital decreased from LTL 2,849m to LTL 1,836m, while state interest diminished from 90.8% to 86.47 per cent. In 1998 LIETUVOS ENERGIJA authorised capital was increased by contributions in kind by LTL 329,510.

BUSINESS ACTIVITY

The company chiefly engages in manufacture and distribution of electricity and thermal energy.

LIETUVOS ENERGIJA is a vertically integrated company generating, transmitting, and supplying electricity that covers the whole territory of Lithuania. Major sources of energy are two thermal electric power stations (1994MW), utilising oil and natural gases, hydroelectric power station (100MW) and hydro-accumulation power station (800MW). In addition, the company runs 7 electricity distribution units and 8 branches providing auxiliary services. The Lithuanian power system is interconnected with the power systems in Latvia (4 lines), Belarus (5 lines), and Kaliningrad (Russia) region (3 lines) via high voltage lines. LIETUVOS ENERGIJA owns 47.6% of the private company Geoterma shares (the rest of them are held by the state). This company was entrusted with the construction of geothermal power plant in Klaipėda district for demonstration and with supply of thermal energy for Klaipėda.

LIETUVOS ENERGIJA realises electricity in Lithuania (68%) as well as abroad (exports to Latvia and Belarus). LIETUVOS ENERGIJA is the main supplier of electricity in Lithuania. It provides electricity to 1.33m customers. The company purchases almost all of the electricity produced by Ignalina Nuclear Power Station which operates as a separate state-owned entity. Almost half (49%) of the electricity is supplied to the industry consumers, 23.4% - to residents, 5.8% - to agriculture, and 21.8% - to other consumers.

306.1thou t of fuel oil (78% from AB Mažeikių Nafta, 19% from Belarus, 3% from Russia) were purchased in 1999. Fuel oil is delivered to Lithuania by railway. Fuel oil from AB Mažeikių Nafta to Mažeikių thermal electric power station is supplied by pipelines. Almost 25thou t of orimulsion were bought from the company Bitor Europe Ltd. in 1999 - the orimulsion was supplied to the Lietuvos Elektrinė (the thermal electric power station in Elektrėnai) in November. Natural gas is supplied from Russia. The company signed the gas purchase contract with the Lithuanian-Russian joint venture UAB Stella Vitae. The natural gas purchased in 1999 amounted to 111.6 million m³.

DEVELOPMENTS IN 1999

During 1999, 13520m kWh of electricity were produced in Lithuania, which constitutes 76.8% of the generation volume of 1998 when 17614m kWh of electricity were produced. At the power plants owned by LIETUVOS ENERGIJA, 2302m kWh of electric power were generated, which accounts for 17% of the electric power produced in Lithuania in total. Mainly the decreased export determined lower production volumes.

Last year at the thermoelectric power stations owned by LIETUVOS ENERGIJA 511thou Gcal of heat was produced, which is by 32% less than in 1998. Due to demurrages of AB Mažeikių Nafta the demand for technological steam decreased, thus, heat production at the Mažeikiai power plant declined as well.

Annual sales of the company in 1999 amounted to LTL 1.47 billion (LTL 1.8bn in 1998). Revenues from the exported electricity constituted LTL 272.2m of total income.

The company's net profit amounted to LTL 180m. Only a small share of profit was received from realisation of electricity and it amounted to LTL 22m (cf LTL 99m in 1998).

Despite large profit, in 1999 the company encountered serious problems when settling with creditors, suppliers, and contractors. This was determined by two major reasons: expired redemption terms of the previously obtained loans and debts of Belarus for the supplied electricity amounting to LTL 420m.

During 1999, the company redeemed LTL 368m of long-term and LTL 242m of short-term loans. At the end of 1999 LIETUVOS ENERGIJA had unpaid long term loans: USD 0.5m granted by ABN Amro Bank, USD 2.4m - by Unibank A/S (loans were granted with the state guarantee), USD 25m - by Merrill Lynch Int., CHF 1.2m by Zurcher Kantonbank, CHF 2.2m by Credit Suisse FB.

Last year the company's investment into construction, acquisition of long-term tangible assets, modernisation, and reconstruction amounted to LTL 258m.

On 17 February 1999, the LSC registered a voluntary incompetent tender offer of the Swedish company Vattenfall to buy up ORS of LIETUVOS ENERGIJA of LTL 10 par value (10% of the authorised capital) at LTL 5 per share. During the tender offer, 6105214 ORS (3.32% of the authorised capital) were bought up.

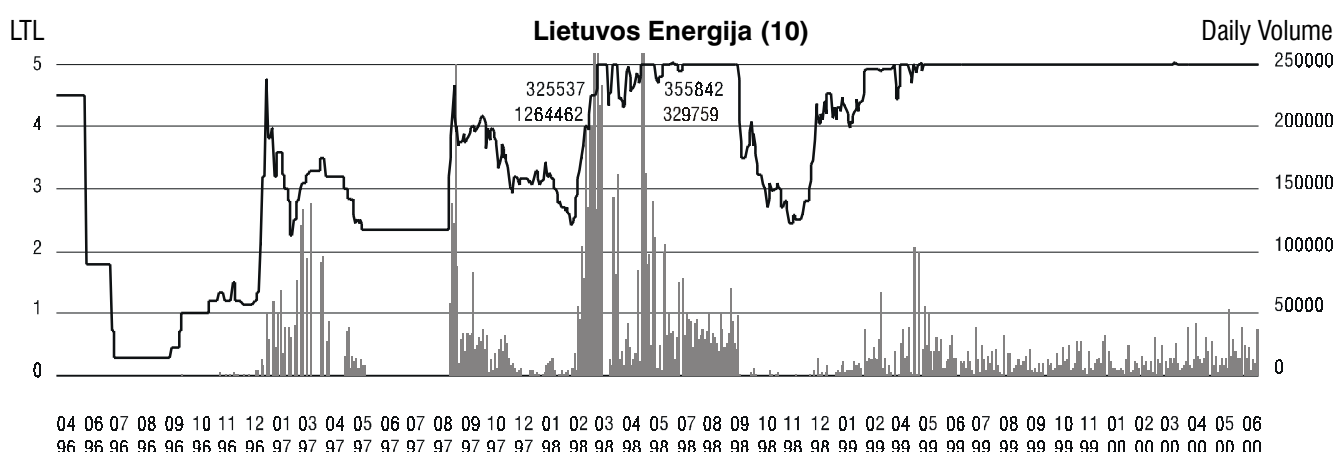
In April 2000, the company's authorised capital was increased by LTL 8.2m, to LTL 1844m out of supplementary property contributions in kind.

PLANS, PROSPECTS FOR 2000

In February 2000, the meeting of the company's shareholders decided to increase the authorised capital by LTL 11m by issuing 1,108,767 ORS at LTL 10 par value. In March those shares were registered with the LSC. At the moment, increase of the capital is still not registered in the company's Articles of Association.

One of the most important plans of LIETUVOS ENERGIJA is to link itself to Western and Central European energy system. To achieve that power supply line to Poland has to be built. This project requires large amounts of capital investment.

In the reorganisation project of LIETUVOS ENERGIJA presented by the Government, it is planned to divide the current monopolistic structure into 3 financially unbounded parts, namely, production, transmission, and distribution. In 2000 privatisation of the companies that are not related to the principal activities of the company will be almost finally completed.



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|------------|------------|------------|------------|
| LONG TERM ASSETS | 3033287780 | 1986501830 | 2150402111 | 2205868452 |
| SHORT TERM ASSETS | 1681678360 | 509045851 | 1066635942 | 731052676 |
| Stock | 289357768 | 187059397 | 161935843 | 151638311 |
| Amounts receivable within one year | 1343236076 | 244650217 | 876962697 | 469293218 |
| TRANSFER ACCOUNTS | 6633357 | 29798964 | 25604054 | 19957269 |
| TOTAL ASSETS | 4721599497 | 2525346645 | 3242642107 | 2956878397 |
| CAPITAL AND RESERVES | 2735033885 | 1620003866 | 1768288211 | 1890946462 |
| Capital | 2863481422 | 1836151050 | 1836480560 | 1844719100 |
| Subscribed capital | 2848626190 | 1836151050 | 1836480560 | 1844719100 |
| Share premium account | 2128 | 2128 | 2128 | 2128 |
| Revaluation reserve | 7 | 670127 | 1014488 | 0 |
| Reserves | 3393489 | 0 | 0 | 46225234 |
| Profit (loss) brought forward | -131843161 | -216819439 | -69208965 | 0 |
| Amounts payable after one year and long-term liabilities | 715046204 | 580572515 | 176601621 | 81141451 |
| Amounts payable within year and long-term liabilities | 1249366803 | 315027830 | 968793185 | 979253103 |
| ACCRUED CHARGES AND DEFERRED INCOME | 22059160 | 8835964 | 6868151 | 4288215 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 4721599497 | 2525346645 | 3242642107 | 2956878397 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|------------|------------|------------|------------|
| SALES AND SERVICES | 2439499865 | 2052399812 | 1807007386 | 1468362109 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 2569926539 | 1960458320 | 1459304852 | 1267178711 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 261638403 | -79199349 | 153467706 | 180238305 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|-------------|-------------|-------------|-------------|
| PRICE (LTL) | | | | |
| First | 1.15 | 3.15 | 4.52 | 5.00 |
| Max | 4.77(01 22) | 5.02(06 22) | 5.03(05 03) | 5.01(03 20) |
| Min | 1.15(01 06) | 2.40(02 11) | 3.99(01 29) | 5.00(06 30) |
| Last | 3.15 | 4.52 | 5.00 | 5.00 |
| Change (%) | 173.91 | 43.49 | 10.62 | - |
| Number of transactions (CM) | 3915 | 8882 | 4956 | 1785 |
| Turnover CM (units) | 3354857 | 9465231 | 2693560 | 1262501 |
| Turnover CM (LTL) | 12027432 | 44947024 | 13329347 | 6312671 |
| Turnover BT (units) | 2315463 | 12134539 | 7059955 | 88053 |
| Turnover BT (LTL) | 7828782 | 57263160 | 34990473 | 215575 |
| CM turnover as % in total | 59.17 | 43.82 | 27.62 | 93.48 |
| Total turnover (units) | 5670320 | 21599770 | 9753515 | 1350554 |
| Total turnover (LTL) | 19856213 | 102210185 | 48319820 | 6528246 |
| Turnover ratio (%) | 3.09 | 11.76 | 5.31 | 0.74 |
| As % in the total share turnover | 2.07 | 11.47 | 3.91 | 3.12 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|-----------|-----------|-----------|------------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 1.33 | 1.66 | 1.12 | 0.76 |
| Quick ratio | 1.10 | 1.09 | 0.95 | 0.61 |
| Net working capital (LTL thou) | 416885754 | 214981021 | 116578660 | -232531373 |
| Net working capital to total assets | 0.09 | 0.09 | 0.04 | -0.08 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.11 | -0.04 | 0.08 | 0.12 |
| Return on assets (%) | 0.06 | -0.03 | 0.05 | 0.06 |
| Return on equity (%) | 0.10 | -0.05 | 0.09 | 0.10 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.42 | 0.36 | 0.45 | 0.36 |
| Debt / equity ratio | 0.73 | 0.56 | 0.83 | 0.56 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 8.70 | 8.23 | 8.36 | 8.08 |
| Receivables turnover | 2.42 | 2.59 | 3.22 | 2.18 |
| Net working capital turnover | 5.85 | 9.55 | 15.50 | -6.31 |
| Long-term assets turnover | 0.80 | 1.03 | 0.84 | 0.67 |
| Total assets turnover | 0.52 | 0.81 | 0.56 | 0.50 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|--------|--------|--------|---------|
| Capitalisation (LTL thou) | 327592 | 578388 | 830089 | 922,360 |
| Share book value (LTL) | 9.60 | 8.72 | 9.63 | 10.25 |
| Price / book value ratio (P/BV) | 0.12 | 0.36 | 0.47 | 0.49 |
| Earnings per share (LTL) | 0.92 | 0.58 | 0.84 | 0.98 |
| Price / earnings ratio (P/E) | 1.25 | 5.41 | 5.41 | 5.10 |
| Dividend per share (LTL) | - | - | - | - |
| Dividend yield | - | - | - | - |
| Dividend payout ratio | - | - | - | - |

Structure OF SHARE CAPITAL

| | |
|------------------|--|
| Share capital: | LTL 1,844,719,100 |
| Ordinary shares: | 184471910 registered shares at LTL 10 par (security code 11768) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 22.04.96) |

SUBSIDIARIES

LIETUVOS ENERGIJA has 21 thermal power stations, one hydroelectric station, one hydro-accumulation power station, 7 power supply lines, 8 service and construction affiliates. The company holds 55.5% of UAB Sveikatos Centras Energetikas (Health centre Energetikas) shares.

KLAIPĖDOS JŪRŲ KROVINIŲ KOMPANIJA (KLASCO)

NACIONALINĖ VERTYBINIŲ POPIERIŲ BIRŽA

STEVEDORING

| | |
|----------|-----------------------------------|
| Address: | J.Zauerveino g. 18, 5813 Klaipėda |
| Phone: | (370-6) 399501, 399770 |
| Fax: | (370-6) 399069, 399066 |
| E-mail: | vandenis@klasco.lt |

www.klasco.lt

| | |
|----------------------------|------------|
| Registration date: | 06.09.1991 |
| Registration code: | 4034626 |
| Established: | 1991 |
| Privatised: | 1999 |
| Number of employees: | 2045 |
| Authorised capital: | LTL 126.7m |
| Capitalisation (30.06.00): | LTL 61.3m |

| | |
|---------------|-----------------|
| Auditor: | Arthur Andersen |
| Trading List: | Current |

Management Board (participation in the company):

Bronislovas Lubys, Chairman (0.38%),
Stasys Vaitkevičius (0%), Romualdas Piktyš (0%), Benediktas Petrauskas (0.015%),
Eduardas Plauška (0%), Nijolė Sabonienė (0%)

Managing Director (participation in the company):

Bronislovas Lubys
Contact Person: Karolis Grigalauškas, Adviser to the President, tel. (370-6) 399787

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 2324 |
| State Property Fund | 28.55% |
| UAB Vialogas | 61.27% |

CORPORATE HISTORY

KLAIPĖDA STATE PORT, the company's legal predecessor, was registered as a Lithuanian company in September 1991. However, Klaipėda port has been operating over seven centuries, at least as far back as historic sources note. Today, Klaipėda ice-free seaport has a second tonnage handling capacity in the Baltic region and is rapidly becoming an important point of East-West trade.

In June 1994, the Ministry of Transport decided to change the company's name into KLAIPĖDOS JŪRŲ KROVINIŲ KOMPANIJA (Klaipėda Stevedoring Company KLASCO) and to narrow its functions to loading/discharging of cargo and storing. In the meantime, KLASCO has become the leading stevedoring company and the largest operator of Klaipėda port. Now the company employs more than 2000 people.

In 1991 the company's authorised capital totalled LTL 67.5m, 3.4% out of which were private. In 1995, when KLASCO was registered as a public limited company and a public offering of the company's shares was carried out, the authorised capital amounted to LTL 88.5m, where LTL 6.8m (7.63%) were in private hands. In 1996 the capital was raised to LTL 129m out of revaluation reserves.

BUSINESS ACTIVITY

KLASCO main activities include loading and discharging of cargo at the port, accumulation of freight lots, warehousing, and storing. Besides, having auxiliary fleet at its disposal, the company provides a great many of other services: assists ships while they are manoeuvring in the port area, serves the crews, collects rubbish in the ships and on the surface of the water, etc. KLASCO supplies ships with electricity and drinking water, provides them with communication means.

KLASCO consists of Dry Cargo Port and International Ferry Terminal. The length of the quaywall of the Dry Cargo Port is 2483 m. The length of the quaywall of the International Ferry Terminal is 420 m. Today, KLASCO can serve dry cargo vessels up to 195 meters length and 10.5 meters draught in its 16 modern cargo managing berths.

The company is also an operator of the Container Terminal. This terminal was built at the beginning of 1999. Its annual capacity is 150,000 TEU. The size of an outdoor storage area is 121,558 m² with the possibility to accumulate cargo lots of 45,000 tons and more. An indoor storage area is 28,975 m². Refrigerating storage facilities with the area of 11,916 m² and with the volume of 76,496 m³ and available temperature up to -25°C.

Over 60 various types of goods, dry and bulk cargo, fruit, vegetables, food products which need a special storage temperature, are reloaded in the Dry Cargo Port.

International Ferry Terminal mostly serves regional cargo streams. Trailers, lorries, and carriages are loaded and discharged there from the sea ferries to the shore and vice versa.

Currently, the sea ferries follow the following routes from the International Ferry Terminal: Klaipėda-Kiel, Klaipėda-Mukran, Klaipėda-Travemünde (Lubeck), Klaipėda-Abema, Klaipėda-Stockholm, Klaipėda-Arhus. Every sea ferry can take 103 carriages or 92 transport vehicles.

Structure OF SHARE CAPITAL

| | |
|------------------|---|
| Share capital: | LTL 126,704,290 |
| Ordinary shares: | 12,670,429 registered shares at LTL 10 par (security code 11615) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 28/10/96) |

At the special landing stages/docks, timber, fertilisers, cotton, metals are loaded into the vessels while grains are discharged.

International Ferry Terminal and Container Terminal are operated together with BLG logistics group and they make a single cargo handling complex which is called Eurogate Klaipėda.

KLASCO provides all services to Lithuanian and foreign companies. Every year the company reloads 7-8 tons of various cargo. This constitutes about half of all cargo coming to Klaipėda port. More than 80% of the cargo stream are transit ones: metals from Russia, Ukraine, Kazakhstan metallurgy plants, fertilisers from Belarus, containers and grain from Europe and America.

Every year KLASCO signs over 100 agreements for cargo reloading (about 60% of the agreements are short-termed, long-term agreements are concluded with the suppliers and buyers of metal production.)

Due to the intensified competition among eastern Baltic ports and in order to maintain the same cargo streams, the port is being modernised. The company constantly reconstructs and builds new special cargo warehouses, intends to build new terminal for liquid gas, terminal for liquid fertilisers, terminals for dry food products, liquid food products, and fertilisers.

DEVELOPMENTS IN 1999

At the beginning of 1999, KLASCO started to work as a private loading company. In March, the winner of the privatisation tender UAB Vialogas bought 53.89% of the KLASCO shares.

In 1999 market conditions were very unfavourable to the movement of transit cargoes from the West to the East. Financial and economical crisis in Russia, decrease in the import and export of transit cargoes in all eastern Baltic ports influenced KLASCO's work.

In August of last year, the company reached critical point, however, at the end of the year cargo stream rapidly increased. In 1999, the company reloaded 6.59m tons of cargo (8.22m in 1998), 1.65m tons of which are on the marine floating bridge. Last year, financial ratios of the company worsened in comparison with the 2 previous years, being directly influenced by decreased volume of work. In 1999 income of the company totalled LTL 98.3m (LTL 163.8m in 1998, LTL 179.4m in 1997). Until now, KLASCO worked profitably: in 1997 the profit was LTL 20.6m, in 1998 - LTL 16.3m. However, this year, the company incurred losses of LTL 19.7m.

KLASCO took part in the establishment of two companies UAB KLASCO Ekspedicija and UAB Euroga which provide new services at the port. The company also established 2 branch offices Poilsis Visiems (Rest for Everyone) and Eurogate Klaipėda. KLASCO bought refrigerating storage facilities from AB Jūrų Prekyba for LTL 1.05m. The company performed reconstruction work and built new warehouses.

In order to maintain its competitiveness among other ports on the eastern coast of the Baltic, KLASCO participated in the international exhibitions, conferences, entered into relations with European cargo companies.

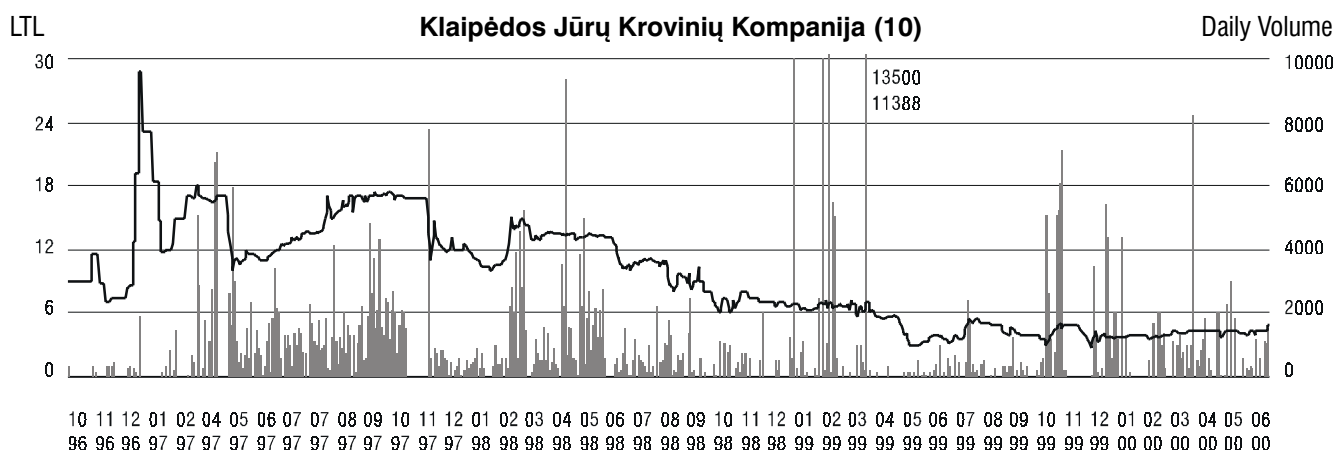
PLANS, PROSPECTS FOR 2000

The company registered a decreased authorised capital of LTL 126.7m on 3 March 2000. The capital was reduced by LTL 2.28m after reducing the number of State owned shares.

In the nearest future, KLASCO intends to enter new relations with the companies from Kazakhstan, Turkmenistan, and Belarus regarding shipment of metallurgy articles.

In the next five years, the company plans to allot LTL 80m for the development of the port.

Taking into consideration the current quantity of reloaded cargoes and constantly improving working process of KLASCO, it can be expected that in 2000 the company will work effectively and profitably.



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|------------------|------------------|------------------|------------------|
| LONG TERM ASSETS | 215799801 | 236067314 | 306237270 | 297563916 |
| SHORT TERM ASSETS | 118086636 | 106237633 | 87265713 | 53235701 |
| Stock | 28414841 | 29172282 | 28312616 | 22149483 |
| Amounts receivable within one year | 51553044 | 41374807 | 39702931 | 13040286 |
| TRANSFER ACCOUNTS | 0 | 0 | 0 | 1366684 |
| TOTAL ASSETS | 333886437 | 342304947 | 393502983 | 352166301 |
| CAPITAL AND RESERVES | 321235427 | 326769091 | 326515516 | 298433164 |
| Capital | 128988800 | 128988800 | 128988800 | 128988800 |
| Subscribed capital | 128988800 | 128988800 | 128988800 | 128988800 |
| Share premium account | 0 | 0 | 0 | 0 |
| Revaluation reserve | 7430 | 7430 | 7430 | 7430 |
| Reserves | 182644577 | 183123151 | 187654456 | 179327060 |
| Profit (loss) brought forward | 9594620 | 14649710 | 9864830 | -9890126 |
| Amounts payable after one year and long-term liabilities | 0 | 7500000 | 43592480 | 33230400 |
| Amounts payable within year and long-term liabilities | 12651010 | 8035856 | 23394987 | 20499709 |
| ACCRUED CHARGES AND DEFERRED INCOME | 0 | 0 | 0 | 3028 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 333886437 | 342304947 | 393502983 | 352166301 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|-------------|-------------|-------------|-------------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 9.33 | 13.22 | 3.73 | 2.66 |
| Quick ratio | 7.09 | 9.59 | 2.52 | 1.58 |
| Net working capital (LTL thou) | 105435626 | 98201777 | 63870726 | 34099648 |
| Net working capital to total assets | 0.32 | 0.29 | 0.16 | 0.10 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.13 | 0.11 | 0.10 | -0.20 |
| Return on assets (%) | 0.07 | 0.06 | 0.04 | -0.06 |
| Return on equity (%) | 0.08 | 0.06 | 0.05 | -0.07 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.04 | 0.05 | 0.17 | 0.15 |
| Debt / equity ratio | 0.04 | 0.05 | 0.21 | 0.18 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 5.58 | 5.44 | 5.21 | 4.13 |
| Receivables turnover | 4.17 | 3.86 | 4.04 | 3.73 |
| Net working capital turnover | 1.73 | 1.83 | 2.57 | 2.88 |
| Long-term assets turnover | 0.85 | 0.76 | 0.54 | 0.33 |
| Total assets turnover | 0.55 | 0.52 | 0.42 | 0.28 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|-------------|-------------|-------------|-------------|
| SALES AND SERVICES | 182908238 | 179437517 | 163831390 | 98320087 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 157395758 | 156497778 | 149619941 | 104283489 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 24357823 | 20586324 | 16281783 | -19754956 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|--------------|--------------|-------------|----------------|
| PRICE (LTL) | | | | |
| First | 7.50 | 12.00 | 7.00 | 3.73 |
| Max | 28.84(01 22) | 15.13(03 10) | 7.20(03 24) | 4.84(06 30) |
| Min | 7.50(01 06) | 5.99(10 26) | 2.84(12 14) | 3.47(02 22) |
| Last | 12.00 | 7.00 | 3.73 | 4.84 |
| Change (%) | 60.00 | -41.67 | -46.71 | 29.76 |
| Number of transactions (CM) | 1365 | 1321 | 590 | 289 |
| Turnover CM (units) | 206324 | 165348 | 149046 | 69759 |
| Turnover CM (LTL) | 3088876 | 2035059 | 830243 | 283058 |
| Turnover BT (units) | 232572 | 152185 | 25314 | 11282 |
| Turnover BT (LTL) | 3524596 | 1901094 | 114922 | 39347 |
| CM turnover as % in total | 47.01 | 52.07 | 85.48 | 86.08 |
| Total turnover (units) | 438896 | 317533 | 174360 | 81041 |
| Total turnover (LTL) | 6613471 | 3936153 | 945164 | 322405 |
| Turnover ratio (%) | 3.40 | 2.46 | 1.35 | 0.64 |
| As % in the total share turnover | 0.69 | 0.44 | 0.08 | 0.15 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|-------------|-------------|-------------|-------------|
| Capitalisation (LTL thou) | 96742 | 154787 | 88693 | 48,113 |
| Share book value (LTL) | 24.90 | 25.33 | 25.31 | 23.14 |
| Price / book value ratio (P/BV) | 0.30 | 0.47 | 0.28 | 0.16 |
| Earnings per share (LTL) | 1.89 | 1.60 | 1.29 | -1.53 |
| Price / earnings ratio (P/E) | 3.97 | 7.52 | 5.45 | - |
| Dividend per share (LTL) | 0.70 | 0.61 | 0.134 | - |
| Dividend yield | 0.09 | 0.05 | 0.02 | - |
| Dividend payout ratio | 0.37 | 0.38 | 0.10 | - |

| SUBSIDIARIES | Date of establishment | Participating interest |
|---|------------------------------|-------------------------------|
| UAB Kransta (construction and transportation) | 14.06.1999 | 100% |
| UAB Euroga (cargo forwarding agent) | 01.12.1999 | 51% |
| Kelmerta branch of UAB Iremas (repairs) | 27.12.1999 | 100% |
| UAB Komeksimas (wholesale) | 31.03.2000 | 100% |
| UAB Klasco ekspedicija (cargo forwarding agent) | 07.09.1999 | 50% |

| BRANCH OFFICES | Date of establishment |
|-----------------------|------------------------------|
| Poilsis visiems | 15.09.1999 |
| Eurogate Klaipėda | 07.07.1999 |

HANDLING OF OIL PRODUCTS

| | |
|----------------------------|----------------------------|
| Address: | Burių g. 19, 5800 Klaipėda |
| Phone: | (370-6) 391700 |
| Fax: | (370-6) 311399 |
| E-mail: | klaipedos.nafta@oil.lt |
| | www.oil.lt |
| Registration date: | 27.09.1994 |
| Registration code: | 1064889 |
| Established: | 1994 |
| Number of employees: | 360 |
| Authorised capital: | LTL 242m |
| Capitalisation (30.06.00): | LTL 173.6m |
| Auditor: | Arthur Andersen |
| Trading List: | Current |

Supervisory Board (no participation in the company):

Mindaugas Bilkis, Rimantas Latakas, Algirdas Minelga, Vyngantas Žala, Sergej Zmitrovič

Management Board (no participation in the company):

Viktorija Babičienė, Chairwoman,

Armantas Gintautas, Eimantas Kiudulas, Alfredas Nagys, Aleksej Viničenko

Managing Director (no participation in the company): Petras Pareigis

Contact Person: Johana Bučienė, Chief Financier, tel. (370-6) 391636

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 38 |
| AB Naftos Terminalas | 76.26% |
| Osman Trading AB | 11.28% |
| Duboil Ltd. | 7.03% |

CORPORATE HISTORY

The company's legal predecessor, KLAIPĖDA STATE OIL TERMINAL, was established in 1959 and engaged in reloading of light fuel oil from railway cisterns into tankers. Several decades in operation, the old Klaipėda terminal wore out. The open system for handling oil products polluting air, water and soil raised serious concerns. Reservoirs and underground pipelines did not meet safety standards. The condition of anti-fire system and water cleaning equipment was inadequate.

After Lithuania regained its independence, the Lithuanian Government made a decision to reconstruct the company. Taking into consideration a complicated situation in the country's energy sector, the Government passed a resolution regarding the Reconstruction of KLAIPĖDA STATE OIL ENTERPRISE and announced a closed tender for the best project in October 1993. In order to assure high technological standard of the reconstruction, the Government permitted KLAIPĖDA STATE OIL ENTERPRISE together with the US company Lancaster Steel Co. Inc. to establish a public company KLAIPĖDOS NAFTA which would finance and run the oil terminal. The company was set up in 1994 with 51% of the stock in the hands of Klaipėda State Oil Enterprise which was later reregistered as a public company Naftos Terminalas and 49% held by Lancaster Steel Co. Inc.

From 1 January 1997, KLAIPĖDOS NAFTA started to run the reconstructed terminal. The authorised capital was increased to LTL 80 million. In February 1998, the shareholders resolved to raise share capital by LTL 20 million. New shares were issued and distributed through a private placement at an issue price of LTL 100. In 1998 the authorised capital was increased twice: from LTL 100m to LTL 140m and from LTL 140m to LTL 242m.

BUSINESS ACTIVITY

Until 1997 KLAIPĖDOS NAFTA operated as a construction board that organised and carried out reconstruction. Since 1 January 1997, KLAIPĖDOS NAFTA took over a part of Naftos Terminalas' assets (technological pipelines and reservoirs) as a contribution in kind, rented the territory, and engaged in oil terminal business.

KLAIPĖDOS NAFTA renders the following services: trans-shipment of oil products from railway cars to tankers, acceptance of oil products from tankers, temporary storage of oil products, certification of oil products, treatment of water contaminated with oil products, provision of ships with fuel and water.

The company's oil product storage tank capacity is 350 000 m³. The company has 30 storage tanks of 5, 10, 20 thousand m³. Batch of each cargo is accumulated in separate tanks, which enables to preserve the quality of the delivered products. Every day in 3 jetties it is possible to load 3 tankers of 9,5 - 10,5 m draught. At present a tanker can be loaded with 60 000 t of oil products. Dredging to 14 m deep will enable to load tankers to 100 000 t.

Since 1995, the company's terminal has been on reconstruction and 95% of it has been already finished.

67% of KLAIPĖDA NAFTA's reloaded oil products are delivered from Russia, 24% - from Belarus, 12% - from AB Mžeikių Nafta company.

DEVELOPMENTS IN 1999

In 1999, KLAIPĖDOS NAFTA reloaded 3.97m tons of oil products, which is by 1.7m tons more than last year, however, by 0.6m tons less than it had been planned. The main reason for the decrease of the reloading of the oil products in 1999 is related to the continuing crisis on the international oil market, and a 30% decrease of export of oil products from Russia.

In 1999, sales of the company totalled LTL 105m (LTL 55m in 1998, LTL 76.5m in 1997). The company's net profit amounted to LTL 39.7m (LTL 10m in 1998, LTL 43m in 1997).

PLANS, PROSPECTS FOR 2000

In 2000, KLAIPĖDOS NAFTA intends to reload 6m tons of oil. In 2001 it is planned to complete reconstruction of the company.

Structure OF SHARE CAPITAL

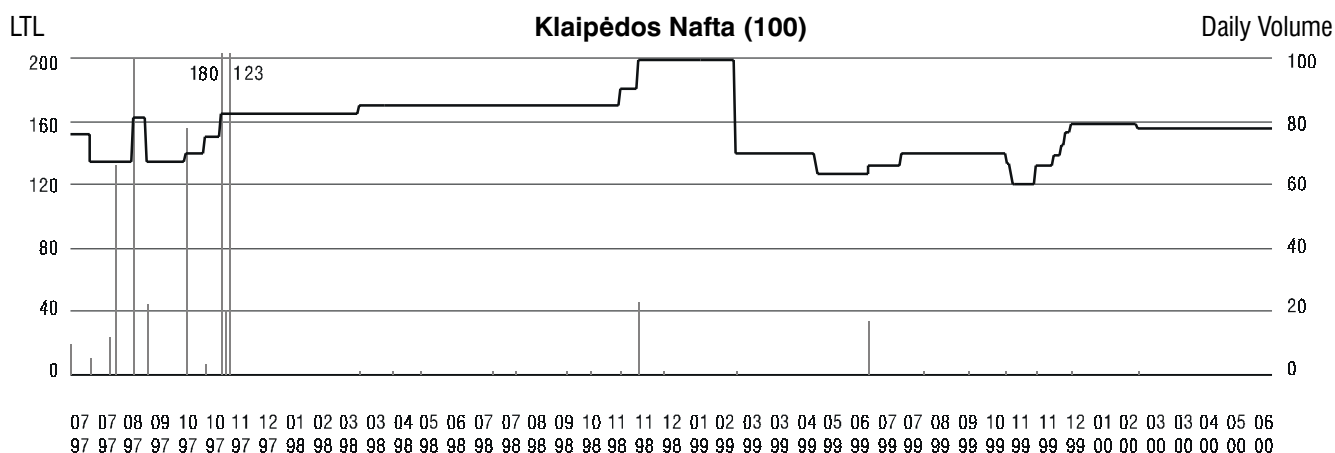
| | |
|------------------|---|
| Share capital: | LTL 242,000,000 |
| Ordinary shares: | 2420000 registered shares at LTL 100 par (security code 11165) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 02.10.95) |

SUBSIDIARIES

| | Date of establishment | Authorised capital (LTL) | Participating interest |
|-----------------------|-----------------------|--------------------------|------------------------|
| Windaria Holding B.V. | 1996 | 116thou | 100% |

LITHUANIAN COMPANIES TRANSPORT

NATIONAL STOCK EXCHANGE OF LITHUANIA



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|-----------|-----------|-----------|-----------|
| LONG TERM ASSETS | 199221605 | 457889282 | 581652529 | 629483550 |
| SHORT TERM ASSETS | 85355249 | 64065063 | 44286849 | 29566773 |
| Stock | 24224193 | 36280199 | 35397891 | 23843138 |
| Amounts receivable within one year | 58493408 | 23691751 | 7383665 | 5248169 |
| TRANSFER ACCOUNTS | 133133 | 119819 | 184615 | 1029822 |
| TOTAL ASSETS | 284709987 | 522074164 | 626123993 | 660080145 |
| CAPITAL AND RESERVES | 58255033 | 124007670 | 255777734 | 293796856 |
| Capital | 56400000 | 80000000 | 242000000 | 242000000 |
| Subscribed capital | 40000000 | 80000000 | 242000000 | 242000000 |
| Share premium account | 0 | 0 | 0 | 0 |
| Revaluation reserve | 0 | 0 | 0 | 0 |
| Reserves | 1853383 | 4208456 | 13777734 | 51796856 |
| Profit (loss) brought forward | 1650 | 39799214 | 0 | 0 |
| Amounts payable after one year and long-term liabilities | 204083373 | 316971796 | 279383779 | 292839054 |
| Amounts payable within year and long-term liabilities | 22371581 | 80282748 | 90426162 | 73079951 |
| ACCRUED CHARGES AND DEFERRED INCOME | 0 | 0 | 0 | 0 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 284709987 | 522074164 | 626123993 | 660080145 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|------|----------|----------|-----------|
| SALES AND SERVICES | 1501 | 76514358 | 55177539 | 105044716 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 0 | 27721998 | 35576081 | 58108039 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 1650 | 43288723 | 10827677 | 39700759 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|---------------|---------------|---------------|---------------|
| PRICE (LTL) | | | | |
| First | 151.00 | 165.00 | 199.00 | 158.00 |
| Max | 165.00(12/22) | 199.00(12/22) | 58.00(12/29) | 155.00(06/30) |
| Min | 135.00(10/13) | 165.00(01/28) | 120.04(11/10) | 155.00(06/30) |
| Last | 165.00 | 199.00 | 158.00 | 155.00 |
| Change (%) | 9.27 | 20.61 | -20.60 | -1.90 |
| Number of transactions (CM) | 25 | 20 | 14 | 2 |
| Turnover CM (units) | 619 | 32 | 23 | 1 |
| Turnover CM (LTL) | 96550 | 6146 | 3105 | 155 |
| Turnover BT (units) | 115481 | 180 | 139629 | 98277 |
| Turnover BT (LTL) | 12213629 | 27000 | 13962900 | 9827700 |
| CM turnover as % in total | 0.53 | 15.09 | 0.02 | 0 |
| Total turnover (units) | 116100 | 212 | 139652 | 98278 |
| Total turnover (LTL) | 12310179 | 33146 | 13966005 | 9827855 |
| Turnover ratio (%) | 29.03 | 0.03 | 12.47 | 8.77 |
| As % in the total share turnover | 1.28 | 0 | 1.13 | 4.70 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|----------|-----------|-----------|-----------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 3.82 | 0.80 | 0.49 | 0.42 |
| Quick ratio | 2.74 | 0.35 | 0.10 | 0.09 |
| Net working capital (LTL thou) | 63116801 | -16097866 | -45954698 | -42483356 |
| Net working capital to total assets | 0.22 | -0.03 | -0.07 | -0.06 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 1.10 | 0.57 | 0.20 | 0.38 |
| Return on assets (%) | 0.00 | 0.08 | 0.02 | 0.06 |
| Return on equity (%) | 0.00 | 0.35 | 0.04 | 0.14 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.80 | 0.76 | 0.59 | 0.55 |
| Debt / equity ratio | 3.89 | 3.21 | 1.45 | 1.25 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 0.00 | 0.92 | 0.99 | 1.96 |
| Receivables turnover | 0.00 | 1.86 | 3.55 | 16.63 |
| Net working capital turnover | 0.00 | -4.75 | -1.20 | -2.47 |
| Long-term assets turnover | 0.00 | 0.17 | 0.09 | 0.17 |
| Total assets turnover | 0.00 | 0.15 | 0.09 | 0.16 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|--------|--------|--------|---------|
| Capitalisation (LTL thou) | - | 66000 | 159200 | 176,960 |
| Share book value (LTL) | 145.64 | 155.01 | 105.69 | 121.40 |
| Price / book value ratio (P/BV) | - | 1.06 | 1.88 | 1.30 |
| Earnings per share (LTL) | 0.004 | 54.11 | 4.47 | 16.41 |
| Price / earnings ratio (P/E) | - | 3.05 | 44.48 | 9.63 |
| Dividend per share (LTL) | - | - | - | 0.41 |
| Dividend yield | - | - | - | - |
| Dividend payout ratio | - | - | - | 0.02 |

KLAIPĖDOS TRANSPORTO LAIVYNAS

NACIONALINĖ VERTYBINIŲ POPIERIŲ BIRŽA

SHIPPING OF CARGO

| | |
|----------|---------------------------------|
| Address: | Nemuno g. 22, 5806 Klaipėda |
| Phone: | (370-6) 340185 |
| Fax: | (370-6) 341195 |
| E-mail: | transfleet@klaipeda.omnitel.net |

| | |
|----------------------|------------|
| Registration date: | 20.04.1995 |
| Registration code: | 4034664 |
| Established: | 1987 |
| Privatised: | 1991 |
| Number of employees: | 610 |
| Authorised capital: | 130.79m |

| | |
|---------------|--------------|
| Auditor: | KPMG Lietuva |
| Trading List: | Current |

Supervisory Board (no participation in the company):

Rimvydas Survila, Chairman, Stanislovas Talat-Kelpša, Henrikas Bankauskas

Management Board (participation in the company):

Algimantas Saveika, Chairman (0%), Nijolė Sabonienė (0%), Arsenij Bič (1.48%), Andriejus Tenkutis (0.94%), Gintautas Rudis (0%)

Managing Director (participation in the company): Arsenij Bič (1.48%)

Contact person: Darijus Stripinis, Economist, tel. (370-6) 341631

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 879 |
| State Property Fund | 80.89% |

CORPORATE HISTORY

The company was established on 1 January 1987 after reorganisation of Kaliningrad refrigerator fleet base. At that time it was called Reefer and Transport Fleet of Western Region ZAPRYBCHOLODFLOT Klaipėda branch.

On 1 January 1989, the company was renamed as Western Region Association ZAPRYBA Klaipėda Transport Branch. On 9 September 1991, on the basis of this branch Klaipėda State Transportation Fleet Company was registered with the Register of Enterprises. In 1995 the company was reorganised into a public company KLAIPĖDOS TRANSPORTO LAIVYNAS (Klaipėda Transport Fleet).

The initial privatisation of the company took place in December 1991. At that time, authorised capital of the company equalled LTL 1,356,070. Private capital accounted for 3%. After indexation of the company's assets in 1992, the company's authorised capital amounted to LTL 6,750,080. In 1993, the second stage of the company's privatisation was held. The authorised capital of KLAIPĖDOS TRANSPORTO LAIVYNAS totalled LTL 6,963,880, private capital accounted for 19.5%. In 1994 the authorised capital of the company rose up to LTL 44,739,216 because of the indexation of the principal means. Later, the authorised capital was increased three times from the company's means: in 1996 up to LTL 85,977,536 by issuing 41,238,320 ordinary registered shares (ORS) at LTL 1 par, in 1997 up to LTL 100,726,618 by issuing 14,749,082 ORS, and in 1998 up to LTL 118,795,186 by issuing 18,068,568 ORS.

BUSINESS ACTIVITY

The main activity of KLAIPĖDOS TRANSPORTO LAIVYNAS is cargo shipment with the sea vessels. In the recent years the company has been specialising in shipment of frozen cargoes. The company's fleet is formed on the basis of this type of shipment as at the moment the fleet comprises 16 reefer vessels. The majority of the company's vessels work in Pool system operated by the Alpha Reefer Transport from Germany. One of the vessels works according to Lumpsum and another – according to Time Charter agreements.

KLAIPĖDOS TRANSPORTO LAIVYNAS mainly transports fish products (86.5%), meat, poultry and butter (11.9%), other cargoes – (1.6%). 55.5% of the cargo is shipped to the Africa region, 28.7% - to Europe, 11.6% - to Asian ports, 2.3% - to Australia, 1.1% to South America, 1.1% to North America. Streams of cargo shipped to Lithuania by the company's vessels are not large: in 1997 – 2,166 tons, in 1998 – 5,300 tons, in 1999 – 1,400 tons.

Oil for KLAIPĖDOS TRANSPORTO LAIVYNAS vessels is supplied according to long-term contracts by famous oil companies, such as ESSO, Shell, Texaco. Spare parts and equipment for the vessels are supplied by German companies Sudoservice, Scanttrading, Nippon Diesel Service, Japanese company Osaka Technik Service and Latvian company Techsudoservice.

DEVELOPMENTS IN 1999

In 1999, sales of the company totalled LTL 68m (LTL 86.7m in 1998, LTL 97.5m in 1997). Net profit of KLAIPĖDOS TRANSPORTO LAIVYNAS amounted to LTL 10.75m.

Last year, the company's authorised capital was increased by LTL 12m from LTL 118.79m to LTL 130.78m by additionally issuing 12million ORS at LTL 1par.

On 31 December 1999, a sale agreement of State owned shares of the company was signed with SBA concern and Norwegian JO Tankers consortium.

Structure OF SHARE CAPITAL

| | |
|------------------|---|
| Share capital: | LTL 130,795,186 |
| Ordinary shares: | 130,795,186 registered shares at LTL 1 par (security code 11964) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 01.06.98) |

| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|------------------|----------------|------------------|------------------|
| LONG TERM ASSETS | 117739412 | 7369757 | 152619945 | 139710570 |
| SHORT TERM ASSETS | 18504827 | 621464 | 17600874 | 22073343 |
| Stock | 4817579 | 391955 | 2589906 | 3255074 |
| Amounts receivable within one year | 6158034 | 198986 | 12564034 | 12586811 |
| TRANSFER ACCOUNTS | 0 | 40947 | 3529219 | 5275498 |
| TOTAL ASSETS | 136244239 | 8032168 | 173750038 | 167059411 |
| CAPITAL AND RESERVES | 105461299 | 6384675 | 138030834 | 142059723 |
| Capital | 85977536 | 4963185 | 118795186 | 130795186 |
| Subscribed capital | 85977536 | 4963185 | 118795186 | 130795186 |
| Share premium account | 0 | 0 | 0 | 0 |
| Revaluation reserve | 0 | 2231725 | 0 | 0 |
| Reserves | 18952607 | 170 | 18636719 | 8301328 |
| Profit (loss) brought forward | 531156 | -810405 | 598929 | 2963209 |
| Amounts payable after one year and long-term liabilities | 17680000 | 295242 | 14015652 | 8500000 |
| Amounts payable within year and long-term liabilities | 13102940 | 1222950 | 21703552 | 16499688 |
| ACCRUED CHARGES AND DEFERRED INCOME | 0 | 1170 | 0 | 0 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 136244239 | 8032168 | 173750038 | 167059411 |
| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
| SALES AND SERVICES | 92613232 | 4696051 | 86681108 | 67924971 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 64411017 | 2859931 | 66251121 | 51447364 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 23768406 | 216245 | 19924390 | 10750963 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|-------------|-------------|-------------|-------------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 1.41 | 1.54 | 0.97 | 1.66 |
| Quick ratio | 1.04 | 1.08 | 0.85 | 1.46 |
| Net working capital (LTL thou) | 5401887 | 3977325 | -573459 | 10849153 |
| Net working capital to total assets | 0.04 | 0.03 | 0.00 | 0.06 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.26 | 0.28 | 0.23 | 0.16 |
| Return on assets (%) | 0.17 | 0.19 | 0.11 | 0.06 |
| Return on equity (%) | 0.23 | 0.22 | 0.14 | 0.08 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.23 | 0.15 | 0.21 | 0.15 |
| Debt / equity ratio | 0.29 | 0.17 | 0.26 | 0.18 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | | 17.09 | 22.30 | 17.60 |
| Receivables turnover | | 17.66 | 9.93 | 5.40 |
| Net working capital turnover | 17.14 | 24.52 | -151.15 | 6.26 |
| Long-term assets turnover | 0.79 | 0.72 | 0.57 | 0.49 |
| Total assets turnover | 0.68 | 0.66 | 0.50 | 0.41 |

LIETUVOS JŪRŲ LAIVYNINKYSTĖ (LISCO)

NACIONALINĖ VERTYBINIŲ POPIERIŲ BIRŽA

SHIPPING OF PASSENGERS AND CARGO

| | |
|----------------------------|--------------------------------|
| Address: | J.Janonio g. 24, 5813 Klaipėda |
| Phone: | (370-6) 393101, 393103 |
| Fax: | (370-6) 393121, 393197 |
| E-mail: | ls1@hq.lisco.lt |
| | www.lisco.lt |
| Registration date: | 10.09.1991 |
| Registration code: | 4035584 |
| Established: | 1969 |
| Privatised: | 1995, due in 2000 |
| Number of employees: | 1444 |
| Authorised capital: | LTL 534m |
| Capitalisation (30.06.00): | LTL 85.5m |
| Auditor: | UAB Moore Stephens |
| Trading List: | Current |

Members of the Supervisory Board and the Management Board have 0.1% of the company's share capital.

Supervisory Board:

J.Darulis, Chairman,
V.Jasiūnas, A.Mikalajūnas, R.Kūgis, S.Tallat-Kelpša

Management Board:

A.Gedgaudas, Chairman,
V.Vismantas, I.Šalajėvas, A.Stropus, P.Krilavičius

Managing Director: Artūras Gedgaudas

Contact Person: Jonas Nazarovas, Director of Finance, tel. (370-6) 393185

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 3083 |
| State Property Fund | 79.97% |

CORPORATE HISTORY

The company was established in 1969 and owned 16 bulk ships (dead-weight of 78thou tons), which shipped timber, general and bulk cargo to the harbours of regions of the Baltic Sea, Western Europe, and Northern Africa. During 1986-89, the company purchased 3 railway ferries. In 1991, LIETUVOS JŪRŲ LAIVININKYSTĖ (Lithuanian Shipping Company, LISCO) became an independent company and was registered in the independent Republic of Lithuania. The company overcame all difficulties and consolidated in the world shipping market. The fleet has been expanded and renovated. In 1993, when the company owned 43 ships, it was the fourth largest in terms of the fleet size in the Baltic region. After railway ferries were reconstructed into ro-ro/passenger ferries, in addition to other cargo the company started to ship ro-ro cargo, motor cars, and passengers. In 1995 LISCO was reregistered as a public limited company. In 1997 LISCO received certificate confirming compliance with the International Safety Management Code (ISM Code).

In 1998 LISCO raised its authorised capital by LTL 63.77m to LTL 535m out of reserves available for distribution by issuing a new ORS issue.

BUSINESS ACTIVITY

LISCO is the biggest shipping company in the maritime history of Lithuania. LISCO's main activity is transportation of cargo and passengers. At present, there are 35 vessels in LISCO's possession (total dead-weight 281.7thou tons). LISCO is the operator of 4 ferry lines united under LISCO Baltic Service name as well as a container service known as LISCO Conline. The company's dry cargo fleet operates between various ports of Europe, Asia, Africa, and America.

In 1995 the company established rep offices in Moscow and St. Petersburg, the purpose of which is to increase the amount of cargo and passengers from that area. In 1996 a rep office was opened in Spain in order to supervise shipbuilding.

LISCO's vessels ship general cargo and containers as well as wood to European and North African ports. LISCO operates four ferries, both for passengers and cargoes, on the lines Klaipėda-Mukran-Klaipėda, Klaipėda-Kiel-Klaipėda, Klaipėda-Stockholm-Klaipėda, Klaipėda-Åhus-Klaipėda. These ferries carry ro-ro cargo, loaded railway trucks, cars and passengers.

DEVELOPMENTS IN 1999

In 1999, LISCO shipped 0.69m (0,8 m in 1998) of long metres of ro-ro cargo, 34.5thou (18.9% more than in 1998) of passengers, 11.4thou of railway carriages.

Income of the company amounted to LTL 227.9m for shipment of cargo and passengers. In 1999, net profit of LISCO totaled more than LTL 8m (LTL 1.8m in 1998).

Last year, the company sold 3 ships of "Junij Partizan" type and 1 ship of "Igor Grabar" type.

In 1999 LISCO authorised capital was reduced from LTL 535m to LTL 534m by cancelling 950,645 State owned shares and transferring a part of the company's administration building and sailors' recreation base in Palanga.

PLANS, PROSPECTS FOR 2000

LISCO is being prepared for privatisation and is included into the list of objects to be privatised in the open tender.

In February and May 2000, LISCO purchased "Kęstutis" and "Jogaila" ships for shipment of general cargo and timber materials.

Structure OF SHARE CAPITAL

| | |
|------------------|---|
| Share capital: | LTL 534,315,180 |
| Ordinary shares: | 53,431,518 registered shares at LTL 10 par (security code 11627) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 01/01/96) |

| SUBSIDIARIES | Authorised capital (LTL) | Participating interest |
|---|--------------------------|---------------------------------|
| UAB Laivyno technikos priežiūros bazė | 3.3m | 100% |
| Lithuan Shipping Corporation (holding, registered in Liberia) | | 100% (500 shares without value) |
| Lita Shipping GmbH | DEM 50thou | 51% |

SHIPYARD

| | |
|----------|----------------------------|
| Address: | Pilies g. 8, 5799 Klaipėda |
| Phone: | (370-6) 398100 |
| Fax: | (370-6) 398145 |

| | |
|----------------------------|------------|
| Registration date: | 09.09.1991 |
| Registration code: | 4034645 |
| Established: | 1952 |
| Privatised: | 1996 |
| Number of employees: | 1866 |
| Authorised capital: | LTL 69.2m |
| Capitalisation (30.06.00): | LTL 8.6m |

| | |
|---------------|--------------|
| Auditor: | KPMG Lietuva |
| Trading List: | Current |

Management Board (participation in the company):

Kurt Andersen, Chairman (0%), Viktoras Stulpinas (0.00008%),
Niels Roed (0%), Arimantas Račkauskas (0%), Uffe Ellemann-Jensen (0%)

Managing Director (participation in the company): Viktoras Stulpinas (0.00008%)

Contact Person: Edmund Ošovskij, Deputy Director of Personnel, tel. (370-2) 381774

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 1104 |
| Odense Staalskibsvaerft A/S (Denmark) | 96.35% |

CORPORATE HISTORY

The shipyard BALTIJA was established in 1952 and continues shipbuilding traditions of Klaipėda that last for over 400 years.

In 1953 the company built the first non-selfpropelled deck cargo barges, and in 1955 the first eight fish trawlers appeared. Since the foundation of the company until the beginning of the ninth decade the company engaged in production of barges, river motor ships, fishing and fish-processing vessels, ferries, and floating docks. During this period the company built 350 vessels of various types and 65 docks. In addition, BALTIJA produced other output as well, namely, stacking cranes, fish pumps, separators, ploughs, and others.

Declaration of Independence of Lithuania brought some changes into the shipyard as well. BALTIJA executed orders not only on the local market but also in Spain, the Netherlands, and Germany. In 1995, Vytautas, the first universal dry-cargo vessel produced in the company and having 4395 tons of dead-weight, was launched.

Until September 1994, the company's authorised capital equalled LTL 2.6 million. Then the authorised capital was multiply increased out of capital reserves and revaluation reserves, and in December 1995, it totalled LTL 34.6m, including LTL 11.26m of state capital and LTL 23.33m of share capital.

With the sale of state-held shares in April 1997, the company's stock capital amounted to LTL 34.59 million. In May 1997, BALTIJOS LAIVŲ STATYKLA raised share capital by LTL 34.59m out of supplementary contributions. As a result, the stock capital totalled LTL 69.18 million. Odense Staalskibsvaerft A/S (Denmark) acquired a controlling interest in the company amounting to 91.37%.

BUSINESS ACTIVITY

BALTIJOS LAIVŲ STATYKLA is the only ship building company in the Baltic states. Since 1998, production of steel blocks and superstructures for the largest in the world container ships produced by Odense Steel Shipyard and complex ship building became the major activities of the company. Shipbuilding and production of parts of ships account for the largest part of BALTIJOS LAIVŲ STATYKLA production and take 26% and 72%, respectively. Ship repair works and manufacture of other products get 1% each. At the moment, the company can produce painted steel blocks of 32x16x8 m size and up to 300 tons weight; painted and outfitted superstructures of 32x18x14 m size and up to 700 tons weight, and ships with a length of 115 m and a breadth of 18.2 m.

Lithuanian companies (ship repairs, production of machines, casting of steel and colour metals, cold and hot galvanisation), Denmark (ship hull blocks and superstructures, supply vessels), Russia (confectionery machines, ship repair works), Sweden (reduction gear housing), Iceland (steel blocks), Latvia (ship gutterway water separators) were the main clients and buyers of BALTIJOS LAIVŲ STATYKLA in 1999. The major company's customer is the Danish shipbuilding company Odense which, at the same time, is the largest shareholder of the company. BALTIJOS LAIVŲ STATYKLA realises 97% of its output in Denmark.

Azovlitas (Lithuania), Rasm. Holbeck & Son (Denmark), Elme-Eme (Estonia), supply the company with sheet steel, Eidas (Lithuania), Rasm. Holbeck & Son (Denmark), AFV Beltrame (Italy) - with steel profiles, Hyundai Welding Co (Korea), ESAB International AB (Sweden) - with welding materials. Fastening details are bought in Denmark, zinc is brought from Germany, a share of pipes is imported from Denmark.

DEVELOPMENTS IN 1999

In 1999 BALTIJOS LAIVŲ STATYKLA built two tugs (for LTL 21m), produced 4 sets of superstructures (for LTL 23.6m), nearly 17000 tons of blocks (for LTL 34m), other products (steelcasts, colour casts, separators) for LTL 167thou. The company's revenue from ship repair works constituted LTL 1m or 1.27% of the total income.

The company's sales increased from LTL 66.69m in 1998 to LTL 83.61m in 1999. The net profit constituted LTL 6.95 million in 1999 (LTL 6.37m in 1998).

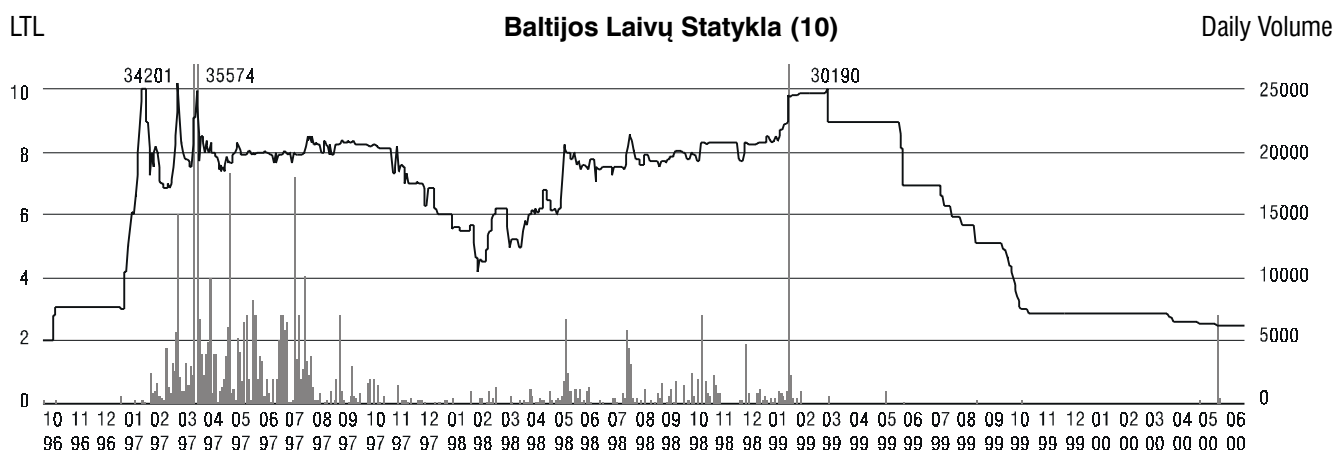
In 1999 the Danish company Odense Staalskibsvaerft A/S placed a tender offer to purchase BALTIJOS LAIVŲ STATYKLA shares at the price of LTL 10 per share. The offer was executed through the National Stock Exchange of Lithuania from 11/02/1999 to 15/03/1999. During its execution 239,314 shares (3.46%) were sold. After the tender offer the capital share held by Odense Staalskibsvaerft A/S reached 96.35%.

PLANS, PROSPECTS FOR 2000

BALTIJOS LAIVŲ STATYKLA plans that in the course of the following three years the output volumes will remain approximately the same. In addition, qualification of the employees is to be upgraded, their number will be optimised. The total production volume is expected to advance twice until 2002.

Structure OF SHARE CAPITAL

| | |
|------------------|---|
| Share capital: | LTL 69,181,680 |
| Ordinary shares: | 3459084 registered shares at LTL 10 par (security code 11757) accounting for 50% of the auth. capital (admitted to trading at the NSEL on 26.02.96) |
| | 3459084 registered shares at LTL 10 par (security code 12256) accounting for 50% of the auth. capital (not admitted to trading at the NSEL) |



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|----------|-----------|-----------|-----------|
| LONG TERM ASSETS | 21065654 | 52455915 | 62195939 | 69231048 |
| SHORT TERM ASSETS | 48180916 | 63889398 | 68482181 | 62411769 |
| Stock | 22685142 | 13302661 | 31225111 | 35612451 |
| Amounts receivable within one year | 11129552 | 13821925 | 3936812 | 2972883 |
| TRANSFER ACCOUNTS | 49287 | 39245 | 27512 | 174884 |
| TOTAL ASSETS | 69295857 | 116384558 | 130705632 | 131817701 |
| CAPITAL AND RESERVES | 42173337 | 87436960 | 86230299 | 93185196 |
| Capital | 34590840 | 69181680 | 69181680 | 69181680 |
| Subscribed capital | 34590840 | 69181680 | 69181680 | 69181680 |
| Share premium account | 0 | 0 | 0 | 0 |
| Revaluation reserve | 0 | 0 | 0 | 0 |
| Reserves | 1290736 | 1723749 | 8581036 | 16580975 |
| Profit (loss) brought forward | 6291761 | 16531531 | 8467583 | 7422541 |
| Amounts payable after one year and long-term liabilities | 11482866 | 15784019 | 21406692 | 0 |
| Amounts payable within year and long-term liabilities | 13535658 | 11271521 | 21845191 | 37474741 |
| ACCRUED CHARGES AND DEFERRED INCOME | 0 | 0 | 0 | 0 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 69295857 | 116384558 | 130705632 | 131817701 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|----------|----------|----------|----------|
| SALES AND SERVICES | 84760752 | 65553423 | 66692937 | 83609478 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 66028934 | 41101819 | 39652166 | 56256512 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 5118261 | 9793464 | 6367613 | 6954897 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|--------------|-------------|--------------|-------------|
| PRICE (LTL) | | | | |
| First | 3.10 | 6.90 | 8.30 | 2.90 |
| Max | 10.23(03 21) | 8.55(08 11) | 10.00(03 22) | 2.90(04 06) |
| Min | 3.00(01 20) | 4.16(02 23) | 2.90(12 30) | 2.50(06 05) |
| Last | 6.90 | 8.30 | 2.90 | 2.50 |
| Change (%) | 122.58 | 20.29 | -65.06 | -13.79 |
| Number of transactions (CM) | 1159 | 730 | 168 | 8 |
| Turnover CM (units) | 435286 | 103971 | 44516 | 7794 |
| Turnover CM (LTL) | 3606531 | 800383 | 422885 | 19500 |
| Turnover BT (units) | 2880206 | 145016 | 241413 | 0 |
| Turnover BT (LTL) | 28363640 | 1180756 | 2422325 | 0 |
| CM turnover as % in total | 13.13 | 41.76 | 15.57 | 100.00 |
| Total turnover (units) | 3315492 | 248987 | 285929 | 7794 |
| Total turnover (LTL) | 31970171 | 1981139 | 2845210 | 19500 |
| Turnover ratio (%) | 95.85 | 7.20 | 8.27 | 0.23 |
| As % in the total share turnover | 3.33 | 0.22 | 0.23 | 0.01 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|----------|----------|----------|----------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 3.56 | 5.67 | 3.14 | 1.67 |
| Quick ratio | 1.89 | 4.49 | 1.71 | 0.72 |
| Net working capital (LTL thou) | 34694545 | 52657122 | 46664502 | 25111912 |
| Net working capital to total assets | 0.50 | 0.45 | 0.36 | 0.19 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.06 | 0.15 | 0.10 | 0.08 |
| Return on assets (%) | 0.07 | 0.08 | 0.05 | 0.05 |
| Return on equity (%) | 0.12 | 0.11 | 0.07 | 0.07 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.39 | 0.25 | 0.34 | 0.29 |
| Debt / equity ratio | 0.64 | 0.33 | 0.52 | 0.41 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 1.97 | 2.28 | 1.78 | 1.68 |
| Receivables turnover | 12.37 | 5.25 | 7.51 | 24.20 |
| Net working capital turnover | 2.44 | 1.24 | 1.43 | 3.33 |
| Long-term assets turnover | 4.02 | 1.25 | 1.07 | 1.21 |
| Total assets turnover | 1.22 | 0.56 | 0.51 | 0.63 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|-------|-------|-------|--------|
| Capitalisation (LTL thou) | 10723 | 23868 | 28710 | 10,031 |
| Share book value (LTL) | 12.19 | 12.64 | 12.46 | 13.47 |
| Price / book value ratio (P/BV) | 0.25 | 0.55 | 0.67 | 0.22 |
| Earnings per share (LTL) | 1.48 | 1.42 | 0.92 | 1.01 |
| Price / earnings ratio (P/E) | 2.10 | 4.87 | 9.02 | 2.88 |
| Dividend per share (LTL) | - | - | - | - |
| Dividend yield | - | - | - | - |
| Dividend payout ratio | - | - | - | - |

TELECOMMUNICATIONS

| | |
|----------------------------|--------------------------------|
| Address: | Savanorių pr. 28, 2600 Vilnius |
| Phone: | (370-2) 227755 |
| Fax: | (370-2) 226665 |
| E-mail: | info@telecom.lt |
| | www.telecom.lt |
| Registration date: | 26.06.1997 |
| Registration code: | 2121543 |
| Established: | 1992 |
| Privatised: | 1998 |
| Number of employees: | 6938 |
| Authorised capital: | LTL 814.9m |
| Capitalisation (30.06.00): | LTL 2075.5m |
| Auditor: | Arthur Andersen |
| Trading List: | Official |

Management Board (no participation in the company):

Gintautas Žintelis, Chairman,
 Juhani Armas Vienola, Tapani Holopainen, Ingmar Jonsson, Anders Gylder, Jonas Ūsas,
 Rimvydas Kūgis, Martin Henricson, Rūta Motiejūnienė, Simas Ramutis Petrikis

Managing Director: Tapio Paarma

Contact Person: Ana-Maria Frandberg, Head of Treasury,
 Corporate Finance and Investment Relations Group, tel. (370-2) 391865

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 10979 |
| Amber Teleholding A/S | 60.00% |
| Bankers Trust Company (holders of GDRs) | 17.86% |
| State Property Fund | 10.03% |

CORPORATE HISTORY

In February 1997, the state enterprise LIETUVOS TELEKOMAS was entered into the list of companies to be privatised in 1997-1998 by announcing an international competition. As of 1 July 1997, LIETUVOS TELEKOMAS was reorganised from a state enterprise into a public company, the authorised capital of which constituted LTL 814.9m. Represented by the Ministry of Communications and Information, the state held 100% of the company's shares. At the beginning of July 1998, the Finnish-Swedish consortium Amber Teleholdings A/S, consisting of Sonera OY and AB Telia, acquired 60% of the shares of LIETUVOS TELEKOMAS. 40% of the shares remained in the hands of the state.

In 1995 UAB Lintel, a subsidiary of LIETUVOS TELEKOMAS, that originally was founded to provide international telecommunications services, started publishing telephone directories of the major Lithuanian cities and regions. On 1 January 1999, it sold telecommunications equipment to LIETUVOS TELEKOMAS turning to publishing alone.

BUSINESS ACTIVITY

LIETUVOS TELEKOMAS is the largest telecommunications service provider in Lithuania and the Baltics. Upon privatisation, the company has received exclusive rights to provide fixed line international, long distance, and local telecommunications services until 31 December 2002. LIETUVOS TELEKOMAS is actively preparing for the competitive market that will become reality after the expiration of the monopoly period.

LIETUVOS TELEKOMAS offers various telecommunications services and products to its clients: local, interurban and international automatic telephone connection; connection to the Internet service "Takas", data transmission; telegraph and telex; pay-phones; line radio broadcasting; 800 service, 900 service, operators' services; lease of telecommunication lines and circuits; publication of telephone books; trading in telecommunication appliances. LIETUVOS TELEKOMAS is the only provider of digital lines in Lithuania.

The biggest part of LIETUVOS TELEKOMAS income comes from international calls (21.05%). Local calls make 18.33%, subscription fee - 17.99%, interurban calls - 14.26%, calls to mobile operators' network constitute 12.85% of the total company's income.

Customers service department of LIETUVOS TELEKOMAS provides services to Lithuanian residential and some business subscribers. Subsidiary company UAB Lietuvos Telekomo Verslo Sprendimai provides business solution services for big business clients.

At the end of 1999 LIETUVOS TELEKOMAS had 1,152,583 subscriber lines, 66.3% of which were analogue and 33.4% - digital.

DEVELOPMENTS IN 1999

From 1 April 1999, LIETUVOS TELEKOMAS raised local and long distance tariffs and local subscription fees (the average increase of the company's service cost amounts to 10.7%), while the international tariffs and the digital line set-up fee were diminished (by 10.27% on average), new discounts were offered. In 1999, income from the fixed telephone network (PSTN) voice services rose by 6% in comparison with 1998. Last year a number of telephone lines per 100 inhabitants rose from 30 to 31.2.

In 1999, pay-phone cards' distribution network was expanded. Currently, the customers can get pay-phone cards not only in the departments of LIETUVOS TELEKOMAS but also in press kiosks, gasoline stations, shops, cafes, and hotels. Total number of pay-phones amounts to 7970. They are all card phones (Pulsar and Urmet).

In April 1999, a sector of Tele-shops under the Customer Service Department was established. All Tele-shops of LIETUVOS TELEKOMAS were included into one trading network called Lietuvos Telekomo Prekyba.

31,200 customers use Internet service "Takas" every 3 minutes. The Internet dial-up service was introduced in 1998. International Internet traffic more than tripled in 1999. International Internet stream totalled 121.75m minutes. In 1999, LIETUVOS TELEKOMAS became the second largest Internet provider in the Lithuanian market.

In 1999, the company's ISDN (Integrated Services Digital Network) customers' number grew more than 4 times.

Last year, income of LIETUVOS TELEKOMAS from data transmission services rose significantly. One of the most popular services of this type is "FRAME RELAY", which is often used for connection of isolated subsidiaries of the companies into one network. At the end of 1999, FRAME RELAY solution TILTAS was introduced. The company also implemented a project in the President's Office - optic fibre cable between the Presidents Office and the Seimas (Lithuanian Parliament) transmits data at a speed of 10Mb/s.

The company allotted LTL 550m in 1999 for renovation of the network. During the same year LIETUVOS TELEKOMAS rose the capacity of exchanges up to 170thou of new lines to replace the old analogous or shared ones and expand the network. The company disassembled quasi-electronic automatic exchange, established a new international and transit station in Kaunas, laid almost 700 km of optic fibre cable in the national and regional rings. SDH ST M-16 technologies form the basis of almost all new transmission network.

The level of digitalisation rose from 29% to 41% after increasing the capacity of the new exchanges in 1999. During the same year, about 2900 subscriber lines were included into Multigain wireless (MGW) connection network and currently almost 4000 clients are using this system.

In 1999, the company implemented technology of intellectual network, which gives an opportunity to provide flexible and centralised services.

Last year, income of LIETUVOS TELEKOMAS group reached LTL 980m, net profit comprised LTL 104m.

At the end of 1999, LIETUVOS TELEKOMAS purchased 100% of COMLIET shares, the first and only NMT 450 mobile connection operator in Lithuania.

At the beginning of 1999, LIETUVOS TELEKOMAS acquired UAB Lietelija and merged it with the Business Customers Service Department. Consequently, the subsidiary Lietuvos Telekomo Verslo Sprendimai was founded. The subsidiary is in charge of promotion and sales of LIETUVOS TELEKOMAS services to the largest business clients, development of data transmission services, and relations with foreign operators.

In April 1999, LIETUVOS TELEKOMAS became an associate member of European Telecommunications Network Operators' Organisation. The purpose of that organisation is to arrange unanimous ETNO position and represent it in the relations with the third parties, especially with the European Union institutions and other European organisations.

The general meeting of LIETUVOS TELEKOMAS shareholders held in April 1999 decided to grant the company's employees who had acquired the company's shares on favourable terms with the right to dispose the shares freely from 16 July 2000, i.e. after a year from their final subscription date. Employees hold 5% of the company's shares.

PLANS, PROSPECTS FOR 2000

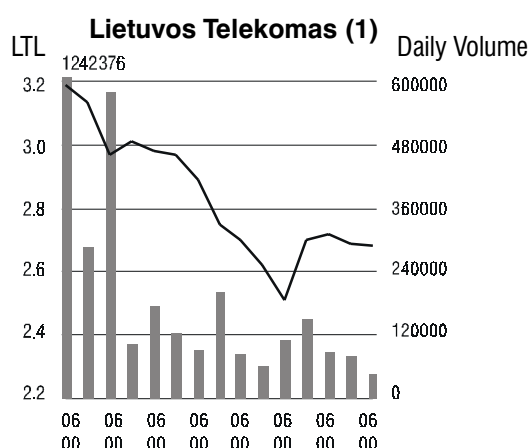
In order to show the advantages of the digital station, the company introduced LINIJA PLIUS trademark at the beginning of 2000. In comparison with 1998, the number of subscribers, which used additional services, augmented by 20%. At the end of 1999, LIETUVOS TELEKOMAS created an electronic trading project, which the company intends to implement in the year 2000. The company plans to fulfil Asynchronous Transfer Mode (ATM).

In 2000 it is planned to lay 400 km of optic fibre cable.

Newly started project of LIETUVOS TELEKOMAS - creation of the Intelligent Network. This will be the most modern Intelligent Network technology in the Baltic States which will allow the company itself create new services as well as quickly apply and introduce them to the market. In 2000, the company intends to introduce more of new Internet, data transmission, and telephony products and services.

LIETUVOS TELEKOMAS allotted LTL 430m for the development of the telecommunications in 2000.

On 12 April 2000, the initial public offering for LIETUVOS TELEKOMAS shares finished. 25% of the company's authorised capital or 203 728 190 state owned ordinary registered shares were sold to the Lithuanian and foreign investors for LTL 3.15 per share. The remaining 81.8 million shares (10 % of the authorised capital) will remain with the Government.



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 | FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|--|------------|------------|-------------|------------|-------------------------------------|----------|----------|------------|------------|
| LONG TERM ASSETS | 881471744 | 1203989308 | 1487523820 | 1866360986 | LIQUIDITY RATIOS | | | | |
| SHORT TERM ASSETS | 122112817 | 136176036 | 164565457 | 208426220 | Current ratio | 1.74 | 1.12 | 0.70 | 0.73 |
| Stock | 40730040 | 46176735 | 25056897 | 24008368 | Quick ratio | 1.28 | 0.86 | 0.62 | 0.66 |
| Amounts receivable within one year | 58633839 | 56367514 | 98038358 | 169570794 | Net working capital (LTL thou) | 65452160 | 21476253 | -101418806 | -102490677 |
| TRANSFER ACCOUNTS | 31999201 | 57205720 | 71185582 | 61768051 | Net working capital to total assets | 0.06 | 0.02 | -0.06 | -0.05 |
| TOTAL ASSETS | 1035583762 | 1397371064 | 17232748592 | 136555257 | PROFITABILITY RATIOS | | | | |
| CAPITAL AND RESERVES | 895646455 | 1007441393 | 1145520320 | 1266437271 | Profit margin (%) | 0.15 | 0.20 | 0.26 | 0.23 |
| Capital | 757330755 | 814912760 | 814912760 | 814912760 | Return on assets (%) | 0.08 | 0.09 | 0.14 | 0.11 |
| Subscribed capital | 757330755 | 814912760 | 814912760 | 0 | Return on equity (%) | 0.09 | 0.13 | 0.20 | 0.18 |
| Share premium account | 0 | 0 | 0 | 0 | FINANCIAL LEVERAGE RATIOS | | | | |
| Revaluation reserve | 0 | 0 | 0 | 0 | Total debt ratio | 0.14 | 0.28 | 0.34 | 0.41 |
| Reserves | 138315700 | 86456473 | 101726681 | 124390596 | Debt / equity ratio | 0.16 | 0.39 | 0.50 | 0.69 |
| Profit (loss) brought forward | 0 | 106072160 | 228880879 | 327133915 | ASSETS UTILISATION RATIOS | | | | |
| Amounts payable after one year and long-term liabilities | 51277449 | 207268622 | 228519550 | 486457216 | Inventory turnover | | 5.83 | 13.43 | 19.09 |
| Amounts payable within year and long-term liabilities | 63132816 | 124119330 | 283783009 | 323668008 | Receivables turnover | | 11.53 | 11.55 | 7.25 |
| ACCRUED CHARGES | | | | | Net working capital turnover | 8.14 | 30.86 | -8.79 | -9.46 |
| AND DEFERRED INCOME | 25527042 | 47786173 | 53386836 | 48998940 | Long-term assets turnover | 0.60 | 0.55 | 0.60 | 0.52 |
| TOTAL LIABILITIES | | | | | Total assets turnover | 0.51 | 0.47 | 0.52 | 0.45 |
| AND SHAREHOLDERS' EQUITY | 1035583762 | 1397371064 | 17232748592 | 136555257 | | | | | |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|--------------------------------|-----------|-----------|-----------|-----------|
| SALES AND SERVICES | 533052693 | 662842190 | 891890931 | 969493511 |
| COST OF GOODS SOLD | | | | |
| AND SERVICES RENDERED | 280953165 | 253255434 | 478370272 | 468432100 |
| NET PROFIT OF THE CURRENT YEAR | | | | |
| FOR APPROPRIATION (LOSS) | 78261558 | 131828316 | 232705564 | 224397417 |

| TRADING STATISTICS | 1Q 2000 |
|----------------------------------|-------------|
| PRICE (LTL) | |
| First | 3.19 |
| Max | 3.19(06 12) |
| Min | 2.51(06 26) |
| Last | 2.68 |
| Change (%) | -15.99 |
| Number of transactions (CM) | 1851 |
| Turnover CM (units) | 3417787 |
| Turnover CM (LTL) | 10236294 |
| Turnover BT (units) | 4649211 |
| Turnover BT (LTL) | 13541239 |
| CM turnover as % in total | 42.37 |
| Total turnover (units) | 8066998 |
| Total turnover (LTL) | 23777533 |
| Turnover ratio (%) | 1.04 |
| As % in the total share turnover | 11.37 |

Structure OF SHARE CAPITAL

| | |
|-----------------------------|---|
| Share capital: | LTL 814,912,760 |
| Ordinary shares: | 774447548 registered shares at LTL 1 par (security code 12391) accounting for 95.03% of the authorised capital (admitted to trading at the NSEL on 17.06.98, admitted to the Official trading list on 12.06.00) |
| Ordinary employees' shares: | 40465212 registered shares at LTL 1 par (security code 12506) accounting for 4.97% of the authorised capital (not admitted to trading at the NSEL) |

| SUBSIDIARIES | Authorised capital (LTL) | Participating interest |
|---|--------------------------|------------------------|
| UAB Lietuvos Telekomo Verslo Sprendimai | 20m | 100% |
| UAB Lintel | 28m | 100% |
| UAB Comliet | 1m | 100% |
| VšĮ Lietuvos Telekomo Sporto Klubas | | 100% |

LITHUANIAN COMPANIES

RETAIL TRADE

Domestic trade (retail and wholesale) is one of the most important economic activities in Lithuania. The results of domestic trade are not only informative about this sector alone, but also are useful indicators for changes in solvent demand as well as the prospects of the economic development.

Retail trade turnover was vigorously rising over lately years. For example, in 1998, it was 1.8 times more than in 1995. In 1999, it decreased by 11.6 percent, as compared with 1998.

The downturn in retail trade was not only a reflection, but also a factor of overall economic recession in the country. Loss of the Lithuanian goods markets in the East resulted in the complicated financial situation of companies, households and the government; consequently, spending was cut. The decrease of 8.1 percent in the national budget expenditures and the consequential decline of 9.0 percent in government consumption had the largest negative effect on retail trade. Average earnings of households and private consumption grew inconsiderably in 1999.

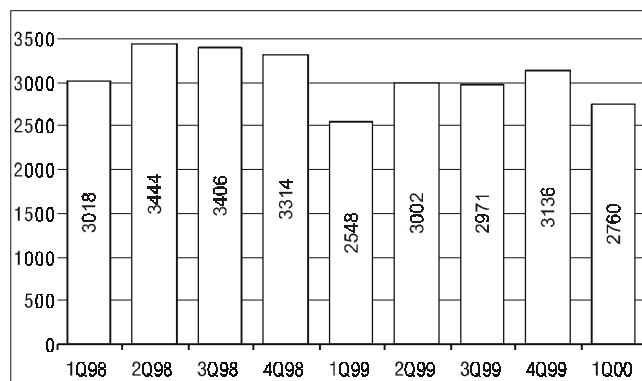
In 1999, turnover of motor vehicles and fuel retail trade decreased most sharply, by 25 percent, while turnover of trade in food products declined by only 6.8 percent. The physical volume of trade (at constant prices) dropped by even less due to the average decrease of 3.9 percent in food product prices in 1999. This indicates that demand for the essential goods was rather stable even under complicated economic conditions.

Lietuvos Spauda was the largest retail trader by sales volumes. Last year, the company earned insubstantial profits and its sales rose by 1 percent. The indicators of *Lytagra* became worse. Profits shrank from LTL 9.2 million to LTL 7.2 million and sales contracted by 27.9 percent. *Apranga* expanded its sales volume by 5.2 percent; its profits added up to LTL 5.7 million or grew 1.4 times.

With the recovering economy, turnover of retail trade should rise in the near future.

This is supported by the statistics data for the beginning of 2000. In the first quarter, as compared to the respective period of 1999, retail trade turnover at current prices grew by 7.9 percent (see Diagram), while at constant prices by 8.5 percent. It is likely that in the second quarter of this year, retail trade turnover will exceed not only the corresponding indicator of 1999, but also of 1998. Foreign direct investment (FDI) figures evidences the improving prospects of retail trade, too. At the end of 1999, about 25 percent of cumulative FDI were located in domestic trade.

Retail Trade Turnover
(LTL million)



From January to April in 2000, sales of passenger cars climbed by 20.5 percent, turnover of non-specialised stores (where usually food and beverages dominate) turned up by 19.8 percent, and sales of car fuel contracted by 2.8 percent, as compared with the adequate period of last year.

Turnover of *Apranga* augmented by 20 percent during the first four months of this year. *Vilniaus Prekyba* owns the biggest retail trade chain in Lithuania. Its subsidiary *Vilniaus Prekybos Mažmena* is planning to increase the number of owned stores from 64 to 100 and to accept about 1,000 new employees until the end of this year.

The retail trade systems of small size are operating rather successfully. *Taupa* managed 7 stores last year and anticipates increasing their number to 19 this year. During the period from January to May, this chain's turnover grew 2 times, as compared with the corresponding period of 1999. It is expected that this year *Taupa* turnover will reach LTL 60 million.

WHOLESALE AND RETAIL TRADE

| | |
|----------|-----------------------------|
| Address: | Kirtimų g. 51, 2028 Vilnius |
| Phone: | (370-2) 390808 |
| Fax: | (370-2) 643432 |
| E-mail: | apranga@taide.lt |

| | |
|----------------------------|------------|
| Registration date: | 01.03.1993 |
| Registration code: | 2193327 |
| Established: | 1948 |
| Privatised: | 1993 |
| Number of employees: | 211 |
| Authorised capital: | LTL 8.8m |
| Capitalisation (30.06.00): | LTL 8.8m |

| | |
|---------------|-----------------|
| Auditor: | Arthur Andersen |
| Trading List: | Current |

Management Board (participation in the company):

Rimantas Perveneckas, Chairman (2.26%),
Ilona Šimkūnienė (0.04%), Gintaras Bingelis (0.06%), Darius Juozas Mockus (2.45%),
Andrius Jovaiša (0%), Vaidas Savukynas

Managing Director: Rimantas Perveneckas

Contact person: Gintaras Bingelis, Marketing Director (tel. (370-2) 390802)

STRUCTURE OF OWNERSHIP

| | |
|------------|--------|
| UAB Ifanta | 82.08% |
|------------|--------|

CORPORATE HISTORY

The trade company APRANGA is the largest clothing company in Lithuania. The history of APRANGA started in 1948, when a big distribution centre for garments and other goods was established in post-war Vilnius. The former state-owned enterprise was privatised on 1 March 1993. Since 1993 APRANGA has been a public company.

The company's efforts brought favourable results already in 1994. Fast development was achieved by increasing investments and obtaining a controlling interest in some companies. By the end of 1997 APRANGA controlled 4 companies.

In 1993 APRANGA was amongst the first companies in Lithuania to register a bonded warehouse and to start co-operation with international transport companies. In 1999, APRANGA sold its transportation and warehousing business to Swedish Royal Post subsidiary "Baltic Logistic System Vilnius".

In 1993 the company's authorised capital constituted LTL 1.07m. and it was divided into 107,323 ordinary shares at LTL 10 par. In 1995 every share of APRANGA was split into 10 ordinary shares at LTL 1 par and the authorised capital was increased out of supplementary shareholders' contributions by issuing 1,191,805 ordinary registered shares. In 1997 the company decided to raise the stock capital out of supplementary contributions and to issue 4,411,495 ordinary shares at LTL 1 par. The whole issue was placed among shareholders.

BUSINESS ACTIVITY

The main business activities of APRANGA are retail and wholesale trade of clothes, shoes, and accessories. Revenues from retail trade constitute 89% of all company's income. APRANGA imports 94% of its goods from foreign countries, namely, from Germany (50%), Estonia (11%), France (11%), Italy (10%), and from other countries.

The retail store network of APRANGA consists of "Apranga" (41.3%), "Aprangos salonas" (30.9%), "Aprangos galerija" (21.4%) retail chains and of "Mados linija" (6.4%) which is an elite store in Vilnius offering the highest quality products. Currently, APRANGA operates a chain of 14 stores located in the largest cities of Lithuania: Vilnius, Kaunas, Klaipėda, as well as in smaller towns.

At present, APRANGA occupies approximately 33% of the specialised clothing market in Lithuania. Thanks to co-operation with solid Western partners - Betty Barclay, Strellson, Mexx, Roy Robson, Joop, Luhta, Huckle Group, Levi Strauss, Morgan, Naf Naf, S. Oliver, Lloyd, Salamander, Shelly's and others - APRANGA succeeds in satisfying its customers and assuring them that "they buy value for money and dress for success".

DEVELOPMENTS IN 1999

The company's sales are constantly growing and in 1999 they accounted for LTL 50m (cf. LTL 47.6m in 1998 and LTL 37m in 1997). The largest share (28%) in the retail turnover fell to the turnover of the store Apranga in Vilnius. Last year, net profit of APRANGA amounted to LTL 5.5m (cf. LTL 4m in 1998 and LTL 3m in 1997).

In order to maintain and strengthen the market leader position, the company used LTL 9.5m for investments while executing the modification and reorganisation programme of the trading network. In 1999 APRANGA opened three new shops: "Mados linija" in Vilnius, "Apranga" and "Aprangos galerija" in Klaipėda, besides, moved to new premises and enlarged the commercial area of "Apranga" in Vilnius. "Mados linija" is the largest clothing shop in Lithuania managed by one company. It is the project of the highest level and it does not yield in quality to the best stores in other capitals of the world. Previously, APRANGA did not operate in the segment of expensive clothing, however, now it has become a distinct leader of this section in terms of sales, products, and shop level and place.

In 1999 the company sold a 51% share block of the private company Aprangos salonas and the warehouse business.

PLANS, PROSPECTS FOR 2000

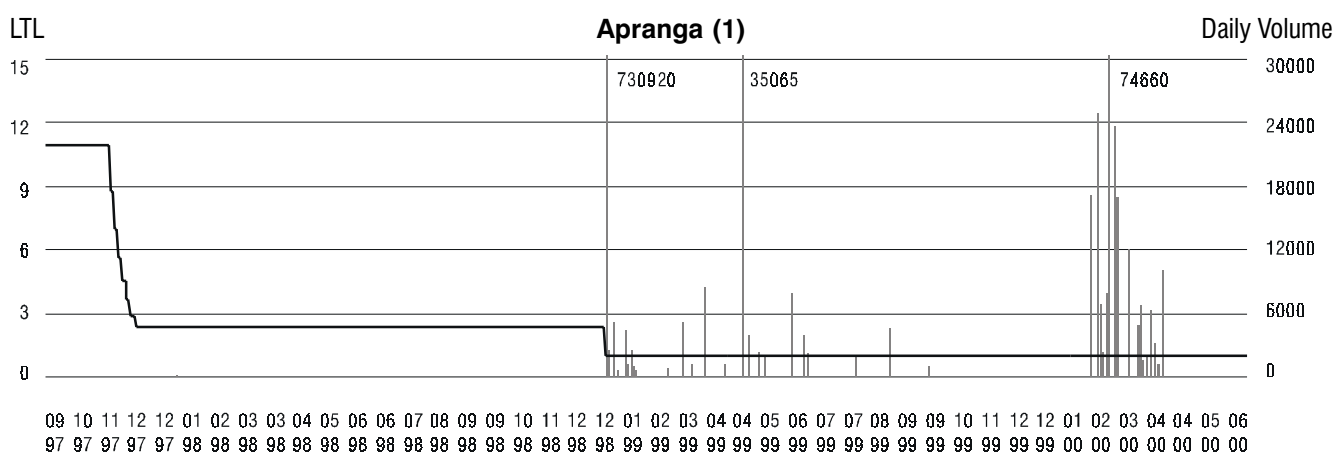
In 2000 the company is planning to open three new shops. Currently the company is working with two new projects in Vilnius and Panevėžys. The project in Gediminas Avenue, the main street of Vilnius, is a completely new phenomenon in clothing business in Lithuania and it will comply with the latest trading technologies of Europe. The company's objective for the near future is possibilities to apply the latest market organisation and technologies of the American market in Lithuania.

Structure OF SHARE CAPITAL

| | |
|------------------|--|
| Share capital: | LTL 8,822,990 |
| Ordinary shares: | 8822990 registered ordinary shares at LTL 1 par (security code 10233) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 26.05.97) |

SUBSIDIARIES

| | Date of establishment | Authorised capital (LTL) | Participating interest |
|--------------------|-----------------------|--------------------------|------------------------|
| AB Palangos Varūna | 1993 | 925th | 98.6% |
| UAB Tokata | 1994 | 209th | 100% |
| UAB Šešupė Ontario | 1997 | 1,000th | 59.0% |



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|----------|----------|----------|----------|
| LONG TERM ASSETS | 5004033 | 10957390 | 20490086 | 30625888 |
| SHORT TERM ASSETS | 11446073 | 11876284 | 13316668 | 16946354 |
| Stock | 8194035 | 8112161 | 11140348 | 14857217 |
| Amounts receivable within one year | 3009945 | 3307351 | 1794794 | 1354644 |
| TRANSFER ACCOUNTS | 12895 | 34195 | 65935 | 46835 |
| TOTAL ASSETS | 16463001 | 22867869 | 33872689 | 47619077 |
| CAPITAL AND RESERVES | 8830727 | 15559165 | 19563902 | 25106670 |
| Capital | 4411495 | 8822990 | 8822990 | 8822990 |
| Subscribed capital | 4411495 | 8822990 | 8822990 | 8822990 |
| Share premium account | 0 | 441149 | 441149 | 441149 |
| Revaluation reserve | 0 | 0 | 0 | 0 |
| Reserves | 4419232 | 6295026 | 10299763 | 15842531 |
| Profit (loss) brought forward | 0 | 0 | 0 | 0 |
| Amounts payable after one year and long-term liabilities | 0 | 0 | 4286646 | 7246581 |
| Amounts payable within year and long-term liabilities | 7632274 | 7261489 | 9994331 | 15095296 |
| ACCRUED CHARGES AND DEFERRED INCOME | 0 | 47215 | 27810 | 139478 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 16463001 | 22867869 | 33872689 | 47619077 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|----------|----------|----------|----------|
| SALES AND SERVICES | 28536243 | 37001585 | 47651548 | 50140484 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 19727293 | 24350840 | 29464368 | 30974211 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 1431561 | 3095055 | 4004737 | 5542768 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|--------------|-------------|-------------|-------------|
| PRICE (LTL) | | | | |
| First | 11.00 | 2.32 | 2.35 | 1.00 |
| Max | 11.00(09 30) | 2.35(12 31) | 1.01(01 29) | 1.01(04 03) |
| Min | 2.32(12 09) | 2.32(01 21) | 1.00(12 30) | 0.96(02 25) |
| Last | 2.32 | 2.35 | 1.00 | 1.00 |
| Change (%) | -78.91 | 1.29 | -57.45 | - |
| Number of transactions (CM) | 4 | 4 | 106 | 126 |
| Turnover CM (units) | 20 | 121 | 829975 | 222565 |
| Turnover CM (LTL) | 220 | 281 | 829990 | 221896 |
| Turnover BT (units) | 4672545 | 1567880 | 2972955 | 189030 |
| Turnover BT (LTL) | 5142938 | 1579294 | 3232718 | 207281 |
| CM turnover as % in total | 0.00 | 0.01 | 21.82 | 54.07 |
| Total turnover (units) | 4672565 | 1568001 | 3802930 | 411595 |
| Total turnover (LTL) | 5143158 | 1579574 | 4062708 | 429177 |
| Turnover ratio (%) | 52.96 | 17.77 | 43.10 | 4.67 |
| As % in the total share turnover | 0.54 | 0.18 | 0.33 | 0.21 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|---------|---------|---------|---------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 1.50 | 1.63 | 1.34 | 1.12 |
| Quick ratio | 0.43 | 0.52 | 0.22 | 0.14 |
| Net working capital (LTL thou) | 3826694 | 4601775 | 3360462 | 1758415 |
| Net working capital to total assets | 0.23 | 0.20 | 0.10 | 0.04 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.05 | 0.08 | 0.08 | 0.11 |
| Return on assets (%) | 0.09 | 0.14 | 0.12 | 0.12 |
| Return on equity (%) | 0.16 | 0.20 | 0.20 | 0.22 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.46 | 0.32 | 0.42 | 0.47 |
| Debt / equity ratio | 0.86 | 0.47 | 0.73 | 0.90 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 2.40 | 2.99 | 3.06 | 2.38 |
| Receivables turnover | 9.14 | 11.71 | 18.68 | 31.84 |
| Net working capital turnover | 7.46 | 8.04 | 14.18 | 28.51 |
| Long-term assets turnover | 5.70 | 3.38 | 2.33 | 1.64 |
| Total assets turnover | 1.73 | 1.62 | 1.41 | 1.05 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|------|-------|-------|-------|
| Capitalisation (LTL thou) | - | 20469 | 20734 | 8,823 |
| Share book value (LTL) | 2.00 | 1.76 | 2.22 | 2.80 |
| Price / book value ratio (P/BV) | - | 1.32 | 1.06 | 0.36 |
| Earnings per share (LTL) | 0.32 | 0.35 | 0.45 | 0.64 |
| Price / earnings ratio (P/E) | - | 6.61 | 5.18 | 1.56 |
| Dividend per share (LTL) | 0.07 | 0.05 | - | - |
| Dividend yield | - | 0.02 | - | - |
| Dividend payout ratio | 0.22 | 0.14 | - | - |

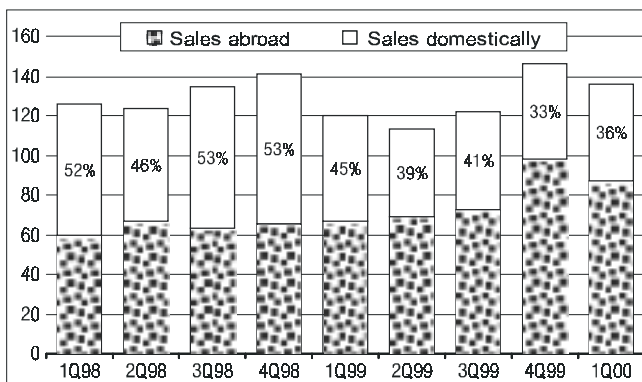
LITHUANIAN COMPANIES

FURNITURE INDUSTRY

The share of furniture sector in the overall industry of the country is not large; nevertheless, furniture manufacturing is developing relatively quickly. The sector of furniture manufacturing operated relatively well during the industrial production downturn of 1999, when furniture production sales were 2.9 percent more than in 1998 (over 60 percent of production were exported).

In the first quarter of 2000, as compared with the corresponding period of last year, production sales of furniture manufacturing grew in nominal as well as real term; sold furniture output at current prices increased by 13.3 percent (see Diagram), while at constant prices rose by 16.7 percent. Growth tendencies are supported by statistical data for individual enterprises, too.

Production Sales Volume of Furniture Industry
(LTL million)



During the first five months of this year, sales of one of the biggest furniture producers *Klaipėdos Baldai* accounted for LTL 21, 3 million and expanded more than one fourth, as compared with the respective period of last year. During the period from January to May, the company earned over

LTL 1, 9 million profits, i.e. 49 percent more than last year. This year, exports by *Klaipėdos Baldai* expanded by

42 percent, while domestic trade rose by only 9 percent.

Vilniaus Baldu Kombinas have renovated its facilities and accepted over 200 new employees. In co-operation with the Swedish consortium *IKEA*, over 90 percent of *Vilniaus Baldu Kombinas* output are exported. Although sales almost doubled, losses summed up to LTL 5.4 million in 1999.

In the first quarter of this year, the company earned LTL 0.4 million profits (during the period from January to May,

LTL 0.94 million), its turnover expanded 3.3 times and constituted LTL 14.5 million. In June, *Vilniaus Baldu Kombinas* opened its brand store in Riga. This year it is planned to invest about LTL 2 million.

The indicators of *Šilutės Baldai* activities improved, too. In the first quarter of this year, turnover amounted to LTL 10.1 million or 40 percent more than in the first quarter of 1999. Sold output of *Kauno Baldai* accounted for LTL 5.5 million, while its turnover grew by even 54 percent.

FURNITURE

| | |
|----------|-------------------------------|
| Address: | Joniškės g. 21, 5799 Klaipėda |
| Phone: | (370-6) 313935 |
| Fax: | (370-6) 313951 |
| E-mail: | klb@takas.lt |

www.klaipedos-baldai.lt

| | |
|----------------------------|------------|
| Registration date: | 03.03.1993 |
| Registration code: | 4065605 |
| Established: | 1954 |
| Privatised: | 1993 |
| Number of employees: | 397 |
| Authorised capital: | LTL 8.1m |
| Capitalisation (30.06.00): | LTL 6.1m |

| | |
|---------------|--------------|
| Auditor: | KPMG Lietuva |
| Trading List: | Current |

Supervisory Board (participation in the company):

Rimas Varanauskas, Chairman (0.11%),
Rimantas Akulevičius (0%), Aniceta Bagdonavičienė (0.07%)

Management Board (participation in the company):

Kęstutis Linkus, Chairman (1.26%),
Eimuntas Jankauskas (0.08%), Nerijus Tilindis (1.29%)

Managing Director (participation in the company): Kęstutis Linkus (1.26%)

Contact Person: Kęstutis Linkus, Director General, tel. (370-6) 313935

STRUCTURE OF OWNERSHIP

| | |
|------------------|--------|
| AB Koncernas SBA | 50.36% |
|------------------|--------|

CORPORATE HISTORY

In 1950s, a plant that manufactured matches for export purposes operated in Klaipėda. In 1954, when export of matches was no longer profitable, the plant was reorganised into a state furniture enterprise. Initially, the company manufactured different furniture and resembled an artisan's workshop. Since it was unreasonable to develop production of various types of furniture, in 1956, the decision was made to specialise in wardrobes. In 1961 the company started to produce bedroom furniture. The production of bedroom furniture improved rapidly, and KLAIPĖDA FURNITURE PLANT conquered not only Lithuanian but also the former Soviet Union market. Bedroom sets Zunda and Ugnė were dream goods in the deficit economy. In 1975 KLAIPĖDA production furniture union was established and starting from 1980 it began to export its products to the Western European countries. In 1990 the union was reorganized, Rietavas Furniture Factory was separated from the union and State Furniture Company was established.

In 1993 the company underwent privatisation through initial public offering and was registered with Klaipėda Municipality as a public company with the authorised capital of LTL 742thou. On 5 March 1996, the general shareholders' meeting passed a decision to increase the authorised capital 10 times out of the revaluation reserve. With the issue of additional 7.4m shares the stock capital amounted to LTL 8.16 million.

At the end of 1997, KLAIPĖDOS BALDAI was certified according to the ISO 9000 standard. At that time, KLAIPĖDOS BALDAI was the 6th company in Lithuania and the first one among furniture-makers to be issued ISO certificate.

BUSINESS ACTIVITIES

KLAIPĖDOS BALDAI makes and sells furniture for the domestic and foreign markets. The company specialises in the production of bedroom, office, and youth room furniture. There are also pieces of furniture produced. Company concentrates its production on the customers with lower and medium income.

KLAIPĖDOS BALDAI produces furniture from chipboard of 16 mm and 25 mm which is then covered with natural veneer from birch, oak, ash, cherry-tree and other types of wood or with a thin synthetic layer and laminate. Only certified wood and other materials are used in the production of furniture.

The furniture produced by the company is covered by the manufacturer's guarantee of 12 months for office furniture and 18 months for household furniture.

In Lithuania the most famous produce of KLAIPĖDOS BALDAI is bedroom furniture. 67% of those account for bedroom sets of furniture Veronika, 17% - Veronika M, 15% - Ieva, 1% - Tatami. 97% of office furniture sold account for office set of furniture Ergo, the rest - Vadovo. 77% of Kostas 2 and 23% of Kostas are the sets of youth room furniture.

The company imports about 30% of raw materials from the EU. Other necessary materials are purchased in Lithuania (62%) and other countries.

The largest partners of KLAIPĖDOS BALDAI are UAB Klaipėdos Baldų Prekyba, which sells furniture in Lithuania, and several foreign companies selling company's products through the retailers and product catalogues in France, Holland, Belgium, Germany, England, Sweden, Canada, and other countries' markets. The company exports 65% of its production. Exports to foreign markets increase year by year. This trend shows that KLAIPĖDOS BALDAI furniture is able to compete in Western markets.

KLAIPĖDOS BALDAI holds 35% of the country's furniture market and 65% of Lithuanian furniture export.

DEVELOPMENTS IN 1999

General sales of KLAIPĖDOS BALDAI are growing constantly every year. In 1999, sales totalled LTL 46.1m (10% more than in 1998). According to the sales volume and net profit, KLAIPĖDOS BALDAI was leading among the Lithuanian furniture producers in 1999. Confederation of Lithuanian Industrialists announced company as the most successfully working in the furniture industry in 1999.

In 1999 the company gained LTL 2.5m pre-tax profit, net profit amounted to LTL 2.08m.

Wages in KLAIPĖDOS BALDAI are among the highest in Lithuanian furniture industry and higher than the average in the country. The average wage in the company increased by 24% during the year, the output (sales per person) increased by 32% and was the highest in the Lithuanian furniture industry.

In 1999 the company introduced Environment Protection Management System (Thuringen expert licenced) in accordance with the ISO 14001 standard. It is the first environment protection licence among the furniture production companies in Lithuania.

KLAIPĖDOS BALDAI product Koto Tatami in the group of bedroom furniture won the Best Lithuanian Furniture competition during the exhibition Baldai '99. Confederation of Lithuanian Industrialists awarded the set of youth room furniture Kostas 2 the prize of the year and the medal.

PLANS, PROSPECTS FOR 2000

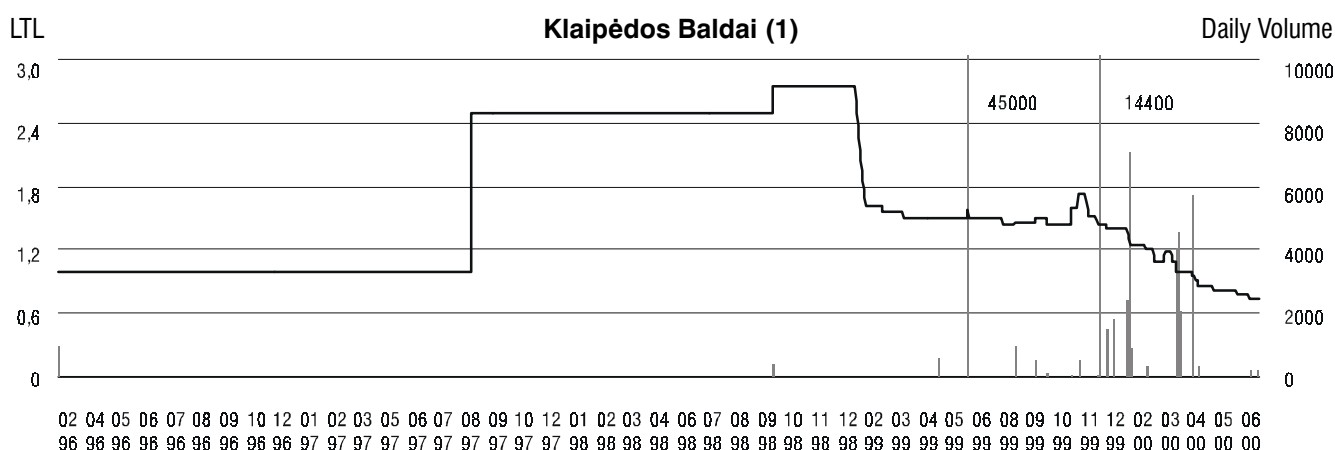
The company plans to renovate the assortment in all product groups (bedroom, office, and youth room furniture). During the exhibition Lietuviški Baldai 2000 that took place in March 2000, KLAIPĖDOS BALDAI offered new products for customers: bedroom furniture Urtė and Viltė, youth room furniture Vilius, office furniture Nero and Giro. Series Nero won the Best Lithuanian Furniture competition and was awarded the prize and diploma of honour. Viltė received the diploma of honour as well. At the end of the year 2000, in the bedroom and the youth room furniture groups customers will be offered completely new conceptual models.

In 2000 KLAIPĖDOS BALDAI plans to become stronger in already existing markets with the current business partners and continue looking for the new markets as well as business partners.

In 2000, KLAIPĖDOS BALDAI plans to manufacture products for LTL 57m and this way to increase sales by 37.3%. Moreover, the company will seek to increase the sales through a local distributor by 30% and enlarge the volumes of export by 40.5%.

Structure OF SHARE CAPITAL

| | |
|---------------------|---|
| Authorised capital: | LTL 8,166,312 |
| Ordinary shares: | 8166312 registered shares at LTL 1 par (security code 10297) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 09.08.94) |



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|----------|----------|----------|----------|
| LONG TERM ASSETS | 8649082 | 9616727 | 12339623 | 13811190 |
| SHORT TERM ASSETS | 11660312 | 14652664 | 18862272 | 18911786 |
| Stock | 3184096 | 4337868 | 5562706 | 4146411 |
| Amounts receivable within one year | 7352333 | 9579426 | 12758833 | 14165589 |
| TRANSFER ACCOUNTS | 2520 | 6434 | 12134 | 21107 |
| TOTAL ASSETS | 20311914 | 24275825 | 31214029 | 32744083 |
| CAPITAL AND RESERVES | 13947262 | 14654064 | 17268479 | 18807568 |
| Capital | 8166312 | 8166312 | 8166312 | 8166312 |
| Subscribed capital | 8166312 | 8166312 | 8166312 | 8166312 |
| Share premium account | 112 | 112 | 112 | 112 |
| Revaluation reserve | 728462 | 728462 | 728462 | 728462 |
| Reserves | 4252348 | 4302195 | 4543070 | 8514149 |
| Profit (loss) brought forward | 800028 | 1456983 | 3830523 | 1398533 |
| Amounts payable after one year and long-term liabilities | 703311 | 2391886 | 4058961 | 2720852 |
| Amounts payable within year and long-term liabilities | 5661341 | 7229875 | 9886589 | 10618130 |
| ACCRUED CHARGES AND DEFERRED INCOME | 0 | 0 | 0 | 565636 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 20311914 | 24275825 | 31214029 | 32744083 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|----------|----------|----------|----------|
| SALES AND SERVICES | 29381388 | 32483115 | 41928407 | 46106206 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 21792452 | 25395839 | 32363473 | 34790594 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | 1271769 | 962280 | 3360509 | 2085589 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|-------------|-------------|-------------|-------------|
| PRICE (LTL) | | | | |
| First | 2.50 | 2.50 | 2.75 | 1.40 |
| Max | 2.50(08 29) | 2.75(12 31) | 2.75(01 13) | 1.40(01 10) |
| Min | 2.50(08 29) | 2.50(09 28) | 1.40(12 30) | 0.75(06 30) |
| Last | 2.50 | 2.75 | 1.40 | 0.75 |
| Change (%) | - | 10.00 | -49.09 | -46.43 |
| Number of transactions (CM) | 2 | 2 | 59 | 36 |
| Turnover CM (units) | 10 | 400 | 65693 | 28786 |
| Turnover CM (LTL) | 25 | 1100 | 100800 | 32348 |
| Turnover BT (units) | 91707 | 48416 | 330086 | 31388 |
| Turnover BT (LTL) | 91707 | 16134 | 79321 | 9956 |
| CM turnover as % in total | 0.01 | 0.82 | 16.60 | 47.84 |
| Total turnover (units) | 91717 | 48816 | 395779 | 60174 |
| Total turnover (LTL) | 91732 | 17234 | 180121 | 42304 |
| Turnover ratio (%) | 1.12 | 0.60 | 4.85 | 0.74 |
| As % in the total share turnover | 0.01 | 0 | 0.02 | 0.02 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|---------|---------|---------|---------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 2.06 | 2.03 | 1.91 | 1.69 |
| Quick ratio | 1.50 | 1.43 | 1.35 | 1.32 |
| Net working capital (LTL thou) | 6001491 | 7429223 | 8987817 | 7749127 |
| Net working capital to total assets | 0.30 | 0.31 | 0.29 | 0.24 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | 0.04 | 0.03 | 0.08 | 0.05 |
| Return on assets (%) | 0.06 | 0.04 | 0.11 | 0.06 |
| Return on equity (%) | 0.09 | 0.07 | 0.19 | 0.11 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.31 | 0.40 | 0.45 | 0.43 |
| Debt / equity ratio | 0.46 | 0.66 | 0.81 | 0.74 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 7.72 | 6.75 | 6.54 | 7.17 |
| Receivables turnover | 4.19 | 3.84 | 3.75 | 3.42 |
| Net working capital turnover | 4.90 | 4.37 | 4.67 | 5.95 |
| Long-term assets turnover | 3.40 | 3.38 | 3.40 | 3.34 |
| Total assets turnover | 1.45 | 1.34 | 1.34 | 1.41 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|------|-------|-------|--------|
| Capitalisation (LTL thou) | 8166 | 20416 | 22457 | 11,433 |
| Share book value (LTL) | 1.71 | 1.79 | 2.11 | 2.30 |
| Price / book value ratio (P/BV) | 0.59 | 1.39 | 1.30 | 0.61 |
| Earnings per share (LTL) | 0.16 | 0.12 | 0.41 | 0.26 |
| Price / earnings ratio (P/E) | 6.42 | 21.22 | 6.68 | 5.48 |
| Dividend per share (LTL) | - | - | 0.05 | 0.05 |
| Dividend yield | - | - | 0.02 | 0.04 |
| Dividend payout ratio | - | - | 0.12 | 0.20 |

FURNITURE

| | |
|----------------------------|---------------------------------|
| Address: | Savanorių pr. 178, 2600 Vilnius |
| Phone: | (370-2) 311150, 311153 |
| Fax: | (370-2) 311130 |
| E-mail: | baldai@vbk.lt |
| | www.baldai.vbk.lt |
| Registration date: | 09.02.1993 |
| Registration code: | 2192278 |
| Established: | 1883 |
| Privatised: | 1993 |
| Number of employees: | 610 |
| Authorised capital: | LTL 15.5m |
| Capitalisation (30.06.00): | LTL 2.7m |
| Auditor: | UAB Arthur Andersen |
| Trading List: | Current |

Supervisory Board (participation in the company):

Alfonsas Rimkus, Chairman (0%),

Alvydas Banys (0%), Algirdas Bučas (2.5%)

Managing Director (participation in the company): Petras Čėsna (3.8%)

Contact Person: Aušra Kazanavičienė, Sales Manager, tel. (370-2) 311172

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 2335 |
| KIB Invalda (holding) | 65.70% |

CORPORATE HISTORY

VILNIAUS BALDŲ KOMBINATAS is a high-capacity and the oldest company of furniture production in Vilnius. The history of VILNIAUS BALDŲ KOMBINATAS dates from 1883. The company has inherited experience and traditions of several old enterprises.

In Vilnius, industrial furniture production was establishing only after World War II in the place of several old sawmills. At the beginning of 1941, premises of the former leather factory were accommodated to production of furniture, and for thirty years the present furniture factory has been operating in those premises. The factory included I.Vainikas sawmill which was established in 1883 and nationalised in 1940. The old group of enterprises had in its possession only 3900 m² of industrial area. Since 1963, 31thou m² of industrial and administrative premises have been built, modern equipment and some automated lines have been mounted.

The period from 1995 to 1998 was difficult for VILNIAUS BALDŲ KOMBINATAS as production volumes and the number of employees were decreasing. In 1998 the company began co-operation with the Swedish concern IKEA, and VILNIAUS BALDŲ KOMBINATAS was the first in Lithuania to implement production of honeycomb slab. As a result, production volumes and the number of employees significantly advanced and the company became one of the largest exporters of furniture in Lithuania.

After the initial privatisation in 1993 the authorised capital of the company accounted for LTL 1.8m. In the same year, the additional issue of 500,000 ordinary registered shares at par value of LTL 1 was issued, and the authorised capital reached LTL 23m. In 1994 the company's authorised capital was increased out of additional contributions to LTL 3.5m. In 1996 it was lifted twice: to LTL 10.6m out of revaluation reserve by improving the par value of shares from LTL 1 to LTL 4, and by LTL 1.37m by issuing an additional share issue. Since then the company's authorised capital has no changes and currently it constitutes LTL 15.5m and is divided into 3,886,267 ORS at LTL 4 par value.

In 1998 VILNIAUS BALDŲ KOMBINATAS issued 750,000 discounted convertible bonds with the maturity of 3 years, par value LTL 4, annual interest rate 5%. The bonds will be redeemed or converted into ordinary registered shares on 4 November 2001.

BUSINESS ACTIVITY

The major business activity of VILNIAUS BALDŲ KOMBINATAS is production of furniture. In the total production volume furniture constitutes over 97%. The company produces tables, wardrobes, dressers, wall units, beds, commodes, book shelves, office, entrance-hall, and bedroom furniture.

Until last year, the company realised more than half of its production in Lithuania, the remaining part was exported to the Eastern and Western markets as well as to the Baltic countries. In 1999, the structure of the company's sales market underwent significant changes as export to the Western market accounted for 80% of the total output. Designs of those products were suggested by the Swedish concern IKEA with active participation of experts from VILNIAUS BALDŲ KOMBINATAS.

Basic materials used in furniture production are acquired in Lithuania as well as imported from Germany, Sweden, Poland, Estonia, and Denmark. 97% of supply contracts are long-termed.

In terms of sales volumes, VILNIAUS BALDŲ KOMBINATAS takes the second position among Lithuanian manufacturers of furniture.

DEVELOPMENTS IN 1999

Over the last year VILNIAUS BALDŲ KOMBINATAS improved production volumes 2.2 times as compared with 1998. With the expansion of production, the company implemented a three-shift system, therefore, the number of employees increased by 217 persons. As compared with 1998, efficiency of labour advanced by 155.6%.

In 1999 sales of the company exceeded LTL 31.8m (LTL 15.5m in 1998, LTL 12.7m in 1997), however, the company suffered a loss of LTL 5.4m (LTL 2.5m in 1998; LTL 0.7m in 1997). Large regular expenses and insufficient production and sales volumes account for the company's losses. Some of expenditures that increased the losses were directly related to the basic activity of the company, namely, repair works of buildings, written off bad debts of Eastern markets, etc.

In 1999 VILNIAUS BALDŲ KOMBINATAS launched production of new articles, the most important of which are the following: universal wall units Gama, Rugilė, Nova; office furniture Bosas, Forma; entrance – hall furniture Rikis, Titas; bedroom furniture Kopa, Banga; furniture articles for export Rakke (wardrobe) and Brakke (bed).

The company is a regular participant of specialised fairs. At the exhibition Furniture-99 (Baldai-99, Vilnius), the company presented 10 new products, 3 of which were recognised the best articles in different furniture groups. Office furniture Bosas was acknowledged the Product of the Year. VILNIAUS BALDŲ KOMBINATAS, as the best supplier of the concern IKEA in the Baltic countries in 1999, was awarded a diploma and a bonus for high productive achievements.

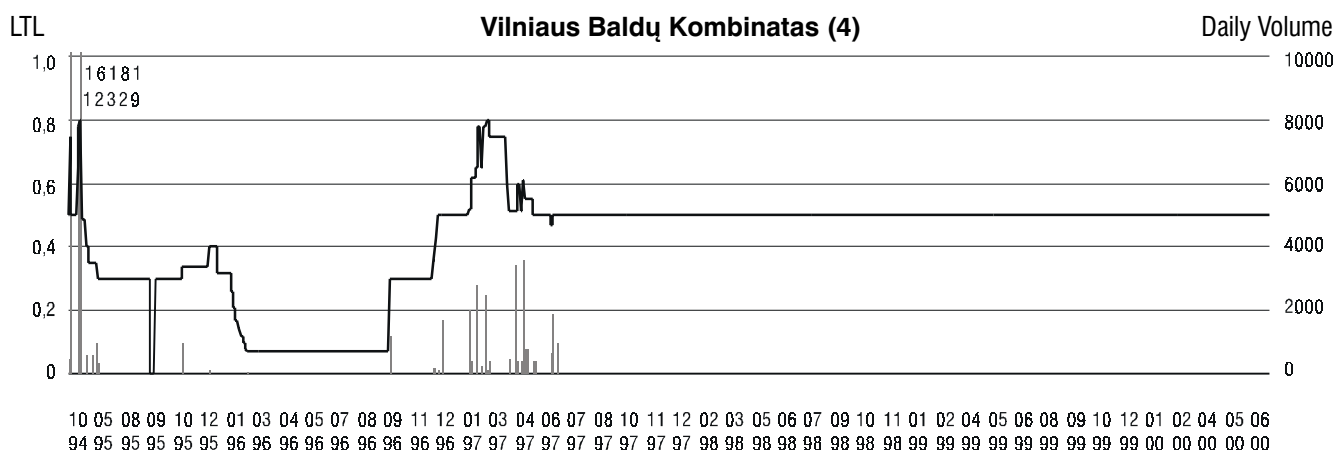
Since April 1999 the company has begun sales of furniture by instalments.

PLANS, PROSPECTS FOR 2000

In 2000 VILNIAUS BALDŲ KOMBINATAS plans to produce and realise products for LTL 64m, which is twice more than last year. The company expects to become a leader among Lithuanian manufacturers of furniture in terms of production and sales volumes. One of the most serious tasks of the company for the current year is to continue improving productivity and reducing expenditures. In 2000 VILNIAUS BALDŲ KOMBINATAS anticipates the profit of LTL 2.3 million.

Structure OF SHARE CAPITAL

| | |
|------------------|---|
| Share capital: | LTL 15,545,068 |
| Ordinary shares: | 3,886,267 registered shares at LTL 4 par (security code 10426) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 04.10.94) |



| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|----------|----------|----------|-----------|
| LONG TERM ASSETS | 13000993 | 12007821 | 14215571 | 25358496 |
| SHORT TERM ASSETS | 6873408 | 7922459 | 7334107 | 9860468 |
| Stock | 4072909 | 3516325 | 3842867 | 5942397 |
| Amounts receivable within one year | 2624575 | 3983947 | 2480174 | 3747059 |
| TRANSFER ACCOUNTS | 0 | 0 | 0 | 2207 |
| TOTAL ASSETS | 19874401 | 19930280 | 21549678 | 35221171 |
| CAPITAL AND RESERVES | 13697335 | 12986815 | 12131676 | 15545370 |
| Capital | 15545068 | 15545068 | 15545068 | 15545068 |
| Subscribed capital | 15545068 | 15545068 | 15545068 | 15545068 |
| Share premium account | 0 | 0 | 0 | 0 |
| Revaluation reserve | 910279 | 910279 | 2595202 | 11447579 |
| Reserves | 572131 | 234059 | 234059 | 234059 |
| Profit (loss) brought forward | -3330143 | -3702591 | -6242653 | -11681336 |
| Amounts payable after one year and long-term liabilities | 0 | 0 | 5282278 | 7755302 |
| Amounts payable within year and long-term liabilities | 6177066 | 6943465 | 4135724 | 11204515 |
| ACCRUED CHARGES AND DEFERRED INCOME | 0 | 0 | 0 | 0 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 19874401 | 19930280 | 21549678 | 35221171 |

| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
|---|----------|----------|----------|----------|
| SALES AND SERVICES | 15295284 | 12747756 | 15536335 | 31846515 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 14151947 | 10265193 | 14167302 | 28623010 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | -3330143 | -710521 | -2540062 | -5438683 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|-------------|--------|------|---------|
| PRICE (LTL) | | | | |
| First | 0.50 | 0.50 | 0.50 | 0.50 |
| Max | 0.80(03 03) | 0.50 | 0.50 | 0.50 |
| Min | 0.47(06 11) | 0.50 | 0.50 | 0.50 |
| Last | 0.50 | 0.50 | 0.50 | 0.50 |
| Change (%) | - | - | - | - |
| Number of transactions (CM) | 68 | 0 | 0 | 0 |
| Turnover CM (units) | 22614 | 0 | 0 | 0 |
| Turnover CM (LTL) | 13214 | 0 | 0 | 0 |
| Turnover BT (units) | 0 | 354731 | 7388 | 8177 |
| Turnover BT (LTL) | 0 | 265911 | 5396 | 4339 |
| CM turnover as % in total | 100.00 | 0 | 0 | 0 |
| Total turnover (units) | 22614 | 354731 | 7388 | 8177 |
| Total turnover (LTL) | 13214 | 265911 | 5396 | 4339 |
| Turnover ratio (%) | 0.58 | 9.13 | 0.19 | 0.21 |
| As % in the total share turnover | 0 | 0.03 | 0 | 0 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|--------|--------|---------|----------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 1.11 | 1.14 | 1.77 | 0.88 |
| Quick ratio | 0.45 | 0.63 | 0.84 | 0.35 |
| Net working capital (LTL thou) | 696342 | 978994 | 3198383 | -1341840 |
| Net working capital to total assets | 0.04 | 0.05 | 0.15 | -0.04 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | -0.22 | -0.06 | -0.16 | -0.17 |
| Return on assets (%) | -0.17 | -0.04 | -0.12 | -0.15 |
| Return on equity (%) | -0.24 | -0.05 | -0.21 | -0.35 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.31 | 0.35 | 0.44 | 0.56 |
| Debt / equity ratio | 0.45 | 0.53 | 0.78 | 1.27 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | 3.31 | 2.71 | 3.85 | 5.85 |
| Receivables turnover | 5.73 | 3.86 | 4.81 | 10.23 |
| Net working capital turnover | 21.97 | 13.02 | 4.86 | -23.73 |
| Long-term assets turnover | 1.18 | 1.06 | 1.09 | 1.26 |
| Total assets turnover | 0.77 | 0.64 | 0.72 | 0.90 |

HOTEL SERVICES

| | |
|----------|---------------------------------|
| Address: | K.Donelaičio g. 27, 3000 Kaunas |
| Phone: | (370-27) 203612, 306101 |
| Fax: | (370-27) 305160, 205289 |
| E-mail: | takneris@takas.lt |

www.travel.lt/neris/welcome.htm

| | |
|--------------------|------------|
| Registration date: | 07.11.1994 |
| Registration code: | 3426132 |
| Established: | 1988 |

| | |
|----------------------|-----------|
| Number of employees: | 130 |
| Authorised capital: | LTL 4.96m |

| | |
|---------------|--|
| Auditor: | UAB Scandinavian Accounting and Consulting |
| Trading List: | Current |

Supervisory Board (participation in the company):

Rimvidas Kūgis, Chairman (0%),
Vilimas Čiurinskas (0.01%), Nijolė Sabonienė (0%)

Management Board (participation in the company):

Algimantas Petras Špėlis, Chairman (0.01%),
Paulius Lukaševičius (0%), Vaidotas Lasauskas (0%)

Managing Director (participation in the company): Algimantas Petras Špėlis (0.01%)

Contact Person: Algimantas Petras Špėlis, Director General, tel. (370-27) 203612

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 209 |
| State Property Fund | 71.19% |

CORPORATE HISTORY

The hotel started its activity in 1988. TAKIOJI NERIS was established in 1994 after reorganisation of the state enterprise NERIS.

BUSINESS ACTIVITY, DEVELOPMENTS IN 1999

TAKIOJI NERIS is the largest hotel in Kaunas. At the moment, the building of the hotel is the newest and the most comfortable one in the town. The hotel offers full and high quality service to its clients. There are 180 rooms in the eight-storey building (39 single rooms, 132 double, and 9 luxury rooms). The hotel has the possibility to host 320 guests at the same time. TAKIOJI NERIS also has a 140 places restaurant with a ballroom, a bar, and a café; a beer bar; roast and dessert bars. Moreover, there is a stomatological cabinet, souvenir kiosk, hairdressing saloon and cosmetology centre, luggage-storing ward in the hotel. Last year TAKIOJI NERIS offered its guests new services such as sport-halls, sauna with a swimming pool. TAKIOJI NERIS serves all the major events of Kaunas, and the company is advertised in all official publications that represent Lithuania abroad and is also invited to participate in the international conferences. TAKIOJI NERIS seeks to become a 3-4 star hotel and is currently preparing the material for the hotel classification commission.

In 1999 employment of the hotel constituted 40.6%. The majority of guests came from the North and West Europe. Over the year, the total number of visitors exceeded 38thou.

In 1999 TAKIOJI NERIS received LTL 4.7m income (11.8% less than in 1998). In the total income of the company, hotel services accounted for 52.8%, nutrition services constituted 39.1%, and rent as well as other services got the remaining part. Last year net profit of the hotel amounted to nearly LTL 0.5m.

PLANS, PROSPECTS FOR 2000

In 2000 TAKIOJI NERIS concluded 94 agreements with tourism companies, the company intends to host 19,960 tourists, which is by 13.4% more as compared to 1999. In 2000 the hotel anticipates room employment of 45.1%.

In order to take its place on the market and rise prices of the hotel rooms, TAKIOJI NERIS carries out repairs of the hotel and renovation of the worn out property. It is expected that renovation of the hotel will be fully completed before 2004. TAKIOJI NERIS has a real business plan where it is foreseen that after the renovation and repair of the hotel rooms is finished, the income is to increase by 7.71% every year, and the company's net profit is also expected to advance on average by 6.2% per year.

Structure OF SHARE CAPITAL

| | |
|------------------|---|
| Share capital: | LTL 4,963,185 |
| Ordinary shares: | 992,637 registered shares at LTL 5 par (securities code 11079) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 01.06.98) |

| BALANCE SHEET (LTL) | 1996 | 1997 | 1998 | 1999 |
|--|----------------|----------------|----------------|-----------------|
| LONG TERM ASSETS | 6743222 | 7369757 | 7305091 | 9649167 |
| SHORT TERM ASSETS | 540034 | 621464 | 1001154 | 910737 |
| Stock | 296898 | 391955 | 370017 | 419522 |
| Amounts receivable within one year | 159795 | 198986 | 281676 | 400490 |
| TRANSFER ACCOUNTS | 33715 | 40947 | 49576 | 39540 |
| TOTAL ASSETS | 7316971 | 8032168 | 8355821 | 10599444 |
| CAPITAL AND RESERVES | 6168430 | 6384675 | 6942465 | 7432244 |
| Capital | 4963185 | 4963185 | 4963185 | 4963185 |
| Subscribed capital | 4963185 | 4963185 | 4963185 | 4963185 |
| Share premium account | 0 | 0 | 0 | 0 |
| Revaluation reserve | 2231725 | 2231725 | 2231725 | 2231725 |
| Reserves | 170 | 170 | 170 | 170 |
| Profit (loss) brought forward | -1026650 | -810405 | -252615 | 237164 |
| Amounts payable after one year and long-term liabilities | 0 | 295242 | 151031 | 1383422 |
| Amounts payable within year and long-term liabilities | 1148264 | 1222950 | 1262325 | 1740195 |
| ACCRUED CHARGES AND DEFERRED INCOME | 277 | 1170 | 0 | 43583 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 7316971 | 8032168 | 8355821 | 10599444 |
| PROFIT (LOSS) ACCOUNT (LTL) | 1996 | 1997 | 1998 | 1999 |
| SALES AND SERVICES | 3035432 | 4696051 | 5423302 | 4726067 |
| COST OF GOODS SOLD AND SERVICES RENDERED | 2378662 | 2859931 | 3249886 | 3186994 |
| NET PROFIT OF THE CURRENT YEAR FOR APPROPRIATION (LOSS) | -588143 | 216245 | 557790 | 489779 |

| FINANCIAL RATIOS | 1996 | 1997 | 1998 | 1999 |
|-------------------------------------|-------------|-------------|-------------|-------------|
| LIQUIDITY RATIOS | | | | |
| Current ratio | 0.50 | 0.54 | 0.83 | 0.53 |
| Quick ratio | 0.24 | 0.22 | 0.54 | 0.30 |
| Net working capital (LTL thou) | -574792 | -561709 | -211595 | -833501 |
| Net working capital to total assets | -0.08 | -0.07 | -0.03 | -0.08 |
| PROFITABILITY RATIOS | | | | |
| Profit margin (%) | -0.19 | 0.05 | 0.10 | 0.10 |
| Return on assets (%) | -0.08 | 0.03 | 0.07 | 0.05 |
| Return on equity (%) | -0.10 | 0.03 | 0.08 | 0.07 |
| FINANCIAL LEVERAGE RATIOS | | | | |
| Total debt ratio | 0.16 | 0.21 | 0.17 | 0.30 |
| Debt / equity ratio | 0.19 | 0.26 | 0.20 | 0.43 |
| ASSETS UTILISATION RATIOS | | | | |
| Inventory turnover | | 8.30 | 8.53 | 8.07 |
| Receivables turnover | | 26.18 | 22.57 | 13.86 |
| Net working capital turnover | -5.28 | -8.36 | -25.63 | -5.67 |
| Long-term assets turnover | 0.45 | 0.64 | 0.74 | 0.49 |
| Total assets turnover | 0.41 | 0.58 | 0.65 | 0.45 |

COMMERCIAL BANKING SECTOR

The development of operating commercial banks slowed down in the first quarter of this year. Over this period, as compared with January 1, 2000, bank assets expanded by 1.5 percent, but extended loans shrank by 3.7 percent. The sum of deposits was increasing most rapidly, by 4.5 percent per the discussed quarter, of which individuals' deposits rose by 5, 1 percent. On the other hand, bank capital fell by 2.5 percent (see Table).

Main Indicators of Banks in the First Quarter of 2000

(LTL million)

| Balance sheet entry | Sum | | | Change per 1Q (%) | Change per year (%) |
|---|----------|----------|----------|-------------------|---------------------|
| | 01 04 99 | 01 01 00 | 01 04 00 | | |
| Assets | 10,718.4 | 11,242.2 | 11,409.7 | 1.5 | 6.5 |
| Short-term government securities | 1,230.6 | 493.8 | 531.1 | 7.5 | -56.8 |
| Extended loans | 5,004.6 | 5,569.2 | 5,361.9 | -3.7 | 7.1 |
| Specific provisions on non-performing loans | 282.2 | 249.1 | 244.2 | -1.9 | -13.5 |
| Deposits and credits | 6,311.9 | 6,940.1 | 7,254.6 | 4.5 | 14.9 |
| O/w personal deposits and credits | 3,241.1 | 3,986.2 | 4,188.4 | 5.1 | 29.2 |
| Bank capital | 1,304.0 | 1,314.2 | 1,281.9 | -2.5 | -1.7 |

In the beginning of this year, the financial results of banks worsened. In the first quarter of 2000, total profits of commercial banks accounted for LTL 19 million, while they equalled LTL 31 million in the same period of last year. Bank profits contracted because of additional specific provisions on non-performing loans.

For a certain time period after the Russian crisis, the share of specific provisions and non-performing loans in total loans was decreasing. This at the first glance paradoxical process occurred because loans extended to companies, which realised financial difficulties during the economic recession, were not immediately assigned a higher risk rating. Furthermore, last year, banks eliminated some non-collectible loans from their systematic accounts of loan portfolio.

Unfortunately, at the end of last year, the tendencies of expanding risky loans started to crop up. They continued to persist in the beginning of this year, too.

It is not likely that the quality of bank loan portfolio will improve enormously over this year. Probably, the share of non-performing loans will be rather stable in the upcoming quarters. So far, the improvement in some companies' sales and production has not caused any essential positive shifts in their financial accounts. Shrinking crediting indirectly reflects the complicated situation of industry and other sectors. Banks are missing safe and profitable business projects.

In 1999 and 2000, the term structure of deposit and loan flows by quarters changed significantly. Continuing dollarisation of time deposits and loans is the most evident.

In the first quarter of 1999, deposits in litas were still dominating and constituted 58.9 percent of all newly accepted deposits in the banking system. Unfortunately, in the first quarter of 2000, their share shrank to 45.9 percent. Restructuring in extended loans was taking place simultaneously. The share of loans in litas declined from 37.7 percent in the first quarter of 1999 to 20.7 percent in the first quarter of this year. Loan and deposit dollarisation is one of the indicators showing that the use of the litas has narrowed in various economic fields. The pushing out process of the national currency has strengthened after the Russian crisis.

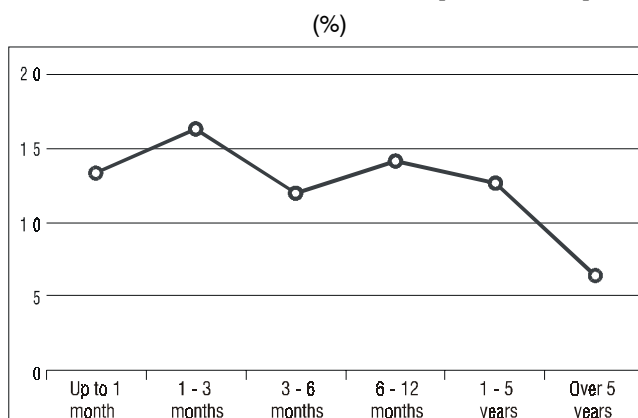
Since the absolute majority of foreign currency loans are placed in US dollars and, at the same time, the Lithuanian enterprises, which are reorienting to Western Europe, are receiving increasing amounts of proceeds in the EU currencies, the exchange rate risk of the Lithuanian businesses accelerates. To some extent, this threat is offset by the fact that indebtedness of the Lithuanian firms to domestic banks is falling in general over recent time.

Statistics show that maturity of extended loans and accepted deposits are evidently different. On one hand, depositors are not ready to open longer maturity deposits; the most popular are up to 1-month deposits (in the first quarter of 2000, 71.6 percent of litas deposits and 53.2 percent of foreign currency deposits were up to 1 month). On the other hand, bank clients usually prefer loans with longer maturity (in the discussed quarter, the shares of loans in litas (59.2 percent) and loans in foreign currencies (49.1 percent) with 6-12 months maturity were the largest).

Accordingly, it is not surprising that the volumes of deposits and loans with the same maturity are not alike. For example, up to 1-month deposits in litas accepted in the first quarter of 2000 exceeded up to 1-month loans in litas (extended in the same quarter of 2000) even 208 times. On the contrary, over 5 years deposits were 23.8 times lesser than over 5 years loans.

Depositors avoid exchange rate risk as well as interest rate fluctuations. Also, they are cautious about credit risk. On the contrary, since turnover of a business project is not instant, bank debtors prefer long-term to short-term credits.

Interest Rates on Loans in Litas [March 2000]



There are several alternatives for banks to deal with incompatibility of deposit supply and loan demand. The simplest solution to the problem is to extend longer maturity loans from shorter maturity credit resources available. However, this is the riskiest option in liquidity terms.

Another solution is for banks to regulate interest rates so as disproportion of loan and deposit maturity would be lessened. The rather steep curve of deposit interest rates by maturity indicates that banks are following this alternative.

On the average, banks are paying notably lesser interest for the shortest maturity deposits in litas (in March, 2.26 percent) as compared with 1-3 month deposits in litas (7.54 percent), not even considering longer maturity deposits. This interest rate policy as well as the minimal risk of exchange rate in a short period explain the fact that average interest rates on up to 3 months deposits (a sum of up to 1-month and 1-3 month deposits) in litas are not higher than on the same maturity deposits in foreign currencies. Actually, interest rates on up to 3 months deposits in litas are even a bit lower than on the same maturity deposits in foreign currencies, since the share of the shortest maturity national currency deposits is relatively high in all newly accepted deposits. Furthermore, 1-day deposits that are characterised by rather specific maintaining conditions are popular in Lithuania.

Negative differential of interest rates on deposits in national currencies versus foreign currencies exists in Latvia and Estonia, too.

As compared with the end of 1998, at the end of the first quarter of 2000, interest rates on all maturity deposits were higher, with the exception of interest rates on up to 1-month deposits, which declined almost two times. Unfortunately, falling interest rates neither weakened supply of the shortest maturity deposits nor stimulated supply of longer maturity deposits. In the beginning of 2000, the share of up to 1-month deposits was record high.

The curve of interest rates on loans is not unilateral or showing clear tendencies (over 5 years loans should be interpreted very cautiously, since the largest part of them consists of dwellings acquisition loans supported by the state and preferential loans extended by commercial banks to their employees).

In the current economic situation, when the signs of recovery have not triggered a sudden change in economic expectations yet, a number of reliable business projects are limited. The higher interest rates on longer maturity loans, the more profitability of business projects is hampered. Banks, possessing excess liquidity and looking for investment opportunities, should relate an interest charge not so much to loan maturity as to credibility of a client.

On the other hand, interest rates on the shortest maturity loans are relatively high. The Lithuanian interest rate margin was extremely high and exceeded the corresponding margins in Latvia and Estonia.

That, over the first months of 2000, the interest rate margin of the shortest-term loans versus deposits in litas was continuously hiking and climbed to the impressively high level of 12 percentage points in March. The interest rate differential between up to 3 months loans and deposits in Lithuania was more than two times higher as compared with its corresponding values in Latvia and Estonia. Having cheap and "hot" credit resources banks were not flexible enough and did not reduce interest rates on the shortest-term loans so as demand for them would be driven up. In February and March, interest rates on 1-3 month loans accounted for about 16 percent, while average yield on government securities with similar maturity fluctuated around 8 percent. Higher risks associated with loans rather T-bills are not enough to reason such high interest rate differentials.

Insufficiently active search for temporal investment opportunities domestically (generally, a limited number of them) as well as lack of credit resources in litas to finance longer term projects resulted in falling bank portfolios of loans to domestic economic entities and excess liquidity flight abroad in order to earn at least minimal returns. Net foreign assets of credit institutions (a difference between foreign assets and liabilities to foreigners) reflect this phenomenon. Since the end of 1998, net foreign assets of banks were evidently negative, but in March 2000, they became positive for the first time in the mentioned period.

After a long break, the Lithuanian credit institutions turned from importers to exporters of financial capital. This situation is likely to be temporal. After the prospects of business in Lithuania improve, internal loans will quickly expand and require refinancing by long-term sources of foreign banks and other financial institutions.

BANKING

| | |
|----------------------------|--------------------------------|
| Address: | A.Vivulskio g. 7, 2600 Vilnius |
| Phone: | (370-2) 262795, 652867 |
| Fax: | (370-2) 652867 |
| E-mail: | info@snoras.com |
| | www.snoras.com |
| Registration date: | 30.01.1993 |
| Registration code: | 1202597 |
| Established: | 1992 |
| Number of employees: | 874 |
| Authorised capital: | LTL 49m |
| Capitalisation (30.06.00): | LTL 45.4m |
| Auditor: | Arthur Andersen |
| Trading List: | Current |

Supervisory Board (participation in the company):

Maurice Taylor, Chairman (0.008%), Jafim Borodulin (0.3%), Galina Alijeva (0.0001%), Juri Rapoport (0.0008%), Gedeminas Kiesus (0.0002%)

Management Board (participation in the company):

Raimondas Baranauskas, Chairman (0.2%), Romasis Vaitekūnas (0%), Jurgita Šafranovičienė (0%), Michail Storožev (0%), Zita Selenkoviėnė (0%)

Managing Director (participation in the company): Raimondas Baranauskas (0.2%)

Contact Person:

Margarita Kazakevič, Manager of International Affairs, tel. (3702) 262 759

STRUCTURE OF OWNERSHIP

| | |
|--|--------|
| Incorion Investment Holding Company (Luxembourg) | 49.90% |
| Big Transport AG | 9.90% |
| Scan Transrail LTD (Finland) | 9.90% |
| Kristy Oil S.A. (Panama) | 9.90% |
| Westernbridge LTD | 5.70% |

CORPORATE HISTORY

The Bank commenced its operations on 17 March 1992. At the time its' name was ŠIAULIŲ KRAŠTO BANKAS. The Bank was re-named into BANKAS SNORAS (further SNORAS) in 1993 with the authorised capital of LTL 5m.

In September 1996, SNORAS became a full member of the S.W.I.F.T. organisation. This fact enabled the Bank to reduce operating costs and increase reliability of transmission and reception of messages.

In June 1997, the general shareholders' meeting resolved to raise share capital to LTL 27m and issue 2700,000 ordinary registered shares. On 29 October 1998, share capital of LTL 49,024,000 was registered with the Bank of Lithuania. 4,902,400 ordinary registered shares were issued.

In 1998 the Bank established a subsidiary Snoro Garant as (insurance company).

BUSINESS ACTIVITY

During 8 years of its activity the Bank became popular, its name is very well known in Lithuania, Baltic countries as well as in the markets of Eastern countries. According to the amount of assets, SNORAS is the fifth bank in Lithuania and 13th in the Baltic States.

SNORAS expands its retail banking activities intensively. Currently the Bank has 10 branches operating in regional centres of Lithuania. The Bank renders services to its clients through 160 retail sites operating in various regions and through representative offices of SNORAS in Belarus and Ukraine.

The Bank maintains 180 ATM's, where clients can not only withdraw cash but also perform money transfers and currency exchange operations.

In the middle of 1996, the Bank introduced microprocessor payment card ImparCard to private persons. SNORAS is a member of the international organisation Europay International, issues EuroCard/MasterCard, Maestro international cards as well as hybrid cards EuroCard/MasterCard + ImparCard and Maestro + ImparCard.

The Bank actively develops interbank relations. It co-operates with Western as well as Eastern banks, and has correspondent relationships with 29 banks in 26 countries among which are world known banks such as Bankers Trust Company, Barclays Bank PLC, Commerzbank, The Bank of Tokyo-Mitsubishi.

DEVELOPMENTS IN 1999

Over the last year, the number of SNORAS clients rose by 21thou and by the end of the year exceeded 107thou. The major clients of the Bank include the oil refinery AB Mažeikių Nafta, AB Lietkabelis, Panevėžio Ekranas, Alga concern, retail trade system SPAR Prekyba and Jan&Co branches, Lietuvos Telekomas, Lithuanian Post, students and employees of Vilnius University, Vilnius Pedagogical University, and Kaunas Technological University.

Due to economical stagnation in the country, the Bank's assets rose only by approximately LTL 4m during 1999 and by the end of the year reached LTL 505.2m. In 1999 the amount of loans granted augmented by LTL 134.7m and made up LTL 223.6m. The Bank's investments into securities reached LTL 41.1m by the end of the year. The volume of personal deposits grew significantly and at the end of the year constituted LTL 114.3m (annual growth 37%). As of 31 December 1999, total deposits amounted to LTL 301.1m. In 1999, SNORAS earned LTL 8.16m of net profit.

At the end of 1999, the Bank launched a new retail banking product - new family of national microprocessor payment cards - eLitoCard. The family consists of ordinary payment card eLitoCard Klasikinė, combined with Lithuanian Automobile User's Association card eLitoCard LAS, entertainment network card eLitoCard Tangomanija, and prestige card eLitoCard Gintarinė. Owners of these cards can benefit from automated discount system and loyalty points collections plans.

Last year, SNORAS implemented GSM-Bankas system. Clients can get information about accounts in the Bank, means in the international cards, foreign currency rates and other information by using SMS service of Omnitel mobile GSM connection.

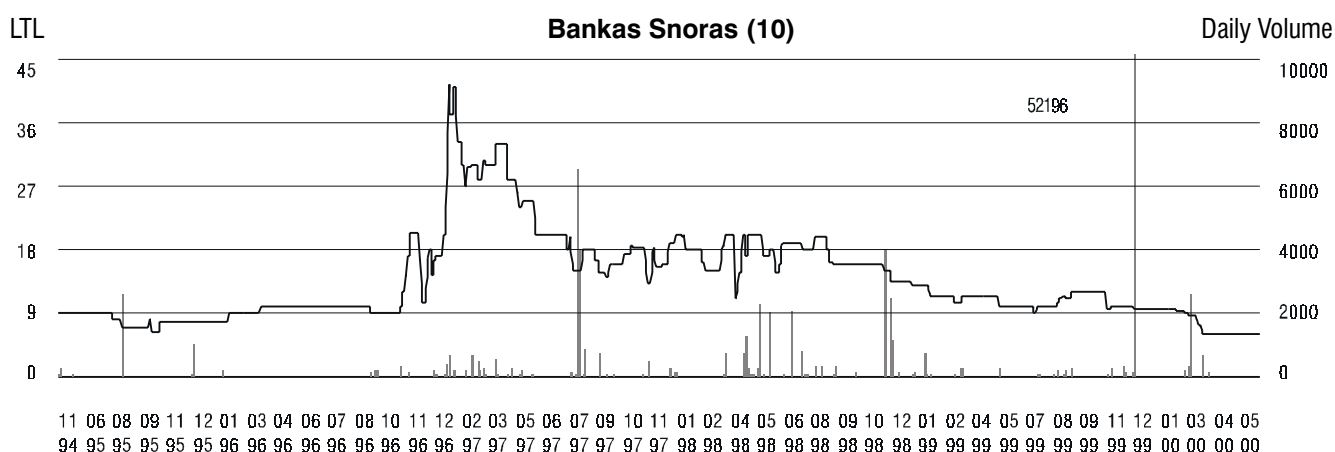
In 1999, SNORAS established a representative office in Kiev (Ukraine) and a subsidiary Snoro Lizingas (leasing company).

PLANS, PROSPECTS FOR 2000

In 2000, the Bank will concentrate on the electronic banking and development of electronic account management, improvement of the retail banking products.

Structure OF SHARE CAPITAL

| | |
|------------------|--|
| Share capital: | LTL 49,024,000 |
| Ordinary shares: | 2700000 registered shares at LTL 10 par (security code 10192) accounting for 55.08% of the auth. capital (admitted to trading at the NSEL on 25.01.94) |
| | 2202400 registered shares at LTL 10 par (security code 12450) accounting for 44.92% of the auth. capital (admitted to trading at the NSEL on 25.11.98) |



| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|--------------|--------------|--------------|-------------|
| PRICE (LTL) | | | | |
| First | 17.00 | 19.00 | 13.50 | 9.64 |
| Max | 41.47(01 21) | 20.00(05 22) | 13.50(01 07) | 9.64(02 23) |
| Min | 13.35(11 26) | 11.00(04 14) | 9.00(07 21) | 6.00(06 30) |
| Last | 19.00 | 13.50 | 9.64 | 6.00 |
| Change (%) | 11.76 | -28.95 | -28.59 | -37.76 |
| Number of transactions (CM) | 153 | 210 | 78 | 32 |
| Turnover CM (units) | 18544 | 20760 | 56200 | 4216 |
| Turnover CM (LTL) | 360813 | 357275 | 547488 | 34193 |
| Turnover BT (units) | 10827 | 9868 | 2151036 | 108 |
| Turnover BT (LTL) | 248581 | 185278 | 3397687 | 972 |
| CM turnover as % in total | 63.14 | 67.78 | 2.55 | 97.50 |
| Total turnover (units) | 29371 | 30628 | 2207236 | 4324 |
| Total turnover (LTL) | 609395 | 542553 | 3945175 | 35165 |
| Turnover ratio (%) | 1.47 | 1.13 | 81.75 | 0.06 |
| As % in the total share turnover | 0.06 | 0.06 | 0.32 | 0.02 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|-------|-------|-------|--------|
| Capitalisation (LTL thou) | 17064 | 38000 | 36450 | 26,028 |
| Share book value (LTL) | 16.08 | 10.96 | 29.86 | 17.49 |
| Price / book value ratio (P/BV) | 1.06 | 1.73 | 0.45 | 0.55 |
| Earnings per share (LTL) | 6.34 | 0.41 | 1.63 | 3.02 |
| Price / earnings ratio (P/E) | 2.68 | 46.8 | 8.27 | 2.38 |
| Dividend per share (LTL) | 5.60 | 0.40 | - | - |
| Dividend yield | 0.33 | 0.02 | - | - |
| Dividend payout ratio | 0.88 | 0.99 | - | - |

BANKAS SNORAS

NACIONALINĖ VERTYBINIŲ POPIERIŲ BIRŽA

| | Bank 1999 | Bank 1998 | Bank 1997 | Bank 1996 |
|--|---------------|---------------|---------------|---------------|
| BALANCE SHEET (LTL thou) | | | | |
| ASSETS | | | | |
| Cash, precious metals and other valuables | 33163 | 28802 | 45459 | 29474 |
| Claims on central banks | 32048 | 22200 | 12955 | 8012 |
| Claims on credit institutions and financial institutions | 74390 | 129766 | 364050 | 210508 |
| Net value of loans to credit and financial institutions | 4350 | - | - | 2839 |
| Short-term government securities | 289 | 19987 | 43525 | 148178 |
| Net value of granted loans | 223607 | 88926 | 35445 | 113164 |
| granted loans | 227281 | 93595 | 39678 | 116949 |
| (provisions) | -3674 | -4669 | -4233 | -3785 |
| Treasury bonds for restructuring bad assets | 1024 | 574 | 539 | - |
| Debt securities | 33671 | 41753 | - | - |
| Equity investments | 6110 | 4757 | 2215 | 19 |
| Intangible assets (less amortization) | 4096 | 430 | 535 | 395 |
| Tangible fixed assets (less depreciation) | 85825 | 95103 | 80013 | 22772 |
| Accrued income and deferred expenses | 1681 | 6542 | 4017 | 4716 |
| Other assets | 4981 | 62108 | 5454 | 11784 |
| TOTAL ASSETS | 505235 | 500948 | 594207 | 551861 |
| LIABILITIES | | | | |
| Liabilities to central banks | - | - | - | - |
| Funds of credit institutions and financial institutions | 21109 | 6010 | 6892 | - |
| Liabilities to credit and financial institutions | 1611 | 2318 | 36293 | 220048 |
| Deposits and letters of credit | 300511 | 327824 | 477173 | 285025 |
| Special and lending funds | 625 | 300 | - | - |
| Debt securities issued | 3481 | - | - | - |
| Accrued expenses and deferred income | 3521 | 4078 | 3278 | 3867 |
| Subordinated loans | 1400 | 1400 | - | - |
| Other liabilities | 17898 | 12608 | 41224 | 10753 |
| TOTAL LIABILITIES | 350156 | 354538 | 564860 | 519693 |
| EQUITY | | | | |
| Capital and reserves | 155079 | 146410 | 29347 | 32168 |
| registered share capital | 49024 | 48813 | 26789 | 20000 |
| share premium | 88548 | 88548 | 452 | 452 |
| profit (loss) of current financial year | 8166 | 8002 | 1088 | 11267 |
| other capitals and reserves | 9341 | 1047 | 1018 | 449 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 505235 | 500948 | 594207 | 551861 |

LITHUANIAN COMPANIES BANKING

NATIONAL STOCK EXCHANGE OF LITHUANIA

| | Bank 1999 | Bank 1998 | Bank 1997 | Bank 1996 |
|---|--------------|--------------|--------------|--------------|
| PROFIT AND LOSS STATEMENT (LTL thou) | | | | |
| Interest income | 65145 | 33544 | 41523 | 40737 |
| Interest expense | 15036 | 20241 | 26769 | 19117 |
| Net interest income | 50109 | 13303 | 14754 | 21620 |
| Expenses for provisions | -937 | 688 | -372 | 4252 |
| specific provisions on loans | -937 | 676 | -341 | 4252 |
| provisions on general risks of loan portfolio | - | 12 | -31 | - |
| Net interest income after specific provisions | 51046 | 12615 | 15126 | 17368 |
| Service fees and commission income | 14929 | 15603 | 17438 | 12653 |
| Service fees and commission expense | 6721 | 7257 | 9022 | 11218 |
| Net interest, service and commission income | 59254 | 20961 | 23542 | 18803 |
| Income on equity investment | 2 | 2 | - | - |
| Profit (loss) from operations with foreign currency | -1620 | 33854 | 20289 | 12911 |
| realised profit (loss) from operations with foreign currency | 10418 | 37873 | 25251 | 18024 |
| unrealised profit (loss) from operations with foreign currency | -12038 | -4019 | -4962 | -5113 |
| Profit (loss) from operations with securities and financial instruments | 3051 | 12987 | 8427 | 20027 |
| Result of primary activities | 60687 | 67804 | 52258 | 51741 |
| Operating expenses | 39849 | 53401 | 44335 | 38577 |
| Depreciation and amortisation | 8989 | 7403 | 3642 | 699 |
| Expenses for other specific provisions | 818 | 4503 | 680 | - |
| Result of ordinary bank activities | 11031 | 2497 | 3601 | 12465 |
| Result of exceptional and extraordinary activities (profit (loss)) | -77 | 5165 | -1193 | 1206 |
| Profit (loss) before taxes | 10954 | 7662 | 2408 | 13671 |
| Profit tax | 2788 | -340 | 1320 | 996 |
| NET PROFIT (LOSS) | 8166 | 8002 | 1088 | 12675 |
| Net profit per LTL 1 of a share | 0.17 | 0.16 | 0.04 | 0.63 |
| CASH FLOW STATEMENT (LTL thou) | | | | |
| 1999 | | | | |
| 1998 | | | | |
| 1997 | | | | |
| 1996 | | | | |
| CASH FLOWS FROM BANKING ACTIVITIES | | | | |
| Interest income | 60241 | 33507 | 44922 | 40739 |
| Interest expenses | -15343 | -19441 | -27018 | -16456 |
| Net income from operations with foreign currency | 10418 | 37873 | 25251 | 18024 |
| Net income from operations with securities | 3053 | 13184 | 8232 | 20027 |
| Net income for services and fees | 12151 | 12451 | 8416 | 1435 |
| Expenses associated with payment of salaries | -26523 | -33026 | -24901 | -8350 |
| Other income (expenses) | -15174 | -22451 | -19135 | -28384 |
| Result of activities | 28906 | 27729 | 15775 | 27120 |
| Changes in short-term assets | -72886 | -106117 | 183008 | -161990 |
| Changes in liabilities | -9772 | -213372 | 40031 | 342984 |
| Net cash flows from bank activities before taxes | -53752 | -291760 | 238814 | 208114 |
| Profits tax | -1306 | 340 | -1320 | -996 |
| Net cash flows from bank activities after taxes | -55058 | -291420 | 237494 | 207118 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| (Acquisition) sales of tangible long-term and intangible assets | -7966 | -27261 | -61302 | -15584 |
| (Investment) into securities and sales thereof | -1120 | -44295 | -3415 | - |
| Net cash flows from investment activities | -9086 | -71556 | -64717 | -15584 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Issue of own securities/only paid up part/ | 3871 | 110120 | 7000 | 9963 |
| (Purchase) of own securities | - | - | -503 | - |
| Net cash flows from investment activities | 3863 | 109089 | -4178 | 8525 |
| Increase (decrease) in cash | -60281 | -253887 | 168599 | 200059 |
| Cash as of December 31 of the current financial year | 99764 | 160045 | 413932 | 245333 |
| Cash as of January 1 of the current financial year | 160045 | 413932 | 245333 | 45274 |

BANKING

| | |
|----------------------------|--------------------------------|
| Address: | Savanorių pr. 19, 2009 Vilnius |
| Phone: | (370-2) 684801, 685321, 684848 |
| Fax: | (370-2) 232431, 232432 |
| E-mail: | info@ltb.lt |
| | www.ltb.lt |
| Registration date: | 28.12.1993 |
| Registration code: | 1202965 |
| Established: | 1919 |
| Privatised: | 1992 |
| Number of employees: | 4072 |
| Authorised capital: | LTL 167m |
| Capitalisation (30.06.00): | LTL 120.5m |
| Auditor: | Deloitte & Touche |
| Trading List: | Current |

Supervisory Board (participation in the company):

Giedrius Rimša (0%), Dalia Grybauskaitė (0%), Audrutė Dziskienė (0%), Steponas Vaičiškauskas (0.336%), Daiva Kamarauskienė (0%), Giedrė Aleknaitė (0%), Andrius Šukys (0%)

Management Board (no participation in the company):

Algimantas Kržižauskas, Chairman, Darius Darulis, Dalius Kaveckas

Managing Director (no participation in the company): Algimantas Kržižauskas

Contact Person: Vytenis Jurkus, Head of International Dept., tel. (370-2) 684145

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| The total number of shareholders amounts to | 4027 |
| State Property Fund | 90.73% |

CORPORATE HISTORY

LIETUVOS TAUPOMASIS BANKAS (Lithuanian Savings Bank, LTB) has gradually emerged out of state savings departments, the first of which was established in 1919. State savings departments operated during all occupations, however, their functions at transition periods were limited. In 1986, when the Soviet Bank System was undergoing reorganisation, Lithuanian savings departments were integrated into the Savings and Citizens' Crediting Bank of the USSR. After the independence was restored in 1990, the Bank was transformed into the LTB. In October of the same year it was granted the status of the state bank. In 1993 the Bank was registered as a state-public bank with the share capital in excess of LTL 10 million. In 1995 the Bank's share capital doubled, in 1996 it was again raised by LTL 20m and totalled LTL 40 million. After a new share issue in 1996, the state interest in the Bank came to 74.25%.

With the placement of LTL 2.2m ordinary shares in 1997, the authorised capital of the Bank reached LTL 82.3 million. After the new share issue the Bank's authorised capital increased by LTL 85m. Currently it amounts to LTL 167m.

LTB was the first in Lithuania to issue subscription rights and have them traded on the National Stock Exchange of Lithuania in October-November 1997.

In mid-1997 the Bank established its leasing subsidiary LTB Lizingas.

BUSINESS ACTIVITY

LTB is a universal retail bank that renders services to mainly individuals, representatives of small and medium-scale and large businesses, and state institutions. Besides the main banking activity, the LTB takes an active part in the government social programmes restoring depreciated deposits, compensating for the lost funds at the bankrupted banks, providing favourable loans for housing, etc. The LTB uses the largest network in the country: it operates 47 divisions, 333 subdivisions, and 43 remote working places. The LTB is a Lithuanian leader of the retail banking which operates 29.9% of all assets of country's commercial banks, 38.2% of deposits, 53.6% of individuals' deposits, 24.1% of loans, 50.6% of loans to individuals, 24.1% of payment cards' market.

The Bank is a member of European Savings Banks Group, World Institute of Saving Banks, International Payment Cards' organisation Europay International and Visa International.

The LTB is the only Lithuanian agent of US financial services company Western Union which provides cash transfer services to private individuals.

DEVELOPMENTS IN 1999

At the end of 1999, the LTB assets amounted to LTL 3.2bn. The biggest part (82.4%) of the Bank's borrowed and own means were composed of the deposits of individuals and business entities. During the last year, they rose by LTL 327.9m and made LTL 2.6bn. Term deposits in all deposits of the Bank augmented from 36.4% to 44.5%, foreign currency deposits made up 32%.

The Bank's granted loans rose by LTL 198m and totalled LTL 1.3bn, loans for business entities amounted to 74.4% of all loans. Long-term loans constituted 65.5% in the loan portfolio in 1999. A share of foreign currency loans augmented from 32.1% to 38.9%. Bad loans amounted to 5.1% of all granted loans.

LTB securities portfolio totalled LTL 964.7m at the end of the year. Government debt securities for restructuring of the banks constituted the largest part (62.7%) of the portfolio.

Interest revenue in 1999 reached LTL 218.7m, i.e. LTL 50.8m more than in 1998. Loan interest constituted the largest share. Last year the LTB received LTL 55.8m of income from services and commissions. Net income of 1999 totalled LTL 16.6m (LTL 0.5m in 1998).

In 1999, the LTB established non-life insurance subsidiary LTB Draudimas.

In May 1999, the Bank was included into the list of State objects for privatisation.

PLANS, PROSPECTS FOR 2000

In the nearest future the LTB intends to offer new savings products, expand and diversify services for the holders of payment cards, modify electronic and telephone banking.

It is expected that in 2001 privatisation of the Bank will be completed but before that the Bank will have to be restructured.

Structure OF SHARE CAPITAL

| | |
|------------------|---|
| Share capital: | LTL 167,332,320 |
| Ordinary shares: | 16,733,232 registered shares at LTL 10 par (security code 10062) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 02.11.93) |

| SUBSIDIARIES | Date of establishment | Authorised capital (LTL) | Participating interest |
|--|-----------------------|--------------------------|------------------------|
| UAB LTB Lizingas (Leasing) | 1997 | 3.5m | 100% |
| UAB LTB Investicijų valdymas (Investment management) | 1999 | 558thou | 100% |
| UAB LTB Draudimas (Insurance) | 2000 | | 100% |

LIETUVOS TAUPOMASIS BANKAS

NACIONALINĖ VERTYBINIŲ POPIERIŲ BIRŽA

| BALANCE SHEET (LTL thou) | Bank 1999 | Bank 1998 | Bank 1997 | Bank 1996 | Group 1999 | Group 1998 | Group 1997 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| ASSETS | | | | | | | |
| Cash, precious metals and other valuables | 94493 | 130506 | 51065 | 53306 | 94493 | 130506 | 51065 |
| Claims on central banks | 285467 | 242926 | 127421 | 112175 | 285467 | 242926 | 127421 |
| Claims on credit institutions and financial institutions | 173568 | 208059 | 113217 | 18104 | 173568 | 208059 | 113217 |
| Net value of loans to credit and financial institutions | 37207 | 41857 | 2976 | 32383 | | | 2976 |
| Short-term government securities | 205420 | 478043 | 503690 | 244678 | 205420 | 478778 | 503690 |
| Net value of granted loans | 1131969 | 1028156 | 564278 | 415353 | 1131969 | 1028156 | 564278 |
| Leasing | | | | | | 40037 | 3285 |
| Treasury bonds for restructuring bad assets | 604462 | 563084 | 107820 | 38700 | 604462 | 563084 | 107820 |
| Debt securities | 146392 | 123115 | 105649 | 6 | 146392 | 123115 | 105649 |
| Equity investments | 8424 | 8218 | 6845 | 2409 | 4724 | 4518 | 5645 |
| Intangible assets (less amortization) | 986 | 529 | 599 | 1029 | 987 | 531 | 605 |
| Tangible fixed assets (less depreciation) | 291170 | 278783 | 207674 | 136067 | 291389 | 278907 | 207792 |
| Accrued income and deferred expenses | 14962 | 27996 | 22704 | 16899 | | 27961 | 22708 |
| Other assets | 51618 | 80676 | 24823 | 79285 | 106499 | 81375 | 25251 |
| Trusted assets | | | | | 122337 | | |
| TOTAL ASSETS | 3168475 | 3211948 | 1838761 | 1150394 | 3167707 | 3207953 | 1838426 |
| LIABILITIES | | | | | | | |
| Liabilities to central banks | | 7534 | - | - | - | 7534 | - |
| Funds of credit institutions and financial institutions | 5504 | 668 | 27 | 31 | 4352 | 668 | 27 |
| Liabilities to credit and financial institutions | 64384 | 105367 | 2993 | 709 | 64384 | 100943 | 2993 |
| Deposits and letters of credit | 2610853 | 2282945 | 1536371 | 1031813 | 2610853 | 2282945 | 1536047 |
| Special and lending funds | 42917 | 453794 | 127158 | 11277 | | 453794 | 127158 |
| Accrued expenses and deferred income | 21794 | 2580 | 897 | 447 | | 2580 | 897 |
| Other liabilities | 49094 | 124020 | 96154 | 53220 | 113918 | 124454 | 96286 |
| Liabilities through trusted assets | | | | | 122337 | | |
| TOTAL LIABILITIES | 2916883 | 2976908 | 1763600 | 1097497 | 2915844 | 2972918 | 1763408 |
| EQUITY | | | | | | | |
| Capital and reserves | 251592 | 235040 | 75161 | 52897 | 251863 | 235035 | 75018 |
| registered share capital | 167333 | 167333 | 60000 | 40000 | 167333 | 167333 | 60000 |
| share premium | 8651 | 52082 | - | - | 8651 | 52082 | - |
| revaluation reserve | 44646 | 8404 | 8425 | 8551 | 44646 | 8404 | 8425 |
| retained earnings (loss) | | - | 28 | -25703 | 16853 | - | - |
| profit (loss) of current financial year | 16582 | 485 | 5206 | 30032 | | 480 | 5091 |
| other capitals and reserves | 14380 | 6736 | 1502 | 17 | 14380 | 6736 | 1502 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 3168475 | 3211948 | 1838761 | 1150394 | 3167707 | 3207953 | 1838426 |

LITHUANIAN COMPANIES BANKING

NATIONAL STOCK EXCHANGE OF LITHUANIA

| | Bank 1999 | Bank 1998 | Group 1999 | Group 1998 |
|--|--------------|--------------|---------------|---------------|
| PROFIT AND LOSS STATEMENT (LTL thou) | | | | |
| Interest income | 218661 | 167823 | 220687 | 168565 |
| Interest expense | 86134 | 63215 | 86109 | 63204 |
| Net interest income | 132527 | 104608 | 134578 | 105361 |
| Fees and commission income, net | 47057 | 45071 | 47342 | 45774 |
| Net profit operations with foreign currency | 17296 | 16899 | 17362 | 16848 |
| Income (expense) from investment activities, net | -4844 | 272 | -4844 | 272 |
| Income from other activities | 12016 | 8754 | 12070 | 8755 |
| Total income | 204052 | 175604 | 206508 | 177010 |
| Expense of provisions, net | 9091 | 10431 | 9690 | 10633 |
| Expense or provisions on off-balance sheet | | -159 | | -159 |
| Net income after provisions | 194961 | 165332 | 196818 | 166536 |
| Salaries and related social expenses | 90156 | 83612 | 91027 | 84256 |
| Expense of depreciation | 15120 | 13603 | 15167 | 13635 |
| Other administrative expenses | 73103 | 67632 | 73445 | 67945 |
| Profit before taxation | 16582 | 485 | 17179 | 700 |
| Profit tax | | | 321 | 77 |
| NET PROFIT (LOSS) | 16582 | 485 | 16858 | 623 |
| Profit per a share | 0.9910 | 0.0409 | 1.0075 | 0.0526 |
| CASH FLOW STATEMENT (LTL thou) | 1999 | 1998 | 1999 | 1998 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Interest income | 231178 | 162486 | 232883 | 163108 |
| Interest expenses | -66738 | -61700 | -66736 | -61689 |
| Repayment of loans previously written-off | 2316 | 327 | 2316 | 327 |
| Net income from operations with foreign currency | 19684 | 17614 | 19684 | 17614 |
| Net income from operations with securities | 369 | 73 | 369 | 73 |
| Net income for services and commissions | 47320 | 45117 | 47696 | 45785 |
| Expenses associated with payment of salaries | -90156 | -83612 | -91027 | -84256 |
| Other income (expenses) | -65857 | -59144 | -66569 | -59531 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES BEFORE CHANGE IN OPERATING ASSETS | 78116 | 21161 | 78616 | 21431 |
| CHANGES IN ASSETS AND PROPERTY | | | | |
| Due from Bank of Lithuania | 2460 | -106274 | 2460 | -106274 |
| Due from other banks | 58439 | -147766 | 54540 | -113308 |
| Net purchase of investments | -231828 | -243898 | -231828 | -280964 |
| Loans and advances to customers | 272591 | 105325 | 275973 | 105325 |
| Accrued income and other current assets | -15413 | -7230 | -19290 | -7230 |
| Due of Bank of Lithuania | -2111 | -1265 | -2111 | -1265 |
| Due of other banks | -36147 | 8710 | -36147 | 8710 |
| Current and term deposit accounts | 327908 | 180517 | 331180 | 180517 |
| Other liabilities | -369101 | 147762 | -369067 | 148046 |
| NET CASH USED IN INVESTING ACTIVITIES | 84914 | -42958 | 84326 | -45012 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Additions of fixed assets, net of disposals | -27964 | -12784 | -28111 | -12820 |
| Long - term investment | -28696 | -18839 | -28696 | -16339 |
| Dividends received | 32 | 239 | 32 | 239 |
| Cash flows from other financial activities | | -36 | | -36 |
| Net cash used in investing activities | -56628 | -31420 | -56775 | -28956 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 28286 | -74378 | 27551 | -73968 |
| Cash taken over from LVKB | | 123048 | | 123048 |
| Cash and cash equivalents at the beginning of the year | 146717 | 98047 | 147452 | 98372 |
| CASH AND CASH EQUIVALENTS | 175003 | 146717 | 175003 | 147452 |
| CASH AND CASH EQUIVALENTS CONSIST | | | | |
| Cash | 94493 | 130506 | 94493 | 130506 |
| Due in correspondent account of banks | 80510 | 16211 | 80510 | 16211 |
| Government debt securities | | | | 735 |

BANKING

| | |
|----------------------------|-----------------------------------|
| Address: | J.Basanačiaus g. 26, 2600 Vilnius |
| Phone: | (370-2) 239060, 239094, 629764 |
| Fax: | (370-2) 239056, 627762 |
| E-mail: | lzub-info@lzub.lt |
| | www.lzub.lt |
| Registration date: | 13.09.1993 |
| Registration code: | 1202927 |
| Established: | 1987 |
| Privatised: | 1993 |
| Number of employees: | 1895 |
| Authorised capital: | LTL 102.8m |
| Capitalisation (30.06.00): | LTL 97.4m |
| Auditor: | Deloitte & Touche |
| Trading List: | Current |

Supervisory Board (no participation in the company):

Lina Adakauskienė (Chairwoman), Rimvidas Kūgis, Vilma Mačerauskienė, Danutė Beganskienė, Roberto Marzonati

Management Board (no participation in the company):

Jonas Dieninis (Chairman), Sigutė Dindaitė, Stasys Vėlyvis, Vaidotas Aleksius, Robert Anuškevič, Antanas Malikėnas, Modestas Keliuskas

Managing Director (no participation in the company):

Jonas Dieninis

Contact Person:

Imandra Daukšienė, Spokesman to the Press, tel. (370-2) 393413, 239000

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 2546 |
| State property Fund | 76.01% |
| EBRD | 11.37% |
| AB Vilniaus bankas | 11.44% |

CORPORATE HISTORY

The establishment of LIETUVOS ŽEMĖS ŪKIO BANKAS (the public company Agricultural Bank of Lithuania, LŽŪB) was based on the reorganisation of the former USSR Agroindustry Bank's branch in Lithuania. This branch, as well as the majority of other former USSR banking institutions in Lithuania, after restoration of Lithuania's independence in 1990 was taken under direct control of the Republic of Lithuania. The Agricultural Bank was granted status of the state bank. During the banking reform in Lithuania in 1993 the Bank was reorganised into the state-public bank. The registered share capital of the Bank constituted LTL 20m, 51% of which was owned by the Ministry of Finance of Lithuania.

Before 1998 the share capital of the Bank was raised three times. After the revaluation of long term assets at the beginning of 1996, the share capital of the Bank increased to LTL 35m. In July 1996, the share capital was raised up to LTL 128.02m out of supplementary contributions. With a new issue, participation of the Ministry of Finance increased up to 86.4%. Last time the share capital of the Bank was raised in December 1997. After a new issue out of supplementary contributions saw light, the share capital of the Bank totalled LTL 170.9 million. The general shareholders' meeting decided to increase the share capital once again up to LTL 194.2m. The new issue was registered with the Lithuanian Securities Commission at the beginning of April 1998 and distributed before June. The last increment of the share capital was registered in June 1998 - the share capital equalled LTL 189.44m. In 1999 the Bank diminished its share capital to LTL 102.8m by reducing the face value per share from LTL 175 to LTL 95.

BUSINESS ACTIVITY, DEVELOPMENTS IN 1999

LŽŪB is one of the largest banks in the country. At the end of 1999 the Bank managed 13.8% of assets market of all commercial banks and had the second network of branches in Lithuania according to size. There are 46 branches of LŽŪB all over the country. In addition, the Bank established 49 departments for customer services that provide all services except for granting loans. Chiefly, the Bank is engaged in crediting agriculture and the processing industry. Credits granted to these sectors account for about 40% of the whole Bank's loan portfolio.

In 1999 the Bank strengthened its positions in the retail market. LŽŪB significantly increased the volumes of the loan portfolio and resident deposits after introduction of additional services, i.e. current savings deposits, direct debit, medium term loans for housing, and others.

Over the last years the number of LŽŪB depositors rose by more than 32% and reached 135thou. During 1999, the number of fixed-term deposits augmented by 50% and that of current accounts - by 25%.

In February 1999, LŽŪB launched international Maestro payment cards and in March the Bank became a member of the Visa International S.A. At the end of the year, the total number of payment cards issued by the Bank totalled 32thou. LŽŪB covered 9.5% of the payment cards' market.

For years the Bank has been maintaining close business relations with almost 40 companies listed among the top one hundred Lithuanian companies. In 1999 the number of company's accounts increased by 4% and amounted to 79thou.

General economic problems determined change in the Bank's lending priorities. In 1999 loans to electricity, gas, heating and water supply companies rose more than 30 times, loans to transportation and communication companies doubled, loans to hotels, restaurants, and trading companies grew by 14%, loans to construction companies rose by 9%. However, loans granted to agricultural sector shrank by 24%. Total loan portfolio diminished by 3.4%.

LŽŪB is co-operating with the Environmental Investments Fund of Lithuania (LAAIF) with regard to financing of environment friendly investment projects by employing means of PHARE, LAAIF, and the Bank.

The Bank is one of the leaders of the interbank currency and money market in Lithuania. At the end of 1999, LŽŪB was the first to provide foreign exchange options to customers in Lithuania.

In order to expand the qualitative services to its clients, in 1999 the Bank signed loan agreements with EBRD, Bayerische Hypo- und Vereins Bank, Deutsche Investitions und Entwicklungsgesellschaft, Československa Obchodni Banka for financing of various projects.

At the end of 1999, the Bank was granted the first syndicated loan totalling USD 15m.

In 1999 LŽŪB continued to optimise and further expand network of correspondent banks. Currently, the Bank has over 50 correspondent accounts in various world banks. Direct transactions are possible with over 300 foreign banks.

In 1999 international rating agency Fitch IBCA assigned LŽŪB the first international credit rating - long-term BB- and short-term B.

In 1999 LŽŪB received LTL 11.8m of net profit. The Bank's assets grew by 4.7% and totalled LTL 1,537.4m by the end of 1999.

PLANS, PROSPECTS FOR 2000

The main goals of LŽŪB in 2000 are: to reach share capital profitability of not less than 11% and increase its assets by not less than 18% in order to ensure compliance with capital adequacy and liquidity requirements; retain its current market share, at the same time strive to maintain its present loan market share; improve its position in the market of personal deposits. In 2000 the Bank intends to work actively in the retail banking (especially in the Lithuanian cities), international interbank money market (attracting means) as well as in specialised business (leasing, insurance); provide complex services for residents; improve financial and commercial planning of the Bank's branches and the system ensuring profitability of the branches; optimise the network of service sales of the Bank.

Structure OF SHARE CAPITAL

| | |
|------------------|--|
| Share capital: | LTL 102,839,115 |
| Ordinary shares: | 1,082,517 registered shares at LTL 95 par (security code 10017) accounting for 100% of the auth. capital (admitted to trading at NSEL on 28.08.95) |

| SUBSIDIARIES | Date of establishment | Authorised capital (LTL) | Participating interest |
|--------------------------------|-----------------------|--------------------------|------------------------|
| UAB LŽŪB Draudimas (insurance) | 1997 | 2m | 100% |
| UAB LŽŪB Lizingas (leasing) | 1998 | 2m | 100% |

LIETUVOS ŽEMĖS ŪKIO BANKAS COMPANIES

NACIONALINĖ VERTYBINIŲ POPIERIŲ BIRŽA

| | Bank 1999 | Bank 1998 | Bank 1997 | Bank 1996 |
|---|--------------|--------------|--------------|--------------|
| PROFIT AND LOSS STATEMENT (LTL thou) | | | | |
| Interest income | 132568 | 103471 | 129727 | 208088 |
| Interest expense | 56654 | 41095 | 41963 | 97282 |
| Net interest income | 75914 | 62376 | 87764 | 110806 |
| Expenses for provisions | 8250 | 1798 | 51243 | 35635 |
| Net interest income after specific provisions | 67664 | 60578 | 36521 | 75171 |
| Service fees and commission income | 29623 | 29108 | 29810 | 31090 |
| Service fees and commission expense | 3838 | 1375 | 4575 | 23899 |
| Net interest, service and commission income | 93449 | 88311 | 61756 | 82362 |
| Income on equity investment | 73 | 37 | 150 | - |
| Profit (loss) from operations with foreign currency | 2519 | 4182 | 3435 | 3778 |
| Profit (loss) from operations with securities and financial instruments | 938 | 8042 | 19 | 737 |
| Result of primary activities | 96979 | 100572 | 65360 | 86877 |
| Other bank income | 4601 | 916 | 780 | - |
| Operating expenses | 71500 | 76065 | 77480 | 70836 |
| Other bank expenses | 14579 | 10868 | 8632 | - |
| Depreciation and amortisation | 9097 | 9281 | 12407 | 6506 |
| Expenses for other specific provisions | -3707 | 2055 | 6281 | - |
| Result of ordinary bank activities | 10111 | 3219 | -38660 | 9535 |
| Result of exceptional and extraordinary activities (profit (loss)) | -325 | 7223 | 6068 | 21223 |
| Profit (loss) before taxes | 9786 | 10442 | -32592 | 30758 |
| Profit tax | | -2800 | 248 | 5235 |
| Deferred taxes and profit tax correction | -2060 | | | |
| NET PROFIT (LOSS) | 11846 | 13242 | -32840 | 25523 |
| CASH FLOW STATEMENT (LTL thou) | | | | |
| CASH FLOWS FROM BANKING ACTIVITIES | | | | |
| Interest income | 102268 | 81797 | 114271 | 205094 |
| Interest expenses | -51819 | -37869 | -39548 | -93572 |
| Result of activities | -5950 | 14239 | 39663 | 78967 |
| Changes in short-term assets | 17976 | -29460 | -165382 | -12764 |
| Changes in liabilities | 67987 | -48282 | 160200 | 53011 |
| Net cash flows from bank activities before taxes | 80013 | -63503 | 34481 | 119214 |
| Profits tax | | - | - | 16636 |
| Net cash flows from bank activities after taxes | 80013 | -63503 | 34481 | 102578 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Net cash flows from investment activities | 15401 | 830 | -27684 | -25326 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Net cash flows from financing activities | -5948 | 42654 | 5985 | 229 |
| Increase (decrease) in cash | 89466 | -20019 | 12782 | 77481 |
| Cash as at December 31 | 200590 | 111124 | 131143 | 118361 |
| Cash as at January 1 | 111124 | 131143 | 118361 | 40880 |

| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|---------------|---------------|---------------|----------------|
| PRICE (LTL) | | | | |
| First | 220.00 | 175.00 | 190.00 | 175.00 |
| Max | 316.00(02 05) | 210.00(03 18) | 190.00(01 19) | 175.00(02 22) |
| Min | 175.00(12 31) | 162.00(06 24) | 175.00(12 30) | 90.00(06 30) |
| Last | 175.00 | 190.00 | 175.00 | 90.00 |
| Change (%) | -20.45 | 8.57 | -7.89 | -48.57 |
| Number of transactions (CM) | 47 | 95 | 4 | 14 |
| Turnover CM (units) | 345 | 460 | 2 | 127 |
| Turnover CM (LTL) | 64024 | 86504 | 365 | 11933 |
| Turnover BT (units) | 89413 | 10618 | 15625 | 0 |
| Turnover BT (LTL) | 15647275 | 1822080 | 2734375 | 0 |
| CM turnover as % in total | 0.38 | 4.15 | 0.01 | 100.00 |
| Total turnover (units) | 89758 | 11078 | 15627 | 127 |
| Total turnover (LTL) | 15711299 | 1908584 | 2734740 | 11933 |
| Turnover ratio (%) | 12.27 | 1.13 | 1.44 | 0.01 |
| As % in the total share turnover | 1.64 | 0.21 | 0.22 | 0.01 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|-------------|-------------|-------------|-------------|
| Capitalisation (LTL thou) | 44000 | 128021 | 185544 | 189,441 |
| Share book value (LTL) | 92.24 | 79.40 | 101.03 | 112.56 |
| Price / book value ratio (P/BV) | 2.39 | 2.20 | 1.88 | 1.55 |
| Earnings per share (LTL) | 34.89 | -33.63 | 12.23 | 11.54 |
| Price / earnings ratio (P/E) | 6.31 | - | 15.53 | 8.24 |
| Dividend per share (LTL) | - | - | - | - |
| Dividend yield | - | - | - | - |
| Dividend payout ratio | - | - | - | - |

| | Group 1999 | Group 1998 |
|---|---------------|---------------|
| PROFIT AND LOSS STATEMENT (LTL thou) | | |
| Interest income | 133918 | 103832 |
| Interest expense | 56561 | 40866 |
| Net interest income | 77357 | 62966 |
| Fees and commission income, net | 25167 | 27272 |
| Foreign exchange profit, net | 2513 | 4409 |
| Income (expense) from investment activities, net | -204 | 2295 |
| Other operating income | 9423 | 19324 |
| Total income | 114256 | 116266 |
| Provisions for losses, net | -6891 | -1111 |
| Provision for guarantee losses | 2134 | -2795 |
| Net income after provision | 109499 | 112360 |
| Salaries and related social expenses | 53723 | 58335 |
| Depreciation expenses | 9263 | 9364 |
| Other administrative expenses | 36042 | 34140 |
| Profit before taxation | 10471 | 10521 |
| Deferred tax benefit | 2016 | 2721 |
| NET PROFIT (LOSS) | 12487 | 13242 |
| Basic Earnings Per Share (in LTL) | 11.54 | 12.86 |
| CASH FLOW STATEMENT (LTL thou) | | |
| 1999 | | |
| 1998 | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Interest received | 132565 | 104098 |
| Interest paid | -51726 | -39914 |
| Repayment of loans previously written-off | 3258 | 4846 |
| Net receipts from operations with foreign currency | -3407 | 8943 |
| Net receipts from operations with securities | 1147 | 6788 |
| Net receipts for services and commissions | 25167 | 27945 |
| Cash payments of salaries and associated payments | -53723 | -57629 |
| Other payments | -33314 | -27071 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES BEFORE CHANGE IN OPERATING ASSETS | 19967 | 28006 |
| CHANGES IN OPERATING ASSETS AND LIABILITIES | | |
| Due from Bank of Lithuania | 11708 | -98589 |
| Due from other banks | -27785 | -25864 |
| Net sale (purchase) of investments | 50406 | 83782 |
| Loans and advances to customers, net of sale | -22167 | -79482 |
| Accrued income and other current assets, net of sale | 11711 | 22715 |
| Due to Bank of Lithuania | -937 | -20329 |
| Due to other banks | 23979 | 67529 |
| Due to Lithuanian government | 97265 | -97675 |
| Deposits | -73276 | -5987 |
| Other liabilities | 17539 | 10955 |
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | 108410 | -114939 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Additions of fixed assets, net of disposals | -10441 | -36424 |
| Dividends received | 73 | |
| NET CASH USED IN INVESTING ACTIVITIES | -10368 | -36424 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Issuance of shares | | 34 |
| Other financing received | | 47902 |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | 0 | 47936 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 98042 | -103427 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 112821 | 216248 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 210863 | 112821 |
| CASH AND CASH EQUIVALENTS CONSIST OF: | | |
| Cash on hand | 100534 | 61921 |
| Demand deposits from other banks due within 3 month | 88561 | 11144 |
| Deposits on Bank of Lithuania | 20000 | 39756 |
| Government securities due within 3 month | 1768 | |

BANKING

| | |
|--------------------|------------------------------|
| Address: | Tilžės g. 149, 5400 Šiauliai |
| Phone: | (370-1) 522117, 595602 |
| Fax: | (370-1) 430774 |
| E-mail: | info@sb.lt |
| | www.sb.lt |
| Registration date: | 04.02.1992 |
| Registration code: | 1202525 |
| Established: | 1992 |

| | |
|----------------------------|-----------|
| Number of employees: | 194 |
| Authorised capital: | LTL 34m |
| Capitalisation (30.06.00): | LTL 35.4m |

| | |
|---------------|------------------------|
| Auditor: | PricewaterhouseCoopers |
| Trading List: | Current |

Supervisory Board (participation in the company):

Arvydas Salda, Chairman (0.1%), Leonas Šniras (0.3%), Sigitas Baguckas (<0.1%), Kastytis Jonas Vyšniauskas (1.15%), Ričardas Valskis (0.1%), Andrius Žiugžda (0%), Abdulazis A.M.Al-Brahim (0%), Andrius Ignatas (0%), Vytautas Junevičius (0.1%)

Management Board (participation in the company):

Algirdas Butkus, Chairman (0%), Donatas Savickas (<0.1%), Rima Griškiėnė (<0.1%)

Managing Director (participation in the company): Algirdas Butkus (0%)

Contact Person: Donatas Savickas, Vice-Chairman of the Board, tel. (370-1) 595602

STRUCTURE OF OWNERSHIP

| | |
|---|--------|
| Total number of shareholders amounts to | 821 |
| AB Vilniaus bankas | 20.80% |
| UAB Baltic Fund Investments | 7.67% |
| UAB trading house Aiva | 6.59% |
| UAB Medicinos bankas | 5.88% |

CORPORATE HISTORY

On 6 November 1991, 95 legal entities and natural persons signed an agreement according to which the existing Šiauliai Industry Department of the Bank of Lithuania was to be reorganised into a private company ŠIAULIŲ BANKAS. The new bank was registered with the Bank of Lithuania on 4 February 1992 with the share capital of Rbl 16m (LTL 160th). The Bank started operating on 17 February 1992, after the Bank of Lithuania had liquidated the Šiauliai Industry Department by transferring its clients and services to the newly established bank. Since the establishment of the Bank its share capital has been increased 8 times. During the eight years the Bank has expanded its operations and become stronger - new branches have been founded in north western region, Vilnius and Klaipėda, new services have been introduced and their quality improved.

In 1997 ŠIAULIŲ BANKAS organised the first ever syndicated loan in the Lithuanian banking history of LTL 26 million.

BUSINESS ACTIVITY

ŠIAULIŲ BANKAS is a regional bank offering its clients all banking services. The majority of the Bank's clients are companies, organisations, and residents of Šiauliai and Šiauliai region.

At the end of 1999, the Bank had 11.2thou clients, 78.5% of which were natural persons, 17.3% - private companies, 0.5% - State and local municipalities' companies, 3.7% - other institutions and organisations. The clients may access the Bank either through its central office in Šiauliai or its eight branch offices. The Bank focuses on small and medium size clients and on retail banking.

The Bank has correspondent links with 35 banks in seventeen countries. The main banks-correspondents are the following: Bankers Trust Company, Deutsche Bank AG, Mezdunarodnij Moskovskij Bank. The major clients of the Bank are from Germany. Therefore, last year ŠIAULIŲ BANKAS expanded its account network in that country - a new correspondent account in Commerzbank AG in Frankfurt was opened as well as correspondent relations with five more banks in other German cities were established.

The main part of income of ŠIAULIŲ BANKAS comes from crediting. That income constitutes over 60% of the total income. The Bank provides loans from credit lines received from AB Svensk Eksportkredit (Sweden) and European PHARE programme, from the means for Lithuania provided by the World Bank, as well as from Ministry of Finance of the Republic of Lithuania and funding means of the project of the private agricultural development. The second largest share of income is obtained from the services for clients and commissions. In 1999, this income rose by 24.1% in comparison with 1998, and by 35.2% in comparison with 1997.

Structure OF SHARE CAPITAL

| | |
|------------------|---|
| Share capital: | LTL 34,021,000 |
| Ordinary shares: | 680420 registered shares at LTL 50 par (security code 10225) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 29.11.94) |

ŠIAULIŲ BANKAS became one of the winners of the tender to distribute saving notes of the Government of the Republic of Lithuania. Distribution of the saving notes in the Bank and its branches is controlled by the Bank's Brokerage Division.

The Bank's Brokerage Division with its three licensed stockbrokers offers its customers securities purchase and sale services, helps with the preparation of share issue prospectuses, and provides consultations on a wide range of investment issues. The Division is the only intermediary of public trading in securities in Šiauliai. It has 2 working places connected to the NSEL data network by exclusive Omintel connection lines.

DEVELOPMENTS IN 1999

In August 1999, the Bank established a branch company UAB Šiaulių Banko Lizingas (leasing services).

In 1999, the Bank established 2 new departments in Šiauliai for customer services.

In October 1999, the Bank became a member of EUROPAY International organisation with the right to distribute Maestro Eurocard/MasterCard type payment cards.

In November 1999, the Bank joined SWIFT organisation. On 5 March 1999, ŠIAULIŲ BANKAS was included into the SWIFT network, which speeded-up international settlements, decreased expenses of corresponding account management as well as ensured reliable connection with any bank of the world.

Over the year, assets of the Bank increased by 7.2%, from LTL 151m to 162m, the loan portfolio lifted by 21%, and the amount of deposits increased by 12%. The Banks investment into equities decreased by 47% in 1999. Volumes of documentary settlements continued to grow - their turnover added by 9%. Last year, the total amount of issued guarantees was 35% higher than in 1998.

Net interest income comprised LTL 7.6m, income from services and commissions - LTL 3.2m, income from equities - LTL 23thou, profit from operations in foreign currency - LTL 1.8m.

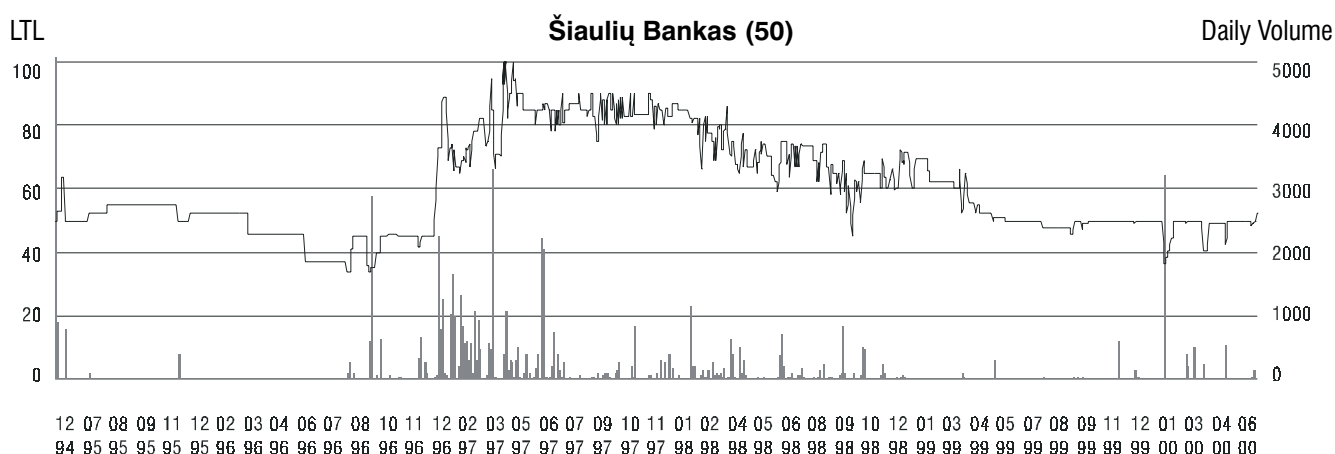
ŠIAULIŲ BANKAS group ended the year with a LTL 1.75m net profit.

PLANS, PROSPECTS FOR 2000

In 2000, ŠIAULIŲ BANKAS started distribution of MasterCard Gold, MasterCard Standard, and Maestro cards.

In the nearest future the Bank intends to expand the scope of customer services. Therefore, the Bank plans to establish 6 new universal customer service departments in Klaipėda and Vilnius. In addition, ŠIAULIŲ BANKAS plans to establish assets management company.

| SUBSIDIARIES | Date of establishment | Authorised capital (LTL) | Participating interest |
|----------------------------|-----------------------|--------------------------|------------------------|
| UAB Šiaulių banko lizingas | 1999 | 1m | 100% |
| Zokniai branch | 1994 | | |
| Kuršėnai branch | 1995 | | |
| Kelmė branch | 1995 | | |
| Vilnius branch | 1995 | | |
| Klaipėda branch | 1997 | | |
| Palanga branch | 1995 | | |
| Šilutė branch | 1995 | | |
| Mažeikiai branch | 1997 | | |



| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|---------------|--------------|--------------|--------------|
| PRICE (LTL) | | | | |
| First | 45.00 | 85.50 | 67.71 | 50.00 |
| Max | 102.40(04 24) | 87.00(01 15) | 71.80(01 07) | 52.00(06 30) |
| Min | 45.00(01 03) | 45.00(10 13) | 45.60(09 20) | 36.56(02 10) |
| Last | 85.50 | 67.71 | 50.00 | 52.00 |
| Change (%) | 90.00 | -20.81 | -26.16 | 4.00 |
| Number of transactions (CM) | 517 | 616 | 107 | 51 |
| Turnover CM (units) | 39334 | 13924 | 1492 | 5233 |
| Turnover CM (LTL) | 3182812 | 1002118 | 76300 | 211710 |
| Turnover BT (units) | 155355 | 286909 | 337030 | 42902 |
| Turnover BT (LTL) | 12542688 | 22065853 | 23133967 | 2676224 |
| CM turnover as % in total | 20.20 | 4.63 | 0.44 | 10.87 |
| Total turnover (units) | 194689 | 300833 | 338522 | 48135 |
| Total turnover (LTL) | 15725500 | 23067972 | 23210267 | 2887934 |
| Turnover ratio (%) | 48.62 | 44.21 | 49.75 | 7.07 |
| As % in the total share turnover | 1.64 | 2.59 | 1.88 | 1.38 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|-------|-------|-------|--------|
| Capitalisation (LTL thou) | 9000 | 34236 | 46071 | 34,021 |
| Share book value (LTL) | 52.82 | 54.93 | 55.35 | 55.49 |
| Price / book value ratio (P/BV) | 0.85 | 1.56 | 1.22 | 0.90 |
| Earnings per share (LTL) | 9.82 | 2.97 | 3.51 | 2.57 |
| Price / earnings ratio (P/E) | 4.58 | 28.8 | 19.30 | 19.47 |
| Dividend per share (LTL) | - | - | 0.50 | 2.00 |
| Dividend yield | - | - | 0.01 | 0.04 |
| Dividend payout ratio | - | - | 0.14 | 0.78 |

ŠIAULIŲ BANKAS

NACIONALINĖ VERTYBINIŲ POPIERIŲ BIRŽA

| | Bank | Bank | Bank | Bank | Group |
|--|---------------|---------------|---------------|--------------|---------------|
| BALANCE SHEET (LTL thou) | 1999 | 1998 | 1997 | 1996 | 1999 |
| ASSETS | | | | | |
| Cash, precious metals and other valuables | 5436 | 5427 | 9747 | 6232 | 5440 |
| Claims on central banks | 12315 | 18896 | 12446 | 3893 | 12315 |
| Claims on credit institutions and financial institutions | 4686 | 8743 | 12755 | 6122 | 4686 |
| Net value of loans to credit and financial institutions | 7500 | | | | 7500 |
| Short-term government securities | 5827 | 11886 | 15153 | 3884 | 5827 |
| Net value of granted loans | 99919 | 80595 | 53929 | 36972 | 99919 |
| Leasing | | | | | 597 |
| Debt securities | 10 | - | - | - | 10 |
| Equity investments | 2672 | 5030 | 2491 | 354 | 1672 |
| Intangible assets (less amortization) | 1053 | - | - | - | 1053 |
| Tangible fixed assets (less depreciation) | 16165 | 12609 | 7162 | 6784 | 16172 |
| Accrued income and deferred expenses | 1190 | 880 | 1778 | 713 | 1193 |
| Other assets | 5427 | 6986 | 5390 | 5720 | 5527 |
| TOTAL ASSETS | 162200 | 151052 | 128400 | 70674 | 161911 |
| LIABILITIES | | | | | |
| Liabilities to central banks | 10255 | 9876 | 7857 | 5643 | 10255 |
| Funds of credit institutions and financial institutions | 11729 | 5683 | 7586 | | 11729 |
| Liabilities to credit and financial institutions | 11600 | 8739 | 8395 | 11244 | 11600 |
| Deposits and letters of credit | 87821 | 85117 | 66747 | 31017 | 87438 |
| Accrued expenses and deferred income | 231 | 551 | 402 | 208 | 236 |
| Other liabilities | 2800 | 3426 | 1188 | 1411 | 2895 |
| TOTAL LIABILITIES | 124436 | 113392 | 92175 | 49523 | 124153 |
| EQUITY | | | | | |
| Capital and reserves | 37764 | 37660 | 36225 | 21151 | 37758 |
| registered share capital (less own shares) | 34021 | 34021 | 34021 | 19938 | 34021 |
| bought up own shares | -390 | -1701 | -1049 | -83 | -390 |
| share premium | | - | - | -109 | |
| revaluation reserve | 429 | 443 | 574 | 578 | 429 |
| retained earnings (loss) | 14 | -1716 | -2603 | -4536 | 14 |
| profit (loss) of current financial year | 1753 | 2387 | 1956 | 3933 | 1747 |
| other capitals and reserves | 1937 | 4226 | 3326 | 1347 | 1937 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 162200 | 151052 | 128400 | 70674 | 161911 |

LITHUANIAN COMPANIES BANKING

NATIONAL STOCK EXCHANGE OF LITHUANIA

| | Bank | Bank | Bank | Bank | Group |
|---|-------------|-------------|-------------|-------------|-------------|
| PROFIT AND LOSS STATEMENT (LTL thou) | 1999 | 1998 | 1997 | 1996 | 1999 |
| Interest income | 13403 | 11036 | 9392 | 7231 | 13410 |
| Interest expense | 5808 | 4340 | 3821 | 3646 | 5799 |
| Net interest income | 7595 | 6696 | 5571 | 3585 | 7611 |
| Expenses for provisions | 573 | -59 | -691 | -1893 | 573 |
| Net interest income after specific provisions | 7022 | 6637 | 6262 | 5478 | 7038 |
| Service fees and commission income | 3177 | 2474 | 2350 | 1819 | 3197 |
| Service fees and commission expense | 379 | 406 | 1310 | 1403 | 379 |
| Net interest, service and commission income | 9820 | 8705 | 7302 | 5894 | 9856 |
| Income on equity investment | 23 | 105 | 21 | - | 23 |
| Profit (loss) from operations with foreign currency | 1852 | 1349 | 1503 | 1464 | 1852 |
| Profit (loss) from operations with securities and financial instruments | -168 | -255 | -563 | 69 | -168 |
| Result of primary activities | 11527 | 9904 | 8263 | 7427 | 11563 |
| Other bank income | 1655 | 271 | - | - | 1649 |
| Operating expenses | 7218 | 5533 | 4339 | 2984 | 7251 |
| Other bank expenses | 2961 | 1926 | 517 | - | 2963 |
| Depreciation and amortisation | 850 | 546 | 458 | 405 | 850 |
| Expenses for other specific provisions | 161 | - | 993 | - | 162 |
| Result of ordinary bank activities | 1992 | 2170 | 1956 | 4038 | 1986 |
| Result of exceptional and extraordinary activities (profit (loss)) | | 289 | - | - | |
| Profit (loss) before taxes | 1992 | 2459 | 1956 | 4038 | 1986 |
| Profit tax | 311 | 72 | - | 105 | 311 |
| Deferred taxes and profit tax correction | -72 | | | | -72 |
| NET PROFIT (LOSS) | 1753 | 2387 | 1956 | 3933 | 1747 |
| Net profit per LTL 1 of a share | 2.58 | 3.65 | 2.87 | 0.19 | 2.57 |
| CASH FLOW STATEMENT (LTL thou) | 1999 | 1998 | 1997 | 1996 | 1999 |
| CASH FLOWS FROM BANKING ACTIVITIES | | | | | |
| Interest income | 13403 | 11312 | 8901 | 7826 | 13410 |
| Interest expenses | -5808 | -4206 | -3740 | -3601 | -5799 |
| Net income from operations with foreign currency | 1684 | 1460 | 1576 | 1464 | 1684 |
| Net income from operations with securities | -140 | -749 | 74 | 69 | -140 |
| Net income for services and fees | 2798 | 386 | 530 | 416 | 2818 |
| Expenses associated with payment of salaries | -5565 | -4495 | -3032 | -2156 | -5595 |
| Other income (expenses) | -3260 | -591 | -1987 | -1104 | -3271 |
| Result of activities | 3124 | 3120 | 2323 | 2918 | 3119 |
| Changes in short-term assets | -25797 | -18723 | -39084 | -9366 | -26498 |
| Changes in liabilities | 9644 | 18441 | 43380 | 6273 | 9361 |
| Net cash flows from bank activities before taxes | -13029 | 2838 | 6619 | -175 | -14018 |
| Profits tax | | - | -730 | 105 | |
| Net cash flows from bank activities after taxes | -13029 | 2838 | 5889 | -280 | -14018 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| (Acquisition) sales of tangible long-term and intangible assets | -5303 | -3153 | -844 | -1615 | -5310 |
| (Investment) into securities and sales thereof | 2320 | -2045 | -2757 | -290 | 3320 |
| Dividends received | 23 | 105 | 4 | 0 | 23 |
| Net cash flows from investment activities | -2960 | -5093 | -3597 | -1905 | -1967 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Issue of own securities/only paid up part/ | | 0 | 14000 | 10021 | |
| (Purchase) of own securities | 163 | -872 | -1779 | 575 | |
| Net cash flows from financing activities | -175 | -872 | 12221 | 10596 | |
| Increase (decrease) in cash | -16164 | -3127 | 14513 | 8411 | -16160 |
| Cash as at December 31 | 22634 | 26912 | 30039 | 15526 | 22638 |
| Cash as at January 1 | 38798 | 30039 | 15526 | 7115 | 38798 |

BANKING

| | |
|----------|------------------------------|
| Address: | J.Gruodžio g. 9, 3000 Kaunas |
| Phone: | (370-7) 301301, 301302 |
| Fax: | (370-7) 323188, 301431 |
| E-mail: | ub@ub.lt |

www.ub.lt

| | |
|--------------------|------------|
| Registration date: | 19.11.1992 |
| Registration code: | 1202013 |
| Established: | 1989 |

| | |
|----------------------------|---------|
| Authorised capital: | LTL 60m |
| Capitalisation (30.06.00): | LTL 28m |

| | |
|---------------|-------------------|
| Auditor: | Deloitte & Touche |
| Trading List: | Current |

CORPORATE HISTORY

ŪKIO BANKAS was established as a new commercial bank in June 1989, when Lithuania was still a part of the Soviet economic bloc. Local businesses, together with some state enterprises, took advantage of new openings under Perestroika to create their own private sector bank with capital of RBL 5 million. When full independence from the USSR was won in 1992, shareholders of ŪKIO BANKAS registered their ownership with the new Central Bank of Lithuania. ŪKIO BANKAS was the first bank entered into the register. ŪKIO BANKAS was among the first two banks to be granted a licence by the Bank of Lithuania to carry out international banking activities in Lithuania in addition to its domestic banking operations. These included foreign currency lending, international operations, and correspondence banking.

In 1995-1997 the Bank was engaged in a twinning arrangement, under the Phare programme with ING of the Netherlands and Unibank of Denmark. Projects undertaken as a result of the twinning programme included strategic planning review, improvement of assets/liability management systems, internal audit, and credit monitoring.

BUSINESS ACTIVITY, LATEST DEVELOPMENTS

ŪKIO BANKAS is the oldest commercial bank in Lithuania. The Bank realises its strategy through a network of 15 modern branch offices and 2 divisions located in the main urban areas of Lithuania. ŪKIO BANKAS provides its clients with all basic banking services. In 1999 net income of the Bank from the banking services constituted LTL 29.393m.

At the end 1999, ŪKIO BANKAS controlled 2.25% of assets, 1.7% of loans, and 2.65% of deposit market.

The total assets of the Bank constituted LTL 251m at the end of the year and showed an increase of 21.4%. In addition, it nearly twice exceeded the growth pace of the sector. In terms of assets size, ŪKIO BANKAS occupies the sixth place among the banks of Lithuania.

Last year the Bank actively increased the loan portfolio by providing loans to the current and new customers. At the end of the year, the total loan portfolio of the Bank reached LTL 96.9m, or was by 27.4% larger as compared with 1998. The structure of the loan

Supervisory Board (participation in the company):

Ulf Lowenhav, Chairman (0%), Jurgis-Drąsutis Mockevičius (0.06%), Kim Byung Ho (0%), Olga Gončaruk (0.033%), Gražina Jakavičienė (0.0049%), Stevan Belogrčić (0.327%), Song In Hwan (0.0014%), Giedrius Pukas (0%), Ala Kurauskienė (0.0041%)

Management Board (participation in the company):

Liutauras Varanavičius, Chairman (0.0295%), Jonas Saulėnas (0%), Edita Navickaitė (0.0004%), Gintaras Ugianskis (0.0004%), Audrius Globys (0%)

Managing Director (participation in the company): Liutauras Varanavičius (0.0295%)

Contact Person: Edita Navickaitė, Member of the Board, tel. (370-7) 301330

STRUCTURE OF OWNERSHIP

| | |
|---|-------|
| AB Dirbtinis pluoštas | 9.99% |
| Stamatiadis Nikolaos | 9.90% |
| Tusklane Ltd. (UK) | 9.80% |
| AB Holdinginė tekstilės korporacija (holding) | 6.97% |
| UAB FMJ Finbaltus (brokerage) | 5.91% |
| AB Pramprojektas | 5.92% |
| Niaf Investments Ltd. (UK) | 5.20% |

portfolio did not change significantly. The greatest share of the granted loans falls to short-term loans for financing of working capital of enterprises as well as for local and international trading. Long-term projects were credited as well, mostly those of small and medium business enterprises. Loans for manufacturing industry companies accounted for 38%, and those for the sector of wholesale and retail trade amounted to 35% of the total loan portfolio of ŪKIO BANKAS. In 1999 the co-operation with the International Finance Corporation (IFC) was commenced preparing a joint funding project.

In 1999 deposits and letters of credit of ŪKIO BANKO advanced by 15.4% to LTL 178.03m. In the course of the year, individuals' deposits advanced by 31.8% and reached LTL 88m.

ŪKIO BANKAS has opened correspondent accounts in all basic currencies at 61 foreign banks.

The net profit of ŪKIO BANKO for the previous year amounted to LTL 5.5m, which is by 1.36% more than in 1998, and took the third place among private commercial banks. In terms of return on assets (2.4%), ŪKIO BANKAS was the second among commercial banks of Lithuania.

Through its subsidiary company UAB Ūkio Banko Lizingas (leasing company), ŪKIO BANKAS offers leasing and factoring services. The leasing loan portfolio reached LTL 6.3m, and in the course of the year it surged by 70%. Investment banking functions are currently concentrated in UAB Ūkio Banko Investicinė Grupė (investment company) which was established by the Bank and where it holds 24.8% of shares. This enterprise executes large investment banking projects in Lithuania, Ukraine, and Bosnia.

PLANS, PROSPECTS FOR 1999

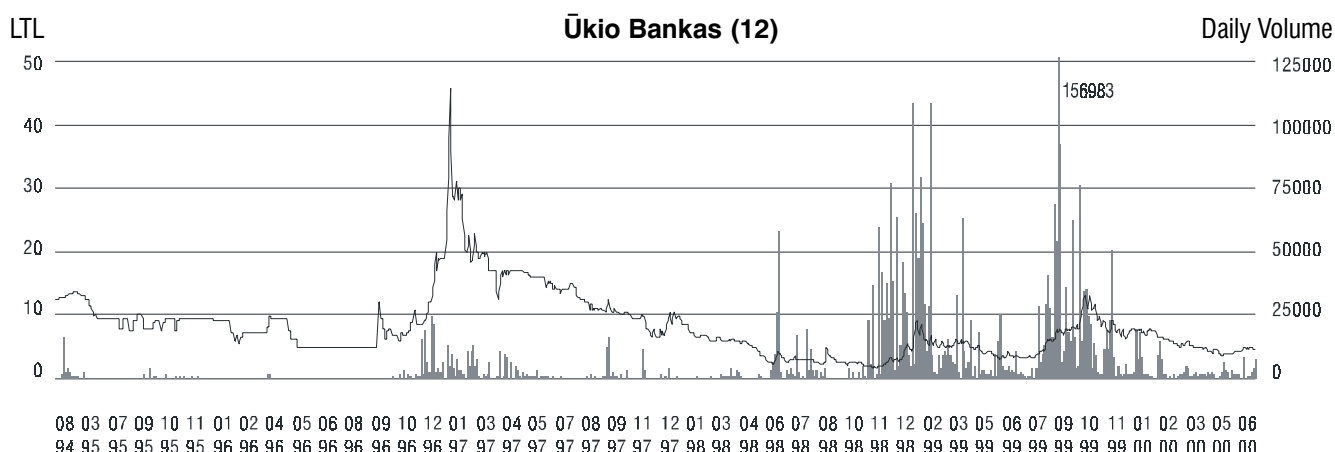
In the near future, the Bank plans to commence distribution of international payment cards and development of Internet banking. ŪKIO BANKAS foresees to activate the performance of the leasing enterprise and introduce in the market new lease products, such as operative lease, lease of intellectual products.

Taking into consideration large potential of the Baltic region, the Bank invested DEM 2.75m into the new commercial bank which is to be established in Bosnia and Herzegovina.

Structure OF SHARE CAPITAL

| | |
|------------------|--|
| Share capital: | LTL 60,000,000 |
| Ordinary shares: | 5000000 registered shares at LTL 12 par (security code 10235) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 02.08.94) |

| SUBSIDIARIES | Date of establishment | Authorised capital (LTL) | Participating interest |
|-----------------------------------|-----------------------|--------------------------|------------------------|
| UAB ŪKIO BANKO LIZINGAS (Leasing) | 07.14.1997 | 1m | 100% |



| TRADING STATISTICS | 1997 | 1998 | 1999 | 1Q 2000 |
|----------------------------------|--------------|--------------|--------------|-------------|
| PRICE (LTL) | | | | |
| First | 19.01 | 9.39 | 5.05 | 7.80 |
| Max | 45.61(01 16) | 10.50(01 06) | 13.13(10 07) | 7.70(01 20) |
| Min | 6.38(12 03) | 1.62(11 13) | 3.03(05 28) | 3.60(05 10) |
| Last | 9.39 | 5.05 | 7.80 | 4.66 |
| Change (%) | -50.60 | -46.22 | 54.46 | -40.26 |
| Number of transactions (CM) | 1353 | 1736 | 7335 | 977 |
| Turnover CM (units) | 334559 | 979175 | 2758050 | 185501 |
| Turnover CM (LTL) | 6381244 | 3018978 | 19477565 | 1013505 |
| Turnover BT (units) | 1456855 | 1252804 | 5822035 | 438827 |
| Turnover BT (LTL) | 19364338 | 4143174 | 39790515 | 3667339 |
| CM turnover as % in total | 18.68 | 43.87 | 32.14 | 29.71 |
| Total turnover (units) | 1791414 | 2231979 | 8580085 | 624328 |
| Total turnover (LTL) | 25745582 | 7162152 | 59268080 | 4680844 |
| Turnover ratio (%) | 51.18 | 44.64 | 171.60 | 10.30 |
| As % in the total share turnover | 2.68 | 0.80 | 4.80 | 2.24 |

| MARKET VALUE RATIOS | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|-------|-------|-------|--------|
| Capitalisation (LTL thou) | 38020 | 32865 | 25250 | 39,000 |
| Share book value (LTL) | 6.13 | 5.48 | 7.46 | 8.28 |
| Price / book value ratio (P/BV) | 3.10 | 1.71 | 0.68 | 0.94 |
| Earnings per share (LTL) | -2.21 | -5.57 | 1.09 | 1.11 |
| Price / earnings ratio (P/E) | - | - | 4.63 | 4.52 |
| Dividend per share (LTL) | - | - | - | - |
| Dividend yield | - | - | - | - |
| Dividend payout ratio | - | - | - | - |

ŪKIO BANKAS

NACIONALINĖ VERTYBINIŲ POPIERIŲ BIRŽA

LITHUANIAN COMPANIES

| | Bank 1999 | Bank 1998 | Bank 1997 | Bank 1996 | Group 1999 | Group 1998 | Group 1997 | Group 1996 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| BALANCE SHEET (LTL thou) | | | | | | | | |
| ASSETS | | | | | | | | |
| Cash, precious metals and other valuables | 10014 | 10382 | 12392 | 17156 | 10015 | 10988 | 11792 | 17156 |
| Claims on central banks | 15930 | 12923 | 30043 | 19405 | 15930 | 12923 | 30643 | 19405 |
| Claims on credit institutions and financial institutions | 33347 | 22131 | 23491 | 14326 | 33347 | 22131 | 23491 | 14326 |
| Net value of loans to credit and financial institutions | | 2956 | - | 161 | | - | - | 161 |
| Short-term government securities | 3052 | 2261 | 7184 | 3373 | 3052 | 2261 | 7184 | 3373 |
| Net value of granted loans | 96891 | 76589 | 85854 | 108896 | 91494 | 76589 | 84596 | 108896 |
| Leasing | | - | - | - | 6095 | 3466 | - | - |
| Equity investments | 12871 | 9602 | 1502 | 77 | 11849 | 3161 | 1502 | 77 |
| Intangible assets (less amortization) | 24 | 13 | 82 | 4 | 24 | 16 | 82 | 4 |
| Tangible fixed assets (less depreciation) | 32803 | 22225 | 21977 | 23913 | 32921 | 27827 | 21977 | 23913 |
| Accrued income and deferred expenses | 1005 | 739 | 1107 | 984 | 1005 | 742 | 2032 | 984 |
| Other assets | 45019 | 46943 | 26804 | 9036 | 45847 | 51934 | 27137 | 9036 |
| TOTAL ASSETS | 250956 | 206764 | 210436 | 197331 | 251579 | 212038 | 210436 | 197331 |
| LIABILITIES | | | | | | | | |
| Liabilities to central banks | 5121 | 5965 | 5582 | 6371 | 5121 | 5965 | 5582 | 6371 |
| Funds of credit institutions and financial institutions | | | | | | | | |
| Liabilities to credit and financial institutions | 10977 | 4490 | 14083 | 19936 | 10929 | 4430 | 14105 | 19936 |
| Deposits and letters of credit | 178121 | 154227 | 156934 | 145184 | 178121 | 153927 | 156912 | 145184 |
| Deposits under custody agreements | | - | - | - | | - | - | - |
| Special and lending funds | | - | - | 963 | | - | - | 963 |
| Accrued expenses and deferred income | 1893 | 1290 | 1775 | 1100 | 1893 | 1290 | 1775 | 1100 |
| Subordinated loans | 12000 | | | | 12000 | | | |
| Other liabilities | 1436 | 3495 | 4651 | 2315 | 2107 | 3555 | 4651 | 2315 |
| TOTAL LIABILITIES | 209548 | 169467 | 183025 | 175869 | 210171 | 169167 | 183025 | 175869 |
| EQUITY | | | | | | | | |
| Capital and reserves | 41408 | 37297 | 27411 | 21462 | 41408 | 37297 | 27411 | 21462 |
| registered share capital | 60000 | 60000 | 60000 | 42000 | 60000 | 60000 | 60000 | 42000 |
| bought up own shares | -2993 | - | - | - | -2993 | - | 18747 | 1110 |
| share premium | | - | 18747 | 1110 | | - | -4427 | -2577 |
| revaluation reserve | | - | -4427 | -2577 | -24703 | -28162 | -19071 | -11325 |
| retained earnings (loss) | -24703 | -28162 | -19071 | -11325 | 5533 | 5459 | -27838 | -7746 |
| profit (loss) of current financial year | 5533 | 5459 | -27838 | -7746 | | - | - | - |
| other capitals and reserves | 3571 | - | - | - | 3571 | - | - | - |
| Minority interest | | - | - | - | | 5574 | - | - |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 250956 | 206764 | 210436 | 197331 | 251579 | 212038 | 210436 | 197331 |

| | Bank 1999 | Bank 1998 | Bank 1997 | Bank 1996 | Group 1999 | Group 1998 | Group 1997 | Group 1996 |
|---|--------------|--------------|---------------|--------------|---------------|---------------|---------------|---------------|
| PROFIT AND LOSS STATEMENT (LTL thou) | | | | | | | | |
| Interest income | 12934 | 13592 | 13284 | 25939 | 13460 | 13825 | 13284 | 25939 |
| Interest expense | 9523 | 8979 | 11246 | 16008 | 9523 | 8975 | 11246 | 16008 |
| Net interest income | 3411 | 4613 | 2038 | 9931 | 3937 | 4850 | 2038 | 9931 |
| Expenses for provisions | 282 | 369 | 18905 | 11982 | 282 | 369 | 18955 | 11982 |
| Net interest income after specific provisions | 3129 | 4244 | -16867 | -2051 | 3655 | 4481 | -16917 | -2051 |
| Service fees and commission income | 16687 | 5985 | 6949 | 7294 | 16755 | 5964 | 6453 | 7294 |
| Service fees and commission expense | 956 | 1076 | 901 | - | 957 | 1072 | 857 | - |
| Net interest, service and commission income | 18860 | 9153 | -10819 | 5243 | 19453 | 9373 | -11321 | 5243 |
| Income on equity investment | 141 | - | - | - | 109 | - | - | - |
| Profit (loss) from operations with foreign currency | 3756 | 4600 | 5532 | 5863 | 3756 | 4593 | 5549 | 5863 |
| Profit (loss) from operations with securities and financial instruments | 1199 | -214 | - | - | 1199 | -227 | -17 | - |
| Result of primary activities | 23956 | 13539 | -5287 | 11106 | 24517 | 13739 | -5287 | 11106 |
| Other bank income | 5155 | 2904 | - | - | 5118 | 6279 | 554 | - |
| Operating expenses | 16162 | 15582 | 17685 | 15534 | 16595 | 19120 | 17737 | 15534 |
| Other bank expenses | 4294 | - | - | - | 4357 | - | - | - |
| Depreciation and amortisation | 1752 | 1945 | 1929 | 1828 | 1780 | 1970 | 1929 | 1828 |
| Expenses for other specific provisions | 1370 | -6543 | -63 | 187 | 1370 | -6543 | -63 | 187 |
| Result of ordinary bank activities | 5533 | 5459 | -24838 | -6443 | 5533 | 5471 | -24838 | -6443 |
| Result of exceptional and extraordinary activities (profit (loss)) | - | - | -3000 | -935 | - | - | -3000 | -935 |
| Profit (loss) before taxes | 5533 | 5459 | -27838 | -7378 | 5533 | 5471 | -27838 | -7378 |
| Profit tax | - | - | - | 368 | - | 0 | 0 | 368 |
| Minority profit | - | - | - | - | - | -12 | - | - |
| NET PROFIT (LOSS) | 5533 | 5459 | -27838 | -7746 | 5533 | 5459 | -27838 | -7746 |
| CASH FLOW STATEMENT (LTL thou) | 1999 | 1998 | 1997 | 1996 | | | | |
| CASH FLOWS FROM BANKING ACTIVITIES | | | | | | | | |
| Interest income | 12865 | 12330 | 12606 | 25756 | | | | |
| Interest expenses | -8910 | -9381 | -11246 | -16008 | | | | |
| Result of activities | 11087 | 3409 | -7077 | 7605 | | | | |
| Changes in short-term assets | -40440 | -13418 | -19812 | 33820 | | | | |
| Changes in liabilities | 27468 | -10157 | 7203 | -51555 | | | | |
| Net cash flows from bank activities before taxes | -1885 | -20166 | -19686 | -10130 | | | | |
| Profits tax | - | - | - | -368 | | | | |
| Net cash flows from bank activities after taxes | -1885 | -20166 | -19686 | -10498 | | | | |
| Net cash flows from investment activities | -2633 | 35 | -3285 | -58 | | | | |
| Net cash flows from financing activities | 10578 | 0 | 26757 | 16947 | | | | |
| Increase (decrease) in cash | 6060 | -20131 | 3786 | 6391 | | | | |
| Cash as of December 31 of the current financial year | 30431 | 16523 | 36654 | 32868 | | | | |
| Cash as of January 1 of the current financial year | 24371 | 36654 | 32868 | 26477 | | | | |

BANKING

| | |
|----------------------------|-------------------------------|
| Address: | Gedimino pr. 12, 2600 Vilnius |
| Phone: | (370-2) 682800, 682428 |
| Fax: | (370-2) 626557, 612629 |
| E-mail: | info@vb.omnitel.net |
| | www.vb.lt |
| Registration date: | 25.02.1994 |
| Registration code: | 1202123 |
| Established: | 1990 |
| Number of employees: | 1031 |
| Authorised capital: | LTL 154m |
| Capitalisation (30.06.00): | LTL 462.5m |
| Auditor: | Arthur Andersen |
| Trading List: | Official |

Supervisory Board (participation in the company):

Liudvikas Miškinis, Chairman (<0.01%),
Monica Caneman (0%), Mats Kjaer (0%), Tord Olofsson (0%), Andreas Zeisler (0%),
Algimantas Kazlaučius (0%), Antanas Levanas (<0.01%)

Management Board (participation in the company):

Julius Niedvaras, Chairman (0.46%), Gintautas Bareika (0.04%), Mattias Styrman (0%),
Raimondas Kutra (0.03%), Raimondas Kvedaras (0.09%), Virginija Skunčikienė (0.02%)

Managing Director: Julius Niedvaras, Chairman (0.46%)

Contact Person:

Audrius Žiugžda, Director of Financial Institutions Department, tel. (370-2) 682410

STRUCTURE OF OWNERSHIP

| | |
|--|--------|
| Skandinaviska Enskilda Banken AB (Sweden) | 40.83% |
| Holders of GDRs (Depository: Bankers Trust Company Ltd.) | 22.95% |
| Swedfund Financial Markets AB (Sweden) | 6.39% |

CORPORATE HISTORY

VILNIAUS BANKAS started its activity on 2 March 1990. The Bank's headquarters are located in Vilnius. All the branches, the number of which currently amounts to 18, operate in Lithuania.

In 1991, VILNIAUS BANKAS joined the international VISA system. Two years later the Bank became a member of S.W.I.F.T. VILNIAUS BANKAS was the first among Lithuanian banks to receive credit lines from Western banks.

In the third quarter of 1995, the Bank established the first leasing subsidiary in Lithuania Vilniaus Lizingas. At the end of 1995, leading investment funds from Germany, Great Britain, Sweden, and the USA acquired the Bank's shares.

During 1996, VILNIAUS BANKAS distributed the issue of Global Depository Receipts (GDRs) for the total amount of USD 17.1m on the international financial markets. The Vilniaus Bankas GDRs are quoted on the Official trading list at the Luxembourg Stock Exchange and in OTC trading system (London) SEAQ International.

On 15 September 1997, VILNIAUS BANKAS signed an agreement regarding establishment of a new company - Lithuanian Export and Import Insurance. The main goal of the company is to encourage Lithuanian export to risky Eastern markets. The five founders became shareholders, the company's stock in excess of LTL 19.6m was divided into 1960 shares at LTL 10thou par. VILNIAUS BANKAS holds 479 shares.

On 16 September 1997, VILNIAUS BANKAS acquired a Latvian financial firm Latvijas KIF Grupa and established its first foreign subsidiary VB Financial Markets. Besides brokerage operations, the company was engaged in custody and bookkeeping of securities, Latvian market research, corporate finance projects, and client portfolio management. In 1998, this company became a subsidiary of the brokerage company VB Vilfima where the Bank holds 70% of the stock.

On 19 December 1997, the Securities Commission issued a licence to VB Turto Valdymas to engage in investment management. The company actively invests into capital development projects, also manages corporate and individual investment portfolios.

At the end of 1997 the Bank became a member of EUROPAY INTERNATIONAL.

The general shareholders' meeting of 31 March 1998 decided to uniform the par value of all VILNIAUS BANKAS shares and to convert ORS with LTL 50 par into ORS with LTL 10 par at the rate of 1 to 5.

In 1998, the Bank signed strategic co-operation contracts with two banks from the Baltic region, namely with Eesti Uhispank and A/S Latvijas Unibanka. The purpose of the contracts is to expand the operating field of the three banks. A possibility to have a strategic partner that would invest into the three banks was taken into account while considering the implementation of the above-mentioned plans. At the end of 1998, the Strategic Investment Contract between VILNIAUS BANKAS and the Swedish Skandinaviska Enskilda Banken (SEB) was signed.

In February 2000, the International Rating Agency Thomson Financial BankWatch reviewed its rating of VILNIAUS BANKAS, and issued an upgrade on the Issuer rating category from IC-B to IC-A/B. By definition IC-A/B is assigned to "financially very solid entities with a favourable track record". Short-term rating was affirmed at the highest LC-1 level, and the Senior Debt remained at BB+, which corresponds to the Sovereign rating of Lithuania. The Bank has also received a BBp Standard & Poor's public information rating.

BUSINESS ACTIVITY

VILNIAUS BANKAS is engaged in accepting deposits and other repayable funds and extending loans, and carries out other operations established in the Law on Commercial Banks of the Republic of Lithuania. The Bank undertakes all risks and obligations arising from this activity. VILNIAUS BANKAS distributes international Visa, Eurocard/MasterCard, Maestro, local VILNIAUS BANKAS payment cards, American Express and Thomas Cook travel checks.

At the end of 1999 VILNIAUS BANKAS had 182thou current accounts and nearly 49thou time deposit accounts for individual persons. The market share of the Bank's individual clients' deposits constituted 22.1% at that time. The number of private clients increased 1.6 times during the last year.

Loans, document settlement and conversion are the most popular services provided to the business clients. At the end of 1999 the Bank had 29thou business clients. The number of business clients having their accounts at the Bank augmented by 17% in the course of the year.

The Bank was among the first that started to provide mortgage loans - this activity was launched at the end of 1997. Currently, VILNIAUS BANKAS offers mortgage loans in USD for acquisition or repairs of dwellings. Some of these loans are given when insured with the State guarantee. During the year 1999, portfolios of mortgage loans for acquisition of dwellings have grown up more than 3 times.

DEVELOPMENTS IN 1999

In 1999, the assets of VILNIAUS BANKAS grew from LTL 2757m to LTL 3335.2m. Over the last year the Bank continued to strengthen its positions and develop activity in the local market and earned USD 18.6m profit, which put him into the second position, after Hansabank, among the bank leaders in the Baltic countries. In Lithuania, VILNIAUS BANKAS earned more than all the other banks put together, i.e. 62.51% of the total profit of all profitably working Lithuanian banks.

During the year 1999, the amount of deposits increased by 26.8% to LTL 1801.1m and at the end of the year constituted 63.8% of all Bank's obligations. Term customers' deposits grew by 70.4% during 1999.

At the end of the year, the rapidly growing natural persons' deposits accounted for 48.8% of all customers' deposits.

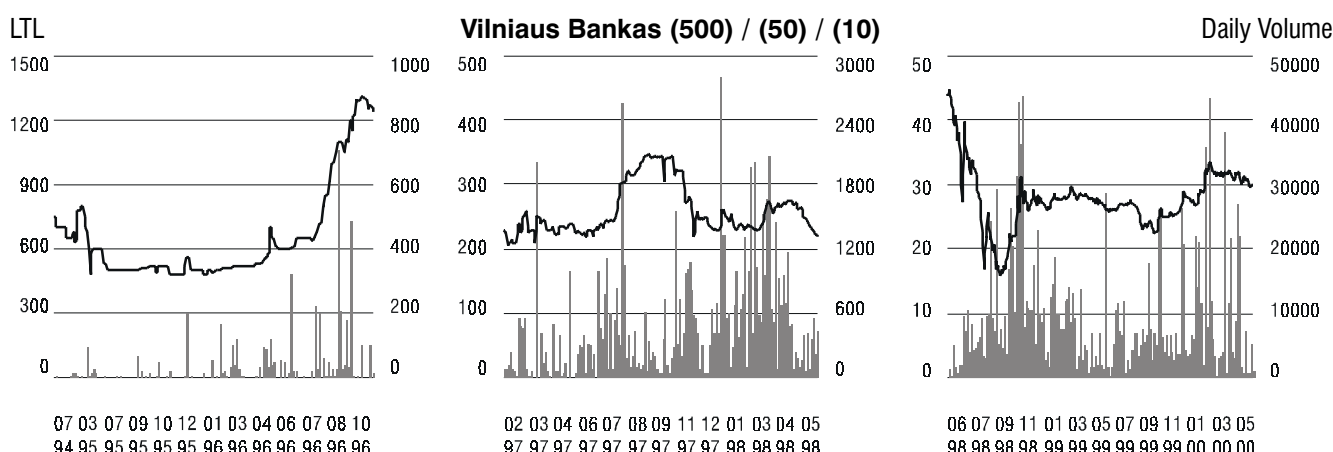
During the last year, VILNIAUS BANKAS earned LTL 207.2m of income after payment of debts. It is by 24% more than in 1998. Like in previous years, in 1999, the largest part of the income was earned from the interest rate (56.6%).

The Bank's branches earned LTL 3.4m of profit in 1999.

In September 1999, Central European Journal published the list of the best 50 banks in Central Europe, where VILNIAUS BANKAS stood at 36 position.

On 25 February 1999, the Bank Management Board decided to establish a subsidiary - life insurance company with the authorised capital of LTL 4m and LTL 1m as the organisational fund.

In August 1999, public distribution of VILNIAUS BANKAS' dematerialised bond issue with the maturity of 12 months was completed. The par value per bond was LTL 100, annual interest rate equalled 10%. The total number of bonds sold amounted to 50,007. They will be redeemed on 23 August 2000.



On 7 December 1999, the shareholders of VILNIAUS BANKAS and bank Hermis approved the decision to reorganise the two banks, by joining bank Hermis to VILNIAUS BANKAS. On 20 December 1999, after the execution of the tender offer, VILNIAUS BANKAS had 91.8% of bank Hermis share capital. On 28 December 1999, the Bank completed the distribution of the new share issue which was aimed at conversion of the rest of bank Hermis shares into those of VILNIAUS BANKAS. In total, 441,423 ORS of the Bank were distributed.

PLANS, PROSPECTS FOR 2000

On 4 February 2000, the merging process of the two banks was finished. When bank Hermis was joined to VILNIAUS BANKAS, the latter became the second largest bank in the Baltic region and now accounts for 45% of banking service market in Lithuania.

A new Business Banking service of the Bank will pay special attention to a better satisfaction of needs of the major business representatives of Lithuania.

With the help of strategic investor SEB, the Bank started to implement the Internet banking project, which will be finished in the middle of 2000.

The other strategic goal of VILNIAUS BANKAS development is to significantly expand retail banking, firstly considering the needs of new technology users and that the Bank could be easier accessible from any place at any time.

Structure OF SHARE CAPITAL

| | |
|------------------|--|
| Share capital: | LTL 154,414,230 |
| Ordinary shares: | 15441423 registered shares at LTL 10 par (security code 10134) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 04.01.94, listed on the Official List on 07.04.1997) |

SUBSIDIARIES

| | Date of establishment | Authorised capital (LTL) | Participating interest |
|---------------------------------------|-----------------------|--------------------------|------------------------|
| VB Lizingas (leasing) | 1995 | LTL 28.5m | 100% |
| VB Turto Valdymas (assets management) | 1997 | LTL 20m | 100% |
| VB Gyvybės draudimas (life insurance) | 1999 | LTL 4m | 100% |
| VB Vilfima (brokerage) | | LTL 7.1m | 70% |

TRADING STATISTICS

| | 1997 | 1998 | 1999 | 1Q 2000 |
|---|---------------|---------------|--------------|--------------|
| PRICE (LTL) | | | | |
| First | 165.00 | 229.00 | 29.40 | 25.68 |
| Max | 349.00(09 17) | 276.19(04 22) | 29.61(04 08) | 33.63(03 16) |
| Min | 165.00(01 03) | 15.63(10 09) | 22.53(10 28) | 26.50(02 08) |
| Last | 229.00 | 29.40 | 25.68 | 29.95 |
| Change (%) | 38.79 | -35.81* | -12.65 | 16.63 |
| Number of transactions (CM) | | | | |
| | 1862 | 13570 | 6727 | 3194 |
| Turnover CM (units) | | | | |
| | 55319 | 1154469 | 1015823 | 713838 |
| Turnover CM (LTL) | | | | |
| | 14745496 | 40996993 | 27120297 | 21633005 |
| Turnover BT (units) | | | | |
| | 112816 | 824694 | 673102 | 248060 |
| Turnover BT (LTL) | | | | |
| | 28699001 | 43813262 | 18392353 | 7092524 |
| CM turnover as % in total | | | | |
| | 32.90 | 58.33 | 60.15 | 74.21 |
| Total turnover (units) | | | | |
| | 168135 | 1979163 | 1688925 | 961898 |
| Total turnover (LTL) | | | | |
| | 43444497 | 84810255 | 45512650 | 28725529 |
| Turnover ratio (%) | | | | |
| | 8.25 | 25.68 | 11.26 | 6.23 |
| As % in the total share turnover | | | | |
| | 4.53 | 9.52 | 3.68 | 13.74 |

MARKET VALUE RATIOS

| | 1996 | 1997 | 1998 | 1999 |
|---------------------------------|--------|--------|--------|---------|
| Capitalisation (LTL thou) | 134970 | 466702 | 299880 | 385,200 |
| Share book value (LTL) | 57.48 | 80.71 | 29.03 | 33.45 |
| Price / book value ratio (P/BV) | 2.87 | 2.84 | 1.01 | 0.77 |
| Earnings per share (LTL) | 12.02 | 23.32 | 3.99 | 4.95 |
| Price / earnings ratio (P/E) | 13.72 | 9.8 | 7.38 | 6.33 |
| Dividend per share (LTL) | 0.65 | 0.60 | 0.60 | 0.64 |
| Dividend yield | 0.00 | 0.003 | 0.02 | 0.02 |
| Dividend payout ratio | 0.05 | 0.03 | 0.15 | 0.13 |

VILNIAUS BANKAS

NACIONALINĖ VERTYBINIŲ POPIERIŲ BIRŽA

| BALANCE SHEET (LTL thou) | Bank 1999 | Bank 1998 | Bank 1997 | Bank 1996 | Group 1999 | Group 1998 | Group 1997 | Group 1996 |
|---|----------------|----------------|----------------|---------------|----------------|----------------|----------------|---------------|
| ASSETS | | | | | | | | |
| Cash on hand | 95383 | 59464 | 64884 | 53228 | 138669 | 59526 | 65631 | 53231 |
| Balances with the Bank of Lithuania | 292970 | 619694 | 173846 | 100446 | 611483 | 619841 | 173846 | 100446 |
| Due from banks | 427124 | 218002 | 227781 | 229230 | 633415 | 220869 | 227781 | 229230 |
| Short-term treasury bonds | 111044 | 183671 | 208956 | 84584 | 182971 | 189515 | 209659 | 84584 |
| Loans to credit and financial institutions | 184812 | 251892 | 131742 | 12777 | 2350 | 5516 | 43022 | 3470 |
| Loans to customers, net | 1650662 | 1141220 | 806645 | 344041 | 2432560 | 1141340 | 806645 | 344041 |
| Financial lease receivable | - | - | - | - | 262835 | 273465 | 115057 | 12707 |
| Long-term treasury bonds | 55754 | 39653 | 59462 | - | 72890 | 39653 | 59462 | - |
| Investments in equity securities | 144435 | 78300 | 29271 | 10162 | 47869 | 69648 | 16430 | 300 |
| Intangible fixed assets (less amortisation) | 182464 | 1305 | 618 | 852 | 188276 | 1398 | 628 | 865 |
| Tangible fixed assets (less depreciation) | 133637 | 125169 | 88367 | 71379 | 282925 | 131811 | 89152 | 73458 |
| Other assets | 56949 | 38637 | 11442 | 8489 | 99907 | 50208 | 28887 | 9174 |
| TOTAL ASSETS | 3335234 | 2757007 | 1803014 | 915188 | 4956150 | 2802790 | 1836200 | 911506 |
| LIABILITIES | | | | | | | | |
| Amounts owed to the Bank of Lithuania | 9128 | 10618 | 9898 | 11364 | 14783 | 10618 | 9898 | 11364 |
| Amounts owed to credit and financial institutions | 860457 | 748007 | 432147 | 172731 | 1353944 | 752387 | 432138 | 172731 |
| Debt securities issued | 4990 | - | - | - | 15244 | - | - | - |
| Deposits from the public | 1801148 | 1420743 | 1165888 | 589627 | 2827896 | 1421404 | 1164209 | 588807 |
| Accrued expenses and deferred income | 38682 | 15603 | - | 2317 | 55976 | 15199 | 292 | 2317 |
| Subordinated loans | 94338 | 107804 | - | - | 139391 | 115804 | 8000 | - |
| Other liabilities and provisions | 12825 | 18787 | 30588 | 22063 | 44862 | 50267 | 67088 | 19201 |
| TOTAL LIABILITIES | 2821568 | 2321562 | 1638521 | 798102 | 4452096 | 2365679 | 1681625 | 794420 |
| MINORITY INTERESTS | - | - | - | - | 2263 | 1666 | 12 | - |
| EQUITY | | | | | | | | |
| Paid in capital | 154414 | 150000 | 102000 | 102000 | 151714 | 150000 | 102000 | 102000 |
| Restricted retained earnings | 285035 | 225658 | 14915 | 15024 | 275860 | 225658 | 14915 | 15030 |
| Unappropriated retained earnings | 74217 | 59787 | 47578 | 62 | 74217 | 59787 | 37648 | 56 |
| Total shareholders' equity | 513666 | 435445 | 164493 | 117086 | 501791 | 435445 | 154563 | 117086 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 3335234 | 2757007 | 1803014 | 915188 | 4956150 | 2802790 | 1836200 | 911506 |

LITHUANIAN COMPANIES BANKING

NATIONAL STOCK EXCHANGE OF LITHUANIA

| | Bank 1999 | Bank 1998 | Bank 1997 | Bank 1996 | Group 1999 | Group 1998 | Group 1997 | Group 1996 |
|--|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|
| PROFIT AND LOSS STATEMENT (LTL thou) | | | | | | | | |
| Interest income | 231433 | 175058 | 105495 | 67499 | 238001 | 184869 | 110712 | 67748 |
| Interest expenses | -97875 | -69752 | -31048 | -17374 | -99441 | -71765 | -32103 | -17341 |
| Net interest income | 133558 | 105306 | 74447 | 50125 | 138560 | 113104 | 78609 | 50407 |
| Provisions for loan losses | -16157 | -17554 | -14563 | -13765 | -16593 | -17554 | -14563 | -13765 |
| Provisions for guarantees | -57 | 195 | -1625 | -537 | -57 | 195 | -1625 | -537 |
| Other provisions | -7 | -617 | -42 | -2263 | -926 | -2061 | -42 | -2263 |
| Net interest income after provisions | 117337 | 87330 | 58217 | 33560 | 120984 | 93684 | 62379 | 33842 |
| Net service charges and other income | 63734 | 63609 | 47906 | 32523 | 74876 | 64640 | 47739 | 32918 |
| Net income on equity investment | 3358 | -2509 | 275 | 38 | -205 | 162 | 27 | - |
| Profit (loss) from operations with securities | 4932 | -1902 | -85 | - | 5268 | -3248 | -123 | - |
| Net foreign exchange gain | 17826 | 20592 | 19212 | 14156 | 17705 | 20425 | 18650 | 14153 |
| Deposit insurance expenses | -11270 | -6509 | -2717 | - | -11270 | -6509 | -2717 | - |
| Staff costs | -59278 | -47999 | -41426 | -33719 | -65902 | -52900 | -42981 | -34075 |
| Other administrative expenses | -46590 | -36917 | -25822 | -17798 | -49233 | -39837 | -26954 | -18070 |
| All taxes except profit tax | -9532 | -15908 | -7982 | -4320 | -10451 | -16469 | -8121 | -4320 |
| Result before profit tax and minority interests | 80517 | 59787 | 47578 | 24440 | 81772 | 59948 | 47899 | 24448 |
| Profit tax | -6300 | - | - | - | -6954 | -609 | -324 | -8 |
| Minority interests | - | - | - | - | -601 | 448 | 3 | - |
| NET PROFIT (LOSS) | 74217 | 59787 | 47578 | 24440 | 74217 | 59787 | 47578 | 24440 |
| CASH FLOW STATEMENT (LTL thou) | 1999 | 1998 | 1997 | 1996 | 1999 | 1998 | 1997 | 1996 |
| CASH FLOWS FROM BANKING ACTIVITIES | | | | | | | | |
| Net cash from operating activities | | | | | | | | |
| before change in operating assets | | 79399 | 75422 | 43471 | | 79247 | 75791 | 43413 |
| (Increase) Decrease in operating assets | | -926269 | -669193 | -430922 | | -777785 | -596777 | -418481 |
| Net increase (decrease) in operating liabilities | | -4776 | -1716 | 12658 | | 626 | 35663 | 14337 |
| Net cash from banking activities before income tax | | -851646 | -595487 | -374793 | | -697912 | -485323 | -360531 |
| Income tax paid | | - | - | - | | -609 | -324 | -8 |
| Net cash from banking activities after income tax | | -851646 | -595487 | -374793 | | -698521 | -485647 | -360539 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | |
| Net cash flows from investment activities | | -54108 | -226897 | -92458 | | -216301 | -335137 | -105930 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | |
| Paid in by shareholders | | 220800 | - | 64281 | | 220800 | - | 64281 |
| (Purchase) of own shares | | 295 | -164 | -88 | | 295 | -164 | -88 |
| (Decrease) increase in amounts borrowed from the Bank of Lithuania | | 720 | -1466 | 2386 | | 720 | -1466 | 2386 |
| (Decrease) increase in amounts borrowed from credit and financial institutions | | 315860 | 259416 | 83710 | | 320249 | 259407 | 83710 |
| (Decrease) increase in deposits from the public | | 254855 | 576261 | 345860 | | 257195 | 575402 | 345000 |
| Increase in subordinated loans | | 107804 | - | - | | 107804 | - | - |
| (Decrease) increase in minority interests | | - | - | - | | 1654 | 12 | - |
| Change according to the Bank of Lithuania requirements | | - | 3 | - | | - | 3 | - |
| Cash flows from other financial activities | | - | -10 | - | | - | -10 | - |
| Net cash flows from financing activities | | 900334 | 834040 | 493502 | | 908717 | 833184 | 492714 |
| Net increase (decrease) in cash | | -5420 | 11656 | 26251 | | -6105 | 12400 | 26245 |
| Cash as at 1 January | | 64884 | 53228 | 26977 | | 65631 | 53231 | 26986 |
| Cash as at 31 December | | 59464 | 64884 | 52228 | | 59526 | 65631 | 53231 |

INSURANCE

| | |
|----------------------------|-------------------------------------|
| Address: | J.Basanavičiaus g. 12, 2600 Vilnius |
| Phone: | (370-2) 686300 |
| Fax: | (370-2) 314138 |
| E-mail: | info@ldr.lt |
| | www.ldr.lt |
| Registration date: | 10.12.1996 |
| Registration code: | 1005183 |
| Established: | 1921 |
| Privatised: | 1996, 1999 |
| Number of employees: | 1904 |
| Authorised capital: | LTL 19.5m |
| Capitalisation (30.06.00): | LTL 119.3m |
| Auditor: | PricewaterhouseCoopers |
| Trading List: | Current |

CORPORATE HISTORY

On 21 December 1920, the Lithuanian Parliament approved Articles of Association of the STATE INSURANCE ENTERPRISE. The Articles were officially published on 4 February 1921, which is considered the establishment date of LIETUVOS DRAUDIMAS.

During 1939 the Enterprise collected about LTL 4m in premiums and had over 76thou insurance contracts, including: 95% insurance of property against fire, 3.5% marine and cargo insurance, while other insurance products accounted for mere 1.5%.

In 1940, when Lithuania was annexed by the Soviet Union, private insurance companies and their capital were nationalised. The STATE INSURANCE ENTERPRISE became an integral part of the Gosstrach monopoly.

After Lithuania regained independence in 1990, the Lithuanian Government approved Articles of Association of the STATE INSURANCE ENTERPRISE. It was registered with the Ministry of Economy in March 1991. Since then it has been an independent insurance organisation, the largest not just in Lithuania but also in the Baltics. In December 1996, the state enterprise was transformed into a joint stock company LIETUVOS DRAUDIMAS. 70% of the stock were retained by the state, while 30% were acquired by natural and legal persons.

On 17 January 1997, the general shareholders' meeting decided to raise capital out of the company's reserves and to increase the share par value from LTL 10 to LTL 35. LIETUVOS DRAUDIMAS' stock capital totalled LTL 14 million.

In compliance with the existing EU standards, the Lithuanian Government passed a new Law on Insurance in 1997 which requires the companies to separate their life and non-life insurance lines. In reaction to the new regulation, LIETUVOS DRAUDIMAS acquired two companies: Draudimo Fondas and Vaidra. The first one was renamed LD Gyvybės Draudimas to provide life insurance, the latter was called LD Kredito Draudimas and it focuses on credit insurance.

In June, 1999 the Government of Lithuania sold the state held 70% share block of LIETUVOS DRAUDIMAS to the strategic investor Codan Insurance Ltd from Denmark which belongs to the international insurance group Royal & Sun Alliance. This way LIETUVOS DRAUDIMAS became an entirely private insurance company.

BUSINESS ACTIVITY

The company operates as a provider of both life and non-life insurance. It can boast an outstanding market share in the Lithuanian insurance market (over 50%).

LIETUVOS DRAUDIMAS receives the greater part of income from traditional insurance kinds, namely, property (28%), motor vehicle insurance (26%), and motor third party liability insurance (15%).

The company's strategy is orientated towards both legal and natural persons. Natural persons account for 40%, small and medium size enterprises make up 43%, and large companies whose premiums written are over LTL 0.5m constitute 17% of all clients of

STRUCTURE OF SHARE CAPITAL

| | |
|------------------|---|
| Share capital: | LTL 19,526,920 |
| Ordinary shares: | 557912 registered shares at LTL 35 par (security code 12194) accounting for 100% of the auth. capital (admitted to trading at the NSEL on 14.07.97) |

Supervisory Board (no participation in the company):

Morgens Andersen, Soren Theilgaard, Hans Peter Hansen

Management Board (participation in the company):

Kęstutis Šerpytis, Chairman (2.92%),

Roma Brūzgienė (0.07%), Stasys Jakeliūnas (0%), Gintaras Labutis (0%),

Vidmantas Maksimaitis (0%), Gintaras Markevičius (0%), Vygantas Reifonas (0%)

Managing Director (participation in the company): Kęstutis Šerpytis (2.92%)

Contact Person: Audrius Balaišis, Head of Investment Dept., tel. (370-2) 686321

STRUCTURE OF OWNERSHIP

Total number of shareholders amounts to

| | |
|--------------------------------|--------|
| Codan Insurance Ltd. (Denmark) | 79.45% |
| Merita Bank (Finland) | 13.04% |

LIETUVOS DRAUDIMAS. At the moment, out of 300 largest Lithuanian companies 72% insure their property at LIETUVOS DRAUDIMAS. Among clients of the company are all leaders of industrial, energetics, telecommunications, and financial sectors.

The services of LIETUVOS DRAUDIMAS are provided in all cities, towns, and regions of Lithuania. The company has 42 branches in Lithuania.

LIETUVOS DRAUDIMAS co-operates with insurance and reinsurance companies, insurance brokers, loss regulation centres of many countries. Protecting itself against large insurance claims, the company reinsures its exposures with famous reinsurance companies. The contracts were concluded with high rated reinsurance companies of the USA, Germany, Switzerland, Ireland, and Sweden.

Risk of company and organisation property, business interruption, residential buildings, and transport insurance is reinsured by major reinsurance agreements.

DEVELOPMENTS IN 1999

LIETUVOS DRAUDIMAS managed to maintain the leadership position in the insurance market of Lithuania which was significantly affected by the Russian crisis. Life and credit insurance premiums went up during the year but general insurance income declined. General insurance premiums written amounted to LTL 142.4m, life insurance - LTL 65.6m, and credit insurance LTL 5.7m. Due to the economic crisis, the company did not achieve growth in the premiums written, nevertheless, the premiums earned increased by LTL 14m in the course of 1999. As compared with 1998, the revenues from direct investments advanced by LTL 7m.

Last year, the share of motor TPL insurance was rapidly growing within the company's income, and this share of premiums written went up from LTL 17.9m to LTL 22.7m. In this kind of insurance the number of signed agreements went up by 17% (from 69thou to 81thou). A more rapid growth is expected after the motor third party liability insurance becomes mandatory.

After several profitable years, in 1999 LIETUVOS DRAUDIMAS suffered a loss of LTL 7.4m. The loss was caused by several factors, mainly by higher loss ratio of non-life insurance, loss of premiums due to significant increases in policy cancellations and additional provisions for some doubtful assets. Loss ratio was particularly affected by crop insurance claims (LTL 4m) and storms at the end of the year (approximately LTL 2m).

On 30 March 1999 the general shareholders' meeting decided to deepen the authorised capital of UAB Lietuvos Draudimo Kredito Draudimas from LTL 1m to LTL 7m by issuing 60,000 ordinary registered shares at LTL 100 par that were acquired by LIETUVOS DRAUDIMAS.

In November 1999, LIETUVOS DRAUDIMAS raised LTL 60m by issuing new shares and selling them to Codan which currently controls 79.5% of the company's shares. Consequently, LIETUVOS DRAUDIMAS strengthened its position as the largest and best capitalised universal insurance company in the Baltic states.

PLANS, PROSPECTS FOR 2000

In 2000 the company prospects to invest LTL 15m into the information technologies.

| SUBSIDIARIES | Date of establishment | Authorised capital (LTL) | Participating interest |
|---|-----------------------|--------------------------|------------------------|
| UAB Lietuvos Draudimo Gyvybės Draudimas | 1997 | 4m | 100% |
| UAB Lietuvos Draudimo Kredito Draudimas | 1997 | 7m | 100% |

HOLDING

| | |
|----------|---------------------------------------|
| Address: | A.Juozapavičiaus g. 6/2, 2600 Vilnius |
| Phone: | (370-2) 727922 |
| Fax: | (370-7) 725685 |
| E-mail: | invalida@aiva.lt |

| | |
|--------------------|------------|
| Registration date: | 20.03.1991 |
| Registration code: | 2130434 |
| Established: | 1991 |

| | |
|----------------------|---------|
| Number of employees: | 23 |
| Authorised capital: | LTL 38m |

| | |
|---------------|-------------|
| Auditor: | UAB Auditas |
| Trading List: | Current |

Management Board (participation in the company):

Alfonas Rimkus, Chairman (7.8%), Dailius Juozapas Mišeikis (10.2%), Algirdas Bučas (9.5%), Alvydas Banys (4.77%), Petras Povilas Čėsna (0%)

Managing Director (participation in the company): Algirdas Bučas (9.5%)

Contact Person: Alvydas Banys, Vice-President, tel. (370-2) 727922

STRUCTURE OF OWNERSHIP

| | |
|--|-------|
| Total number of shareholders amounts to | 15183 |
| Management and employees hold 30.97% of the stock. | |
| Dailius Juozapas Mišeikis | 9.95% |
| Algirdas Bučas | 7.87% |
| Alfonas Rimkus | 7.42% |

CORPORATE HISTORY

Initially, INVALIDA was established as an investment stock company. Pursuant to the Law on Investment Companies, INVALIDA was reregistered into a holding company in December 1997. The new entity took over all rights and obligations and continued the activities of the investment stock company INVALIDA.

After the initial public offering in 1993, the company's share capital equalled LTL 8 million. In April 1995, INVALIDA's shareholders resolved to raise share capital by LTL 1.5 million. In August 1996, the share capital was increased by LTL 28.5m out of revaluation reserve. Newly issued shares were distributed free of charge among the shareholders in proportion to their holdings.

The company has been paying dividends since 1995: 10% of the share par value in the first year, 1% in 1996, 3% in 1997, 3% in 1998, and 3% in 1999.

BUSINESS ACTIVITY, LATEST DEVELOPMENTS

The main activity of the company is investment, reinvestment, and trading in securities. INVALIDA has invested into 35 entities, including Baltijos Laivų Statykla (shipyard, 0.1% of the stock), Linas (textile, 0.5%), Vilniaus Baldų Kombinas (furniture, 65.7%), Vilniaus Bankas (banking, 0.2%), which are listed on the National Stock Exchange of Lithuania. In the group of unlisted public companies, INVALIDA had substantially invested in AB Liejiniai (aluminium cast, 76.7%), AB Klijai (glue, 70.4%), AB Ažuolas (furniture, 58.5%), AB Jonavos Agroservisas (agriculture, 54.2%). INVALIDA holds 100% of the financial brokerage firm Finasta and 100% of UAB Invalidos Marketingas. In 1999, 0.06% (15.9% in 1998) of the company's net assets were invested in the Lithuanian government securities.

During the last year INVALIDA generated LTL 18.37m (LTL 25.6m in 1998) revenue from investment into securities and from securities trading, which accounted for 83.2% (94.2% in 1998) of the total income. In 1999, the company gained LTL 2.36m of net profit (suffered a loss of LTL 2.13m in 1998).

Structure OF SHARE CAPITAL

| | |
|------------------|--|
| Share capital: | LTL 38,000,000 |
| Ordinary shares: | 38000000 registered shares at LTL 1 par (security code 10227) accounting for 100% of the auth. capital (admitted to the trading at the NSEL on 18.12.95) |

LIST OF MEMBERS *AN COMPANIES*

NACIONALINĖ VERTYBINIŲ POPIERIŲ BIRŽA

Brokerage Departments of Banks

1. **BD of HANSABANKAS**

Address: Gedimino pr. 26, 2001 Vilnius
Phone: (370-2) 390601
Fax: (370-2) 390641
Manager: Raimonda Kižienė
Brokers: J.Ščeponavičiūtė, T.Andrejauskas

2. **BD of INDUSTRIJOS BANKAS**

Address: Kražių g. 21, 2001 Vilnius
Phone: (370-2) 226377
Fax: (370-2) 225511
Manager: Audrius Statulevičius
Brokers: A.Statulevičius

3. **BD of LIETUVOS TAUPOMASIS BANKAS**

Address: Pamėnkalnio g. 13, 2001 Vilnius
Phone: (370-2) 230789
Fax: (370-2) 230800
Manager: Vladimir Streckij
Brokers: N.Paičius, A.Urbonas, M.Čiuželis

4. **BD of LIETUVOS ŽEMĖS ŪKIO BANKAS**

Address: Vilniaus g. 18-303, 2630 Vilnius
Phone: (370-2) 629764
Fax: (370-2) 627762
Manager: Vytautas Kupliauskas
Brokers: A.Trinka, M.Kulvinskas, E.Butrimas, J.Čiburys

5. **BD of MEDICINOS BANKAS**

Address: Pamėnkalnio g. 40, 2600 Vilnius
Phone: (370-2) 629058
Fax: (370-2) 624481
Manager: Egidijus Norvaišas
Brokers: E.Norvaišas

6. **BD of BANKAS SNORAS**

Address: Vivulskio g. 7, 2600 Vilnius
Phone: (370-2) 652867, 262759
Fax: (370-2) 652395
Manager: Audris Imbrasas
Brokers: L.Bartkevičius, G.Šlepikas

7. **BD of ŠIAULIŲ BANKAS**

Address: Tilžės g. 149, 5400 Šiauliai
Phone: (370-21) 595653, 595654
Fax: (370-21) 430774
Manager: Pranas Gedgaudas
Brokers: P.Gedgaudas, J.Dobiliauskienė, R.Januševičius

8. **BD of ŪKIO BANKAS**

Address: J.Gruodžio g. 9, 3000 Kaunas
Phone: (370-7) 301430, 301431
Fax: (370-7) 301430, 301431
Manager: Vidmantas Kniūkšta
Brokers: V.Kniūkšta, A.Suraučius

9. **Securities Trading Unit of VILNIAUS BANKAS**

Address: Gedimino pr. 12, 2600 Vilnius
Phone: (370-2) 390428
Fax: (370-2) 390498
Manager: Robertas Beržinskas
Brokers: R.Beržinskas, L.Grinevičius, M.Kulbokas

Category A

1. **BC PLC FINASTA**

Address: Ukmergės g. 41-510, 2600 Vilnius
Phone: (370-2) 723463
Fax: (370-2) 723491
Manager: Darius Šulnis
Brokers: D.Šulnis, A.Rimkus, D.Kaziūnas

2. **BC CJSC FINBALTUS**

Address: Ukmergės g. 41-660, 2600 Vilnius
Phone: (370-2) 725861
Fax: (370-2) 725869
Manager: Valdas Varanavičius
Brokers: V.Varanavičius

Category B

1. BC CJSC ALPHA BALTIC

Address: Ukmergės g. 41-507, 2600 Vilnius
 Phone: (370-2) 724774, 721891
 Fax: (370-2) 725254
 Manager: Kazimieras Liepis
 Brokers: A.Skanas

2. BC CJSC BALTIJOS VERTYBINIAI POPIERIAI

Address: Gedimino pr. 60, 2600 Vilnius
 Phone: (370-2) 313833
 Fax: (370-2) 313840
 Manager: Dmitrijus Dutovas
 Brokers: A.Liaudanskas, D.Dutovas, V.Jurkevičius

3. BC CJSC FINANSINIŲ PARTNERIŲ GRUPĖ

Address: Jakšto g. 5, 2600 Vilnius
 Phone: (370-26) 16983, 624794
 Fax: (370-26) 16983
 Manager: Darius Verbyla
 Brokers: D.Verbyla, E.Veselka

4. BC CJSC FINANSŲ SPEKTRAS

Address: Gedimino g. 22-3, 3000 Kaunas
 Phone: (370-7) 323893
 Fax: (370-7) 322793
 Manager: Ramūnas Valančiauskas
 Brokers: R.Valančiauskas, A.Valatkienė

5. BC CJSC FINVESTA

Address: Ukmergės g. 41-516, 2600 Vilnius
 Phone: (370-2) 721623
 Fax: (370-2) 721624
 Manager: Igoris Ivanovas
 Brokers: I.Ivanovas

6. BC CJSC ICI CAPITAL

Address: E.Ožėškienės g. 7, 3005 Kaunas
 Phone: (370-7) 322769
 Fax: (370-7) 322768
 Manager: Andrius Barštys
 Brokers: A.Launikonis, D.Frejus

7. BC CJSC JŪSŲ TARPININKAS

Address: Zanavykų g. 25, 3000 Kaunas
 Phone: (370-7) 331676
 Fax: (370-7) 331629
 Manager: Tomas Dubnikovas
 Brokers: I.Lisovskaja

8. BC CJSC KAPITALO SRAUTAI

Address: Taurostos g. 26, 5005 Jonava
 Phone: (370-19) 56716
 Fax: (370-19) 56911
 Manager: Artūras Šilinis
 Brokers: A.Pridotkas, A.Šilinis

9. BC CJSC KLAIPĖDOS VERTYBINIAI POPIERIAI

Address: S.Šimkaus g. 8, 5800 Klaipėda
 Phone: (370-6) 412074
 Fax: (370-6) 412075
 Manager: Augutis Marius Saltonas
 Brokers: A.M.Saltonas

10. BC CJSC NAUGVILDA

Address: Naugarduko g. 99, 2609 Vilnius
 Phone: (370-2) 686737, 686736
 Fax: (370-2) 333805
 Manager: Violeta Tvarijonienė
 Brokers: V.Tvarijonienė, D.Karmazinienė

11. BC CJSC SINKUS

Address: Ukmergės g. 41-608, 2600 Vilnius
 Phone: (370-2) 723485, 721517
 Fax: (370-2) 723483
 Manager: Romas Matiukas
 Brokers: J.Gerko, S.Chadzevičius, V.Jonutis

12. BC CJSC SPEKONIS IR GASTONAS

Address: Ukmergės g. 41-602, 2600 Vilnius
 Phone: (370-2) 721441, 721655
 Fax: (370-2) 721441
 Manager: Mindaugas Vėgelė
 Brokers: M.Vėgelė, A.Apulskis, E.Levickaitė, E.Mockus, R.Mockus, R.Mažintaitė

13. BC CJSC SUPREMA

Address: A.Goštauto g. 40, 2001 Vilnius
 Phone: (370-2) 362770
 Fax: (370-2) 362771
 Manager: Aurimas Maždžierius
 Brokers: A.Galubickas, A.Jacikevičius

14. BC CJSC VIVUM

Address: Ukmergės g. 41-612, 2600 Vilnius
 Phone: (370-2) 608849
 Fax: (370-2) 721489
 Manager: Vidūnas Mekšrūnas
 Brokers: V.Mekšrūnas

NOTES

- The review of the Lithuanian economic sectors is based on the material taken from the publication of *AB Vilniaus Bankas Macroeconomic Review No.2*.
- Data appearing in the publication were supplied by issuers, brokerage houses, the Department of Statistics, the Ministry of Finance and the Bank of Lithuania.
- Under the headings of the elected bodies and management, we have given the situation as of July 2000. Lists of shareholders reflect the situation on the date of the annual general shareholders' meeting of each company.
- Under the heading capitalisation, the figures were calculated from the average price of the shares on 30 June 2000. (Capitalisation = the number of listed shares times the average price of the share as of June 30).
- In the financial statements and ratios, we have specified as to which accounting system the data is applicable. LAS refers to data compiled according to Lithuanian accounting standards, IAS applies to data prepared according to international accounting standards.
- The Lithuanian monetary unit is Litas (LTL). It is pegged to the US Dollar at a fixed exchange rate of 4 to 1.
- Acronym CM refers to the trading activity on the central market of the NSEL, BT stands for block (direct) trades.
- Price trend

| Name of Security (Face value, LTL) | |
|------------------------------------|---------------------|
| Market Price (LTL) | Turnover CM (units) |