



AKCINĖ BENDROVĖ "SANITAS"

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*AB „SANITAS“*  
**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS OF 2008**  
(NOT AUDITED)

**CONFIRMATION OF RESPONSIBLE PERSONS**

Following the Rules on Preparation And Submission Of Periodic And Additional Information Of The Lithuanian Securities Commission and the Law on Securities Of The Republic Of Lithuania, we Saulius Jurgelėnas, General Manager of AB „Sanitas“, and Nerijus Drobavičius, Chief Financial Officer of AB „Sanitas“, hereby confirm that, to the best of our knowledge, the attached interim consolidated financial statements of AB „Sanitas“ for the three months of 2008, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of AB „Sanitas“ and the Consolidated Group.

ENCLOSURE: Interim consolidated financial statements of AB „Sanitas“ and the Consolidated Group for the three months of 2008.

AB „Sanitas“ General Manager

A handwritten signature in blue ink, appearing to read "Saulius Jurgelėnas".

Saulius Jurgelėnas

AB „Sanitas“ Chief Financial Officer

A handwritten signature in blue ink, appearing to read "Nerijus Drobavičius".

Nerijus Drobavičius



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**INCOME STATEMENT (THOUSAND LTL)**

	NOTES	GROUP		COMPANY	
		January- March 2008	January- March 2007 (restated)	January- March 2008	January- March 2007
<b>Sales</b>	4	<b>96.679</b>	<b>76.954</b>	<b>10.542</b>	<b>10.466</b>
Cost of sales		(42.677)	(42.015)	(5.359)	(4.834)
<b>Gross profit</b>		<b>54.002</b>	<b>34.939</b>	<b>5.183</b>	<b>5.632</b>
Other income		843	113	291	41
Selling and distribution expenses		(26.402)	(10.440)	(993)	(404)
Administrative expenses		(8.431)	(10.142)	(2.775)	(2.033)
Other expenses		(208)	(31)	(265)	(2)
<b>Operating profit</b>		<b>19.804</b>	<b>14.439</b>	<b>1.441</b>	<b>3.234</b>
Financial income		616	971	52	2.488
Financial expenses		(8.541)	(5.828)	(535)	(540)
<b>Financial activity</b>	6	<b>(7.925)</b>	<b>(4.857)</b>	<b>(483)</b>	<b>1.948</b>
<b>Profit (loss) before taxes</b>		<b>11.879</b>	<b>9.582</b>	<b>958</b>	<b>5.182</b>
Income tax expense		(1.560)	(3.355)	(160)	(890)
<b>Net profit (loss)</b>		<b>10.319</b>	<b>6.227</b>	<b>798</b>	<b>4.292</b>
<b>Basic and diluted earnings (loss) per share (in LTL)</b>	7	<b>0,33</b>	<b>0,20</b>		

**BALANCE SHEET (THOUSAND LTL)**

ASSETS	NOTES	GROUP		COMPANY	
		2008.03.31	2007.12.31	2008.03.31	2007.12.31
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment		289.327	280.807	38.055	30.131
Intangible assets		340.499	334.357	334	331
Investments in subsidiaries	8	-	-	334.406	334.698
Other financial assets		37	37	3	3
Deferred tax assets		18.692	20.088	83	80
<b>TOTAL NON-CURRENT ASSETS</b>		<b>648.555</b>	<b>635.289</b>	<b>372.881</b>	<b>365.243</b>
<b>CURRENT ASSETS</b>					
Inventories		50.376	46.032	5.247	5.938
Prepaid income tax		3.570	3.111	381	-
Trade receivables		64.887	59.454	3.298	2.513
Other receivables	9	8.429	6.763	2.906	8.618
Deferred charges		2.598	4.822	212	143
Cash and cash equivalents		11.753	13.683	3.528	247
<b>TOTAL CURRENT ASSETS</b>		<b>141.613</b>	<b>133.865</b>	<b>15.572</b>	<b>17.459</b>
<b>TOTAL ASSETS</b>		<b>790.168</b>	<b>769.154</b>	<b>388.453</b>	<b>382.702</b>
<b>EQUITY AND LIABILITIES</b>					
	NOTES	GROUP		COMPANY	
		2008.03.31	2007.12.31	2008.03.31	2007.12.31
<b>EQUITY</b>					
Share capital	10	31.106	31.106	31.106	31.106
Share premium	10	248.086	248.086	248.086	248.086
Legal reserves	10	3.111	3.111	3.111	3.111
Other reserves	10	40.068	32.380	-	-
Retained earnings	10	62.785	52.466	52.237	51.439
<b>TOTAL EQUITY</b>		<b>385.156</b>	<b>367.149</b>	<b>334.540</b>	<b>333.742</b>
<b>NON CURRENT LIABILITIES</b>					
Non-current loans	11	245.728	250.846	25.505	24.173
Financial lease obligations		5.260	5.593	1.193	1.372
Deferred tax liability		18.631	17.875	-	-
Deferred income from subsidies		7.518	6.188	7.518	6.188
Provisions		5.514	6.338	-	-
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>282.651</b>	<b>286.840</b>	<b>34.216</b>	<b>31.733</b>
<b>CURRENT LIABILITIES</b>					
Current portion of non-current loans	11	55.207	54.338	8.911	7.510
Current portion of non-current financial lease obligations		3.409	3.270	1.083	1.027
Current loans	11	12.074	11.177	53	303
Trade and other payables		36.502	34.987	6.920	5.587
Advances received		3	-	3	596
Corporate income tax payable		513	1.136	461	302
Other creditors		14.081	9.188	2.266	1.902
Provisions		573	1.069	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>122.361</b>	<b>115.165</b>	<b>19.697</b>	<b>17.227</b>
<b>TOTAL LIABILITIES</b>		<b>405.012</b>	<b>402.005</b>	<b>53.913</b>	<b>48.960</b>
<b>TOTAL EQUITY AND LIABILITY</b>		<b>790.168</b>	<b>769.154</b>	<b>388.453</b>	<b>382.702</b>

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

<b>GROUP</b>	<b>SHARE CAPITAL</b>	<b>SHARE PREMIUM</b>	<b>LEGAL RESERVE</b>	<b>TRANSLATION RESERVE</b>	<b>RETAINED EARNINGS</b>	<b>TOTAL</b>
<b>CAPITAL AND RESERVES AS AT 31.12.2006</b>	<b>31.106</b>	<b>248.086</b>	<b>3.111</b>	<b>13.419</b>	<b>15.176</b>	<b>310.898</b>
Net profit					6.227	6.227
Change in translation reserve				(3.455)		(3.455)
<b>CAPITAL AND RESERVES AS AT 31.03.2006</b>	<b>31.106</b>	<b>248.086</b>	<b>3.111</b>	<b>9.964</b>	<b>21.403</b>	<b>313.670</b>
Net profit					31.063	31.063
Change in translation reserve				22.416		22.416
<b>CAPITAL AND RESERVES AS AT 31.12.2007</b>	<b>31.106</b>	<b>248.086</b>	<b>3.111</b>	<b>32.380</b>	<b>52.466</b>	<b>367.149</b>
Net profit					10.319	10.319
Change in translation reserve				7.688		7.688
<b>CAPITAL AND RESERVES AS AT 31.03.2008</b>	<b>31.106</b>	<b>248.086</b>	<b>3.111</b>	<b>40.068</b>	<b>62.785</b>	<b>385.156</b>

<b>COMPANY</b>	<b>SHARE CAPITAL</b>	<b>SHARE PREMIUM</b>	<b>LEGAL RESERVE</b>	<b>TRANSLATION RESERVE</b>	<b>RETAINED EARNINGS</b>	<b>TOTAL</b>
<b>CAPITAL AND RESERVES AS AT 31.12.2006</b>	<b>31.106</b>	<b>248.086</b>	<b>3.111</b>	<b>-</b>	<b>34.910</b>	<b>317.213</b>
Net profit					4.292	4.292
<b>CAPITAL AND RESERVES AS AT 31.03.2006</b>	<b>31.106</b>	<b>248.086</b>	<b>3.111</b>	<b>-</b>	<b>39.202</b>	<b>321.505</b>
Net profit					12.237	12.237
<b>CAPITAL AND RESERVES AS AT 31.12.2007</b>	<b>31.106</b>	<b>248.086</b>	<b>3.111</b>	<b>-</b>	<b>51.439</b>	<b>333.742</b>
Net profit					798	798
<b>CAPITAL AND RESERVES AS AT 31.03.2008</b>	<b>31.106</b>	<b>248.086</b>	<b>3.111</b>	<b>-</b>	<b>52.237</b>	<b>334.540</b>

**CASH FLOW STATEMENTS (THOUSAND LTL)**

	GROUP		COMPANY	
	January- March 2008	January- March 2007	January- March 2008	January- March 2007
<b>Cash flows from (to) operating activities</b>				
Profit (loss) before tax	11.879	9.582	958	5.182
<b>Adjustments of non-cash items:</b>				
Depreciation and amortisation	10.216	10.053	455	409
Loss (gain) from disposal or write-off of non-current assets	1.752	(992)	8	
Allowance for receivables	(522)		-	
Allowance for inventories	(532)		(194)	
Unrealised foreign currency exchange loss	(1.339)	(8.768)	-	13
Dividends				
Interest expenses	5.714	2.713	305	432
Interest (income)	(80)		(1)	(2.415)
Provisions, deferred charges movement	904		(69)	
	<b>27.993</b>	<b>12.588</b>	<b>1.462</b>	<b>3.621</b>
<b>Change in working capital</b>				
Decrease (increase) in inventories	(1.596)	(696)	885	1.041
Decrease (increase) in trade and other receivables and deferred charges receivables	(5.079)	(4.878)	4.927	(2.042)
Increase (decrease) in trade and other and advances received payables	5.449	10.217	1.104	(3.332)
Decrease in provisions				
Income tax paid	(490)	(405)	(385)	(405)
<b>Net cash flows from (to) operating activities</b>	<b>26.278</b>	<b>16.826</b>	<b>7.993</b>	<b>(1.117)</b>
<b>Cash flows from (to) investing activities</b>				
(Acquisition) of non-current tangible assets	(13.003)	(3.596)	(8.363)	(385)
(Acquisition) of non-current intangible assets	(880)	(1.129)	(28)	(34)
Proceeds from sale of non-current assets (except investments)	320			
Acquisition of other equity securities				
Interest received	80		1	1.408
Dividends received			292	
<b>Net cash flows (to) investing activities</b>	<b>(13.484)</b>	<b>(4.725)</b>	<b>(8.098)</b>	<b>989</b>
<b>Cash flows from (to) financing activities</b>				
Issue of shares				
Proceeds from loans	31.300	4.630	3.935	2.700
Repayments of loans	(40.708)	(18.062)	(1.331)	(1.709)
Payment of finance lease liabilities	(1.053)	(445)	(297)	(445)
Interest paid	(5.593)	(4.221)	(252)	(432)
Proceeds from grants	1.330		1.330	
<b>Net cash flows from financial activities</b>	<b>(14.724)</b>	<b>(18.098)</b>	<b>3.385</b>	<b>114</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1.930)</b>	<b>(5.997)</b>	<b>3.281</b>	<b>(14)</b>
<b>Net foreign exchange difference</b>				
<b>Cash and cash equivalents as of January 1</b>	<b>13.683</b>	<b>11.506</b>	<b>247</b>	<b>98</b>
<b>Cash and cash equivalents as of March 31</b>	<b>11.753</b>	<b>5.509</b>	<b>3.528</b>	<b>84</b>



## NOTES TO THE FINANCIAL ACCOUNTS

### 1 GENERAL INFORMATION

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

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

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

NAME	MAIN ACTIVITIES	COUNTRY OF INCORPORATION	% OF EQUITY INTEREST	
			31.03.2008	31.12.2007
Jelfa S.A.	Production and trade of medicines	Poland	100.00	100.00
Hoechst-Biotika s.r.o.	Production and trade of medicines	Slovakia	100.00	100.00
UAB „Altisana“	Real estate	Lithuania	100.00	100.00

Data on the Company, its subsidiaries and affiliates

NAME OF THE COMPANY	AB SANITAS
Code	1341 36296
Authorised capital	LTL 31,105,920 divided into 31,105,920 ordinary registered shares with nominal value LTL 1 per share
Address	Vytauto Ave. 3, LT-44354 Kaunas
Telephone	(+370~37) 22 67 25
Fax	(+370~37) 22 36 96
E-mail address	<a href="mailto:sanitas@sanitas.lt">sanitas@sanitas.lt</a>
Internet website	<a href="http://www.sanitas.lt">www.sanitas.lt</a>
Legal and organisational form	Public company, legal person with limited liability
Duration of activity	Unlimited
Scope of activity	Manufacturing of pharmaceutical products
Date and place of registration	30 June 1994, Kaunas Municipality Board
Register, in which data about the company are stored	Register of Legal Entities
NAME OF THE COMPANY	HOECHST-BIOTIKA, SPOL. S R.O.
Authorised capital	SKK 416,640,000 not divided into shares
Number of shares owned by AB Sanitas	-
Portion of capital and votes held by AB Sanitas	100 percent
Address	Sklabinská 30, Martin 036 80, Slovakia
Legal and organisational form	Limited Liability Company
Register, in which data about the company are stored	District Court in Žilina
Scope of activity	Manufacturing of pharmaceutical products



<b>NAME OF THE COMPANY</b>	<b>JELFA S.A.</b>
Authorised capital	PLN 27,316,160
Number of shares owned by Sanitas, AB	6.829.040
Portion of capital and votes held by Sanitas, AB	Portion of capital 100 percent, portion of votes 100 percent
Address	58-500 Jelenia Góra, ul. W.Pola 21
Legal and organisational form	Joint stock company
Register, in which data about the company are stored	National Court Register, Wrocław branch
Scope of activity	Manufacturing of pharmaceutical products

<b>NAME OF THE COMPANY</b>	<b>UAB ALTISANA</b>
Authorised capital	LTL 10,000 divided into 100 ordinary registered shares with nominal value LTL 100 per share
Number of shares owned by Sanitas, AB	100
Portion of capital and votes held by Sanitas, AB	100 percent
Address	Vytauto 3, LT-44354 Kaunas, Lithuania
Legal and organisational form	Limited Liability Company
Register, in which data about the company are stored	Companies Register of Republic of Lithuania
Scope of activity	Purchase, sell and rent of real estate
Additional information	Company was sold in April 2008

**MAIN SHAREHOLDERS**

Shareholders that are acting jointly, who held more than 5 percent of the Issuer's authorised capital or votes of AB „Sanitas“ as of March 31, 2008:

NAME OF THE SHAREHOLDER, ITS TYPE, ADDRESS OF HEAD OFFICE, CODE IN THE REGISTER OF ENTERPRISES	NUMBER OF ORDINARY REGISTERED SHARES OWNED BY THE RIGHT OF OWNERSHIP	SHARE OF THE AUTHORISED CAPITAL, %	SHARE OF VOTES GIVEN BY THE SHARES OWNED BY THE RIGHT OF OWNERSHIP, %	SHARE OF VOTES INDIRECTLY GIVEN BY THE SHARES, %	SHARE OF VOTES OF SHAREHOLDERS THAT ARE ACTING JOINTLY, %
AB „Invalda“, 121304349	7.256.273	23,33	23,33	9,10	
UAB „Finasta“ rizikos valdymas, 300045450	35.923	0,12	0,12	-	
AB FMI „Finasta“, 122570630	337.865	1,09	1,09	-	
Darius Šulnis	189.196	0,61	0,61	-	
Dailius Juozapas Mišeikis	476.161	1,53	1,53	-	
Tomas Nausėda	333.220	1,07	1,07	-	
Jonas Bielinis	330.965	1,06	1,06	-	64,06
Nerijus Nausėda	248.805	0,80	0,80	-	
Alvydas Drivonas	516.707	1,66	1,66	-	
Arūnas Tuma	516.727	1,66	1,66	-	
Darius Žaromskis	516.702	1,66	1,66	-	
Donatas Jazukevičius	311.702	1,00	1,00	-	
Citigroup Venture Capital International Jersey Limited, 90207	5.312.000	17,08	17,08	-	
Firebird Republics Fund Ltd.	711.808	2,29	2,29	-	
Hansabank Clients, 10060701	5.266.409	16,93	16,93	-	-

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

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

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

Information about members of the managing bodies:

NAME, POSITION HELD	NUMBER OF ORDINARY REGISTERED SHARES	SHARE OF THE AUTHORISED CAPITAL, %	SHARE OF VOTES, %
Darius Šulnis, Chairman of the Board	189.196	0,61	0,61
Vytautas Bučas, Member of the Board	-	-	-
Darius Žaromskis, Member of the Board	516.702	1,66	1,66
Martynas Česnavičius, Member of the Board	-	-	-
Ashwin Roy, Member of the Board	-	-	-
Saulius Jurgelėnas, General Manager	-	-	-
Nerijus Drobavičius, Chief Financial Officer	-	-	-

## 2 ACCOUNTING PRINCIPLES

The principal accounting policies adopted in preparing the Group's and the Company's financial statements as of March 31, 2008 are as follows:

### **STATEMENT OF COMPLIANCE**

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

### **BASIS OF PREPARATION**

These Interim Financial Statements as of March 31, 2008 have been prepared according 34<sup>th</sup> International Accounting Standard (IAS 34) Interim Financial Reporting.

Audit has not been conducted for Interim Financial Statements as of March 31, 2008. Annual financial statements as of December 31, 2007 have been audited.

### **BASIS OF CONSOLIDATION**

The consolidated financial statements comprise the financial statements of AB Sanitas and its subsidiaries as of March 31, 2008. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies, that have been applied in Annual Financial Statements.

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

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

### **FOREIGN CURRENCY TRANSLATION**

The Company's and Group's financial statements are presented in local currency of the Republic of Lithuania, Litas (LTL), which is the Company's functional and the Company's and Group's presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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

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



### 3 RESTATEMENT

In the first quarter of 2007 the Group accounted part of discounts as “Selling and distribution” expenses. In the financial statements for the year 2007 and for the periods following after 1 January 2008 discounts are deducted directly from sales. For comparison purposes historical figures for the 1<sup>st</sup> quarter 2007 were restated by reclassifying discounts from selling and distribution expenses to sales. Because of this correction Sales and Selling and distribution expenses of three month of 2007 were reduced by LTL 1.564 thousand.

### 4 SALES

#### REVENUE STRUCTURE OF THE GROUP BY BUSINESS SEGMENTS

Thousand LTL	INJECTIONS		TABLETS		OINTMENTS, EYE DROPS, TINCTURES		OTHER		TOTAL	
	January- March 2008	January- March 2007	January- March 2008	January- March 2007	January- March 2008	January- March 2007	January- March 2008	January- March 2007	January- March 2008	January- March 2007
Own products sales	14.344	12.341	25.206	20.512	36.714	23.924	732	426	76.996	57.203
Toll manufacturing sales	13.933	13.697	5.446	4.178	304	355	-	1.521	19.683	19.751
Total	28.277	26.038	30.652	24.690	37.018	24.279	732	1.947	96.679	76.954
Change	8,60%		24,15%		52,47%		-62,40%		25,63%	

#### REVENUE STRUCTURE OF THE COMPANY BY BUSINESS SEGMENTS

Thousand LTL	INJECTIONS		TABLETS		OINTMENTS, EYE DROPS, TINCTURES		OTHER		TOTAL	
	January- March 2008	January- March 2007	January- March 2008	January- March 2007	January- March 2008	January- March 2007	January- March 2008	January- March 2007	January- March 2008	January- March 2007
Own products sales	2.358	1.767	1.453	2.466	641	408	-2	0	4.450	4.641
Toll manufacturing sales	6.092	5.825	-	-	-	-	-	-	6.092	5.825
Total	8.450	7.592	1.453	2.466	641	408	-2*	0	10.542	10.466
Change	11,30%		-41,09%		56,87%				0,72%	

\*Other financial discounts

## REVENUE STRUCTURE BY GEOGRAPHICAL SEGMENTS

Thousand LTL	GROUP						COMPANY					
	OWN PRODUCTS		MANUFACTURING		TOLL		OWN PRODUCTS		MANUFACTURING		TOLL	
	SALES		SALES		TOTAL		SALES		SALES		TOTAL	
	January- March 2008	January- March 2007	January- March 2008	January- March 2007	January- March 2008	January- March 2007	January- March 2008	January- March 2007	January- March 2008	January- March 2007	January- March 2008	January- March 2007
Poland	49.024	41.756	519	309	49.543	42.065	-	791	-	-	-	791
Russia	16.270	7.494	-	-	16.270	7.494	-	-	-	-	-	-
Ukraine	1.425	770	-	-	1.425	770	-	-	-	-	-	-
Lithuania	4.297	3.749	-	-	4.297	3.749	4.297	3.749	-	-	4.297	3.749
Latvia	153	22	10.629	9.471	10.782	9.493	153	11	6.092	5.825	6.244	5.835
Slovakia	420	42	2.645	3.616	3.065	3.658	-	-	-	-	-	-
Czech	835	144	-	10	835	154	-	-	-	-	-	-
Hungary	1.409	907	938	7	2.347	914	-	-	-	-	-	-
Bulgaria	550	324	-	-	550	324	-	-	-	-	-	-
Armenia	-	11	-	-	-	11	-	11	-	-	-	11
Belarus	332	385	-	-	332	385	-	-	-	-	-	-
Georgia	1.132	15	-	-	1.132	15	-	-	-	-	-	-
Kazakhstan	101	396	-	-	101	396	-	80	-	-	-	80
Kyrgyzstan	53	71	-	-	53	71	-	-	-	-	-	-
Moldova	96	62	-	-	96	62	-	-	-	-	-	-
Mongolia	-	45	-	-	-	45	-	-	-	-	-	-
Turkmenistan	-	101	-	-	-	101	-	-	-	-	-	-
Uzbekistan	81	108	-	-	81	108	-	-	-	-	-	-
Vietnam	84	403	-	-	84	403	-	-	-	-	-	-
Germany	-	-	4.762	4.641	4.762	4.641	-	-	-	-	-	-
Great Britain	-	-	60	82	60	82	-	-	-	-	-	-
Switzerland	-	-	127	45	127	45	-	-	-	-	-	-
USA	-	-	3	20	3	20	-	-	-	-	-	-
Austria	-	-	-	29	-	29	-	-	-	-	-	-
Other	734	398	-	1.521	734	1.919	-	-	-	-	-	-
Total	76.996	57.203	19.683	19.751	96.679	76.954	4.450	4.642	6.092	5.825	10.541	10.466

## DIVIDENDS FROM SUBSIDIARY

On the base of 25 February 2008 resolution of AB Sanitas, the only shareholder of UAB "Altisana", it was decided to disburse dividends amounted to 292 thousand LTL to AB "Sanitas". Dividends were recognized as reduction of investment in UAB "Altisana", because of planned sale of UAB Altisana in April 2008. Investment to UAB „Altisana“ was decreased from 303 thousand LTL to 11 thousand LTL (Note No. 8 „Investments“) and was subsequently sold for 8 thousand LTL.

## 6 FINANCIAL INCOME AND EXPENSES

THOUSAND LTL	GROUP		COMPANY	
	January-March 2008	January-March 2007	January-March 2008	January-March 2007
<b>Financial revenue:</b>				
Delays and fines	-	-	-	-
Interest income	80	-	1	2.415
Foreign exchange gain	440	897	51	73
Dividends from subsidiaries	-	-	-	-
Other financial income	96	74	-	-
<b>TOTAL FINANCIAL INCOME</b>	<b>616</b>	<b>971</b>	<b>52</b>	<b>2.488</b>
<b>Financial expenses:</b>				
Delays and fines paid	-	-	-	-
Interest expenses	5.714	2.713	383	483
Foreign currency exchange loss	2.553	2.949	152	48
Other financial expenses	274	166	-	9
<b>TOTAL FINANCIAL EXPENSES</b>	<b>8.541</b>	<b>5.828</b>	<b>535</b>	<b>540</b>
<b>RESULT OF FINANCIAL ACTIVITIES</b>	<b>(7.925)</b>	<b>(4.857)</b>	<b>(483)</b>	<b>1.948</b>

## 7 EARNINGS PER SHARE

Basic earning per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in basic and diluted earnings per share computations for the Group and the Company:

THOUSAND LTL	GROUP	
	January-March 2008	January-March 2007 (restated)
Net (loss) profit	10.319	6.227
Weighted average number of ordinary shares	31.106	31.106
Earnings (loss) per share (in LTL)	0,33	0,20

## 8 INVESTMENTS

THOUSAND LTL	GROUP		COMPANY	
	31.03.2008	31.12.2007	31.03.2008	31.12.2007
Shares of Jelfa S.A. (100% )	-	-	292.704	292.704
Shares of Hoechst-Biotika s.r.o. (100%)	-	-	41.691	41.691
Shares of UAB „Altisana“ (100%)	-	-	11	303
<b>TOTAL INVESTMENTS:</b>	<b>-</b>	<b>-</b>	<b>334.406</b>	<b>334.698</b>

Company reduced investments in UAB „Altisana“ by the amount of dividends received (Note No. 5). Dividends were recognized as reduction of investment in UAB “Altisana“.

## 9 OTHER RECEIVABLES

THOUSAND LTL	GROUP		COMPANY	
	31.03.2008	31.12.2007	31.03.2008	31.12.2007
Refundable VAT	3.270	3.399	769	531
Receivables from subsidiaries	-	-	40	7.179
Other receivables	5.159	3.364	2.097	908
<b>Total Other receivables</b>	<b>8.429</b>	<b>6.763</b>	<b>2.906</b>	<b>8.618</b>

## 10 EQUITY

THOUSAND LTL	GROUP		COMPANY	
	31.03.2008	31.12.2007	31.03.2008	31.12.2007
Share capital	31.106	31.106	31.106	31.106
Share premium	248.086	248.086	248.086	248.086
Legal reserves	3.111	3.111	3.111	3.111
Translation reserve	40.068	32.380	-	-
Retained earnings	62.785	52.466	52.237	51.439
<b>Total equity</b>	<b>385.156</b>	<b>367.149</b>	<b>334.540</b>	<b>333.742</b>

The Company's share capital comprised of 31,105,920 ordinary shares with a nominal value of 1 Litas per share as of December 31, 2007 and March 31, 2008.

The share capital of the Company was fully paid as of December 31, 2007 and as of March 31, 2008. Subsidiaries did not hold any shares of the Company as of December 31, 2007 and as of March 31, 2008. The company did not hold its own shares.

## 11 LOANS

Non-current and current loans of the Group include:

LENDER	EFFECTIVE INTEREST RATE	ORIGINAL CURRENCY	PRINCIPAL AMOUNT IN ORIGINAL CURRENCY	MATURITY DATE	OUTSTANDING BALANCE IN THOUSAND LTL AT MARCH 31, 2008	OUTSTANDING BALANCE IN THOUSAND LTL AT DECEMBER 31, 2007
AB Hansabankas	6-month VILIBOR+1,1%	LTL	5.000.000	July 2009	4.460	3.658
AB Hansabankas	6-month LIBOR+1,65%	EUR	11.874.420	July 2015	24.043	21.047
Bank Pekao S.A.	3-month WIBOR+0,32%	PLN	44.088.000	December 2009	20.300	22.341
Banko Polska Kasa Opieki S.A./Bank Zachodni WBK S.A.	3-month WIBOR+1,75%	PLN	310.000.000	May 2014	252.087	258.091
Tatra Bank	1-month LIBOR+1,20%	EUR	2.013.000	December 2007	5.929	6.947
Tatra Bank	MRIBOR+1,20%	SKK	120.000.000	November 2008	6.102	4.189
Tatra Leasing	3-month MBRIB+1,5%	SKK	472.000	October 2011	45	47
Nordea Bank Finland Plc Lithuanian branch	1-day VILIBOR+1%	EUR	83.400	December 2008	42	41
					<b>313.008</b>	<b>316.361</b>
Less current portion					(67.280)	(65.515)
Non-current loans, net of current portion					245.728	250.846

Non-current and current loans of the Company include:

LENDER	EFFECTIVE INTEREST RATE	ORIGINAL CURRENCY	PRINCIPAL AMOUNT IN ORIGINAL CURRENCY	MATURITY DATE	OUTSTANDING BALANCE IN THOUSAND LTL AT MARCH 31, 2008	OUTSTANDING BALANCE IN THOUSAND LTL AT DECEMBER 31, 2007
UAB Altisana	4%	LTL	10.735.234	March 2007	8	303
Hoechst-Biotika s.r.o.	5%	EUR	5.000.000	July 2009	5.913	6.978
AB Hansabankas	6-month VILIBOR+1,1%	LTL	5.000.000	July 2009	4.460	3.658
AB Hansabankas	6-month LIBOR+1,65%	EUR	11.874.420	July 2015	24.043	21.047
					<b>34.424</b>	<b>31.986</b>
Less current portion					(8.919)	(7.813)
Non-current loans, net of current portion					25.505	24.173

## 12 RELATED PARTY TRANSACTIONS

The parties are considered related when one party has a possibility to control the other one or have significant influence over the other party in making financial and operating decisions.

The Company's transactions with related parties in January-March of 2008, which had significant influence on financial statements, and related balances were as follows:

COMAPANY	NOTES	DIVIDENS RECEIVED FROM RELATED PARTIES	PURCHASES FROM RELATED PARTIES	SALES TO RELATED PARTIES	AMOUNTS OWED BY RELATED PARTIES	AMOUNTS OWED TO RELATED PARTIES
HOECHST- BIOTIKA, spol.s.r.o.	a)	-	1.595	40	6.401	40
Jelfa S.A.	b)	-	241	543	146	543
UAB "Altisana"	c)	292	-	-	8	-
UAB "Inred"	d)	-	105	-	39	-
UAB Acena		-	58	-	-	-
UAB "Laikinosios sostinës projektai"	e)	-	270	-	-	-

- In October 2005 Hoechst-Biotika provided loan with 5% fixed interest rate to the Company amounting to LTL 17,264 thousand. The outstanding amount as of March 31, 2008 is LTL 5,913 thousand. The interest calculated for the three months of 2008 was LTL 78 thousand. Hoechst-Biotika produces products for the Company. During the three months of 2008 the Company purchased products for LTL 1,482 thousand.
- During the three months of 2008 the Company purchased products from Jelfa S.A. for LTL 241 thousand and sold raw material for LTL 262 thousand.
- UAB "Altisana" provided loan to the Company with 4% fixed annual interest rate (the outstanding amount as of March 31, 2007 was LTL 8 thousand). On the base of 25 February 2008 resolution of AB Sanitas, the only shareholder of UAB "Altisana", it was decided to disburse dividends amounted to LTL 292 thousand to AB "Sanitas". According to interagreement it was settled to charge payable amount of dividends as repayment of loan and interest.
- UAB "Inred" provided resale of electrical energy services to the Company. During the January-March of 2008 the Company purchased services for LTL 105 thousand.
- The Company rented part of the real estate from UAB "Laikinosios sostinës projektai" for the operating activity. The rent fee during the January-March of 2008 was LTL 270 thousand.

## 13 SUBSEQUENT EVENTS

Sanitas AB sold 100 % of shares of the subsidiary Altisana UAB on April 17, 2008. Altisana UAB hasn't performed any activity since the beginning of 2006.

Consolidated annual report for 2007 was approved by the general shareholders meeting, which took place on April 17, 2008. It was also decided to pay shareholders dividends in the amount of LTL 0,6 per share.

„Sanitas“ subsidiary company „Jelfa“ SA has opened new office in Sofia, the capital city of Bulgaria. This is the fourth office of „Jelfa“ in Europe, the other three are in Russia (Moscow), Ukraine (Kiev) and Hungary (Debrecen).