AKCINĖ BENDROVĖ "SANITAS"

AB „SANITAS"

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FIRST HALF OF 2007

(NOT AUDITED)

CONFIRMATION OF RESPONSIBLE PERSONS

Following the Rules on Preparation And Submission Of Periodic And Additional Information Of The Lithuanian Securities Comission 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 first half of 2007, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of AB „Sanitas" and the Consolidated Group.

ENCLOSURE: Interim consolidated financial statements of AB „Sanitas" for the first half of 2007.

AB „Sanitas" General Manager — Saulius Jurgelėnas

AB „Sanitas" Chief Financial Officer — Nerijus Drobavičius

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INCOME STATEMENT (LTL)

	Notes	GROUP		COMPANY	
		I H 2007	I H 2006	I H 2007	I H 2006
SALES	3	**170.344.700**	**46.164.491**	**19.232.778**	**17.557.265**
Cost of sales		(83.235.695)	(28.699.548)	(8.896.829)	(9.015.621)
GROSS PROFIT		**87.109.005**	**17.464.943**	**10.335.949**	**8.541.644**
Other income		5.441.772	14.078.329	1.837.036	768.599
Selling and distribution expenses		(33.241.283)	(9.844.699)	(947.107)	(1.156.523)
Administrative expenses		(16.985.568)	(9.928.618)	(4.530.326)	(3.571.882)
Other expenses		(2.864.416)	(3.110.769)	(3.108)	(274.651)
OPERATING PROFIT		**39.459.510**	**8.659.186**	**6.692.444**	**4.307.187**
Dividends	4	-	-	2.665.335	3.975.733
Interest expenses, net		(7.867.631)	(4.036.935)	3.896.969	1.045.783
Other financial expenses, net		(2.992.863)	2.384.578	(6.009)	75.025
FINANCIAL ACTIVITY	5	(10.860.494)	(1.652.357)	3.890.960	1.120.808
PROFIT (LOSS) BEFORE TAXES		**28.599.016**	**7.006.829**	**13.248.739**	**9.403.728**
Income tax expense		(6.562.198)	(1.656.822)	(1.885.852)	(1.053.327)
Minority interests		-	(265.271)	-	-
NET PROFIT (LOSS)		**22.036.818**	**5.615.278**	**11.362.887**	**8.350.401**
Basic and diluted earnings (loss) per share (in LTL)		**0,71**	**0,28**	**0,37**	**0,42**

BALANCE SHEET (LTL)

ASSETS	Notes	GROUP		COMPANY	
		30.06.2007	31.12.2006	30.06.2007	31.12.2006
NON-CURRENT ASSETS					
Goodwill		274.858.673	270.279.249	-	-
Property, plant and equipment		268.216.190	273.348.407	18.196.348	17.949.188
Intangible assets		41.736.340	41.963.103	211.650	210.083
Investments in subsidiaries	7	-	-	107.694.321	107.694.321
Other financial assets	8	30.784	32.942	227.934.866	227.870.856
Deferred tax assets		13.417.295	18.100.365	517.488	517.474
TOTAL NON-CURRENT ASSETS		**598.259.282**	**603.724.066**	**354.554.674**	**354.241.923**
CURRENT ASSETS					
Inventories		46.593.295	42.080.745	6.163.090	7.011.676
Prepaid income tax		1.512.156	306.684	1.446.640	122.271
Trade receivables		67.074.161	55.328.137	1.835.921	3.737.953
Other receivables	9	5.372.937	3.182.565	15.400.081	7.718.184
Deferred charges		1.886.346	597.793	244.614	61.693
Cash and cash equivalents		6.758.885	11.505.806	236.149	98.116
TOTAL CURRENT ASSETS		**129.197.780**	**113.001.730**	**25.326.495**	**18.749.893**
Non-current assets classified as held for sale	10	654.709	8.727.330	-	8.199.916
TOTAL ASSETS		**728.111.771**	**725.453.126**	**379.881.169**	**381.191.732**

EQUITY AND LIABILITIES	Notes	GROUP		GROUP	
		30.06.2007	31.12.2006	30.06.2007	31.12.2006
EQUITY					
Share capital	11	31.105.920	31.105.920	31.105.920	31.105.920
Share premium	11	248.086.205	248.086.205	248.086.205	248.086.205
Legal reserves	11	3.110.592	3.110.592	3.110.592	3.110.592
Other reserves	11	16.902.009	13.418.651	-	-
Retained earnings	11	37.213.327	15.176.509	46.272.647	34.909.760
TOTAL EQUITY		**336.418.053**	**310.897.877**	**328.575.364**	**317.212.477**
NON CURRENT LIABILITIES					
Non-current loans	12	26.841.999	37.198.081	10.247.262	16.217.464
Financial lease obligations		5.932.559	3.271.319	1.822.911	1.119.717
Deferred tax liability		16.427.095	15.192.631	-	-
Deferred income from subsidies		3.858.825	3.687.518	3.858.825	3.687.518
Provisions		5.409.182	6.202.249	-	-
TOTAL NON CURRENT LIABILITIES		**58.469.660**	**65.551.798**	**15.928.998**	**21.024.699**
CURRENT LIABILITIES					
Current portion of non-current loans	12	284.568.332	305.338.555	-	2.618.220
Current portion of non-current financial lease obligations		3.307.293	2.483.228	1.022.149	885.273
Current loans	12	4.451.787	2.251.886	20.907.220	23.171.718
Trade and other payables		23.406.618	25.112.996	5.374.310	8.670.969
Advances received		88.926	800.000	2.955.784	4.712.369
Corporate income tax payable		4.762.368	1.472.404	3.018.576	933.068
Other creditors		10.436.641	9.847.925	2.098.768	1.962.939
Provisions		2.202.093	1.696.456	-	-
TOTAL CURRENT LIABILITIES		**333.224.058**	**349.003.451**	**35.376.807**	**42.954.556**
TOTAL LIABILITIES		**391.693.718**	**414.555.249**	**51.305.805**	**63.979.255**
TOTAL EQUITY AND LIABILITY		**728.111.771**	**725.453.126**	**379.881.169**	**381.191.732**

STATEMENTS OF CHANGES IN EQUITY (LTL)

GROUP	SHARE CAPITAL	SHARE PREMIUM	LEGAL RESERVE	TRANSLATION RESERVE	OTHER RESERVES	RETAINED EARNINGS	TOTAL
CAPITAL AND RESERVES AS AT 31.12.2005	**11.000.000**	**17.553.588**	**1.801.104**	**1.556.062**	**(3.042.276)**	**23.821.040**	**52.689.518**
Net profit	-	-	-	-	-	903.987	903.987
Reversal of fair value reserve	-	-	-	-	3.042.276	-	3.042.276
Change in translation reserve	-	-	-	283.021	-	-	283.021
CAPITAL AND RESERVES AS AT 31.03.2006	**11.000.000**	**17.553.588**	**1.801.104**	**1.839.083**	**-**	**24.725.027**	**56.918.802**
New emission of shares	20.105.920	230.532.617	-	-	-	-	250.638.537
Transferred to reserve	-	-	1.309.488	-	-	(1.309.488)	-
Change in translation reserve	-	-	-	11.579.568	-	-	11.579.568
Net profit	-	-	-	-	-	(8.239.030)	(8.239.030)
CAPITAL AND RESERVES AS AT 31.12.2006	**31.105.920**	**248.086.205**	**3.110.592**	**13.418.651**	**-**	**15.176.509**	**310.897.877**
Net profit	-	-	-	-	-	22.036.818	22.036.818
Change in translation reserve	-	-	-	3.483.358	-	-	3.483.358
CAPITAL AND RESERVES AS AT 30.06.2007	**31.105.920**	**248.086.205**	**3.110.592**	**16.902.009**	**-**	**37.213.327**	**336.418.053**

COMPANY	SHARE CAPITAL	SHARE PREMIUM	LEGAL RESERVE	TRANSLATION RESERVE	OTHER RESERVES	RETAINED EARNINGS	TOTAL
CAPITAL AND RESERVES AS AT 31.12.2005	**11.000.000**	**17.553.588**	**1.801.104**	**-**	**(3.042.276)**	**25.579.374**	**52.891.790**
Net profit	-	-	-	-	-	5.296.918	5.296.918
Reversal of fair value reserve	-	-	-	-	(3.042.276)	-	(3.042.276)
CAPITAL AND RESERVES AS AT 31.03.2006	**11.000.000**	**17.553.588**	**1.801.104**	**-**	**-**	**30.876.292**	**61.230.984**
Transferred to legal reserve	-	-	1.309.488	-	-	(1.309.488)	-
New emission of shares	20.105.920	230.532.617	-	-	-	-	250.638.537
Net profit	-	-	-	-	-	5.342.956	5.342.956
CAPITAL AND RESERVES AS AT 31.12.2006	**31.105.920**	**248.086.205**	**3.110.592**	**-**	**-**	**34.909.760**	**317.212.477**
Net profit	-	-	-	-	-	11.362.887	11.362.887
CAPITAL AND RESERVES AS AT 30.06.2007	**31.105.920**	**248.086.205**	**3.110.592**	**-**	**-**	**46.272.647**	**328.575.364**

CASH FLOW STATEMENTS (LTL)

	GROUP		COMPANY	
	1 H 2007	I H 2006 (restated)	1 H 2007	I H 2006 (restated)
Cash flows from (to) operating activities				
profit (loss) before tax	22.036.817	5.615.278	11.362.887	8.350.401
Adjustments of non-cash items:				
Depreciation and amortisation	19.951.270	6.459.917	803.437	1.723.053
Loss (gain) from disposal or write-off of non-current assets	260.243	1.827	310.521	2.527
Allowance for receivables	(206.361)	628.291	-	-
Allowance for inventories	(886.486)	1.100.022	(146.954)	31.703
Unrealised foreign currency exchange loss	579.785	(71.507)	(117.476)	-
Dividends	-	-	-	(3.975.733)
Interest expenses	11.110.525	3.940.124	961.723	1.133.432
Interest (income)	(250.031)	(3.556)	(4.858.509)	(2.179.215)
	52.595.762	17.670.396	8.315.629	5.086.168
Change in working capital				
Decrease (increase) in inventories	(4.512.550)	(3.011.494)	848.586	507.993
Decrease (increase) in trade and other receivables and deferred charges receivables	(13.729.054)	9.829.767	(5.962.785)	(230.099.191)
Increase (decrease) in trade and other and advances received payables	3.502.269	(451.865)	(166.666)	(791.837)
Decrease in provisions	287.430	-	-	-
Income tax paid	(1.885.911)	2.410.349	(1.885.852)	(851.654)
NET CASH FLOWS FROM (TO) OPERATING ACTIVITIES	**36.257.947**	**26.447.153**	**1.148.912**	**(226.148.521)**
Cash flows from (to) investing activities				
(Acquisition) of non-current tangible assets	(7.117.691)	(3.511.648)	(1.305.639)	(1.198.175)
(Acquisition) of non-current intangible assets	(1.738.202)	(228.298)	(57.052)	(41.150)
Proceeds from assets held for sale	1.782.781	-	1.782.781	-
Proceeds from sale of non-current assets (except investments)	81.490	397.020	-	57.465
(Acquisition) of subsidiary Jelfa S.A.	-	(485.475.291)	-	(9.313.534)
(Acquisition) of assets held for sale	8.199.916	12.534.034	8.199.916	-
Interest received	3.848	3.556	-	2.179.215
Dividends received	-	-	2.665.335	3.975.733
NET CASH FLOWS (TO) INVESTING ACTIVITIES	**1.212.142**	**(476.280.627)**	**11.285.341**	**(4.340.446)**
Cash flows from (to) financing activities				
Issue of shares	-	250.527.754	-	250.527.754
Proceeds from loans	4.175.693	240.546.863	3.020.735	-
Repayments of loans	(35.406.007)	(38.507.027)	(14.146.071)	(22.048.848)
Payment of finance lease liabilities	(888.971)	-	(888.971)	-
Interest paid	(10.374.310)	(3.940.124)	(453.220)	(1.133.432)
Proceeds from grants	171.308	1.691.856	171.308	1.691.856
NET CASH FLOWS FROM FINANCIAL ACTIVITIES	**(42.322.288)**	**450.319.322**	**(12.296.220)**	**229.037.330**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(4.852.200)**	**485.848**	**138.033**	**(1.451.637)**
NET FOREIGN EXCHANGE DIFFERENCE	**105.278**	**-**	**-**	**-**
CASH AND CASH EQUIVALENTS AS OF JANUARY 1, 2007	**11.505.806**	**4.846.639**	**98.116**	**1.559.601**
CASH AND CASH EQUIVALENTS AS OF JUNE 30, 2007	**6.758.885**	**5.332.487**	**236.148**	**107.964**

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	
			30.06.2007	31.12.2006
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	sanitas@sanitas.lt
Internet website	www.sanitas.lt
Legal and organisational form	Public company, legal person with limited liability
Duration of activity	Unlimited
Scope of activity	Manufacturing of pharmaceutical products
Date and place of registration	30 June 1994, Kaunas Municipality Board
Register, in which data about the company are stored	Register of Legal Entities

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

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

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

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 June 30, 2007:

NAME OF THE SHAREHOLDER, ITS TYPE, ADDRESS OF HEAD OFFICE, CODE IN THE REGISTER OF ENTERPRISES	NUMBER OF ORDINARY REGISTERED SHARES OWNED BY THE RIGHT OF OWNERSHIP	SHARE OF THE AUTHORISED CAPITAL, %	SHARE OF VOTES GIVEN BY THE SHARES OWNED BY THE RIGHT OF OWNERSHIP, %	SHARE OF VOTES OF SHAREHOLDERS THAT ARE ACTING JOINTLY, %
AB Invalda Seimyniskiu str. 3, Vilnius, Lithuania 121304349	9,060,922	29.13	29.13	66,79
UAB Finasta Rizikos Valdymas Konstitucijos pr. 23, Vilnius, Lithuania 300045450	58,975	0.19	0.19	
AB FMĮ Finasta, Konstitucijos pr. 23, Vilnius, 122570630	765,010	2.46	2.46	
AB Nenuorama J. Tumo–Vaizganto str. 9-38, Vilnius 122649227	1,683,323	5.41	5.41	
Darius Šulnis	183,975	0.59	0.59	
Dailius Juozapas Mišeikis,	95,265	0.31	0.31	
Jonas Bielinis	330,965	1.06	1.06	
Nerijus Nausėda	248,805	0.80	0.80	
Tomas Nausėda	333,220	1.07	1.07	
Alvydas Dirvonas	516,707	1.66	1.66	
Arūnas Tuma	516,727	1.66	1.66	
Darius Žaromskis	516,702	1.66	1.66	
Donatas Jazukevičius	441,702	1.42	1.42	
Citigroup Venture Capital Internatonal Jersey Limited, 90207	5,312,000	17.08	17.08	
Firebird Republics Fund Ltd.	711,808	2.29	2.29	
Hansabank Clients, Liivalaia 8, 15040 Tallinn, Estonia, 10060701	5,095,059	16.38	16.38	-----

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

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

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

MEMBERS OF THE MANAGING BODIES

SHARE OF THE CAPITAL OWNED BY THE RIGHT OF OWNERSHIP, %	POSITION HELD	SHARE OF THE CAPITAL OWNED BY THE RIGHT OF OWNERSHIP, %
	MANAGEMENT BOARD	
Darius Šulnis	Chairman of the Board	0.59
Darius Žaromskis	Member	1.66
Martynas Česnavičius	Member	-
Since 26.04.2007 Vytautas Bučas	Member	-
Since 26.04.2007 Ashwin Roy	Member	-

2 ACCOUNTING PRINCIPLES

The principal accounting policies adopted in preparing the Group's and the Company's financial statements as of June 30, 2007 are as follows:

STATEMENT OF COMPLIANCE

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

BASIS OF PREPARATION

These Interim Financial Statements as of June 30, 2007 have been prepared according 34th International Accounting Standard (IAS 34) Interim Financial Reporting.

Audit has not been conducted for Interim Financial Statements as of June 30, 2007. Annual financial statements as of December 31, 2006 have been audited.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of AB Sanitas and its subsidiaries as of 30 June 2007. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies, that have been applied in Annual Financial Statements.

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

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

FOREIGN CURRENCY TRANSLATION

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

The functional currency of the foreign operations, Jelfa S.A. and Hoechst-Biotika s.r.o., is Polish Zloty (PLN) 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. Income statement items are translated using average monthly exchange rates and the total result of the accounting period in income statement is presented as a sum of monthly translated results. 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 SALES

REVENUE STRUCTURE OF THE GROUP BY BUSINESS SEGMENTS

LTL	INJECTION PREPARATIONS		TABLETS		OINTMENTS, EYE DROPS, TINCTURES		UNALLOCATED		TOTAL	
	I H 2007	I H 2006	I H 2007	I H 2006	I H 2007	I H 2006	I H 2007	I H 2006	I H 2007	I H 2006
Revenu	52.746.921	24.351.697	54.574.948	11.432.099	62.348.176	10.268.010	674.654	112.685	170.344.699	46.164.491
Change	*117%*		*377%*		*507%*		*499%*		*269%*	

REVENUE STRUCTURE OF THE COMPANY BY BUSINESS SEGMENTS

LTL	INJECTION PREPARATIONS		TABLETS		OINTMENTS, EYE DROPS, TINCTURES		UNALLOCATED		TOTAL	
	I H 2007	I H 2006	I H 2007	I H 2006	I H 2007	I H 2006	I H 2007	I H 2006	I H 2007	I H 2006
Revenu	14.451.310	12.011.602	3.775.923	3.671.687	1.009.316	1.873.616	(3.772)	360	19.232.778	17.557.265
Change	*20%*		*3%*		*(46%)*		*(1148%)*		*10%*	

REVENUE STRUCTURE BY GEOGRAPHICAL SEGMENTS

LTL	GROUP			COMPANY		
	I H 2007	I H 2006	Change	I H 2007	I H 2006	Change
Latvia	10.509.056	10.817.175	(3%)	11.027.524	9.964.567	11%
Lithuania	7.265.529	7.523.151	(3%)	7.265.494	7.028.102	3%
Germany	9.161.740	7.508.725	22%	-	-	-
Slovakia	7.682.842	6.244.368	23%	-	-	-
Poland	93.394.069	7.210.450	1195%	790.976	-	-
Russia	22.627.847	3.269.312	592%	-	-	-
Unallocated	19.703.617	3.591.310	449%	148.784	564.596	(74%)
TOTAL	***170.344.699***	***46.164.491***	***269%***	***19.232.778***	***17.557.265***	***10%***

4 DIVIDENDS FROM SUBSIDIARY

On the base of 26 April 2007 resolution of AB Sanitas, the only shareholder of UAB "Altisana", it was decided to disburse dividends amounted to LTL 2,665 thousand to AB "Sanitas". In May 2007 according to interagreement it was settled to charge payable amount of dividends as repayment of loan.

5 FINANCIAL INCOME AND EXPENSES

	GROUP		COMPANY	
	I H 2007	I H 2006	I H 2007	I H 2006
Financial income:				
Delays and fines	-	137.054	-	29.700
Interest income	181.952	(89.731)	4.858.692	2.179.215
Foreign exchange gain		2.811.981	5.797	30.352
Other	68.079	61.900	-	61.828
Total financial income	**250.031**	**2.921.204**	**4.864.489**	**2.301.095**
Financial expenses:				
Delays and fines paid	11.806	118.197	-	-
Interest on borrowings	8.049.583	3.947.203	961.723	1.133.432
Foreign exchange loss	2.701.816	870.767	-	40.183
Other	347.320	(362.609)	11.806	6.672
Total financial expenses	**11.110.525**	**4.573.558**	**973.529**	**1.180.287**
Result of financial activities	**(10.860.494)**	**(1.652.354)**	**3.890.960**	**1.120.808**

6 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 dilluted earnings per share computions for the Group and the Company:

	GROUP		COMPANY	
	I H 2007	I H 2006	I H 2007	I H 2006
Net (loss) profit	22.036.818	5.615.278	11.362.887	8.350.401
Weighted average number of ordinary shares	31.105.920	19.997.676	31.105.920	19.997.676
Earnings (loss) per share (in LTL)	0,71	0,28	0,37	0,42

The calculation of weighted average number of ordinary shares for the first half of 2007 was the following:

	GROUP	COMPANY
	I H 2007	I H 2007
Period from 1 January 2007 to 30 June 2007 (181 days)	31.105.920	31.105.920
Weighted average number of ordinary shares	**31.105.920**	**31.105.920**

The calculation of weighted average number of ordinary shares for the first half of 2006 was the following:

	GROUP	COMPANY
	I H 2006	I H 2006
Period from 1 January 2006 to 10 April 2006 (100 days)	11.000.000	11.000.000
Period from 11 April 2006 to 30 June 2006 (81 days)	31.105.920	31.105.920
Weighted average number of ordinary shares	**19.997.676**	**19.997.676**

7 INVESTMENTS

	GROUP		COMPANY	
	30.06.2007	31.12.2006	30.06.2007	31.12.2006
Shares of Jelfa S.A. (100%)	-	-	64.590.015	64.590.015
Shares of Hoechst-Biotika s.r.o. (100%)	-	-	41.690.866	41.690.866
Shares of UAB „Altisana“ (100%)	-	-	1.413.440	1.413.440
Total investments:	**-**	**-**	**107.694.321**	**107.694.321**

8 OTHER FINANCIAL ASSETS

	GROUP		COMPANY	
	30.06.2007	31.12.2006	30.06.2007	31.12.2006
Other financial assets	30.784	32.942	227.934.866	227.870.856
Total other financial assets	**30.784**	**32.942**	**227.934.866**	**227.870.856**

The outstanding amount of the loans provided by the Company to Jelfa S.A. as of December 31, 2006 was LTL 227,871 thousand and the outstanding amount as of June 30, 2007 was LTL 227,935 thousand. These loans are granted with 4.3% interest rate. The outstanding amount of interest receivable from the subsidiary as of 31 December 2006 was LTL 6,428 thousand and LTL 12,001 thousand as of June 30, 2007. The Company treats these loans as net investment to subsidiary as it plans to increase the share capital of Jelfa S.A. in the future.

9 OTHER RECEIVABLES

	GROUP		COMPANY	
	30.06.2007	**31.12.2006**	**30.06.2007**	**31.12.2006**
Refundable VAT	1.425.471	1.776.147	488.987	500.730
Receivable interests from Jelfa S.A.	-	-	12.001.374	6.428.512
Other receivables	3.947.466	1.406.418	2.909.720	788.942
Total Other receivables	**5.372.937**	**3.182.565**	**15.400.081**	**7.718.184**

Receivable interests from Jelfa S. A. for the loan granted (note 8).

The major amount of Other receivables include Receivables at amount of LTL 2,800 thousand for the part of real estate sold.

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10 HELD FOR SALE ASSETS

	GROUP		COMPANY	
	30.06.2007	**31.12.2006**	**30.06.2007**	**31.12.2006**
Real estate in Veiverių Str., Kaunas held for sale	-	8.199.916	-	8.199.916
Machinery and equipment held for sale	654.709	527.414	-	-
Total Held for sale assets	**654.709**	**8.727.330**	**-**	**8.199.916**

Real estate in Veiverių Str. held for sale

In September 2005 the Company concluded a preliminary agreement concerning disposal of the property located in Veiverių Str., Kaunas. In accordance with this agreement the Company received a prepayment of LTL 800 thousand for the assets mentioned.

The assets' fair value less costs to sell was amounting to LTL 8,688 thousand, and exceeded the carrying value of the property comprising LTL 8,200 thousand as of 31 December 2005. The fair value less cost of sale was estimated by reference to an independent appraisal, as well as the existing preliminary agreement.

Based on the preliminary agreement the disposal had to take place till 1 March 2006. The disposal process protracted as the Company failed to fulfil the obligation for the buyer to prepare the detail plan on the plot as during the detail plan preparation process it was noted that the previous detail plan of the plot included inaccuracy related to a mistake of Kaunas district planning department. Due to this reason the disputes with the neighbouring company UAB Suslavičius-Felix started, which the Company could not foresee at the moment of signing the preliminary agreement. The amendment of the preliminary agreement was signed, according to which the Company is obligated to sell the asset till 31 May 2007.

AB Sanitas has sold part of the real estate according to the signed preliminary agreement on May 31, 2007. The remaining part of the real estate was sold on June 16, 2007. Total sales transactions value of real estate, located in Veiverių str. was LTL 10,150 thousand, the profit from property sale, excluding selling related expenses, was LTL 1,782,781.

11 EQUITY

	GROUP		COMPANY	
	30.06.2007	**31.12.2006**	**30.06.2007**	**31.12.2006**
Share capital	31.105.920	31.105.920	31.105.920	31.105.920
Share premium	248.086.205	248.086.205	248.086.205	248.086.205
Legal reserves	3.110.592	3.110.592	3.110.592	3.110.592
Translation reserve	16.902.009	13.418.651	-	-
Retained earnings	37.213.327	15.176.509	46.272.647	34.909.760
Total equity	**336.418.053**	**310.897.877**	**328.575.364**	**317.212.477**

On May 15, 2006 20,105,920 additional shares with a nominal value of 1 Litas per share were issued. The Company has sold these shares for 13 LTL each. Proceeds from the share capital increase were LTL 250,638,537, including share premium amounting to LTL 230,532,617 (net of expenses related to the transaction). 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, 2006 and June 30, 2007 .

The share capital of the Company was fully paid as of December 31, 2006 and as of June 30, 2007. Subsidiaries did not hold any shares of the Company as of December 31, 2006 and as of June 30, 2007. The company did not hold its own shares.

12 LOANS

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 LTL at June 30, 2007	Outstanding balance in LTL at December 31, 2006
UAB Altisana	4%	LTL	10.735.234	March 2007	5.153.453	7.690.631
Hoechst-Biotika s.r.o.	5%	EUR	5.000.000	December 2007	8.502.686	10.574.366
AB Invalda	7%	LTL	3.600.000	March 2007	4.410.000	2.210.000
Jelfa S.A.	5%	PLN	3.000.000	February 2007	2.840.748	2.696.640
AB SEB Vilniaus bankas	6-mont EUR LIBOR+1,05%	EUR	750.000	July 2008	1.544.453	2.585.776
AB SEB Vilniaus bankas	6-month VILIBOR+1,05%	LTL	2.500.000	July 2008	2.406.315	2.330.783
AB SEB Vilniaus bankas	6-month EUR LIBOR+1,05%	LTL	7.200.124	May 2009	-	6.327.384
AB SEB Vilniaus bankas	6-month EUR LIBOR+1,32%	LTL	28.589.184	January 2015	6.296.494	7.591.823
					31.154.150	42.007.402
Less current portion					10.247.262	25.789.938
Non-current loans, net of current portion					20.906.888	16.217.464

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 LTL at June 30, 2007	Outstanding balance in LTL at December 31, 2006
AB SEB Vilniaus bankas	6-month EUR LIBOR+1,05%	LTL	7.200.124	May 2009	-	6.327.384
AB SEB Vilniaus bankas	6-month EUR LIBOR+1,32%	LTL	28.589.184	January 2015	6.296.494	7.591.823
AB SEB Vilniaus bankas	6-month EUR LIBOR+1,05%	EUR	750.000	July 2008	1.544.453	2.585.776
AB SEB Vilniaus bankas	6-month VILIBOR+1,05%	LTL	2.500.000	July 2008	2.406.315	2.330.783
Bank Pekao S.A.	3-month WIBOR+0,32%	PLN	33.718.738	December 2009	26.077.458	30.309.099
Banko Polska Kasa Opieki S.A./Bank Zachodni WBK S.A.	3-month WIBOR+1,75%	PLN	310.000.000	May 2014	265.897.200	279.472.000
AB Invalda	7%		3.600.000	March 2007	4.410.000	2.210.000
Tatra Bank	1-year BRIBOR+1,20%	SKK	160.000.000	-	9.188.410	13.920.035
Nordea Bank Finland Plc Lithuanian branch	1-day VILIBOR+1%	EUR	83.400	May 2007	41.787	41.805
					315.862.118	344.788.704
Less current portion					289.020.119	307.590.441
Non-current loans, net of current portion					26.841.999	37.198.263

13 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 first half-year of 2007, which had significant influence on financial statements, and related balances were as follows:

COMAPANY	NOTES	PURCHASES FROM RELATED PARTIES, LTL THOUSAND	SALES TO RELATED PARTIES, LTL THOUSAND	AMOUNTS OWED BY RELATED PARTIES, LTL THOUSAND	AMOUNTS OWED TO RELATED PARTIES, LTL THOUSAND
AB Invalda	a)	122	-	-	4,435
Hoechst-Biotika	b)	1,675	27	11	10,338
Jelfa S.A.	c)	677	5,648	239,939	6,705
UAB Inred	d)	531	-	-	404
UAB Laikinosios sostinės projektai	e)	317	-	-	61
UAB Altisana	f)	131	2,665	-	5,153

a) In 2006 the Company received loan amounted to LTL 3,600 thousand from AB "Invalda" and in March 2007 received another loan amounted to LTL 2,200 thousand with an annual interest rate of 7%. As of June 30, 2007 outstanding amount of loans was LTL 4,410 thousand. The interest amount calculated for the first half of 2007 was LTL 122 thousand.

b) 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 June 30, 2007 is LTL 8,503 thousand. The interest calculated for the firs half of 2007 was LTL 238 thousand. Hoechst-Biotika produces products for the Company. During the first half of 2007 the Company purchased products for LTL 1,437 thousand.

c) Jelfa SA provided loan to the Company with 5% fixed annual interest rate. Outstanding amount as of June 30, 2007 was LTL 2,840 thousand. In 2006 Jelfa S.A. made an advance payment for the Company amounting to LTL 3,909 thousand for 2007 year Company's sales to Poland market. The outstanding amount of the loans provided by the Company to Jelfa S.A. as of June 30, 2007 was 227,935 thousand. These loans are granted with 4.3% annual interest rate. The outstanding amount of interest receivable from the subsidiary as of June 30, 2007 was LTL 12,001 thousand. The Company treats these loans as net investment to subsidiary as it plans to increase the share capital of Jelfa S.A. in the future. During the first half of 2007 the Company purchased products from Jelfa S.A. for LTL 603 thousand and sold for LTL 760 thousand.

d) UAB "Inred" provided real-estate related and other services to the Company. During the first half of 2007 the Company purchased services for LTL 531 thousand.

e) The Company rented part of the real estate from UAB "Laikinosios sostinės projektai" for the operating activity. The rent fee during the first half of 2007 was LTL 317 thousand (the outstanding payable amount as at 30 June 2007 was LTL 61 thousand).

f) UAB "Altisana" provided loan to the Company with 4% fixed annual interest rate. The remaining amount was LTL 5,153 thousand as of June 30, 2007 (the outstanding amount as of December 31, 2006 was LTL 7,691 thousand). On the base of 26 April 2007 resolution of shareholder of UAB "Altisana"(AB „Sanitas") it was decided to disburse dividends amounted to LTL 2,665 thousand to AB "Sanitas". In May 2007 according to interagreement it was settled to charge payable amount of dividends as repayment of loan.

14 MATERIAL EVENTS

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

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

1. Company's financial statements for the year 2006 and consolidated financial statements for the year 2006 approved.
2. Approved Company's profit distribution for the year 2006 (LTL thousand):

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

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

4. Approved Stock option plan of the Company.

On April 26 2007 the Shareholders Meeting of UAB Altisana decided to reduce the share capital of UAB Altisana by LTL 4,327 thousand (from former LTL 4,337,200 to LTL 10 thousand), in order to pay funds of UAB Altisana to the shareholder, by eliminating 43,272 shares.

15 SUBSEQUENT EVENTS

Non-current loans, provided by AB SEB Vilniaus Bankas, were refinanced by AB Hansabankas. After refinancing the loans, LTL 10,247,262 were repayed to AB SEB Vilniaus bankas. Totally, AB Hansabankas will provide to AB Sanitas a credit of EUR 11,874 thousand with a final repayment term of July 13, 2015 and an overdraft of LTL 5,000 thousand with a repayment term of July 13, 2009.

As from July 9, 2007 Nerijus Drobavičius, former chief accountant of Sampo Bankas AB, has taken office of finance director of Sanitas AB.

On July18, 2007 Nerijus Drobavičius, the finance director of Sanitas AB, was elected as the member of the management board of subsidiary Jelfa SA.