

SUMMARY HISTORICAL, PRO FORMA AND UNAUDITED INTERIM FINANCIAL INFORMATION AND OPERATIONAL DATA

The unaudited condensed consolidated interim financial information, attached hereto, is prepared in accordance with International Financial Reporting Standards. In accordance with IFRS 3, we account for the acquired entity only from the date of acquisition, which is February 9, 2007 and therefore the Income Statement and cash flow of the unaudited condensed consolidated interim financial information for the quarter ended June 30, 2007 includes only five months of the results of Bité Lithuania and Bité Latvia.

The management's discussion and analysis, dated July 23, 2008 has been prepared giving effect to the Transactions as if they had occurred on January 1, 2007 and should be read in conjunction with the accompanying unaudited condensed consolidated interim financial information of Bité for the six months ended June 30, 2008, and should also be read in conjunction with the unaudited condensed consolidated interim financial information for Bité Finance International B.V.. Additional information related to Bité may be obtained at the listing agent in Luxembourg during normal business hours.

The following tables provide summary unaudited consolidated interim financial information for the Company for the quarter and year to date ended June 30, 2008 and unaudited pro forma consolidated interim financial information for the quarter and year to date ended June 30, 2007. The unaudited pro forma consolidated interim financial information for the quarter and year to date ended June 30, 2007 gives following effects to the Transactions:

- 1) the unaudited pro forma income statement for the quarter and year to date ended June 30, 2007 gives effect to the Transactions as if they had occurred on January 1, 2007;
- 2) the unaudited pro forma balance sheet information gives effect to the Transactions as if they had occurred on December 31, 2006;
- 3) the unaudited pro forma consolidated interim financial information gives effect as if Purchase Price Allocation has been completed at the date of acquisition and the fair value of the assets acquired has been depreciated and/or amortized from February 9, 2007;
- 4) the unaudited pro forma consolidated interim financial information gives effect as if financial items for Bité Finance International Group companies reclassified in the fourth quarter of year 2007 have been reclassified on January 1, 2007;
- 5) the unaudited pro forma consolidated interim financial information of Bité Lithuania and Bité Group gives effect to the Transactions as if Bite Lithuania, UAB and EECF Bella SPV, UAB have been merged at the date of Transaction, i.e. February 9, 2007;
- 6) the unaudited pro forma consolidated interim financial information gives effect as if a new loyalty points accounting policy has been applied from January 1, 2007.

Management believes the adjustments above were necessary to fairly present figures for the quarter and year to date ended June 30, 2007 to provide an appropriate base for comparison.

The summary unaudited financial information of Bité Lithuania, Bité Latvia and the consolidated financial information of Bité Group for the quarters and year to date ended June 30, 2008 and 2007 presented below is derived from unaudited Monthly Management Reports (MMR) which are prepared in accordance with the same accounting policies as for IFRS consolidated financial statements.

	Bité							
	Quarter ended June 30							
	Bité Lithuania		Bité Latvia		Bité Group		Bité Finance International Group	
	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>
	Pro Forma	Actuals	Actuals	Actuals	Pro Forma	Actuals	Pro Forma	Actuals
	<i>(in thousands of Euros)</i>							
Income Statement:								
Revenues	50,207	52,551	3,917	5,305	51,143	55,018	51,114	54,747
Costs and Expenses	-50,114	-53,537	-8,396	-11,043	-56,629	-62,206	-57,657	-62,673
Operating profit/(loss)	93	-986	-4,479	-5,738	-5,486	-7,188	-6,543	-7,926
Finance costs	-7,349	-3,653	-129	-26	-7,397	-3,679	-6,796	-2,758
Finance income	2,158	300	20	11	2,178	311	1,964	312
Share of profit of associate	0	0	0	0	37	38	37	38
Profit/(loss) before tax	-5,099	-4,338	-4,588	-5,753	-10,668	-10,518	-11,338	-10,334
Income tax	-114	-723	0	0	-114	-723	-150	-800
Net profit/(loss) after tax	-5,213	-5,061	-4,588	-5,753	-10,782	-11,241	-11,488	-11,134
Cash Flow Statement Data:								
Net cash generated from operating activities	6,366	-512	-2,738	-6,691	3,628	-4,821	2,685	-4,173
Net cash used in investing activities	-9,418	-7,930	-3,998	-1,740	-13,416	-2,050	-8,381	-3,113
Net cash (used in)/generated from financing activities	52	5,983	5,000	10,000	5,052	5,982	-1,079	5,982
Balance Sheet Data:								
Total non current assets	417,514	445,679	33,357	43,821	409,976	412,915	434,921	411,915
Total current assets	100,068	45,547	5,319	8,734	57,712	48,430	64,512	47,429
Total shareholders' equity	154,254	126,795	22,264	41,907	123,247	92,108	167,961	108,801
Non current liabilities	303,106	329,653	10,164	252	306,717	329,905	292,541	311,083
Current liabilities	60,222	34,777	6,248	10,397	37,724	39,332	38,931	39,460
Total liabilities and shareholders' equity	517,583	491,225	38,676	52,555	467,688	461,345	499,432	459,344

Bité
YTD ended June 30

	Bité Lithuania		Bité Latvia		Bité Group		Bité Finance International Group Pro Forma	
	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>
	<i>(in thousands of Euros)</i>							
Income Statement:								
Revenues	95,982	102,808	7,228	9,911	97,359	107,214	97,297	106,536
Costs and Expenses	-95,668	-104,962	-16,147	-21,351	-107,602	-121,834	-111,992	-122,704
Operating profit/(loss)	314	-2,154	-8,919	-11,441	-10,243	-14,620	-14,695	-16,169
Finance costs	-11,526	-12,236	-168	-463	-11,585	-12,623	-11,105	-10,767
Finance income	2,374	863	40	16	2,414	863	2,547	865
Share of profit of associate	0	0	0	0	101	-42	101	-42
Profit/(loss) before tax	-8,838	-13,527	-9,047	-11,888	-19,314	-26,421	-23,152	-26,113
Income tax	-119	-768	0	0	-119	-768	-171	-917
Net profit/(loss) after tax	-8,957	-14,295	-9,047	-11,888	-19,432	-27,189	-23,323	-27,030
Cash Flow Statement Data:								
Net cash generated from operating activities	4,768	-1,137	-5,870	-12,443	3,882	-9,783	1,261	-8,147
Net cash used in investing activities	-460,073	-24,433	-7,159	-4,216	-467,232	5,055	-461,338	-6,008
Net cash (used in)/generated from financing activities	465,552	25,755	10,000	18,500	470,568	6,754	485,502	15,254
Balance Sheet Data:								
Total non current assets	417,514	445,679	33,357	43,821	409,976	412,915	434,921	411,915
Total current assets	100,068	45,547	5,319	8,734	57,712	48,430	64,512	47,429
Total shareholders' equity	154,254	126,795	22,264	41,907	123,247	92,108	167,961	108,801
Non current liabilities	303,106	329,653	10,164	252	306,717	329,905	292,541	311,083
Current liabilities	60,222	34,777	6,248	10,397	37,724	39,332	38,931	39,460
Total liabilities and shareholders' equity	517,583	491,225	38,676	52,555	467,688	461,345	499,432	459,344

The following table sets forth our reconciliation of net profit (loss) to EBITDA:

	Bité					
	Quarter ended June 30,					
	Bité Lithuania		Bité Latvia		Bité Finance International Group	
	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>
Pro Forma	Actuals	Actuals	Actuals	Pro Forma	Actuals	
<i>(in thousands of Euros)</i>						
Non-IFRS measures:						
Service Revenue	42,101	43,315	2,511	3,806	44,499	46,948
EBITDA	13,895	12,053	-3,621	-4,392	8,883	6,827
<i>EBITDA margin (total revenue)</i>	<i>27.7%</i>	<i>22.9%</i>	<i>-92.5%</i>	<i>-82.8%</i>	<i>17.4%</i>	<i>12.5%</i>
<i>EBITDA margin (Service revenue)</i>	<i>33.0%</i>	<i>27.8%</i>	<i>-144.2%</i>	<i>-115.4%</i>	<i>20.0%</i>	<i>14.5%</i>
Capital expenditures	5,038	4,965	3,998	4,536	9,036	9,501
EBITDA minus CAPEX	8,856	7,088	-7,619	-8,927	-153	-2,674
Net interest expenses					-6,653	-7,285
Total net debt					265,935	300,718

	Bité					
	Quarter ended June 30,					
	Bité Lithuania		Bité Latvia		Bité Finance International Group	
	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>
Pro Forma	Actuals	Actuals	Actuals	Pro Forma	Actuals	
<i>(in thousands of Euros)</i>						
Net profit (loss)	-5,213	-5,061	-4,588	-5,753	-11,488	-11,134
Depreciation and amortization costs	-13,802	-13,040	-858	-1,346	-15,426	-14,753
Income tax	-114	-723	0	0	-150	-800
Finance costs	-7,349	-3,653	-129	-26	-6,796	-2,758
Finance income	2,158	300	20	11	1,964	312
Share of profit of associate	0	0	0	0	37	38
EBITDA	13,895	12,053	-3,621	-4,392	8,883	6,827

The following table sets forth our reconciliation of net profit (loss) to EBITDA year to date:

	Bité				Bité Finance International Group Pro Forma	
	YTD ended June 30					
	Bité Lithuania		Bité Latvia		2007	2008
	2007	2008	2007	2008	2007	2008
	<i>(in thousands of Euros)</i>					
Non-IFRS measures:						
Service Revenue	80,144	84,909	4,338	7,012	84,284	91,603
EBITDA	25,579	24,206	-7,281	-8,908	13,486	13,591
<i>EBITDA margin (total revenue)</i>	<i>26.6%</i>	<i>23.5%</i>	<i>-100.7%</i>	<i>-89.9%</i>	<i>13.9%</i>	<i>12.8%</i>
<i>EBITDA margin (Service revenue)</i>	<i>31.9%</i>	<i>28.5%</i>	<i>-167.8%</i>	<i>-127.0%</i>	<i>16.0%</i>	<i>14.8%</i>
Capital expenditures	11,852	9,720	7,159	8,710	19,012	18,430
EBITDA minus CAPEX	13,727	14,486	-14,440	-17,619	-5,526	-4,839
Net interest expenses					-13,487	-14,738
Total net debt					265,935	300,718

	Bité				Bité Finance International Group Pro Forma	
	YTD ended June 30					
	Bité Lithuania		Bité Latvia		2007	2008
	2007	2008	2007	2008	2007	2008
	<i>(in thousands of Euros)</i>					
Net profit (loss)	-8,957	-14,295	-9,047	-11,888	-23,323	-27,030
Depreciation and amortization costs	-25,265	-26,360	-1,638	-2,532	-28,181	-29,760
Income tax	-119	-768	0	0	-171	-917
Finance costs	-11,526	-12,218	-168	-463	-11,105	-10,767
Finance income	2,374	846	40	16	2,547	865
Share of profit of associate	0	0	0	0	101	-42
EBITDA	25,579	24,206	-7,281	-8,908	13,486	13,591

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED JUNE, 30

The following discussion and analysis should be read together with the financial statements, including the accompanying notes, included elsewhere in this Quarterly Report. The financial statements and the accompanying notes have been prepared in accordance with IFRS.

Bité Finance International B.V. Group consists of four companies: Bité Finance International B.V., SIA EECF Bella FinCo, UAB Bité Lietuva and SIA Bité Latvija. Of these, two, Bité Lithuania and Bité Latvia are engaged in providing telecommunication services, thus further operating and financial review is made for Bité Lithuania and Bité Latvia and the consolidated Bité Group consisting of Bité Lithuania and Bité Latvia.

As at 1 August 2007, EECF Bella SPV, UAB has merged with its subsidiary Bité Lietuva, UAB. For analysis purposes pro forma financial information for year 2007 gives effect as if merger transaction had occurred at the date of acquisition, i.e. February 9, 2007.

Operational Overview

For the quarter ended June 30, 2008, the Company had consolidated revenues and other income of € 54.7 million and consolidated EBITDA of € 6.8 million. On a stand alone basis and before inter-company eliminations, Bité Lithuania had € 52.6 million of revenues and other income and € 12.1 million of EBITDA, and Bité Latvia had € 5.3 million of revenues and negative € 4.4 million of EBITDA.

For the year to date ended June 30, 2008, the Company had consolidated revenues and other income of € 106.5 million and consolidated EBITDA of € 13.6 million. On a stand alone basis and before inter-company eliminations year to date June, Bité Lithuania had € 102.8 million of revenues and other income and € 24.2 million of EBITDA, and Bité Latvia had € 9.9 million of revenues and negative € 8.9 million of EBITDA.

Key Factors Affecting Our Results of Operation

Our revenues are principally impacted by our average number of subscribers and ARPU, which is determined primarily by the traffic volume generated by our customers and the tariffs that we charge for our services.

Our Subscriber Base¹

The total subscriber base has fallen in the quarter as we continued to focus on revenue market share. Increase in the postpaid customer base was offset by a decrease in the prepaid customer base. In Lithuania this reduction is due to aggressive prepaid

¹ All subscriber figures and indicators are based on retail subscribers. The subscriber figures for postpaid is closing base of subscribers end of period. The subscriber figures for prepaid is subscribers that have been active within the last three month period.

campaigning from the competition which has led to higher prepaid churn across the entire market. In Latvia we have launched a new prepaid brand “BiFri” at the beginning of April and during the quarter attracted approximately 30,000 new prepaid customers.

The postpaid subscriber base growth in both Lithuania and Latvia has contributed to our improved service revenue. From June 30, 2007 we have increased our total postpaid customer base by almost 62,400 customers from 411,292 to 454,550 in Lithuania and from 26,552 to 45,691 in Latvia. The growth averaged approximately 5,200 new subscribers per month during the period analyzed.

Our subscriber growth over the year is summarized in the chart below.

	Bité Lithuania		Bité Latvia		Bité Group	
	Q2 ended June 30,		Q2 ended June 30,		Q2 ended June 30,	
	2007	2008	2007	2008	2007	2008
Total subscribers at beginning of period	1,150,921	1,022,373	127,848	81,117	1,278,769	1,103,490
<u>Gross Additions</u>						
Postpaid	21,793	26,218	7,281	10,243	29,074	36,461
Prepaid	127,219	95,876	39,251	29,682	166,470	125,558
Total gross additions	149,012	122,094	46,532	39,925	195,544	162,019
<u>Net Additions</u>						
Postpaid	8,364	11,588	5,029	4,488	13,393	16,076
Prepaid	-67,442	-14,260	-12,364	13,849	-79,806	-411
Total net additions	-59,078	-2,672	-7,335	18,337	-66,413	15,665
<u>Subscribers end of period</u>						
Postpaid	411,292	454,550	26,552	45,691	437,844	500,241
Prepaid	680,551	565,151	93,961	53,763	774,512	618,914
Total subscribers at end of period	1,091,843	1,019,701	120,513	99,454	1,212,356	1,119,155
<u>Growth Rate</u>						
<u>Subscribers</u>						
Postpaid	10.3%	10.5%	231.6%	72.1%	15.0%	14.3%
Prepaid	-16.7%	-17.0%	177.3%	-42.8%	-9.0%	-20.1%
Total subscribers	-8.3%	-6.6%	187.7%	-17.5%	-1.6%	-7.7%

	Bité Lithuania		Bité Latvia		Bité Group	
	YTD ended June 30, 2007	2008	YTD ended June 30, 2007	2008	YTD ended June 30, 2007	2008
Total subscribers at beginning of period	1.187.475	1.024.369	102.922	83.522	1.290.397	1.107.891
<u>Gross Additions</u>						
Postpaid	46,217	48,567	15,266	20,824	61,483	69,391
Prepaid	285,210	196,274	88,726	41,974	373,936	238,248
Total gross additions	331,427	244,841	103,992	62,798	435,419	307,639
<u>Net Additions</u>						
Postpaid	20,665	19,162	7,821	9,208	28,486	28,370
Prepaid	-116,297	-23,830	9,770	6,724	-106,527	-17,106
Total net additions	-95,632	-4,668	17,591	15,932	-78,041	11,264
<u>Subscribers end of period</u>						
Postpaid	411,292	454,550	26,552	45,691	437,844	500,241
Prepaid	680,551	565,151	93,961	53,763	774,512	618,914
Total subscribers at end of period	1,091,843	1,019,701	120,513	99,454	1,212,356	1,119,155
<u>Growth Rate</u>						
Subscribers						
Postpaid	10.3%	10.5%	231.6%	72.1%	15.0%	14.3%
Prepaid	-16.7%	-17.0%	177.3%	-42.8%	-9.0%	-20.1%
Total subscribers	-8.3%	-6.6%	187.7%	-17.5%	-1.6%	-7.7%

Average Revenue per User (ARPU)²

The table below sets forth our ARPU for the second quarter of 2008 and 2007.

	Bité Lithuania		Bité Latvia		Bité Group	
	Q2 ended June 30, 2007	2008	Q2 ended June 30, 2007	2008	Q2 ended June 30, 2007	2008
ARPU³						
Postpaid	21.74	20.97	19.34	21.04	21.55	20,91
Prepaid	4.00	5.03	2.09	2.72	3.76	4,85
Blended ARPU ¹	10.44	12.04	5.43	11.54	9.92	11,96

(1) We define Blended ARPU as being the weighted average of our prepaid ARPU and postpaid ARPU.

² Average revenue per user, or ARPU, is the measure of total service revenues for a given period, divided by the number of months in that period, and divided again by that period's average total subscribers. In calculating ARPU, total service revenues include postpaid voice and mobile data revenue, prepaid voice and mobile data revenue, outbound roaming revenue, less activation.

³ ARPU for the quarter ended June 30, 2007 gives effect as if a new loyalty points accounting policy has been applied from January 1, 2007.

ARPU of Bité

Blended ARPU of Bité Group was € 11.96 for Q2 of 2008, an increase of 20.6 % as compared with a blended ARPU of € 9.92 in Q2 of 2007.

ARPU of Bité Lithuania and Bité Latvia

Blended ARPU of Bité Lithuania was € 12.04 for Q2 of 2008, an increase of 15.3 % as compared with a blended ARPU of € 10.44 in Q2 of 2007. This increase is due to higher prepaid revenue combined with a lower prepaid customer number, giving a prepaid ARPU increase of 25.8 %. Postpaid ARPU decreased by 3.5 % due to higher share of low ARPU customers connected during the fourth quarter of 2007 and the first quarter of 2008.

Blended ARPU of Bité Latvia was € 11.54 for Q2 of 2008, an increase of 112.4 % as compared with a blended ARPU of € 5.43 in Q2 of 2007. This increase was due to higher share of postpaid customers with higher number of data customers in the base as well as higher prepaid ARPU due to successful launch of new prepaid brand “BiFri”.

The table below sets forth our ARPU for the first two quarters of 2008 and 2007.

	Bité Lithuania		Bité Latvia		Bité Group	
	YTD ended June 30		YTD ended June 30		YTD ended June 30	
	2007	2008	2007	2008	2007	2008
ARPU						
Postpaid	20,65	20,55	19,31	20,40	20,54	20,49
Prepaid	3,81	5,08	1,60	2,53	3,56	4,87
Blended ARPU	9,73	11,81	5,19	10,56	9,31	11,69

ARPU of Bité

Blended ARPU of Bité Group was € 11.96 for the first two quarters of 2008, an increase of 25.5 % as compared with a blended ARPU of € 9.31 in the first two quarters of 2007.

ARPU of Bité Lithuania and Bité Latvia

Blended ARPU of Bité Lithuania was € 11.81 for the first two quarters of 2008, an increase of 21.4 % as compared with a blended ARPU of € 9.73 in the first two quarters of 2007. This increase is due to higher prepaid revenue combined with a lower prepaid customer number, giving a prepaid ARPU increase of 33.4 %.

Blended ARPU of Bité Latvia was € 10.56 for the first two quarters of 2008, an increase of 103.3 % as compared with a blended ARPU of € 5.19 in the first two quarters of 2007. This increase was due to higher ARPU in both postpaid and prepaid combined with a higher share of postpaid customers.

Our Traffic volume

Traffic volume for a given period measures the number of minutes of use for calls over our network for the period. The table below sets forth selected traffic data for the second quarter of 2008 and 2007:

	Bité Lithuania		Bité Latvia		Bité Group	
	Q2 ended June 30,		Q2 ended June 30,		Q2 ended June 30,	
	2007	2008	2007	2008	2007	2008
AMOU⁽¹⁾						
Postpaid	341	325	204	215	334	315
Prepaid	83	128	37	95	77	125
Blended AMOU ⁽²⁾	177	214	69	153	166	209

(1) AMOU, or average minutes of use, is defined as total traffic minutes for the applicable period (total outgoing and incoming minutes for the retail businesses) divided by the total number of average subscribers (relating to retail businesses) for the applicable period, divided by number of months in the period.

(2) We define Blended AMOU as being the weighted average of our prepaid AMOU and postpaid AMOU.

AMOU of Bité Lithuania

Our prepaid AMOU for the Q2 of 2008 was 128, an increase of 53.5 % from 83 for the Q2 of 2007. The increase in prepaid AMOU was driven by on-net usage stimulation campaigns in Q2 of 2008.

Our postpaid AMOU for the Q2 of 2008 was 325, a decrease of 5.0 % from 341 for the Q2 of 2007. This decrease is mainly due to higher share of mobile internet subscribers with no MOU and lower usage of postpaid business customers.

AMOU of Bité Latvia

Our prepaid AMOU for the Q2 of 2008 was 95, an increase of 158.5 % from 37 for the Q2 of 2007. The increase in prepaid AMOU is mainly due to successful launch of “BiFri” brand and by fewer non-active customers in the base.

Our postpaid AMOU for the Q2 of 2008 was 215, an increase of 5.5 % from 204 for the Q2 of 2007. This increase was mainly due to a higher proportion of postpaid business customers in the base.

The table below sets forth selected traffic data for the first two quarters of 2008 and 2007:

	Bité Lithuania		Bité Latvia		Bité Group	
	YTD ended June 30		YTD ended June 30		YTD ended June 30	
	2007	2008	2007	2008	2007	2008
AMOU⁽¹⁾						
Postpaid	341	316	202	201	333	306
Prepaid	67	117	32	64	63	113
Blended AMOU ⁽²⁾	163	203	66	125	155	197

AMOU of Bité Lithuania

Our prepaid AMOU for the first two quarters of 2008 was 117, an increase of 74.3 % from 67 for the first two quarters of 2007. The increase in prepaid AMOU was driven by on-net usage stimulation campaigns in Q2 Y2007 and by fewer non-active customers in the base.

Our postpaid AMOU for the first two quarters of 2008 was 316, a decrease of 7.3 % from 341 for the first two quarters of 2007. This decrease is mainly due to higher share of mobile internet subscribers and lower usage of postpaid business customers.

AMOU of Bité Latvia

Our prepaid AMOU for the first two quarters of 2008 was 64, an increase of 100.1 % from 32 for the first two quarters of 2007. The increase in prepaid AMOU is mainly due to successful launch of “BiFri” prepaid brand at the beginning of the second quarter and by fewer non-active customers in the base.

Our postpaid AMOU for the first two quarters of 2008 was 201, a decrease of 0.3 % from 202 for the first two quarters of 2007. Stabilization in AMOU is due to higher share of mobile internet subscribers with no voice usage in the base offset by higher AMOU for business customers.

Churn

Our churn rate — the measure by which we track mobile subscriber disconnections— also affects the growth of our subscriber base. Subscriber disconnections can occur on a voluntary basis, when subscribers switch to competing service providers or involuntary, when a subscriber is terminated by Bité.

	Bité Lithuania		Bité Latvia		Bité Group	
	Q2 ended June 30, 2007	Q2 ended June 30, 2008	Q2 ended June 30, 2007	Q2 ended June 30, 2008	Q2 ended June 30, 2007	Q2 ended June 30, 2008
Churn						
Postpaid	3,8%	3,7%	9,4%	13,2%	4,1%	4,5%
Prepaid	27,0%	19,0%	51,5%	33,8%	30,0%	20,1%
Blended ⁽¹⁾	18,6%	12,3%	43,4%	23,9%	21,0%	13,2%

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- (1) Our total churn rate is the weighted average of our prepaid churn rate and postpaid churn rate over the period, based on weighted number of average prepaid and postpaid subscribers. Prepaid and postpaid churn are each calculated by dividing the respective prepaid or postpaid total number of subscriber disconnections for the period by the average number of prepaid or postpaid subscribers for the period. The average number of subscribers for the period is calculated by taking the average of each month's average number of prepaid or postpaid subscribers (calculated as the average of the total number of subscribers at month-end and the total number of subscribers at the end of the previous month) during the period.

Churn of Bité Lithuania

Postpaid churn decreased slightly in the second quarter of 2008 as compared to the second quarter of previous year due to further improvement in loyalty activities.

Prepaid churn decreased compared to Q2 of 2007 due to a general clean up of the base in previous quarters.

Churn of Bité Latvia

Postpaid churn increased in the second quarter of 2008 as compared to the second quarter of the previous year, but remains at the same level compared with last four quarters. Last year in Q2 the number of disconnections was lower due to higher number of reconnected customers. As quarterly churn rate in the first quarter on 2007 exceeded 25%, part of those customers have paid their bills and were reconnected during the second quarter of 2007.

Prepaid churn decreased compared to Q2 of 2007 due to high number of disconnections of “Toxic” customers in the second quarter of 2007, which was impacted by the termination of free-reload campaign in one of the biggest retail chains in Latvia at the beginning of the second quarter of 2007.

	Bité Lithuania		Bité Latvia		Bité Group	
	YTD ended June 30		YTD ended June 30		YTD ended June 30	
	2007	2008	2007	2008	2007	2008
Churn						
Postpaid	7,5%	7,3%	32,9%	28,3%	8,9%	9,1%
Prepaid	53,7%	37,7%	88,6%	69,9%	57,5%	40,3%
Blended ⁽¹⁾	37,5%	24,5%	77,3%	51,2%	41,0%	26,7%

Churn of Bité Lithuania

Postpaid churn decreased in the first two quarters of 2008 as compared to the first two quarters of previous year due to further improvement in loyalty activities.

Prepaid churn decreased compared to the first two quarters of 2008 due to a general clean up of the base in the previous quarters.

Churn of Bité Latvia

Postpaid churn decreased in the first two quarters of 2008 as compared to the first two quarters of the previous year due to tightened credit control procedures and better payment collection.

Prepaid churn decreased in the first two quarters of 2008 as compared to the first two quarters of 2007 due to high number of disconnections of “Toxic” customers in the second quarter of 2007, which was impacted by the termination of free-reload campaign in one of the biggest retail chains in Latvia at the beginning of the second quarter of 2007.

Subscriber Acquisition Cost (SAC)

Subscriber acquisition costs reflect certain costs Bité Group incurs when signing up a new subscriber. We define postpaid SAC to include commissions paid to dealers for a

new customer subscription as well as handset subsidy costs which are the result of selling a handset at a price below its purchase cost to entice a new customer to subscribe to our services. Our Prepaid SAC for the second quarter and year to date of year 2007 includes SIM costs and dealer commissions for SIMs and reloads sold, and our Prepaid SAC for the second quarter and year to date of 2008 includes SIM costs and dealer commissions for SIMs sold only.

The table below shows Bité Lithuania and Bité Latvia SAC figures for the second quarter of 2008 and 2007:

	Bité Lithuania		Bité Latvia		Bité Group	
	Q2 ended June 30, 2007	2008	Q2 ended June 30, 2007	2008	Q2 ended June 30, 2007	2008
SAC						
Postpaid	135.4	140.4	131.4	123.8	134.4	135.7
Prepaid	4.6	0.7	3.2	2.0	4.2	1.0

SAC of Bité Lithuania

Postpaid SAC for Bité Lithuania has increased by 3.7 % from € 135.4 to € 140.4 per gross connection. This increase was mainly driven by higher dealer commissions for value added services.

SAC of Bité Latvia

Postpaid SAC for Bité Latvia has decreased by 5.8 % from € 131.4 to € 123.8 per gross connection. This decrease was mainly due to lower average subsidy for business customers.

The table below shows Bité Lithuania and Bité Latvia SAC figures for the first two quarters of 2008 and 2007:

	Bité Lithuania		Bité Latvia		Bité Group	
	YTD ended June 30 2007	2008	YTD ended June 30 2007	2008	YTD ended June 30 2007	2008
SAC						
Postpaid	129.8	146.1	133.0	118.3	130.6	137.7
Prepaid	4.4	0.6	2.8	2.8	4.0	1.0

SAC of Bité Lithuania

Postpaid SAC for Bité Lithuania has increased by 12.5 % from € 129.8 to € 146.1 per gross connection. This increase was mainly driven by higher dealer commissions for value added services.

SAC of Bité Latvia

Postpaid SAC for Bité Latvia has decreased by 11.0 % from € 133.0 to € 118.3 per gross connection. This decrease was mainly driven by acquiring subscribers from one of the Service Providers with lower than average handset subsidies in the first quarter

of 2007. These subscribers have effectively moved from wholesale customers to retail customers.

Results of Operations

The financial data in the following table is derived from our unaudited financial statements and sets forth certain profit and loss account items for the second quarter of 2008 and 2007.

	Bité Lithuania unconsolidated stand alone		Bité Latvia unconsolidated stand alone		Bité Group consolidated	
	Q2 ended June 30, 2007 Pro Forma	2008 Actual	Q2 ended June 30, 2007 Actual	2008 Actual	Q2 ended June 30, 2007 Pro Forma	2008 Actual
	<i>(€ in thousands)</i>					
Postpaid services revenue	26,632	28,262	1,404	2,751	27,971	30,914
Prepaid services revenue	8,715	8,751	628	385	9,330	9,126
Wholesale revenue	3,182	3,268	211	135	3,389	3,399
Other service revenue	3,572	3,033	268	535	3,809	3,511
Total Service Revenue	42,101	43,315	2,511	3,806	44,499	46,948
Handsets revenue	3,784	4,475	1,076	1,129	4,860	5,604
Other revenue and income	4,322	4,762	330	370	1,784	2,464
Total Revenue and other income	50,207	52,551	3,917	5,305	51,143	55,016
Interconnect & roaming costs	-15,206	-16,284	-1,412	-1,785	-16,184	-17,396
Sales & Marketing cost	-6,933	-7,662	-2,311	-3,507	-9,244	-11,170
Network Operations cost	-2,469	-2,854	-697	-929	-3,166	-3,782
Other expenses	-11,704	-13,699	-3,118	-3,476	-12,609	-15,106
Total expenses	-36,312	-40,498	-7,538	-9,697	-41,203	-47,453
EBITDA	13,895	12,053	-3,621	-4,392	9,940	7,563
<i>EBITDA margin (% of service revenue)</i>	33%	28%	-144%	-115%	22%	16%
Depreciation and amortization costs	-13,802	-13,040	-858	-1,346	-15,426	-14,753
Operating profit/(loss)	93	-986	-4,479	-5,738	-5,486	-7,190
Finance costs	-7,349	-8,294	-129	-26	-7,397	-8,337
Finance income	2,158	4,941	20	11	2,178	4,970
Share of profit of associate	0	0	0	0	37	38
Profit/(loss) before tax	-5,099	-4,338	-4,588	-5,753	-10,668	-10,520
Income tax	-114	-723	0	0	-114	-723
Net profit/(loss)	-5,213	-5,061	-4,588	-5,753	-10,782	-11,243

Quarter Ended June 30, 2008 Compared with Quarter Ended June 30, 2007

Revenues

Service revenues generated by Bité Group increased by € 2,449 thousand, or 5.5 %, to € 46,948 thousand for Q2 of 2008 compared to € 44,499 thousand for the Q2 of 2007. Total revenues generated by Bité Group increased by € 3,873 thousand, or 7.6 %, to € 55,016 thousand for Q2 of 2008 compared to € 51,143 thousand for the Q2 of 2007.

Service revenues generated by Bité Lithuania increased by € 1,214 thousand, or 2.9 %, to € 43,315 thousand for Q2 of 2008 compared to € 42,101 thousand for the Q2 of 2007. Total revenues generated by Bité Lithuania increased by € 2,345 thousand, or 4.7 %, to € 52,551 thousand for the quarter ended June 30, 2008 compared to € 50,207 thousand for the quarter ended June 30, 2007.

Service revenues generated by Bité Latvia increased by € 1,295 thousand, or 51.6 %, to € 3,806 thousand for Q2 of 2008 compared to € 2,511 thousand for the Q2 of 2007. Total revenues generated by Bité Latvia increased by € 1,389 thousand, or 35.5 %, to € 5,305 thousand for the quarter ended June, 2008 compared to € 3,917 thousand for the quarter ended June 30, 2007.

Postpaid service revenue

Postpaid service revenue generated by Bité Group increased by € 2,943 thousand, or 10.5 %, to € 30,914 thousand for the Q2 of 2008 compared to € 27,971 thousand for the Q2 of 2007.

Postpaid service revenue generated by Bité Lithuania increased by € 1,630 thousand, or 6.1 %, to € 28,262 thousand for Q2 of 2008 compared to € 26,632 thousand for the Q2 of 2007. Postpaid revenue increase was driven by more than 40,000 additional postpaid customers.

Postpaid service revenue generated by Bité Latvia increased by € 1,347 thousand, or 96.0 % to € 2,751 thousand for the Q2 of 2008 compared to € 1,404 thousand for the Q2 of 2007. This increase was largely due to an increase of 19,139 in the postpaid customer base.

Prepaid service revenue

Prepaid service revenue generated by Bité Group decreased by € 205 thousand, or 2.2 %, to € 9,126 thousand for the Q2 of 2008 compared to € 9,330 thousand for the Q2 of 2007.

Prepaid service revenue generated by Bité Lithuania increased by € 36 thousand, or 0.4 %, to € 8,751 thousand for the Q2 of 2008 compared to € 8,715 thousand for the Q2 of 2007. Decrease in prepaid customer base was fully offset by higher prepaid ARPU.

Prepaid service revenue generated by Bité Latvia decreased by € 243 thousand, or 38.7 %, to € 385 thousand for the Q2 of 2008 compared to € 628 thousand for the Q2 of 2007. During Q1 of 2007 we had a customer acquisition campaign through one of the biggest retail channels in Latvia, where we have distributed free reloads to the customers.

Wholesale revenue

Wholesale revenue generated by Bité Group increased by € 9 thousand, or 0.3 %, to € 3,399 thousand for the Q2 of 2008 compared to € 3,389 thousand for the Q2 of 2007.

Wholesale revenue generated by Bité Lithuania increased by € 86 thousand, or 2.7 %, to € 3,268 thousand for the Q2 of 2008 compared to € 3,182 thousand for the Q2 of 2007. This increase was driven by a higher service provider postpaid customer base.

Wholesale revenue generated by Bité Latvia decreased by € 76 thousand, or 36.2 %, to € 135 thousand for the Q2 of 2008 compared to € 211 thousand for the Q2 of 2007 due to acquisition of one of the Service Providers in the first quarter of 2008.

Other service revenue

Other service revenue generated by Bité Group decreased by € 298 thousand, or 7.8 %, to € 3,511 thousand for the Q2 of 2008 compared to € 3,809 thousand for the Q2 of 2007.

Other service revenue generated by Bité Lithuania decreased by € 538 thousand, or 15.1 %, to € 3,033 thousand for the Q2 of 2008 compared to € 3,572 thousand for the Q2 of 2007. This was largely a result of the EU regulation which came into effect at the end of August, 2007, mandating a decrease of roaming tariffs. This has resulted in the aforementioned decrease in revenue.

Other service revenue generated by Bité Latvia increased by € 267 thousand, or 99.9 %, to € 535 thousand for the Q2 of 2008 from 268 thousand for the Q2 of 2007. Roaming regulation in Latvia was offset by a higher number of roaming agreements which drove an increase in inbound roaming revenue.

Handsets revenue

Handsets revenue generated by Bité Group increased by € 744 thousand, or 15.3 %, to € 5,604 thousand for the Q2 of 2008 compared to € 4,860 thousand for the Q2 of 2007.

Handsets revenue generated by Bité Lithuania increased by € 691 thousand, or 18.3 %, to € 4,475 thousand for the Q2 of 2008 compared to € 3,784 thousand for the Q2 of 2007. This increase was largely due to higher number of gross additions with handset subsidies.

Handsets revenue generated by Bité Latvia increased by € 53 thousand, or 4.9 %, to € 1,129 thousand for the Q2 of 2008 compared to € 1,076 thousand for the Q2 of 2007. This increase was due to higher number of gross connections with handset subsidies.

Other revenues and income

Other revenues and income generated by Bité Group increased by € 680 thousand, or 38.1 %, to € 2,464 thousand for the Q2 of 2008 compared to € 1,784 thousand for the Q2 of 2007.

Other revenues generated by Bité Lithuania increased by € 440 thousand, or 10.2 %, to € 4,762 thousand for the Q2 of 2008 compared to € 4,322 thousand for the Q2 of 2007. Other revenues are higher due to higher transit revenue and dividends received from Bite Lithuania associated company “Spainetos Prekybos Sistema”, UAB.

Other revenues generated by Bité Latvia increased by € 40 thousand, or 12.3 %, to € 370 thousand for the Q2 of 2008 compared to € 330 thousand for the Q2 of 2007. Other revenues are higher due to higher transit revenues.

Costs and Expenses

Costs and expenses of Bité Group increased by € 6,250 thousand, or 15.2 %, to € 47,453 thousand for the Q2 of 2008 compared to € 41,203 thousand for the Q2 of 2007.

Costs and expenses of Bité Lithuania increased by € 4,186 thousand, or 11.5 %, to € 40,498 thousand for the Q2 of 2008 compared to € 36,312 thousand for the Q2 of 2007.

Costs and expenses of Bité Latvia increased by € 2,159 thousand, or 28.6 %, to € 9,697 thousand for the Q2 of 2008 compared to € 7,538 thousand for the Q2 of 2007.

Interconnect and roaming costs

Interconnect and roaming costs of Bité Group increased by € 1,212 thousand, or 7.5 %, to € 17,396 thousand for the Q2 of 2008 compared to € 16,184 thousand for the Q2 of 2007.

Interconnect and roaming costs of Bité Lithuania increased by € 1,078 thousand, or 7.1 %, to € 16,284 thousand for the Q2 of 2008 compared to € 15,206 thousand for the Q2 of 2007. This increase was driven by higher number of postpaid customers and higher share of off-net calls.

Interconnect and roaming costs of Bité Latvia increased by € 373 thousand, or 26.4 %, to € 1,785 thousand for the Q2 of 2008 compared to € 1,412 thousand for the Q2 of 2007. This increase was largely due to a higher postpaid customer base.

Sales and Marketing Costs

Sales and marketing costs of Bité Group increased by € 1,926 thousand, or 20.8 %, to € 11,170 thousand for the Q2 of 2008 compared to € 9,244 thousand for Q2 of 2007.

Sales and marketing costs of Bité Lithuania increased by € 729 thousand, or 10.5 %, to € 7,662 thousand for the Q2 of 2008 compared to € 6,933 thousand for the Q2 of 2007. This increase was mainly due to number of gross connections and prolongations with handset subsidies.

Sales and marketing costs of Bité Latvia increased by € 1,197 thousand, or 51.8 %, to € 3,507 thousand for the Q2 of 2008 compared to € 2,311 thousand for the Q2 of 2007. This increase was largely due to higher advertising expenses for prepaid activities.

Network operations cost

Network operation costs of Bité Group increased by € 616 thousand, or 19.5 %, to € 3,782 thousand for the Q2 of 2008 compared to € 3,166 thousand for the Q2 of 2007.

Network operations costs of Bité Lithuania increased by € 385 thousand, or 15.6 %, to € 2,854 thousand for the Q2 of 2008 compared to € 2,469 thousand for the Q2 of 2007. This increase was largely due to higher frequency charges and 3G related support fees.

Network operations costs of Bité Latvia increased by € 231 thousand, or 33.2 %, to € 929 thousand for the Q2 of 2008 compared to € 697 thousand for the Q2 of 2007. This increase was mainly due to a higher network rollout.

Other Costs and Expenses

Other costs and expenses of Bité Group increased by € 2,497 thousand, or 19.8 %, to € 15,106 thousand for the Q2 of 2008 compared to € 12,609 thousand for the Q2 of 2007.

Other costs and expenses of Bité Lithuania increased by € 1,995 thousand, or 17.0 %, to € 13,699 thousand for the Q2 of 2008 compared to € 11,704 thousand for the Q2 of 2007. This increase was largely due to an increase in employee cost stemming from the average salary increase as well as higher support fees for billing and other IT systems.

Other costs and expenses of Bité Latvia increased by € 358 thousand, or 11.5 %, to € 3,476 thousand for the Q2 of 2008 compared to € 3,118 thousand for the Q2 of 2007. This increase was largely due to a higher number of employees in Latvia to support business growth.

Depreciation and Amortization Costs

Depreciation and amortization costs of Bité Group decreased by € 674 thousand, or 4.4 %, to € 14,753 thousand for the Q2 of 2008 compared to € 15,426 thousand for the Q2 of 2007.

Depreciation and amortization costs of Bité Lithuania decreased by € 762 thousand, or 5.5 %, to € 13,040 thousand for the Q2 of 2008 compared to € 13,802 thousand for the Q2 of 2007.

Depreciation and amortization costs of Bité Latvia increased by € 488 thousand, or 56.9 %, to € 1,346 thousand for the Q2 of 2008 compared to € 858 thousand for the Q2 of 2007. This increase was largely due to investments in 2G and 3G network rollout.

Operating Profit/ (Loss)

Operating loss of Bité Group increased by € 1,704 thousand, or 31.1 %, to € 7,190 thousand for the Q2 of 2008 compared to € 5,486 thousand for the Q2 of 2007.

Operating profit of Bité Lithuania decreased by € 1,079 thousand to a loss of € 986 thousand for the Q2 of 2008 compared to a profit of € 93 thousand for the Q2 of 2007.

Operating loss of Bité Latvia increased by € 1,259 thousand, or 28.1 %, to € 5,738 thousand for the Q2 of 2008 compared to € 4,479 thousand for the Q2 of 2007.

Finance Costs and Finance Income

Finance Costs

Finance costs of Bité Group increased by € 940 thousand to € 8,337 thousand for the Q2 of 2008 compared to € 7,397 thousand for the Q2 of 2007.

Finance costs of Bité Lithuania increased by € 944 thousand to € 8,294 thousand for the Q2 of 2008 compared to € 7,349 thousand for the Q2 of 2007 due to higher EURIBOR and higher debt by € 14 million.

Finance costs of Bité Latvia decreased by € 103 thousand to € 26 thousand for the Q2 of 2008 compared to € 129 thousand for the Q2 of 2007.

Finance Income

Finance income of Bité Group increased by € 2,791 thousand to € 4,970 thousand for the Q2 of 2008 compared to € 2,178 thousand for the Q2 of 2007 due to unrealized gain on interest rate collar.

Finance income of Bité Lithuania increased by € 2,784 thousand to € 4,941 thousand for the Q2 of 2008 compared to € 2,158 thousand for the Q2 of 2007.

Finance income of Bité Latvia decreased by € 9 thousand, or 46.4 %, to € 11 thousand for the Q2 of 2008 compared to € 20 thousand for the Q2 of 2007.

Share of profit of associate⁴

The share of profit of associate increased by € 1 thousand to € 38 thousand for the Q2 of 2008 compared to € 37 thousand for the Q2 of 2007.

Profit/ (Loss) before tax

Loss of Bité Group decreased by € 149 thousand to € 10,520 thousand for the Q2 of 2008 compared to € 10,668 thousand for the Q2 of 2007.

Loss of Bité Lithuania decreased by € 760 thousand to € 4,338 thousand for the Q2 of 2008 compared to € 5,099 thousand for the Q2 of 2007.

Loss of Bité Latvia increased by € 1,166 thousand, or 25.4 %, to € 5,753 thousand for the Q2 of 2008 compared to € 4,588 thousand for the Q2 of 2007.

Income tax

Income tax of Bité Lithuania increased by € 609 thousand to € 723 thousand for the Q2 of 2008 compared to € 114 thousand for the Q2 of 2007.

Net Profit/ (Loss)

Net loss of Bité Group increased by € 460 thousand to € 11,243 thousand for the Q2, 2008 compared to € 10,782 thousand for the Q2 of 2007.

Net loss of Bité Lithuania decreased by € 151 thousand to € 5,061 thousand for the Q2 of 2008 compared to € 5,213 thousand for the Q2 of 2007.

Net loss of Bité Latvia increased by € 1,166 thousand, or 25.4 %, to € 5,753 thousand for the Q2 of 2008 compared to € 4,588 thousand for the Q2 of 2007.

⁴ The associate company is our largest dealer Spainetos Prekybos Sistema UAB (SPS). Bité Lithuania owns 35% of SPS.

Results of Operations

The financial data in the following table sets forth certain profit and loss account items for the first two quarters of 2007 and 2008 and is derived from our unaudited financial statements.

	Bité Lithuania		Bité Latvia		Bité Group	
	unconsolidated stand alone		unconsolidated stand alone		consolidated	
	YTD ended June 30,		YTD ended June 30,		YTD ended June 30,	
	2007	2008	2007	2008	2007	2008
	(€ in millions)					
Postpaid services revenue	49,841	54,919	2,643	5,049	52,386	59,759
Prepaid services revenue	17,082	17,816	857	765	17,915	18,561
Wholesale revenue	6,276	6,436	415	339	6,686	6,766
Other service revenue	6,944	5,739	422	859	7,297	6,518
Total Service Revenue	80,144	84,909	4,338	7,012	84,284	91,603
Handsets revenue	7,152	8,564	2,226	2,317	9,378	10,881
Other revenue and income	8,687	9,335	664	582	3,698	4,728
Total Revenue and other income	95,982	102,808	7,228	9,911	97,359	107,212
Interconnect & roaming costs	-29,174	-31,158	-2,464	-2,942	-30,669	-32,989
Sales & Marketing cost	-12,970	-15,179	-4,319	-6,915	-17,289	-22,094
Network Operations cost	-4,730	-5,505	-1,408	-1,771	-6,138	-7,275
Other expenses	-23,529	-26,760	-6,319	-7,191	-25,325	-29,715
Total expenses	-70,403	-78,603	-14,509	-18,819	-79,421	-92,074
EBITDA	25,579	24,206	-7,281	-8,908	17,938	15,139
<i>EBITDA margin (% of service revenue)</i>	32%	29%	-168%	-127%	21%	17%
Depreciation and amortization costs	-25,265	-26,360	-1,638	-2,532	-28,181	-29,759
Operating profit/(loss)	314	-2,154	-8,919	-11,441	-10,243	-14,621
Finance costs	-11,526	-16,408	-168	-463	-11,585	-16,813
Finance income	2,374	5,036	40	16	2,414	5,053
Share of profit of associate	0	0	0	0	101	-42
Profit/(loss) before tax	-8,838	-13,527	-9,047	-11,888	-19,314	-26,422
Income tax	-119	-768	0	0	-119	-768
Net profit/(loss)	-8,957	-14,295	-9,047	-11,888	-19,432	-27,190

Year to Date Ended June 30, 2007 Compared with Year to Date Ended June 30, 2008

Revenues

Service revenues generated by Bité Group increased by € 7,320 thousand, or 8.7 %, to € 91,603 thousand for the first two quarters of 2008 compared to € 84,284 thousand for the first two quarters of 2007. Total revenues generated by Bité Group increased by € 9,853 thousand, or 10.1 %, to € 107,212 thousand for the first two quarters of 2008 compared to € 97,359 thousand for the first two quarters of 2007.

Service revenues generated by Bité Lithuania increased by € 4,765 thousand, or 5.9 %, to € 84,909 thousand for the first two quarters of 2008 compared to € 80,144 thousand for the first two quarters of 2007. Total revenues generated by Bité Lithuania increased by € 6,826 thousand, or 7.1 %, to € 102,808 thousand for the year to date ended June 30, 2008 compared to € 95,982 thousand for the year to date ended June 30, 2007.

Service revenues generated by Bité Latvia increased by € 2,674 thousand, or 61.6 %, to € 7,012 thousand for the first two quarters of 2008 compared to € 4,338 thousand for the first two quarters of 2007. Total revenues generated by Bité Latvia increased by € 2,682 thousand, or 37.1 %, to € 9,911 thousand for the year to date ended June 30, 2008 compared to € 7,228 thousand for the year to date ended June 30, 2007.

Postpaid service revenue

Postpaid service revenue generated by Bité Group increased by € 7,373 thousand, or 14.1 %, to € 59,759 thousand for the first two quarters of 2008 compared to € 52,386 thousand for the first two quarters of 2007.

Postpaid service revenue generated by Bité Lithuania increased by € 5,078 thousand, or 10.2 %, to € 54,919 thousand for the first two quarters of 2008 compared to € 49,841 thousand for the first two quarters of 2007. Postpaid revenue increase was driven by more than 43,000 additional postpaid customers.

Postpaid service revenue generated by Bité Latvia increased by € 2,405 thousand, or 91.0 %, to € 5,049 thousand for the first two quarters of 2008 compared to € 2,643 thousand for the first two quarters of 2007. This increase was largely due to an increase of 19,139 in the postpaid customer base.

Prepaid service revenue

Prepaid service revenue generated by Bité Group increased by € 646 thousand, or 3.6 %, to € 18,561 thousand for the first two quarters of 2008 compared to € 17,915 thousand for the first two quarters of 2007.

Prepaid service revenue generated by Bité Lithuania increased by € 734 thousand, or 4.3 %, to € 17,816 thousand for the first two quarters of 2008 compared to € 17,082 thousand for the first two quarters of 2007. This increase was largely due to higher usage of services and stimulation of incoming SMS.

Prepaid service revenue generated by Bité Latvia decreased by € 92 thousand, or 10.8 %, to € 765 thousand for the two quarters of 2008 compared to € 857 thousand for the two quarters of 2007. During the first months of 2007 we had a customer acquisition campaign through one of the biggest retail channels in Latvia, where we have distributed free reloads to the customers.

Wholesale revenue

Wholesale revenue generated by Bité Group increased by € 79 thousand, or 1.2 %, to € 6,766 thousand for the first two quarters of 2008 compared to € 6,686 thousand for the first two quarters of 2007.

Wholesale revenue generated by Bité Lithuania increased by € 159 thousand, or 2.5 %, to € 6,436 thousand for the first two quarters of 2008 compared to € 6,276 thousand for the first two quarters of 2007. This increase was driven by a higher service provider postpaid customer base.

Wholesale revenue generated by Bité Latvia decreased by € 76 thousand, or 18.3 %, to € 339 thousand for the first two quarters of 2008 compared to € 415 thousand for the first two quarters of 2007. This decrease was mainly due to acquisition of one of the Service Providers in the first quarter of 2008.

Other service revenue

Other service revenue generated by Bité Group decreased by € 779 thousand, or 10.7 %, to € 6,518 thousand for the first two quarters of 2008 compared to € 7,297 thousand for the first two quarters of 2007.

Other service revenue generated by Bité Lithuania decreased by € 1,205 thousand, or 17.4 %, to € 5,739 thousand for the first two quarters of 2008 compared to € 6,944 thousand for the first two quarters of 2007. This was largely a result of the EU regulation which came into effect at the end of August, 2007, mandating a decrease of roaming tariffs. This has resulted in the aforementioned decrease in revenue.

Other service revenue generated by Bité Latvia increased by € 437 thousand to € 859 thousand for the first two quarters of 2008 compared to € 422 thousand for the first two quarters of 2007. Roaming regulation in Latvia was offset by a higher number of roaming agreements which drove an increase in inbound roaming revenue.

Handsets revenue

Handsets revenue generated by Bité Group increased by € 1,503 thousand, or 16.0 %, to € 10,881 thousand for the first two quarters of 2008 compared to € 9,378 thousand for the first two quarters of 2007.

Handsets revenue generated by Bité Lithuania increased by € 1,412 thousand, or 19.7 %, to € 8,564 thousand for the first two quarters of 2008 compared to € 7,152 thousand for the first two quarters of 2007. This increase was driven by higher postpaid gross additions with handset subsidies.

Handsets revenue generated by Bité Latvia increased by € 91 thousand, or 4.1 %, to € 2,317 thousand for the first two quarters of 2008 compared to € 2,226 thousand for the first two quarters of 2007. This increase was largely due to higher postpaid gross connections by more than 5,500 customers.

Other revenues and income

Other revenues and income generated by Bité Group increased by € 1,031 thousand, or 27.9 %, to € 4,728 thousand for the first two quarters of 2008 compared to € 3,698 thousand for the first two quarters of 2007.

Other revenues generated by Bité Lithuania increased by € 649 thousand, or 7.5 %, to € 9,335 thousand for the first two quarters of 2008 compared to € 8,687 thousand for the first two quarters of 2007. Other revenues are higher due to higher interest income from EECF Bella FinCo received in the first quarter of 2008, sale of server hosting business and dividends received from associated company.

Other revenues generated by Bité Latvia decreased by € 82 thousand, or 12.4 % to € 582 thousand for the first two quarters of 2008 compared to € 664 thousand for the first two quarters of 2007. Other revenues are lower due to lower transit revenue.

Costs and Expenses

Costs and expenses of Bité Group increased by € 12,653 thousand, or 15.9 %, to € 92,074 thousand for the first two quarters of 2008 compared to € 79,421 thousand for the first two quarters of 2007.

Costs and expenses of Bité Lithuania increased by € 8,199 thousand, or 11.6 %, to € 78,603 thousand for the first two quarters of 2008 compared to € 70,403 thousand for the first two quarters of 2007.

Costs and expenses of Bité Latvia increased by € 4,310 thousand, or 29.7 %, to € 18,819 thousand for the first two quarters of 2008 compared to € 14,509 thousand for the first two quarters of 2007.

Interconnect and roaming costs

Interconnect and roaming costs of Bité Group increased by € 2,319 thousand, or 7.6 %, to € 32,989 thousand for the first two quarters of 2008 compared to € 30,669 thousand for the first two quarters of 2007.

Interconnect and roaming costs of Bité Lithuania increased by € 1,984 thousand, or 6.8 %, to € 31,158 thousand for the first two quarters of 2008 compared to € 29,174 thousand for the first two quarters of 2007. This increase was driven by a higher number of postpaid customers and higher share of off-net calls.

Interconnect and roaming costs of Bité Latvia increased by € 479 thousand, or 19.4 %, to € 2,942 thousand for the first two quarters of 2008 compared to € 2,464 thousand for the first two quarters of 2007. This increase was largely due to a higher postpaid customer base.

Sales and Marketing Costs

Sales and marketing costs of Bité Group increased by € 4,806 thousand, or 27.8 %, to € 22,094 thousand for the first two quarters of 2008 compared to € 17,289 thousand for the first two quarters of 2007.

Sales and marketing costs of Bité Lithuania increased by € 2,210 thousand, or 17.0 %, to € 15,179 thousand for the first two quarters of 2008 compared to € 12,970 thousand for the first two quarters of 2007. This increase was mainly due to “Bité” re-branding

activities performed in February 2008 and higher subsidies for acquisitions and customers' retention.

Sales and marketing costs of Bité Latvia increased by € 2,596 thousand, or 60.1 %, to € 6,915 thousand for the first two quarters of 2008 compared to € 4,319 thousand for the first two quarters of 2007. This increase was largely due to aforementioned re-branding activities in both markets, re-launch of prepaid brand at the beginning of the second quarter as well as higher number of postpaid gross connections with handset subsidies.

Network operations cost

Network operations costs of Bité Group increased by € 1,137 thousand, or 18.5 %, to € 7,275 thousand for the first two quarters of 2008 compared to € 6,138 thousand for the first two quarters of 2007.

Network operations costs of Bité Lithuania increased by € 774 thousand, or 16.4 %, to € 5,505 thousand for the first two quarters of 2008 compared to € 4,730 thousand for the first two quarters of 2007. This increase was largely due to higher frequency charges and 3G related support fees.

Network operations costs of Bité Latvia increased by € 363 thousand, or 25.8 %, to € 1,771 thousand for the first two quarters of 2008 compared to € 1,408 thousand for the first two quarters of 2007. This increase was mainly due to higher 2G and 3G network rollout.

Other Costs and Expenses

Other costs and expenses of Bité Group increased by € 4,390 thousand, or 17.3 %, to € 29,715 thousand for the first two quarters of 2008 compared to € 25,325 thousand for the first two quarters of 2007.

Other costs and expenses of Bité Lithuania increased by € 3,231 thousand, or 13.7 %, to € 26,760 thousand for the first two quarters of 2008 compared to € 23,529 thousand for the first two quarters of 2007. This increase was largely due to an increase in employee cost stemming from the average salary increase as well as higher support fees for billing and other IT systems.

Other costs and expenses of Bité Latvia increased by € 872 thousand, or 13.8 %, to € 7,191 thousand for the first two quarters of 2008 compared to € 6,319 thousand for the first two quarters of 2007. This increase was largely due to a higher number of employees in Latvia to support business growth.

Depreciation and Amortization Costs

Depreciation and amortization costs of Bité Group increased by € 1,578 thousand, or 5.6 %, to € 29,759 thousand for the first two quarters of 2008 compared to € 28,181 thousand for the first two quarters of 2007.

Depreciation and amortization costs of Bité Lithuania increased by € 1,095 thousand, or 4.3 %, to € 26,360 thousand for the first two quarters of 2008 compared to € 25,265

thousand for the first two quarters of 2007. As Purchase Price Allocation is assumed had occurred on February 9, 2007, pro forma 2007 figures includes only five months of depreciation and/or amortization of the fair value of the assets acquired.

Depreciation and amortization costs of Bité Latvia increased by € 895 thousand, or 54.6 %, to € 2,532 thousand for the first two quarters of 2008 compared to € 1,638 thousand for the first two quarters of 2007. This increase was largely due to investments into 2G and 3G network rollout.

Operating Profit/ (Loss)

Operating loss of Bité Group increased by € 4,378 thousand to € 14,621 thousand for the first two quarters of 2008 compared to loss of € 10,243 thousand for the first two quarters of 2007.

Operating loss of Bité Lithuania increased by € 2,468 thousand to € 2,154 thousand for the first two quarters of 2008 compared to profit of € 314 thousand for the first two quarters, 2007.

Operating loss of Bité Latvia increased by € 2,522 thousand, or 28.3 %, to € 11,441 thousand for the first two quarters, 2008 compared to € 8,919 thousand for the first two quarters, 2007.

Finance Costs and Finance Income

Finance Costs

Finance costs of Bité Group increased by € 5,227 thousand to € 16,813 thousand for the first two quarters, 2008 compared to € 11,585 thousand for the first two quarters, 2007 due to by one month shorter interest period and higher debt by € 14 million.

Finance costs of Bité Lithuania increased by € 4,883 thousand to € 16,408 thousand for the first two quarters, 2008 compared to € 11,526 thousand for the first two quarters due to by one month shorter interest period and higher debt by € 14 million.

Finance costs of Bité Latvia increased by € 295 thousand to € 463 thousand for the first two quarters, 2008 due to interest paid to Bité Lithuania and EECF Bella FinCo during the first quarter of 2008 for the loans issued to finance Bité Latvia activities.

Finance Income

Finance income of Bité Group increased by € 2,639 thousand to € 5,053 thousand for the first two quarters, 2008 compared to € 2,414 thousand for the first two quarters, 2007.

Finance income of Bité Lithuania increased by € 2,662 thousand, or 112.1 %, to € 5,036 thousand for the first two quarters, 2008 compared to € 2,374 thousand for the two quarters, 2007 due to an unrealized gain of fair value of a derivative instrument.

Finance income of Bité Latvia decreased by € 24 thousand, or 59.7 %, to € 16 thousand for the first two quarters, 2008 compared to € 40 thousand for the first two quarters, 2007.

Share of profit of associate⁵

The share of profit of associate decreased by € 143 thousand to loss of € 42 thousand for the first two quarters, 2008 compared to profit of € 101 thousand for the first two quarters, 2007.

Profit/ (Loss) before tax

Loss of Bité Group increased by € 7,108 thousand to € 26,422 thousand for the first two quarters, 2008 compared to a loss of € 19,314 thousand for the first two quarters, 2007.

Loss of Bité Lithuania increased by € 4,689 thousand, or 53.1 %, to € 13,527 thousand for the first two quarters, 2008 compared to loss of € 8,838 thousand for the first two quarters, 2007.

Loss of Bité Latvia increased by € 2,841 thousand, or 31.4 %, to € 11,888 thousand for the first two quarters, 2008 compared to € 9,047 thousand for the first two quarters, 2007.

Income tax

Income tax of Bité Lithuania increased by € 649 thousand, to € 768 thousand for the first two quarters, 2008 compared to € 119 thousand for the first two quarters, 2007.

Net Profit/ (Loss)

Net loss of Bité Group increased by € 7,757 thousand to € 27,190 thousand for the first two quarters, 2008 compared to € 19,432 thousand for the first two quarters, 2007.

Net loss of Bité Lithuania increased by € 5,338 thousand, or 59.6 %, to € 14,295 thousand for the first two quarters, 2008 compared to € 8,957 thousand for the first two quarters, 2007. As Purchase Price Allocation is assumed had occurred on February 9, 2007, pro forma 2007 figures includes only five months of depreciation and/or amortization of the fair value of the assets acquired, and the year to date ended June 30, 2008 has by one month longer interest period comparing to year to date ended June 30, 2007.

Net loss of Bité Latvia increased by € 2,841 thousand, or 31.4 %, to € 11,888 thousand for the first two quarters, 2008 compared to € 9,047 thousand for the first two quarters, 2007.

⁵ The associate company is our largest dealer Spainetos Prekybos Sistema UAB (SPS). Bité Lithuania owns 35% of SPS.

Historical Cash Flow

The table below sets out certain information related to our cash flows for the second quarter of 2008 and 2007.

	Bité Lithuania		Bité Latvia		Group	
	Q2 ended		Q2 ended		Q2 ended	
	June 30,		June 30,		June 30,	
	2007	2008	2007	2008	2007	2008
	<i>(in thousands of Euro)</i>					
Cash and cash equivalents at beginning of period	19,213	4,964	2,826	562	22,039	5,526
Net cash flow generated from operating activities	6,366	-512	-2,738	-6,691	3,628	-4,821
Net cash flow to/from investing activities	-9,418	-7,930	-3,998	-1,740	-13,416	-2,050
Net cash flow to/from financing activities	52	5,983	5,000	10,000	5,052	5,982
Cash and cash equivalents at end of period	16,214	2,506	1,090	2,131	17,303	4,637

Bité Cash Flow

Net cash flow from operating activities of Bité Group decreased to negative € 4,821 thousand for the Q2 of 2008, compared with € 3,628 thousand for the Q2 of 2007, primarily due to higher interest expenses, operating expenses and subscriber acquisition costs.

Net cash flow to investing activities of Bité Group decreased to negative € 2,050 thousand for the Q2 of 2008, compared with negative € 13,416 thousand for the Q2 of 2007, primarily due to longer payment terms negotiated with suppliers.

Net cash flow from financing activities of Bité Group increased to € 5,982 thousand for the Q2 of 2008, compared with € 5,052 thousand for the Q2 of 2007. In the second quarter of 2008 Bite Lithuania has drawn down additional € 6,000 thousand from the Revolving Credit Facility, and in the second quarter of 2007 Bite Latvia was financed by the € 5,000 intercompany loan from EECF Bella FinCo.

Bité Lithuania Cash Flow

Net cash flow from operating activities of Bité Lithuania decreased by € 6,878 thousand to negative € 512 thousand for the Q2 of 2008, compared with positive € 6,366 thousand for the Q2 of 2007, primarily due to higher interest expenses and higher operating expenses.

Net cash flow to investing activities of Bité Lithuania decreased by € 1,488 thousand to negative € 7,930 thousand for the Q2 of 2008, compared with negative € 9,418 thousand for the Q2 of 2007, primarily due to longer payment terms negotiated with suppliers.

Net cash flow from financing activities of Bité Lithuania increased by € 5,931 thousand to € 5,983 thousand for the Q2 of 2008, compared with € 52 thousand for the Q2 of 2007 due to additional draw down from RCF of € 6,000 thousand.

Bité Latvia Cash Flow

Net cash flow from operating activities of Bité Latvia decreased by € 3,953 thousand to negative € 6,691 thousand for the Q2 of 2008, compared with negative € 2,738 thousand for the Q2 of 2007, primarily due to higher prepaid marketing activities and customer acquisition costs.

Net cash flow to investing activities of Bité Latvia decreased by € 2,259 thousand to negative € 1,740 thousand for the Q2 of 2008, compared with negative € 3,998 thousand for the Q2 of 2007, primarily due to longer payment terms negotiated with suppliers.

Net cash flow from financing activities of Bité Latvia increased by € 5,000 thousand to € 10,000 thousand for the Q2 of 2008, compared with € 5,000 thousand for the Q2 of 2007 due to increase in share capital of Bité Latvia by € 10,000 thousand. In the second quarter of 2007 Bité Latvia was financed by a loan of € 5,000 thousand from EECF Bella FinCo.

The table below sets out certain information related to our cash flows for the first two quarters of 2008 and 2007.

	Bité Lithuania		Bité Latvia		Group	
	YTD ended		YTD ended		YTD ended	
	June 30,		June 30,		June 30,	
	2007	2008	2007	2008	2007	2008
	<i>(in thousands of Euro)</i>					
Cash and cash equivalents at beginning of period	5.970	2.321	4.119	290	10.086	2.611
Net cash flow generated from operating activities	4.768	-1.137	-5.870	-12.443	3.882	-9.783
Net cash flow to/from investing activities	-460.073	-24.433	-7.159	-4.216	-467.232	5.055
Net cash flow to/from financing activities	465.552	25.755	10.000	18.500	470.568	6.754
Cash and cash equivalents at end of period	16.214	2.506	1.090	2.131	17.303	4.637

Bité Cash Flow

Net cash flow from operating activities of Bité Group decreased to negative € 9,783 thousand for the first two quarters of 2008, compared with € 3,882 thousand for the first two quarters of 2007, primarily due to higher interest expenses, operating expenses and subscriber acquisition costs.

Net cash flow to investing activities of Bité Group increased to € 5,055 thousand for the first two quarters of 2008, compared with negative € 467,232 thousand for the first two quarters of 2007, primarily due to Transaction costs incurred in February 2007 and loans repaid by EECF Bella FinCo in amount of € 10,000 thousand during the quarter ended March 31, 2008.

Net cash flow from financing activities of Bité Group increased to € 6,754 thousand for the first two quarters of 2008, compared with € 470,568 thousand for the first two quarters of 2007. In the first half of year 2008 Bite Lithuania was financed by € 14,000 thousand from the Revolving Credit Facility.

Bité Lithuania Cash Flow

Net cash flow from operating activities of Bité Lithuania decreased by € 5,905 thousand to negative € 1,137 thousand for the first two quarters of 2008, compared with positive € 4,768 thousand for the first two quarters of 2007, primarily due to higher interest expenses and higher operating expenses.

Net cash flow to investing activities of Bité Lithuania increased by € 435,640 thousand to negative € 24,433 thousand for the first two quarters of 2008, compared with negative € 460,073 thousand for the first two quarters of 2007, primarily due Transaction costs incurred in February 2007 and lower capital expenditures for the first half of 2008.

Net cash flow from financing activities of Bité Lithuania decreased by € 439,797 thousand to € 25,755 thousand for the first two quarters of 2008, compared with € 465,552 thousand for the first two quarters of 2007 due to cash received from Transaction in February 2007, loans in amount of € 24,500 thousand received from EECF Bella FinCo during the first half of 2008 and sale of interest rate floor in the first quarter of 2008.

Bité Latvia Cash Flow

Net cash flow from operating activities of Bité Latvia decreased by € 6,572 thousand to negative € 12,443 thousand for the first two quarters of 2008, compared with negative € 5,870 thousand for the first two quarters of 2007, primarily due to higher prepaid re-branding related and customer acquisition costs.

Net cash flow to investing activities of Bité Latvia decreased by € 2,942 thousand to negative € 4,216 thousand for the first two quarters of 2008, compared with negative € 7,159 thousand for the first two quarters of 2007, primarily due to longer payment terms negotiated with suppliers.

Net cash flow from financing activities of Bité Latvia increased by € 8,500 thousand to € 18,500 thousand for the first two quarters of 2008, compared with € 10,000 thousand for the first two quarters of 2007 due to increase in share capital of Bité Latvia by € 18,500 thousand. In the first half of 2007 Bité Latvia was financed by the loan of € 10,000 thousand.

Capital Expenditure

The capital expenditures of Bité Group over the Q2 and year to date, 2008 and 2007 are shown in the following tables.

	Quarter ended June 30,	
	2007	2008
<i>Capital Expenditures:</i>	<i>(in thousands of Euro)</i>	
Lithuania	5,038	4,965
Latvia	3,998	4,536
Total	9,036	9,501

	YTD ended June 30,	
	2007	2008
<i>Capital Expenditures:</i>	<i>(in thousands of Euro)</i>	
Lithuania	11.852	9.720
Latvia	7.159	8.710
Total	19.012	18.430

Our capital expenditures in the second quarter of 2008 slightly increased comparing to the same period of 2007 mainly due to accelerated 2G network rollout in Latvia.

In Latvia planned GSM radio network rollout for the second quarter of 2008 was successfully finished by installing 30 new base stations. Q2 rollout was mainly targeted to further improve GSM coverage in the country side and Riga region. By the end of the quarter we have achieved 95% of population coverage.

GSM investments in Lithuania were mainly focused on maintaining the capacity by expanding and re-engineering the existing network. In the UMTS network we installed 22 new sites in Q2 of 2008, which allow increasing 3G coverage and capacity in order to support sales of mobile broadband (7.2 Mbs) data products.

LIQUIDITY POSITION OF BITÉ FINANCE INTERNATIONAL GROUP FOR THE QUARTER ENDED JUNE 30,

On March 2, 2007, the Company issued € 190 million of Senior Secured Floating Rate Notes, due 2014 and € 110 million of Senior Subordinated Floating Rate Notes due 2017. The Senior Secured Notes bear interest at a rate of EURIBOR plus 3.5 % per annum and the Senior Subordinated Notes bear interest at a rate of EURIBOR plus 6.75 % per annum. On April 4, 2007 the Company entered into an interest rate cap from June 15, 2007 to March 15, 2010, effectively capping the EURIBOR interest rate for the two note issuances at 4.3 % per annum. On March 18, the Company entered into an interest rate floor from June 16, 2008 to March 15, 2010 at 3.5 % per annum. On May 21, 2007 the Company increased the secured revolving credit facility from € 15 million to € 30 million. This facility is for a term of 7 years and drawing bear interest at EURIBOR + 2.25 % per annum. In the first half of 2008 Company has drawn down € 14 million from the revolving credit facility.

For the quarter ended June 30, 2008, cash and cash equivalents of Bité Finance International Group was € 5.4 million. Total debt was € 306.1 million, leaving a net debt of € 300.7 million.

The interest paid on the notes on 15th June is € 7,128 thousand based on a EURIBOR March 13, 2007 of 4,606 %. Accrued interest for the rest of Q2 of 2008 amounts to € 1,287 thousand based on a EURIBOR June 12, 2008 of 4.958 %.

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For further information:

Investor Relations

Lina Karsokaitė, Senior Public Relations Manager, BITÉ Group
Mob. ph. +370 699 23 709,
e.mail lina.karsokaite@bite.lt