

BITE FINANCE INTERNATIONAL B.V.
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

30 JUNE 2011

CONTENTS	Pages
Report on Review of Interim Financial Information	3
Condensed consolidated interim financial information:	
Condensed consolidated statement of comprehensive income	4
Condensed consolidated statement of financial position	5-6
Condensed consolidated statement of changes in equity	7
Condensed consolidated statement of cash flows	8
General information	9
Basis of preparation and accounting policies	10-11
Other notes to the condensed financial information	11-19



Review report

To: Bité Finance International B.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial information for the six-month period ended 30 June 2011 of Bité Finance International B.V., Amsterdam, which comprises the condensed statement of financial position as at 30 June 2011, the condensed statement of comprehensive income, the condensed statement of changes in equity, the condensed statement of cash flows and the selected explanatory notes for the six-month period then ended. Management is responsible for the preparation and presentation of this (condensed) interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

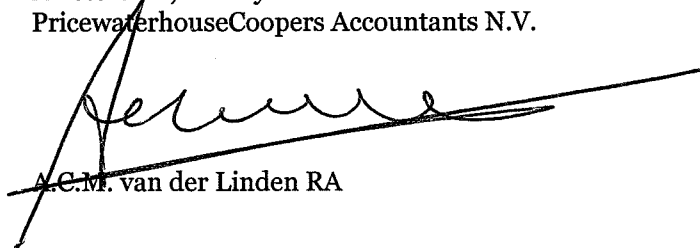
Scope

We conducted our review in accordance with Dutch law including standard 2410, Review of Interim Financial Information Performed by the Independent Auditor of the company. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2011 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

Amsterdam, 21 July 2011
PricewaterhouseCoopers Accountants N.V.



A.C.M. van der Linden RA

PricewaterhouseCoopers Accountants N.V., Thomas R. Malthusstraat 5, 1066 JR Amsterdam, P.O. Box 90357, 1006 BJ Amsterdam, The Netherlands
T: +31 (0) 88 792 00 20, F: +31 (0) 88 792 96 40, www.pwc.nl

'PwC' is the brand under which PricewaterhouseCoopers Accountants N.V. (Chamber of Commerce 34180285), PricewaterhouseCoopers Belastingadviseurs N.V. (Chamber of Commerce 34180284), PricewaterhouseCoopers Advisory N.V. (Chamber of Commerce 34180287), PricewaterhouseCoopers Compliance Services B.V. (Chamber of Commerce 51414406), PricewaterhouseCoopers B.V. (Chamber of Commerce 34180289) and other companies operate and provide services. These services are governed by General Terms and Conditions ('algemene voorwaarden'), which include provisions regarding our liability. Purchases by these companies are governed by General Terms and Conditions of Purchase ('algemene inkoopvoorwaarden'). At www.pwc.nl more detailed information on these companies is available, including these General Terms and Conditions and the General Terms and Conditions of Purchase, which have also been filed at the Amsterdam Chamber of Commerce.

BITE FINANCE INTERNATIONAL B.V.

Condensed consolidated interim financial information for 3 months and 6 months ended 30 June 2011

*(All amounts in thousand EUR unless otherwise stated)***Condensed consolidated statement of comprehensive income**

Note		Three months to 30 June 2011	Six months to 30 June 2011	Three months to 30 June 2010	Six months to 30 June 2010
5	REVENUE	41,823	81,421	43,287	83,881
5	OTHER INCOME	606	1,237	512	958
	Interconnect costs	(9,756)	(18,596)	(10,768)	(21,216)
	External advertising and marketing costs	(1,657)	(3,308)	(1,595)	(2,969)
	Subsidies	(2,225)	(5,041)	(2,483)	(4,715)
8	Depreciation and amortisation costs	(9,950)	(20,006)	(12,980)	(24,687)
	Employee compensation and benefit expenses	(3,451)	(7,127)	(4,099)	(7,813)
	Roaming costs	(2,248)	(3,728)	(2,154)	(3,813)
	Dealer commissions costs	(2,603)	(5,094)	(2,024)	(4,401)
	Other expenses	(9,152)	(18,756)	(9,663)	(19,345)
	OPERATING PROFIT/(LOSS)	1,387	1,002	(1,967)	(4,120)
6	Finance income	38	55	3	12
6	Finance costs	(3,254)	(6,510)	(2,857)	(7,382)
6	Unrealised fair value gains/(losses) on derivative financial instrument	196	1,302	(1,413)	674
	Total finance costs and income	(3,020)	(5,153)	(4,267)	(6,696)
	Share of profit of associate	310	538	25	76
	LOSS BEFORE TAX	(1,323)	(3,613)	(6,209)	(10,740)
7	Income tax credit/(expense)	61	5,060	(57)	(125)
	NET PROFIT/ (LOSS)	(1,262)	1,447	(6,266)	(10,865)
	- basic and diluted earnings/(losses) per share	(7.01)	8.03	(34.81)	(60.36)
	Other comprehensive income	-	-	-	-
	Total comprehensive income	(1,262)	1,447	(6,266)	(10,865)

The accompanying notes on pages 9 to 19 form an integral part of this condensed consolidated interim financial information.

BITE FINANCE INTERNATIONAL B.V.

Condensed consolidated interim financial information for 3 months and 6 months ended 30 June 2011

*(All amounts in thousand EUR unless otherwise stated)***Condensed consolidated statement of financial position**

Note	As of 30 June 2011	As of 31 December 2010
	ASSETS	
	NON-CURRENT ASSETS	
8	Intangible assets:	
	Goodwill	142,398
	Software	5,713
	License costs	32,131
	Other intangible assets	33,782
	Software under development	252
	Total intangible assets	214,276
8	Property, plant and equipment:	
	Land and buildings	10,354
	Network equipment	82,321
	Other property, plant and equipment	2,757
	Property, plant and equipment in progress	3,231
	Total property, plant and equipment	98,663
	Investment in associate	1,378
11	Long-term loans receivable from related parties	1,270
	Deferred tax asset	18
	Other non-current assets and receivables	1,497
	Total non-current assets	317,102
	CURRENT ASSETS	
	Inventory	3,585
11	Current portion of loans receivable from related parties	21
	Trade accounts receivable	22,912
11	Receivables from related parties	16
	Income tax prepayment	466
	Other current assets	2,104
	Cash and cash equivalents	4,283
	Total current assets	33,387
	TOTAL ASSETS	350,489
		362,873

The accompanying notes on pages 9 to 19 form an integral part of this condensed consolidated interim financial information.

BITE FINANCE INTERNATIONAL B.V.

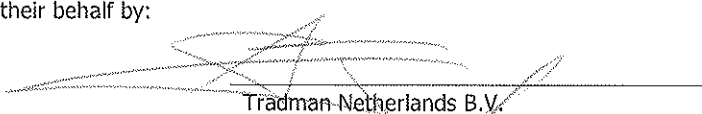
Condensed consolidated interim financial information for 3 months and 6 months ended 30 June 2011

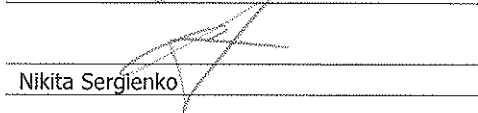
*(All amounts in thousand EUR unless otherwise stated)***Condensed consolidated statement of financial position**

Note	As of 30 June 2011	As of 31 December 2010
LIABILITIES AND SHAREHOLDERS' EQUITY		
SHAREHOLDERS' EQUITY		
	18	18
	222,835	222,835
	(103,378)	(104,825)
	<u>119,475</u>	<u>118,028</u>
NON-CURRENT LIABILITIES		
	39	86
9	193,298	192,845
9	1,348	14,133
	1,480	1,434
	174	4,160
	<u>196,339</u>	<u>212,658</u>
CURRENT LIABILITIES		
	100	208
9	3,601	58
9	442	428
6	203	1,505
	18,424	17,929
11	4,809	4,000
	1,156	1,045
	69	118
	735	713
	5,136	6,183
	<u>34,675</u>	<u>32,187</u>
	<u>231,014</u>	<u>244,845</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		
	<u>350,849</u>	<u>362,873</u>

The accompanying notes on pages 9 to 19 form an integral part of this condensed consolidated interim financial information.

The condensed consolidated interim financial information was approved by the Directors of Bite Finance International B. V. on 21 July 2011 and signed on their behalf by:


 Tradman-Netherlands B.V.


 Nikita Sergienko

BITE FINANCE INTERNATIONAL B.V.

Condensed consolidated interim financial information for 3 months and 6 months ended 30 June 2011

*(All amounts in thousand EUR unless otherwise stated)***Condensed consolidated statement of cash flows**

Note	Three months to 30 June 2011	Six months to 30 June 2011	Three months to 30 June 2010	Six months to 30 June 2010
Cash flows from/(to) operating activities:				
	(1,323)	(3,613)	(6,209)	(10,740)
Adjustments to reconcile net profit/loss to the net cash from operating activities:				
8	9,950	20,006	12,980	24,687
	(5)	48	9	9
	230	451	249	507
6	(196)	(1,302)	1,413	(674)
	(310)	(538)	(25)	(76)
6	3,216	6,455	2,854	7,370
Changes in working capital (excluding effects of acquisition and exchange differences on consolidation):				
	(686)	(112)	(988)	340
	74	174	540	(551)
	1,652	(174)	(1,686)	(3,864)
11	98	1,067	313	808
	(2,559)	(5,070)	(2,535)	(5,043)
	-	(17)	-	(57)
	10,141	17,375	6,915	12,716
Cash flows from/(to) investing activities:				
	(4,282)	(7,678)	(3,374)	(5,774)
	7	29	1	3
	-	(270)	(360)	(500)
	9	29	7	8
	(333)	(716)	-	(2,090)
	221	221	177	177
	(4,378)	(8,385)	(3,549)	(8,176)
Cash flows from/(to) financing activities:				
	(135)	(160)	(25)	(50)
9	-	3,845	2,005	2,005
9	(5,260)	(13,260)	(5,000)	(5,000)
	-	-	(2,300)	(2,300)
	(5,395)	(9,575)	(5,320)	(5,345)
	368	(585)	(1,954)	(805)
	3,915	4,868	8,709	7,560
	4,283	4,283	6,755	6,755

The accompanying notes on pages 9 to 19 form an integral part of this condensed consolidated interim financial information.

BITE FINANCE INTERNATIONAL B.V.

Condensed consolidated interim financial information for 3 months and 6 months ended 30 June 2011

(All amounts in thousand EUR unless otherwise stated)

Notes to condensed consolidated interim financial information

1. General information

Bite Finance International Group (the Group) consists of Bite Finance International B.V. (the Company) and its 100% owned subsidiaries Bite Finance International II B.V., EECF Bella FinCo SIA, Bitè Lietuva UAB and TeleTower UAB. Bitè Lietuva UAB owns 100% of Bite Latvija SIA and 38.1% Spainetos Prekybos Sistema Group shares. Bite Latvija SIA owns of 100% of TeleTower SIA shares.

The Company was incorporated on 21 August 2006 in Leiden, the Netherlands as a private company with limited liability. The registered office address of the Company is Locatellikade 1, 1076 AZ, Amsterdam, the Netherlands. The correspondence address of the Company is P.O. Box 7827, 1008 AA Amsterdam, the Netherlands. The Company's registration number with the Trade Register of the Chamber of Commerce in Amsterdam is 28110155. The main activities of the Company are holding and finance activities.

Bite Finance International Group's immediate parent entity is Bite Holdings International B.V. and ultimate controlling parties are Emerging Europe Convergence Fund II L.P. (the Fund), Bite Co-investment LP and Bite Co-investment II LP, each a Guernsey limited partnership whose ultimate general partner is EMP Europe (CI) Limited. The main activities of the Fund are making investments and owning, managing as well as supervising such investments. Mid Europa Partners LLP, a leading private equity firm that manages and advises funds that invest in businesses with significant exposure to Central and Eastern Europe has been appointed as the investment manager.

Bitè Lietuva UAB and Bite Latvija SIA offer mobile services under the Bite brand, including voice, data applications, connectivity and content, to both post-paid residential and business customers as well as to pre-paid subscribers using the brands Labas and BitesKarte (BiFri till 08 May 2011) in Lithuania and Latvia, respectively. These companies also offer access to their Internet content services (Website browsing, access to online news, download of games, video clips and mobile TV) through their WAP portal Bitè Plus. To date Bitè Lietuva UAB remains the only mobile network operator in Lithuania and Bite Latvija SIA remains one of two mobile network operators in Latvia, whose network is open for use to service providers.

TeleTower UAB and TeleTower SIA are responsible for ownership, management and development of towers and masts, which are mainly leased to Bitè Lietuva UAB and Bite Latvija SIA and also to other tenants in the market.

A limited liability company EECF Bella FinCo SIA manages the treasury operations of Bite Finance International Group.

BITE FINANCE INTERNATIONAL B.V.

Condensed consolidated interim financial information for 3 months and 6 months ended 30 June 2011

(All amounts in thousand EUR unless otherwise stated)

2. Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2011 has been prepared in accordance with International Financial Reporting Standards as adopted by European Union applicable to interim financial reporting (IAS 34 'Interim financial reporting'). This interim condensed financial information should be read in conjunction with the annual consolidated financial statements of Bite Finance International Group for the year ended 31 December 2010.

The policies set out below have been consistently applied to all the periods presented.

This condensed consolidated interim financial information has been prepared under the historical cost convention, as modified by the revaluation of derivative instruments at fair value through profit and loss. Financial information is based on going concern, consistency and accruals assumptions.

3. Accounting policies

The accounting policies and methods of computation applied are consistent with those of the annual consolidated financial statements of Bite Finance International Group for the year ended 31 December 2010.

Standards, amendment and interpretations effective in 2011

The following standards, amendments and interpretations to published standards are effective in 2011 but they are not relevant to Bite Finance International Group's operations:

- Limited exemption from comparative IFRS 7 disclosures for first-time adopters - Amendment to IFRS 1 (effective for annual periods beginning on or after 1 July 2010). Existing IFRS preparers were granted relief from presenting comparative information for the new disclosures required by the March 2009 amendments to IFRS 7 'Financial Instruments: Disclosures'. This amendment to IFRS 1 provides first-time adopters with the same transition provisions as included in the amendment to IFRS 7. The amendment has no effect on Bite Finance International Group's financial statements.
- Prepayments of a Minimum Funding Requirement – Amendment to IFRIC 14 (effective for annual periods beginning on or after 1 January 2011). This amendment will have a limited impact as it applies only to companies that are required to make minimum funding contributions to a defined benefit pension plan. It removes an unintended consequence of IFRIC 14 related to voluntary pension prepayments when there is a minimum funding requirement. The amendment has no effect on Bite Finance International Group's financial statements.
- IFRIC 19 'Extinguishing Financial Liabilities with Equity Instruments' (effective for annual periods beginning on or after 1 July 2010). This IFRIC clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished through the debtor issuing its own equity instruments to the creditor. A gain or loss is recognised in the profit and loss account based on the fair value of the equity instruments compared to the carrying amount of the debt. IFRIC 19 has no material effect on Bite Finance International Group's financial statements.
- Amendment to IAS 24 'Related Party Disclosures' issued in November 2009 (effective for annual periods beginning on or after 1 January 2011). The amended standard simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. The amended standard has no material effect on Bite Finance International Group's financial statements.
- Classification of Rights Issues - Amendment to IAS 32 'Financial Instruments: Presentation' (effective for annual periods beginning on or after 1 February 2010). The amendment exempts certain rights issues of shares with proceeds denominated in foreign currencies from classification as financial derivatives. This amendment does not have an impact on Bite Finance International Group's financial statements.
- Improvements to International Financial Reporting Standards issued in May 2010. The amendments are generally applicable for annual periods beginning on or after 1 January 2011. Amendments this year affect six standards and one IFRIC: IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34 and IFRIC 13. These amendments do not have a material impact on Bite Finance International Group's financial statements.

Unless otherwise described above, the new standards and interpretations are not expected to significantly affect Bite Finance International Group's financial statements.

BITE FINANCE INTERNATIONAL B.V.

Condensed consolidated interim financial information for 3 months and 6 months ended 30 June 2011

(All amounts in thousand EUR unless otherwise stated)

Use of estimates in the preparation of financial statements

The preparation of consolidated interim financial information in accordance with IAS 34 requires the use of certain critical accounting estimates. Actual results could differ from those estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, except for those described in the annual consolidated financial statements for the year ended 31 December 2010.

Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the group's financial statements in the period in which the dividends are approved by the company's shareholders.

4. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2010. There have been no changes in the risk management policies since year end.

Pursuant to the Senior Revolving Credit Facility (RCF) Agreement and to the Amendment dated 26 March 2010 of the Senior Revolving Credit Facility Agreement, Bite Finance International Group is required to comply with following covenants:

- Consolidated Leverage Ratio ratchets down in steps from 7.8:1 for the period ending 31 March 2010 to 4.8:1 for the period ending 31 March 2013.
- Interest Coverage Ratio ratchets up in steps from 1.5:1 for the period ending 31 March 2010 to 2.5:1 for the period ending 31 March 2013.
- Minimum Latvian EBITDA (earnings before interest, tax, depreciation and amortisation expenses) must not be less (which, for the avoidance of doubt, shall mean more negative where the required minimum Latvian EBITDA is a negative number) than the amount set forth in the column in the table below opposite such date:

Date	Minimum Latvian EBITDA
31 December 2010	EUR (9,000,000)
31 December 2011	EUR (4,000,000)
31 December 2012	EUR 1,000,000

- Maximum Consolidated Capital Expenditure. Bite Finance International Group shall not, and shall not permit its Subsidiaries to, make or incur Consolidated Capital Expenditures in any calendar year in an aggregate amount in excess of the amount set forth in the column in the table below opposite such calendar year:

Calendar year ending	Maximum Consolidated Capital Expenditure
31 December 2010	EUR 20,500,000
31 December 2011	EUR 23,500,000
31 December 2012	EUR 23,500,000

In February 2011, Bitė Lietuva UAB signed an Overdraft Agreement for EUR 4,000,000. On 7 June 2011 the Overdraft Limit was increased from EUR 4 million to EUR 5 million with the Arrangement to the Overdraft Agreement. Management uses the overdraft as regular type short term borrowings. The overdraft facility is available till 15 November 2011.

Pursuant to the Overdraft Agreement dated 24 February 2011, Bitė Lietuva UAB is required to comply with following covenants:

- The ratio of the shareholders' equity and total Bitė Lietuva UAB assets shall not be less than 30% for the period ending 15

BITE FINANCE INTERNATIONAL B.V.

Condensed consolidated interim financial information for 3 months and 6 months ended 30 June 2011

(All amounts in thousand EUR unless otherwise stated)

November 2011.

- The net financial debt specified in the balance sheet (the sum of all Bitė Lietuva UAB financial obligations to the financial institutions minus all amounts of money in cash and all funds held in banks accounts) shall not exceed 5.5 annual EBITDA's. Annual EBITDA is calculated as earnings before interest, taxes, depreciation and amortisation. Annual EBITDA is calculated according to Bitė Lietuva UAB financial reports of last four calendar quarters. The covenant is applicable for the period ending 15 November 2011.

The Group was in compliance with all covenants of both facilities as of 30 June 2011.

5. Revenues and segment information

Management has determined the operating segments of Bite Finance International Group based on the reports reviewed by the Supervisory Council of Bitė Lietuva UAB which is making strategic decisions. The Supervisory Council considers business from geographical perspective. Geographically, management considers the performance of full Operating Companies (including Teletower business): Lithuania (this operating segment includes Bitė Lietuva UAB and TeleTower UAB) and Latvia (this operating segment includes Bite Latvija SIA and TeleTower SIA).

The Supervisory Council assesses the performance of the operating segments based on a measure of EBITDA (earnings before interest, tax, depreciation and amortisation expenses). The amounts provided to the Supervisory Council with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the physical location of the asset.

Financial information of EECF Bella FinCo SIA, Bite Finance International B.V. and Bite Finance International II B.V. is not included within the reportable segments, as they are not included and analysed separately in the reports provided to Supervisory Council. The results of these operations together with share of profit/ (loss) of associate are included in the column „other segments“; other segments revenue and other income includes interest income on deposit and share of profit/ (loss) of associate.

Information on management fee and intercompany guarantee income is disclosed separately from total segment revenue and other income as well as management fee expenses and subscriber acquisition costs (including dealer commissions and subsidies) together with operating expenses as it is analysed by the Supervisory Council.

Information on reportable segments for the three months ended 30 June 2011 and as of 30 June 2011:

	Lithuania	Latvija	Total reportable segments	Other segments	Elimination of IC transactions	Consolidation adjustments	Total
Total segment revenue and other income	33,888	10,913	44,801	3,074	(5,008)	(221)	42,646
Direct segment costs	(12,845)	(5,390)	(18,235)	(3,018)	5,157	-	(16,096)
Gross Margin	21,043	5,523	26,566	56	149	(221)	26,550
Operating expenses, MF* and SAC**	(10,051)	(5,155)	(15,206)	(203)	506	-	(14,903)
MF* and other Intercompany income	591	-	591	3,294	(3,885)	-	-
EBITDA	11,583	368	11,951	3,147	(3,230)	(221)	11,647
Total assets	370,035	50,579	420,614	698,050	(234,768)	(533,407)	350,489

* MF – Management fee

** SAC – Subscriber acquisition costs

BITE FINANCE INTERNATIONAL B.V.

Condensed consolidated interim financial information for 3 months and 6 months ended 30 June 2011

(All amounts in thousand EUR unless otherwise stated)

Information on reportable segments for the six months ended 30 June 2011 and as of 30 June 2011:

	Lithuania	Latvija	<i>Total reportable segments</i>	Other segments	Elimination of IC transactions	Consolidation adjustments	<i>Total</i>
Total segment revenue and other income	66,527	20,756	87,283	5,951	(9,985)	(221)	83,028
Direct segment costs	(25,156)	(10,145)	(35,301)	(6,005)	10,334	-	(30,972)
<i>Gross Margin</i>	41,371	10,611	51,982	(54)	349	(221)	52,056
Operating expenses, MF* and SAC**	(20,718)	(10,509)	(31,227)	(384)	1,101	-	(30,510)
MF* and other Intercompany income	1,238	-	1,238	6,569	(7,807)	-	-
<i>EBITDA</i>	21,891	102	21,993	6,131	(6,357)	(221)	21,546
<i>Total assets</i>	370,035	50,579	420,614	698,050	(234,768)	(533,407)	350,489

Information on reportable segments for the three months ended 30 June 2010 and as of 30 June 2010:

	Lithuania	Latvija	<i>Total reportable segments</i>	Other segments	Elimination of IC transactions	Consolidation adjustments	<i>Total</i>
Total segment revenue and other income	36,705	9,620	46,325	2,516	(4,946)	(177)	43,718
Direct segment costs	(14,330)	(5,217)	(19,547)	(2,533)	4,806	-	(17,274)
<i>Gross Margin</i>	22,375	4,403	26,778	(17)	(140)	(177)	26,444
Operating expenses, MF* and SAC**	(10,861)	(4,880)	(15,741)	(267)	602	-	(15,406)
MF* and other Intercompany income	604	-	604	3,291	(3,895)	-	-
<i>EBITDA</i>	12,118	(477)	11,641	3,007	(3,433)	(177)	11,038
<i>Total assets</i>	391,857	46,045	437,902	720,409	(247,923)	(532,912)	377,476

Information on reportable segments for the six months ended 30 June 2010 and as of 30 June 2010:

	Lithuania	Latvija	<i>Total reportable segments</i>	Other segments	Elimination of IC transactions	Consolidation adjustments	<i>Total</i>
Total segment revenue and other income	70,934	18,554	89,488	5,048	(9,625)	(177)	84,734
Direct segment costs	(27,316)	(10,332)	(37,648)	(5,052)	9,329	-	(33,371)
<i>Gross Margin</i>	43,618	8,222	51,840	(4)	(296)	(177)	51,363
Operating expenses, MF* and SAC**	(21,618)	(9,776)	(31,394)	(534)	1,208	-	(30,720)
MF* and other Intercompany income	1,194	-	1,194	6,546	(7,740)	-	-
<i>EBITDA</i>	23,194	(1,554)	21,640	6,008	(6,828)	(177)	20,643
<i>Total assets</i>	391,857	46,045	437,902	720,409	(247,923)	(532,912)	377,476

* MF – Management fee

** SAC – Subscriber acquisition costs

BITE FINANCE INTERNATIONAL B.V.

Condensed consolidated interim financial information for 3 months and 6 months ended 30 June 2011

(All amounts in thousand EUR unless otherwise stated)

Reportable segments' revenue is reconciled to total revenue as follows:

	Three months to 30 June 2011	Six months to 30 June 2011	Three months to 30 June 2010	Six months to 30 June 2010
Reportable segments' revenue and other income	44,801	87,283	46,325	89,488
Reclassification of activation fee from revenue to costs	93	168	106	181
Other segment's revenue and income	3,074	5,951	2,516	5,048
Less: Share of profit of associate	(310)	(538)	(25)	(76)
Consolidation adjustments/intragroup eliminations	(5,229)	(10,206)	(5,123)	(9,802)
Total revenue and other income per statement of comprehensive income	<u>42,429</u>	<u>82,658</u>	<u>43,799</u>	<u>84,839</u>

Reconciliation of segments' EBITDA to profit before taxes:

	Three months to 30 June 2011	Six months to 30 June 2011	Three months to 30 June 2010	Six months to 30 June 2010
EBITDA	11,647	21,546	11,038	20,643
Depreciation and amortisation costs	(9,950)	(20,006)	(12,980)	(24,687)
Finance income	38	55	3	12
Finance costs	(3,254)	(6,510)	(2,857)	(7,382)
Unrealised fair value gains/ (losses) on derivative financial instrument	196	1,302	(1,413)	674
Result before tax per statement of comprehensive income	<u>(1,323)</u>	<u>(3,613)</u>	<u>(6,209)</u>	<u>(10,740)</u>

6. Finance costs and income

	Three months to 30 June 2011	Six months to 30 June 2011	Three months to 30 June 2010	Six months to 30 June 2010
Finance costs				
Interest expenses:				
Bank borrowings	(97)	(272)	(344)	(705)
Bonds' interest	(2,621)	(5,127)	(2,332)	(4,656)
Other	(3)	(6)	(1)	(2)
Assets retirement obligation unwinding of the present value discount	(24)	(48)	(14)	(26)
Net loss from foreign exchange transactions	-	-	(68)	(144)
Realised loss from financial instrument	(309)	(681)	-	(1,695)
Other finance costs	(200)	(376)	(98)	(154)
Total finance costs	<u>(3,254)</u>	<u>(6,510)</u>	<u>(2,857)</u>	<u>(7,382)</u>
Finance income				
Net gain from foreign exchange transactions	13	7	-	-
Other finance income	25	48	3	12
Total finance income	<u>38</u>	<u>55</u>	<u>3</u>	<u>12</u>
Unrealised fair value gains/(losses) on derivative financial instrument	196	1,302	(1,413)	674
Total finance costs and income	<u>(3,020)</u>	<u>(5,153)</u>	<u>(4,267)</u>	<u>(6,696)</u>

BITE FINANCE INTERNATIONAL B.V.

Condensed consolidated interim financial information for 3 months and 6 months ended 30 June 2011

(All amounts in thousand EUR unless otherwise stated)

On 4 April 2007 Bite Finance International Group entered into an interest rate cap from 15 June 2007 to 15 March 2010, effectively capping EURIBOR at 4.3% per annum. On 18 March 2008 the financial instrument was amended by limiting bank's risk (establishing interest rate floor) of EURIBOR decrease below 3.5% per annum. Effective date of interest rate floor was 16 June 2008, termination date – 15 March 2010. Agreements have expired in the first quarter of 2010.

On 8 April 2010 Bite Finance International Group entered into an interest rate swap from 15 December 2010 to 17 December 2012, fixing the 3 months EURIBOR for EUR 156 million at 2.008% per annum.

As of 30 June 2011, the fair value of derivative instrument was EUR 203 thousand (EUR 1,505 thousand as of 31 December 2010).

7. Income taxes

Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. A separate estimated average annual effective income tax rate is determined for each taxing jurisdiction and applied individually to the interim period pre-tax income of each jurisdiction.

Bitė Lietuva UAB had some uncertain income tax positions in prior reporting periods. After clarification received from Lithuanian tax authorities, Bitė Lietuva UAB adjusted its corporate income tax returns for the years ended 2007 through 2009. This change in the first quarter of 2011 resulted in (i) income tax credit of EUR 1,030 thousand which was netted against the current taxes payable, and (ii) deferred income tax asset from taxable losses of prior periods amounting to EUR 7,105 thousand.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. Deferred tax asset amounting EUR 4,038 thousand was recognized and offset against deferred tax liability in Bitė Lietuva UAB in March 2011.

According to the Law on Corporate Income Tax in Lithuania, taxable losses can be transferred between the companies of the Group. The part of taxable losses of Bitė Lietuva UAB was transferred to TeleTower UAB. TeleTower UAB corporate income tax returns for the year 2010 were amended in the second quarter of 2011. Deferred income tax asset of EUR 146 thousand was recognised from unused taxable losses and simultaneously netted against the current income tax liability in June 2011.

Remaining deferred tax asset of EUR 2,921 thousand, resulting from unused taxable losses was carried forward and not recognised due to uncertainty of its recoverability.

Income tax comprises the following:

	Three months to 30 June 2011	Six months to 30 June 2011	Three months to 30 June 2010	Six months to 30 June 2010
Current tax expense	(36)	(79)	(40)	(81)
Adjustments recognised for current tax of prior periods	123	1,153	-	-
Previously unrecognised deferred tax asset from taxable losses	146	4,184	-	-
Deferred tax	(172)	(198)	(17)	(44)
Total	61	5,060	(57)	(125)

8. Capital expenditures

Six months ended 30 June 2011

	Tangible and intangible assets
Opening net book amount 31 December 2010	325,296
Additions	7,727
Disposals and write-offs	(78)
Depreciation and amortisation	(20,006)
Closing net book amount 30 June 2011	312,939

BITE FINANCE INTERNATIONAL B.V.

Condensed consolidated interim financial information for 3 months and 6 months ended 30 June 2011

(All amounts in thousand EUR unless otherwise stated)

Six months ended 30 June 2010	Tangible and intangible assets
Opening net book amount 31 December 2009	357,758
Additions	4,387
Disposals and write-offs	(12)
Depreciation and amortisation	(24,687)
Closing net book amount 30 June 2010	337,446

9. Borrowings

	As of 30 June 2011	As of 31 December 2010
Revolving credit facility	1,353	14,191
Interest payable on loan	9	-
Overdraft	3,587	-
Bonds	193,740	193,273
Outstanding balance at the end of period	198,689	207,464

The maturity of borrowings and bonds as of 30 June 2011 and 31 December 2010 were as follows:

	As of 30 June 2011	As of 31 December 2010
Not later than 1 year	4,043	486
Later than 1 year but not later than 5 years	188,707	201,048
Later than 5 years	5,939	5,930
Outstanding balance at the end of period	198,689	207,464
Less: current portion	(4,043)	(486)
Total non-current borrowings and bonds	194,646	206,978

As of 30 June 2011 the principal amount drawn under the Senior Revolving Credit facility was EUR 2 million (EUR 15 million as of 31 December 2010) for a term of 3 years maturing on 30 June 2013. The credit is subject to an interest of EURIBOR +4% per annum. As of 30 June 2011 amortised balance outstanding under the Senior Revolving Credit facility was EUR 1,353 thousand, including interest payable of EUR 5 thousand and paid up front fee of EUR 652 thousand (EUR 14,191 thousand, including interest payable of EUR 58 thousand and paid up front fee of EUR 867 thousand as of 31 December 2010).

On 24 February 2011 Bite Lietuva UAB entered into an Overdraft Agreement with AS "UniCredit Bank" Lithuania Branch for EUR 4 million maturing on 15 November 2011. On 7 June 2011 the Overdraft Limit was increased from EUR 4 million to EUR 5 million with the Arrangement to the Overdraft Agreement. The Overdraft is subject to an interest of EURIBOR +2.7% per annum. As of 30 June 2011 the balance outstanding on the Overdraft was EUR 3,587 thousand, including the interest payable of EUR 7 thousand and paid up front fee of EUR 6 thousand.

As of 30 June 2011 the balance outstanding on the bonds was EUR 193,740 thousand, including the interest payable to the bondholders of EUR 442 thousand (EUR 193,273 thousand, including the interest payable to the bondholders of EUR 428 thousand as of 31 December 2010).

10. Dividends per share

In 2010 the Management Board of Bite Finance International B.V. decided to distribute an interim dividend in the amount of EUR 2,300,000. On 18 June 2010 Bite Finance International B.V. has paid interim dividend to Bite Holdings International B.V. in the amount of EUR 2,300 thousand (EUR 12.77 per share).

11. Transactions with related parties

Bite Finance International Group's immediate parent entity is Bite Holdings International B.V. and ultimate controlling parties are Emerging Europe Convergence Fund II L.P. (the Fund) and Bite Co-investment LP and Bite Co-investment II LP, each a Guernsey limited partnership whose ultimate general partner is EMP Europe (CI) Limited. The main activities of the Fund are making investments and owning, managing as well as supervising such investments. Mid Europa Partners LLP, a leading

BITE FINANCE INTERNATIONAL B.V.

Condensed consolidated interim financial information for 3 months and 6 months ended 30 June 2011

(All amounts in thousand EUR unless otherwise stated)

private equity firm that manages and advises funds that invest in businesses with significant exposure to Central and Eastern Europe has been appointed as the investment manager.

On 17 June 2010 Bite Finance International (Cayman) Ltd., the indirect subsidiary of the ultimate controlling party of Bite Finance International B.V., has purchased from bond holders Senior Secured Floating Rate Notes with a principal value of EUR 3 million. Interest calculated is included into interest expenses on bonds in a table below.

On 22 December 2009 Bite Finance International B.V. has granted the loan to Bite Holdings International B.V. of EUR 500 thousand. Interest on unpaid principal amount of the loan per annum equals to 3 months EURIBOR +4.5% and final repayment date is 22 December 2014. Interest calculated is included into sales of services to other related parties in a table below.

On 15 March 2010 Bite Finance International B.V. has granted the loan to Bite Holdings International B.V. of EUR 140 thousand, on 28 May 2010 – EUR 360 thousand. Interest on unpaid principal amount of the loans per annum equals to 3 months EURIBOR +4.5% and final repayment date is 17 March 2014 and 28 May 2014, respectively. Interest calculated is included into sales of services to other related parties in a table below.

On 21 January 2011 Bite Finance International B.V. has granted the loan to Bite Holdings International B.V. of EUR 50 thousand. Interest on unpaid principal amount of the loan per annum equals to 3 months EURIBOR +4.5% and final repayment date is 20 January 2015. Interest calculated is included into sales of services to other related parties in a table below.

On 21 January 2011 Bite Finance International B.V. has granted the loan to Bite Group Holdings LP (which is the direct subsidiary of the ultimate controlling party of the Company) of EUR 220 thousand. Interest on unpaid principal amount of the loan per annum equals to 3 months EURIBOR +4.5% and final repayment date is 20 January 2015. Interest calculated is included into sales of services to other related parties in a table below.

As of 30 June 2011, the balance outstanding on the intercompany loans was EUR 1,291 thousand, including interest payable of EUR 21 thousand (EUR 1,009 thousand, including interest payable of EUR 9 as of 31 December 2010).

Bite Finance International Group sells handsets, prepaid cards, and accessories and provides telecommunication services to Spainetos Prekybos Sistema Group. Expenses incurred in relation to Spainetos Prekybos Sistema Group constitute dealer commissions for new connections and airtime as well as expenses related to advertising and purchase of accessories. All transactions with Spainetos Prekybos Sistema Group are included under Purchases from/Sales to/Receivables from/Payables to Associate in the tables below.

The following material transactions were carried out with related parties:

	Three months to 30 June 2011	Six months to 30 June 2011	Three months to 30 June 2010	Six months to 30 June 2010
Sales of goods to Associate	780	1,648	463	1,351
Sales of Services to Associate	30	60	35	68
Sales of services to other related parties	18	35	6	10
Total	828	1,743	504	1,429
Purchase of goods from Associate	5	6	5	21
Purchase of services from Associate	1,408	2,656	373	1,422
Interest expenses on bonds to Bite Finance International (Cayman) Ltd	36	70	6	6
Purchase of services from managers appointed by the ultimate controlling party	375	750	375	750
Total	1,824	3,482	759	2,199

BITE FINANCE INTERNATIONAL B.V.

Condensed consolidated interim financial information for 3 months and 6 months ended 30 June 2011

(All amounts in thousand EUR unless otherwise stated)

The receivables from related parties as of 30 June 2011 and 31 December 2010:

	As of 30 June 2011	As of 31 December 2010
Intercompany loans to other related parties	1,270	1,000
Interest receivable from other related parties	21	9
Receivables from other related parties	16	16
Receivables from Associate	-	246
Total	<u>1,307</u>	<u>1,271</u>

The payables to related parties as of 30 June 2011 and 31 December 2010:

	As of 30 June 2011	As of 31 December 2010
Bonds owned by Bite Finance International (Cayman) Ltd	2,958	2,951
Bonds interest payable to Bite Finance International (Cayman) Ltd	7	6
Payables to managers appointed by the ultimate controlling party	4,750	4,000
Payables to Associate	59	-
Total	<u>7,774</u>	<u>6,957</u>

12. Key management personnel compensation

In September 2010 Bite Finance International B.V. (the sole shareholder of Bitė Lietuva UAB) has abolished the Management Board as the management body of Bitė Lietuva UAB. This resolution became effective on 21 September 2010, when the new Articles of Association of Bitė Lietuva UAB have been registered in the Lithuanian Company Register. The resolution was taken in order to make day-to-day business decision making process shorter and more effective, as it was considered that the Management Board partly duplicates the role of the Supervisory Council.

Thereby the Supervisory Council and Chief Executive Officer (together with the Chief Operating Officers (Chief Technology Officer, Chief Financial Officer, Chief Customer Officer)) are governing bodies of Bitė Lietuva UAB.

Management of other Bite Finance International Group companies includes the Management Board in EECF Bella FinCo SIA and Bite Latvija SIA, the Directors in Bite Finance International B.V. and Bite Finance International II B.V., the member of the board in TeleTower SIA and CEO in TeleTower UAB.

Remuneration (salaries, bonuses and other compensations) to respective management personnel in respect of their work performed to the Group is shown below:

	Three months to 30 June 2011	Six months to 30 June 2011	Three months to 30 June 2010	Six months to 30 June 2010
Remuneration	480	1,004	614	837
Social security contributions	131	277	227	277
Termination benefits	-	-	200	200
Total	<u>611</u>	<u>1,281</u>	<u>1,041</u>	<u>1,314</u>

A share-based compensation plan settled by EECF Bella Equity Cooperative U.A., the immediate parent entity of Bite Holdings International B.V., and Bite Holdings International B.V. has been established for members of the management of Bitė Lietuva UAB and Bite Latvija SIA. The share-based compensation plan that was established in 2007 is to be replaced by a new program.

New long term incentive plan (LTIP) for members of the management was finalised during the first quarter of 2011. The compensation plan has six participants, two members of the Supervisory Council and four executives. New LTIP participation interests (options) have a three year vesting period in the following tranches: 25% of share options vest on 31 December 2011, 25% of share options vest on 31 December 2012 and 50% of share options vest on 30 April 2014.

BITE FINANCE INTERNATIONAL B.V.

Condensed consolidated interim financial information for 3 months and 6 months ended 30 June 2011

(All amounts in thousand EUR unless otherwise stated)

The members of LTIP are subject to good and bad leaver clauses. Bad leavers lose all their options and receive back their original contribution. Upon entering to the LTIP the participants pay the fair value for the received participation options. The contribution payable for the share is 2 EUR. In total there are 100 shares, which are split between the participants of LTIP.

The Group has no legal or constructive obligation to repurchase or settle the options in cash.

13. Seasonality of business

The Group's business is not highly seasonal. In general, the summer months and December represent strong trading months. Summer months are strong trading months as people tend to spend more time on the move, and therefore usage of mobile technology increases. Roaming in particular increases strongly in the summer months due to the increase in travelling. Similar for December, traffic volume normally increases during the festive period.

14. Events occurring after the reporting period

As of 30 June 2011 Bite Finance International Group was entitled to a Revolving Credit Facility (RCF) totalling EUR 30 million, provided by a syndicate of two Lithuanian banks. Starting 1 July 2011 the RCF is reduced to EUR 27.5 million according to the terms and conditions stated in the Amendment dated 26 March 2010 of the Senior RCF Agreement. All amounts outstanding under the RCF will mature and become due on 30 June 2013. However, total amount (EUR 2,009 thousand with interest) outstanding under the RCF was paid in full on 8 July 2011.