

SUMMARY HISTORICAL AND PRO FORMA FINANCIAL INFORMATION AND OPERATIONAL DATA

The unaudited interim consolidated financial statements, attached hereto, are prepared in accordance with IAS 34. In accordance with this standard, 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 interim unaudited consolidated financial statements includes only 2 months of the results of the company.

The management's discussion and analysis, dated May 23, 2007 has been prepared giving effect to the Transactions as if they had occurred on January 1, 2006 and should be read in conjunction with the accompanying pro forma unaudited consolidated financial statements of Bité for the three months ended March 31, 2007, and should also be read in conjunction with the audited consolidated financial statements for Bité Group, consisting of Bité Lithuania and Bité Latvia, the predecessor company to Bité. Additional information related to Bité may be obtained at the listing agent in Luxembourg during normal business hours. The financial information presented herein has been prepared in accordance with International Financial Reporting Standards.

The following table provides summary unaudited pro forma consolidated financial information for the Company as of and for the quarters ended March 31, 2007 and 2006. The unaudited pro forma consolidated income statement gives effect to the Transactions as if they had occurred on January 1, 2006. The unaudited pro forma balance sheet information gives effect to the Transactions as if they had occurred on December 31, 2005.

The adjustments necessary to fairly present the pro forma consolidated financial information have been made based on available information and assumptions that management believes are reasonable. The pro forma unaudited consolidated financial information has been prepared for information purposes only and does not purport to present what our results would actually have been had the Transactions occurred on the dates presented or to project our results of operations or financial position for any future period.

The summary unaudited financial information of Bité Lithuania, Bité Latvia and the consolidated financial information of Bité Group as of and for the quarters ended March 31, 2007 and 2006 presented below is derived from unaudited Monthly Management Reports (MMR) which are prepared in accordance with the same accounting policies as for IFRS consolidated interim financial statements with the exception of translation of balances denominated in foreign currencies to Group presentation currency EUR. The difference comprise of the effect from using fixed Latvian Lats / EUR rates for MMR purposes versus variable Latvian Lats / Lithuanian Litas rate (official set by the Bank of Lithuania) used to translate functional currency of Latvian Lats to EUR in the consolidated IFRS financial statements.

Bité
Quarter ended March 31

	Bité Lithuania		Bité Latvia		Bité Group		Effect of Transaction		Bité Finance International Group Pro Forma	
	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>
<i>(in thousands of Euros)</i>										
Statement of income:										
Revenues	39,948	46,331	1,160	3,312	39,916	46,771	-1	-1	39,916	46,771
Costs and Expenses	-38,432	-41,464	-3,515	-7,751	-40,755	-46,372	-204	-204	-40,959	-46,575
Operating profit/(loss)	1,516	4,866	-2,355	-4,440	-839	400	-205	-205	-1,043	195
Finance costs	-496	-29	17	-39	-479	-41	-7,110	-7,110	-7,589	-7,151
Finance income	16	50	26	20	42	69	232	232	275	302
Share of profit of associate	0	0	0	0	-12	64	0	0	-12	64
Profit/(loss) before tax	1,037	4,887	-2,313	-4,459	-1,288	492	-7,082	-7,082	-8,370	-6,590
Income tax	-126	-330	0	0	-126	-330	-16	-16	-142	-346
Net profit/(loss) after tax	911	4,557	-2,313	-4,459	-1,414	162	-7,098	-7,098	-8,512	-6,936
Cash Flow Statement Data:										
Net cash generated from operating activities	-3,088	10,483	5,837	-3,132	2,749	7,351	-8,775	-8,775	-6,025	-1,424
Net cash used in investing activities	-7,462	-6,769	-2,747	-3,161	-10,210	-9,930	-443,028	-443,028	-453,237	-452,957
Net cash (used in)/generated from financing activities	11,967	-5,002	0	5,000	11,967	-2	486,582	486,582	498,549	486,580
Balance Sheet Data:										
Total non current assets	139,190	172,145	18,005	30,167	131,831	146,715	293,989	293,989	425,821	440,704
Total current assets	32,679	37,787	5,337	7,777	33,058	42,731	26,440	26,440	59,498	69,171
Total shareholders' equity	149,876	184,363	17,112	26,852	141,624	160,617	18,594	18,594	160,218	179,211
Non current liabilities	763	1,331	48	5,163	811	1,494	290,612	290,612	291,423	292,105
Current liabilities	21,230	24,238	6,183	5,930	22,454	27,335	11,224	11,224	33,678	38,559
Total liabilities and shareholders' equity	171,869	209,932	23,342	37,944	164,889	189,446	320,430	320,430	485,319	509,875

Bité
Quarter ended March 31

	Bité Lithuania		Bité Latvia		Bité Finance International Group Pro Forma	
	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>
	<i>(in thousands of Euros)</i>					
Non-IFRS measures:						
Service Revenue ¹	33,888	38,953	490	1,828	34,355	40,694
EBITDA	7,952	11,995	-2,019	-3,660	5,729	8,104
<i>EBITDA margin (Total revenue)</i>	<i>19.9%</i>	<i>25.9%</i>	<i>-174.1%</i>	<i>-110.5%</i>	<i>14.4%</i>	<i>17.3%</i>
<i>EBITDA margin (Service revenue)</i>	<i>23.5%</i>	<i>30.8%</i>	<i>-412.4%</i>	<i>-200.2%</i>	<i>16.7%</i>	<i>19.9%</i>
Capital expenditures	7,624	6,814	2,747	3,161	10,372	9,975
EBITDA minus CAPEX	328	5,181	-4,766	-6,821	-4,643	-1,872
Net interest expenses					-6,835	-6,835
Total net debt ²					258,672	258,672

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

Bité
Quarter ended March 31

	Bité Lithuania		Bité Latvia		Bité Finance International Group Pro Forma	
	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>
	<i>(in thousands of Euros)</i>					
Net profit (loss)	911	4,557	-2,313	-4,459	-8,512	-6,936
Depreciation and amortization costs	-6,436	-7,129	-337	-780	-6,772	-7,909
Income tax	-126	-330	0	0	-142	-346
Finance costs	-496	-29	17	-39	-7,589	-7,151
Finance income	16	50	26	20	275	302
Share of profit of associate	0	0	0	0	-12	64
EBITDA	7,952	11,995	-2,019	-3,660	5,729	8,104

¹ Service Revenue includes total revenue less Handset revenue, Transit revenue and Other revenue and income

² Total net debt represents total debt less cash and cash equivalents. In accordance with our accounting policies, a portion of the indebtedness from the notes is recognized in the Bité Finance International Group balance net of debt issuance costs.

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED MARCH, 31

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 International Finance B.V. Group consists of 5 companies: Bité Finance International B.V., SIA EECF Bella FINCO, UAB EECF Bella SPV, UAB Bité Lietuva and SIA Bité Latvia. 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. In order to keep continuity of information provided results of the full three months are analyzed.

Operational Overview

For the quarter ended March 31, 2007, the Company had consolidated revenues and other income of € 46.8 million and consolidated EBITDA of € 8.1 million. On a stand alone basis and before inter-company eliminations, Bité Lithuania had € 46.3 million and € 12 million of revenues and other income and EBITDA, and Bité Latvia had € 3.3 million and negative € 3.7 million of revenues and EBITDA, respectively.

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 Base³

The total subscriber base has remained stable from March 31, 2006 due to a reduction in the prepaid base in Lithuania. This reduction is due to the churn of inactive prepaid sim cards from the heavy campaigning end of 2005.

The postpaid subscriber base growth in both Lithuania and Latvia has contributed to our improved operating results. From March 31, 2006 we have increased our total postpaid customer base by more than 50,000 customers from 362,963 to 402,928 in Lithuania and from 7,874 to 21,523 in Latvia. The growth averaged approximately 4,468 new subscribers per month during the period analyzed. In Latvia the growth in postpaid gross additions was supported by the introduction of postpaid business services.

³ 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.

The prepaid base is increasing in Latvia supported by heavy campaigning during the first quarter of 2007. In Lithuania the campaign activities in the prepaid segment was limited, leaving a reduction in the number of gross additions.

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

	Bité Lithuania		Bité Latvia		Bité Group	
	Q1 ended March 31, 2006	2007	Q1 ended March 31, 2006	2007	Q1 ended March 31, 2006	2007
Total subscribers at beginning of period	1,208,773	1,187,475	55,446	102,922	1,264,219	1,290,397
<u>Gross Additions</u>						
Postpaid	25,720	24,424	5,241	7,985	30,961	32,409
Prepaid	215,285	157,991	20,367	49,475	235,652	207,466
Total gross additions	241,005	182,415	25,608	57,460	266,613	239,875
<u>Net Additions</u>						
Postpaid	12,100	12,301	4,865	2,792	16,965	15,093
Prepaid	37,800	-48,855	-25,317	22,134	12,483	-26,721
Total net additions	49,900	-36,554	-20,452	24,926	29,448	-11,628
<u>Subscribers end of period</u>						
Postpaid	362,963	402,928	7,874	21,523	370,837	424,451
Prepaid	895,710	747,993	27,120	106,325	922,830	854,318
Total subscribers at end of period	1,258,673	1,150,921	34,994	127,848	1,293,667	1,278,769
<u>Growth Rate</u>						
<u>Subscribers</u>						
Postpaid	22.6%	11.0%	n/a	173.3%	25.3%	14.5%
Prepaid	95.5%	-16.5%	n/a	292.1%	101.4%	-7.4%
Total subscribers	66.9%	-8.6%	n/a	265.3%	71.5%	-1.2%

Average Revenue per User (ARPU)⁴

The table below sets forth our ARPU for the periods indicated.

	Bité Lithuania		Bité Latvia		Bité Group	
	Q1 ended March 31, 2006	2007	Q1 ended March 31, 2006	2007	Q1 ended March 31, 2006	2007
ARPU						
Postpaid	20.78	20.19	17.24	20.36	20.72	20.17
Prepaid	2.55	3.58	1.57	0.80	2.50	3.27
Blended ARPU ¹	7.83	9.22	3.46	4.21	7.67	8.76

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

⁴ 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 fee.

ARPU of Bité

Blended ARPU of Bité Group was € 8.76 for Q1 of 2007, an increase of 14.2 % as compared with a blended ARPU of € 7.67 in Q1 of 2006.

ARPU of Bité Lithuania and Bité Latvia

Blended ARPU of Bité Lithuania was € 9.22 for Q1 of 2007, an increase of 17.8 % as compared with a blended ARPU of € 7.83 in Q1 of 2006. This increase is due to higher prepaid revenue combined with a lower prepaid customer number, giving a prepaid ARPU increase of 40 %. Blended ARPU of Bité Latvia was € 4.21 for Q1 of 2007, an increase of 21.8 % as compared with a blended ARPU of € 3.46 in Q1 of 2006. This increase was due to higher postpaid revenue with the introduction of postpaid business services in Bité Latvia.

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 periods indicated:

	Bité Lithuania		Bité Latvia		Bité Group	
	Q1 ended March 31, 2006	2007	Q1 ended March 31, 2006	2007	Q1 ended March 31, 2006	2007
AMOU⁽¹⁾						
Postpaid	323	338	193	211	321	332
Prepaid	57	51	13	21	55	48
Blended AMOU ⁽²⁾	134	149	35	54	130	140

(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 Q1 Y2007 was 51, a decrease of 9.5 % from 57 for the Q1 of 2006. The decrease in prepaid AMOU is mainly due to less aggressive campaigning during the first quarter of 2007.

Our postpaid AMOU for the Q1 of 2007 was 338, an increase of 4.8 % from 323 for the Q1 of 2006. This increase is mainly driven by more services offered to postpaid customers and the increased purchasing power of our customers.

AMOU of Bité Latvia

Our prepaid AMOU for the Q1 of 2007 was 21, an increase of 61 % from 13 for the Q1 of 2006. The increase in prepaid AMOU is mainly due to a five month campaign with one of the largest retail chains in Latvia.

Our postpaid AMOU for the Q1 of 2007 was 211, an increase of 9.2 % from 193 for the Q1 of 2006. The increase in postpaid AMOU is mainly due to the introduction of postpaid business services and a uniform tariff campaign which allowed customers to call to other networks for the same price as calls inside the Bité network.

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	
	Q1 ended March 31, 2006	2007	Q1 ended March 31, 2006	2007	Q1 ended March 31, 2006	2007
Churn						
Postpaid	3.8%	3.1%	6.9%	25.8%	3.9%	4.2%
Prepaid	20.2%	26.8%	114.8%	28.7%	24.3%	27.0%
Blended ⁽¹⁾	15.5%	18.7%	101.9%	28.2%	18.5%	19.6%

- (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 in the first quarter of 2007 as compared to the first quarter of previous year due to further improvement in loyalty activities and overall slow down of market activities in business postpaid segment.

Prepaid churn increased compared to Q1 of 2006 due to reduced marketing activities in Q1 of 2007 in an effort to reduce rotational churn.

Churn of Bité Latvia

Postpaid churn increased in the first quarter of 2007 as compared to the first quarter of previous year due to high welcome segment churn and bad debt.

Prepaid churn reduced compared to Q1 2006 due to high churn last year due to a major start kit give away campaign end 2005.

Subscriber Acquisition Cost (SAC)

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

The table below shows Bité Lithuania and Bité Latvia SAC figures for the periods indicated:

SAC	Bité Lithuania		Bité Latvia		Bité Group	
	Q1 ended March 31, 2006	2007	Q1 ended March 31, 2006	2007	Q1 ended March 31, 2006	2007
Postpaid	167.0	124.9	104.0	134.5	156.4	127.2
Prepaid	3.3	4.3	2.8	2.4	3.3	3.8

SAC of Bité Lithuania

Postpaid SAC for Bité Lithuania has decreased by 25.2 % from € 167.0 to € 124.9 per gross connection. This decrease was mainly driven by lower subsidy level for both postpaid business and postpaid residential segments as well as lower handset costs.

SAC of Bité Latvia

Postpaid SAC for Bité Latvia has increased by 29.3 % from € 104.0 to € 134.5 per gross connection. This increase was mainly driven by introduction of postpaid business services and higher dealer commissions.

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 periods indicated.

	Bité Lithuania		Bité Latvia		Bité Group	
	unconsolidated stand alone	unconsolidated stand alone	unconsolidated stand alone	unconsolidated stand alone	consolidated	consolidated
	Q1 ended March 31, 2006	2007	Q1 ended March 31, 2006	2007	Q1 ended March 31, 2006	2007
	<i>(€ in millions)</i>					
Postpaid services revenue	22,342	24,119	287	1,239	22,624	25,325
Prepaid services revenue	6,779	8,367	188	229	6,954	8,585
Wholesale revenue	1,796	3,094	15	204	1,811	3,297
Other service revenue	2,971	3,372	0	155	2,965	3,488
Total Service Revenue	33,888	38,953	490	1,828	34,355	40,694
Handsets revenue	3,834	3,368	538	1,150	4,373	4,518
Other revenue and income	2,225	4,010	132	335	1,189	1,559
Total Revenue and other income	39,948	46,331	1,160	3,312	39,917	46,771
Interconnect & roaming costs	-11,250	-13,968	-213	-1,051	-11,311	-14,486
Sales & Marketing cost	-8,120	-6,946	-1,205	-2,008	-9,325	-8,954
Network Operations cost	-2,073	-2,261	-431	-710	-2,504	-2,972
Other expenses	-10,553	-11,159	-1,330	-3,202	-10,843	-12,051
Total expenses	-31,996	-34,336	-3,178	-6,971	-33,983	-38,463
EBITDA	7,952	11,995	-2,019	-3,660	5,933	8,308

<i>EBITDA margin (% of service revenue)</i>	23%	31%	-412%	-200%	17%	20%
Depreciation and amortization costs	-6,436	-7,129	-337	-780	-6,772	-7,909
Operating profit/(loss)	1,516	4,866	-2,355	-4,440	-839	400
Finance costs	-496	-29	17	-39	-479	-41
Finance income	16	50	26	20	42	69
Share of profit of associate	0	0	0	0	-12	64
Profit/(loss) before tax	1,037	4,887	-2,313	-4,459	-1,288	492
Income tax	-126	-330	0	0	-126	-330
Net profit/(loss)	911	4,557	-2,313	-4,459	-1,414	162

Quarter Ended March 31, 2007 Compared with Quarter Ended March 31, 2006

Revenues

Service revenues generated by Bité Group increased by € 6,339 thousand, or 18.5 %, to € 40,694 thousand for Q1 of 2007 compared to € 34,355 thousand for the Q1 of 2006. Total revenues generated by Bité Group increased by € 6,855 thousand, or 17.2 %, to € 46,771 thousand for Q1 of 2007 compared to € 39,917 thousand for the Q1 of 2006.

Service revenues generated by Bité Lithuania increased by € 5,064 thousand, or 14.9 %, to € 38,953 thousand for Q1 of 2007 compared to € 33,888 thousand for the Q1 of 2006. Total revenues generated by Bité Lithuania increased by € 6,382 thousand, or 16.0 %, to € 46,331 thousand for the quarter ended March 31, 2007 compared to € 39,948 thousand for the quarter ended March 31, 2006.

Service revenues generated by Bité Latvia increased by € 1,338 thousand, to € 1,828 thousand for Q1 of 2007 compared to € 490 thousand for the Q1 of 2006. Total revenues generated by Bité Latvia increased by € 2,152 thousand, or 2.9 times, to € 3,312 thousand for the quarter ended March 31, 2007 compared to € 1,160 thousand for the quarter ended March 31, 2006.

Postpaid service revenue

Postpaid service revenue generated by Bité Group increased by € 2,701 thousand, or 11.9 %, to € 25,325 thousand for the Q1 of 2007 compared to € 22,624 thousand for the Q1 of 2006.

Postpaid service revenue generated by Bité Lithuania increased by € 1,777 thousand, or 8.0 %, to € 24,119 thousand for Q1 of 2007 compared to € 22,342 thousand for the Q1 of 2006. Postpaid revenue increase was driven by 40,000 higher postpaid customers and was partially offset by lower postpaid business ARPU.

Postpaid service revenue generated by Bité Latvia increased by € 953 thousand, or 4.3 times to € 1,239 thousand for the Q1 of 2007 compared to € 287 thousand for the Q1

of 2006. This increase was largely due to an increase of 2.7 times for the postpaid customer base.

Prepaid service revenue

Prepaid service revenue generated by Bité Group increased by € 1,630 thousand, or 23.4 %, to € 8,585 thousand for the year Q1 of 2007 compared to € 6,954 thousand for the Q1 of 2006.

Prepaid service revenue generated by Bité Lithuania increased by € 1,588 thousand, or 23.4 %, to € 8,367 thousand for the Q1 of 2007 compared to € 6,779 thousand for the Q1 of 2006. This increase was largely due to higher usage of services and increase in SMS prices for prepaid customers.

Prepaid service revenue generated by Bité Latvia increased by € 42 thousand, or 22.2 %, to € 229 thousand for the Q1 of 2007 compared to € 188 thousand for the Q1 of 2006. This increase was due to a higher number of prepaid customers, partially offset by reduction in revenue due to customer acquisition campaign through one of the biggest retail channels in Latvia.

Wholesale revenue

Wholesale revenue generated by Bité Group increased by € 1,486 thousand, or 82.0 %, to € 3,297 thousand for the Q1 of 2007 compared to € 1,811 thousand for the Q1 of 2006.

Wholesale revenue generated by Bité Lithuania increased by € 1,298 thousand, or 72.3 %, to € 3,094 thousand for the Q1 of 2007 compared to € 1,796 thousand for the Q1 of 2006. This increase was driven mainly by successful launch of new prepaid brand by one of the Service Providers, Eurocom.

Wholesale revenue generated by Bité Latvia increased by € 189 thousand, or 13.4 times, to € 204 thousand for the Q1 of 2007 compared to € 15 thousand for the Q1 of 2006. This increase was largely due to an increase in the service providers postpaid customer base.

Other service revenue

Other service revenue generated by Bité Group increased by € 522 thousand, or 17.6 %, to € 3,488 thousand for the Q1 of 2007 compared to € 2,965 thousand for the Q1 of 2006.

Other service revenue generated by Bité Lithuania increased by € 401 thousand, or 13.5 %, to € 3,372 thousand for the Q1 of 2007 compared to € 2,971 thousand for the Q1 of 2006. This increase was driven by an increase in inbound roaming revenues.

Other service revenue generated by Bité Latvia increased by € 155 thousand for the Q1 of 2007 from nothing for the Q1 of 2006. This increase was due to the launch of inbound roaming services in Latvia.

Handsets revenue

Handsets revenue generated by Bité Group increased by € 145 thousand, or 3.3 %, to € 4,518 thousand for the Q1 of 2007 compared to € 4,373 thousand for the Q1 of 2006.

Handsets revenue generated by Bité Lithuania decreased by € 466 thousand, or 12.2 %, to € 3,368 thousand for the Q1 of 2007 compared to € 3,834 thousand for the Q1 of 2006. This decrease was largely due to a reduction in subsidies. Customers are more interested in buying SIM without handset.

Handsets revenue generated by Bité Latvia increased by € 611 thousand, or 2.1 times, to € 1,150 thousand for the Q1 of 2007 compared to € 538 thousand for the Q1 of 2006. This increase was largely due to the start of activities in the business market.

Other revenues and income

Other revenues and income generated by Bité Group increased by € 371 thousand, or 31.2 %, to € 1,559 thousand for the Q1 of 2007 compared to € 1,189 thousand for the Q1 of 2006.

Other revenues generated by Bité Lithuania increased by € 1,784 thousand, or 80.2 %, to € 4,010 thousand for the Q1 of 2007 compared to € 2,225 thousand for the Q1 of 2006. Other revenues are higher due to higher management fee from Bité Latvia which is eliminated upon consolidation.

Other revenues generated by Bité Latvia increased by € 203 thousand, or 154 %, to € 335 thousand for the Q1 of 2007 compared to € 132 thousand for the Q1 of 2006. Other revenues are higher due to higher transit revenue.

Costs and Expenses

Costs and expenses of Bité Group increased by € 4,480 thousand, or 13.2 %, to € 38,463 thousand for the Q1 of 2007 compared to € 33,983 thousand for the Q1 of 2006.

Costs and expenses of Bité Lithuania increased by € 2,339 thousand, or 7.3 %, to € 34,336 thousand for the Q1 of 2007 compared to € 31,996 thousand for the Q1 of 2006.

Costs and expenses of Bité Latvia increased by € 3,793 thousand, or 119.3 %, to € 6,971 thousand for the Q1 of 2007 compared to € 3,178 thousand for the Q1 of 2006.

Interconnect and roaming costs

Interconnect and roaming costs of Bité Group increased by € 3,175 thousand, or 28.1 %, to € 14,486 thousand for the Q1 of 2007 compared to € 11,311 thousand for the Q1 of 2006.

Interconnect and roaming costs of Bité Lithuania increased by € 2,718 thousand, or 24.2 %, to € 13,968 thousand for the Q1 of 2007 compared to € 11,250 thousand for the Q1 of 2006. This increase was driven by higher number of postpaid customers.

Interconnect and roaming costs of Bité Latvia increased by € 839 thousand, or 394.4 %, to € 1,051 thousand for the Q1 of 2007 compared to € 213 thousand for the Q1 of 2006. This increase was largely due to a higher customer base.

Sales and Marketing Costs

Sales and marketing costs of Bité Group decreased by € 371 thousand, or 4.0 %, to € 8,954 thousand for the Q1 of 2007 compared to € 9,325 thousand for Q1 of 2006.

Sales and marketing costs of Bité Lithuania decreased by € 1,174 thousand, or 14.5 %, to € 6,946 thousand for the Q1 of 2007 compared to € 8,120 thousand for the Q1 of 2006. This decrease was largely due to lower handset subsidies and less advertising.

Sales and marketing costs of Bité Latvia increased by € 803 thousand, or 66.6 %, to € 2,008 thousand for the Q1 of 2007 compared to € 1,205 thousand for the Q1 of 2006. This increase was largely due to increase of marketing activities in Latvia to support subscriber acquisition.

Network operations cost

Network operations costs of Bité Group increased by € 468 thousand, or 18.7 %, to € 2,972 thousand for the Q1 of 2007 compared to € 2,504 thousand for the Q1 of 2006.

Network operations costs of Bité Lithuania increased by € 188 thousand, or 9.1 %, to € 2,261 thousand for the Q1 of 2007 compared to € 2,073 thousand for the Q1 of 2006. This increase was largely due to 3G services.

Network operations costs of Bité Latvia increased by € 279 thousand, or 64.8 %, to € 710 thousand for the Q1 of 2007 compared to € 431 thousand for the Q1 of 2006. This increase was due to increased network rollout.

Other Costs and Expenses

Other costs and expenses of Bité Group increased by € 1,208 thousand, or 11.1 %, to € 12,051 thousand for the Q1 of 2007 compared to € 10,843 thousand for the Q1 of 2006.

Other costs and expenses of Bité Lithuania increased by € 606 thousand, or 5.7 %, to € 11,159 thousand for the Q1 of 2007 compared to € 10,553 thousand for the Q1 of 2006. This increase was largely due to higher customer care costs due to more activities in telemarketing.

Other costs and expenses of Bité Latvia increased by € 1,872 thousand, or 140.8 %, to € 3,202 thousand for the Q1 of 2007 compared to € 1,330 thousand for the Q1 of 2006. This increase was largely due to a higher management fee from Bité Lithuania.

Depreciation and Amortization Costs

Depreciation and amortization costs of Bité Group increased by € 1,137 thousand, or 16.8 %, to € 7,909 thousand for the Q1 of 2007 compared to € 6,772 thousand for the Q1 of 2006.

Depreciation and amortization costs of Bité Lithuania increased by € 693 thousand, or 10.8 %, to € 7,129 thousand for the Q1 of 2007 compared to € 6,436 thousand for the Q1 of 2006. This increase was largely due to investments into network for capacity increase and new billing system implementation.

Depreciation and amortization costs of Bité Latvia increased by € 443 thousand, or 2.3 times, to € 780 thousand for the Q1 of 2007 compared to € 337 thousand for the Q1 of 2006. This increase was largely due to investments into network coverage.

Operating Profit/ (Loss)

Operating profit of Bité Group increased by € 1,239 thousand to € 400 thousand for the Q1 of 2007 compared to a loss of € 839 thousand for the Q1 of 2006.

Operating profit of Bité Lithuania increased by € 3,350 thousand, or 220.9 %, to € 4,866 thousand for the Q1, 2007 compared to € 1,516 thousand for the year Q1, 2006.

Operating loss of Bité Latvia increased by € 2,084 thousand, or 1.9 times, to € 4,440 thousand for the Q1, 2007 compared to € 2,355 thousand for the Q1, 2006.

Finance Costs and Finance Income

Finance Costs

Finance costs of Bité Group decreased by € 438 thousand, or 91.4 %, to € 41 thousand for the Q1, 2007 compared to € 479 thousand for the Q1, 2006.

Finance costs of Bité Lithuania decreased by € 467 thousand, or 94.1 %, to € 29 thousand for the Q1, 2007 compared to € 496 thousand for the Q1, 2006. Employee option costs were accounted in Financial Costs in year 2006.

Finance costs of Bité Latvia increased by € 56 thousand to € 39 thousand for the Q1, 2007. Advances from Bité Lithuania to Bité Latvia bear an interest rate which is reflected here.

Finance Income

Finance income of Bité Group increased by € 27 thousand, or 64.2 %, to € 69 thousand for the Q1, 2007 compared to € 42 thousand for the Q1, 2006.

Finance income of Bité Lithuania increased by € 33 thousand, or 205.4 %, to € 50 thousand for the year Q1, 2007 compared to € 16 thousand for the Q1, 2006.

Finance income of Bité Latvia decreased by € 6 thousand, or 24.1 %, to € 20 thousand for the Q1, 2007 compared to € 26 thousand for the Q1, 2006.

Share of profit of associate⁵

The share of profit of associate increased by € 77 thousand to € 64 thousand for the Q1, 2007 compared to loss of € 12 thousand for the Q1, 2006. This increase was largely due to better activities of associated company.

Profit/ (Loss) before tax

Profit of Bité Group increased by € 1,780 thousand to € 492 thousand for the Q1, 2007 compared to a loss of € 1,288 thousand for the Q1, 2006.

Profit of Bité Lithuania increased by € 3,850 thousand, or 371.3 %, to € 4,887 thousand for the Q1, 2007 compared to € 1,037 thousand for the Q1, 2006.

Loss of Bité Latvia increased by € 2,146 thousand, or 1.9 times, to € 4,459 thousand for the Q1, 2007 compared to € 2,313 thousand for the Q1, 2006.

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

Income tax

Income tax of Bité Lithuania increased by € 204 thousand, or 162.4 %, to € 330 thousand for the Q1, 2007 compared to € 126 thousand for the Q1, 2006.

Net Profit/ (Loss)

Net profit of Bité Group increased by € 1,576 thousand to € 162 thousand for the Q1, 2007 compared to a loss of € 1,414 thousand for the Q1, 2006.

Net profit of Bité Lithuania increased by € 3,646 thousand, or 400.1 %, to € 4,557 thousand for the Q1, 2007 compared to € 911 thousand for the Q1, 2006.

Net loss of Bité Latvia increased by € 2,146 thousand, or 1.9 times, to € 4,459 thousand for the Q1, 2007 compared to € 2,313 thousand for the Q1, 2006.

Historical Cash Flow

The table below sets out certain information related to our cash flows.

	<u>Bité Lithuania</u>		<u>Bité Latvia</u>		<u>Group</u>	
	<u>Q1 ended March 31,</u>		<u>Q1 ended March 31,</u>		<u>Q1 ended March 31,</u>	
	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>
			<i>(in thousands of Euros)</i>			
Cash and cash equivalents at beginning of period	1,605	5,967	827	4,217	2,432	10,184
Net cash flow generated from operating activities	-3,088	10,483	5,837	-3,132	2,749	7,351
Net cash flow to/from investing activities	-7,462	-6,769	-2,747	-3,161	-10,210	-9,930
Net cash flow to/from financing activities	11,967	-5,002	0	5,000	11,967	-2
Cash and cash equivalents at end of period	3,022	4,679	3,917	2,924	6,939	7,603

Bité Cash Flow

Net cash flow from operating activities of Bité Group increased by 167.4 % to € 7,351 thousand for the Q1, 2007, compared with € 2,749 thousand for the Q1, 2006, primarily due higher net income and enhanced working capital management.

Net cash flow to investing activities of Bité Group decreased by 2.7 % to € 9,930 thousand for the Q1, 2007, compared with € 10,210 thousand for the Q1, 2006, primarily due to lower investments required for increasing network capacity.

Net cash flow from financing activities of Bité Group decreased by 100 % to € (-2) thousand for the Q1, 2007, compared with € 11,967 thousand for the Q1, 2006, primarily due to increase of Bité Lithuania share capital in amount of € 12,000 thousand in January of 2006.

Bité Lithuania Cash Flow

Net cash flow from operating activities of Bité Lithuania increased by € 13,571 thousand to € 10,483 thousand for the Q1, 2007, compared with negative € 3,088

thousand for the Q1, 2006, primarily due to higher net income and enhanced working capital management.

Net cash flow to investing activities of Bité Lithuania decreased by 9.3 % to € 6,769 thousand for the Q1, 2007, compared with € 7,462 thousand for the Q1, 2006, primarily due to lower investments required for network capacity increase.

Net cash flow from financing activities of Bité Lithuania decreased by € 16,969 to negative € 5,002 thousand for the Q1, 2007, compared with € 11,967 thousand for the Q1, 2006, primarily due to an increase of Bité Lithuania share capital in amount of € 12,000 thousand in January 2006.

Capital Expenditure

The capital expenditures of Bité Group over the Q1, 2007 and Q1, 2006 are shown in the following table.

	Quarter ended March 31,	
	2006	2007
	<i>(in thousands of Euro)</i>	
<i>Capital Expenditures:</i>		
Lithuania	7,624	6,814
Latvia	2,747	3,161
Total	10,372	9,975

Our capital expenditures decreased over Q1, 2006 due to lower investments in Bité Lithuania required for increasing network capacity.

GSM investments in Lithuania were mainly focused on improving the coverage in the smaller towns and recreation areas. UMTS coverage development focused on the main cities in order to release capacities for voice and mobile data use from the GSM network.

In Latvia the main focus was fast rollout of a competitive GSM coverage in Riga and Riga region, as well as on the main roads. Furthermore UMTS was deployed in Riga to support a competitive data offer in Latvia.

LIQUIDITY POSITION OF BITÉ FINANCE INTERNATIONAL GROUP FOR THE QUARTER ENDED MARCH, 31

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 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.

For the quarter ended March 31, 2007, cash and cash equivalents of Bité Finance International Group was € 31.9 million. Total debt was € 290.6 million, leaving a net debt of € 258.6 million.

The accrued interest payment on the notes for Q1 2007 is € 1.6 million based on a EURIBOR March 9, 2007 of 3.885 %.

This Management Discussion and Analysis is not an offer to sell or a solicitation of any offer to buy the securities in the United States; securities may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended) absent registration or an exemption from registration. There will be no public offer of securities in the United States. Any offering of securities will be made only by means of an offering circular, which contains detailed information about our company and its management and financial statements.

For further information:

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