

AB“ANYKŠČIŲ VYNAS“

INTERIM STATEMENTS

FOR THE ENDED 31 MARCH 2007

AB „Anykščių vynu“

Interim statements for the ended 31 March 2007

The interim statements for the ended 31 March 2007 have been prepared in accordance with International Financial Reporting Standard as adopted by the European Union. We consider that the accounting policies used are appropriate and that the interim statements thus give a true and fair view.

Director



Marius Gudauskas

Accountant-general

Audronė Zemlevičienė

AB „Anykščių vynas“

Interim statements for the ended 31 March 2007

BALANCE SHEET**ASSETS**

thousand Litas

2007.03.31**2006.03.31****NON-CURRENT ASSETS**

Intangible non-current assets

44

123

Property, plant and equipment

27.654

30.638

Other investments

-

-

TOTAL NON-CURRENT ASSETS27.69830.761**CURRENT ASSETS**

Inventories

10.953

7.947

Trade receivables

5.990

4.053

Parent company's receivables

-

-

Other assets

127

373

Cash and cash equivalents

1.896

2.963

TOTAL CURRENT ASSETS18.96615.336**TOTAL ASSETS**46.66446.097

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BALANCE SHEET (CONT'D)**EQUITY AND LIABILITIES**

thousand Lit	<u>2007.03.31</u>	<u>2006.03.31</u>
CAPITAL AND RESERVES		
Share capital	49.081	49.081
Accumulated losses	<u>(10.577)</u>	<u>(12.865)</u>
Total capital and reserves	<u>38.504</u>	<u>36.216</u>
NON-CURRENT LIABILITIES		
Loans and finance lease liabilities	-	1.657
Deferred tax liability	<u>520</u>	<u>1.469</u>
Total non-current liabilities	<u>520</u>	<u>3.126</u>
CURRENT LIABILITIES		
Current portion of long-term and finance lease liabilities	1.727	1.873
Trade creditors	1.972	1.456
Other liabilities and accrued expenses	<u>3.941</u>	<u>3.426</u>
Total current liabilities	<u>7.640</u>	<u>6.755</u>
Total liabilities	<u>8.160</u>	<u>9.881</u>
TOTAL EQUITY AND LIABILITIES	<u>46.664</u>	<u>46.097</u>

AB "Anykščių vynos" Director



Marius Gudauskas

AB „Anykščių vynu“

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INCOME STATEMENT

thousand Litas	<u>2007.03.31</u>	<u>2006.03.31</u>
Revenue	10.296	6.470
Cost of sales	<u>(8.248)</u>	<u>(4.774)</u>
GROSS PROFIT	2.048	1.696
Selling expenses	(956)	(769)
General and administrative expenses	<u>(1.106)</u>	<u>(1.090)</u>
OPERATING RESULT	(14)	(163)
Financial expenses, net	<u>56</u>	<u>35</u>
RESULT BEFORE TAX	42	(128)
Tax for the year	<u>-</u>	<u>-</u>
RESULT FOR THE YEAR	<u><u>42</u></u>	<u><u>(128)</u></u>

AB "Anykščių vynu" Director



Marius Gudauskas

AB „Anykščių vynas“

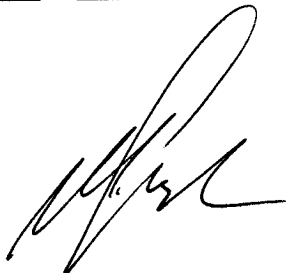
Interim statements for the ended 31 March 2007

**STATEMENT OF CHANGES IN SHAREHOLDERS'
EQUITY**

thousand Lit

	<u>Share capital</u>	<u>Legal reserve</u>	<u>Other reserve</u>	<u>Accumula ted losses</u>	<u>Total</u>
Capital and reserves at 31 December 2005	<u>49.081</u>	<u>-</u>	<u>-</u>	<u>(12.737)</u>	<u>36.344</u>
Net profit for 2006				<u>2.118</u>	<u>2.118</u>
Capital and reserves at 31 December 2006	<u>49.081</u>	<u>-</u>	<u>-</u>	<u>(10.619)</u>	<u>38.462</u>
Net profit for I quarter 2007				<u>42</u>	<u>42</u>
Capital and reserves at 31 March 2006	<u>49.081</u>	<u>-</u>	<u>-</u>	<u>(10.577)</u>	<u>38.504</u>

AB"Anykščių vynas" Director



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AB „Anykščių vynas“

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CASH FLOW STATEMENT

thousand Litas

	<u>2007.03.31</u>	<u>2006.03.31</u>
Cash flow from (to) operating activities:		
Result after tax	42	(128)
Adjustments for:		
Depreciation and amortization	779	927
Change in impairment of trade debtors	-	(8)
Write-off of property, plant and equipment	4	(10)
Profit (loss) from disposal of non-current assets	(72)	(36)
Interest expenses	25	39
Interest income	(3)	(2)
Write-off of inventories	5	-
	780	782
Change in current assets and short-term liabilities:		
Change in inventories	2.082	164
Change in receivables	195	1.077
Change in parent company's receivables	26	-
Change in prepayments and deferred expenses	(45)	(8)
Change in other receivables	1	3
Change in trade receivables and accrued liabilities	(3.110)	(3.031)
Net cash inflow from ordinary activities	<u>(71)</u>	<u>(1.013)</u>
Net cash flow from (to) investing activities:		
Acquisition of property, plant and equipment	(52)	(163)
Acquisition of investments for sale	-	1
Sales of property, plant and equipment	72	36
Interest received	3	2
Net cash (used in) investing activities:	<u>23</u>	<u>(124)</u>
Net cash flow from (to) financing activity:		
Loans received	2.659	-
(Repayment) of loans	(4.074)	(4.110)
Interest (paid)	(25)	(39)
Net cash flow (used in) financing activity	<u>(1.440)</u>	<u>(4.149)</u>

Change in cash and cash equivalents	(1.488)	(5.286)
Cash and cash equivalents at 1 January	<u>3.384</u>	<u>8.249</u>
Cash and cash equivalents at 31 March	<u><u>1.896</u></u>	<u><u>2.963</u></u>

AB "Anykščių vynu" Director



Marius Gudauskas

AB „Anykščių vynas“

Interim statements for the ended 31 March 2007

NOTES TO THE INTERIM STATEMENTS

Background information

AB Anykščių Vynas (the Company) is a publicly listed joint stock company. The Company was established in 1926. It was registered as a state enterprise in 1990 and re-registered as a joint stock company in 1995. The Company produces alcohol beverages: fruit-berry wine, strong alcohol beverages, cider, sparkling wine and also other fruit and berry products.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis of preparation

The financial statements are presented in Litas, being the functional currency of the Company and prepared on the historical cost basis, except for the property, plant and equipment, which are presented at deemed cost.

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

Intangible assets

Intangible assets, comprising computer software and other licenses that are acquired by the Company, are stated at cost less accumulated amortisation and impairment. Amortisation is charged to the income statement on a straight-line basis.

Inventories

Inventories, including work in process, are valued at the lower of cost or net realisable value. Net realisable value is the selling price in the ordinary course of business, less the costs of completion and selling. The cost of inventories is determined based on FIFO (First-In, First-Out) principle.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

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Interim statements for the ended 31 March 2007

Liabilities

Liabilities are initially recognized at fair value less direct costs related to occurrence of respective loan and other liabilities. Subsequent to initial recognition, liabilities are stated at amortized cost on an effective interest method basis. Short-term liabilities are not discounted.

Revenue

Sales of goods

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably. Sales are recognised net of VAT, excise tax and price discounts directly related to the sales.

Revenue from sales of goods is recognised when delivery has taken place and transfer of risks and rewards has been completed.

Expenses

Cost of sales

Cost of sales comprises purchases made during the year as well as change for the year in inventories and costs incurred to obtain the turnover for the year.

Operating expenses

Operating expenses comprise costs regarding sales personnel, advertising, administrative staff, management, office premises and office expenses etc., including depreciation and amortisation.

Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's primary format for segment reporting is based on business and geographical segments. The Company's business segments (basis for primary reporting format) include production and sales of wine, strong alcohol drinks and other fruit and berry products. Segment information is presented in respect of the Company's geographical segments (secondary reporting format). The majority of the Company's sales are in the domestic market. All the Company's assets are located in the country, where it is domiciled. Revenues, total assets and capital investments of separate segments are as follows

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Business segments

thousand Litas	Strong alcohol drink		Wines		Fruit-berries products		Total	
	2007 03 31	2006 03 31	2007 03 31	2006 03 31	2007 03 31	2006 03 31	2007 03 31	2006 03 31
Sales	4.097	3.420	2.008	1.799	4.191	1.251	10.296	6.470
Cost	(3.230)	(2.469)	(1.811)	(1.560)	(3.207)	(745)	(8.248)	(4.774)
Gross profit	867	951	197	239	984	506	2.048	1.696

Geographical segments

thousand Litas	Sales		Total assets		Acquisitions of non-current assets	
	2007 03 31	2006 03 31	2007 03 31	2006 03 31	2007 03 31	2006 03 31
Lithuania	7.049	5.668	46.664	46.097	52	128
Germany	2.899	734				
Latvia	173	40				
Estonia	151	-				
Great Britain	14	27				
Other countries	10	1				
Total	10.296	6.470	46.664	46.097	52	128

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Selling expenses

thousand Litas	2007 03 31	2006 03 31
Advertising	(540)	(333)
Staff cost	(199)	(196)
Transportation	(60)	(87)
Distribution	(82)	(64)
Other	(75)	(89)
Total	(956)	(769)

General and administrative expenses

thousand Litas	2007 03 31	2006 03 31
Staff costs	(334)	(460)
Taxes and fees	(244)	(108)
Depreciation and amortization	(87)	(125)
Security	(50)	(49)
Communications	(18)	(19)
Other	(373)	(328)
Total	(1.106)	(1.089)

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Financial expenses, net

thousand Litas	2007 03 31	2006 03 31
Interest expenses	(25)	(39)
Currency exchange loss	(1)	
Other financial expenses		1
Currency exchange gain	3	2
Interest income	20	
Other financial income	1	
Total	(2)	(36)

Inventories

thousand Litas	2007 03 31	2006 03 31
Raw materials and consumables	1.611	1.251
Work in progress	7.181	4.287
Finished goods	2.119	2.367
Goods for resale and other goods	42	42
Total	10.953	7.947

Trade receivables

thousand Litas	2007 03 31	2006 03 31
Receivable from customers for production sold	5.990	4.053
Other receivables sums	43	46
Total	6.033	4.099

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Loans and finance lease liabilities

thousand Litas	2007 03 31	2006 03 31
Long-term loan	-	1.657
Total long-term liabilities	-	1.657
Short-term loan	691	
Current portion of long-term loan	1.036	1.864
Current portion of financial leasing	-	9
Total current liabilities	1.727	1.873

Other liabilities and accrued costs

thousand Litas	2007 03 31	2006 03 31
Excise duty payable	1.922	1.883
Value added tax payable	1.178	855
Salaries and social insurance payable	550	486
Other liabilities and accrued charges	291	202
Total	3.941	3.426

The Company has a loan from AB Bankas Hansabankas, which is scheduled to be fully repaid until 30 August 2007. Average annual variable interest rate in I quarter 2007 was 4,61 %. The Company pledged non-current assets, cash at AB Bankas Hansabankas and future inflows into bank accounts as a security for the loan.