



CONFIRMATION OF RESPONSIBLE PERSONS

Following the Article No.22 of Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information approved by Securities Commission of the Republic of Lithuania we, Violeta Labutienė, Director and Audronė Zemlevičienė, accountant –general, hereby confirm that, to the our knowledge, the interim statements for the ended 30 June 2008 have been prepared in accordance with International Financial Reporting Standard as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of JSC “Anykščių vynas”. We also confirm that JSC „Anykščių vynas“ Interim Report for the six months of 2008 includes a fair review of the development and performance of the business.

Director

Violeta Labutienė

Accountant-general

Audronė Zemlevičienė



JSC“ANYKŠČIŲ VYNAS“

INTERIM STATEMENTS

FOR THE ENDED 30 JUNE 2008

JSC „Anykščių vynos“

Interim statements for the ended 30 June 2008

BALANCE SHEET**ASSETS**

thousand Litas	2008.06.30	2007.12.31
NON-CURRENT ASSETS		
Intangible non-current assets	21	22
Property, plant and equipment	25,080	26,145
TOTAL NON-CURRENT ASSETS	25,101	26,167
CURRENT ASSETS		
Inventories	19,509	20,030
Trade receivables	4,859	9,708
Alita groups receivables	5,857	1,886
Other assets	325	119
Alita groups loans	1,760	2,880
Cash and cash equivalents	258	281
TOTAL CURRENT ASSETS	32,568	34,904
TOTAL ASSETS	57,669	61,071

JSC „Anykščių vynas“

Interim statements for the ended 30 June 2008

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

thousand Lit	2008.06.30	2007.12.31
CAPITAL AND RESERVES		
Share capital	49,081	49,081
Accumulated losses	(10,909)	(9,892)
Total capital and reserves	38,172	39,189
NON-CURRENT LIABILITIES		
Deferred tax liability	616	616
Total non-current liabilities	616	616
CURRENT LIABILITIES		
Current portion of long-term	8,632	5,110
Liabilities to suppliers	4,050	3,891
Liabilities to Alita groups	14	377
Other liabilities and accrued expenses	6,185	11,888
Total current liabilities	18,881	21,266
Total liabilities	19,497	21,882
TOTAL EQUITY AND LIABILITIES	57,669	61,071

JSC "Anykščių vynas" Director



Violeta Labutienė

JSC „Anykščių vynos“

Interim statements for the ended 30 June 2008

INCOME STATEMENT

thousand Litas

	2008 06 30	2007 06 30
Revenue	18,586	21,880
Cost of sales	(14,110)	(16,884)
Gross profit	4,476	4,996
Other income	201	327
Sales expenses	(3,066)	(2,474)
General and administrative expenses	(2,365)	(2,331)
Other expenses	(115)	(149)
Operating result	(869)	369
Finance income	91	101
Finance expenses	(239)	(71)
Result before tax	(1,017)	399
Tax for the year	-	-
Result for the year	(1,017)	399
Earnings per share (in Litas)	(0,02)	0,01

JSC "Anykščių vynos" Director



Violeta Labutienė

JSC „Anykščių vynos“

Interim statements for the ended 30 June 2008

INCOME STATEMENT

thousand Litas

	2008 04 01- 2008 06 30	2007 04 01- 2007 06 30
Revenue	10,825	11,584
Cost of sales	(8,210)	(8,636)
Gross profit	2,615	2,948
Other income	132	174
Sales expenses	(1,581)	(1,518)
General and administrative expenses	(1,266)	(1,225)
Other expenses	(78)	(54)
Operating result	(178)	325
Finance income	64	77
Finance expenses	(120)	(45)
Result before tax	(234)	357
Tax for the year	-	-
Result for the year	(234)	357
Earnings per share (in Litas)	0	0,01

JSC "Anykščių vynos" Director



Violeta Labutienė

JSC „Anykščių vynas“

Interim statements for the ended 30 June 2008

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

thousand Lit

	Share capital	Legal reserve	Other reserve	Accumul ated losses	Total
Capital and reserves at 31 December 2006	49,081	-	-	(10,619)	38,462
Net profit for I half-year 2007				399	399
Capital and reserves at 30 July 2007	49,081	-	-	(10,220)	38,861
Net profit for 2007				328	328
Capital and reserves at 31 December 2007	49,081	-	-	(9,892)	39,189
Net profit for I half-year 2008		-	-	(1,017)	(1,017)
Capital and reserves at 30 June 2008	49,081	-	-	(10,909)	38,172

JSC"Anykščių vynas" Director



Violeta Labutienė

JSC „Anykščių vynos“

Interim statements for the ended 30 June 2008

CASH FLOW STATEMENT

thousand Litas

Cash flow from (to) operating activities:	2008.06.30	2007.06.30
Result after tax	(1,017)	399
Adjustments for:		
Depreciation and amortization	1,335	1,524
Change of impairment of trade accounts receivable	-	(2)
Write-off of property, plant and equipment	-	107
Profit (loss) from disposal of non-current assets	(11)	(140)
Interest expenses	229	69
Interest income	(76)	(40)
Write-off of inventories	5	5
	<u>465</u>	<u>1,922</u>
Change in current assets and short-term liabilities:		
Change in inventories	516	3,266
Change in receivables	4,849	1,095
Change in parent company's receivables	(4,334)	(1,415)
Change in prepayments and deferred expenses	(206)	(157)
Change in other receivables	(1)	3
Change in trade receivables and accrued liabilities	(5,544)	(1,174)
Net cash inflow from ordinary activities	<u>(4,255)</u>	<u>3,540</u>
Net cash flow from (to) investing activities:		
Acquisition of property, plant and equipment	(256)	(563)
Acquisition of intangible fixed assets	(13)	(2)
Sales of property, plant and equipment	11	140
Loans provided by the company	(2,909)	(3,201)
Portion of loans returned to the company	4,030	-
Interest received	76	40
Net cash (used in) investing activities:	<u>(939)</u>	<u>(3,586)</u>
Net cash flow from (to) financing activity:		
Loans received	3,522	5,421
(Repayment) of loans	-	(5,387)
Interest (paid)	(229)	(69)
Net cash flow (used in) financing activity	<u>3,293</u>	<u>(35)</u>
Change in cash and cash equivalents	(23)	(81)
Cash and cash equivalents at 1 January	281	3,384
Cash and cash equivalents at 30 June	258	3,303

JSC "Anykščių vynos" Director



Violeta Labutienė

JSC "Anykščių vynos"

Interim statements for the ended 30 June 2008

NOTES

1. Reporting entity

AB Anykščių Vynos (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.

2. 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 thousand Litas; Litas is the national currency and the functional currency of the Company. The financial statements are prepared on the historical cost basis, as modified by the historic indexation of certain property, plant and equipment.

3. Significant accounting policies

Foreign currency

Translation of amounts in foreign currencies into the national currency

Transactions in foreign currencies are translated into Litas at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign exchange differences arising on translation are recognised in the income statement.

Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, trade payables and other liabilities.

Cash and cash equivalents comprise cash balances and call deposits.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Financial instruments are recognized on the day of the transaction. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

JSC „Anykščių vynos“

Interim statements for the ended 30 June 2008

Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Non-derivative financial instruments (cont'd)

Loans and receivables are non-derivative financial assets and are not quoted in an active market. They are included into current assets except for maturities greater than 12 months. Loans and receivables are subsequently measured at amortised cost using the effective interest rate method, less impairment losses, if any. Short-term receivables are not discounted.

Loans and borrowings and other financial liabilities, including trade payables are subsequently stated at amortised cost using the effective interest rate method basis. Short-term liabilities are not discounted.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income and expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derivative financial instruments

Derivatives are recognized initially at fair value; attributable transaction costs are recognised in the income statement when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for in the income statement.

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment acquired on 1 January 1996 or later are stated at cost as deemed cost less accumulated depreciation and impairment losses. Items of property, plant and equipment acquired before 1 January 1996 are stated at cost less accumulated depreciation adjusted by revaluations made following rates specified by the Government of the Republic of Lithuania for separate assets groups. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. The owner-occupied property acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Subsequent costs

The Company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item or major overhaul when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognized in the income statement in the period in which they are incurred.

JSC „Anykščių vinas“

Interim statements for the ended 30 June 2008

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. The estimated useful lives are as follows:

- Buildings and constructions 8–80 years;
- Machinery and equipment 4–50 years;
- Transport vehicles 4–25 years;
- Other equipment and tools 3–11 years.

Depreciation methods, residual values and useful lives are reassessed annually.

Intangible assets

Intangible assets, comprising computer software and software licenses that are acquired by the Company are stated at cost less accumulated amortization and impairment losses. The assets are amortized using the straight-line method over a 1-3 years' period. Depreciation methods and useful lives are reassessed annually.

Subsequent expenditure

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Inventories

Inventories, including work in process, are valued at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

The cost of inventories is determined based on FIFO (First-In, First-Out) principle.

In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Auxiliary materials and supplies are expensed at the time they are taken into use or booked to the cost of finished goods if used in production.

Impairment

A financial asset is impaired if there is objective evidence that certain event or events could have an adverse impact on asset-related cash flows in the future. Significant financial assets must be tested for impairment on an individual basis. The remaining financial assets are grouped according to their credit risk and the impairment for those groups is measured on a portfolio basis. An asset the impairment of which is tested on an individual basis and its impairment loss is continually recognised cannot be included in any group of assets that are tested for impairment on a portfolio basis.

The carrying amounts of the Company's non-financial assets other than inventories and deferred income tax asset are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For the assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

JSC „Anykščių vynos“

Interim statements for the ended 30 June 2008

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in the income statement.

Calculation of recoverable amount

The recoverable amount of the Company's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at the initial recognition of these financial assets). Receivables with short duration are not discounted.

The recoverable amount of non-financial assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Reversals of impairment

An impairment loss in respect of receivables booked at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In case of certain changes in events or circumstances, on the basis of which the recoverable value of non-financial assets was calculated, indicating that carrying value on non-financial assets can be recoverable, impairment loss is reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales of services

Sales of services are recognised on performance of the services.

Interest income is recognized on an accrual basis, by reference to the principal outstanding and at the effective interest rate applicable.

JSC „Anykščių vynos“

Interim statements for the ended 30 June 2008

Expenses

Operating lease payments

Payments made under operating lease are recognised in the income statement on a straight-line basis over the term of lease.

Finance income and expenses

Finance income comprises interest income, gain on the sale of financial assets as well as foreign currency exchange gain. Interest income is recognised as it accrues in the income statement, using the effective interest method.

Finance expenses comprise interest expense, accrued using effective interest rate method, loss on the sale of financial assets as well as foreign currency exchange loss. Component of interest costs of finance lease payments is recognised in the income statement using the effective interest method.

Segment reporting

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 segments.

Related parties

Related parties are defined as shareholders, employees, members of the management board, their close relatives and companies that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the reporting entity, provided the listed relationship empowers one of the parties to exercise the control or significant influence over the other party in making financial and operating decisions.

Fair value of financial instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

Carrying amount of trade amounts receivable, amounts payable and short-term credit lines is close to their fair value. The fair value of the long-term debt is based on the quoted market price for the same or similar issues or on the current rates available for debt with the same maturity profile. The fair value of non-current loans, borrowings and other payables with variable interest rates approximates their carrying amounts.

4. Significant accounting estimates and judgements

Estimates and assumptions are continually reviewed and are based on historical experience and other factors, representing the current situation and reasonable expected future events.

The Company makes estimates and assumptions concerning future events, therefore accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are discussed below.

Impairment losses on receivables

The Company reviews its receivables to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in the income statement, the Company makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of receivables before the decrease can be identified with an individual receivable in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of debtors, national or local economic conditions that influence the group of the receivables.

The management evaluates probable cash flows from the debtors based on historical loss experience related to the debtors with a similar credit risk. Methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

5 Financial risk management

The Company has exposure to the following risks:

- credit risk,
- liquidity risk,
- market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these annual accounts.

The Board of Directors has responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

JSC „Anykščių vynas“

Interim statements for the ended 30 June 2008

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Company's borrowings are subject to variable interest rates related to LIBOR. As at 30 June 2008, the Company did not use any financial instruments to hedge its exposure to the cash flow risk related to debt instruments with variable interest rates or price risk related to debt instruments with fixed interest rates.

Currency risk

The functional currency of the Company is Litas (LTL). The Company faces foreign currency risk on purchases and borrowings as well as on sales and amounts receivable that are denominated in currencies other than Litas and EUR. The risk related to transactions in EUR is considered to be insignificant as the Lithuanian Litas is pegged to EUR at a fixed rate. The Company does not have any material exposure to other foreign currencies as at 31 December 2007 and 30 June 2008.

Business and geographical segments

Business segments

	Hard drinks		Wines		Fruit-berries products and others		Total	
thousand Litas	2008 06 30	2007 06 30	2008 06 30	2007 06 30	2008 06 30	2007 06 30	2008 06 30	2007 06 30
Sales	7,681	9,221	6,511	4,220	4,394	8,439	18,586	21,880
Cost	(4,638)	(6,934)	(6,273)	(3,784)	(3,199)	(6,166)	(14,110)	(16,884)
Gross profit	3,043	2,287	238	436	1,195	2,273	4,476	4,996

Business segments

	Hard drinks		Wines		Fruit-berries products and others		Total	
thousand Litas	2008 04 01-2008 06 30	2007 04 01-2007 06 30	2008 04 01-2008 06 30	2007 04 01-2007 06 30	2008 04 01-2008 06 30	2007 04 01-2007 06 30	2008 04 01 2008 06 30	2007 04 01 2007 06 30
Sales	3,722	5,124	4,282	2,212	2,821	4,248	10,825	11,584
Cost	(2,180)	(3,704)	(4,067)	(1,973)	(1,963)	(2,959)	(8,210)	(8,636)
Gross profit	1,542	1,420	215	239	858	1,289	2,615	2,948

JSC „Anykščių vynas“

Interim statements for the ended 30 June 2008

Geographical segments

	Sales		Total assets		Acquisitions of non-current assets	
thousand Litas	2008 06 30	2007 06 30	2008 06 30	2007 12 31	2008 06 30	2007 06 30
Lithuania	17,065	16,051	57,669	61,071	267	565
Germany	429	4,923				
Latvia	269	506				
Estonia	656	335				
Great Britain	44	27				
Other countries	123	38				
Total	18,586	21,880	57,669	61,071	267	565

Geographical segments

	Sales		Total assets		Acquisitions of non-current assets	
thousand Litas	2008 04 01	2007 04 01			2008 04 01	2007 04 01
	2008 06 30	2007 06 30	2008 06 30	2007 12 31	2008 06 30	2007 06 30
Lithuania	9,724	9,002	57,669	61,071	174	513
Germany	429	2,024				
Latvia	102	333				
Estonia	459	184				
Great Britain	16	13				
Other countries	95	28				
Total	10,825	11,584	57,669	61,071	174	513

JSC „Anykščių vynos“

Interim statements for the ended 30 June 2008

Other operating income and expenses

thousand Litas

	2008 06 30	2007 06 30
Income from rent and provided services	66	60
Income from sale of current assets	122	93
Income from sale of property, plant and equipment	11	140
Other operating income	2	34
Total other operating income	201	327
Cost of rent and provided services	(12)	(71)
Cost of sale of current assets	(103)	(78)
Other operating expenses	-	-
Total other operating expenses	(115)	(149)

Other operating income and expenses

thousand Litas

	2008 04 01 2008 06 30	2007 04 01 2007 06 30
Income from rent and provided services	36	36
Income from sale of current assets	89	59
Income from sale of property, plant and equipment	5	68
Other operating income	2	11
Total other operating income	132	174
Cost of rent and provided services	(5)	(4)
Cost of sale of current assets	(73)	(50)
Other operating expenses	-	-
Total other operating expenses	(78)	(54)

JSC „Anykščių vinas“

Interim statements for the ended 30 June 2008

Selling expenses

thousand Lit	2008 06 30	2007 06 30
Advertising	(1,642)	(1,497)
Staff cost	(496)	(417)
Transportation	(213)	(187)
Distribution	(156)	(193)
Other	(559)	(180)
Total	(3,066)	(2,474)

Selling expenses

thousand Lit	2008 04 01 2008 06 30	2007 04 01 2007 06 30
Advertising	(897)	(957)
Staff cost	(258)	(218)
Transportation	(131)	(127)
Distribution	(8)	(111)
Other	(303)	(105)
Total	(1,581)	(1,518)

General and administrative expenses

thousand Lit	2008 06 30	2007 06 30
Staff costs	(688)	(693)
Taxes and fees	(449)	(526)
Depreciation and amortization	(156)	(169)
Security	(101)	(101)
Communications	(52)	(43)
Other	(919)	(799)
Total	(2,365)	(2,331)

JSC „Anykščių vynos“

Interim statements for the ended 30 June 2008

General and administrative expenses

thousand Litas	2008 04 01 2008 06 30	2007 04 01 2007 06 30
Staff costs	(348)	(359)
Taxes and fees	(254)	(282)
Depreciation and amortization	(81)	(82)
Security	(51)	(51)
Communications	(34)	(25)
Other	(498)	(426)
Total	(1,266)	(1,225)

Finance income and expenses

thousand Litas	2008 06 30	2007 06 30
Interest income	76	40
Delinquency charges	15	60
Otherfinance income	-	1
Total	91	101
Interest expenses for loans	(229)	(69)
Influence of foreign currency exchange	(1)	(1)
Other finance income	(9)	(1)
	(239)	(71)
	(148)	30

Finance income and expenses

thousand Litas	2008 04 01 2008 06 30	2007 04 01 2007 06 30
Interest income	54	37
Delinquency charges	10	40
Otherfinance income	-	-
Total	64	77
Interest expenses for loans	(115)	(44)
Influence of foreign currency exchange	(1)	-

JSC „Anykščių vynos“

Interim statements for the ended 30 June 2008

Other finance income

	(4)	(1)
	(120)	(45)
Total	(56)	32

The Company provided loans with the interest to the related parties. During I half-year 2008, interest income amounted to 74 thousand Lit.

Inventories

thousand Lit.

2008 06 30 2007 12 31

Raw materials	1,816	1,735
Work in progress	4,900	3,103
Saturated apple juice	9,911	13,725
Finished goods	2,836	1,419
Goods for resale	46	48

Total	19,509	20,030
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Trade receivables

thousand Lit.

2008 06 30 2007 12 31

Trade receivables for production	3,902	8,746
Alita Group amounts	5,857	1,886
Receivable for heating (discussed below)	957	962

Total	10,716	11,594
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Other amounts receivable

thousand Lit.

2008 06 30 2007 12 31

Alita Group loans	1,760	2,880
Prepayments and costs of the future periods	282	76
Other current assets	43	43

2,085	2,999
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JSC “Anykščių vynos”

Interim statements for the ended 30 June 2008

The Company has issued loans of 1,760 thousand Litass to Alita group companies. The loans carry annual interest rate of 6%; the maturity term of the loans was 31 December 2008.

Cash and cash equivalents

thousand Litass	2008 06 30	2007 12 31
Cash at bank	249	268
Cash in hand	9	13
	<hr/>	<hr/>
	258	281
	<hr/>	<hr/>

As at 30 June 2008, cash balances, amounting to 118 thousand Litass, as well as inflows into the main accounts of the Bank were pledged to secure repayment of the loans provided by the Bank.

Loans

thousand Litass	2008 06 30	2007 12 31
Short term credit line	8,632	5,110
	<hr/>	<hr/>
Total current liabilities	8,632	5,110
	<hr/>	<hr/>

JSC “Anykščių Vynos” has a credit line up to 8,632 thousand Litass (2,500 thousand EUR) with the Bank. 8,632 thousand Litass has been used as at 30 June 2008. The average annual variable interest rate in I half-year 2008 was 5,348%.

Other liabilities and accrued expenses

thousand Litass	2008 06 30	2007 12 31
Excise duty payable	868	6,957
Value added tax payable	1,066	2,882
Salaries and insurance	751	656
Other liabilities and accrued charges	3,500	1,393
	<hr/>	<hr/>
	6,185	11,888
	<hr/>	<hr/>

JSC "Anykščių vynas"

Interim statements for the ended 30 June 2008

Related party transactions

During the year the Company had transactions with the following related parties:

- JSC Alita – the parent company,
- CJSC Alita Distribution – the company controlled by JSC Alita.

Transactions during the year and balances outstanding at the end of the year with the above mentioned companies are summarised below”:

thousand Litas	2008 06 30	2007 12 31
Transactions with related parties		
Sales to related companies	9,141	1,711
Purchases from related companies	1,542	2,039
Amounts receivable from related parties		
Trade receivable from related parties	5,857	1,886
Loans receivable from related parties	1,760	2,880
Amounts payable to related parties		
Trade payable to related parties	14	377

Legal claims

The Company is not involved in any litigation where it acts as a defendant.

Subsequent events

No significant events occurred after the balance sheet date, which would require adjustments to these financial statements.



AB „ANYKŠČIŲ VYNAS“
Half-year Report of
2008

I. GENERAL PROVISIONS

1. The reporting cycle for which the year prospect-report was prepared.

2. The principal data about the Issuer (Emitentas).

The name of the Issuer:	Joint-Stock Company „Anykščių Vynas“.
The address of the residence:	Dariaus ir Girėno 8, Anykščiai, Lithuania.
Tel.:	(8-381) 50399, 50299, 50233.
Fax:.	(8-381) 50350.
E-mail:	info@anvynas.lt
Website:	www.anvynas.lt
Legal-organizational form:	Juridical person, Joint-Stock Company
The authorised capital:	49 080 535
The Register keeper:	State Company Register Centre.
The certificate was issued by:	Utena branch of the State Company Register Centre, July 28, 2004.
The registration date:	November 21, 1990 in the Company of the State Land Cadastre and Register (Vilnius).
The Company Code:	2541 11650.

The JSC “Anykščių Vynas” has no branches and agents, and no subsidiaries.

3. The character of the main activity of the Issuer.

The main courses of the Company activities are the production and sale of alcoholic drinks and apple concentrated juice.

4. The information where and when you are able to have a look at the report and papers according to which the report was prepared.

You are able to have a look at the report and papers, according to which the report was prepared (financial statements, auditor’s report, etc.) in the residence of the JSC “Anykščių Vynas”: Dariaus ir Girėno 8, Anykščiai, during the working time (8-17 o’clock). The public information media is “Lietuvos Rytas”.

5.The persons who are responsible for the given information in the report:

Position	Name, surname	Tel. No.	Fax. No.
Director	Violeta Labutienė	(8~381)50 299	(8~381) 50 350
Accountant-general	Audronė Zemlevičienė	(8~381) 50 391	(8~381) 50 350

6. The approval of the members of the management bodies, workers and administration manager of the Issuer and the adviser of the Issuer who are responsible for the preparation of the report in order that the information, given in the report, agrees the reality and there are no concealed facts.

The Joint-Stock Company „Anykščių Vynas“ represented by Violeta Labutienė, the Director, and Audronė Zemlevičienė, the Accountant-general, justifies that the presented information meets the reality and there are no concealed facts, that could have an impact on the decisions of the investors to buy or to sell the Company’s securities, to influence the market price of the securities and their evaluation.

Director



Violeta Labutienė

The Accountant-general



Audronė Zemlevičienė



II. THE INFORMATION ABOUT THE ISSUER’S AUTHORIZED CAPITAL, ISSUED SECURITIES AND MEMBERS OF THE MANAGEMENT BODIES

7. The Issuer’s authorized capital.

7.1. The authorized capital registered in the Register of Enterprises.

The Company authorized capital, registered in the Register of Enterprises, is 49 080 535 Lt.
The capital is divided into 49 080 535 ordinary nominal shares, the nominal value of one share is 1 Lt. All the Company shares are paid-up. All the Company shares are of one type – they are ordinary nominal shares, that form 100% of the authorized capital.
Every fully paid-up share gives its owner one vote in the General Meeting.
The shareholders’ rights and duties are set in the Company Law of the Republic of Lithuania and in the other laws and acts.

7.2. The information about the intended increase of the authorized capital by converting or changing issued debt or derivative securities into the shares.

There is no information.

8. The Shareholders

The total number of the shareholders was 394 on June 30, 2008.

The shareholders who had more than 5% of the Issuer’s authorized capital.

Shareholder’s name, surname (company name, type, address of the residence, Company Register Code)	Number of ordinary nominal shares, unit.		The owned part of the authorised capital and votes, %.		
	Total	Including shares owned by proprietary	Total	Including ordinary nominal skares owned by the shareholder’s the given part of votes	Together with acting persons, %
AB “Alita” Miškininkų 17, LT-62200 Alytus, 1495 19891	46577570	46577570	94.90	94.90	-

9. The securities unmarking the presence in the authorized capital, but their turnover is regulated by the Law on Security Market.

The Company did not issue any securities unmarking the presence in the authorized capital.

10. The secondary turnover of the securities.

The JSC “Anykščių Vynas” shares are quoted in the Vilnius Stock Exchange Complementary list. Total number of the shares is 49 080 535. The nominal value of one share is 1 Litas, the total nominal value is 49 080 535 Lt. The ISIN Code of these securities is LT0000112773.

The VSE market:

Year and quarter	Price		Turnover		The last session of the period			Total turnover	
	Max.	Min.	Max.	Min.	Price	Turnover	Date	Unit	Lt
Quarter I, 2008	1.17	0.91	15638.98	0	0.91	0	2008.03.31	58464	60401.80
Quarter II, 2008	1.00	0.65	9606.6	0	0.69	0	2008.06.30	55952	39604.83

11. The contracts with the brokers of the securities of the public turnover.

The JSC “Anykščių Vynas” and JS bank “Hansabankas” signed the contract No. 2004-06-30/001 for the accounting of the issued securities and personal securities management on July 29, 2004. The JS bank “Hansabankas” address: Savanorių pr. 19, 03502 Vilnius, tel: 8-5 268 44 85, fax.: 8-5 268 41 70.

12. The members of the management bodies.

12.1. Position, names and surnames, data about the presence in the Issuer’s authorized capital (the part of the authorized capital and votes in hand, %).

No.	Position (JSC “Anykščių vynas”)	Name, surname	The number of shares	TThe part of the authorised capital in hand (%)
The BOARD since 25 04 2008				
1	Chairman – does not work in the Company	Vytautas Junevičius	-	-
2	Member – does not work in the Company	Vilmantas Pečiūra	-	-
3	Member – does not work in the Company	Arvydas-Jonas Stankevičius	-	-
4	Member – does not work in the Company	Darius Vėželis	-	-
ADMINISTRATION since 16 06 2008				
1	Director	Violeta Labutienė	-	-
2	Accountant-general	Audronė Zemlevičienė	-	-
ADMINISTRATION 23 05 2008 – 16 06 2008				
1	Production Manager, Substituting Director	Vidas Lagūnas	-	-
2	Accountant-general	Audronė Zemlevičienė	-	-
ADMINISTRATION 10 02 2006 – 23 05 2008				
1	Director	Marius Gudauskas	-	-
2	Accountant- general	Audronė Zemlevičienė	-	-
ADMINISTRATION 19 05 2005 – 10 02 2006				
1	Director	Marius Gudauskas	-	-
2	Deputy Director	Ričardas Armonavičius	-	-
3	Accountant general	Audronė Zemlevičienė	-	-

12.2. The data about the presence in the activity of other companies and organizations:

Vytautas Junevičius, the Chairman of the Board, has 41.89% of the JSC "Alita ordinary nominal shares and he is the Chairman of the Board and the General Director of the JSC "Alita". He is a member of the Board of the JSC "Šiaulių Bankas". He has 5.6% of shares of the PJSC "Šiaulių banko investicijų valdymas", 50% of shares of the PJSC "Aunuva".

Arvydas –Jonas Stankevičius, a Member of the Board, he is the Production Director and a Member of the Board of the JSC "Alita". He has 16.75% of the ordinary nominal shares of the JSC "Alita", he has 40% of shares of the PJSC "Lieda" and 40% of the ordinary nominal shares of the PJSC "Alytaus vaistinė";

Vilmantas Pečiūra – a Member of the Board, Finance and Administration Director, he has 12.57% of the ordinary nominal shares of the JSC "Alita". He is the Chairman of the Board of the JSC "Beogradska Industrija Piva"

Darius Vėželis – a Member of the Board, Marketing and Sale Director, he has 12.57% of the ordinary nominal shares of the JSC "Alita". He is a member of the Board of the JSC "Beogradska Industrija Piva".

Violeta Labutienė – the Director of the JSC "Anykščių Vynas", she does not take part in the activity and capital of the other Companies.

Audronė Zemlevičienė – the Accountant-general of the JSC "Anykščių Vynas", she does not take part in the activity and capital of the other companies.

The information about all the important agreements among the Issuer, Issuer's Managers, workers and the other persons.

There is no information.

13. The risk factors related to the issuer's activity.

There were no strikes in the Company.

Economical factors:

The Company works in two geographical segments – the local and foreign markets. The biggest part of all the production (92,2% in the first half-year of 2008, 78.9% in 2007, 82.9% in 2006) is sold in the local market and almost all the apple production (Apple concentrated juice, aroma, dried pomace (63,6%- in the first half-year of 2008, 94.6% in 2007, 88.5% in 2006) is sold abroad. Being a great competition in the local market, the Company fruit-berry wine sale is increasing slowly (because of the adverse excise policy to the fruit-berry wine and friendly excise policy to the strong beer), the sale of the other production is stable or increasing. The apple production depends on nature fully, and the sale volumes depend on the production volumes and prices in the European market. There is a risk that the Company will not reach the planned pretax result if it would not sell the planned amount of the apple concentrated juice in the second half-year. The Company provides raw material, spare parts which it purchases from the different suppliers, so there is no dependence on one supplier. The Company also has no monopoly customer. The production

and sale during the first half-year of 2008 decreased, in comparing with the same period of the last year, because of the decreased sale of the apple concentrated juice and the decreased sale of the carbonized wine drinks and vodka. The production of the carbonized wine drinks and a part of vodkas was moved to the JSC "Alita". The workers of high quality work in the Company.

On June 30, 2008 the PJSC „Anykščių Šiluma“ was indebted 957 thousand of LTL to the Company and there is a great risk that the PJSC „Anykščių Šiluma“ will not have enough of the working capital to settle with the JSC „Anykščių Vynas“. As it is not clear if the receivable sum would be repaid, it was evaluated as a delay. The JSC „Anykščių Vynas“ uses the short term loan from the AB bank „Hansabankas“ (the contract for the loan refinance was signed 10 08 2004 and it is valid to 30 08 2008). The financial debt to the AB bank „Hansabankas“ was 8 632 thousand of LTL on June 30, 2008. There are no essential problems with the payments to the suppliers and customers.

The political risk factors:

The Government decisions to increase the excise to the production may influence the Company production increase.

The social factors:

There is a collective agreement with the trade union that is in force till July, 2009.

The Technical-technological factors:

The most of the technological machines is reconstructed or new, a lot of attention is given to the automation of the technological processes and improvement of the production quality. At present the production facilities are used about 70%. There are no risk factors to the technological processes.

14. The information on workers for the 1-th half year of 2007 and the 1-th half year of 2008:

	The first half-year of 2007	The first half-year of 2008	2008 in compore with 2007, %
The average listed number of the workers	265	263	99,2
The average wage, without tax deduction, Lt.	1327	1464	110,3

15. Information on audit

The JSC "Anykščių Vynas" financial accounting and financial statement audit of the first half-year was not done. The audit will be done for the whole financial year of 2008 according to the International Financial Reporting Standards.

III. THE ESSENTIAL EVENTS IN THE ISSUER'S ACTIVITY, ITS PROSPECT

16. The essential events in the Issuer's activity.

14 02 2008. In 2007 the JSC "Anykščių Vynas" sale incomes, in comparing with 2006, increased 38% and amounted to 46 565 thousand of LTL (13 486 thousand of EURO). The Company worked profitably and it got 727.4 thousand of LTL (210.7 thousand of EURO) of the unaudited net profit. In 2006 the Company gained 2 118 thousand of LTL (613.4 thousand of EURO) of the net profit.

In 2007 the Company planned to get 40 million of LTL (11.6 million of EURO) or the sale incomes and 1.0 million of LTL (0.3 million of EURO) of the profit.

During the reporting year all the wholesalers of the JSC „Anykščių Vynas“ bought more production. We did not reach the planned net profit because of the increased production cost, the increased prices of the raw material and the other materials; because of the less sold volume of the apple concentrated juice than we have planned; because of the investment in the renew and promotion of such trade marks as the vodka „Ledo“, brandy „Forum“, a kind of brandy „Bobelinė“; because of the significant increase of the tax of the glass packing launched into the local market; because of the deferred profit tax of 96 thousand of LTL (27.8 thousand of EUR) negative influence upon the net profit.

20 03 2008. On the Board's own initiative and resolution the JSC „Anykščių Vynas“ General Meeting is called on April 25, 2008 at 12 o'clock, that will be held in the Company hall (Dariaus and Girėno str. 8, Anykščiai. The data about the Company is kept and stored in the Register of Legal Persons, the VAT payer code: LT541116515). The registration begins at 11 a.m. The shareholders must have an identification document, the representatives must have an identification document and a letter of the authorization approved according to the law. The accounting day of the General Meeting is April 18, 2008. The shareholders can have a look at the Company papers related to the agenda of the General Meeting and meeting resolution drafts in the Company headquarters from April 15, 2008.

Agenda of the General Meeting

1. The annual report of the year of 2007.
2. The auditor's report.
3. The approval of the Company's financial statement of 2007.
4. The approval of the distribution of profit (loss) for the financial year of 2007.
5. The election of the members of the Board.

14 04 2008. The Board of the JSC "Anykščių Vynas" presents the General Meeting the following resolution drafts on April 25, 2008:

- 3.1. The annual report of the year of 2007 (The resolution on this item is not accepted).
- 3.2. The auditor's report (It was heard).
- 3.3. To approve the Company financial statement in 2007.
- 3.4. To approve the draft of the distribution of the profit (loss) for the financial year of 2007:

Articles	The sum in thousand of LTL
The profit (loss) brought forward in the beginning of the reporting financial year.	(10 619)
The net profit (loss) for the reporting financial year.	727
The profit (loss) available for the distribution.	(9 892)
The profit (loss) brought forward of the reporting financial year The profit (loss) brought forward at the end of the reporting financial year transferred to the other financial year.	(9 892)

3.5. To elect Vytautas Junevičius – the JSC “Alita” General Director, Vilmantas Pečiūra – the JSC “Alita” finance and Administration Director, Arvydas Jonas Stankevičius – the JSC “Alita” Production Director, Darius Vėželis – the JSC “Alita” Marketing and Sale Director as the Company Board members for the new term.

25 04 2008. The resolutions of the General Meeting

On April 25, 2008 the JSC “Anykščių Vynas” General Meeting took place and passed these resolutions:

- 3.1. The annual report of 2007. (The resolution on this item is not accepted).
- 3.2. The auditor’s report. (It was heard.)
- 3.3. To approve the company financial statement of 2007.
- 3.4. To approve the profit (loss) appropriation for 2007:
The profit (loss) brought forward in the beginning of the reporting financial year (10 619 thousand of LTL; 3075.5 thousand of EURO).
The net profit (loss) of the reporting financial year: 727 thousand of LTL ; 210.6 thousand of EURO);
The total distributable profit (loss): (9 892 thousand of LTL.; 2864.9 thousand of EURO);
The profit (loss) brought forward at the end of the reporting financial year is transferred to the other financial year: (9 892 thousand of LTL; 2864.9 thousand of EURO).
- 3.5.To elect Vytautas Junevičius – the JSC “Alita” General Director, Vilmantas Pečiūra – the JSC “Alita” finance and Administration Director, Arvydas Jonas Stankevičius – the JSC “Alita” Production Director, Darius Vėželis – the JSC “Alita” Marketing and Sale Director as the Company Board members for the new term.

06 05 2008. On May 6, 2008 the meeting of the JSC “Anykščių Vynas” was held and Vytautas Junevičius was elected as the Board Chairman.

22 05 2008. On May 23, 2008 the JSC “Anykščių Vynas” Board dismisses Marius Gudauskas from the position of the director of the JSC “Anykščių Vynas” and appoints Vidas Lagūnas as a Substituting Director.

23 05 2008. In the first quarter of 2008 the JSC “Anykščių Vynas” sustained the pretax loss of 783 thousand of LTL (227 thousand of EURO). The sale decreased 24.6% or 2536 thousand of LTL (734 thousand of EURO), in comparing with the first quarter of the last year, because of the decreased sale of the apple concentrated juice amounting to 1850 thousand of LTL (536 thousand of EURO) and the decreased sale of cider and vodka. Last year in the same period the Company gained 42 thousand of LTL (12 thousand of EURO) of the pretax profit.

09 06 2008. On the decision of the JSC "Anykščių Vynas" Board Violeta Labutienė, the Chief of the Economics Department is appointed the Director of the JSC "Anykščių Vynas" since June 16, 2008.

17. Lawsuits and arbitration

In the first half-year of 2008 the Company got one claim from the PJSC "Pūtokšnis" because of the buyout of the remainder of the produced PET bottles.

In the first half-year of 2008 the disputes with the PJSC "Švyturys-Utenos Alus" because of the registration of our Company trademarks "AMBER", "AMBER COLLECTION" and "AMBERCOLLECTION" and "GS GINTARINĖ" ended. The PJSC "Švyturys-Utenos Alus" withdrew all the four protests against the Company from the Appeal Department of the State Patent Office concerning the registration of our Company trademarks because the disputes for the use of these trademarks ended in the peace agreement.

There were no judicial disputes and there were no creditor claims.