

# **AB Anykščių Vynas**

Interim Financial statements  
for the six month period ended  
30 June 2012

## Confirmation of responsible persons

Following the Article No. 22 of Law on Securities of the Republic of Lithuania and Rules on Submission of Periodic and Additional Information approved by Securities of the Republic of Lithuania we, Audrius Zuzevičius, director and Audronė Zemlevičienė, Chief Accountant, hereby confirm that, to the our knowledge, the interim statements for the ended 30 June 2012 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 and cash flows of AB "Anykščių vynas". We also confirm that AB "Anykščių vynas" Interim Report for the ended 30 June 2012 includes a fair review of the development and performance of the business.

Director



Audrius Zuzevičius

Chief Accountant



Audronė Zemlevičienė

## Statement of financial position as of 30 June 2012

In thousands of Litas

	Note	30 June 2012	31 December 2011
<b>ASSETS</b>			
Property, plant and equipment	6	19,004	19,470
Intangible assets	6	767	1,097
Long-term loans		2,800	2,800
<b>Total non-current assets</b>		<b>22,571</b>	<b>23,367</b>
Inventories	7	3,250	3,984
Trade and other receivables	8	1,760	3,845
Other assets		211	279
Cash and cash equivalents		31	45
<b>Total current assets</b>		<b>5,252</b>	<b>8,153</b>
<b>Total assets</b>		<b>27,823</b>	<b>31,520</b>
<b>EQUITY</b>			
Share capital	10	37,000	37,000
Accumulated losses		(23,277)	(21,326)
<b>Total equity attributable to shareholders</b>		<b>13,723</b>	<b>15,674</b>
<b>LIABILITIES</b>			
Deferred tax liability		889	889
Deferred income		58	63
<b>Total non-current liabilities</b>		<b>947</b>	<b>952</b>
Loans and borrowings	11	8,632	8,632
Trade and other payables	12	679	1,980
Other liabilities	12	3,842	4,282
<b>Total current liabilities</b>		<b>13,153</b>	<b>14,894</b>
<b>Total liabilities</b>		<b>14,100</b>	<b>15,846</b>
<b>Total equity and liabilities</b>		<b>27,823</b>	<b>31,520</b>

The notes on pages 8-17 are an integral part of these financial statements.

Director



Audrius Zuzevičius

## Statement of comprehensive income for the six month period ended 30 June 2012

In thousands of Litas

For the six month period  
ended 30 June

	Note	2012	2011
Revenue	5	4,271	8,556
Cost of sales		(4,250)	(7,436)
<b>Gross profit</b>		<b>21</b>	<b>1,120</b>
Other income		70	296
Selling expenses		(393)	(495)
Administrative expenses		(1,470)	(2,047)
Other expenses		(18)	(44)
<b>Results from operating activities</b>		<b>(1,790)</b>	<b>(1,170)</b>
Finance income		64	-
Finance costs		(225)	(2,553)
<b>Net finance costs</b>		<b>(161)</b>	<b>(2,553)</b>
<b>Loss before income tax</b>		<b>(1,951)</b>	<b>(3,723)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(1,951)</b>	<b>(1,723)</b>
<b>Earnings per share</b>			
Basic earnings per share (in Litas)	10	(0,05)	(0,08)

The notes on pages 8-17 are an integral part of these financial statements.

Director



Audrius Zuzevičius

## Statement of comprehensive income for the April - June month period 2012

In thousands of Litas

	Note	April - June	
		2012	2011
Revenue	5	1,696	4,775
Cost of sales		(1,539)	(3,981)
<b>Gross profit</b>		<b>157</b>	<b>794</b>
Other income		22	219
Selling expenses		(208)	(252)
Administrative expenses		(659)	(1,017)
Other expenses		(14)	(35)
<b>Results from operating activities</b>		<b>(702)</b>	<b>(291)</b>
Finance income		32	-
Finance costs		(102)	(2,455)
<b>Net finance costs</b>		<b>(70)</b>	<b>(2,455)</b>
<b>Loss before income tax</b>		<b>(772)</b>	<b>(2,746)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(772)</b>	<b>(2,746)</b>
<b>Earnings per share</b>			
Basic earnings per share (in Litas)	10	(0,02)	(0,06)

The notes on pages 8-17 are an integral part of these financial statements.

Director



Audrius Zuzevičius

## Statement of Changes in Equity for the six month period ended 30 June 2012

In thousands of Litas

	Share capital	Accumulated losses	Total equity
<b>Balance at 1 January 2011</b>	<b>49,081</b>	<b>(27,185)</b>	<b>21,896</b>
Loss for the period	-	(3,723)	(3,723)
<b>Total comprehensive income for the period</b>		<b>(3,723)</b>	<b>(3,723)</b>
<b>Balance at 30 June 2011</b>	<b>49,081</b>	<b>(18,827)</b>	<b>18,173</b>
Loss for the year	-	(2,499)	(2,499)
Reduction of the share capital, reducing the accumulated deficit	(12,081)	12,081	-
<b>Total comprehensive income for the period</b>	<b>(12,081)</b>	<b>9,582</b>	<b>(2,499)</b>
<b>Balance at 31 December 2011</b>	<b>37,000</b>	<b>(21,326)</b>	<b>15,674</b>
<b>Balance at 1 January 2012</b>	<b>37,000</b>	<b>(21,326)</b>	<b>15,674</b>
Loss for the period	-	(1,951)	(1,951)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(1,951)</b>	<b>(1,951)</b>
<b>Balance at 30 June 2012</b>	<b>37,000</b>	<b>(23,277)</b>	<b>13,723</b>

The notes on pages 8-17 are an integral part of these financial statements.

Director



Audrius Zuzevičius

## Statement of Cash Flows for the six month period ended 30 June 2012

In thousands of Litas

	For the six month period ended 30 June	
	2012	2011
<b>Cash flows from operating activities</b>		
Profit (loss) for the period	(1,951)	(3,723)
Adjustments for:		
Depreciation and amortization of non-current assets	797	898
Interest expenses (income), net	153	163
Gain on sale of property, plant and equipment	-	(42)
Change in inventories	734	(284)
Change in trade and other receivables	2,146	(362)
Change in trade and other payables	(1,740)	1,116
<b>Net cash from (used in) operating activities</b>	<b>139</b>	<b>(2,233)</b>
<b>Cash flows from investing activities</b>		
Interest received	64	-
Proceeds from sale of property, plant and equipment	-	31
Acquisition of property, plant and equipment	-	5,270
Loans issued by the Company	-	(2,750)
<b>Net cash from (used in) investing activities</b>	<b>64</b>	<b>2,550</b>
<b>Cash flows from financing activities</b>		
Interest paid	(217)	(163)
<b>Net cash from (used in) financing activities</b>	<b>(217)</b>	<b>(163)</b>
<b>Change in cash and cash equivalents</b>	<b>(14)</b>	<b>154</b>
Cash and cash equivalents at 1 January	45	4
Cash and cash equivalents at 30 June	31	158

The notes on pages 8-17 are an integral part of these financial statements.

Director



Audrius Zuzevičius



## Notes to the financial statements

### 1. Reporting entity

AB Anykščių Vynas (hereinafter "the Company") is incorporated and domiciled in Lithuania. The address of the Company's registered office is Dariaus ir Girėno 8, Anykščiai LT-29131, Lithuania.

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, hard alcohol beverages, cider, sparkling wine and also other fruit and berry products.

The Company's shares are listed on the Baltic Secondary List of the Stock Exchange NASDAQ OMX Vilnius.

The controlling shareholder of the Company is Company Group ALITA AB which as at 30 June 2012 owns 35,113 thousand ordinary registered shares or 94.9% of all shares of the Company.

### 2. Basis of preparation

#### 2.1. Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) as adopted by the European Union (EU).

#### 2.2. Basis of measurement

The financial statements have been prepared on the historical cost basis. Management has been in a process of negotiation with a bank concerning the deadlines for repayment of credit line facility to be extended until the end of August 2012. It is expected that in August the Company will reach an agreement with the bank regarding new repayment schedules.

#### 2.3. Functional and presentation currency

These financial statements are presented in Litas, which is the Company's functional currency. All financial information presented in Litas has been rounded to the nearest thousand, unless indicated otherwise.

#### 2.4. Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS, as adopted by the European Union, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

##### (a) Impairment losses on property, plant and equipment

The carrying amounts of the Company's property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit).

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 assessment of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable value.



## Notes to the financial statements

### 2. Basis of preparation (continued)

#### (b) Impairment losses on intangible assets

The carrying amounts of the Company's intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of the intangible assets is estimated based on its value in use.

#### (c) 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 judgments 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.

#### (d) Useful lives of property, plant and equipment and intangible assets

Asset useful lives are assessed annually and changed when necessary to reflect current thinking on their remaining lives in light of technological change, prospective economic utilisation and physical condition of the assets concerned.

#### (e) Production costs

The allocation of fixed production overheads to cost of production is based on the normal capacity of the production facilities. The amount of fixed overhead allocated to each production unit is not increased as a consequence of low production. Unallocated overheads are recognised as an expense in a period in which they are incurred. Variable production overheads are allocated to each unit of production on the basis of actual use of the production facilities.

### 3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless stated otherwise.

#### 3.1. Foreign currency

Transactions in foreign currencies are translated into Lit as exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate 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.

#### 3.2 Share capital

##### *Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

#### 3.3. Property, plant and equipment

##### *Recognition and measurement*

Items of property, plant and equipment acquired until 1 January 1996 are measured at cost less accumulated depreciation and impairment as adjusted by the amounts of revaluations according to the rates set for individual groups of assets by the Government of the Republic of Lithuania. Carrying value of such assets after revaluation became its cost. Items of property, plant and equipment acquired on 1 January 1996 or later are measured at cost less accumulated depreciation and impairment losses.

## Notes to the financial statements

### 3. Significant accounting policies

#### 3.3. Property, plant and equipment

##### *Recognition and measurement*

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

##### *Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

##### **Depreciation**

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

- Buildings and plant 8–80 years;
- Machinery and equipment 4–50 years;
- Vehicles 4–25 years;
- Other equipment and tools 3–11 years.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### 3.4. Intangible assets

Intangible assets comprising trademarks, computer software and software licenses that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

##### *Subsequent expenditure*

Subsequent expenditure 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.

##### *Amortization*

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.



## Notes to the financial statements

### 3. Significant accounting policies (continued)

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are 1-3 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### 3.5. Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. Grants that compensate the Company for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the Company for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the asset.

### 3.6. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out (FIFO) principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

### 3.7. Non-current assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

### 3.8. Dividends

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

### 3.9. Employee benefits

#### *Short-term employee benefits*

Short-term employee benefits are recognised as a current expense in the period when employees render the services. These include salaries and wages, social security contributions, bonuses, paid holidays and other benefits. There are no long-term employee benefits.

#### *Social security contributions*

The Company pays social security contributions to the State Social Security Fund (hereinafter "the Fund") on behalf of its employees in accordance with the local legal requirements. The social security contributions are recognised as an expense on an accrual basis and are included within personnel expenses.

## Notes to the financial statements

### 3. Significant accounting policies (continued)

#### 3.10. Provisions

A provision is recognised if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

#### 3.11. Revenue recognition

##### *Goods sold*

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement, however usually transfer occurs when the products are shipped from the company's warehouse and the sales invoice is issued.

##### *Sales of services*

Sales of services are recognised on performance of the services.

##### *Rental income*

Rental income is recognized in the statement of comprehensive income on a straight-line basis over the term of the lease.

#### 3.12. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

#### 3.13. Finance income and finance costs

Finance income comprises interest income on funds invested and other financial income. Interest income is recognised in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and other financial expenses. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

#### 3.14. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the shareholders, who are the Company's chief operating decision makers, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information it is available.

#### 3.15. Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of



## Notes to the financial statements

### 3. Significant accounting policies (continued)

ordinary shares outstanding for the effects off all dilutive potential ordinary shares. During the reporting period there were no dilutive potential ordinary shares issued by the Company.

### 4. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is defined as the estimated amount for 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.

#### *Intangible assets*

The fair value of intangible assets was determined based on the third party valuation company. The valuation was performed based on a discounted cash flow model, using the estimated future cash flows of the products, to which the intangible assets are related.

#### *Long term loans*

The fair value of long term loans receivable is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

#### *Trade and other receivable*

The fair value of trade and other receivables is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

#### *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.



## Notes to the financial statements

### 5. Operating segments

#### Information about reportable segments

For the management purpose, the Company is organized into two reportable operating segments that offer different products, and require different technology and marketing strategies.

For the six month period ended 30 June

In thousands of Litas	Alcohol drinks		Apple products		Not allocated to any specified segment		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
External revenue	3,992	8,307	89	38	190	211	4,271	8,556

#### Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. All of the Company's assets are located and all capital investments are made in Lithuania.

In thousands of Litas

	2012	2011
Revenue from Lithuanian customers	4,232	8,480
Revenue from foreign customers	39	76
<b>Total</b>	<b>4,271</b>	<b>8,556</b>

#### Business segments

April - June

In thousands of Litas	Alcohol drinks		Apple products		Not allocated to any specified segment		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
External revenue	1,570	4,611	7	28	119	136	1,696	4,775

#### Geographical segments

In thousands of Litas

	2012	2011
Revenue from Lithuanian customers	1,677	4,729
Revenue from foreign customers	19	46
<b>Total</b>	<b>1,696</b>	<b>4,775</b>

## Notes to the financial statements

### 6. Property, plant and equipment (continued)

At 30 June 2012, property, plant and equipment with a carrying amount of 17,695 thousand Litass (2011: 18,390 thousand Litass) is pledged to secure credit line facility.

The carrying amount of insured property, plant and equipment as at 30 June 2012 was 17,699 thousand Litass (2011: 18,398 thousand Litass). Assets are insured against all risks as follows: buildings for value of 72,803 thousand Litass, production equipment for value of 43,195 thousand Litass, and inventories for value of 4,600 thousand Litass.

The amortisation of trademarks and other intangible assets is recognised in administrative expenses in the statement of comprehensive income.

### 7. Inventories

In thousands of Litass

	30 June 2012	31 December 2011
Saturated apple juice	102	129
Finished production	1,488	971
Production in progress	1,133	2,111
Raw materials and consumables	479	731
Goods for resale	48	42
<b>Total carrying amount of inventories</b>	<b>3,250</b>	<b>3,984</b>

According to the agreement with the Bank, the Company insured inventories with value of 4,600 thousand Litass against fire, natural forces and other damages. The Company has also pledged inventories with the amount of 3,250 thousand Litass to the bank.

### 8. Trade and other receivables

In thousands of Litass

	30 June 2012	31 December 2011
Trade receivables due from related parties	678	790
Other trade receivables	1,081	3,055
<b>Trade and other receivables, net of impairment losses</b>	<b>1,759</b>	<b>3,845</b>
<b>Trade and other receivables, gross</b>	<b>1,942</b>	<b>4,028</b>
Impairment of trade and other receivables	(183)	(183)
<b>Trade and other receivables, net of impairment losses</b>	<b>1,759</b>	<b>3,845</b>

## Notes to the financial statements

### 9. Capital and reserves

As of 30 June 2012, the authorized and issued share capital comprised 37,000,000 ordinary shares with a nominal value of 1 Litas each. All issued shares are fully paid.

The holders of ordinary shares are entitled to one vote per share in the General Shareholders' Meeting and are entitled to receive dividends as declared from time to time and to capital repayment in case of decrease of the capital. During 2012 six month the number and nominal value of shares has not changed.

### 10. Earnings per share

In thousands of Litas	For the six month period ended 30 June	
	2012	2011
Loss for the period	(1,951)	(3,723)
Number of shares 30 June (thousand)	37,000	49,081
<b>Basic and diluted earnings per share</b>	<b>(0,05)</b>	<b>(0,08)</b>

  

In thousands of Litas	April - June	
	2012	2011
Loss for the period	(772)	(2,746)
Number of shares 30 June (thousand)	37,000	49,081
<b>Basic and diluted earnings per share</b>	<b>(0,02)</b>	<b>(0,06)</b>

The Company has no dilutive potential shares or convertibles. The diluted earnings per share are the same as the basic earnings per share.

### 11. Loans and borrowings

The Company has a credit line facility amounting to 8,632 thousand Litas (2,500 thousand EUR) with Swedbank, AB, Lithuania. The credit line matures on 27 August 2012. As at 30 June 2012, 8,632 thousand Litas had been drawn (2011: 8,632 thousand Litas). The effective interest rate in 2012 six month was 3,9% (2011: 3,8%).

To secure the repayment of this credit line facility the Company pledged property, plant and equipment with a carrying amount of 17,695 thousand Litas as at 30 June 2012, as well as inventories amounting to 3,250 thousand Litas, all the current and future funds in the main accounts of the bank and current and future rent of 6.7521 ha land plot rights. The Company has insured its property, plant and equipment with a carrying amount of 17,699 thousand Litas as at 30 June 2012.

### 12. Trade and other payables

In thousands of Litas	30 June 2012	31 December 2011
Other trade payables	679	1,276
Accrued vacation reserve	47	216
Employment related liabilities	91	203
Provisions for redundancy payments	-	285
Other liabilities and other payables	3,025	4,281
<b>Total trade and other payables</b>	<b>3,842</b>	<b>6,261</b>

On April 2012 the Company signed the tax loan agreement of the extension of the excize tax and VAT repayment period to the end of the year of 2012 amounting to 2,424 thousand Litas with the State Tax Inspectorate.



## Notes to the financial statements

On August, 2012 the resolution for the extension period of the tax loan was changed to the end of December, 2013.

### 13. Contingencies

AB Anykščių Vynas issued a guarantee for Company Group ALITA AB for loans granted by the bank amounting to 13,647 thousand EUR.

The Company rents 1 land plot from the State with contract maturity on 8 August 2046. The environmental obligations (cleaning, restoration, etc.) are incumbent on lessee of the rented state land.

After the date of the preparation of the financial statement the State Tax Inspectorate carried out the tax survey in the Company and the resolution to pay 413 thousand Litas additionally for the financial year of 2010 was left. The Company did not accrue for the VAT claim received.

### 14. Litigation and claims

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

### 15. Subsequent events

On July 26, 2012 the Company held the Extraordinary General Meeting and in pursuant to Article 52, Part 2, Item 1 and Part 3, Item 2 of the Law on Companies of the Republic of Lithuania, decided to reduce the Company state capital in 17 000 000 Litas, i.e. from 37 000 000 Litas to 20 000 000 Litas by cancellation and denouncing 17 000 000 of the Company ordinary nominal shares with a share nominal value of 1 LTL. The purpose to reduce the Company state capital is to eliminate the loss put in the Company Balance Sheet.

On August 2012 the Company signed the tax loan agreement of the extension of the excize and VAT repayment period to the end of December 2013 amounting to 2,424 thousand Litas with the State Tax Inspectorate.

### 16. Information about audit

Interim Financial statements was not audited. An audit will be perform for the full financial year 2012.

The comparative information is taken from interim financial statements and financial statements for the year 2011, which was prepared and audited in accordance with International Reporting Standarts as adopted by European Union.



„ANYKŠČIŲ VYNAS“ AB

The First Half-year Report of

2012



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## 1. THE REPORTING CYCLE FOR WHICH THE YEAR PROSPECT-REPORT WAS PREPARED

The report is prepared for the first half-year of 2012.

## 2. THE PRINCIPAL DATA ABOUT THE ISSUER

The name of the Issuer:	„Anykščių Vynas“ AB
Legal-organizational form:	Joint-Stock Company, Juridical person.
The registration date and place:	November 21, 1990 in the Company of the State Land Cadaster and the other Realty and the State Company Register in Vilnius.
The place and date of re-registration:	July 28, 2004, Utena branch of the State Company Register Centre.
The Register number:	BĮ 97-340.
The Company Code:	2541 11650.
The address of the residence:	Dariaus ir Girėno 8, Anykščiai, LT-29131.
Tel.:	(8-381) 50 233.
Fax.:	(8-381) 50350.
E-mail:	<a href="mailto:info@anvynas.lt">info@anvynas.lt</a>
Website:	<a href="http://www.anvynas.lt">www.anvynas.lt</a>

The Company „Anykščių Vynas“ AB has no branches and agents and no subsidiaries.

## 3. THE MAIN ACTIVITIES OF THE ISSUER

The principal activities are the production of the alcoholic drinks and concentrated juice and their sale.

## 4. THE INFORMATION ABOUT THE CONTRACTS WITH THE BROKERS OF THE SECURITIES OF THE PUBLIC CIRCULATION

On July 29, 2004 „Anykščių Vynas“ AB and „Swedbank“, AB signed the agreement on the accounting of the securities issued by the Company and accounting of the personal securities. „Swedbank“, AB is located in Konstitucijos av. 20a, 03502 Vilnius, phone (8-5) 258 2485, fax. (8-5) 258 2170.

## 5. THE INFORMATION ABOUT THE SALE OF THE ISSUER'S SECURITIES

The Company "Anykščių Vynas" AB ordinary nominal shares are quoted in the JSC NASDAQ OMX Vilnius Complementary trade list since July 3, 1995. At the beginning of 2012 there were 37 000 000 of the ordinary nominal shares of the Company „Anykščių Vynas“ AB. The total nominal value is 37 000 000 LTL. The ISIN Code of these securities is LT0000112773 (the clipping is ANK 1L).

Information about „Anykščių vynas“ AB securities trading in JSC NASDAQ OMX Vilnius during the period 01/01/2011 – 30/06/2012:

Year and quarter	Price, EUR		Turnover, EUR		The last days of the trading period			Total turnover	
	Max	Min	Max	Min	Price EUR	Turnover EUR	Date	Units	EUR
2011 I	0.083	0.050	929.26	0	0.060	0	2011.03.31	90 064	6 407.68
2011 II	0.084	0.040	1 006.24	0	0.053	0	2011.06.30	44 348	3 479.13
2011 III	0.089	0.051	567.46	0	0.083	0	2011.09.30	22 044	1 645.67
2011 IV	0.104	0.075	1 929.9	0	0.080	0	2011.12.30	62 491	5 791.86
2012 I	0.095	0.051	2 777.30	0	0.089	197.85	2012.03.30	137 533	12 405.31
2012 II	0.06	0.041	139.65	0	0.044	0	2012.06.29	5 992	302.04

The capitalization of the Company's "Anykščių Vynas" AB ordinary nominal shares in 2011-2012:

Date	Capitalization, EUR	Price per share, EUR
2011.03.31	2 944 832.10	0.060
2011.06.30	2 601 268.36	0.053
2011.09.30	3 071 000.00	0.083
2011.12.30	2 960 000.00	0.080
2012.03.30	3 293 000.00	0.089
2012.06.29	1 628 000.00	0.044



Data about off-exchange trading of “Anykščių Vynas” AB ordinary nominal shares:

Year and quarter	Price, EUR		Total turnover of the quarter, units	
	Max	Min	In cash	Not in cash
2011 I	-	-	-	9 232
2011 II	-	-	-	39 911
2011 III	-	-	-	-
2011 IV	-	-	-	-
2012 I	-	-	-	45
2012 II	-	-	-	-

There is no any other trade of “Anykščių Vynas” AB shares in other markets.

## 6. THE ISSUER'S AUTHORIZED CAPITAL

The structure of „Anykščių Vynas“ AB authorized capital according to the types of shares until the 30rd of June, 2012:

The type of shares	The number of shares	The nominal value LTL	The total nominal value LTL	The share in the authorized capital (%)
Ordinary registered shares	37 000 000	1	37 000 000	100.00
<b>Total:</b>	<b>37 000 000</b>	<b>-</b>	<b>37 000 000</b>	<b>100.00</b>

During the extraordinary general meeting of shareholders on the 26th of July, 2012, it was made a decision to reduce the authorized capital to 20 000 000 LTL (the method of the authorized capital reduction: cancellation of shares; the purpose: to eliminate the losses recorded in the Company's balance sheet). On the 3<sup>rd</sup> of August, 2012 the reduced authorized capital and new corrections of the Articles of Association of „Anykščių vynas“ AB were registered in Lithuanian Register of Legal Entities.

The structure of „Anykščių Vynas“ AB authorized capital according to types of shares on the 3<sup>rd</sup> of August, 2012:

The type of shares	The number of shares	The nominal value (LTL)	The general nominal value LTL	The share in the authorized capital (%)
Ordinary registered shares	20 000 000	1	20 000 000	100.00
<b>Total:</b>	<b>20 000 000</b>	<b>-</b>	<b>20 000 000</b>	<b>100.00</b>

All the Company's shares are fully paid-up. Each fully paid-up share gives its owner one vote in the General Shareholders' Meeting.

The shareholders' rights and duties are set by the Company Law of the Republic of Lithuania and by other laws and regulations.

There are no any intentions about increasing the authorized capital by converting or changing issued debt or derivative securities into the shares.

There is no any limitation of the securities transfers.

## 7. SHAREHOLDERS

The total number of the shareholders was 409 on July 19, 2012.

The shareholders who had or controlled more than 5% of the Issuer's authorized capital on July 19, 2012:

Shareholder's name, surname (company name, type, registered address, 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 votes given by ordinary registered shares owned by shareholder	Together with acting persons, %
Company Group ALITA AB Miškininkų 17, LT-62200 Alytus, 302444238	35 113 087	35 113 087	94.90	94.90	94.90

After reduction of „Anykščių vynos“ AB authorized capital to 20.000.000 LTL on the 14th of August, 2012 the records of the ordinary nominal shares were adjusted. The Company Group ALITA AB after this reduction holds 18.980.045 units (or 94.9%) of the ordinary registered shares of „Anykščių vynos“ AB with the nominal value of LTL 1 (one) each. And on 14 August 2012 1.019.955 units (or 5.1%) of shares of „Anykščių vynos“ AB were owned by other minority shareholders.



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There are no shareholders who have special control rights.

There are no any limitations of the voting rights and extraordinary shareholders agreements.

## **8. THE INFORMATION ABOUT ISSUER'S OWN SHARES**

At the reporting period "Anykščių Vynas" AB has no its own shares.

## **9. THE INFORMATION ABOUT THE TENDER OFFER TO BUY THE SHARES OF THE COMPANY**

On the 18th of January, 2012 Lietuvos bankas made a decision to approve FR&R Invest IGA S.A. mandatory non-competitive tender offer to buy the rest of the Company's shares. During the tender offer buying period (24/01/2012 – 06/02/2012) FR&R Invest IGA S.A. had bought 457.270 units of ordinary nominal shares which nominal value is 1 LTL and which give 1.24 % of all votes in the Company's General Shareholders' Meeting.

## **10. THE LEGAL BASIS OF THE ISSUER'S ACTIVITIES**

- The Constitution of the Republic of Lithuania;
- The Company Law of the Republic of Lithuania;
- Law on Securities Market of the Republic of Lithuania;
- Other laws and resolutions of the Government of the Republic of Lithuania;
- Articles of Association of the Company.

The procedure of amendments made to Articles of Association of the Company - Articles of Association of the Company are amended by accepting the resolution by majority of 2/3 of votes in the General Meeting, which is recorded in a written form and all the replaced regulation text is registered with the Register of Legal Entities. A person authorized by the Meeting signs the Articles of Association.

## **11. THE ISSUER'S MANAGEMENT BODIES**

According to the articles of Association of „Anykščių vynas“ AB the Company's Management Bodies are the General Meeting, Board and the Company Manager.

The General Meeting of the Shareholders' competence and the procedure of the announcement is the same as in the Company Law of the Republic of Lithuania.

The Board is a collegial management body, which 4 members for the 4 years term in the office are elected in the General Meeting of the Shareholders', then the Board elects the Chairman of the Board from its 4 members. The Board members tenure is unlimited.

The Manager - Director of the Company is the sole governing body, established by the Company Law of the Republic of Lithuania and the Articles of Association of the Company. The Manager of the Company approves the rules of administration, organizes daily activities of the Company and represents the Company in relationships with third parties.

### **The members of the Management bodies**

The position, names and surnames, data about the participation in the Issuer's authorized capital (the available part of the authorized capital and the part of the votes in %).

No.	The position ("Anykščių vynas" AB)	Name, surname	The number of shares	The part of the authorised capital in hand (%)
The BOARD since 26/04/2012				
1	Chairman – does not work in the Company	Vytautas Junevičius	-	-
2	Member – does not work in the Company	Paulius Kibiša	-	-
3	Member – does not work in the Company	Loreta Nagulevičienė (until 2012.05.24)	-	-
4	Member – does not work in the Company	Ramunė Petravičienė	-	-
5	Member – does not work in the Company	Vaidas Mickus (since 2012.07.26)	-	-
The BOARD since 02/08/2011 to 26/04/2012				
1	Chairman – does not work in the Company	Vytautas Junevičius	-	-
2	Member – does not work in the Company	Paulius Kibiša	-	-
3	Member – does not work in the Company	Loreta Nagulevičienė	-	-
4	Member (until 2012.03.29) – does not work in the Company	Martynas Grigalavičius	-	-
ADMINISTRATION since 23/01/2012				
1	Director	Audrius Zuzevičius	-	-
2	Chief Financier	Audronė Zemlevičienė	-	-
ADMINISTRATION since 16/06/2008 to 20/01/2012				
1	Director	Violeta Labutienė	-	-
2	Chief Accountant	Audronė Zemlevičienė	-	-

**The additional data about the members of the Board, Administration Director and the Chief Financier (Finance Director):**



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**Vytautas Junevičius** – the chairman (elected 08/07/2004), he does not work in the Company.

Education: Kaunas Polytechnic Institute, engineer – economist; International Business School at Vilnius University, the specialist in international business relationships. Since 1994 to 2009 the CEO of “Alita” AB (since 07/10/2009 the name was changed into “ALT investicijos”); since 10/7/2009 to 11/30/2009 the CEO of Company Group „ALITA“, AB; since 01/12/2009 to 31/10/2011 as the advisor to the CEO of Company Group „ALITA“, AB; since 01/11/2011 is working as senior advisor to the CEO of Company Group „ALITA“.

Participation in other companies activities: Also the member of the Board of Supervisors of the Company Group „ALITA“, AB, the shareholder of Company Group „ALITA“, AB (14,48% of shares), the Board member of „Šiaulių bankas“, AB.

**Paulius Kibiša** – the Board member (since 02/08/2011), he does not work in the Company. University degree (management). Since 01/12/2009 to 23/07/2012 the CEO of the Company Group „ALITA“, AB.

Participation in other companies activities: Since 02/08/2011 to 23/07/2012 the member of the Board of the Company Group „ALITA“, AB; The member of the Board of Supervisors of the Credit Union „Centrinė taupomoji kasa“.

**Loreta Nagulevičienė** – the Board member (since 02/08/2011 to 24/05/2012), she did not work in the Company.

Education: Vilnius University, Faculty of Economics, diploma in Economics field: economy cybernetics (economy mathematics), Master’s degree in Business finance.

Employment: the Company Group ALITA, AB, Finance & IT director since 04/04/2010 to 24/05/2012

Participation in other companies activities: the Board member of the Company group “ALITA”, AB since 02/08/2011 to 24/05/2012; the shareholder of „Audilona“, UAB, „Skanulis“, UAB, „Verslo sėkmė“, UAB.

**Martynas Grigalavičius** – the Board member (since 02/08/2011 to 15/03/2012), he did not work in the Company.

Education: University degree (marketing management).

Employment: Marketing and Sale Director of the Company Group ALITA AB (since 01/12/2009 to 15/03/2012).

Participation in other companies activities: the Board member of the Company group “ALITA”, AB since 02/08/2011 to 29/03/2012; a shareholder of „Merkat“ UAB (100% of the shares)

**Ramunė Petravičienė** – the Board member since 26/04/2012, she does not work in the Company.

Education: University degree (French philology).

Employment: Human Resource Manager of the Company group “ALITA”, AB since 03/05/2010 (since 01/11/2011 Human Resource and Administration Manager)

Participation in other companies’ activities: not participating in other companies activities.

**Vaidas Mickus** – the Board member since 26/07/2012.

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Education: University degree (Business Administration – Bachelor, Accounting and Audit – Masters degree).

Employment: Finance & IT director of the Company group “ALITA”, AB since 24/05/2012 to 23/07/2012; the CEO of the Company group “ALITA”, AB since 23/07/2012.

Participation in other companies’ activities: not participating in other companies activities.

The end of the term of office of the Board members is April 25, 2016

**Violeta Labutienė** - Director of „Anykščių Vynas“ AB from 16 06 2008 to 20 01 2012.

Education: University degree (Economics). 1997 - 2008 she was working in „Anykščių vynas“ AB as the senior economist, the manager of economics department, the director.

Participation in other companies’ activities: not participating in other companies activities.

**Audrius Zuzevičius** – the Director of „Anykščių Vynas“ AB since 23/01/2012

Education: University degree (engineer-mechanic).

Employment: „Anykščių vynas“ AB 2002 – 2012 the engineer-mechanic of drafting and souvenirs production department, the engineer - mechanic of mechanic workshop of mechanic department, the chief of drafting and souvenirs production department, the chief of production department, production manager, Director.

Participation in other companies’ activities: not participating in other companies activities.

**Audronė Zemlevičienė** the Chief Accountant of „Anykščių Vynas“ AB since 05/19/2005

Education: University degree (Economics)

Employment: the last 10 years in the Company she was working as accountant, the assistant of chief accountant, the chief accountant.

Participation in other companies’ activities: not participating in other companies activities.

The Board members term in the office is 4 years. The end of this term is April 25, 2016

The Company has no its inner Audit Committee. The role of the Audit Committee, according to the Law of Audit, performs the parent company’s The Company Group ALITA AB Audit Committee, which was elected on the 27<sup>th</sup> of April, 2010 during the Company’s Group ALITA AB General Shareholder’s meeting. The members of the Audit committee for the 4 years tenure were elected the Company’s Group ALITA AB economists Jolanta Setkauskienė and Rima Ambraziejienė and independent auditor - Vyda Marcevičienė. The meeting approved the Regulations of the Audit Committee defining its main functions to be as follows:

- submit to the Board of the Company recommendations concerning the selection, appointment, repeated appointment or dismissal of the external auditor, and the terms of the agreement with an audit firm;



- monitor the external audit process;
- monitor the compliance by the external auditor and the audit firm with the principles of independence and objectivity;
- monitor the financial reporting process;
- forthwith notify the Manager of the Company of the information provided by the audit firm to the Audit Committee on audit-related problem issues, specifically in case any material deficiencies related to financial statements are established;
- perform other functions prescribed by the relevant legal acts of the Republic of Lithuania and the guidelines contained in the Corporate Governance Code for companies listed at AB NASDAQ OMX Vilnius

The members of Audit Committee Jolanta Setkauskienė, Rima Ambraziejienė and Vyda Marcevičienė have no shares either The Company Group ALITA AB or „Anykščių Vynas“ AB.

The Board members had no any loans or guarantees during the reporting period for the reason to ensure their obligations' execution.

Neither in respect of the Members of the Board, executive management nor the independent auditor have been filed any official or public charges, nor they have been subjected to any injunctions to hold positions in the administrative, management or supervisory bodies, hold a managing position or manage business related to the issuer.

There is no conflict of interests between the duties and responsibilities of the Members of the Board, administrative management and the independent auditor in respect of the Company and their private interests.

There are no any significant agreements between Issuer, Issuer's managers, employees and other persons.

## 12. PERSONNEL

The dynamics of average number of employees and average monthly salary (without compensations) of „Anykščių Vynas“ AB for the 1<sup>st</sup> half of the year 2012 by employees groups:

Employees	2011			2012 01-06 months		
	Average number of employees	%	Average salary	Average number of employees	%	Average salary
Managers	2	1.4	4 829	2	2.4	4 102
Specialists and officials	49	34.3	1 827	30	36.6	1 705
Workers	92	64.3	1 318	50	61.0	1 269
<b>Total:</b>	<b>143</b>	<b>100</b>	<b>1 541</b>	<b>82</b>	<b>100</b>	<b>1 508</b>



The average number of employees decreased by 61 person or 42.7% due to optimizing production and managing functions as well as lower sales and productions volume. The average salary got lower by 33 LTL or 2.1% due to fired employees with bigger salaries.

„Anykščių Vynas“ AB employees structure comparison by education, 31/12/2011 vs. 30/06/2012:

Employees education	31/12/2011		30/06/2012	
	number	%	number	%
University degree	29	29.0	26	33.8
College	36	36.0	22	28.6
Secondary	34	34.0	28	36.4
Uneducated	1	1.0	1	1.2
Total:	100	100	77	100

### 13. AUDIT INFORMATION

„Anykščių Vynas“, AB financial accounting and financial statement audit of the first half-year had not been done yet. The audit will be done for the whole financial year of 2012 according to the International Financial Reporting Standards.

### 14. THE AGREEMENTS AND TRANSACTIONS OF THE ASSOCIATED PARTIES

„Anykščių vynas“ AB has the obligation to guarantee with its property for ensuring the execution of the Company Group ALITA AB obligations under the credit agreements with Swedbank AB and Danske Bank A/S Lithuanian branch.

The Company Group ALITA AB has given its guarantee for the 8.6 m LTL credit of „Anykščių vynas“ AB.

### 15. THE RISK FACTORS RELATED TO THE ISSUER'S ACTIVITY

The unaudited result of „Anykščių vynas“ AB activities for the 1<sup>st</sup> six months of the year 2012 was the loss for 1.95 m LTL. This result was 1.77 m LTL better than at the same period of the last year. During the 1<sup>st</sup> six months of the 2011 „Anykščių vynas“ AB had 2.37 m LTL loss from the shares trading.

Due to a huge competition in the domestics market and Lithuania's bad economy, the Company's sales are decreasing (unfavorable excise policy for fruit wines and preferential policy for beer). During the 1<sup>st</sup> half of the year the Company optimized its activity and concentrated on the wine production. The main tasks in fruit wines category were related with pricing strategies and assortment review. The production of not marketable wines such as „Žara“, „Ringas“, „Rifas“ was

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suspended. New wines were added to assortment - „Agdam“ and „Super“. Now wines assortment has 22 names. The special attention was paid to natural fruit wine. The natural fruit wine “Voruta” was represented during the international wine fair “Vyno dienos 2012”. Also it was paid more attention to this wine’s exposition in the super markets. All this gave better sales of “Voruta”.

During the last years due to the lack of working capital the Company did not produce apple products for the sale. The Company provides apples’ remaking service, makes apples’ juice concentrate and apples’ aroma for the other companies because of attempts to exploit its equipment. In the export markets the Company sells natural fruit wine, liquors, cider and apple products. The Company continues working with export customers in Latvia, Estonia, UK, and USA. The natural fruit wine export to Bulgaria had been started. Seeking to find new customers in the foreign markets the natural fruit wine “Voruta” was represented in the worldwide fair „The London International Wine Fair 2012“ last May, as well as in the other worldwide exhibition “Expo 2012” in South Korea.

The Company’s financial data for the 1<sup>st</sup> six months of 2012 is available in the interim financial statements.

The main impact for the sales growth in 2012 will have the economic and social situations, so it is difficult to forecast the Company’s final results. The main goals for 2012:

- operational efficiency and cost optimization;
- brands promotion;
- assortment optimization looking at market changes;
- new markets;
- increasing profitableness and market share;
- cash flows improvement;
- simplification of internal processes.

#### Economic factors:

The Company works in two geographical segments – the local and foreign markets. The biggest part of all the production (99.1% in 2012 1st half, 99.1% in 2011 1st half, 83.6% in 2010 1st half) is sold in the local market. More information about business and geographical segments is in financial reports appendixes (No. 5).

The Company provides with raw materials, consumables that are purchased from different suppliers, so, there is no dependence on one supplier. The Company also has no monopoly customer. Production and sales are lower in the 1st half of 2012 due to lower sales in general alcohol market.

„Anykščių Vynas“ AB has the short-term bank loan. The financial liability for Swedbank AB was 8.6 m LTL. The Company also has 2.4 m LTL loan from State Tax Inspectorate.

Subsequent to the reporting period end the subsidiary of the Company received Tax Inspectorate investigation report with order to additionally pay VAT amounting to 413 thousand LTL and related to the financial year 2010. The subsidiary did not accrue for the VAT claim received.

#### Political risk factors:

The Government tax policy has a negative influence on the Company’s activities.

#### Social factors:



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There is a collective agreement with the Trade Union that is in force till August, 2013.

Technological factors:

Most of technological equipment is renovated or installed newly; big attention is for automating technological processes and the improvement of the quality of the production. Currently production capacity is about 50%. There are no risk factories to the technological processes.

Ecological factors:

The main source of pollution is the boiler room but pollution ration into atmosphere had not been exceeded during the last years. The Company had not any fines or producing activities restrictions because of the environmental damage.

The Company has the agreement with packaging waste recyclers.

The instruments from the Environment Protection project are pursuing. During the 1st half of 2012 the Company had used 435.8 MWh ((2011 – 705.0 MWh) of electricity, 6.7 thousand m<sup>3</sup> (2011 - 11.2 thousand.m<sup>3</sup>) of water and 344.4 thousand m<sup>3</sup> (2011 – 430.7 thousand m<sup>3</sup>) of natural gas.

The dangerous waste is managed by “Tepalita” UAB, “Tokstita” UAB. Not dangerous waste is managed by „Anykščių komunalinis ūkis“ UAB. The squeezed apples are taken by “Elma” ŽŪB and farmers for animal feed.

## 16. THE ESSENTIAL EVENTS IN THE ISSUER'S ACTIVITY

The Company, complying with governing legislation regarding the securities market, published the following information in the Vilnius Stock Exchange (at present AB NASDAQ OMX Vilnius) information disclosure and distribution system and in the „Anykščių Vynas“ AB website [www.anvynas.lt](http://www.anvynas.lt):

- 19/01/2012 Notification regarding approval of the circular of the non-competitive mandatory tender offer
- 20/01/2012 Regarding the intention to delist the company
- 20/01/2012 Regarding the termination of the employment relationship of the director of the company and the appointment of the director of the company
- 30/01/2012 Opinion of the Board of ANYKSCIU VYNAS AB about the submitted mandatory non-competitive tender offer to buy shares of the company
- 10/02/2012 Notification on the acquisition of voting rights
- 10/02/2012 The report on the implementation of mandatory non-competitive tender offer was received
- 29/02/2012 Anyksciu vynas, AB non-audited results of for the year 2011
- 02/03/2012 Major shareholder of AB “Anykščių vynas” intends to start the sale process of the company
- 16/03/2012 Regarding resignation of the Board member of the Company
- 04/04/2012 Regarding convocation of Annual General Meeting of Shareholders of public limited liability company ANYKŠČIŲ VYNAS

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04/04/2012 Regarding the adopted decisions of the Board of public limited liability company ANYKŠČIŲ VYNAS, related to the Annual General Meeting of Shareholders, being convened  
26/04/2012 Decisions of annual general meeting of shareholders of public limited liability company ANYKŠČIŲ VYNAS  
26/04/2012 ANYKŠČIŲ VYNAS AB annual information for 2011  
03/05/2012 Regarding amendment to the credit agreement  
09/05/2012 Regarding election of the chairman of the Board of the company  
25/05/2012 Regarding resignation of the Board member of the Company  
31/05/2012 Interim information of AB ANYKŠČIŲ VYNAS for the three months of 2012  
04/07/2012 Regarding convocation of Extraordinary General Meeting of Shareholders of public limited liability company ANYKŠČIŲ VYNAS  
05/07/2012 Regarding amendment to the credit agreement  
26/07/2012 Decisions of extraordinary general meeting of shareholders of public limited liability company ANYKŠČIŲ VYNAS  
03/08/2012 Regarding reduction of the authorized capital of Anyksciu vynas AB  
14/08/2012 Regarding adjustment of ANYKŠČIŲ VYNAS AB share accounting records

#### 17. INFORMATION ABOUT FOLLOWING THE MANAGING CODE

“Anykščių Vynas“ AB is following NASDAQ QMX Vilnius code for Listed Companies.

Director



Audrius Zuzevičius