



Financial statements for the III quarters of 2006

JSC DVARČIONIŲ KERAMIKA
Company Code110628481

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Balance Sheet(LTL)

Prepared according International Financial Reporting Standards

No.	ASSETS	2006 09 30	2005 09 30
A.	NON CURRENT ASSETS	55,053,977	62,312,329
I.	INTNAGIBLE ASSETS	327,925	62,918
II.	TANGIBLE ASSETS	54,422,386	61,129,931
II.1.	land		
II.2.	Buildings	26,831,216	28,746,011
II.3.	Other fixed assets	27,591,170	32,296,086
II.4.	Construction in progress		87,833
III.	NON CURRENT FINANCIAL ASSETS	300,000	337,314
IV.	LONG TERM RECEIVABLES	3,666	6,166
V.	DEFERRED TAXES		776,000
B.	CURRENT ASSETS	27,376,703	20,995,855
I.	INVENTORIES	17,810,616	15,304,620
I.1.	STOCK	17,786,742	15,293,145
I.2.	PREPAYMENTS	23,874	11,475
I.3.	NOT COMPLETED WORKS		0
II.	CURRENT RECEIVABLES	8,022,347	5,173,338
III.	INVESTMENTS AND TERM DEPOSITS		0
IV.	CASH	1,543,740	517,897
	ASSETS TOTAL	82,430,680	83,308,183

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Balance Sheet (LTL) (continued)

No.	EQUITY AND LIABILITIES	2006 09 30	2005 09 30
A.	CAPITAL AND RESERVES	24,530,239	25,224,003
I.	SHARE CAPITAL	19,810,920	49,527,300
I.1.	PAID IN	19,810,920	49,527,300
I.2.	UNPAID	0	0
II.	SHARE PREMIUM	0	0
III.	REVALUATION RESERVE	4,582,740	4,927,954
IV.	OTHER RESERVES	125,060	125,060
V.	RETAINED EARNINGS	11,519	-29,356,311
V.I	Previous years	-8,414	-27,565,019
V.II	current year	19,933	-1,791,292
B.	DOTATIONS AND SUBSIDIES		
C.	DEFERRED TAX & ACCRUED LIABILITIES	1,123,000	2,500,692
I.	Accrued expenses		502,692
II.	Deferred tax liability	1,123,000	1,998,000
D.	LIABILITIES	56,777,441	55,583,488
I.	NON CURRENT LIABILITIES	41,548,468	33,698,659
I.1.	Financial liabilities	41,453,468	33,504,305
I.2.	trade payables		0
I.3.	advances received		0
I.4.	other non current payables	95,000	194,353
II.	CURRENT LIABILITIES	15,228,973	21,884,830
II.1.	Current part of long term financial liabilities	1,023,000	0
II.2.	Other financial liabilities	142,663	10,875,067
II.3.	trade payables	11,788,246	9,272,551
II.4.	advances received	266,122	284,172
II.5.	taxes and salaries payable	1,181,648	1,220,614
II.6.	other payables	827,294	232,426
	EQUITY AND LIABILITIES	82,430,680	83,308,183

President

Juozas Raišelis

Chief Accountant

Vanda Kalpokienė

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No.	INCOME STATEMENT	2006.01.01 – 2006.09.30	2005.01.01 – 2005.09.30
I.	SALES	42.197.075	32.260.094
II.	COST OF SALES	-31.150.786	-22.721.740
III.	GROSS PROFIT	11.046.289	9.538.354
IV.	Operating expenses	--10.107.765	-8.545.425
V.	OPERATING RESULT (EBIT 1)	938.524	992.929
VI.	OTHER ACTIVITY, NET	549.589	738.793
VI.1.	Income	553.271	834.546
VI.2.	Expenses	-3.682	-95.753
VII.	FINANCIAL ACTIVITY, NET	-1.498.180	-4,657.012
VII.1.	Income	9.314	841.605
VII.2.	Expenses	-1.507.494	-5.498.617
VIII.	ORDINARY ACTIVITY RESULT	-10.067	0
IX.	Extraordinary income	0	0
X.	Extraordinary expenses	0	0
XI.	RESULT BEFORE PROFIT TAX	-10.067	-2,925.292
XII.	Profit taxes	30.000	875.000
XIII.	NET RESULT	19.933	-2,050.292

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STATEMENT OF CASH FLOWS

	2006 09 30	2005 09 30
Cash flows from operating activities		
Net result for the period	19,933	-2,052,292
Adjustments for:		
Depreciation and amortization	5,523,000	5,208,459
(Gain)/ losses on foreign exchange		
(Gain)/ losses on investment activity	9,000	
(Gain)/ losses on disposals (sales) of fixed assets	0	-705,000
Net interest	1,464,000	1,623,000
Change in deferred taxes	-30,000	-577,000
Increase/(decrease) in inventory valuation allowance	0	0
Other	-19,989	-38,270
Operating profit before working capital changes	6,965,944	3,458,897
(Increase)/decrease in trade and other receivables excluding receivables connected with selling fixed assets	-3,296,000	-673,000
(Increase)/decrease in inventories	-998,000	-4,632,000
Increase/(decrease) in payables excluding borrowings and loans and payables connected with purchasing fixed assets	2,505,000	2,233,000
Cash generated from operations	5,176,944	386,897
Income taxes paid	-1,464,000	-1,623,000
Net cash from operating activities	3,712,944	-1,236,103
Cash flows from investing activities		
Purchases of property, plant and equipment	-1,069,000	0
Sales of property, plant and equipment	39,000	0
Other items	0	0
Net cash utilized in investing activities	0	0
Cash flows from financing activities	-1,030,000	0
Receipt of outstanding share capital contributions		
Repayment/receipt of loans	-1,369,000	5,763,000
Repayment/issue of promissory notes	0	-3,773,000
Financial lease payments	17,000	-96,000
(Decrease)increase in factoring financing	-374,000	-477,000
Net cash from financing activities	-1,726,000	-1,417,000
	956,674	180,897
Net change in cash and cash equivalents	586,796	337,000
Cash and cash equivalents at the beginning of period		
	1543,740	517,897
Cash and cash equivalents at the end of period		

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STATEMENT OF CHANGES IN EQUITY

	Share capital	Revaluation reserve	Reserve capital	Retained earnings	Total Equity
As at 31 December 2004	49,527,300	1,548,000	125,060	-27,565,000	23,635,360
Result for the period				-2,094,000	-2,094,000
Revaluation of fixed assets		4,279,000			4,279,000
Depreciation of deferred tax liability				82,000	82,000
As at 30 June 2005	49,527,300	5,827,000	125,060	-29,577,000	25,902,360
Result for the period				43,708	43,708
Revaluation of fixed assets		-899,046		899,046	0
Change in deferred tax liability				-722,065	-722,065
As at 30 September 2005	49,527,300	4,927,954	125,060	-29,356,311	25,224,003
Result for the period				-1,060,081	-1,060,081
Depreciation of revaluation reserve		-281,000		281,000	0
As at 31 December 2005	49,527,300	4,863,740	125,060	-30,005,794	24,510,306
Result for the period				-1,060,081	-1,060,081
Depreciation of revaluation reserve		-281,000		281,000	0
As at 30 June 2006	49,527,300	4,582,740	125,060	-30,784,875	23,450,225
Result for the period				1,080,014	1,080,014
Reduction of share capital	-29,716,380			29,716,380	0
As at 30 September 2006	19,810,920	4,582,740	125,060	11,519	24,530,239

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