

Vilniaus Vingis AB

Report for the Three Quarters of the Year 2004

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I. GENERAL PROVISIONS

1. Reporting period for which the report has been prepared

The report has been prepared for the three quarters of the year 2004.

2. Main data about the Issuer

Name of the Issuer	Vilniaus Vingis AB
Authorised capital	36 492 420 LTL
Address	Savanoriu ave. 176, LT-03154 Vilnius, Lithuania
Telephone	+370 5 239 25 00
Fax	+370 5 239 25 55
E-mail address	info@vingis.lt
Internet address	www.vingis.lt
Legal and organisational form	public company (joint-stock company)
Date and place of registration	25 February 1994, State Enterprise Centre of Registers
Date and place of re-registration	28 September 2001, State Enterprise Centre of Registers
Registration No.	BĮ 01-188
Code in the Register of Enterprises	2259783

3. Information about where and how it is possible to get acquainted with the report and other documents in accordance with it was prepared and the names of the means of the mass media

Report and other documents in accordance with this report was prepared are available at the company's registered office (Finance Management Department) from the 29 October 2004 at Savanoriu ave. 176, Vilnius, and at the Financial Brokerage Company Finasta AB at Konstitucijos ave. 23, Vilnius.

The means of mass media of Vilniaus Vingis AB: the daily Lietuvos rytas, Lithuanian News Agency ELTA and News Agency BNS.

4. Persons responsible for the accuracy of information in the report

4.1. Members of the managing bodies of the Issuer, employees and the head of the administration responsible for the report

Vaclovas Šleinota, Managing Director, tel. +370 5 239 25 00, fax +370 5 239 25 55

Darius Ožiūnas, Finance Director, tel. +370 5 239 25 23

Neringa Menčiūnienė, Chief Accountant, tel. +370 5 239 29 30

Ramūnas Pelanis, The Head of Finance Management Department, tel. +370 5 239 27 11

4.2. The report was prepared with the assistance of Finasta AB (Konstitucijos ave. 23, Vilnius, tel. +370 5 278 68 44, fax +370 5 210 24 74), represented by Audrius Leitonas, financial broker.

5. Confirmation of the members of the Issuer's managing bodies, its employees, head of administration and the Issuer's consultants responsible for the preparation of this report that information contained in the report is true and there are no suppressed facts which could have an impact on investors' decisions concerning purchase, sale or valuation of the Issuer's securities or on the market price of these securities

Managing Director **Vaclovas Šleinota**

Finance Director **Darius Ožiūnas**

Chief Accountant **Neringa Menčiūnienė**

The Head of Finance Management Department **Ramūnas Pelanis**

Financial broker of Finasta AB **Audrius Leitonas**

Date of signing the Report: 29 October 2004 , place of preparation – Finasta AB (Konstitucijos ave. 23, Vilnius)

II. INFORMATION ABOUT THE ISSUER'S LARGEST SHAREHOLDERS AND MEMBERS OF THE MANAGING BODIES

6. Shareholders

On 30 September 2004 the total number of Vilniaus Vingis AB shareholders was 2,215.

Table 6.1. Shareholders who hold more than 5 per cent of the Issuer's authorised capital.

Names of the shareholders, their types, addresses of head offices, code in the Register of Enterprises	Number of ordinary registered shares owned by the right of ownership	Part in the authorised capital, %	Part of votes given by the shares owned by the right of ownership, %
HANSABANK CLIENTS Liivalaia 8, 15040 Tallinn, Estonia 10060701	2,267,831	24.86	25.21
SKANDINAVISKA ENSKLIDA BANKEN CLIENTS Sergels Torg 2, 10640 Stockholm, Sweden 50203290810	852,156	9.34	9.47
SKANDINAVISKA ENSKLIDA BANKEN CLIENTS AB FINNISH CLIENTS Sergels Torg 2, 10640 Stockholm, Sweden 50203290810	457,159	5.01	5.08

7. Members of the managing bodies

7.1. Position held, names and surnames, data about participation in the Issuer's authorised capital

Table 7.1.1. Members of the managing bodies and their participation in Issuer's authorised capital.

Name, surname	Position held	Share of the capital held, %	Share of the votes held, %
THE BOARD			
Vaclovas Šleinota	Chairman	2.79	2.83
Vladislovas Cybas	Member	1.96	1.99
Rimvydas Savickas	Member	2.05	2.08
Martynas Česnavičius	Member	-	-
ADMINISTRATION			
Vaclovas Šleinota	Managing Director	2.79	2.83
Rimvydas Savickas	Technical Director	2.05	2.08
Vladislovas Cybas	Marketing Director	1.96	1.99
Jonas Čaplikas	Procurement Director	1.43	1.45
Antanas Savickas	Quality Director	0.70	0.71
Valdas Petrauskas	Geba complex production Director	1.53	1.55
Mečislovas Šakalys	Gija complex production Director	1.10	1.12
Darius Ožiūnas	Finance Director	1.61	1.63
Neringa Menčiūnienė	Chief Accountant	0.05	0.06
Asta Dagilienė	Personnel Director	-	-

7.2. Data about participation in the activities of other companies, enterprises and organisations (name of the company, enterprise, or organisation and position held), over 5 percent of capital and votes held in other enterprises (percentage)

Table 7.2.1. Participation in activities of other companies, enterprises and organisations.

Name, surname	Name of the company, enterprise, organisation, position held	Share of capital and votes held in other enterprises, %
Vaclovas Šleinota	Lithuanian Confederation of Industrialists, Vice-president	-
	Association of Machines and Appliances Industry Enterprises, President	-
	Astra AB, Member of the Board	-
	Telebaltikos prekyba UAB	13.3
	Council of Vilnius University, Member	-
	Science Council of Lithuania, Member	-
Vladislovas Cybas	Žaliakalnio viešbutis UAB, Member of the Board	9.3
	Telebaltikos prekyba UAB	13.3
Rimvydas Savickas	Žaliakalnio viešbutis UAB	9.3
	Telebaltikos prekyba UAB	13.3
Jonas Čaplikas	Sertika UAB	60.0
Antanas Savickas	Sertika UAB	20.0
Martynas Česnavičius	Amber Trust and Danske Capital Finland, Adviser	-
	1 L Ekspresas UAB	21.0

Other members of the Board and Administration do not participate in activities of other companies, enterprises and organisations.

III. FINANCIAL STATUS

8. Balance sheet*, LTL

No.	ASSETS	30.09.2004	31.12.2003
A.	NON – CURRENT ASSETS	49,932,180	49,960,966
I.	INTANGIBLE ASSETS	463,611	382,385
I.1.	Licences and patents	105,165	52,099
I.2.	Computer software	358,446	330,286
I.3.	Other intangible assets		
II.	TANGIBLE ASSETS	49,468,569	49,578,581
II.1.	Land		
II.2.	Buildings and constructions	16,239,316	16,556,025
II.3.	Machinery and equipment	19,133,696	18,428,077
II.4.	Means of transportation	997,654	1,085,365
II.5.	Other fixtures, fittings, tools and equipment	10,962,756	11,201,800
II.6.	Construction in progress	2,070,214	2,221,509
II.7.	Other tangible assets	64,933	85,805
III.	FINANCIAL ASSETS		
B.	CURRENT ASSETS	38,746,618	42,901,024
I.	INVENTORIES, PREPAYMENTS AND CONTRACTS IN PROGRESS	19,759,836	16,870,932
I.1.	Inventories	16,715,502	15,558,701
I.1.1.	Raw materials and consumables	11,521,111	11,657,351
I.1.2.	Work in progress	747,064	713,182
I.1.3.	Finished products	4,447,327	3,188,168
I.2.	Prepayments	3,044,334	1,312,231
I.3.	Contracts in progress		
II.	AMOUNTS RECEIVABLE WITHIN ONE YEAR	18,877,609	23,915,212
II.1.	Trade debtors	17,900,833	21,313,705
II.2.	Receivables from subsidiaries and associates		
II.3.	Other amounts receivable	976,776	2,601,507
III.	OTHER CURRENT ASSETS		
IV.	CASH AND CASH EQUIVALENTS	109,173	2,114,880
	TOTAL ASSETS	88,678,798	92,861,990

*Because of the changes in accounting policy (Business Accounting Standards took effect on the 1 January 2004) it is impossible to give the data of the balance sheet of 30 September 2003 in one table with the balance sheets of 30 September 2004 and 31 December 2003.

No.	ASSETS	30.09.2003
A.	NON – CURRENT ASSETS	50,255,936
I.	FORMATION COSTS	
II.	INTANGIBLE ASSETS	303,793
III.	TANGIBLE NON – CURRENT ASSETS	49,952,143
III.1.	Land	
III.2.	Buildings and constructions	16,528,557
III.3.	Other tangible assets	31,080,021
III.4.	Construction in progress and prepayments	472,949
IV.	FINANCIAL NON - CURRENT ASSETS	1,870,616
V.	AMOUNTS RECEIVABLE AFTER ONE YEAR	
B.	CURRENT ASSETS	38,719,349
I.	INVENTORIES, PREPAYMENTS AND CONTRACTS IN PROGRESS	12,359,506
I.1.	Inventories	11,966,053
I.2.	Prepayments	393,453
I.3.	Contracts in progress	
II.	AMOUNTS RECEIVABLE WITHIN ONE YEAR	24,238,628
III.	INVESTMENTS AND TERM DEPOSITS	176,950
IV.	CASH AND CASH EQUIVALENTS	1,944,265
C.	ACCRUED INCOME AND DEFERRED CHARGES	842,699
	TOTAL ASSETS	89,817,984

No.	EQUITY AND LIABILITIES	30.09.2004	31.12.2003
C.	EQUITY	60,876,258	54,177,353
I.	CAPITAL	37,731,952	37,731,952
I.1.	Authorised (subscribed)	36,492,420	36,492,420
I.2.	Subscribed uncalled share capital (-)		
I.2.	Share premium	2,211,200	2,211,200
I.3.	Own shares (-)	(971,668)	(971,668)
II.	REVALUATION RESERVE (RESULTS)	275	275
III.	RESERVES	16,624,395	16,624,395
III.1.	Legal reserve	1,905,278	1,905,278
III.2.	Reserve for acquiring own shares	14,119,117	14,119,117
III.3.	Other reserves	600,000	600,000
IV.	RETAINED EARNINGS (LOSSES)	6,519,636	(179,269)
D.	GRANTS AND SUBSIDIES		
E.	AMOUNTS PAYABLE AND LIABILITIES	27,802,540	38,684,637
I.	AMOUNTS PAYABLE AFTER ONE YEAR AND NON-CURRENT LIABILITIES	362,364	362,772
I.1.	Financial debts	362,364	362,772
II.	AMOUNT PAYABLE WITHIN ONE YEAR AND CURRENT LIABILITIES	27,440,176	38,321,865
II.1.	Current portion of non-current debts	25,134	156,494
II.2.	Financial debts to credit institutions	18,713,151	8,028,437
II.3.	Trade creditors	6,545,409	13,767,807
II.4.	Amounts received in advance (on contracts in progress)	315,971	316,811
II.5.	Profit tax liabilities		1,673,176
II.6.	Liabilities related with labour relations	1,570,741	2,497,081
II.7.	Provisions		
II.8.	Other amounts payable and current liabilities	269,770	11,882,059
	TOTAL EQUITY AND LIABILITIES	88,678,798	92,861,990

No.	OWNER' EQUITY AND LIABILITIES	30.09.2003
A.	CAPITAL AND RESERVES	65,701,421
I.	CAPITAL	36,492,420
I.1.	Authorised (subscribed)	36,492,420
II.	SHARE PREMIUM	2,211,200
III.	REVALUATION RESERVE	275
IV.	RESERVES	18,317,415
V.	RETAINED EARNINGS (LOSSES)	8,680,111
B.	FINANCING (GRANTS AND SUBSIDIES)	
C.	PROVISIONS FOR LIABILITIES AND CHARGES	(533,704)
D.	AMOUNTS PAYABLE AND LIABILITIES	24,573,139
I.	AMOUNTS PAYABLE AFTER ONE YEAR AND NON-CURRENT LIABILITIES	519,266
I.1.	Financial debts to credit institutions	57,547
I.2.	Trade creditors	461,719
I.3.	Amounts received in advance (on contracts in progress)	
I.4.	Other amounts payable and non-current liabilities	
II.	AMOUNT PAYABLE WITHIN ONE YEAR AND CURRENT LIABILITIES	24,053,873
II.1.	Current portion of non-current debts	81,797
II.2.	Financial debts to credit institutions	11,278,731
II.3.	Trade creditors	9,159,006
II.4.	Amounts received in advance (by contracts in progress)	205,682
II.5.	Taxes, remuneration and social security payable	2,351,170
II.6.	Other amounts payable and current liabilities	977,487
E.	ACCRUED CHARGES AND DEFERRED INCOME	77,128
	TOTAL OWNER'S EQUITY AND LIABILITIES	89,817,984

9. Profit (loss) statement, LTL

No.	ITEMS	THREE QUARTERS OF 2004	THREE QUARTERS OF 2003
I.	TURNOVER	97,970,366	92,070,663
II	PRODUCTION COST	81,269,523	72,674,644
III.	GROSS PROFIT (LOSS)	16,700,843	19,396,019
IV.	OPERATING COSTS	11,600,086	10,316,406
V.	OPERATING PROFIT (LOSS)	5,100,757	9,079,613
VI.	OTHER ACTIVITIES	1,246,784	166,350
VI.1	Income	6,474,630	6,510,050
VI.II	Expenses	5,227,846	6,343,700
VII.	FINANCING AND INVESTING ACTIVITIES	310,957	(376,019)
VI.1	Income	949,926	290,228
VI.II	Expenses	638,969	666,247
VIII.	PROFIT (LOSS) FROM NORMAL ACTIVITIES	6,658,498	8,869,944
IX.	GAIN		79,534
X.	EXTRAORDINARY LOSSES		263,871
XI.	PROFIT (LOSS) BEFORE TAXES	6,658,498	8,685,607
XII.	PROFIT TAX	998,775	1,302,841
XIII.	NET PROFIT (LOSS) OF THE CURRENT YEAR FOR APPROPRIATION	5,659,723	7,382,766

10. Explanatory letter

During the three quarters of the year 2004 the company's non – current assets decreased by LTL 28 thousand. Intangible non – current assets increased by LTL 81.23 thousand. Tangible non – current assets declined from LTL 49.58 million to LTL 49.47 million, i. e. by LTL 110.0 thousand. Investment in non – current assets amounted to LTL 6.38 million, depreciation expenses were LTL 6.4 million. The company does not have any financial non – current assets.

Current assets decreased by LTL 5.24 million. Inventories and prepayments increased by LTL 2.74 million. Amounts receivable within one year declined by LTL 4.94 million, because trade debtors decreased by LTL 3.52 million. Cash and cash equivalents decreased by LTL 2.07 million, accrued income and deferred charges were carried forward to prepayments. Because of the changes in accounting policy the frozen money in the bank of Vnešekon (totally LTL 65.029 thousand) and doubtful amounts receivable (totally LTL 114.24 thousand) were carried forward to the expenditure.

On the 30 September 2004 equity amounted to LTL 60.88 million. From the beginning of the year this indicator increased by LTL 5.55 million. During the reporting period retained earnings amounted to LTL 6.52 million taking into account that the loss of LTL 179.269 thousand was experienced because of the changes in accounting standards.

During the three quarters of the year 2004 the amounts payable and liabilities decreased by LTL 10.88 million. The amounts payable after one year and non – current liabilities remained unchanged, amounts payable within one year and current liabilities decreased by LTL 10.28 million. Financial debts to credit institutions increased by LTL 10.69 million, trade creditors decreased by LTL 7.32 million. Liabilities related to labour relations declined by LTL 0.128 million. Other amounts payable and current liabilities decreased from LTL 11.78 million to LTL 0.27 million, i. e. by LTL 11.51 million because during the reporting period the dividends of LTL 11.54 million for the year 2003 were paid.

IV. MATERIAL EVENTS IN THE ISSUER'S ACTIVITY

11. Material events in the Issuer's activity

Sales of the production of Vilniaus Vingis AB during March 2004 amounted to LTL 13.2 million. Total sales of the production during the first quarter of this year were by LTL 35.3 million (business plan target was exceeded by LTL 2.9 million). This year the company's exports amounted to LTL 22.2 million (62.9 % of all production). During the same period in 2003 sales amounted to LTL 35.2 million.

On 31 March 2004, a new wording of the Articles of Association of Vilniaus Vingis AB was registered.

On 9 April 2004, a meeting of the Board of Vilniaus Vingis AB, elected in general meeting of shareholders on 6 March 2004, was held. The Board reelected Vaclovas Sleinota as Chairman of the Board.

Nerijus Dagilis, member of the Board of Vilniaus Vingis AB, resigned from office as from 1 June 2004.

In June 2004, Vilniaus Vingis AB sold its products for LTL 12.1 million. This year production volume amounts to LTL 69.6 million (business plan target was exceeded by LTL 4.4 million), Lithuanian consumers received products for LTL 26.5 million (in 2003, for LTL 20.3 million); sales to purchasers of the company's production in other countries of the European Union amounted to LTL 40.6 million (in 2003, LTL 41.7 million). During the same period in 2003 sales amounted to LTL 64.6 million.

On 23 July 2004, the Board of Vilniaus Vingis AB approved the semi-annual results of company's activities in 2004. Unaudited net profit is 4.389 million LTL.

In September 2004 valuation of long-term tangible immovable assets (their value in the balance sheet is LTL 16.2 million) of Vilniaus Vingis AB was made. According to the conclusions of the company UAB Korporacija Matininkai the market value of long-term tangible immovable assets of Vilniaus Vingis AB stood at LTL 33,2 million on the 30 September 2004.