



AKCINĖ BENDROVĖ „ALITA“
JOINT STOCK COMPANY „ALITA“

To: Lithuanian securities Commission

18-10-2007

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, Vytautas Junevičius, General Director and Vilmantas Pečiūra, Finance and Administration Director, hereby confirm that, to the our knowledge, the attached JSC „Alita“ Interim Consolidated Report for the six months of 2007 includes a fair review of the development and performance of the business.

Attachments: JSC „Alita“ Interim Consolidated Report for the six months of 2007 (14 pages).

General Director

Vytautas Junevičius

Finance and Administration Director

Vilmantas Pečiūra



JSC „ALITA“

**INTERIM CONSOLIDATED REPORT FOR THE SIX
MONTHS OF 2007**

**PREPARED IN ACCORDANCE WITH THE RULES ON PREPARATION AND SUBMISSION
OF PERIODIC AND ADDITIONAL INFORMATION OF THE LITHUANIAN SECURITIES
COMMISSION**

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I. GENERAL PROVISIONS

1. Reporting period for which this report has been prepared

The first half-year of 2007.

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

The name of the Issuer	Joint-Stock Company „Alita“.
The authorised capital	50 827 209 Lt.
The address of the residence	Miškininkų 17, 62200 Alytus, Lithuania.
Tel.:	(8-315) 5 72 43
Fax.:	(8-315) 7 94 67
E-mail:	alita@alita.lt
Website:	www.alita.lt
Legal-organizational form	Joint-Stock Company
The Registration date and place	December 10, 1990, Alytus Municipality
Re-registration date and place	April 14, 1995, Alytus Municipality
The Register number	AB 95-1.
The Company Code	149519891

3. 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, in the JSC „Alita“, Miškininkų 17, Alytus, during the working time from 7:30 to 16:00.

All material events related to the Company activity and information about the place and date of the General Meeting, and other accounts that must be rendered to the shareholders and other persons, are published in the newspaper „Lietuvos Rytas“ according to the rules of the Lithuanian Republic laws.

4. The persons who are responsible for the given information in the Report:

4.1 JSC „Alita“

Arvydas Stankevičius. JSC „Alita“ Production Director, deputizing the General Director, tel.: (8-315) 5 72 08, fax.: (8-315) 7 94 67

Vilmantas Pečiūra, JSC „Alita“ Finance and Administration Director, tel.: (8-315) 5 75 00, fax.: (8-315) 7 94 67

4.2 Adviser

JSC „Hansabankas“, the Department of Security Safekeeping, Savanorių pr. 19, 03502 Vilnius, tel.: (8-5) 268 4485, fax.: (8-5) 298 4170, represented by Indrė Navickaitė, expert of the Department of Security Safekeeping, that is responsible for the correct perfection of the information presented by the Company.

The first half-year report of 2007


JSC „ALITA“


5. 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 „Alita“ represented by Arvydas Stankevičius, the Production Director, deputizing the General Director, and Vilmantas Pečiūra, the Finance and Administration Director, justifies that the presented information meets the reality and there are no concealed facts, that could have 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.

JS bank „Hansabankas“, the SS (Security Safekeeping) Department, represented by the SSD expert Indrė Navickaitė confirms that all the information was presented in the report, that was passed to the SSD of „Hansabankas“ by the workers of the Company. The SSD of the bank „Hansabankas“ is responsible for the proper perfection of the presented information. The Company is responsible for the correctness of the information.

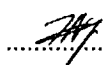
JSC „ALITA“ Production Director,
Deputizing General Director
August 30, 2007


Arvydas Stankevičius


Vilmantas Pečiūra

JSC „ALITA“ Finance and Administration
Director
August 30, 2007

JS bank „Hansabankas“
Security Safekeeping Department
Expert


.....

Indrė Navickaitė

August 29, 2007

The report was made in Vilnius, August 29, 2007.

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

6. The Issuer's authorised capital:

6.1. The authorised capital registered in the Register of Enterprises

The Company authorised capital, registered in the Register of Enterprises, is 50 827 209 Lt. The structure of the authorised capital of the JSC „ALITA“ according to the types of shares is given in the table below:

Share types	Share number	Nominal value (Lt)	General nominal value (Lt)	Percentage in the authorised capital (%)
Ordinary nominal shares	50 827 209	1	50 827 209	100,00
Total:	50 827 209	-	50 827 209	100,00

All the shares of the JSC „ALITA“ are paid-up.

6.2. Information about the intended increase of the authorised capital by converting or changing issued debt or derivative securities into the shares .

7. The Shareholders

The total number of the JSC „ALITA“ shareholders in June 30, 2007, was 495.

The shareholders who had more than 5% of the Company authorised capital in June 30, 2007:

Shareholder's name, surname (company name, type, address of the residence, Company Register Code)	Number of the nominal shares owned by a shareholder (u.)	Available part of the authorised capital	The given part of votes on the ground of owned shares	The part of votes belonging to a shareholder together with acting persons (%)
Vytautas Junevčius	21 293 235	41.89%	41.89%	83,77
Arvydas Jonas Stankevičius	8 511 333	16.75%	16.75%	83,77
Darius Vėželis	6 386 693	12.57%	12.57%	83,77
Vilmantas Pečiūra	6 386 693	12.57%	12.57%	83,77

These persons are acting together.

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

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

9. The secondary turnover of the securities

50 827 209 units of one litas nominal value of the JSC „Alita“ ordinary nominal value shares, equal to ordinary nominal value of 50 827 209 Lt., are registered in Vilnius Stock Exchange (VSE) current list. CD code is 11 865.

The information about the self-acting fulfilment of the VSE prices and turnover of the sold transactions during the first half-year of 2007 is shown in the table below:

The year and quarter	Price in Lt.		The turnover of trading session Lt.		The last trading days of the period			The total turnover of the quarter	
	Max.	Min	Max.	Min.	Price	Turnover Lt.	Date	Unit	Lt
2007 I	4.89	3.60	287135.35	0.00	4.18	17653.60	2007.03.30	1000554	4270635.28
2007 II	4.47	3.75	259635.00	0.00	4.45	0.00	2007.06.29	353766	1462269.39

The Company shares are not sold in the other Stock Exchanges except VSE.

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

In November 18, 2003 the Company signed a contract with with JS bank „Hansabankas“, represented by the Security Safekeeping Department on the transfer of the Issuer's security accounting. Savanorų pr. 19, LT-03502, Vilnius, tel.: (8-5) 268 4485, fax.: (8-5) 268 4170.

11. The members of the management bodies.

The Board from 18 10 2004 to the day of the preparation of the report

Name, surname, personal code	Position	Available part of the authorised capital, %	The vote part according to the owned shares*
Vytautas Junevičius	Chairman	41,89	41,89
Vilmantas Pečiūra	Member	12,57	12,57
Arvydas Jonas Stankevičius	Member	16,75	16,75
Darius Vėželis	Member	12,57	12,57

The Company Board as together acting persons had 83.77% of votes in 30 06 2007.

The Board is appointed for four years.

Administration

Name, surname, personal code	Position	Available part of the authorised capital, %	The vote part according to the owned shares*
Vytautas Junevičius	General Director since 1994	41,89	41,89
Alina Miežiūnienė	Accountant-general since 2005	-	-

* The Company Board as together acting persons had 83.77% of votes in 30 06 2007.

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

Name, surname	The company, office, organization name, position	The part of the company capital and vote, %
Vytautas Junevičius	PJSC „Šiaulių banko investicijų valdymas“	5,6
	PJSC „Aunuva“	48
	JSC „Anykščių vinas“, Chairman of the Board	
	JSC „Šiaulių bankas“ Member of the Board	
Vilmantas Pečiūra	AB „Anykščių vinas“ Member of the Board	-
Arvydas Jonas Stankevičius	PJSC „Lieda“	40
	PJSC „Alytaus vaistinė“	40
	JSC „Anykščių vinas“ Member of the Board	
Darius Vėželis	JSC „Anykščių vinas“ Member of the Board	-
Alina Miežiūnienė		-

III. THE FINANCIAL SITUATION

12. Balance Sheet

Consolidated balance of the first half-year of 2007 (Thousands of litas)

Note		30 06 2007	31 12 2006	30 06 2006
	ASSETS			
	Long term assets			
3	Long term intangible assets	472	359	400
	Prestige	4,920		
3	Investment assets	1,004	1,024	1,043
3	Long term tangible assets	80,303	74,032	77,152
4	Investment for market	17,935	18,230	14,060
	The other financial long term assets	-	4,168	4,168
	Postponed corporation tax assets	-	-	-
	Total long term assets	104,634	97,813	96,823
	SHORT TERM ASSETS			
5	Stocks	35,717	28,581	27,362
6	Prepayments and deferred expenses	2,022	860	1,451
7	Amounts receivable from the customers	24,424	34,363	20,867
	The other amounts receivable	3,406	190	122
	The other short term assets	64	586	850
8	Cash and its equivalents	5,600	3,676	3,123
	Total short term assets	71,233	68,256	53,775
	TOTAL ASSETS	175,867	166,069	150,598
	LIABILITIES AND OWNER'S EQUITY			
	SHAREHOLDER'S EQUITY			
9	Share capital	50,827	50,827	50,827
	Compulsary reserve	5,083	5,083	5,083
	Revaluation reserve	9,979	10,073	7,929
	Profit brought forward	20,826	24,965	11,900
	Total capital and reserves	86,715	90,948	75,739
	Minority shares	1,982	1,962	1,689
	Total shareholder's equity	88,697	92,910	77,428

Interim consolidated report for the six months of 2007

JSC Alita

LONG TERM LIABILITIES

12	Long term bank credits	4,459	3,396	33,853
	Obligation of the postponed profit taxes	1,742	1,742	2,562
	Total long term liabilities	6,201	5,138	36,415

SHORT TERM LIABILITIES

12	Short term portion of long term loans	12,006	24,457	12,643
12	Short term bank loans	28,066	11,485	2,766
	Trade creditors	13,945	7,875	11,249
	Payable profit tax	275	255	229
11	Accumulated liabilities	26,677	23,949	10,276
	Total short term liabilities	80,969	68,021	37,163

**TOTAL LIABILITIES AND
SHAREHOLDER'S EQUITY**

175,867	166,069	150,598
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13. Profit (loss) statement**Consolidated profit (loss) statement of the first half-year of 2007 (Thousands of litas)**

<u>Note</u>	<u>The first half-year of 2007</u>	<u>The first half-year of 2006</u>
SALES, NET PROFIT	77,548	58,437
Cost of goods sold	(51,712)	(35,101)
GROSS PROFIT	25,836	23,336
Sales and distribution expenses	(10,860)	(10,033)
General and administration expenses	(10,230)	(7,220)
PROFIT FROM OPERATIONS	4,746	6,083
Financial and other revenues (expenses), net profit	204	(397)
PROFIT BEFORE TAXES	4,950	5,686
Income tax	(937)	(1,107)

NET PROFIT OF THE YEAR	4,013	4,579
Attributable to:		
Equity holders of the parent	3,993	4,559
Minority interest	20	20
NET PROFIT OF THE YEAR	<u>4,013</u>	<u>4,579</u>
Profit for one share	0,08	0,09

14. Explanatory message.

The notes of the consolidated financial statement of the first half-year of 2007. (Thousands of litas, if not shown.)

3. Long term tangible and intangible assets

During the first half-year of 2007 the Company acquired assets for 3,775 thousand Lt., transferred and discarded for 158 thousand Lt., the depreciation of tangible assets amounts to 4,368 thousand Lt.

In the first half-year of 2007 the depreciation of intangible assets amounts to 155 thousand Lt.

4. Long term financial assets

Investments designed for the sales are made of:	<u>30 06 2007</u>	<u>31 12 2006</u>
JS „Šiaulių bankas“ shares	6,179	6,379
The other securities	-	<u>1</u>
Total	<u>6,179</u>	<u>6,380</u>
The value decrease in the beginning of the year	-	(1)
The value increase at the end of the year	<u>11,756</u>	<u>11,851</u>
Total	<u>17,935</u>	<u>18,230</u>

In 2007 ended 30 June due to increase of the share capital of AB Šiaulių Bankas AB Alita received 489,546 free of charge ordinary registered shares and for the same period disposed 200,000 ordinary registered shares. On 30 June 2007 AB Alita held 4,939,964 ordinary registered shares with a nominal value of 1 Lit as each.

Interim consolidated report for the six months of 2007

JSC Alita

5. Stocks

The stocks are made of:	<u>30 06 2007</u>	<u>31 12 2006</u>
Raw material	5,908	1,870
Packing material	5,749	6,021
Aid material	1,974	1,180
Unfinished production	11,252	12,462
Final production	9,062	9,553
Goods for sales	<u>3,746</u>	<u>69</u>
Stock value decrease	<u>(1,974)</u>	<u>(2,574)</u>
Total	<u><u>35,717</u></u>	<u><u>28,581</u></u>

6. Prepayments and deferred expenses

The prepayments and deferred expenses are made of:	<u>30 06 2007</u>	<u>31 12 2006</u>
The prepayments for the local suppliers	1,267	269
The prepayments for the foreign suppliers	45	203
Prepaid taxes	66	-
Deferred expenses	<u>644</u>	<u>388</u>
Total	<u><u>2,022</u></u>	<u><u>860</u></u>

7. Trade accounts receivable

Trade accounts receivable consist of:	<u>30 06 2007</u>	<u>1 12 2006</u>
Trade accounts receivable	26,259	36,200
Impairment at the end of the year	<u>(1,835)</u>	<u>(1,837)</u>
Total	<u><u>24,424</u></u>	<u><u>34,363</u></u>

8. Cash and cash equivalents

Cash and cash equivalents comprise:	<u>30 06 2007</u>	<u>31 12 2006</u>
Cash at bank	5,383	3,648
Cash on hand	<u>217</u>	<u>28</u>
Total	<u><u>5,600</u></u>	<u><u>3,676</u></u>

9. Shareholder's equity

Revaluation reserve	<u>30 06 207</u>	<u>31 12 2006</u>
Increase in value of AB Šiaulių bankas shares	11,757	11,851
Deferred income tax to equity	<u>(1,778)</u>	<u>(1,778)</u>
Total	<u>9,979</u>	<u>10,073</u>

The profit placing

In April 27, 2007 the General Meeting allocated 8 132 thousand Lt. of dividends.

10. The profit for one share

The profit for one share is calculated so:	<u>The first half-</u>	<u>The first half-</u>
	<u>year of 2007</u>	<u>year of 2006.</u>
Net profit, attributable to the shareholders	3,993	4,559
The share number (in thousands)	50,827	50,827
The profit for one share (Lt)	<u>0,08</u>	<u>0,09</u>

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

11. Accumulated liabilities

Accumulated liabilities comprise:	<u>30 06 2007</u>	<u>31 12 2006</u>
Excise	7,532	12,184
Import excise	2,752	-
Value added tax (VAT)	2,829	5,519
Import VAT	488	-
Advances received	1,822	2,164
Salaries	853	491
Accrued social security tax	557	372
Withholding income tax	323	121
Vacation pay	1,226	1,003
Other accrued liabilities	<u>8,295</u>	<u>2,095</u>
Total	<u>26,677</u>	<u>23,949</u>

12. Long-term and short-term bank loans and leasing liabilities

The balance of liabilities of long and short term loans and redeemable release for June 30, 2007.

	<u>30 06 2007</u>	<u>31 12 2006</u>
Long term loans	3,396	3,396
Liabilities of redeemable release	1,255	-
Short term loans	<u>39,880</u>	<u>35,942</u>

Total	<u>44,531</u>	<u>39,338</u>
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The loan redemption term is 2007 and 2008.

15. Information about audit

Consolidated financial statements for the six month period ended 30 June 2007 was not audited. An audit will be perform for the full financial year 2007.

The comparative information is taken from consolidated financial statements for the year 2006, with was prepared in and audited accordance with International Financial Reporting Standards as adopted by European Union.

IV. THE ESSENTIAL EVENTS IN THE ISSUER'S ACTIVITY

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

21 02 2007 Interim results of the year activity in 2006.

The JSC „Alita“ interim consolidated net profit of 2006 amounts to 17 606 thousand Lt. (5 099 thousand EUR), last year the consolidated net profit amounted to 18 156 thousand Lt (5 258 thousand EUR). In 2006 the consolidated sale incomes were 143 463 thousand Lt (41 550 thousand EUR), in 2005 – 136 494 thousand Lt (39 531 thousand EUR).

21 03 2007 Convocation of the JSC „Alita“ General Meeting

In April 27, 2007 the JSC „Alita“ General Meeting is called on the Board's initiative and it will take place in the Company hall (Miškininkų 17, Alytus). The registration starts at 11 o'clock. The shareholders must have an identification paper, the assignees must have an identification paper and a letter of authorization approved according to the law. The accounting day of the General Meeting is April 20, 2007. 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 16, 2007.

Agenda of the General Meeting

1. Report on the Company's activities in 2006.
2. Auditor's opinion.
3. Approval of the Company's financial statements in 2006.
4. Approval of profit (loss) appropriation for 2006.
5. Approval of the consolidated financial statement in 2006.
6. Selection of the firm of auditors for 2007-2008 financial years and the establishment of the terms of of the remuneration for audit services.

12 04 2007 The acquired pack of the shares

The JSC „Alita“ acquired 100% of shares of alcoholic wholesale plant PJSC „DAIVALDA“ that owns PJSC „Vilkmergės alus“.

27 04 2007 The resolutions of the General Meeting

In April 27, 2007 the General Meeting took place and passed these resolutions:

1. The report of 2006 was heard.
2. The auditor's report was heard.
3. To approve the company financial statement of 2006.

4. To approve the profit (loss) appropriation for 2006
 The profit (loss) brought forward of the previous financial year at the end of the year: 6 206 thousand Lt (1 797 thousand EUR).
 The net profit (loss) of the year: 15 624 thousand Lt (4 525 thousand EUR).
 The total distributable profit (loss) at the end of the financial year: 21 830 thousand Lt. (6 322 thousand EUR).
 The profit appropriation: the part of the profit set to pay dividends: 8 132 thousand L. (2 355 thousand EUR).
 The profit (loss) brought forward at the end of the financial year is transferred to next financial year: 13 698 thousand Lt. (3 967 thousand EUR).
 To assign for dividends 0,16 Lt. (0,046 EUR) for one share and to pay in one month from the day of the resolution of the profit appropriation.
5. To approve the consolidated financial statement of 2006
6. To select the PJSC „KPMG Baltics“ as the Company auditor and to fix the payment of 65 thousand Lt. (18,8 thousand EUR) without VAT for the audit of one year financial year.

04 05 2007 Interim results of the activity of the first quarter of 2007.

The interim consolidated net profit of the JSC „Alita“ of the first quarter amounts to 1 641 thousand Lt (475 thousand EUR) and comparing with the same period of the previous year it increased 20%. According to the interim data the consolidated sale incomes of the first quarter of 2007 amount to 29 129 thousand Lt (8 436 thousand EUR) and comparing with the same period of 2006 it increased 14%.

Alita“ won the competition to acquire drink production plant in Serbia.

2007 06 08. The consortium of the biggest producer of sparkling wine in the country JSC „Alita“ and the Swedish financial-investment company won the privatization competition of the Serbian brewery

„Beogradska Piva“ owned by the state and they won the right to acquire 51.9% of shares of this company. The controlling block of shares in the consortium belongs to the JSC „Alita“, the intended acquisition would be financed with the loans from the Lithuanian banks. The Lithuanian and Swedish consortium bid EUR 21.4 million for the shares of the oldest Serbian brewery and promised to invest EUR 5.1 million in three years.

2007 07 25. Regarding the signing of the contract to acquire shares.

In July 24, 2007, the consortium of the JSC „Alita“ and the Swedish company „United Nordic Beverages“ signed the contract with the Privatization Agency of the Republic of Serbia to acquire 51.9% of shares of the Belgrad brewery „Beogradska Industrija Piva“. 80% of the controlling block of shares in the consortium belong to the JSC „Alita“. According to the contract the consortium will pay EUR 21,4 million for the shares. The transaction will be over on the receipt of the consent of the Competition Committee of the Republic of Serbia. We intend to get the consent in a month.

17. Lawsuits and arbitrage

During the reporting cycle, there were no any juridicial or arbitrage proceedings, wich could have hold over finance.



AB ALITA

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2007**

AB „Alita“

Consolidated interim financial statements for the six month period ended 30 June 2007

The Consolidated interim financial statements for the six month period ended 30 June 2007 have been prepared in accordance with International Financial Reporting Standard as adopted by the European Union. We consider that the accounting policies used are appropriate and that the interim statements thus give a true and fair view.

Production Director,

Deputizing the General Director



Arvydas Stankevičius

Accountant-general



Alina Miežiūnienė

Consolidated balance Sheet as of 30 June 2007

(LTL '000)

Note		30 June 2007	31 December 2006
	ASSETS		
	NON-CURRENT ASSETS		
3	Intangible assets	472	359
	Goodwil	4.920	-
	Investment property	1.004	1.024
4	Property, plant and equipment	80.303	74.032
5	Available-for-sale investments	17.935	18.230
	Loans	-	4.168
	Total non-current assets	104.634	97.813
	CURRENT ASSETS		
6	Inventories	35.717	28.581
7	Prepayments and deferred cost	2.022	860
8	Trade accounts receivable	24.424	34.363
9	Other accounts receivable	3.406	190
	Other current assets	64	586
10	Cash and cash equivalents	5.600	3.676
	Total current assets	71.233	68.256
	TOTAL ASSETS	175.867	166.069
	LIABILITIES AND SHAREHODERS' EQUITY		
	SHAREHOLDERS' EQUITY		
	Share capital	50.827	50.827
	Compulsory reserve	5.083	5.083
11	Revaluation reserve	9.979	10.073
	Retained earnings	20.826	24.965
	Total equity attributable to the equity holders of the parent	86.715	90.948
	Minority interest	1.982	1.962
	Total shareholders' equity	88.697	92.910
	NON-CURRENT LIABILITIES		
14	Long-term bank loans and leasing liabilities	4.459	3.396
	Deferred income tax liability	1.742	1.742
	Total non-current liabilities	6.201	5.138
	CURRENT LIABILITIES		
14	Current portion of LT loans	12.006	24.457
	Short-term bank loans and leasing liabilities	28.066	11.485
	Trade accounts payable	13.945	7.875
	Income tax payable	275	255
13	Accrued liabilities	26.677	23.949
	Total current liabilities	80.969	68.021
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	175.867	166.069

Finance and Administration Director,
deputizing General Director

 Vilmantas Pečiūra

Consolidated statement of Income for the six month period ended 30 June 2007

(LTL '000)

<u>Note</u>	For the six month period ended 30 June	
	<u>2007</u>	<u>2006</u>
NET SALES	77.548	58.437
Cost of sales	<u>(51.712)</u>	<u>(35.101)</u>
GROSS PROFIT	25.836	23.336
Selling and distribution expenses	(10.860)	(10.033)
General and administrative expenses	<u>(10.230)</u>	<u>(7.220)</u>
OPERATING PROFIT	4.746	6.083
Financial and other income (expenses), net	<u>204</u>	<u>(397)</u>
PROFIT BEFORE INCOME TAX	4.950	5.686
Income tax	<u>(937)</u>	<u>(1.107)</u>
NET PROFIT FOR THE YEAR	<u>4.013</u>	<u>4.579</u>
Attributable to:		
Equity holders of the parent	3.993	4.559
Minority interest	<u>20</u>	<u>20</u>
	<u>4.013</u>	<u>4.579</u>
12 Basic earnings per share (LTL)	0,079	0,090

Finance and Administration Director,
deputizing General Director

 Vilimantas Pečiūra

Consolidated statement of Changes in Equity for the six month period ended 30 June 2007

(LTL '000)

Note	Share capital	Compulsory reserve	Revaluation reserve	Retained earnings (deficit)	Total equity	Minority interest	Total
Balance as of							
31 December 2005	50.827	5.083	7.929	14.965	78.804	1.574	80.378
Dividends paid				(7.624)	(7.624)		(7.624)
Change of minority					-	95	95
12 Net profit for the year				4.559	4.559	20	4.579
Balance as of							
30 June 2006	50.827	5.083	7.929	11.900	75.739	1.689	77.428
Increase in value of investments for sale			2.522		2.522		2.522
Accounted deferred income tax liability			(378)		(378)		(378)
Change of minority					-	199	199
Net profit for the year	-	-	-	13.065	13.065	74	13.139
Balance as of							
31 December 2006	50.827	5.083	10.073	24.965	90.948	1.962	92.910
Disposal of available-for-sale investments			(584)		(584)	-	(584)
Increase in value of investments for sale			490		490		490
Dividends paid				(8.132)	(8.132)		(8.132)
12 Net profit for the year	-	-	-	3.993	3.993	20	4.013
Balance as of							
30 June 2007	50.827	5.083	9.979	20.826	86.715	1.982	88.697

Finance and Administration Director,
deputizing General Director



Vilmantas Pečiūra

Consolidated statement of Cash Flows for the six month period ended 30 June 2007

(LTL '000)

	For the six month period ended 30 June	
	2007	2006
Cash flow from (to) operating activities:		
Net profit	4.013	4.559
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortisation	4.523	4.784
Prestige	-	-
Change of impairment of trade accounts receivable	(2)	(8)
Write-off of property, plant and equipment	158	38
(Gain) / loss from fixed assets sale	(212)	(64)
Change of impairment of inventories	-	-
Write-off of inventories	18	56
Interest expenses	833	982
Interest income	(160)	(274)
Change of minority	20	115
Investments disposal	-	(19)
Income tax expense / (income)	937	1.107
Other	(20)	-
	<u>10.108</u>	<u>11.276</u>
Changes in current assets and current liabilities:		
Decrease in inventories	(4.070)	(1.506)
Decrease in trade accounts receivable	12.465	2.169
(Increase)/decrease in prepayments and deferred cost	(962)	(696)
Decrease in other accounts receivable	(2.711)	146
Increase in trade accounts payable and accrued liabilities	305	(7.316)
Income tax paid	(1.828)	(1.978)
	<u>13.307</u>	<u>2.095</u>
Cash flow from (to) investing activities:		
Acquisition of property, plant and equipment	(3.775)	(1.513)
Acquisition of intangible fixed assets	(222)	(29)
Disposal (acquisition) of subsidiary's shares	(5.032)	19
Acquisition of investments for sale	201	1
Sale of property, plant and equipment	212	64
Interest received	160	274
	<u>(8.456)</u>	<u>(1.184)</u>
Cash flow from (to) financing activities:		
Repayment of loans to employees	4.690	5.461
Interest received in advance	-	29
Loans received	29.263	8.766
(Repayment) of loans	(27.915)	(27.110)
Interest (paid)	(833)	(982)
Dividends (paid)	(8.132)	(7.624)
	<u>(2.927)</u>	<u>(21.460)</u>
Increase (decrease) in cash and cash equivalents	1.924	(20.549)
Cash and cash equivalents in beginning of the period	3.676	23.672
Cash and cash equivalents at end of the period	5.600	3.123

Finance and Administration Director,
deputizing General Director



Vilimantas Pečiūra

**Notes to the consolidated interim financial statements
for the six month period ended 30 June 2007
(LTL '000 unless otherwise stated)**

1. Reporting entity

AB Alita was established in 1963 and was reregistered as a state enterprise in 1990. In 1995 AB Alita was re-organised to a joint stock company.

Registered address of AB Alita is Miškininkų 17, Alytus, Lithuania.

On 6 January 2004 an agreement on sale of the AB Alita shares was signed between the State Property Fund and UAB Invinus. AB Invinus acquired controlling 83.77 per cent shareholding of the Company.

On 10 November 2004 extraordinary shareholders' meeting of AB Invinus and on 11 November 2004 extraordinary shareholders' meeting of AB Alita took place during which a decision to merge AB Invinus to AB Alita and approve the reorganisation terms was made. AB Alita share capital decreased as a result of the reorganisation.

	Nominal value (LTL)	Percent
Private share capital	50.827.209	100,0

The nominal value of one share is LTL 1. All shares are authorised, issued and fully paid registered ordinary shares. Alitas's shares are listed in the current list of the Vilnius Stock Exchange.

On 8 July 2004 a sales agreement of controlling shareholding comprising 72.93 percent of AB Anykščių Vynas was signed between the State Property Fund and AB Alita. 35,793,407 ordinary registered shares of AB Anykščių Vynas were acquired for 25,610 thousand Lit. During the same year AB Alita additionally acquired 11,607,163 ordinary registered shares. At present AB Alita hold 46,577,570 ordinary registered shares, comprising 94,90 per cent, with a nominal value of 1 Lit each.

On 12 April 2007, according the final protocol, AB Alita obtained 100 ordinary registered shares of the wholesale company UAB Daivalda with a nominal value of 100 Lit each. UAB Daivalda holds 100 % shares of UAB Vilkmergės Alus.

On 27 April 2007, according the AB Alita Board protocol, the name of UAB Daivalda was changed to UAB Alita Distribution.

The financial statements of AB Alita and AB Anykščių Vynas (hereinafter „the Group“) are consolidated from 1 July 2004. The financial statements of the Group consolidate AB Alita, AB Anykščių Vynas, UAB Alita Distribution and UAB Vilkmergės alus financial statements from 1 April 2007.

The Group produces and distributes alcohol beverages, including sparkling wines, alcohol mixes, cider, beer, wines, hard liqueurs, as well as concentrated fruit juice.

2. Summary of significant accounting policies

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 Lit, being the functional currency of the Group and prepared on the historical cost basis, except for the property plant and equipment, which are presented at deemed cost.

The preparation of the financial statements in conformity with IFRSs, as adopted by the European Union, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and 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. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Notes to the consolidated interim financial statements
for the six month period ended 30 June 2007**
(LTL '000 unless otherwise stated)

2. Significant accounting policies (cont'd)

Basis of consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Foreign currency transactions

Transactions in foreign currencies are translated 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. Foreign exchange differences arising on translation are recognised in the income statement.

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Certain items of property, plant and equipment that have been indexed in accordance with Lithuanian legislation prior to 1 January 2004, the date of transition to IFRSs, are measured on the basis of deemed cost, being the indexed amount at the date of the indexation less indexed accumulated depreciation and impairment losses.

The cost of self-constructed assets includes the cost of materials, direct labor 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.

Subsequent costs

The Group 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 Group and the cost of the item can be measured reliably. All other costs are recognized in the income statement as an expense as incurred.

Depreciation

	<u>Years</u>
Buildings	8-84
Machinery and equipment	2-50
Motor vehicles, furniture and fixtures	4-25
IT equipment	4-5

The useful lives are reviewed periodically to ensure that the period of depreciation is consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Intangible assets

Intangible assets, comprising computer software and other licenses that are acquired by the Group, are stated at cost less accumulated amortisation and impairment.

Amortisation is charged to the income statement on a straight-line basis. The Group's intangible assets are amortized over 1-3 years.

Notes to the consolidated interim financial statements
for the six month period ended 30 June 2007
(LTL '000 unless otherwise stated)

2. Significant accounting policies (cont'd)

Inventories

Inventories, including work in process, are valued at the lower of cost or net realisable value, after recognition of impairment loss for obsolete and slow moving items. Net realisable value is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. Cost is determined in accordance FIFO principle.

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

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

The Company accounts for bottles as current assets in inventory, since they are not expected to be reused following the initial delivery. Bottles are booked to the cost of finished goods when used in production.

The Company books multiple usage tare, which comprise plastic boxes, pallets and etc. for placing the bottles of alcohol beverages, to the operating expenses immediately after it is taken for use.

Accounts receivable

Receivables are stated at the fair value of the consideration given and are carried at amortised cost, after the provision for impairment.

The Group provides a reserve for potential losses based on an evaluation of specific doubtful accounts.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Impairment

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

Calculation of recoverable amount

The recoverable amount of the Company's receivables carried at amortized 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 a short duration are not discounted.

Dividends

Dividends are recognized as a liability in the period in which they are declared.

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.

Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

**Notes to the consolidated interim financial statements
for the six month period ended 30 June 2007**
(LTL '000 unless otherwise stated)

2. Significant accounting policies (cont'd)

Revenue

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably. Sales are recognised net of VAT, excise tax and price discounts directly related to the sales. Revenue from sales of goods is recognised when delivery has taken place and transfer of risks and rewards has been completed.

Revenue from the services rendered is recognized in the income statement as the services are rendered. The revenue recognized is net of discounts provided.

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

Revenue from disposal of assets is recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of assets disposed also continuing management involvement with the assets.

Expenses

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

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

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, foreign exchange gains and losses.

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to the items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Earnings per share

The Company presents data of basic and diluted earnings per share (EPS) 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 ordinary shares outstanding for the effects of all dilutive potential ordinary shares. During reporting periods there were no any dilutive potential ordinary shares issued by the Company.

Subsequent events

Post-year-end events that provide additional information about the Group's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

**Notes to the consolidated interim financial statements
for the six month period ended 30 June 2007**
(LTL '000 unless otherwise stated)

3. Intangible assets

The amortization charge amounts to LTL 155 thousand for the six month period ended 30 June 2007.

4. Property, plant and equipment

The Group acquired property, plant and equipment amounts to LTL 3,775 thousand, disposed and wrote off of LTL 158 thousand, the depreciation charge amounts to LTL 4,368 thousand for the six month period ended 30 June 2007.

5. Non-current financial asset**Available-for-sale investments**

Available-for-sale investments consist of the following:

	30 June 2007	31 December 2006
AB Šiaulių Bankas shares	6.179	6.379
Other securities	-	1
Total	6.179	6.380
Impairment in the beginning of the year	(1)	(751)
Available-for-sale investments written-off	1	750
Impairment at the end of the year	-	(1)
Increase in value in the beginning of the year	11.851	9.328
Disposal of available-for-sale investments	(584)	-
Increase in value during the year	489	2.523
Increase in value at the end of the year	11.756	11.851
Total	17.935	18.230

In 2007 ended 30 June due to increase of the share capital of AB Šiaulių Bankas AB Alita received 489,546 free of charge ordinary registered shares and for the same period disposed 200,000 ordinary registered shares. On 30 June 2007 AB Alita held 4,939,964 ordinary registered shares with a nominal value of 1 Litas each.

6. Inventories

Inventories consist of:

	30 June 2007	31 December 2006
Raw materials	5.908	1.870
Packing materials	5.749	6.021
Auxiliary materials and supplies	1.974	1.180
Work-in-process	11.252	12.462
Finished goods:		
- alcoholic beverages	8.837	4.924
- apple products	225	4.629
Goods for resale	3.746	69
	37.691	31.155
Impairment of inventories in the beginning of the year	(2.574)	(2.491)
Reversal of impairment	600	16
Impairment during the year		(99)
Impairment of inventories at the end of the year	(1.974)	(2.574)
Total	35.717	28.581

7. Prepayments and deferred cost

Prepayments and deferred cost consist of:

	30 June 2007	31 December 2006
Prepayments to local suppliers	1.267	269
Prepayments to foreign suppliers	45	203
Other taxes prepaid	66	-
Deferred cost	644	388
Total	2.022	860

Notes to the consolidated interim financial statements
for the six month period ended 30 June 2007
(LTL '000 unless otherwise stated)

8. Trade accounts receivable

Trade accounts receivable consist of:

	30 June 2007	31 December 2006
Trade accounts receivable	26.259	36.200
Impairment in the beginning of the year	(1.837)	(1.848)
Doubtful accounts receivable recovered		12
Doubtful accounts receivable write off	2	-
Additional impairment during the year		(1)
Impairment at the end of the year	(1.835)	(1.837)
Total	<u>24.424</u>	<u>34.363</u>

9. Other accounts receivable

Other accounts receivable consist of:

	30 June 2007	31 December 2006
Import VAT	488	-
Import excise	2.512	-
Other accounts receivable	536	320
Impairment	(130)	(130)
Total	<u>3.406</u>	<u>190</u>

Import excise and import VAT receivable as of 30 June 2007 is recorded both as an asset and a liability (Note 13). In accordance with the prevailing legislation, import excise and import VAT incurred is recorded as a payable to the Customs Department. However, until the 16th of next month payment of import excise and import VAT due to the Customs Department the amount paid is refundable or might be annulled by the State Tax Inspectorate, the central tax administrator in Lithuania. Due to this, the import excise and the import VAT amount recorded as a liability is also an asset to the Company.

10. Cash and cash equivalents

Cash and cash equivalents consist of:

	30 June 2007	31 December 2006
Cash in banks	5.383	3.648
Cash on hand	217	28
Total	<u>5.600</u>	<u>3.676</u>

11. Shareholders' equity

Revaluation reserve

	30 June 2007	31 December 2006
Increase in value of AB Šiaulių Bankas shares	11.757	11.851
Deferred income tax to equity	(1.778)	(1.778)
Total	<u>9.979</u>	<u>10.073</u>

Profit distribution

On 27 April 2007 the General Shareholders' Meeting allowed for the shareholders to pay 8,132 thousand Litass dividends.

12. Basic earnings per share

Basic earnings per share are calculated as follows:

	For the six month period ended 30 June	
	2007	2006
Net profit, attributable to the shareholders	3.993	4.559
Number of shares (thousands)	50.827	50.827
Earnings per share (LTL)	<u>0,08</u>	<u>0,09</u>

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

Notes to the consolidated interim financial statements
for the six month period ended 30 June 2007
(LTL '000 unless otherwise stated)

13. Accrued liabilities

Accrued liabilities are listed below:

	30 June 2007	31 December 2006
Excise duty	7.532	12.184
Import excise (Note 9)	2.752	-
Value added tax (VAT)	2.829	5.519
Import VAT (Note 9)	488	-
Advances received	1.822	2.164
Salaries	853	491
Accrued social security tax	557	372
Withholding income tax	323	121
Vacation pay	1.226	1.003
Other accrued liabilities	8.295	2.095
Total	<u>26.677</u>	<u>23.949</u>

14. Long-term and short-term bank loans and leasing liabilities

	30 June 2007	31 December 2006
Long-term loan payable by AB Alita	3.396	3.396
Long-term leasing liabilities payable by UAB Alita Distribution	974	-
Long-term leasing liabilities payable by UAB Vilkmėrgės alus	89	-
Total long-term liabilities	<u>4.459</u>	<u>3.396</u>
Current portion of long-term loan payable by AB Anykšėių Vynas	414	1.657
Current portion of long-term loan payable by AB Alita	11.400	22.800
Credit line payable by AB Alita	20.000	10.000
Overdraft by AB Alita	3.643	-
Short-term loan payable by AB Anykšėių Vynas	2.762	1.485
Short-term loan payable by UAB Alita Distribution	1.661	-
Current portion of long-term leasing liabilities payable by UAB Alita Distribution	168	-
Current portion of long-term leasing liabilities payable by UAB Vilkmėrgės alus	24	-
Total short-term liabilities	<u>40.072</u>	<u>35.942</u>

15. Information about audit

Consolidated financial statements for the six month period ended 30 June 2007 was not audited. An audit will be performed for the full financial year 2007.

The comparative information is taken from consolidated financial statements for the year 2006, which was prepared and audited in accordance with International Financial Reporting Standards as adopted by European Union.