AKCINĖ BENDROVĖ „ALITA“
JOINT STOCK COMPANY „ALITA“

To: Lithuanian securities Commission

27-11-2008

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 Lithuanian we, Vytautas Junevičius, General Director and Alina Mežiūnienė, Accountant-general since, hereby confirm that, to the our knowledge, the attached JSC „Alita“ Consolidated Interim Financial Statements for the nine months of 2008 prepared in accordance with International Financial Reporting Standards are true and fairly present assets, liabilities, financial position, profit or loss of JSC „Alita“ group consolidated companies.

General Director Vytautas Junevičius

Accountant-general Alina Mežiūnienė

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AB ALITA

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008

Contents

Company details

AB Alita

Telephone :	+370 315 57243
Telefax :	+370 315 79467
Company code :	149519891
Registered office :	Miškininkų g.17, Alytus

Board of Directors

Vytautas Junevičius
Vilmantas Pečiūra
Arvydas Jonas Stankevičius
Darius Vėželis

Management

Vytautas Junevičius (General Director)
Vilmantas Pečiūra (Finance and Administration Director)
Alina Mežiūnienė (Chief Accountant)

Auditor

KPMG Baltics, UAB

Banks

AB bankas Hansabankas
AB Šiaulių bankas
Danske bankas A/S Lietuvos filialas

AB ALITA
Company code 149519891, Alytus, Miškininkų 17

Consolidated balance Sheet as of 30 September 2008

(LTL '000)

Note		30 September 2008	31 December 2007
	ASSETS		
	NON-CURRENT ASSETS		
3.	Intangible assets	5.458	5.591
	Investment property	2.441	2.510
3.	Property, plant and equipment	74.917	78.967
4.	Asociate investments	68.081	66.515
4.	Available-for-sale investments	9.083	21.318
	Issued loans	23.479	-
	Total non-current assets	183.459	174.901
	CURRENT ASSETS		
5.	Inventories	58.451	53.521
6.	Prepayments and deferred cost	3.413	1.348
7.	Trade accounts receivable	23.999	51.212
8.	Other current assets	3.220	4.358
9.	Cash and cash equivalents	677	974
	Total current assets	89.760	111.413
	TOTAL ASSETS	273.219	286.314
	LIABILITIES AND SHAREHODERS' EQUITY		
	SHAREHOLDERS' EQUITY		
	Share capital	50.827	50.827
	Compulsory reserve	5.083	5.083
10.	Revaluation reserve	(519)	9.881
	Retained earnings	16.355	24.695
	Total equity attributable to the equity holders of the parent	71.746	90.486
	Minority interest	1.908	1.999
	Total shareholders' equity	73.654	92.485
	NON-CURRENT LIABILITIES		
13.	Long-term bank loans and leasing liabilities	90.624	63.698
	Deferred income tax liability	259	2.094
	Total non-current liabilities	90.883	65.792
	CURRENT LIABILITIES		
13.	Short-term bank loans and current portion of LT loans and leasing liabilities	71.491	59.021
	Trade accounts payable	18.375	22.627
	Income tax payable	-	393
12.	Accrued liabilities	18.816	45.996
	Total current liabilities	108.682	128.037
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	273.219	286.314

The notes set out on pages 7-16 are an integral part of these consolidated interim financial statements.

General Director Vytautas Junevičius

Consolidated statement of Income for the nine month period ended 30 September 2008

(LTL '000)

Note		For the nine month period ended 30 September 2008	2007
17.	NET SALES	143.877	128.089
	Cost of sales	(100.217)	(84.313)
	GROSS PROFIT	43.660	43.776
	Other income	1.320	2.890
14.	Selling and distribution expenses	(30.837)	(17.010)
15.	General and administrative expenses	(14.285)	(17.811)
	Other expenses	(946)	(2.300)
	OPERATING PROFIT	(1.088)	9.545
16.	Financial income	2.709	1.024
16.	Financial expenses	(9.077)	(2.453)
	Share of profit (loss) of equity accounted investees	1.566	-
	PROFIT BEFORE INCOME TAX	(5.890)	8.116
	Income tax	-	(1.542)
	NET PROFIT FOR THE YEAR	(5.890)	6.574
	Attributable to:		
	Equity holders of the parent	(5.799)	6.507
	Minority interrest	(91)	67
		(5.890)	6.574
11.	Basic earnings (loss) per share (LTL)	-0,12	0,13

The notes set out on pages 7-16 are an integral part of these consolidated interim financial statements.

General Director Vytautas Junevičius

AB ALITA
Company code 149519891, Alytus, Miškininkų 17

Consolidated statement of Income for the July - September month period 2008

(LTL '000)

Note		July - September 2008	July - September 2007
17.	NET SALES	49.959	50.541
	Cost of sales	(35.360)	(32.601)
	GROSS PROFIT	14.599	17.940
	Other income	492	929
14.	Selling and distribution expenses	(10.555)	(6.150)
15.	General and administrative expenses	(4.712)	(7.581)
	Other expenses	(283)	(847)
	OPERATING PROFIT	(459)	4.291
16.	Financial income	1.012	168
16.	Financial expenses	(3.233)	(1.293)
	Share of profit (loss) of equity accounted investees	1.932	-
	PROFIT BEFORE INCOME TAX	(748)	3.166
	Income tax	-	(605)
	NET PROFIT FOR THE YEAR	(748)	2.561
	Attributable to:		
	Equity holders of the parent	(709)	2.514
	Minority interrest	(39)	47
		(748)	2.561
11.	Basic earnings (loss) per share (LTL)	-0,01	0,05

The notes set out on pages 7-16 are an integral part of these consolidated interim financial statements.

General Director Vytautas Junevičius

AB ALITA

Consolidated statement of Changes in Equity for the nine month period ended 30 September 2008

(LTL '000)

Note		Share capital	Compulsory reserve	Revaluation reserve	Retained earnings (deficit)	Total equity	Minority interest	Total
	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)
11.	Net profit for the year	-	-	-	6.507	6.507	67	6.574
	Balance as of 30 September 2007	50.827	5.083	9.979	23.340	89.229	2.029	91.258
	Decrease in value of investments for sale			(132)		(132)		(132)
	Accounted deferred income tax liability			34		34		34
	Net profit for the year	-	-	-	1.355	1.355	(30)	1.325
	Balance as of 31 December 2007	50.827	5.083	9.881	24.695	90.486	1.999	92.485
	Dividends paid				(2.541)	(2.541)		(2.541)
	Decrease in value of investments for sale			(12.235)		(12.235)		(12.235)
	Accounted deferred income tax liability			1.835		1.835		1.835
11.	Net profit (loss) for the year	-	-	-	(5.799)	(5.799)	(91)	(5.890)
	Balance as of 30 September 2008	50.827	5.083	(519)	16.355	71.746	1.908	73.654

The notes set out on pages 7-16 are an integral part of these consolidated interim financial statements.

General Director Vytautas Junevičius

Consolidated statement of Cash Flows for the nine month period ended 30 September 2008

(LTL '000)

	For the nine month period ended 30 september	
	2008	2007
Cash flow from (to) operating activities:		
Net profit (loss)	(5.890)	6.574
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortisation	6.663	6.880
Change of impairment of trade accounts receivable	-	(2)
Write-off of property, plant and equipment	7	181
(Gain) loss from fixed assets sale	(16)	(212)
Impairment of inventories	(1)	-
Write-off of inventories	103	83
Interest expenses	8.912	1.898
Interest income	(2.667)	(169)
Share of (profit) loss of equity accounted investees	(1.566)	-
Income tax expense (income)	-	1.542
Other	-	
	5.545	16.775
Changes in current assets and current liabilities:		
Decrease (increase) in inventories	(5.032)	(19.661)
Decrease (increase) in trade accounts receivable	27.213	14.188
(Increase)/decrease in prepayments and deferred cost	(2.065)	(1.428)
Decrease (increase) in other accounts receivable	978	(3.206)
Increase (decrease) in trade accounts payable and accrued liabilities	(29.643)	(4.736)
Income tax paid	(2.182)	(1.828)
Net cash provided by operating activities	(5.186)	104
Cash flow from (to) investing activities:		
Acquisition of property, plant and equipment	(2.173)	(5.652)
Acquisition of intangible fixed assets	(245)	(228)
Acquisition of asociate's shares	-	(70.437)
Disposal (acquisition) of subsidiary's shares	-	(5.032)
Disposal (acquisition) of investments for sale	-	(3.824)
Sale of property, plant and equipment	16	212
Interest received	2.667	169
Net cash (used in) investing activities	265	(84.792)
Cash flow from (to) financing activities:		
Issued loans	(23.479)	
Repayment of issued loans	160	4.692
Loans received	47.850	124.616
(Repayment) of loans	(8.454)	(35.477)
Interest (paid)	(8.912)	(1.898)
Dividends (paid)	(2.541)	(8.132)
Net cash (used in) financing activities	4.624	83.801
Increase (decrease) in cash and cash equivalents	**(297)**	**(887)**
Cash and cash equivalents in beginning of the period	**974**	**3.676**
Cash and cash equivalents at end of the period	**677**	**2.789**

The notes set out on pages 7-16 are an integral part of these consolidated interim financial statements.

General Director Vytautas Junevičius

Notes to the consolidated interim financial statements
for the nine month period ended 30 September 2008
(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 Litas. 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 Litas 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 Litas 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.

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 Litas, 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.

2. Summary of significant accounting policies

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.

Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognised gains and loses of associates on an equity accounted basis, from the date that significant influence commences until the date that significantinfluence ceases. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued exept to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of associate.

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.

2. Significant accounting policies (cont'd)

Depreciation

	Years
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.

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.

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.

Divdends

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

2. Significant accounting policies (cont'd)

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.

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.

(LTL '000 unless otherwise stated)

3. Non current assets

The acquisition of intangible assets amounts to LTL 245 thousand and the amortiziation charge - LTL 378 thousand for the nine month period ended 30 September 2008.

The Group acquired property, plant and equipment amounts to LTL 2,173 thousand, disposed and wrote off of LTL 27 thousand, the depreciation charge amounts to LTL 6,217 thousand and the depreciation charge of investment property amounts to LTL 68 thousand.

4. Non-current financial asset

Asociate investments

During the nine month period ended 30 September 2008 the associated entity earned 3,772 thousand Litas net profit . Part of the profit related to the Group amounted to LTL 1,566 thousand resulting in decrease of the consolidated loss of the Group.

Available-for-sale investments

Available-for-sale investments consist of the following:

	30 September 2008	31 December 2007
AB Šiaulių Bankas shares	9.693	9.693
Other securities	-	-
Total	9.693	9.693
Impairment in the beginning of the year	-	(1)
Available-for-sale investments written-off	-	1
Impairment at the end of the year	-	-
Increase in value in the beginning of the year	11.625	11.851
Disposal of available-for-sale investments	-	(584)
Increase (desrease) in value during the year	(12.235)	358
Increase (decrease) in value at the end of the year	(610)	11.625
Total	9.083	21.318

As at 30 September 2008 AB Alita held 6,179,000 ordinary registered shares of AB Šiaulių Bankas with a nominal value of 1 Litas each. Change in value (decrease) of AB Šiaulių Bankas shares comprising -12,235 thousand Litas was registered in the Company's accounting . The decision to decrease the value was made based on the market value of the share which comprised 1,47 Litas per share. The change in value of AB Šiaulių Bankas shares is booked in equity .

5. Inventories

Inventories consist of:

	30 September 2008	31 December 2007
Raw materials	7.491	3.861
Packing materials	4.848	6.281
Auxiliary materials and supplies	1.093	1.420
Work-in-process	11.741	6.607
Finished goods:		
- alcoholic beverages	10.880	4.054
- apple products	18.669	24.462
Goods for resale	5.473	8.747
	60.195	55.432
Impairment of inventories in the beginning of the year	(1.911)	(2.574)
Sold and used for own needs	167	800
Impairment during the year		(137)
Impairment of inventories at the end of the year	(1.744)	(1.911)
Total	58.451	53.521

(LTL '000 unless otherwise stated)

6. Prepayments and deferred cost

Prepayments and deferred cost consist of:

	30 September 2008	31 December 2007
Prepayments to local suppliers	920	628
Prepayments to foreign suppliers	30	147
Income tax prepaid	1.843	-
Other taxes prepaid	5	72
Deferred cost	615	501
Total	3.413	1.348

7. Trade accounts receivable

Trade accounts receivable consist of:

	30 September 2008	31 December 2007
Trade accounts receivable	25.117	52.330
Impairment in the beginning of the year	(1.118)	(1.837)
Doubtful accounts receivable recovered	-	2
Doubtful accounts receivable write off	-	843
Additional impairment during the year	-	(126)
Impairment at the end of the year	(1.118)	(1.118)
Total	23.999	51.212

8. Other current assets

Other current assets consist of:

	30 September 2008	31 December 2007
Import VAT	-	494
Import excise	-	2.528
Issued short-term loans	60	220
Cumulative interest rate	1.557	4
Other accounts receivable	1.733	1.242
Impairment	(130)	(130)
Total	3.220	4.358

9. Cash and cash equivalents

Cash and cash equivalents consist of:

	30 September 2008	31 December 2007
Cash in banks	630	898
Cash on hand	47	76
Total	677	974

10. Shareholders' equity

Revaluation reserve

	30 September 2008	31 December 2007
Increase in value of AB Šiaulių Bankas shares	(610)	11.625
Deferred income tax asset (liability) to equity	91	(1.744)
Total	(519)	9.881

11. Basic earnings (loss) per share

Basic earnings (loss) per share are calculated as follows:

	For the nine month period ended 30 September 2008	2007
Net profit (loss), attributable to the shareholders	(5.799)	6.507
Number of shares (thousands)	50.827	50.827
Earnings (loss) per share (LTL)	-0,11	0,13

	July -September 2008	2007
Net profit (loss), attributable to the shareholders	(709)	2.514
Number of shares (thousands)	50.827	50.827
Earnings (loss) per share (LTL)	-0,01	0,05

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

12. Accrued liabilities

Accrued liabilities are listed below:

	30 September 2008	31 December 2007
Excise duty	6.296	20.620
Import excise (Note 9)	-	2.528
Value added tax (VAT)	2.297	10.580
Import VAT (Note 9)	-	494
Packaging tax	1.390	3.927
Advances received	2.328	960
Salaries	1.095	640
Accrued social security tax	599	523
Withholding income tax	318	169
Vacation pay	1.731	1.745
Other accrued liabilities	2.762	3.810
Total	18.816	45.996

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

	30 September 2008	31 December 2007
Long-term loans	88.985	61.985
Long-term leasing liabilities	1.639	1.713
Total long-term liabilities	90.624	63.698
Current portion of long-term loan	4.226	11.848
Credit line	62.771	44.473
Overdraft	4.291	1.751
Curent portion of long-term leasing liabilities	203	949
Total short-term liabilities	71.491	59.021

As at September 30, 2008 The Group has a long-term loan balance amounting to EUR 18,768 thousand which must be repaid fully till 2012. In 2008 was taken a new long-term loan amounts to EUR 7,820 thousand and its repayment term is the year 2011, the average variable rate of the loan was from 7,254 to 7,676 % in 2008.

As at September 30, 2008, the limit of the credit lines of the Group amounts to LTL 62,830 thousand, the actually used part is LTL 62,771 thousand. The average variable rate of the loans was from 6.52 to 8,59%.The Group has a limit of the overdraft amounting to LTL 4,500 thousand as well, the used part as at 30 September 2008 is LTL 4,291 thousand and the average variable rate was 6,51-8,60 %.

To secure long-term loans and credit lines, the Company has pledged tangible non-current assets with the residual value of LTL 51,461 thousand as at September 30, 2008, inventories of LTL 32,118 thousand, all the current and future Company funds in the banks, trademarks.

(LTL '000 unless otherwise stated)

14. Selling and distribution expenses

Selling and distribution expenses consist of:

	For the nine month period ended 30 September 2008	2007
Advertising	14.443	10.828
Warehousing	4.906	1.378
Sales and marketing departments' expenses	5.663	2.441
Transportation and logistics	5.300	1.640
Other	525	723
Total	30.837	17.010

	July -September 2008	2007
Advertising	5.016	3.625
Warehousing	1.791	257
Sales and marketing departments' expenses	1.826	1.107
Transportation and logistics	1.852	858
Other	70	303
Total	10.555	6.150

15. General and administrative expenses

General and administrative expenses consist of:

	For the nine month period ended 30 September 2008	2007
Salaries, wages and social security	4.675	4.734
Tax expenses (other than income tax)	2.180	2.696
Maintenance and repairs	1.559	1.946
Depreciation and amortisation	1.309	1.149
Corporate activity (work) warehouses and inside transpor	768	842
Energy expenses	237	344
Redundancy compensations	49	68
Other employee related cost	137	123
Write-off of inventories	103	83
Professional services	341	124
Insurance expenses	300	221
Bank fees	73	51
Charity	503	547
Other	2.051	4.883
Total	14.285	17.811

	July -September 2008	2007
Salaries, wages and social security	1.583	1.724
Tax expenses (other than income tax)	562	901
Maintenance and repairs	461	753
Depreciation and amortisation	438	365
Corporate activity (work) warehouses and inside transpor	173	206
Energy expenses	58	176
Redundancy compensations	-	-
Other employee related cost	-	61
Write-off of inventories	42	65
Professional services	129	9
Insurance expenses	96	97
Bank fees	23	24
Charity	76	93
Other	1.071	3.107
Total	4.712	7.581

Notes to the consolidated interim financial statements for the nine month period ended 30 September 2008
(LTL '000 unless otherwise stated)

16. Financial income (expenses)

Financial income (expenses) consist of:

	For the nine month period ended 30 September 2008	2007
Interest income	2.558	90
Gain from available-for-sale investments disposal	-	622
Currency exchange gain , net	-	14
Other financial income	151	298
Total	2.709	1.024
Interest expenses on loans	8.912	1.898
Currency exchange loss, net	5	-
Other financial expenses	160	555
Total	9.077	2.453

	July -September 2008	2007
Interest income	1.067	9
Gain from available-for-sale investments disposal	-	-
Currency exchange gain (loss), net	(5)	(40)
Other financial income	(50)	199
Total	1.012	168
Interest expenses on loans	3.155	1.065
Other financial expenses	78	228
Total	3.233	1.293

17. Information according to business and geographic segments

Business segments	For the nine month period ended 30 September 2008	2007
Wholesale alkoholic drinks	80.874	29.672
Alkoholic products	57.971	83.491
Apple products	3.843	13.713
Unallocated	1.189	1.213
Total	143.877	128.089
Geographic segments		
Revenue from domestic market customers	136.158	109.252
Revenue from foreign customers	7.719	18.836
Total	143.877	128.089

Business segments	July -September 2008	2007
Wholesale alkoholic drinks	27.826	18.889
Alkoholic products	19.789	27.480
Apple products	1.267	3.670
Unallocated	1.077	502
Total	49.959	50.541
Geographic segments		
Revenue from domestic market customers	47.979	44.890
Revenue from foreign customers	1.980	5.650
Total	49.959	50.541

All the Company's asset are located in Lithuania, except asociate's investments in Serbia.

18. Events after the balance sheet date

On 29 April 2008 the General Shareholders' Meeting allowed for the shareholders to pay 2,541 thousand Litas dividends.

19. Information about audit

Concolidated financial statemens for the nine month period ended 31 December 2008 was not audited. An audit will be perform for the full financial year 2008.

The comparative information is taken from consolidated financial statements for the year 2007, which was prepared and audited in accordance with International Financial Reporting Standarts as adopted by European Union.