AKCINĖ BENDROVĖ „ALITA“
JOINT STOCK COMPANY „ALITA“

To: Lithuanian securities Commission

09 -04-2010 No. 5-14

CONFIRMATION OF RESPONSIBLE PERSONS

Following Part 1 of Article 21 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 Inga Bandziniene, Accountant-general since, hereby confirm that, to the our knowledge, the attached the ALITA AB Interim Financial Statements for the year 2009 is true and correctly reflects the issuer's and the total assets, liabilities, financial standing, profit or loss of the ALITA AB. Financial information provided in the reports has been prepared in accordance with the International Financial Reporting Standards. We, also, confirm that review of the business development and activities, the status of the ALITA AB, together with the description of the major risks and indeterminations incurred, are correctly revealed in the annual report.

General Director Vytautas Junevičius

Accountant-general Inga Bandzinienė

Miškininkų St. 17, LT-62200 Alytus
Lithuania (Lietuva)

Phone +370 315 572 43
Fax +370 315 794 67

E-mail alita@alita.lt
http://www.alita.lt

AB Alita

Financial statements for the year 2009

Contents

Company details

AB Alita

Telephone:	+370 315 57243
Telefax:	+370 315 79467
Registration No.:	AB 2002-37
Company code:	149519891
Registered office:	Alytus, Miškininkų St. 17

Board of Directors

Vytautas Junevičius
Vilmantas Pečiūra
Arvydas Jonas Stankevičius
Darius Vėželis

Management

Vytautas Junevičius (General Director)
Inga Bandzinienė (Chief Accountant)

Auditor

KPMG Baltics UAB

Banks

Swedbank AB
Raiffeisen banka a.d.

Statement on the accounts

The Board of Directors and the Management have discussed and authorized for issue the financial statements and the annual report.

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. We consider that the accounting policies used are appropriate and that the financial statements thus give a true and fair view of the financial position of AB Alita as at 31 December 2009, and financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

We recommend the financial statements to be approved at the Annual General Meeting.

Vilnius, 6 April 2010

Board of Directors:

Vytautas Junevičius
(Chairman)

Vilmantas Pečiūra

Arvydas Jonas Stankevičius

Darius Vėželis

KPMG Baltics, UAB
Vytauto 12
LT-08118, Vilnius
Lithuania

Phone: +370 5 2102600
Fax: +370 5 2102659
E-mail: vilnius@kpmg.lt
Website: www.kpmg.lt

Independent auditor's report

To the shareholders of AB Alita

Report on the financial statements

We have audited the accompanying financial statements of AB Alita (hereinafter 'the Company'), which comprise the statement of financial position as at 31 December 2009, the statement of comprehensive income for the year then ended, the statement of changes in equity, the statement of cash flows and a summary of significant accounting policies and other explanatory notes, as set out on pages 12-42.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Except for the matters described in the paragraph Basis for Qualified Opinion, we conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements, plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis for qualified opinion

i. As at 31 December 2009, investments in the associated company Beogradska Industria Piva amounted to 61,649 thousand Litas. As specified in Note 25, the right of disposal of shares to Beogradska Industria Piva is restricted. Therefore, the value of investments is decreased. The adjustments of the investments in the subsidiaries and respectively the adjustments of the result for the year and the equity, that would have occurred due to recognition of the possible impairment losses, have not been determined.

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Company code: 111494971
VAT code: LT114949716

ii. As at 31 December 2009, the Company neither recognized any impairment of the amounts comprising of 28,629 thousand Litas receivable from the Company companies nor provided evidences on the basis of which it would be possible to ascertain, that there is no impairment of the amounts receivable. The adjustments of the amounts receivable and respectively the adjustments of the result for the year and the equity, that would have occurred due to recognition of the possible impairment losses, have not been determined.

iii. As specified in Note 23, the Company does not comply with the ratios set in the loan agreements; therefore the bank might claim the repayment of the loan before maturity. It means that long-term debts of the Company to the banks amounting to 28,118 thousand Litas as at 31 December 2009 should be classified as short-term. Long-term debts have not been classified as short-term in the financial statements.

iv. After the decrease in value of the assets pledged for the loan, the obligation to repay all the loans occurs. On the day the Report was signed, the Company had no possibilities to borrow from other financial institutions. The assets of the Company are not sufficient to cover the financial liabilities. On the day the Auditor's Report was signed, there were no formal agreements with the financial creditors reached. Such a situation shows that there is a significant uncertainty which could raise significant doubts re ability of the Company to continue as a going concern, and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The mentioned facts have not been disclosed in the financial statements and in the accompanying explanatory notes.

Qualified opinion

In our opinion, due to the possible effect of the matters referred to in the paragraph Basis for qualified opinion on the financial statements, the financial statements do not give a true and fair view of the financial position of AB Alita as at 31 December 2009, and financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Report on the legal and other regulatory requirements

Furthermore, we have read the annual report for the year 2009 set out on pages 43-55 of the financial statements and have not identified any material inconsistencies between the financial information included in the annual report and the financial statements.

Vilnius, 6 April 2010
KPMG Baltics, UAB

Rokas Kasperavičius
Partner
Certified Auditor

Statement of financial position

31 December

In thousand Litas	Notes	2009	2008
Assets			
Intangible non-current assets	5	-	926
Investment property	7	-	1,915
Property, plant and equipment	6	-	42,133
Investments in subsidiaries	8	-	41,366
Investments in associated company	8	61,649	71,684
Available-for-sale financial assets	8	-	5,747
Loans	8	28,629	25,205
Deferred income tax assets	20	-	2,443
Total non-current assets		**90,278**	**191,419**
Inventories	9	-	16,959
Prepayments	10	-	516
Prepayment income tax		-	1,951
Trade accounts receivable	11	93	37,237
Other accounts receivable	12	1,989	3,207
Cash and cash equivalents	13	46	179
Total current assets		**2,128**	**60,049**
Total assets		**92,406**	**251,468**

Statement of financial position (cont'd)

31 December

In thousand Litas	Notes	2009	2008
Shareholders' equity	14		
Share capital		23 673	50 827
Compulsory reserve		-	5 083
Revaluation reserve		-	(3 157)
Retained earnings		6 126	21 863
Total shareholders' equity		**29 799**	**74,616**
Liabilities			
Loans and lease liabilities	17	28,118	72,201
Total non-current liabilities		**28,118**	**72,201**
Loans and lease liabilities	17	33,810	73,333
Short-term loans from subsidiaries	21	598	797
Trade accounts payable		57	11,795
Amounts payable to subsidiaries	21	-	99
Other amounts payable	16	24	18,627
Total current liabilities		**34,489**	**104,651**
Total liabilities and shareholders' equity		**92,406**	**251,468**

The notes on pages 12-42 are an integral part of these financial statements. The break-down of the assets, equity and liabilities after the reorganization of AB Alita is shown in Note 27.

General Director Vytautas Junevičius

Statement of comprehensive income

for the period ended 31 December

In thousand Litas	Pastabos	2009	2008
Continuing operations			
Sales		-	-
Cost of sales		-	-
Gross profit		-	-
General and administrative expenses	18	(86)	-
Operating profit		**(86)**	-
Finance income	19	2,377	2,639
Finance expenses	19	(3,216)	(5,204)
Net finance costs		(839)	(2,565)
Profit (loss) of associated companies		(10,035)	5,169
Profit before income tax		**(10,960)**	**2,604**
Net profit (loss) from continuing operations		**(10,960)**	**2,604**
Discontinued operations			
Profit (loss) from discontinued operations	27	(1,653)	(3,628)
Profit (loss) for the reporting period		**(12,613)**	**(1,024)**
Other comprehensive income			
Increase (decrease) in value of available-for-sale financial assets	8	1,589	(15,571)
Effect of deferred tax		(318)	2,533
Total other comprehensive income		1,271	(13,038)
Total comprehensive income for the reporting year		**(11,342)**	**(14,062)**
Basic and diluted earnings (loss) per share (in Litas)			
From continuing operations		(0.46)	0.05
From discontinued operations		(0.07)	(0.07)

The notes on pages 12-42 are an integral part of these financial statements. The break-down of the assets, equity and liabilities after the reorganization of AB Alita is shown in Note 27.

General Director Vytautas Junevičius

Statement of changes in equity

In thousand Litas

	Notes	Share capital	Compulsory reserve	Revaluation reserve	Retained earnings (losses)	Total equity
Balance as at 1 January 2008		50,827	5,083	9,881	29,350	95,141
Profit (loss) of associated companies					(3,922)	(3,922)
Balance as at 1 January 2008		**50,827**	**5,083**	**9,881**	**25,428**	**91,219**
Comprehensive income						
Net profit (loss)					(1,024)	(1,024)
Other comprehensive income for the reporting year						
Increase in value of available-for-sale financial assets				(15,571)		(15,571)
Effect of the deferred tax				2,533		2,533
Total other comprehensive income		-	-	(13,038)	-	(13,038)
Total comprehensive income		-	-	(13,038)	(1,024)	(14,062)
Shareholders' contributions and payments to shareholders						
Dividends paid					(2,541)	(2,541)
Balance as at 31 December 2008		**50,827**	**5,083**	**(3,157)**	**21,863**	**74,616**
Comprehensive income						
Net profit (loss)					(12,613)	(12,613)
Other comprehensive income for the reporting year						
Increase in value of available-for-sale financial assets	8			1,589		1,588
Effect of the deferred tax				(318)		(317)
Total other comprehensive income		-	-	1,271	-	1,271
Total comprehensive income		-	-	1,271	(12,613)	(11,342)
Shareholders' contributions and payments to shareholders						
Transfer of discontinued production operations to Įmonių Grupė ALITA, AB	27	(27,154)	(5,083)	1,886	(3,124)	(33,475)
Balance as at 31 December 2009		**23,673**	**-**	**-**	**6,126**	**29,799**

The notes on pages 12-42 are an integral part of these financial statements. The break-down of the assets, equity and liabilities after the reorganization of AB Alita is shown in Note 27.

General Director Vytautas Junevičius

Statement of cash flows

for the year ended 31 December 2009

In thousand Litas	Notes	2009	2008
Cash flow from (to) operating activities:			
Net profit		(12 613)	1,024
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization	5,6	3 048	4 436
Impairment of trade accounts receivable (+)-	11	-	27
Change in fair value and depreciation of investment property	7	296	502
Reversal of impairment of other amounts receivable	6	25	17
(Gain) loss from fixed assets sale		(193)	(42)
Impairment of deferred cost and prepayments	10,12	180	803
Change in write down of inventories (+)-	9	173	6 686
Write-off of inventories		107	160
Interest expenses	19	9 025	11 598
Interest income	19	(2 377)	(2 754)
Profit (loss) of associated companies	8	10 035	(5 169)
Income tax expenses / (income)	20	-	151
Deferred income tax	20	(266)	(1 457)
		7,440	13,934
Changes in current assets and current liabilities:			
Decrease (increase) in inventories		8,671	5
Decrease (increase) in trade accounts receivable		11,786	11,027
Decrease (increase) in liabilities of subsidiary		94	1,020
Decrease (increase) in prepayments and deferred cost		1,670	(479)
Decrease (increase) in other accounts receivable		1,046	403
Increase (decrease) in trade accounts payable and accrued liabilities		(19,652)	(14,739)
Income tax paid		-	(2,530)
Net cash provided by operating activities		**7,632**	**8,641**

Statement of cash flows (cont'd)

for the year ended 31 December 2009

In thousand Litas	Notes	2009	2008
Cash flow from (to) investing activities:			
Acquisition of property, plant and equipment	6	(3,770)	(1,356)
Acquisition of intangible non-current assets	5	-	(749)
Government grants		1,501	-
Monetary proceeds due to business spin-off	27	(892)	-
Sale of property, plant and equipment		193	42
Interest received	19	2,377	2,754
Net cash used in investing activities		**(591)**	**691**
Cash flow from (to) financing activities:			
Loans issued		(3,423)	(25,205)
Repayment of issued loans		1	47
Loans received		6,126	47,277
(Repayment) of loans		(853)	(17,266)
Interest (paid)	19	(9,025)	(11,598)
Dividends (paid)		-	(2,541)
Net cash used in financing activities		**(7,174)**	**(9,286)**
Increase (decrease) in cash and cash equivalents		**(133)**	**46**
Cash and cash equivalents in the beginning of the year		**179**	**133**
Cash and cash equivalents at the end of the year	**13**	**46**	**179**

The notes on pages 12-42 are an integral part of these financial statements. The break-down of the assets, equity and liabilities after the reorganization of AB Alita is shown in Note 27.

General Director Vytautas Junevičius

Notes

1. Reporting Company

On September 29, 2009 the resolution to approve the Terms of the Spin-off of AB Alita was passed in the Extraordinary General Meeting and as of 7 October 2009 Įmonių Grupė ALITA, AB was separated from the AB Alita and registered. Both companies continue their operations after the spin-off. During the spin-off, two controlling companies were formed. AB Alita carries out and controls only investment operations, related with disposable shares of foreign companies. The spin-off procedures were performed according to the Company Law.

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

The nominal value of one share is LTL 1. All shares are authorized, issued and fully paid. Shares of AB Alita are listed in the Secondary Trade List of the NASDAQ OMX Vilnius Stock Exchange for the regulated trading.

In the process of reorganization, all production operations with the assets, rights, obligations and duties, related to such operations, were separated from AB Alita. The main purpose of the spin-off – reorganization of the Company's operations by separating production operations from investment operations, which is not related to investment operations and is not necessary for investment operations.

Until reorganization, the Company engaged in production of alcoholic drinks: sparkling wines, cocktails, cider, natural and fortified wines, hard liqueurs, as well as concentrated fruit juice.

For detailed description of the business reorganization performed by AB Alita refer to AB NASDAQ OMX Vilnius web page: www.nasdaqomxbaltic.com or: www.alita.lt/investuotojams.

2. Significant accounting principles

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations, adopted by International Accounting Standards Board (IASB), as approved by the European Union.

The financial statements were authorized for issue on 2 April 2010 by the Board of the Company. The shareholders of the Company have a right to amend the financial statements after issue.

Basis for preparation

The financial statements are presented in thousand Litas. Litas is the functional currency of the Company.

The financial statements are prepared on the historical cost basis, except for the following:

- Property, plant and equipment presented at deemed cost.
- Available for sale financial assets are measured at fair value.

Accounting is kept according to laws and regulations of the Republic of Lithuania.

Comparative figures

The Company's financial year begins on 1 January and ends on 31 December. As indicated above, after the reorganization, assets rights, liabilities and duties related to production operations were separated from AB Alita. Figures related to production operations are presented as discontinued operations in the financial statements for the year ended 31 December 2009. For comparative purposes, figures from AB Alita audited stand-alone financial statements, in which investment to associated companies is accounted for using equity method, were used. The influence of equity method was reversed by adjusting operating results of the previous periods (Note 22).

Notes

2. Significant accounting principles (cont'd)

Use of estimates and judgments

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 of 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.

Judgments made by the management in the application of IFRSs, as adopted by the European Union, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 2. "Standards, interpretations and amendments to published standards that are not yet adopted". The accounting policies of the Company as set out below have been consistently applied and coincide with those used in the previous year.

Foreign currency

Translation of amounts in foreign currencies into the functional currency

Transactions in foreign currencies are translated into Litas 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. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income.

Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, trade payables and other liabilities.

Cash and cash equivalents comprise cash balances and call deposits.

Non-derivative financial instruments are recognized initially at fair value plus (except for instruments, the change of fair value of which is stated in statement of comprehensive income) any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Financial instruments are recognized on the trade date. Financial assets are derecognized if the contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognized if the obligations of the Company specified in the contract expire or are discharged or cancelled.

Loans and receivables are non-derivative financial assets and are not quoted in an active market. They are included into current assets except for maturities greater than 12 months. Loans and receivables are subsequently measured at amortized cost using the effective interest rate method, less impairment losses, if any. Short-term receivables are not discounted.

Investments in equity and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value, and change therein, other that impairment losses are recognized directly in comprehensive income.

Notes

2. Significant accounting principles (cont'd)

Use of estimates and judgments (cont'd)

Financial instruments (cont'd)

Non-derivative financial instruments (cont'd)

Loans and borrowings and other financial liabilities, including trade payables are subsequently stated at amortized cost using the effective interest rate method basis. Short-term liabilities are not discounted.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income and expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derivative financial instruments

Derivatives are recognized initially at fair value; directly attributable transaction costs are recognized in the statement of comprehensive income when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for in profit or loss.

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

Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives are as follows:

- Buildings and constructions 8-80 years
- Plant and machinery 2-50 years
- Motor vehicles, furniture and fixtures 4-25 years
- IT equipment 4-5 years

Depreciation methods, residual values and useful lives are reassessed annually.

Notes

2. Significant accounting principles (cont'd)

Intangible assets

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

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

Investment property

Investment properties of the Company consist of investment buildings that are held to earn rentals or for capital appreciation, rather than for use in the production, or supply of goods, or services or for administration purposes, or sale in the ordinary course of business. In accordance with IFRS 40, investment properties, approved by the Company as at 1 January 2010, are initially measured at acquisition cost, which is the fair value of the consideration given to acquire them, including transaction costs. Subsequently all investment properties are carried at cost less any accumulated depreciation and any accumulated impairment losses. Management believes that carrying values of investment properties approximate their fair values.

Leased assets

Leases, in terms of which the Company assumes substantially all the risks and rewards of ownership, are classified as finance leases. Assets acquired by way of finance lease are stated at an amount equal to the lower of fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Investments in associated companies

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity. Investments in associated entities are accounted for using the equity method (equity accounted investees) and are recognized initially at cost. The financial statements include the Company's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Company, from the date that significant influence commences until the date that significant influence ceases. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

Inventories

Inventories, including work in process, are valued at the lower of cost or net realizable value. Net realizable value is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution.

The cost of inventories is determined based on FIFO (First-In, First-Out) principle.

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

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

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Notes

2. Significant accounting principles (cont'd)

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.

For the assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of comprehensive income.

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.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Any impairment loss on a recoverable amount first is allocated to goodwill, and then to remaining assets and liabilities on *pro rata* basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment property, which continue to be measured in accordance with the Company's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

Impairment losses on available-for-sale investment securities are recognized by transferring the cumulative loss that has been recognized in other comprehensive income, and presented in the fair value reserve in equity, to profit or loss. The cumulative loss that is removed from other comprehensive income and recognized in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized in profit or loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

Reversals of impairment

An impairment loss in respect of receivables carried at amortized cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Dividends

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

Government grants

Government grants are initially recognized as deferred income when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. The grants related to an expense item are recognized as a reduction of the expense over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Grants that compensate the Company for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the asset.

Notes

2. Significant accounting principles (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 statement of financial position 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.

Employee benefits

The Company does not have any defined contribution and benefit plans and has no share based payment schemes. Post employment obligations to retired employees on a pension are borne by the State.

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

Revenue

Sales of goods

Revenue is recognized 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 recognized net of VAT, excise tax and price discounts directly related to the sales.

Revenue from sales of goods is recognized when delivery has taken place and transfer of risks and rewards has been completed.

Services rendered, assets disposed

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

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

Revenue from disposal of assets is recognized in the statement of comprehensive income 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

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

Operating lease payments

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

Notes

2. Significant accounting principles (cont'd)

Expenses (cont'd)

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Finance income and expenses

Finance income comprises interest income, gain on the sale of financial assets as well as foreign currency exchange gain. Interest income is recognized as it accrues in the statement of comprehensive income, using the effective interest method.

Finance expenses comprise interest expense, accrued using effective interest rate method, loss on the sale of financial assets as well as foreign currency exchange loss. Component of interest costs of finance lease payments is recognized in the statement of comprehensive income using the effective interest method.

Income tax

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

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.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of the assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: initial recognition of assets or liabilities that affect neither accounting nor taxable profit, nor differences relating to the investments in the subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Segment reporting

Segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from those of other segments. Operating result for which discrete financial information is available is regularly reviewed by the enity's chief operating decision maker to make decisions about recourses to be allocated to the segment and assess its performance. The Company's primary format for segment reporting is based on business segments.

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.

Notes

2. Significant accounting principles (cont'd)

Contingencies

Contingent liabilities are not recognized in the financial statements, except for contingent liabilities in business combinations. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the financial statements but disclosed when an inflow of resources embodying economic benefits is probable.

Discontinued operations

A discontinued operation is a component of the Company's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

Subsequent events

Subsequent events providing additional information on the position of the Company as at the balance sheet date (adjusting events) are reflected in the financial statements. Non-adjusting subsequent events, if significant, are disclosed in the notes to the financial statements.

Related parties

Related parties are defined as shareholders, employees, members of the management board, their close relatives and companies that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the reporting entity, provided the listed relationship empowers one of the parties to exercise the control or significant influence over the other party in making financial and operating decisions.

Standards, interpretations and amendments to published standards that are adopted

The Company adopted those new/revised standards and interpretations becoming mandatory for the financial years beginning on or after 1 January 2009 and applicable to the Company's operations:

- The Company applies revised IAS 1 Presentation of Financial Statements (2007), which became effective as of 1 January 2009. As a result, the Company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share. Amendments to IFRS 4 Insurance Contracts and IFRS 7 Financial instruments: Disclosures (effective for annual periods beginning on or after 1 January 2009) aim at requiring enhanced disclosures about fair value measurements and liquidity risk associated with financial instruments. These amendments have been adopted by the Company to the extent applicable to the Company's operations.
- The revised IAS 23 *Borrowing Costs* (mandatory for periods beginning on or after 1 January 2009) was started to be applied as of the day it came into effect. There is no influence for the comparative figures for 2008 as the Company had no borrowing costs, which would be capitalized according to the requirements of the revised standard.

Standards, interpretations and amendments to published standards that are not yet adopted

A number of new and revised International Financial Reporting Standards and their interpretations have been issued, which will become mandatory for the Company's consolidated financial statements in accounting periods beginning on or after 1 January 2010. The Company has decided not to apply the amendments and new standards and interpretations early. Below is the estimate of the Company's management regarding the potential effect of the new and revised standards and interpretations upon their first-time application.

Notes

2. Significant accounting principles (cont'd)

Standards, interpretations and amendments to published standards that are not yet adopted (cont'd)

- *Amended IFRS 3 "Business Combinations"*

  Amendment to IFRS 3 is effective for annual periods beginning on or after 1 July 2009. The Standard's scope of application was amended and the description of the purpose was expanded. This amended IFRS 3 shall be applied for annual periods beginning on or after 1 July 2009. The change of the amendments shall be effective only for the data in future; therefore, it will have no impact on the financial statements.

- *Amended IAS 32 "Financial Instruments: Presentation*

  Amendment to IAS 32 is effective for annual periods beginning on or after 1 February 2010. The amendment requires that rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency, are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. The amendment to IAS 32 is not relevant to the Company's financial statements as the Company has not issued such instruments at any time in the past.

- *Amended IAS 39 "Financial Instruments: Recognition and Measurement"*

  The amended Standard clarifies the application of existing principles that determine whether specific risks or portions of cash flows are eligible for designation in a hedging relationship. In designating a hedging relationship the risks or portions must be separately identifiable and reliably measurable; however inflation cannot be designated, except in limited circumstances. Amended IAS 39 is effective for annual periods beginning on or after 1 July 2009. The amendments to IAS 39 are not relevant to the Company's financial statements as the Company does not apply hedge accounting.

- *IFRIC 12 "Service concession arrangements"*

  The interpretation provides guidance to private sector entities on certain recognition and measurement issues that arise in accounting for public-to-private service concession arrangements. IFRIC 12 for first annual periods after 1 April 2009. IFRIC 12 shall not ve applied to the Company, as the Company has not concluded any service concession arrangements.

- *IFRIC 15 "Agreements for the Construction of Real Estate"*

  IFRIC 15 clarifies that revenue arising from agreements for the construction of real estate is recognised by reference to the stage of completion of the contract activity only in some specified cases. In other cases income shall be recognized if it satisfies all IAS 18.14 criteria. IFRIC 15 is not relevant to the Company's financial statements as the Company does not provide real estate construction services or develop real estate for sale.

- *IFRIC 16 "Hedges of a Net Investment in Foreign Operation"*

  The Interpretation explains the type of exposure that may be hedged, where in the group the hedged item may be held, whether the method of consolidation affects hedge effectiveness, the form the hedged instrument may take and which amounts are reclassified from equity to profit or loss on disposal of the foreign operation. The Company does not use any instruments to hedge its risk when performing net investment in the foreign entity.

Notes

2. Significant accounting principles (cont'd)

Standards, interpretations and amendments to published standards that are not yet adopted (cont'd)

- *IFRIC 17 "Distributions of Non-cash Assets to Owners"*

  The Interpretation applies to non-reciprocal distributions of non-cash assets to owners acting in their capacity as owners. In accordance with the Interpretation a liability to pay a dividend shall be recognized when the dividend is appropriately authorized and is no longer at the discretion of the entity and shall be measured at the fair value of the assets to be distributed. The carrying amount of the dividend payable shall be re-measured at each reporting date, with any changes in the carrying amount recognized in equity as adjustments to the amount of the distribution. When the dividend payable is settled the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the dividend payable shall be recognized in the statement of comprehensive income.

  IFRIC 17 is effective for annual periods beginning on or after 15 July 2009. As the Interpretation is applicable only from the date of application, it will not impact on the financial statements for periods prior to the date of adoption of the interpretation. Further, since it relates to future dividends that will be at the discretion of the Board of Directors/shareholders it is not possible to determine the effects of application in advance.

- *IFRIC 18 "Transfers of Assets from Customers"*

  The Interpretation requires an entity that receives a contribution in the scope of the Interpretation to recognize the item as an asset at its fair value if the transferred item meets the criteria for property, plant, and equipment in IAS 16, Property, Plant and Equipment. The Interpretation also requires the entity to recognize the amount as revenue; the timing of revenue recognition depends on the facts and circumstances of the particular arrangement. IFRIC 18 is effective prospectively for annual periods beginning on or after 1 November 2009. IFRIC 18 is not relevant to the Company's financial statements as the Company does normally receive contributions from customers.

- Further to those listed above, there were also amendments in *IAS 27 "Consolidated and Separate Annual Financial Statements" (effective for annual periods beginning on or after 1 July 2009) and IFRIC 16 "Hedges of a Net Investment in a Foreign Operation" (effective for annual periods beginning on or after 1 July 2009)*, however, this standard and interpretation are not relevant to the Company's financial statements. The Company is of the opinion that this interpretation will not influence the financial statements.

3. Significant accounting estimates and assumptions

Estimates and assumptions are continually reviewed and are based on historical experience and other factors, representing the current situation and reasonable expected future events.

The Company makes estimates and assumptions concerning future events, therefore accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are discussed below.

Market uncertainties

The ongoing global liquidity crisis resulted in the lower liquidity levels in economy, the lower capital market financing level and lower liquidity. Besides, slow-down of economy was under way in Lithuania, which influenced and might influence in future activities of the companies operating in the environment. The financial statements include the assessment of the management related to the influence of the Lithuanian and global business environment on the Company's operations as well as the financial state. The further development in the business environment may differ from the assessment of the management.

Notes

3. Significant accounting estimates and assumptions (cont'd)

Fair value of financial instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

Carrying amount of trade amounts receivable, amounts payable and short-term credit lines is close to their fair value. The fair value of the long-term debt is based on the quoted market price for the same or similar issues or on the current rates available for debt with the same maturity profile. The fair value of non-current loans, borrowings and other payables with variable interest rates approximates their carrying amounts.

The Company's principal financial instruments not carried at fair value are receivables, trade or other payables, long and short-term borrowings.

Carrying amount of trade amounts receivable, other financial assets, and amounts payable and short-term credit lines is close to their fair value.

The fair values of financial assets and liabilities together with the carrying amounts shown in the statement of financial position are summarized as follows:

	2009		2008	
	Book value	Fair value	Book value	Fair value
Loans issued	28,629	28,629	25,205	25,205
Available-for-sale financial assets	-	-	5,747	5,747
Prepayments	-	-	2,467	2,467
Amounts receivable from customers	93	93	37,237	37,237
Other amounts receivable	1,989	1,989	3,207	3,207
Cash and cash equivalents	46	46	179	179
Total	**30,757**	**30,757**	**70,042**	**70,042**
Loans received	62,526	62,526	146,331	146,331
Trade creditors	57	57	11,894	11,894
Other amounts payable	24	24	18,627	18,627
Total	**62,607**	**62,607**	**176,852**	**176,852**

Impairment loss of non-current assets

The carrying amounts of the Company's non-current 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. For the purpose of testing of the impairment of the assets, which generate cach during the process of uninterrupted use and which do not depend on cash inflows generated by other assets or groups of assets (cash generating units), such assets are classified to the smallest group.

The recoverable amount is the greater of fair value less cost to sell and the value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The recoverable value of the assets, not generating cash inflows, is determined as to the recoverable value of the unit, to which the assets are related.

Useful life time of intangible non-current assets, property, plant and equipment

Useful life time of the assets is reviewed at least once a year. They are reviewed, when necessary, with regard to changes in technologies, further usability and actual state of the assets.

Notes

3. Significant accounting estimates and assumptions (cont'd)

Impairment losses on receivables

The Company reviews its receivables to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of receivables before the decrease can be identified with an individual receivable in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of debtors, national or local economic conditions that influence the group of the receivables.

The management evaluates probable cash flows from the debtors based on historical loss experience related to the debtors with a similar credit risk. Methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

4. Financial risk management

The Company has exposure to the following risks:

- credit risk,
- liquidity risk,
- market risk.
- capital management.

This note presents information about the Company exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

According to the Company, maximum risk is reflected by other non-current assets less impairment loss recognized at the balance sheet date.

The maximum exposure to credit risk at the reporting date was:

In thousand Litas	Carrying amount	
	2009	2008
Loans issued	28,629	25,205
Prepayments	-	2,467
Trade receivables	93	37,237
Other receivables	1,989	3,207
Cash and cash equivalents	46	179
Total	**30,757**	**68,295**

Notes

4. Financial risk management (cont'd)

Credit risk (cont'd)

Accounts receivable according to major customers:

	2008		2007	
	Amount	%	Amount	%
1 customer	28,629	99.7	25,205	40.4
2 customer	-	-	20,811	33.3
3 customer	-	-	9,063	14.5
4 customer	-	-	2,018	3.2
5 customer	-	-	1,889	3.0
6 customer	-	-	949	1.5
7 customer	-	-	610	1.0
8 customer	-	-	605	1.0
Other customers	93	0.3	1,292	2.1
Total	**28,722**	**100**	**62,442**	**100**

Aaccounts receivable according to geographic regions (in thousand Litas):

	2009	2008
Domestic market (Lithuania)	93	36,101
Euro countries	28,629	26,213
USA	-	128
Total	**28,722**	**62,442**

Ageing of receivables as at the reporting date might be specified as follows:

In thousand Litas	Total amount 2009	Impairment 2009	Total amount 2008	Impairment 2008
Not overdue	93	-	31,824	-
Overdue 0-30 days	-	-	5,262	-
Overdue 30-60 days	-	-	5	-
Overdue 61-90 days	-	-	88	-
More than 90 days			200	(142)
Total	**93**	**-**	**37,379**	**(142)**

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Notes

4. Financial risk management (cont'd)

Liquidity risk (cont'd)

Payment terms of the financial liabilities, including calculated interest, as to the agreements, are presented below:

31 December 2009

In thousand Litas	Balance value	Contractual net cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Financial liabilities							
Loans	61,928	(64,971)	(26,243)	(9,027)	(28,966)		
Short-term loans from associated companies	598	(654)					(654)
Trade creditors	57	(57)	(57)				
Other amounts payable	24	(24)	(24)				
Total	**62,607**	**(64,971)**	**(26,324)**	**(9,027)**	**(28,966)**	**-**	**(654)**

31 December 2008

In thousand Litas	Balance value	Contractual net cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Financial liabilities							
Loans	145,534	(163,354)	(17,338)	(56,832)	(40,217)	(48,967)	
Short-term loans from associated companies	797	(808)	(808)				
Trade creditors	11,795	(11,795)	(11,795)				
Income tax payable	99	(99)	(99)				
Other amounts payable	18,627	(18,627)	(18,627)				
Total	**176,852**	**(194,683)**	**(48,667)**	**(56,832)**	**(40,217)**	**(48,967)**	

Interest rate applied to the estimated cash flows discount:

	2009	2008
Loans	3.53 %	6.51 % – 8.60 %

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(i) *Interest rate risk*

The Company's borrowings are subject to variable interest rates related to LIBOR. As at 31 December 2009, the Company did not use any financial instruments to hedge its exposure to the cash flow risk related to debt instruments with variable interest rates or price risk related to debt instruments with fixed interest rates.

Notes

4. Financial risk management (cont'd)

Market risk (cont'd)

(i) *Interest rate risk (cont'd)*

Variable interest rate financial liabilities were as follows:

	Contractual currency	2009	2008
Loans	EUR	61,928	92,783
Credit lines, short-term loans	LTL	598	49,793
Overdraft	LTL	-	3,483
Finance lease liabilities	LTL	-	272
Total		**62,526**	**146,331**

The interest rate as to the agreements is from 4.301% to 7.676% as at 31 December.

Change in average annual interest rate for the Company's loans by 0.5 percent would increase the interest expenses and the loss for 2009 by approximately 310 thousand Litas.

(ii) *Currency risk*

Major currency risks of AB Alita occur due to the fact that the Company borrows and lends foreign currency denominated funds. The Company does not use any financial instruments to manage its exposure to foreign exchange risk.

During the year, currency exchange rates in respect of Litas were as follows:

	31/12/2009	31/12/2008
1 EUR =	3.4528	3.4528
1 USD =	2.4052	2.4507
1 LVL =	4.8679	4.8872
1 RUB =	0.0795	0.0833

	Average 2009
1 EUR =	3.4528
1 USD =	2.4828
1 LVL =	4.8917
1 RUB =	0.0783

The Company's exposure to foreign currency risk was as follows:

	2009				2008			
	LTL	EUR	USD	LVL	LTL	EUR	USD	LVL
Cash and cash equivalents	35	57			96	57		26
Trade and other accounts receivable	93	1,989			36,255	4,171	6	
Financial liabilities	(598)	(61,928)			(52,751)	(92,783)		
Payables	(24)	(57)			(7,703)	(4,117)		(74)
Total foreign currency risk exposure	**(494)**	**(59,985)**	**-**	**-**	**(24,103)**	**(92,672)**	**6**	**(48)**

Notes

4. Financial risk management (cont'd)

Market risk (cont'd)

(iii) Currency risk (cont'd)

The functional currency of the Company is Litas (LTL). The Company faces foreign currency risk on purchases and borrowings as well as on sales and amounts receivable that are denominated in currencies other than Litas and EUR. The risk related to transactions in EUR is considered to be insignificant as the Lithuanian Litas is pegged to EUR at a fixed rate. The Company does not have any material exposure to other foreign currencies as at 31 December 2008 and as at 31 December 2009.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and proposes the level of dividends to ordinary shareholders based on the Company's financial results and strategic plans.

There were no changes in the Company's approach to capital management during the year.

5. Intangible assets

	Software	Other intangible assets	Total
COST			
Balance as at 1 January 2008	953	360	1,313
Additions	390	359	749
Balance as at 31 December 2008	**1,343**	**719**	**2,062**
ACCUMULATED AMORTIZATION AND IMPAIRMENT:			
Balance as at 1 January 2008	755	187	942
Amortization for the year	128	66	194
Balance as at 31 December 2008	**883**	**253**	**1,136**
Carrying amounts as at 31 December 2008	460	466	926
COST			
Balance as at 1 January 2009	1,343	719	2,062
Transfers from one heading to another	23		23
Transfer due to business spin-off (Note 26, 27)	(1,366)	(719)	(2,085)
Balance as at 31 December 2009	-	-	-
ACCUMULATED AMORTIZATION AND IMPAIRMENT:			
Balance as at 1 January 2009	883	253	1,136
Amortization for the year	227	138	365
Transfer due to business spin-off (Note 26, 27)	(1,110)	(391)	(1,501)
Balance as at 31 December 2009	-	-	-
Carrying amounts as at 31 December 2009	-	-	-

Amortization is booked under general and administrative expenses. On 27 October 2009 all intangible non-current assets were transferred to Įmonių Grupė ALITA, AB.

Notes

6. Property, plant and equipment

	Land	Buildings	Vehicles and equipment	Other tangible fixed equipment	Construction in progress	Total
COST	28	41,422	59,003	7,577	2,143	110,173
Balance as at 1 January 2008		143	839	65	309	1,356
Additions			(496)	(312)		(808)
Transfers from one heading to another			117	(82)	(35)	
Balance as at 31 December 2008	**28**	**41,565**	**59,463**	**7,248**	**2,417**	**110,721**
ACCRUED DEPRECIATION AND IMPAIRMENT:						
Balance as at 1 January 2008	-	16,071	42,392	6,767	-	65,230
Depreciation for the year		987	2,826	336	-	4,149
Disposals and write-offs			(488)	(303)		(791)
Balance as at 31 December 2008	-	17,058	44,730	6,800	-	68,588
Balance value as at 31 December 2008	**28**	**24,507**	**14,733**	**448**	**2,417**	**42,133**
COST						
Balance as at 1 January 2009	28	41,565	59,463	7,248	2,445	110,721
Additions			673	9	3,088	3,770
Disposals and write-offs			(1,068)	(78)		(1,146)
Transfers from one heading to another					(23)	(23)
Transfer due to business spin-off (Note 26, 27)	(28)	(41,565)	(59,068)	(7,179)	(5,510)	(113,350)
Balance as at 31 December 2009	-	-	-	-	-	-
ACCRUED DEPRECIATION AND IMPAIRMENT:	-	-	-	-	-	-
Balance as at 1 January 2009						
Depreciation for the year		820	1,706	157	-	2,683
Disposals and write-offs			(1,044)	(77)		(1,121)
Transfer due to business spin-off (Note 26, 27)		(17,878)	(45,392)	(6,880)		(70,150)
Balance as at 31 December 2009	-	-	-	-	-	-
Balance value as at 31 December 2009	-	-	-	-	-	-

As no assets conformed to criteria of capitalization of borrowing costs, in 2009 and 2009 no borrowing costs were capitalized. On 7-27 October 2009 all intangible non-current assets were transferred to Įmonių Grupė ALITA, AB.

Depreciation

Depreciation is allocated in the financial statements as follows:

	2009	2008
To cost of sales and finished goods in the statement of financial position	276*	2,918
To selling and distribution expenses	1,806*	436
To general and administrative expenses	601*	795
Total	**2,683***	**4,149**

* Depreciation from the discontinued operations.

Notes

7. Investment property

	2009	2008
Balance as at 1 January	1,915	2,510
Acquisition value due to business spin-off (Note 26, 27)	(1,915)	-
Depreciation	(65)	(93)
Change in fair value (impairment)	(231)	(502)
Depreciation due to business spin-off (Note 26, 27)	65	-
Adjustments of fair value (impairment) due to business spin-off (Note 26, 27)	231	
Balance as at 31 December	-	**1,915**
Acquisition cost	3,703	3,703
Depreciation	(839)	(774)
Adjustment to fair value (impairment)	(1,245)	(1,014)
Balance due to business spin-off (Note 26, 27)	(1,619)	-
Balance as at 31 December	-	**1,915**

The investment property comprises café and hotel in Palanga. The café is located in a 2 storey building with a cellar and the area of the café is 757.36 m^2. The area of the hotel is 226.06 m^2.

The rental income of the investment properties amounted to 22 thousand Litas in 2009 (2008: 47 thousand Litas).

The depreciation charge of the investment property for the year ended 31 December 2009 amounts to 65 thousand Litas (2008: 93 thousand Litas) and has been included into general and administrative expenses.

At the end of the year 2009, considering the situation in the market, by the decision of the management, there was recorded 231 thousand Litas impairment of investment property (38 percent of market value on 31 December 2008).

On 27 October 2009 all intangible non-current assets were transferred to Įmonių Grupė ALITA, AB.

8. Long-term financial asset

Investments in subsidiaries

Subsidiary investments consist of the following:

	2009	2008
AB Anykščių Vynas	-	33,365
UAB Alita Distribution	-	8,001
Total	-	**41,366**

On 27 October 2009 the Company transferred 46,577,570 ordinary registered shares of the company AB Anykščių Vynas with a nominal value of 1 Litas each and 100 ordinary registered shares of the wholesale company UAB Alita Distribution with a nominal value of 100 Litas each to Įmonių Grupė ALITA, AB. The subsidiaries shares with the balance value of 41,366 thousand Litas are pledged to the banks for the loans issued (see note 17).

Investments in associated company

In September 2007 AB Alita acquired 41.52 % portfolio of Belgrade brewery Beogradska Industrija Piva, which consists of 3,781,012 ordinary registered shares with a nominal value of 600 RSD each (equivalent value app. 26,28 LTL), for 70,437 thousand Litas.

Notes

8. Long-term financial asset (cont'd)

Investments in associated company (cont'd)

In twelve months of 2009 the associated company experienced net loss amounting to 24,170 thousand Litas. The share of loss attributable to the Company amounts to 10,035 thousand Litas. It increases the loss of the Company.

Investments in associated companies consist of:

	2009	2008
Shares of associated company	71,684	70,437
Accumulated profit (loss)	(10,035)	1,247
Total	**61,649**	**71,684**

Available-for-sale financial assets

Available-for-sale financial assets consist of the following:

	2009	2008
AB Šiaulių Bankas shares	-	9,693
Total	-	**9,693**
Increase in value in the beginning of the year	(3,946)	11,625
Increase (decrease) in fair value during the year	1,589	(15,571)
Transfer due to business spin-off (Note 26, 27)	2,357	-
Increase in value at the end of the year	-	**(3,946)**
Total	-	**5,747**

As at 27 October 2009, AB Alita transferred 6,920,480 registered shares of AB Šiaulių Bankas with a nominal value of 1 Litas each, the balance value of which as at the date of transfer amounts to 7,336 thousand Litas, to Įmonių Grupė ALITA, AB. The value of the shares is booked as to the quoted price in the active market of AB Šiaulių Bankas. As of the acquisition day, there were no changes in the methods of value determination. The change in fair value of shares of AB Šiaulių Bankas has been recognized in the Company's accounting amounting to 1,589 thousand Litas. Revaluation was done on the basis of the price in the stock exchange on the day the shares were revalued, which amounted to 1.06 Litas per share. The revaluation of the value of the shares of AB Šiaulių Bankas was booked in other comprehensive income (see Note 14).

Loans issued

The loans issued to United Nordic Beverages AB in 2008-2009 on a contractual basis amount to 8,291 thousand EUR. Annual interest rate applied – 7.5-9.0 percent. They shall be repaid in two years (June 2010 – 7,791 thousand EUR, September 2011 – 500 thousand EUR).

Notes

9. Inventories

Inventories consist of:

	2009	2008
Raw materials	-	3,078
Packing materials	-	2,219
Auxiliary materials and supplies	-	628
Work-in-process	-	3,405
Finished goods:		
- alcoholic beverages	-	4,985
- apple products	-	9,437
Goods for resale	-	23
Total inventories at the end of the year	-	**23,775**
Write-down of inventories to the net realizable value at the beginning of the year	(6,816)	(240)
Sold and used for own needs	6,598	188
Write down during the year	(173)	(6,764)
Transfer due to business spin-off (Note 26, 27)	391	
Write-down of inventories to the net realizable value at the end of the year	-	**(6,816)**
Total	-	**16,959**

Write down of the value to the net realizable value is booked under general and administrative expenses.

In 2009, raw materials, consumables and changes in finished goods and production in progress, booked under cost of sales, amounted to 34,831 thousand Litas (2008: 54,809 thousand Litas).

Write down of inventories is booked to:

	2009	2008
Concentrate apple juice	-	6,598
Other auxiliary materials and supplies	-	218
Total	-	**6,816**

On 26-27 October 2009 AB Alita transferred inventories amounting to 8,001 thousand Litas, to Įmonių Grupė ALITA, AB. Transferred inventories are pledged based on bank loans (see Note 17).

Notes

10. Prepayments

Prepayments consist of:

	2009	2008
Prepayments to local suppliers	-	158
Prepayments to foreign suppliers	-	210
Other prepayments and deferred cost	-	951
Total	**-**	**1,319**
Impairment at the beinning of the year	(803)	(803)
Additional impairment during the year	(180)	-
Impairment due to business spin-off (Note 26, 27)	983	-
Impairment at the end of the year	**-**	**(803)**
Total	**-**	**516**

The impairment was formed for the accrued costs of the concentrated juice department of 2008 and 2009. On October 27, prepayments and deferred costs, amounting to 817 thousand Litas, were transferred to Įmonių Grupė ALITA, AB.

11. Trade accounts receivable

Trade accounts receivable consist of:

	2009	2008
Trade accounts receivable	93	16,568
Trade accounts receivable from subsidiaries	-	20,811
Total	**93**	**37,379**
Impairment in the beginning of the year	(142)	(115)
Additional impairment during the year	-	(27)
Impairment due to business spin-off (Note 26, 27)	142	
Impairment at the end of the year	**-**	**(142)**
Total	**93**	**37,237**

On 27 October 2009 trade accounts receivable, amounting to 25,358 thousand Litas, were transferred to Įmonių Grupė ALITA, AB.

Notes

12. Other accounts receivable

Other accounts receivable consist of:

	2009	2008
Accumulated interest	1,592	2,644
Loans issued	-	12
Other accounts receivable	397	681
Total	**1,989**	**3,337**
Impairment at the beginning of the year	(130)	(130)
Impairment due to business spin-off (Note 26, 27)	130	
Impairment at the end of the year	**-**	**(130)**
Total	**1,989**	**3,207**

Accumulated interests comprise accumulated interest income, calculated according to the loans issued to United Nordic Beverages. Other amounts receivable consist of paid fee to Serbian Privatization Agency by AB Alita.

On 27 October 2009 other amounts receivable, amounting to 172 thousand Litas, were transferred to Įmonių Grupė ALITA, AB.

13. Cash and cash equivalents

Cash and cash equivalents consist of:

	2009	2008
Cash at banks	46	155
Cash in hand	-	24
Total	**46**	**179**

On 27 October 2009, 892 thousand Litas of monetary funds were transferred to Įmonių Grupė ALITA, AB.

14. Shareholders' equity

Share capital

The share capital comprises 23,673,416 ordinary shares with a nominal value of 1 Litas each and the total share capital of LTL 23,673,416 fully paid. The holders of the ordinary shares are entitled to one vote per share in the shareholders' meeting and are entitled to receive dividends as declared from time to time and to capital repayment in case and to a share of residual assets. One ordinary share gives a right to one vote at the shareholders' meeting.

Legal reserve

The legal reserve is a compulsory reserve under Lithuanian legislation. Annual contributions of 5% of the retained earnings available for distribution are required until the legal reserve and the share premium reach 10% of the authorized capital.

On 27 October 2009, legal reserve, amounting to 5,083 thousand Litas, was transferred to Įmonių Grupė ALITA, AB.

Notes

14. Shareholders' equity (cont'd)

Revaluation reserve

	Impairment	Deferred income tax	Impairment net of deferred income tax
Impairment at the beginning of the year 2008	11,625	(1,744)	9,881
Change in fair value during 2008	(15,571)	2,533	(13,038)
Revaluation reserve at the end of the year 2008	**(3,946)**	**789**	**(3,157)**
Change in fair value during 2009	1,589	(318)	1,271
Revaluation reserve due to spin off (Note 26, 27)	**(2,357)**	**471**	**(1,886)**

On 27 October 2009, revaluation reserve, amounting to 1,886 thousand Litas, was transferred to Įmonių Grupė ALITA, AB.

Profit distribution

The Board of the Company will not propose paying out dividends to the shareholders (dividends were not allocated in 2008). The proposal shall be approved by the General Shareholders' Meeting.

15. Basic earnings (loss) per share

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

	2009	2008
Net profit (loss), attributable to the shareholders	(12,613)	(1,024)
Number of shares (thousand)	23,673	50,827
Earnings (loss) per share (Litas)	**(0.53)**	**(0.02)**

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

16. Other amounts payable

Other amounts payable are listed below:

	2009	2008
Excise duty	-	8,353
Value added tax (VAT)	12	4,202
Packaging tax	-	2,316
Prepayments received	-	1,782
Accrued vacation payments	-	843
Salaries	2	414
Accrued social security tax	1	239
Withholding income tax	1	78
Other amounts payable	8	400
Total	**24**	**18,627**

On 27 October 2009, other amounts payable, amounting to 3,328 thousand Litas, were transferred to Įmonių Grupė ALITA, AB.

Notes

17. Long-term and short-term bank loans and lease liabilities

	2009	2008
Long-term loans	28,118	72,080
Long-term lease liabilities	-	121
Total long-term liabilities	**28,118**	**72,201**
Current portion of long-term loan	33,810	16,905
Credit line payable	-	52,794
Overdraft	-	3,483
Current portion of long-term lease liabilities	-	151
Total short-term liabilities	**33,810**	**73,333**

As at 31 December 2009, the Company has a long-term loan for 8,143 thousand EUR with the repayment terms in 2011. The average variable rate for the loans was from 7,676 % to 4,301 % in 2009.

In June 2006, AB ALITA and AB Hansabankas (later renamed into AB Swedbank) concluded the Credit Line Agreement, according to which AB ALITA was opened a credit line and granted a credit and a bank guarantee. Following the spin-off transaction resulting in the separation of Įmonių Grupė ALITA, AB from AB Alita, on 30 October 2009, the two companies and Swedbank entered into a tripartite agreement. Pursuant to Article 6.5 of the Civil Code of the Republic of Lithuania, AB Alita and Įmonių Grupė ALITA, AB, acting as joint debtors, shall discharge the liabilities arising from the Credit Line Agreement in the following shares as specified in the Terms of the Spin-off of AB Alita:

- to Įmonių Grupė ALITA, AB shall be transferred: (i) the rights and obligations under the Credit Line Agreement where the amount of the credit granted and outstanding as at the date of the Terms of the Spin-off is EUR 7,819 thousand (equivalent in Litas –27,000 thousand Litas), and (ii) the rights and obligations under the Credit Line Agreement where the amount of the credit granted and outstanding as of the date of the Terms of the Spin-off is 45,000 thousand Litas;
- to AB Alita shall be allocated a share of the rights and obligations under the Credit Line Agreement as follows: (i) share of the credit referred to in the Credit Line Agreement where the amount of the credit granted and outstanding as at the date of the Spin-Off Terms is EUR 17,935 thousand (equivalent in Litas –61,985 thousand Litas), and (ii) the rights and the future liabilities to AB Swedbank under the guarantee issued thereby and in accordance with the Credit Line Agreement (i.e., the undertaking to repay to AB Swedbank the amount which the Bank, upon the receipt of the appropriate payment request from the Guarantee recipient would pay to the Guarantee recipient from the funds of the Bank).

The liability of both Įmonių Grupė ALITA, AB and AB Alita under the solidary liability agreement is unlimited.

To secure the long-term loan of AB Alita, the Company pledged property, plant and equipment, inventories, all current and deferred funds at banks, trademarks which was transferred to the newly established company Įmonių Grupė ALITA, AB. It also pledged property, plant and equipment, inventories and trademarks of AB Anykščių Vynas.

18. General and administrative expenses

General and administrative expenses consist of:

	2009	2008
Salaries, wages and social security	9	-
Tax expenses (other than income tax)	12	-
Advisory services	62	-
Other	3	-
Total	**86**	-

As at 31 December 2009 the Company had 3 employees (as at 31 December 2008 – 319 employees).

Notes

18. General and administrative expenses (cont'd)

Salaries, wages and bonuses including personal income tax and social insurance tax were allocated in the statement of comprehensive income as follows:

	2009	2008
To cost of sales	2,813*	5,246*
To selling and distribution expenses	1,012*	1,843*
To general and administrative expenses	3,628*	4,184*
Total	**7,453***	**11,273**

*Salaries and related taxes, except for 9 thousand Litas under administrative expenses in 2009 from discontinued operations.

19. Finance income (expenses)

Finance income (expenses) consists of:

	2009	2008
Interest income	2,377	2,639
Total	**2,377**	**2,639**
Interest expenses on loans	(2,953)	(5,204)
Other finance expenses	(263)	-
Total expenses	**(3,216)**	**(5,204)**

20. Current and deferred tax

The calculation of deferred tax of 2009 from discontinued operations is summarized below:

	2009	2008
Current tax	-	151
Change in deferred tax	(266)	(1,457)
Income tax 15%	(266)	**(1,306)**

The reconciliation of effective tax rate is as follows:

	2009		2008	
Profit before tax		**(12,879)**		**(7,499)**
Income tax using standard tax rate	20.0 %	(2,576)	15.0%	(1,125)
Non-taxable income			0.2%	(14)
Non-deductible expenses	(16.9 %)	2,181	(18.8%)	1,409
Charity and sponsorship (deductible twice)			1.3%	(101)
Recognition of previously unrecognized temporary differences	(1.0%)	129	16.7%	(1,258)
Impairment				
Effect of the change of the rate on temporary differences			2.9%	(217)
Total	**(2.1%)**	**(266)**	**17.4%**	**(1,306)**

Notes

20. Current and deferred tax (cont'd)

Calculation of deferred tax is as follows:

	2009		2008	
	Temporary differences	Deferred tax	Temporary differences	Deferred tax
Available-for-sale financial assets	2,357	472	-	-
Stock	-	-	6,598	1,320
Accrued expenses	179	36		
Investment property	1,032	206	827	165
Vacation reserve	618	124	843	169
Taxable loss carried forward from discontinued operations	7,766	1,553		
Total deferred tax asset	-	**2,391**		**1,654**
Not realized profit	-	-	3,947	789
Total deferred tax liability	-	**2,391**		**789**
Net deferred tax	-	**2,391**		**2,443**
Transfer due to business spin-off (Note 26, 27)		(2,391)		-
Deferred tax		-		**2,443**

As at 31 December 2009, the applicable corporate income tax rate was 20% (2008: 15%). On 31 December 2009, the deferred tax was estimated applying a 15% rate. On the basis of the amendments of the Lithuanian tax legislation starting from 2010, corporate income shall be taxable at 15 % rate corporate income tax.

The change in deferred tax could be presented as follows:

	2009	2008
Deferred tax asset (liability) as at 1 January	2,443	(1,547)
Change in deferred tax booked in the statement of comprehensive income	266	1,457
Change in deferred tax booked in equity	(318)	2,533
Transfer of the deferred tax related to discontinued operations	(2,391)	
Deferred tax asset (liability) as at 31 December	-	**2,443**

21. Transactions with related parties

During the period the Company had transactions with the following related parties:

AB Anykščių Vynas
UAB Alita Distribution
UAB Vilkmergės Alus
Įmonių grupė ALITA, AB

Transactions during the period with the above mentioned companies are summarized below:

	2009	2008
Sales to subsidiaries	24,291*	28,621
Purchases from subsidiaries	800*	3,519

* The Company's transactions with the above mentioned companies come from discontinued operations.

Notes

21. Transactions with related parties (cont'd)

The accounts receivable from related parties

	2009	2008
Subsidiaries	-	20,811
Įmonių grupė ALITA, AB	93	

The amounts payable to related parties

	2009	2008
The amount payable to subsidiaries	-	99
Short-term loans	598	797

During 2009 the Company's management was paid 661 thousand Litas of salaries (2008: 931 thousand Litas); dividends were not paid (2008: 2,129 thousand Litas).

Guarantees, warrantees issued

The Company has issued a guarantee on behalf of AB Anykščių Vynas to the bank for the credit line by AB Anykščių Vynas of 8,632 thousand Litas.

In 2009 the Company gave the guarantee for the amount of 2,600 thousand EUR to the Privatization Agency of the Republic of Serbia from the available limit of the guarantee amount of 2,600 thousand EUR.

The Company has issued a guarantee on behalf of Įmonių Grupė ALITA, AB to the bank for the credit line issued to Įmonių Grupė ALITA, AB of 1,100 thousand EUR and for the finance lease of 35 thousand EUR.

22. Amendment of accounting principles

Until the reorganization of the company, associate investments in separate financial statements were stated at acquisition cost. As notified in Note 26, all the subsidiary companies, as to the terms of reorganization, were transferred to Įmonių grupė ALITA, AB. As of the moment of transfer, AB Alita stopped preparing the consolidated financial statements, and, according to the international accounting standards, associate investment must be booked on the basis of equity method. The influence of this method was reversed by adjusting operating results of the previous periods:

	Equity 01/01/2008	Result for 2008	Change in value of available-for-sale financial assets	Dividends	Equity 01/01/2009
Before adjustments	**95,141**	**(6,193)**	**(13,038)**	**(2,541)**	**73,369**
Influence of equity method	(3,922)	5,169			1,247
After adjustment	**91,219**	**(1,024)**	**(13,038)**	**(2,541)**	**74,616**

23. Contingencies and commitment

The Company does not have significant contingent liabilities except for pledged assets and other obligations to banks, mentioned in Note 17, and guarantees mentioned in Note 21.

In connection with the credit liabilities to the bank, the Company has certain loan covenants in place during the term of the loan contract: the ratio of shareholders' equity and assets recorded in the statement of financial position, the Debt Service Coverage Ratio and Interest Service Coverage Ratio. As at 31 December 2009, these ratios did not meet the requirements set in the loan agreement. The Company's management is confident that non - compliance with the ratios is temporary and will be rectified in the near future.

Notes

24. Corporate income tax consideration

No full tax investigation of AB Alita for the period from 2004 until 2008 has been performed by the tax authorities. According to effective tax legislation, the tax authorities may at any time perform investigation of the Company's accounting registers and records for the period of five years preceding the accounting tax period, as well as calculate additional taxes and penalties. Management of AB Alita is not aware of any circumstances which would cause calculation of additional significant tax liabilities.

25. Subsequent events

On 19 February 2010 AB Alita has received by fax two official notifications from the Share Fund of the Republic of Serbia and the Privatization Agency of the Republic of Serbia. The aforementioned institutions informed AB Alita that on 16 February 2010 the decision to terminate the sale-purchase agreement of 24 July 2007 (hereinafter 'the Privatization Agreement') of the 51.90242% shares (hereinafter 'the Shares') of Beogradska Industrija Piva (hereinafter BIP), concluded between the Share Fund of the Republic of Serbia and the Privatization Agency of the Republic of Serbia, from one side, and AB Alita and United Nordic Beverages AB, acting as a consortium of legal entities (hereinafter 'the Buyer'), from the other side was adopted. According to the Share Fund of the Republic of Serbia and the Privatization Agency of the Republic of Serbia, the decision to terminate the Privatization Agreement was adopted on the ground of Clauses (a), (c) and (f) of Article 8.7.1 of the Privatization Agreement and Article 41a of the Law on Privatization of the Republic of Serbia because the Buyer:

- failed to fulfill his obligation to make investments into the Company amounting to 2,600,000 EUR as indicated in Article 8.1.2 of the Privatization Agreement;

- failed to secure that the Company would dispose its non-current assets in accordance with the provisions of the Privatization Agreement and caused the Company to be put into the enforced settlement by way of sale of Company's non-current assets or any other similar proceeding and did not take any actions in order to prevent such proceedings (Articles 8.2.2, 8.2.4, 8.2.11 and 8.2.12 of the Privatization Agreement).

The Share Fund of the Republic of Serbia and the Privatization Agency of the Republic of Serbia also indicates that the Buyer did not perform his obligation to announce a tender offer to buy the remaining shares of the Company as stipulated in Article 8.1.5 of the Privatization Agreement.

Considering the abovementioned, the Share Fund of the Republic of Serbia and the Privatization Agency of the Republic of Serbia has informed AB Alita that the Shares of the Company shall be transferred to the Share Fund of the Republic of Serbia.

In the abovementioned notifications the Share Fund of the Republic of Serbia and the Privatization Agency of the Republic of Serbia have also indicated that according to breaches of the Privatization Agreement and on the ground of Article 8.6 of the Privatization Agreement, the decision to claim the following contractual penalties from the Buyer was adopted:

-to claim the fine amounting to 50 % of the purchase price of the Shares - for the breach of obligation to make investments into the Company, as stipulated in Article 8.1.2 of the Privatization Agreement;

-to claim the fine amounting to double value of the transferred non-current assets of BIP - for the breach of the obligation, stipulated in Article 8.2.2 of the Privatization Agreement (i.e. for the failure to secure that BIP would dispose its non-current assets in accordance with the provisions of the Privatization Agreement);

-to claim the fine amounting to 100% of the purchase price of the Shares - for the breach of the obligation, stipulated in Article 8.2.4 of the Privatization Agreement (i.e. for causing BIP to be put into the enforced settlement by way of sale of its non-current assets or any other similar proceeding and failure to prevent such proceedings).

Notes

25. Subsequent events (cont'd)

On 5 March 2010 AB Alita has informed the Share Fund of the Republic of Serbia and the Privatization Agency of the Republic of Serbia, that it does not agree with such alleged breaches of the Privatization Agreement and, accordingly, the request to pay the penalties, deems such request as not reasonable and does not agree to pay the requested penalties; and also deems that the Share Fund of the Republic of Serbia and the Privatization Agency of the Republic of Serbia have violated the contractual rights and applicable laws. Currently, the Buyer still analyzes the situation and possible strategies regarding such contention of the requirements made by the institutions of the Republic of Serbia.

26. Information related with the reorganization of the operations

The extraordinary general meeting of shareholders of AB Alita held on 29 September 2009 passed the Resolution to approve the terms and conditions of the AB Alita spin-off transaction, and Įmonių Grupė ALITA, AB was separated from AB Alita and registered as such on 7 October 2009. The principal purpose of the spin-off transaction was the optimisation and reorganization of the operations carried out by AB Alita by separating the production operations from the investment operations carried out by AB Alita, as the former are not related to or necessary for the performance of investment operations of AB Alita, i.e., by separating the part that includes the entirety of production operations of AB Alita and incorporating a new public company, Įmonių Grupė ALITA, AB, on the basis of the assets, rights, liabilities and obligations attributed to the production part of AB Alita.

Therefore the spin-off transaction resulted in the incorporation of two holding companies: one of them – AB Alita – to carry out and control investment operations alone (related to shares held in foreign companies), and the other, Įmonių Grupė ALITA, AB, to carry out and control the main production operations performed by AB Alita. Following the spin-off transaction both companies continue their operations.

The assets and liabilities recorded in the statement of AB Alita as at 31 December 2008 were attributed to the investment or the production operations and accordingly transferred to the companies operating after the spin-off transaction.

All shareholders of AB Alita were allocated shares of Įmonių Grupė ALITA, AB on the basis of the share exchange rate pro rata to the number of shares of AB Alita held by them. The share exchange rate was established taking into account the book value of one share of AB Alita calculated according to the share book value method. The book value of the shares of the companies operating after the spin-off remained unchanged and was equal to the book value of the shares of AB Alita that had been calculated by dividing the value of equity (the book value of net assets) of the Company as at 31 December 2008 by the number of shares issued and paid up.

Spin-off procedures carried out as to the Company Law (Article71). After the spin-off, both companies continuing their operations.

Following the Corporate Income Tax Law (Article 46), the reorganization in the company AB Alita complies with the case specified in the Corporate Income Tax Law (Item 5 Part 2 Article 41 Section IX).

Assets, liabilities and equity of Įmonių Grupė ALITA, AB have been transferred within the period from 7 October 2009 to 27 October 2009, as indicated in the spin-off terms of AB Alita.

Detailed description of the business reorganization performed by AB Alita refers to AB NASDAQ OMX Vilnius web page: www.nasdaqomxbaltic.com or: www.alita.lt/investuotojams.

27. The comparative information related to the operations being transferred

The break-down of the assets, equity and liabilities after the reorganization of AB Alita is shown in the statements below.

Notes

27. The comparative information related to the operations being transferred (cont'd)

The present financial statements have been drawn up on the basis of the audited stand-alone financial statements of AB Alita as at 31 December 2008, the stand-alone statement of financial position of the spin-off of Įmonių Grupė ALITA, AB of 27 October 2009, and the audited stand-alone financial statements of Įmonių Grupė ALITA, AB of 31 December 2009 The investment into the associated company is adjusted in the financial statements using the equity method (as noted in Note 22).

Production operations – production operations transferred to Įmonių Grupė ALITA, AB after the reorganization.

Investment operations – investment operations that remained to AB Alita after reorganization.

Statements of financial position

	31/12/2008			27/10/2009 As at the date of spin-off			31/12/2009
In thousand Litas	Production operations	Investment operations	Total	Production operations	Investment operations	Total	Investment operations
Intangible non-current assets	926		926	584		584	
Investment property	1,915		1,915	1,619		1,619	
Property, plant and equipment	42,133		42,133	43,200		43,200	
Investments in subsidiaries	41,366		41,366	41,366		41,366	
Investments in associated companies	-	71,684	71,684	-	71,684	71,684	61,649
Available-for-sale financial assets	5,747		5,747	7,336		7,336	
Loans	-	25,205	25,205	-	28,629	28,629	28,629
Deferred income tax asset	2,443		2,443	2,391		2,391	
Total non-current assets	**94,530**	**96,889**	**191,419**	**96,496**	**100,313**	**196,809**	**90,278**
Inventories	16,959		16,959	8,001		8,001	
Prepayments	516		516	817		817	
Prepaid income tax	1,951		1,951	-		-	
Trade accounts receivable	37,237		37,237	25,358	93	25,451	93
Other accounts receivable	2,753	454	3,207	172	1,602	1,774	1,989
Cash	119	60	179	892	83	975	46
Total current assets	**59,535**	**514**	**60,049**	**35,240**	**1,778**	**37,018**	**2,128**
Total assets	**154,065**	**97,403**	**251,468**	**131,736**	**102,091**	**233,827**	**92,406**
Shareholders' equity	39,197	35,419	74,616	33,475	39,982	73,457	29,799
Government grants			-	1,501		1,501	
Long-term bank loans	27,121	45,080	72,201	29,247	45,023	74,270	28,118
Total non-current liabilities	**27,121**	**45,080**	**72,201**	**30,748**	**45,023**	**75,771**	**28,118**
Current portion of long-term loans	56,429	16,904	73,333	56,819	16,906	73,725	34,408
Short-term loans from subsidiaries	797		797			-	
Trade accounts payable	11,795		11,795	7,361		7,361	57
Amounts payable to subsidiaries	99		99	5		5	
Income tax payable			-			-	
Accrued liabilities	18,627		18,627	3,328	180	3,508	24
Total current liabilities	**87,747**	**16,904**	**104,651**	**67,513**	**17,086**	**84,599**	**34,489**
Total liabilities and shareholders' equity	**154,065**	**97,403**	**251,468**	**131,736**	**102,091**	**233,827**	**92,406**

Notes

27. The comparative information related to the operations being transferred (cont'd)

Statements of comprehensive income

In thousand Litas	2008 Production operations	2008 Investment operations	2008 Total	2009 before the spin-off Production operations	2009 before the spin-off Investment operations	2009 before the spin-off Total	2009 after the spin-off Investment operations
Net sales	92,633		92,633	50,439		50,439	
Cost of sales	(54,457)		(54,457)	(32,353)		(32,353)	
Gross profit (loss)	**38,176**		**38,176**	**18,086**		**18,086**	-
Other income	2,013		2,013	1,136		1,136	
Selling and distribution expenses	(16,774)		(16,774)	(4,710)		(4,710)	
General and administrative expenses	(20,417)		(20,417)	(9,366)		(9,366)	(86)
Other expenses	(1,409)		(1,409)	(789)		(789)	
Operating profit (loss)	**1,589**		**1,589**	**4,357**		**4,357**	**(86)**
Finance income	135	2,639	2 774	2	1,990	1,992	388
Finance expenses	(6,658)	(5,204)	(11,862)	(6,278)	(2,766)	(9,044)	(450)
Share of profit (loss) of associated companies			-			-	(10,035)
Profit (loss) before income tax	**(4,934)**	**(2,565)**	**(7,499)**	**(1,919)**	**(776)**	**(2,695)**	**(10,183)**
Income tax	1 306		1 306	266		266	
Net profit for the year	**(3,628)**	**(2,565)**	**(6,193)**	**(1,653)**	**(776)**	**(2,430)**	**(10,183)**

Statements of changes in equity

In thousand Litas

	Production operations	Investment operations	Total equity
Balance as at 31 December 2008	**39,197**	**35,419**	**74,616**
Net profit (loss)	(1,654)	(776)	(2,430)
Change in value of available-for-sale financial assets	1,589		1,589
Deferred tax liability	(318)		(318)
Transfer of loan related to investment operations	(5,339)	5,339	-
As at the date of spin-off	**33,475**	**39,982**	**73,457**
Transfer due to spin-off of business	(33,475)	-	(33,475)
Net profit (loss)		(10,183)	(10,183)
Balance as at 31 December 2009	**-**	**29,799**	**29,799**

Cash flows from discontinued operations

In thousand Litas	2009	2008
Net cash flows from operating activities	12,567	8,642
Net cash flows from investment activities	(2,103)	(1,948)
Net cash flows from financial activities	(9,691)	(6,648)
Net cash flows from discontinued operations	**773**	**46**

Annual report of AB Alita for 2009

The concepts spelt in the capital letter throughout the Annual report shall have the meaning defined in the list below, unless the context provides otherwise. This list contains the main concepts used throughout the Annual report. The text of the Annual report may provide explanations or definitions of other concepts as well.

'Spin off' means the spin-off of the AB Alita by separating the part specified in the Terms of the Spin-off of AB Alita and establishing a new public company on the basis of the assets, rights and obligations attributed thereto (the activities carried out by AB Alita by separating the production activities from the Investment Operations carried out by AB Alita, as the former are not related to or necessary for the performance of Investment Operations of AB Alita, i.e., by separating the part that includes the entirety of production activities of AB Alita and incorporating a new public company, Company Group ALITA AB, on the basis of the assets, rights, liabilities and obligations attributed to the production part of AB Alita).

'Terms of the Spin-off' means the terms and conditions of the spin-off transaction of AB Alita, drawn up in accordance with the Law on Companies, the Civil Code of the Republic of Lithuania and other legal acts of the Republic of Lithuania and approved by the Extraordinary General Meeting of Shareholders of Company Group ALITA AB on 29 September 2009. Terms of the Spin-off may be accessed at the Central Storage Facility at www.crib.lt, in the NASDAQ OMX Vilnius website www.nasdaqomx.com/vilnius and in AB Alita website www.alita.lt/investuotojams.

Investment Operations – means activities carried out by AB Alita in connection with (i) the shares held by AB Alita in foreign companies (shares currently held in 'Akcionarsko Društvo Beogradska Industrija Piva, Slada i Bezalkoholnih Pića Beograd', company established in the Republic of Serbia (registration number 07013710, registered address: Bulevar Vojvode Putnika 5, 11000 Beograd, Republic of Serbia) (hereinafter BIP)), (ii) possession by AB Alita of financial assets (shares in foreign companies and exercise of the related rights and obligations).

'Company' or 'Issuer' means AB Alita, established and acting pursuant to the laws of the Republic of Lithuania.

'Anual report' means this document containing all relevant information for investors and the public as specified in legal acts concerning disclosure of information about the Company.

1. THE GENERAL INFORMATION ABOUT THE ISSUER

1.1. The reporting cycle, for which the Annual report is prepared

The Annual report is prepared for the year of 2009.

On 29 April 2009 the resolution to approve the Terms of the Spin-off of the AB Alita was passed in the Extraordinary General Meeting and approved on 26 June 2009. As to the Terms of the Spin-off, part of AB Alita was separated and a new public company was established on the basis of the assets, rights and obligations attributed thereto. The Spin-off procedures were performed in accordance with the Law on Companies, the Civil Code of the Republic of Lithuania and other legal acts of the Republic of Lithuania.

As Company Group ALITA AB carries out its production, business and economic activities having taken over raw materials, property, plant and equipment, inventories of low value, the rights to brand names and design, ISO standards and having obtained new licenses for production, wholesale and retail sale of alcoholic beverages and retail sale of tobacco products, the business and financial activities in relation to production operations with the assets, liabilities, rights and obligations attributable to them in 2009 was attributed to Company Group ALITA AB, therefore in this Annual report it will not be disclosed. The data on the business and financial activities in relation to production operations of AB Alita in 2009 was disclosed in the Annual report 2009 of the Company Group ALITA AB. It can be accessed at the website of the Central Storage Facility at www.crib.lt and the website of AB Alita at www.alita.lt/investuotojams.

1.2. The Issuer and his contact data

Name	AB Alita
Legal form	Public Company
The registration date and place	10 December 1990, the Alytus Branch of the State Registry Center
The re-registration date and place	14 April 1995, the Alytus Branch of the State Registry Center
Registration number	AB 95-1
Company code	149519891
Office address	Miškininkų St. 17, Alytus, LT-62200, Lithuania
Tel.	(8 315) 5 72 43
Fax	(8 315) 7 94 67
E-mail	alita@alita.lt
Internet website	www.alita.lt

1.3. The main activities of the Issuer

The principal activities of AB Alita and AB Anykščių Vynas before the reorganization: production and sale of alcoholic drinks and concentrated apple juice. UAB Vilkmergės Alus specialises in the production of beer. UAB Alita Distribution engages in wholsale and retail sale of alcoholic drinks. This company distributes the production of all companies forming the Group.

After the spin-off transaction as of 7 October 2009, AB Alita to carries out, develops and controls investment operations alone (related to shares held in foreign companies).

1.4. The information on the transactions with the brokers of the securities of the public turnover

As at 18 November 2003 the Company signed the Issuer's Securities Accounting Management Agreement with the Department of Operations with Securities of Swedbank, AB (registered office: Konstitucijos ave. 20A, Vilnius, LT-03502, tel. (+370-5) 258 24 85, fax: (+370-5) 258 21 70).

1.5. The data about the Issuer's securities trade

The securities of AB Alita were entered in the Secondary List of the NASDAQ OMX Vilnius on 25 May 1998. On 31 December 2009, there were 23 673 416 of AB Alita ordinary registered shares of the nominal value of one Litas, the total nominal value of which amounted to 23 673 416 Litas. The ISIN Code of these securities is LT0000118655 (The abbr. is ALT1L).

The information about the self-acting fulfilment of the VSE prices and turnover of the sold transactions during 01/01/2008 – 31/12/2009 is given in the table below:

The year and the quarter	The price (Litas)		The turnover		The last trading days of the period			The total turnover	
	Max.	Min.	Max.	Min.	Price (Litas)	Turnover (Litas)	Date	Unit	Litas
2008 I	4.59	3.51	37,102.80	0.00	3.51	744.12	31.03.2008	50,417	206,760.19
2008 II	3.51	2.06	30,541.50	0.00	2.15	0.00	30.06.2008	44,625	124,505.46
2008 III	2.20	1.59	48,837.50	0,00	1.60	0.00	30.09.2008	143,036	275,284.94
2008 IV	1.60	0.50	26,786.00	0.00	0.63	0.00	30.12.2008	217,570	205,748.74
2009 I	0.70	0.30	37,524.09	0.00	0.34	34.00	31.03.2009	429,092	195,093.82
2009 II	0.54	0.28	89,145.09	0.00	0.43	3,566.60	30.06.2009	1,242,631	452,082.78
2009 III	1.18	0.34	41,246.54	0.00	0.95	7,752.95	30.09.2009	1,070,037	627,268.25
2009 IV	0.90	0.48	10,576.64	0.00	0.60	0.00	30.12.2009	87,829	56,956.88

The capitalization of AB Alita securities in 2009 is given in the table below:

Date	Capitalization (Litas)	Price of a share (Litas)
31/03/2009	17,281,251.06	0.34
30/06/2009	21,855,699.87	0.43
30/09/2009	48,285,848.55	0.95
30/12/2009	14,204,049.60	0.60

The data about the outside Stock Exchange transactions of AB Alita ordinary registered shares are given in the table below:

The year and the quarter	Price (Litas)		Total turnover of the quarter, Unit.	
	Maximum	Minimum	Cash payment	Indirect payment
2008 I	3.98	2.46	304,070	4,500
2008 II	2.76	0.97	62,298	0,000
2008 III	2.79	0.00	110,940	2,060
2008 IV	1.41	0.00	40,659	11,422
2009 I	0.39	0.00	33,444	6,665
2009 II	0.27	0.18	33,444	22,296
2009 III	0.60	0.60	10,000	44,592
2009 IV	0.00	0.00	0,000	10,232

The Company did not sell the ordinary registered shares in the other Stock Exchanges except the NASDAQ OMX Vilnius.

2. THE OTHER INFORMATION ABOUT THE ISSUER

2.1. The structure of the Issuer's authorized capital

The authorized capital of AB Alita was 50,827,209 Litas on 1 January 2009.

Hereby it is announced that pursuing to the conditions of the spin-off, approved by the general shareholders meeting on 29 September 2009, the reduced share capital of AB Alita of 23,673,416 Litas and the new Company Group ALITA AB, with share capital of 27,153,793 Litas, were registered in the register of legal entities on 7 October 2009.

The structure of the authorized capital of the AB ALITA is according to the types of the shares:

The type of a share	The number of the shares	The nominal value (Litas)	The total nominal value (Litas)	The part in the authorized capital (%)
Ordinary registered shares	23,673,416	1	23,673,416	100.00
Total:	**23,673,416**	**-**	**23,673,416**	**100.00**

All the AB Alita shares are paid-up.

The Company did not issue securities that unmark the participation in the authorized capital.

In the reporting year the Company did not acquire its own shares.

In 2009 there were no announced proposals from the third parties to buy the ordinary registered shares of AB Alita. The Company also did not announce proposals to buy the securities of the other Issuers.

The consortium of AB Alita and Swedish finance-investment company „United Nordic Beverages" on 8 June 2007 become the winner of the Serbian state owned brewery „Beogradska Industrija Piva" Privatization contest. The consortium acquires 51.9 percent of the brewery. AB Alita has 80% block of shares in the consortium.

In September 2007, on the basis of the Privatization Agreement concluded between AB Alita and the Serbian Privatization Agency, AB Alita acquired a 41.52 percent interest holding in the brewery Beogradska Industrija Piva in Belgradeconsisting of 3,781,012 ordinary registered shares, each of 600 RSD in nominal value (equivalent to approximately 26.28 Litas) for 70,437 thousand Litas.

2.2. The restrictions of the securities tranfer

There are no restrictions of the securities transfer of the AB Alita.

2.3. The shareholders

The total number of the AB Alita shareholders was 746 on 31 December 2009.

The shareholders, who had more then 5% of the Company authorized capital on 31 December 2009:

Shareholder's name, surname (company name, type, address of the residence, Company Register Code)	Number of the nominal shares owned by a shareholder (units)	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 Junevičius*	9,916,457	41,89	41,89	83,77
Arvydas Jonas Stankevičius*	3,964,579	16,75	16,75	83,77
Vilmantas Pečiūra*	2,974,922	12,57	12,57	83,77
Darius Vėželis*	2,974,922	12,57	12,57	83,77

*These persons are co-owners of the Company and persons acting in concert.

2.4. The shareholders who has the special control rights and the description of these rights

There are no such shareholders.

2.5. All the restrictions of the voting rights

There are no restrictions.

2.6. The shareholders' inter-agreements about which the Issuer knows and for which the securities tranfer and (or) voting rights may be restricted

There are no such inter-agreements.

2.7. Amendment procedure of the Articles of Association

The Company's Articles of Association may be amended by the decision of the general meeting of shareholders, which was adopted by a qualified majority of vote of at least 2/3 of all the votes carried by the shares of the shareholders attending the meeting, whose shares grant them more than ½ of all votes.

2.8. The issuer's management bodies

The management bodies of AB Alita consist of:

The General Meeting of Shareholders;
The Board (of 4 members elected for a period of 4 years);
The Company's manager (Director General), elected or removed from office by the Board.

The Company's Board consists of 4 members, who were elected for a term of four years by the General Meeting of Shareholders held on 29 April 2008.

Information about the Chairman of the Board and its members:

Name, surname	Position held	Portion of the authorised capital held, %	Portion of the votes attaching to the shares held by the right of ownership, %
Vytautas Junevičius*	Chairman of the Board	41.89	41.89
Arvydas Jonas Stankevičius*	Member of the Board	16.75	16.75
Vilmantas Pečiūra*	Member of the Board	12.57	12.57
Darius Vėželis*	Member of the Board	12.57	12.57

*The listed shareholders of the Company as members of the Board are deemed to be acting in concert pursuant to Par. 48 of Article 2 of the Law on Securities and as together acting persons had 83.77% of votes in 31/12/2009.

The Board of the AB Alita convened 19 meetings in 2009. During the meetings urgent questions were discussed with regard to the Company's management develops its strategy, analyses Investment Operations and discusses issues of financial obligations.

2.9. The members of the collegial bodies, the Company Manager, the Chief Financier

Administration

Name, surname	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
Inga Bandzinienė	Accountant-General, since 7 October 2009	-	-

Additional data about members of the Board, the Head of the Administration and Chief Accountant:

Name, surname	Position held	Education (profession)	Jobs during the last 10 years and positions held
Vytautas Junevičius	Chairman of the Board, Head of the Administra-tion	Higher education (engineer–economist)	From 1994, Director General of AB Alita; October 7–November 30, Director General of Company Group ALITA AB; from 1 December 2009, advisor to Director General of Company Group ALITA AB.
Arvydas Jonas Stankevičius	Member of the Board	Higher education (labour economics, economist)	From 1977, Production Director of AB Alita; from 27 October, Production Director of Company Group ALITA AB
Vilmantas Pečiūra	Member of the Board	Doctor of Social Sciences	From 1999, Finance and Administration Director of AB Alita; 3 September 2009, Advisor to Director General of AB Alita, as of 27 October 2009 Advisor to Director General of Company Group ALITA AB.
Darius Vėželis	Member of the Board	Higher education (Business management; MBA)	From 1999, Sales and Marketing Director of AB Alita; from July 2004, Director of UAB Invinus; from November 2004, Sales and Marketing Director of AB Alita; from July 2009, Director of UAB Alita Distribtion and Sales and Marketing Director of AB Alita; from 27 October 2009, Director of UAB Alita Distribtion and Sales and Marketing Director of Company Group ALITA AB; from 1 December 2009, advisor to Director General of Company Group ALITA AB.
Inga Bandzinienė	Chief Accountant	Higher education (Finance and Credit, economist)	From 1994, Accountant of AB Alita; from 2001, the Company's Financier; from 2005, Deputy Chief Accountant; from 7 October 2009, Acting Chief Accountant of Company Group ALITA AB (during the period of A. Mežiūnienė's maternity leave) and Chief Accountant of AB Alita; from 2003 has worked as Accountant for D. Bandzinis firm Binoras.

Information about participation of the Board members in the activities of other companies and organizations:

Name, surname	Name of the company/organization, position held	Share of capital and votes in other companies, %
Vytautas Junevičius	Chairman of the Board of Company Group ALITA AB Chairman of the Board of AB Anykščių Vynas Member of the Board of AB Šiaulių Bankas UAB Šiaulių Banko Investicijų Valdymas UAB Aunuva	41.9 5.6 50.0
Arvydas Jonas Stankevičius	Member of the Board of Company Group ALITA AB Member of the Board of AB Anykščių Vynas UAB Lieda UAB Alytaus Vaistinė	16.74 40.0 40.0
Vilmantas Pečiūra	Member of the Board of Company Group ALITA AB Member of the Board of AB Anykščių Vynas Chairman of the Board of AB Beogradska Industrija Piva	12.56
Darius Vėželis	Member of the Board of Company Group ALITA AB Member of the Board of AB Anykščių Vynas Member of the Board of AB Beogradska Industrija Piva	12.56

The information about the payoffs and loans to the members of the management bodies of the AB Alita in 2008-2009 (thousand Litas):

The indices	7 October – 31 December 2009	Comparative figures of 2009	2008
The calculated sums related to the working terms to the Managers in a year.	6.6	813,9	929
The other significant sums calculated to the Managers in a year (bonuses).	-	-	2.129
The average number of the Managers in a year.	2	5	5
Amounts allocated to the managers in the month in relation to their employment agreement	1.1	13,6	15,5
The received sums of the Managers (Members of the Board) from the companies where the Issuer's part in the authorized capital is more than 20%.	-	-	-

No loans, guarantees or warranties with respect to fulfilment of their obligations were granted to members of the managing bodies over the reporting period.

2.10. The significant transactions

There were no significant transactions whose one party was the Issuer.

2.11. The transactions of the Issuer and the members or employees of his body

There were no significant transactions of the Issuer or the members or employees of his body.

2.12. The transactions of the concerned parties

Parties associated with the Company are considered to include shareholders, employees, members of the Board, their immediate relatives and entities that directly and indirectly control the companies constituting the Group or are controlled individually or together with another party that is also recognised to be a related (associated) party, under the condition that the relation enables one of the parties to control another party or have a significant influence upon the other party's financial and management decisions.

The Company and its employees are related by employment relations, on the basis whereof the employees of the Company are paid their salaries. No other material transactions or deals have been concluded with the shareholders, employees, members of the Board or their immediate relatives.

The Company has also concluded a number of agreements with other associated persons that are significant for the operations of the Company and/or those associated persons. The historic information on the agreements is presented in the audited annual financial statements of AB Alita for 2008 that may be accessed at the Central Storage Facility at www.crib.lt or the website of Company Group ALITA AB at www.alita.lt/investuotojams.

Transactions with associated parties

To AB Alita shall also remain and shall be not transferred to Company Group ALITA AB the following rights and obligations related to financial assets (shares) and investment operations:

1. All the rights and obligations under the 24 July 2007 share sale and purchase agreement executed between AB Alita, United Nordic Beverages AB (registration number 556702-1794, registered address: Box 7475, 103 92 Stockholm, Sweden) (of the one part), and Share Fund of the Republic of Serbia (registered address: 15, Bulevar Kralja Aleksandra, 11000 Belgrade, Republic of Serbia) and Privatisation Agency of the Republic of Serbia (registered address: 23, Terazije, 11000 Belgrade, Republic of Serbia) (of the other part).
2. All the rights and obligations under the 15 April 2007 consortium agreement executed between AB Alita and United Nordic Beverages AB regarding acquisition of BIP shares (as subsequently amended and supplemented).
3. All the rights and obligations under the 5 December 2007 loan agreement executed between AB Alita and United Nordic Beverages AB (as subsequently amended and supplemented).
4. All the rights and obligations under the 6 March 2008 loan agreement executed between AB Alita and United Nordic Beverages AB (as subsequently amended and supplemented).
5. All the rights and obligations under the 15 September 2008 loan agreement executed between AB Alita and United Nordic Beverages AB.
6. All the rights and obligations under the 8 January 2008 covenant concerning compensation of expenses, executed between AB Alita and Nordic Capital Partners OU (registration number 11279005, registered office: Kentmanni 11A-11, Tallin, 10116, Republic of Estonia).
7. AB Alita bank account and funds in bank account No. LT497300010116246399 with the bank Swedbank, AB, bank code 73000, as well as AB Alita all rights to possess, use and dispose of the funds in this bank account of AB Alita.
8. All bank accounts of AB Alita with RAIFFEISEN BANK A.D. (Belgrade, Bulevar Zorana Dindica 64a, Republic of Serbia), except the funds in these bank accounts, which will have to be transferred to Company Group ALITA AB, as stipulated in Section 8.2.7 of the Spin-Off Terms.
9. The part of the rights and obligations under the Credit Line Agreement (i) the part of the credit stipulated in item 1.2 of the Credit Line Agreement, the disbursed and not-repaid amount whereof on the day of execution of these Spin-Off Terms is equal to 17,952,000 Euros (equivalent in Litas –61,984,665.60 Litas); and (ii) rights and future obligations to Swedbank, AB under the Guarantee issued by it according to item 1.5 of the Credit Line Agreement (i.e. the obligation to repay to Swedbank, AB the amount which the bank, upon receipt of due payment demand from the receiver of the Guarantee, would disburse to the receiver of the Guarantee from the bank funds).

Other sureties

In June 2006, AB Alita and AB Hansabankas (later renamed into Swedbank, AB) concluded the Credit Line Agreement, according to which AB Alita was opened a credit line, granted the credit and the bank guarantee. Following the spin-off transaction resulting in the separation of Company Group ALITA AB from AB Alita, on 30 October 2009, the two companies and Swedbank entered into a tripartite agreement. Pursuant to Article 6.5 of the Civil Code of the Republic of Lithuania, AB Alita and Company Group ALITA AB, acting as **solidary debtors**, will discharge the liabilities arising from the Credit Line Agreement in the following shares as specified in the Terms of the Spin-off:

Company Group ALITA AB is a successor to: (i) rights and obligations under the Credit Line Agreement where the amount of the credit disbursed whereof and outstanding as of the date of the execution the spin-off accounts for 7,819,740 Euros (26,999,998.27 Litas), and (ii) rights and obligations under the Credit Line Agreement where the amount of the credit disbursed whereof and outstanding as of the date of the execution the Spin-off accounts for 44,999,500 Litas;

The share of the rights and obligations retained by AB Alita under the Credit Line Agreement is as follows: (i) share of the credit under the Credit Line Agreement of 17,952,000 Euros (61,984,665.60 Litas), outstanding as of the date of the execution the spin-off and (ii) rights and the future obligations to Swedbank, AB according to the guarantee issued by the Bank on the basis of the Credit Line Agreement, i.e. an obligation to repay to Swedbank the amount that the Bank, upon receipt of an appropriate payment claim from the guarantee beneficiary, would pay to the guarantee beneficiary from the funds of the Bank.

The liability of both Company Group ALITA AB and AB Alita under the joint liability agreement is unlimited.

2.13. Information on the adherence to the Corporate Governance Code

The information on the Company's adherence to the Corporate Governance Code may be found in the Annex to the Annual report.

2.14. The data about the information that was made public

The Company, acting according to the law acts regulating the Stock Exchange during last 12 months, published this information in the OMX Company News Service system of the information disclosure and distribution of the NASDAQ OMX Vilnius website www.nasdaqomx.com/vilnius and in the AB Alita website www.alita.lt/investuotojams :

06/01/2009	AB Alita shortens working week
13/01/2009	Resolutions of the AB Alita Management Board
26/02/2009	Preliminary results for the for the year 2008
27/02/2009	Interim consolidated financial statements for the twelve months of 2008
25/03/2009	Notice of the General Meeting of AB Alita
25/03/2009	AB Alita shortens working week
15/04/2009	Appendix of Agenda the General Meeting of AB Alita
16/04/2009	CORRECTION: Appendix of Agenda the General Meeting of AB Alita
17/04/2009	Annual report, audited financial statements and draft resolutions of the ordinary general meeting of shareholders to be held on 27/04/2009
27/04/2009	Resolutions of the Annual General Meeting
27/04/2009	Annual information of AB Alita for 2008
27/05/2009	Preliminary results for the first quarter of 2009
29/05/2009	AB Alita Interim financial statements for the three months of 2009
26/06/2009	Regarding special general meeting of shareholders of AB Alita and special general meeting of shareholders of Company Group ALITA, AB
26/06/2009	Regarding special general meeting of shareholders of AB Alita and special general meeting of shareholders of Company Group ALITA, AB (Revised)
26/06/2009	Concerning the spin-off terms of AB Alita
29/06/2009	Announcement Spin-Off Terms and draft balance sheets of the companies participating
30/06/2009	AB Alita shortens working week
20/07/2009	The reconstruction boiler-house
26/08/2009	Notice about an extraordinary general meeting of shareholders of AB Alita and an extraordinary general meeting of Company Group ALITA AB (Supplement)
27/08/2009	Consolidated non-audited rezults of AB Alita for the first half of 2009
03/09/2009	AB Alita allocated funding
08/09/2009	Draft resolutions of extraordinary general meetings of shareholders of AB Alita and Company Group ALITA AB that will take place on 29 September 2009

29/09/2009	Draft resolutions of extraordinary general meetings of shareholders of AB Alita
30/09/2009	AB Alita shortens working week
02/10/2009	Concerning the Project 'Export Promotion of AB Alita and AB Anyksčių Vynas apple Products and Research of New Opportunities'
07/10/2009	On reduction of share capital of AB Alita and on registration of Company Group ALITA AB
27/11/2009	Consolidated non-audited rezults of AB Alita for the nine months of 2009
18/02/2010	Due published information about cancelled agreement of privatization
20/02/2010	Due published information about cancelled agreement of privatization
23/02/2010	Due specification of published information
26/02/2010	Consolidated non-audited results of the year 2009
05/03/2010	On response to the claims on payment of penalties of the Share Fund of the Republic of Serbia and the Privatisation Agency of the Republic of Serbia

2.15. Risk factors related to the issuer's activity

The Company's activities may be affected by risks not yet known or which have not been experienced before the date of making this Prospectus public. In the event such risks should occur, the value of the investment into the Company's shares may reduce.

The information concerning risk factors disclosed in this Section should not be considered an exhaustive and comprehensive survey of all risk factors concerning the Company and its shares.

It is possible to indicate these principal risk factors that had the influence on the Company economic-financial activity in 2009 or able to have an influence in future.

Financing risk. Loans and interest rates

As at 31 December 2009, the Company has the following long-term loans: 17,636 thousand Euros and its repayment terms are 2011. The average variable interest rate for the loans was from 7.676 % to 4.301 % in 2009.

In June 2006, AB Alita and AB Hansabankas (later renamed into Swedbank, AB) concluded the Credit Line Agreement, according to which AB Alita was opened a credit line, granted a credit and a bank guarantee. Following the spin-off transaction resulting in the separation of Company Group ALITA AB from AB Alita, on 30 October 2009, the two companies and Swedbank, AB entered into a tripartite agreement. Pursuant to Article 6.5 of the Civil Code of the Republic of Lithuania, AB Alita and Company Group ALITA AB, acting as **solidary debtors**, will discharge the liabilities arising from the Credit Line Agreement in the following shares as specified in the Terms of the Spin-off:

Company Group ALITA AB is a successor to: (i) rights and obligations under the Credit Line Agreement where the amount of the credit disbursed whereof and outstanding as of the date of the execution the spin-off accounts for 7,819,740 Euros (26,999,998.27 Litas), and (ii) rights and obligations under the Credit Line Agreement where the amount of the credit disbursed whereof and outstanding as of the date of the execution the spin-off accounts for 44,999,500 Litas;

The share of the rights and obligations retained by AB Alita under the Credit Line Agreement is as follows: (i) share of the credit under the Credit Line Agreement outstanding as of the date of the execution the Spin-off of 17,952,000 Euros (61,984,665.60 Litas), and (ii) rights and the future obligations to Swedbank, AB according to the guarantee issued by the Bank on the basis of the Credit Line Agreement, i.e. an obligation to repay to Swedbank, AB the amount that the Bank, upon receipt of an appropriate payment claim from the guarantee beneficiary, would pay to the guarantee beneficiary from the funds of the Bank.

Risks associated with the dividends

The amount of the future dividends will mainly depend on the performance of the Company, its financial status, ability to create cash flows, the need for capital resources, etc. Furthermore, payment of dividends may be opposed by the Company's creditors if payment of dividend were in violation of the provisions of respective loan agreements. Therefore there are no guarantees that in the future the Company will be able to pay dividend.

2.16. The production stoppage or decrease, which influenced or has an essential influence on the Issuer's activities during the last 2 financial (economic) years

At the time of reorganization, all the production activity and all the attributed assets, rights and obligations to this activity was seperated from the AB Alita . figures related to the production actvities for the year that ended on 31 December 2009 were disclosed as discontinued activity.

3. HIGHLIGHTS OF THE YEAR

The reporting year was especially significant for Company Group ALITA AB because of the changes that were carried out in the Company. On 29 September 2009, the extraordinary general meeting of shareholders of AB Alita Group passed the Resolution to approve the Terms of the Spin-off of AB Alita, on the basis whereof, on 7 October 2009, all production activities with the assets, liabilities, rights, and obligations attributable to them were separated from AB Alita and Company Group ALITA AB was registered in the Register of Legal Entities. Having taken over raw materials, property, plant and equipment, inventories of low value, the rights to brand names and design, ISO standards, and having obtained new licenses for production, wholesale and retail sale of alcoholic beverages and retail sale of tobacco products, Company Group ALITA AB continues production, business and economic activities previously performed by AB Alita.

A detailed description of the compledted reorganisation of AB Alita can be found in the website of NASDAQ OMX Vilnius at www.nasdaqomxbaltic.com, in the Central Storage Facility at www.crib.lt or in the website www.alita.lt/investuotojams.

Subsequent events

On 19 February 2010 AB Alita has received by fax two official notifications from the Share Fund of the Republic of Serbia and the Privatisation Agency of the Republic of Serbia. The aforementioned institutions informed AB Alita that on 16 February 2010 the decision to terminate the 24 July 2007 share sale-purchase agreement of the 51,90242% shares (the Shares) of Beogradska Industrija Piva (BIP), concluded between the Share Fund of the Republic of Serbia and the Privatisation Agency of the Republic of Serbia, from one side, and AB Alita and United Nordic Beverages AB, acting as a consortium of legal entities (the Buyer), from the other side (the Privatisation Agreement) was adopted.

According to the Share Fund of the Republic of Serbia and the Privatisation Agency of the Republic of Serbia, the decision to terminate the Privatisation Agreement was adopted on the ground of Clauses (a), (c) and (f) of Article 8.7.1 of the Privatisation Agreement and Article 41a of the Law on Privatisation of the Republic of Serbia because the Buyer:

- failed to execute his obligation to make investments into the Company amounting to 2,600,000 Euros as indicated in Article 8.1.2 of the Privatisation Agreement;
- failed to secure that BIP would dispose its non-current assets in accordance with the provisions of the Privatisation Agreement and caused BIP to be put into the enforced settlement by way of sale of non-current assets of BIP or any other similar proceeding and did not take any actions in order to prevent such proceedings (Articles 8.2.2, 8.2.4, 8.2.11 and 8.2.12 of the Privatisation Agreement).

The Share Fund of the Republic of Serbia and the Privatisation Agency of the Republic of Serbia also indicates that the Buyer did not perform his obligation to announce a tender offer to buy the remaining shares of BIP as stipulated in Article 8.1.5 of the Privatisation Agreement.

Considering the abovementioned, the Share Fund of the Republic of Serbia and the Privatisation Agency of the Republic of Serbia has informed AB Alita that the Shares of BIP shall be transferred to the Share Fund of the Republic of Serbia.

In the abovementioned notifications the Share Fund of the Republic of Serbia and the Privatisation Agency of the Republic of Serbia have also indicated that according to breaches of the Privatisation Agreement and on the ground of Article 8.6 of the Privatisation Agreement, the decision to claim the following contractual penalties from the Buyer was adopted:

- to claim the fine amounting to 50% of the purchase price of the Shares – for the breach of obligation to make investments, as stipulated in Article 8.1.2 of the Privatisation Agreement;
- to claim the fine amounting to double value of the transferred fixed assets of BIP – for the breach of the obligation, stipulated in Article 8.2.2 of the Privatisation Agreement (i.e. for the failure to secure that BIP would dispose its fixed assets in accordance with the provisions of the Privatisation Agreement);
- to claim the fine amounting to 100% of the purchase price of the Shares – for the breach of the obligation, stipulated in Article 8.2.4 of the Privatisation Agreement (i.e. for causing BIP to be put into the enforced settlement by way of sale of BIP non-current assets or any other similar proceeding and failure to prevent such proceedings).

On 5 March 2010 AB Alita has informed the Share Fund of the Republic of Serbia and the Privatisation Agency of the Republic of Serbia, that it does not agree with such alleged breaches of the Privatization Agreement and, accordingly, the request to pay the penalties, deems such request as not reasonable and does not agree to pay the requested penalties; and also deems that the Share Fund of the Republic of Serbia and the Privatisation Agency of the Republic of Serbia have violated the contractual rights and applicable laws. Currently the Buyer together with its lawyers is still analysing the situation and possible strategies to challenge the aforementioned requests of the institutions of the Republic of Serbia.

4. THE PERSONNEL

In order to ensure proper functioning and continuity of the operating activities of Company Group ALITA AB and independent implementation of its functions, employees of AB ALITA were transferred to the company established after the spin-off transaction, Company Group ALITA AB, retaining a continuity of their employment. Therefore all the information about the employees of AB Alita in 2009 was transferred to the Annual report 2009 of Company Group ALITA AB. It can be accessed at the website NASDAQ OMX Vilnius www.nasdaqomx.com/vilnius, the Central Storage Facility at www.crib.lt and the website of AB Alita at www.alita.lt/investuotojams .

The average number of employess and average salary in Litas (excl. severance payments) of AB Alita in 2008-2009 according to personnel groups:

Employees	7 October – 31 December 2009			Comparative figures of 2009			2008		
	Amount	%	Average wages	Amount	%	Average wages	Amount	%	Average wages
Managers	2	66.7	1,096	5	1.9	13,539	5	1.6	15,489
Specialists and employees	1	33.3	55	102	39.6	2,132	116	35.9	2,483
Workers				151	58.5	1,412	202	62.5	1,686
Total:	3	100	1,123	258	100	1,932	323	100	2,186

The structure of the AB Alita employees in 2008-2009 m. according to education level:

Education level of the employees	7 October – 31 December 2009		Comparative figures of 2009		2008	
	Amount	%	Amount	%	Amount	%
University education	3	100	73	30.3	80	25.1
Professional high school education			85	35.3	118	37.0
Secondary education			82	34.0	116	36.4
Uncompleted secondary education			1	0.4	5	1.5
Total:	**3**	**100**	**241**	**100**	**319**	**100**

5. FINANCE

For the statement of financial position and the statement of comprehensive income of the AB Alita, refer to the audited financial statements as at 31 december 2009.

AB Alita losses from investment activity amounted 11 million Litas (3.2 million Euros) in year 2009. Total net result for the year 2008 amounted 12.6 million Litas (3.6 million Euros) losses.

Indicators of AB Alita:

Indicators	31/12/2008	31/12/2009
Debt and equity ratio	2.37	2.10
Gross debt ratio	0.70	0.68
Current ratio	0.57	0.06
ROA (return on assets), %	(0.4)	(13.6)
ROA (return on equity), %	(1)	(42)
Book value per share, Litas	1.47	1.26
Number of shares (thousand units)	50,827	23,673

On 31 December 2009, the asset value of the AB Alita amounted to 92.4 million Litas. The Company's non-current assets account for 98% and current assets for 2% of all assets.

On 1 January 2009 there were 50,827,209 of the AB Alita ordinary registered shares of the nominal value of one Litas, the total nominal value of which amounted to 50,821,209 of Litas.

Pursuing to the conditions of the spin-off, approved by the general shareholders meeting on 29 September 2009, the reduced share capital of AB Alita of 23,673,416 Litas comprising 23,673,416 ordinary registered shares with a nominal value of 1 Litas each and the new Company Group ALITA, AB, with share capital of 27,153,793 Litas, comprising 27,153,793 ordinary registered shares with a nominal value of 1 Litas each, were registered in the Register of Legal Entities on 7 October 2009. Terms of the Spin-off may be accessed at the Central Storage Facility at www.crib.lt, in the NASDAQ OMX Vilnius website www.nasdaqomx.com/vilnius and in the AB Alita website www.alita.lt

6. THE COMPANY'S PLANS AND PROJECTIONS

The Company's activities in 2010 will be determined by further situation with investment in Serbia, BIP. Currently it is hard to explicitly forecast further development as it will depend on the actions of the Privatization Agency of the Republic of Serbia. In any case, it is probable that legal dispute in one or other form is inevitable. Provess and form of the legal dispute will determine its duration and its potential results.

Because of the mentioned circumstances, it is currently impossible to forecast activity results of the Company for 2010.

Chairman of the Management Board Vytautas Junevičius

Annex 1

Disclosure form concerning the compliance with the Corporate Governance Code

The public AB ALITA, following Article 21 paragraph 3 of the Law on Securities of the Republic of Lithuania and item 24.5 of the Listing Rules of AB NASDAQ OMX Vilnius, discloses its compliance with the Corporate Governance Code for the Companies Listed on NASDAQ OMX Vilnius, and its specific provisions. In the event of non-compliance with the Code or with certain provisions thereof, it must be specified which provisions are not complied with and the reasons of non-compliance.

PRINCIPLES/ RECOMMENDATIONS	YES/NO /NOT APPLICABLE	COMMENTARY
Principle I: Basic Provisions **The overriding objective of a company should be to operate in common interests of all the shareholders by optimizing over time shareholder value.**		
1.1. A company should adopt and make public the company's development strategy and objectives by clearly declaring how the company intends to meet the interests of its shareholders and optimize shareholder value.	Yes	The Company publishes the policy of the Company development and objectives in the Company website press openly.
1.2. All management bodies of a company should act in furtherance of the declared strategic objectives in view of the need to optimize shareholder value.	Yes	The activity of the Board of the Company is concentrated on the implementing of the strategic objectives, the increase of the shareholders property
1.3. A company's supervisory and management bodies should act in close co-operation in order to attain maximum benefit for the company and its shareholders.	Yes	Every quarter the Board analyses and evaluates the information on the activity organization, financial state and economic activity presented by the Manager of the Company and makes the decisions that are useful for the Company and the shareholders.
1.4. A company's supervisory and management bodies should ensure that the rights and interests of persons other than the company's shareholders (e.g. employees, creditors, suppliers, clients, local community), participating in or connected with the company's operation, are duly respected.	Yes	The hot information is published in the websites of the Vilnius Stock Exchange and the Company, in the Republic press. The Company takes an active part in the town events, cooperates with the suppliers and creditors, organizes actions for the buyers, makes inquiries and evaluates the remarks and responses of the customers about the Company activities and production.
Principle II: The corporate governance framework **The corporate governance framework should ensure the strategic guidance of the company, the effective oversight of the company's management bodies, an appropriate balance and distribution of functions between the company's bodies, protection of the shareholders' interests.**		

2.1. Besides obligatory bodies provided for in the Law on Companies of the Republic of Lithuania – a general shareholders' meeting and the chief executive officer, it is recommended that a company should set up both a collegial supervisory body and a collegial management body. The setting up of collegial bodies for supervision and management facilitates clear separation of management and supervisory functions in the company, accountability and control on the part of the chief executive officer, which, in its turn, facilitate a more efficient and transparent management process.	No	There is no Supervisory Board in the Company, but mainly its functions are carried out by the Board.
2.2. A collegial management body is responsible for the strategic management of the company and performs other key functions of corporate governance. A collegial supervisory body is responsible for the effective supervision of the company's management bodies.	Yes	These functions in the Company are performed by the Collegial Management Body – the Board.
2.3. Where a company chooses to form only one collegial body, it is recommended that it should be a supervisory body, i.e. the supervisory board. In such a case, the supervisory board is responsible for the effective monitoring of the functions performed by the company's chief executive officer.	No	There is only one collegial body and it is the Board.
2.4. The collegial supervisory body to be elected by the general shareholders' meeting should be set up and should act in the manner defined in Principles III and IV. Where a company should decide not to set up a collegial supervisory body but rather a collegial management body, i.e. the board, Principles III and IV should apply to the board as long as that does not contradict the essence and purpose of this body.[1]	Yes	The collegial body elected by the General Meeting is the Board, and it presents recommendations to the Manager and which meets the Principles III and IV of the Company Management Codex as long as that does not contradict the Regulations of the Board work
2.5. Company's management and supervisory bodies should comprise such number of board (executive directors) and supervisory (non-executive directors) board members that no individual or small group of individuals can dominate decision-making on the part of these bodies.[2]	Yes	The Company Board consists of four members as it is approved in the Regulations of the AB ALITA.

[1] Provisions of Principles III and IV are more applicable to those instances when the general shareholders' meeting elects the supervisory board, i.e. a body that is essentially formed to ensure oversight of the company's board and the chief executive officer and to represent the company's shareholders. However, in case the company does not form the supervisory board but rather the board, most of the recommendations set out in Principles III and IV become important and applicable to the board as well. Furthermore, it should be noted that certain recommendations, which are in their essence and nature applicable exclusively to the supervisory board (e.g. formation of the committees), should not be applied to the board, as the competence and functions of these bodies according to the Law on Companies of the Republic of Lithuania (*Official Gazette*, 2003, No 123-5574) are different. For instance, item 3.1 of the Code concerning oversight of the management bodies applies to the extent it concerns the oversight of the chief executive officer of the company, but not of the board itself; item 4.1 of the Code concerning recommendations to the management bodies applies to the extent it relates to the provision of recommendations to the company's chief executive officer; item 4.4 of the Code concerning independence of the collegial body elected by the general meeting from the company's management bodies is applied to the extent it concerns independence from the chief executive officer.

[2] Definitions *'executive director'* and *'non-executive director'* are used in cases when a company has only one collegial body.

2.6. Non-executive directors or members of the supervisory board should be appointed for specified terms subject to individual re-election, at maximum intervals provided for in the Lithuanian legislation with a view to ensuring necessary development of professional experience and sufficiently frequent reconfirmation of their status. A possibility to remove them should also be stipulated however this procedure should not be easier than the removal procedure for an executive director or a member of the management board.	No	The non-executive directors (of the Supervisory Board) were not elected in the Company.
2.7. Chairman of the collegial body elected by the general shareholders' meeting may be a person whose current or past office constitutes no obstacle to conduct independent and impartial supervision. Where a company should decide not to set up a supervisory board but rather the board, it is recommended that the chairman of the board and chief executive officer of the company should be a different person. Former company's chief executive officer should not be immediately nominated as the chairman of the collegial body elected by the general shareholders' meeting. When a company chooses to departure from these recommendations, it should furnish information on the measures it has taken to ensure impartiality of the supervision.	No	Until 1 December 2009, the chairman of the Board and the Director of the Company is one and the same person. As of 1 December 2009, The Company has a new Director.
Principle III: The order of the formation of a collegial body to be elected by a general shareholders' meeting **The order of the formation a collegial body to be elected by a general shareholders' meeting should ensure representation of minority shareholders, accountability of this body to the shareholders and objective monitoring of the company's operation and its management bodies.[3]**		
3.1. The mechanism of the formation of a collegial body to be elected by a general shareholders' meeting (hereinafter in this Principle referred to as the 'collegial body') should ensure objective and fair monitoring of the company's management bodies as well as representation of minority shareholders.	Yes	The Board of the Company, elected in the General Meeting, allow the small shareholders to be interested in and comment on the activities and management of the Company.
3.2. Names and surnames of the candidates to become members of a collegial body, information about their education, qualification, professional background, positions taken and potential conflicts of interest should be disclosed early enough before the general shareholders' meeting so that the shareholders would have sufficient time to make an informed voting decision. All factors affecting the candidate's independence, the sample list of which is set out in Recommendation 3.7, should be also disclosed. The collegial body should also be informed on any subsequent changes in the provided information. The collegial body should, on yearly basis, collect data provided in this item on its members and disclose this in the company's annual report.	Yes	The candidates are discussed in the Company Board and given to the General Meeting. The information about the candidates is put in the papers of the General Meeting and the shareholders are able to get acquainted with it beforehand according to the Law on Companies of the Republic of Lithuania. The data on the members of the Board is compiled, specified and presented in the Annual Company Report.

[3] Attention should be drawn to the fact that in the situation where the collegial body elected by the general shareholders' meeting is the board, it is natural that being a management body it should ensure oversight not of all management bodies of the company, but only of the single-person body of management, i.e. the company's chief executive officer. This note shall apply in respect of item 3.1 as well.

3.3. Should a person be nominated for members of a collegial body, such nomination should be followed by the disclosure of information on candidate's particular competences relevant to his/her service on the collegial body. In order shareholders and investors are able to ascertain whether member's competence is further relevant, the collegial body should, in its annual report, disclose the information on its composition and particular competences of individual members which are relevant to their service on the collegial body.	Yes	The Board candidate informs the General Meeting about his/her education, working experience and expertise. The Board composition, the education of the members, working activity is given in the Annual Report.
3.4 In order to maintain a proper balance in terms of the current qualifications possessed by its members, the desired composition of the collegial body shall be determined with regard to the company's structure and activities, and have this periodically evaluated. The collegial body should ensure that it is composed of members who, as a whole, have the required diversity of knowledge, judgment and experience to complete their tasks properly. The members of the audit committee, collectively, should have a recent knowledge and relevant experience in the fields of finance, accounting and/or audit for the stock exchange listed companies. At least one of the members of the remuneration committee should have knowledge of and experience in the field of remuneration policy.	Yes	The members of the collegial body have the proper qualification, long-term expertise in the company management and versatile knowledge and experience to fulfill their tasks properly. The members of the audit committee have a recent knowledge and relevant experience in the fields of finance, accounting and/or audit for the stock exchange listed companies.
3.5. All new members of the collegial body should be offered a tailored program focused on introducing a member with his/her duties, corporate organization and activities. The collegial body should conduct an annual review to identify fields where its members need to update their skills and knowledge.	Yes	Members of the collegiate body have extensive experience in the enterprise management. Should new candidates be proposed, they would be acquainted with the situation in the Company and specifics of management.
3.6. In order to ensure that all material conflicts of interest related with a member of the collegial body are resolved properly, the collegial body should comprise a sufficient[4] number of independent[5] members.	No	There are no independent members in the composition of the Board

[4] The Code does not provide for a concrete number of independent members to comprise a collegial body. Many codes in foreign countries fix a concrete number of independent members (e.g. at least 1/3 or 1/2 of the members of the collegial body) to comprise the collegial body. However, having regard to the novelty of the institution of independent members in Lithuania and potential problems in finding and electing a concrete number of independent members, the Code provides for a more flexible wording and allows the companies themselves to decide what number of independent members is sufficient. Of course, a larger number of independent members in a collegial body is encouraged and will constitute an example of more suitable corporate governance.
[5] It is notable that in some companies all members of the collegial body may, due to a very small number of minority shareholders, be elected by the votes of the majority shareholder or a few major shareholders. But even a member of the collegial body elected by the majority shareholders may be considered independent if he/she meets the independence criteria set out in the Code.

3.7. A member of the collegial body should be considered to be independent only if he is free of any business, family or other relationship with the company, its controlling shareholder or the management of either, that creates a conflict of interest such as to impair his judgment. Since all cases when member of the collegial body is likely to become dependant are impossible to list, moreover, relationships and circumstances associated with the determination of independence may vary amongst companies and the best practices of solving this problem are yet to evolve in the course of time, assessment of independence of a member of the collegial body should be based on the contents of the relationship and circumstances rather than their form. The key criteria for identifying whether a member of the collegial body can be considered to be independent are the following: 1) He/she is not an executive director or member of the board (if a collegial body elected by the general shareholders' meeting is the supervisory board) of the company or any associated company and has not been such during the last five years; 2) He/she is not an employee of the company or some any company and has not been such during the last three years, except for cases when a member of the collegial body does not belong to the senior management and was elected to the collegial body as a representative of the employees; 3) He/she is not receiving or has been not receiving significant additional remuneration from the company or associated company other than remuneration for the office in the collegial body. Such additional remuneration includes participation in share options or some other performance based pay systems; it does not include compensation payments for the previous office in the company (provided that such payment is no way related with later position) as per pension plans (inclusive of deferred compensations); 4) He/she is not a controlling shareholder or representative of such shareholder (control as defined in the Council Directive 83/349/EEC Article 1 Part 1); 5) He/she does not have and did not have any material	No	There are no independent members in the composition of the Board

6) business relations with the company or associated company within the past year directly or as a partner, shareholder, director or superior employee of the subject having such relationship. A subject is considered to have business relations when it is a major supplier or service provider (inclusive of financial, legal, counseling and consulting services), major client or organization receiving significant payments from the company or its group; 7) He/she is not and has not been, during the last three years, partner or employee of the current or former external audit company of the company or associated company; 8) He/she is not an executive director or member of the board in some other company where executive director of the company or member of the board (if a collegial body elected by the general shareholders' meeting is the supervisory board) is non-executive director or member of the supervisory board, he/she may not also have any other material relationships with executive directors of the company that arise from their participation in activities of other companies or bodies; 9) He/she has not been in the position of a member of the collegial body for over than 12 years; 10) He/she is not a close relative to an executive director or member of the board (if a collegial body elected by the general shareholders' meeting is the supervisory board) or to any person listed in above items 1 to 8. Close relative is considered to be a spouse (common-law spouse), children and parents.		
3.8. The determination of what constitutes independence is fundamentally an issue for the collegial body itself to determine. The collegial body may decide that, despite a particular member meets all the criteria of independence laid down in this Code, he cannot be considered independent due to special personal or company-related circumstances.	No	The Company has not established additional criteria regarding independency of the Board members.
3.9. Necessary information on conclusions the collegial body has come to in its determination of whether a particular member of the body should be considered to be independent should be disclosed. When a person is nominated to become a member of the collegial body, the company should disclose whether it considers the person to be independent. When a particular member of the collegial body does not meet one or more criteria of independence set out in this Code, the company should disclose its reasons for nevertheless considering the member to be independent. In addition, the company should annually disclose which members of the collegial body it considers to be independent.	No	The Company does not apply the evaluation and disclosure practice of the independence of the Board members yet.

3.10. When one or more criteria of independence set out in this Code has not been met throughout the year, the company should disclose its reasons for considering a particular member of the collegial body to be independent. To ensure accuracy of the information disclosed in relation with the independence of the members of the collegial body, the company should require independent members to have their independence periodically re-confirmed.	No	There were no criteria of independence set out.
3.11. In order to remunerate members of a collegial body for their work and participation in the meetings of the collegial body, they may be remunerated from the company's funds.[6]. The general shareholders' meeting should approve the amount of such remuneration.	No	There are no independent members of the collegial body in the Company.
Principle IV: The duties and liabilities of a collegial body elected by the general shareholders' meeting **The corporate governance framework should ensure proper and effective functioning of the collegial body elected by the general shareholders' meeting, and the powers granted to the collegial body should ensure effective monitoring[7] of the company's management bodies and protection of interests of all the company's shareholders.**		
4.1. The collegial body elected by the general shareholders' meeting (hereinafter in this Principle referred to as the 'collegial body') should ensure integrity and transparency of the company's financial statements and the control system. The collegial body should issue recommendations to the company's management bodies and monitor and control the company's management performance.[8]	Yes	The Company collegial body is the Board which presents the General Meeting to confirm the recommendations and proposals on the Company annual report and financial accountability, the project of the profit-sharing

[6] It is notable that currently it is not yet completely clear, in what form members of the supervisory board or the board may be remunerated for their work in these bodies. The Law on Companies of the Republic of Lithuania (*Official Gazette*, 2003, No 123-5574) provides that members of the supervisory board or the board may be remunerated for their work in the supervisory board or the board by payment of annual bonuses (tantiems) in the manner prescribed by Article 59 of this Law, i.e. from the company's profit. The current wording, contrary to the wording effective before 1 January 2004, eliminates the exclusive requirement that annual bonuses (tantiems) should be the *only* form of the company's compensation to members of the supervisory board or the board. So it seems that the Law contains no prohibition to remunerate members of the supervisory board or the board for their work in other forms, besides bonuses, although this possibility is not expressly stated either.

[7] See Footnote 3.

[8] See Footnote 3. In the event the collegial body elected by the general shareholders' meeting is the board, it should provide recommendations to the company's single-person body of management, i.e. the company's chief executive officer.

4.2. Members of the collegial body should act in good faith, with care and responsibility for the benefit and in the interests of the company and its shareholders with due regard to the interests of employees and public welfare. Independent members of the collegial body should (a) under all circumstances maintain independence of their analysis, decision-making and actions (b) do not seek and accept any unjustified privileges that might compromise their independence, and (c) clearly express their objections should a member consider that decision of the collegial body is against the interests of the company. Should a collegial body have passed decisions independent member has serious doubts about, the member should make adequate conclusions. Should an independent member resign from his office, he should explain the reasons in a letter addressed to the collegial body or audit committee and, if necessary, respective company-not-pertaining body (institution).	Yes	The Company Board acts in good faith, in the interest of the Company and not in their own or third party interests.
4.3. Each member should devote sufficient time and attention to perform his duties as a member of the collegial body. Each member of the collegial body should limit other professional obligations of his (in particular any directorships held in other companies) in such a manner they do not interfere with proper performance of duties of a member of the collegial body. In the event a member of the collegial body should be present in less than a half[9] of the meetings of the collegial body throughout the financial year of the company, shareholders of the company should be notified.	Yes	The Company follows this recommendation. The members of the Board perform their duties well.
4.4. Where decisions of a collegial body may have a different effect on the company's shareholders, the collegial body should treat all shareholders impartially and fairly. It should ensure that shareholders are properly informed on the company's affairs, strategies, risk management and resolution of conflicts of interest. The company should have a clearly established role of members of the collegial body when communicating with and committing to shareholders.	Yes	The Board treated the Company shareholders fairly and impartially. The shareholders were informed according to the set Company regulations, there were no conflicts of interests.

[9] It is notable that companies can make this requirement more stringent and provide that shareholders should be informed about failure to participate at the meetings of the collegial body if, for instance, a member of the collegial body participated at less than 2/3 or 3/4 of the meetings. Such measures, which ensure active participation in the meetings of the collegial body, are encouraged and will constitute an example of more suitable corporate governance.

4.5. It is recommended that transactions (except insignificant ones due to their low value or concluded when carrying out routine operations in the company under usual conditions), concluded between the company and its shareholders, members of the supervisory or managing bodies or other natural or legal persons that exert or may exert influence on the company's management should be subject to approval of the collegial body. The decision concerning approval of such transactions should be deemed adopted only provided the majority of the independent members of the collegial body voted for such a decision.	Yes	The Company regulations state that the Board makes a decision on the long-term assets that balance value is more than 1/20 of the Company's authorized capital, investment, transfer, rental, soak and mortgage, voucher and reassurance, and to acquire long-term assets for the price higher than 1/20 of the authorized capital. The Board makes decisions to establish the Company subsidiaries and agencies or to stop their work, to appoint a manager of the Company, etc.
4.6. The collegial body should be independent in passing decisions that are significant for the company's operations and strategy. Taken separately, the collegial body should be independent of the company's management bodies[10]. Members of the collegial body should act and pass decisions without an outside influence from the persons who have elected it. Companies should ensure that the collegial body and its committees are provided with sufficient administrative and financial resources to discharge their duties, including the right to obtain, in particular from employees of the company, all the necessary information or to seek independent legal, accounting or any other advice on issues pertaining to the competence of the collegial body and its committees. When using the services of a consultant with a view to obtaining information on market standards for remuneration systems, the remuneration committee should ensure that the consultant concerned does not at the same time advice the human resources department, executive directors or collegial management organs of the company concerned.	No	Until 1 December 2009, the chairman of the Board and the Director of the Company is one and the same person. As of 1 December 2009, The Company has a new Director.

[10] In the event the collegial body elected by the general shareholders' meeting is the board, the recommendation concerning its independence from the company's management bodies applies to the extent it relates to the independence from the company's chief executive officer.

4.7. Activities of the collegial body should be organized in a manner that independent members of the collegial body could have major influence in relevant areas where chances of occurrence of conflicts of interest are very high. Such areas to be considered as highly relevant are issues of nomination of company's directors, determination of directors' remuneration and control and assessment of company's audit. Therefore when the mentioned issues are attributable to the competence of the collegial body, it is recommended that the collegial body should establish nomination, remuneration, and audit committees[11]. Companies should ensure that the functions attributable to the nomination, remuneration, and audit committees are carried out. However they may decide to merge these functions and set up less than three committees. In such case a company should explain in detail reasons behind the selection of alternative approach and how the selected approach complies with the objectives set forth for the three different committees. Should the collegial body of the company comprise small number of members, the functions assigned to the three committees may be performed by the collegial body itself, provided that it meets composition requirements advocated for the committees and that adequate information is provided in this respect. In such case provisions of this Code relating to the committees of the collegial body (in particular with respect to their role, operation, and transparency) should apply, where relevant, to the collegial body as a whole.	Yes	The Board does not include independent members. However, activities of the collegial body are organized in a way that provides large influence for its members over material issues, where conflicts of interests are highly possible. The issues related to nomination of directors of the Company, establishment of remuneration, control and evaluation are considered to be material issues. of the Company's audit. The functions of Audit Committee are established in Audit Committee Regulation approved in Shareholders meeting. The functions of Nomination and Remuneration committees are implemented by the Company Board.
4.8. The key objective of the committees is to increase efficiency of the activities of the collegial body by ensuring that decisions are based on due consideration, and to help organize its work with a view to ensuring that the decisions it takes are free of material conflicts of interest. Committees should exercise independent judgement and integrity when exercising its functions as well as present the collegial body with recommendations concerning the decisions of the collegial body. Nevertheless the final decision shall be adopted by the collegial body. The recommendation on creation of committees is not intended, in principle, to constrict the competence of the collegial body or to remove the matters considered from the purview of the collegial body itself, which remains fully responsible for the decisions taken in its field of competence.	Yes	Collegial body is fully responsible for decisions attributable to its field of competence. During the year, the Board received no notes or recommendations from the Audit Committee.
4.9. Committees established by the collegial body should normally be composed of at least three members. In companies with small number of members of the collegial body, they could exceptionally be composed of two members. Majority of the members of each committee should be constituted from independent members of the collegial body. In cases when the company chooses not to set up a	Yes	The Audit Committee consisted of 3 members, on the which is independent.

~~11~~The Law of the Republic of Lithuania on Audit (Official Gazette, 2008, No 82-53233) determines that an Audit Committee shall be formed in each public interest entity (including, but not limited to public companies whose securities are traded in the regulated market of the Republic of Lithuania and/or any other member state).

supervisory board, remuneration and audit committees should be entirely comprised of non-executive directors. Chairmanship and membership of the committees should be decided with due regard to the need to ensure that committee membership is refreshed and that undue reliance is not placed on particular individuals. Chairmanship and membership of the committees should be decided with due regard to the need to ensure that committee membership is refreshed and that undue reliance is not placed on particular individuals.		
4.10. Authority of each of the committees should be determined by the collegial body. Committees should perform their duties in line with authority delegated to them and inform the collegial body on their activities and performance on regular basis. Authority of every committee stipulating the role and rights and duties of the committee should be made public at least once a year (as part of the information disclosed by the company annually on its corporate governance structures and practices). Companies should also make public annually a statement by existing committees on their composition, number of meetings and attendance over the year, and their main activities. Audit committee should confirm that it is satisfied with the independence of the audit process and describe briefly the actions it has taken to reach this conclusion.	Yes	Audit Committee prepared Annual Report and Conclusions and presented them to the Board.
4.11. In order to ensure independence and impartiality of the committees, members of the collegial body that are not members of the committee should commonly have a right to participate in the meetings of the committee only if invited by the committee. A committee may invite or demand participation in the meeting of particular officers or experts. Chairman of each of the committees should have a possibility to maintain direct communication with the shareholders. Events when such are to be performed should be specified in the regulations for committee activities.	Yes	Audit Committee has the right to invite the Director of the Company, Board members (member), employees responsible for finance and accounting, as well as external auditors. Decisions and other written documents approved by the Audit Committee are presented to the Director of the Company and to the Board. Decisions and other written documents are recommendational for the Company.

4.12. Nomination Committee. 4.12.1. Key functions of the nomination committee should be the following: • Identify and recommend, for the approval of the collegial body, candidates to fill board vacancies. The nomination committee should evaluate the balance of skills, knowledge and experience on the management body, prepare a description of the roles and capabilities required to assume a particular office, and assess the time commitment expected. Nomination committee can also consider candidates to members of the collegial body delegated by the shareholders of the company; • Assess on regular basis the structure, size, composition and performance of the supervisory and management bodies, and make recommendations to the collegial body regarding the means of achieving necessary changes; • Assess on regular basis the skills, knowledge and experience of individual directors and report on this to the collegial body; • Properly consider issues related to succession planning; • Review the policy of the management bodies for selection and appointment of senior management. 4.12.2. Nomination committee should consider proposals by other parties, including management and shareholders. When dealing with issues related to executive directors or members of the board (if a collegial body elected by the general shareholders' meeting is the supervisory board) and senior management, chief executive officer of the company should be consulted by, and entitled to submit proposals to the nomination committee.	No	There is no Nomination committee in the Company. These functions in the Company are performed by the Collegial Management Body – the Board.
4.13. Remuneration Committee. 4.13.1. Key functions of the remuneration committee should be the following: • Make proposals, for the approval of the collegial body, on the remuneration policy for members of management bodies and executive directors. Such policy should address all forms of compensation, including the fixed remuneration, performance-based remuneration schemes, pension arrangements, and termination payments. Proposals considering performance-based remuneration schemes should be accompanied with recommendations on the related objectives and evaluation criteria, with a view to properly aligning the pay of executive director and members of the management bodies with the long-term interests of the shareholders and the objectives set by the collegial body; • Make proposals to the collegial body on the individual remuneration for executive directors and member of management bodies in order their remunerations are consistent with company's remuneration policy and the evaluation of the performance of these persons concerned. In doing so, the committee should be properly informed on the total compensation obtained by executive directors and members of the management bodies from the affiliated companies; • Ensure that remuneration of individual executive directors or members of management body is proportionate to the remuneration of other executive directors or members of management body and other staff members of the company; • Periodically review the remuneration policy for executive directors or members of management body, including the policy regarding share-based remuneration, and its implementation; • Make proposals to the collegial body on suitable forms of	No	There is no Remuneration committee in the Company. These functions in the Company are performed by the Collegial Management Body – the Board.

contracts for executive directors and members of the management bodies; • Assist the collegial body in overseeing how the company complies with applicable provisions regarding the remuneration-related information disclosure (in particular the remuneration policy applied and individual remuneration of directors); • Make general recommendations to the executive directors and members of the management bodies on the level and structure of remuneration for senior management (as defined by the collegial body) with regard to the respective information provided by the executive directors and members of the management bodies. 4.13.2. With respect to stock options and other share-based incentives which may be granted to directors or other employees, the committee should: • Consider general policy regarding the granting of the above mentioned schemes, in particular stock options, and make any related proposals to the collegial body; • Examine the related information that is given in the company's annual report and documents intended for the use during the shareholders meeting; • Make proposals to the collegial body regarding the choice between granting options to subscribe shares or granting options to purchase shares, specifying the reasons for its choice as well as the consequences that this choice has. 4.13.3. Upon resolution of the issues attributable to the competence of the remuneration committee, the committee should at least address the chairman of the collegial body and/or chief executive officer of the company for their opinion on the remuneration of other executive directors or members of the management bodies. 4.13.4. The remuneration committee should report on the exercise of its functions to the shareholders and be present at the annual general meeting for this purpose.		

4.14. Audit Committee. 4.14.1. Key functions of the audit committee should be the following: • Observe the integrity of the financial information provided by the company, in particular by reviewing the relevance and consistency of the accounting methods used by the company and its group (including the criteria for the consolidation of the accounts of companies in the group); • At least once a year review the systems of internal control and risk management to ensure that the key risks (inclusive of the risks in relation with compliance with existing laws and regulations) are properly identified, managed and reflected in the information provided; • Ensure the efficiency of the internal audit function, among other things, by making recommendations on the selection, appointment, reappointment and removal of the head of the internal audit department and on the budget of the department, and by monitoring the responsiveness of the management to its findings and recommendations. Should there be no internal audit authority in the company, the need for one should be reviewed at least annually; • Make recommendations to the collegial body related with selection, appointment, reappointment and removal of the external auditor (to be done by the general shareholders' meeting) and with the terms and conditions of his engagement. The committee should investigate situations that lead to a resignation of the audit company or auditor and make recommendations on required actions in such situations; • Monitor independence and impartiality of the external auditor, in particular by reviewing the audit company's compliance with applicable guidance relating to the rotation of audit partners, the level of fees paid by the company, and similar issues. In order to prevent occurrence of material conflicts of interest, the committee, based on the auditor's disclosed inter alia data on all remunerations paid by the company to the auditor and network, should at all times monitor nature and extent of the non-audit services. Having regard to the principals and guidelines established in the 16 May 2002 Commission Recommendation 2002/590/EC, the committee should determine and apply a formal policy establishing types of non-audit services that are (a) excluded, (b) permissible only after review by the committee, and (c) permissible without referral to the committee; • Review efficiency of the external audit process and responsiveness of management to recommendations made in the external auditor's management letter. 4.14.2. All members of the committee should be furnished with complete information on particulars of accounting, financial and other operations of the company. Company's management should inform the audit committee of the methods used to account for significant and unusual transactions where the accounting treatment may be open to different approaches. In such case a special consideration should be given to company's operations in offshore centers and/or activities carried out through special purpose vehicles (organizations) and justification of such operations.	Yes	The functions of Audit Committee are established in Audit Committee Regulation approved in Shareholders meeting. They comply with recommendations stated under item 4.14 of this Code.

4.14.3. The audit committee should decide whether participation of the chairman of the collegial body, chief executive officer of the company, chief financial officer (or superior employees in charge of finances, treasury and accounting), or internal and external auditors in the meetings of the committee is required (if required, when). The committee should be entitled, when needed, to meet with any relevant person without executive directors and members of the management bodies present. 4.14.4. Internal and external auditors should be secured with not only effective working relationship with management, but also with free access to the collegial body. For this purpose the audit committee should act as the principal contact person for the internal and external auditors. 4.14.5. The audit committee should be informed of the internal auditor's work program, and should be furnished with internal audit's reports or periodic summaries. The audit committee should also be informed of the work program of the external auditor and should be furnished with report disclosing all relationships between the independent auditor and the company and its group. The committee should be timely furnished information on all issues arising from the audit. 4.14.6. The audit committee should examine whether the company is following applicable provisions regarding the possibility for employees to report alleged significant irregularities in the company, by way of complaints or through anonymous submissions (normally to an independent member of the collegial body), and should ensure that there is a procedure established for proportionate and independent investigation of these issues and for appropriate follow-up action. 4.14.7. The audit committee should report on its activities to the collegial body at least once in every six months, at the time the yearly and half-yearly statements are approved.		
4.15. Every year the collegial body should conduct the assessment of its activities. The assessment should include evaluation of collegial body's structure, work organization and ability to act as a group, evaluation of each of the collegial body member's and committee's competence and work efficiency and assessment whether the collegial body has achieved its objectives. The collegial body should, at least once a year, make public (as part of the information the company annually discloses on its management structures and practices) respective information on its internal organization and working procedures, and specify what material changes were made as a result of the assessment of the collegial body of its own activities.	No	There is no practice of the assessment of the Board work and information about it.

Principle V: The working procedure of the company's collegial bodies

The working procedure of supervisory and management bodies established in the company should ensure efficient operation of these bodies and decision-making and encourage active co-operation between the company's bodies.

5.1. The company's supervisory and management bodies (hereinafter in this Principle the concept 'collegial bodies' covers both the collegial bodies of supervision and the collegial bodies of management) should be chaired by chairpersons of these bodies. The chairperson of a collegial body is responsible for proper convocation of the collegial body meetings. The chairperson should ensure that information about the meeting being convened and its agenda are communicated to all members of the body. The chairperson of a collegial body should ensure appropriate conducting of the meetings of the collegial body. The chairperson should ensure order and working atmosphere during the meeting.	Yes	The Board implements this recommendation.
5.2. It is recommended that meetings of the company's collegial bodies should be carried out according to the schedule approved in advance at certain intervals of time. Each company is free to decide how often to convene meetings of the collegial bodies, but it is recommended that these meetings should be convened at such intervals, which would guarantee an interrupted resolution of the essential corporate governance issues. Meetings of the company's supervisory board should be convened at least once in a quarter, and the company's board should meet at least once a month[12].	Yes	The Company Board organizes meetings not less than once a month.
5.3. Members of a collegial body should be notified about the meeting being convened in advance in order to allow sufficient time for proper preparation for the issues on the agenda of the meeting and to ensure fruitful discussion and adoption of appropriate decisions. Alongside with the notice about the meeting being convened, all the documents relevant to the issues on the agenda of the meeting should be submitted to the members of the collegial body. The agenda of the meeting should not be changed or supplemented during the meeting, unless all members of the collegial body are present or certain issues of great importance to the company require immediate resolution.	Yes	The members of the Board are informed about the future meeting in advance, the material for the discussion is handed in the fixed time.

[12] The frequency of meetings of the collegial body provided for in the recommendation must be applied in those cases when both additional collegial bodies are formed at the company, the board and the supervisory board. In the event only one additional collegial body is formed in the company, the frequency of its meetings may be as established for the supervisory board, i.e. at least once in a quarter.

5.4. In order to co-ordinate operation of the company's collegial bodies and ensure effective decision-making process, chairpersons of the company's collegial bodies of supervision and management should closely co-operate by co-coordinating dates of the meetings, their agendas and resolving other issues of corporate governance. Members of the company's board should be free to attend meetings of the company's supervisory board, especially where issues concerning removal of the board members, their liability or remuneration are discussed.	Yes	There is only the Board in the Company.
Principle VI: The equitable treatment of shareholders and shareholder rights **The corporate governance framework should ensure the equitable treatment of all shareholders, including minority and foreign shareholders. The corporate governance framework should protect the rights of the shareholders.**		
6.1. It is recommended that the company's capital should consist only of the shares that grant the same rights to voting, ownership, dividend and other rights to all their holders.	Yes	The authorized capital of the Company consists of the ordinary registered shares that give the same voting rights to all the shareholders.
6.2. It is recommended that investors should have access to the information concerning the rights attached to the shares of the new issue or those issued earlier in advance, i.e. before they purchase shares.	Yes	The Company gives the thorough information in the issuer's annual and half-year reports, that helps the investor to make the right conclusion concerning the acquisition of the shares. The information is published in the information system of the Vilnius Stock Exchange.
6.3. Transactions that are important to the company and its shareholders, such as transfer, investment, and pledge of the company's assets or any other type of encumbrance should be subject to approval of the general shareholders' meeting.[13] All shareholders should be furnished with equal opportunity to familiarize with and participate in the decision-making process when significant corporate issues, including approval of transactions referred to above, are discussed.	No	The Company regulations foresee the list of the Board decisions that can be made without the consent of the meeting. The possibility to get acquainted and to take part in making important decisions to the Company is not given to all the shareholders.
6.4. Procedures of convening and conducting a general shareholders' meeting should ensure equal opportunities for the shareholders to effectively participate at the meetings and should not prejudice the rights and interests of the shareholders. The venue, date, and time of the shareholders' meeting should not hinder wide attendance of the shareholders.	**Yes**	The announcement about the venue and date of the General Meeting is published in the information system of the NASDAQ OMX Vilnius, in the paper "Lietuvos Rytas" and posted in the Company website. The Manager of the Company and the Board permit the shareholders to get acquainted with the Company papers related to the agenda of the General Meeting, the terms and order foreseen in the Law on Companies of the Republic of Lithuania and in the Company Regulations.

[13] The Law on Companies of the Republic of Lithuania (*Official Gazette*, 2003, No 123-5574) no longer assigns resolutions concerning the investment, transfer, lease, mortgage or acquisition of the long-terms assets accounting for more than 1/20 of the company's authorised capital to the competence of the general shareholders' meeting. However, transactions that are important and material for the company's activity should be considered and approved by the general shareholders' meeting. The Law on Companies contains no prohibition to this effect either. Yet, in order not to encumber the company's activity and escape an unreasonably frequent consideration of transactions at the meetings, companies are free to establish their own criteria of material transactions, which are subject to the approval of the meeting. While establishing these criteria of material transactions, companies may follow the criteria set out in items 3, 4, 5 and 6 of paragraph 4 of Article 34 of the Law on Companies or derogate from them in view of the specific nature of their operation and their attempt to ensure uninterrupted, efficient functioning of the company.

6.5. If is possible, in order to ensure shareholders living abroad the right to access to the information, it is recommended that documents on the course of the general shareholders' meeting should be placed on the publicly accessible website of the company not only in Lithuanian language, but in English and /or other foreign languages in advance. It is recommended that the minutes of the general shareholders' meeting after signing them and/or adopted resolutions should be also placed on the publicly accessible website of the company. Seeking to ensure the right of foreigners to familiarize with the information, whenever feasible, documents referred to in this recommendation should be published in Lithuanian, English and/or other foreign languages. Documents referred to in this recommendation may be published on the publicly accessible website of the company to the extent that publishing of these documents is not detrimental to the company or the company's commercial secrets are not revealed.	Yes	The information, provided in these recommendations is posted in the information system of the NASDAQ OMX Vilnius, website www.nasdaqomx.com and website of the Company Group ALITA AB www.alita.lt, published in the paper "Lietuvos Rytas". The Lithuanian language is used in the press and English is used in the information system of the NASDAQ OMX Vilnius.
6.6. Shareholders should be furnished with the opportunity to vote in the general shareholders' meeting in person and in absentia. Shareholders should not be prevented from voting in writing in advance by completing the general voting ballot.	Yes	The Company makes it possible for the shareholders to vote by filling up a general voting bulletin in absentia, as it is foreseen by the Law on Companies of the Republic of Lithuania.
6.7. With a view to increasing the shareholders' opportunities to participate effectively at shareholders' meetings, the companies are recommended to expand use of modern technologies by allowing the shareholders to participate and vote in general meetings via electronic means of communication. In such cases security of transmitted information and a possibility to identify the identity of the participating and voting person should be guaranteed. Moreover, companies could furnish its shareholders, especially shareholders living abroad, with the opportunity to watch shareholder meetings by means of modern technologies.	Not applicable	The Company does not follow this regulation. There was no need and request of the shareholders.
Principle VII: The avoidance of conflicts of interest and their disclosure **The corporate governance framework should encourage members of the corporate bodies to avoid conflicts of interest and assure transparent and effective mechanism of disclosure of conflicts of interest regarding members of the corporate bodies.**		
7.1. Any member of the company's supervisory and management body should avoid a situation, in which his/her personal interests are in conflict or may be in conflict with the company's interests. In case such a situation did occur, a member of the company's supervisory and management body should, within reasonable time, inform other members of the same collegial body or the company's body that has elected him/her, or to the company's shareholders about a situation of a conflict of interest, indicate the nature of the conflict and value, where possible.	Yes	The members of the Company Board follow these recommendations.

7.2. Any member of the company's supervisory and management body may not mix the company's assets, the use of which has not been mutually agreed upon, with his/her personal assets or use them or the information which he/she learns by virtue of his/her position as a member of a corporate body for his/her personal benefit or for the benefit of any third person without a prior agreement of the general shareholders' meeting or any other corporate body authorized by the meeting.	No	There were no such cases. The order of making these agreements is not regulated in the Company.
7.3. Any member of the company's supervisory and management body may conclude a transaction with the company, a member of a corporate body of which he/she is. Such a transaction (except insignificant ones due to their low value or concluded when carrying out routine operations in the company under usual conditions) must be immediately reported in writing or orally, by recording this in the minutes of the meeting, to other members of the same corporate body or to the corporate body that has elected him/her or to the company's shareholders. Transactions specified in this recommendation are also subject to recommendation 4.5.	No	There were no such cases. The order of making these agreements is not regulated in the Company.
7.4. Any member of the company's supervisory and management body should abstain from voting when decisions concerning transactions or other issues of personal or business interest are voted on.	No	We follow these regulations only in these cases when the Board is discussing the problems of the payment of a member, Company Manager.

Principle VIII: Company's remuneration policy

Remuneration policy and procedure for approval, revision and disclosure of directors' remuneration established in the company should prevent potential conflicts of interest and abuse in determining remuneration of directors, in addition it should ensure publicity and transparency both of company's remuneration policy and remuneration of directors.

8.1. A company should make a public statement of the company's remuneration policy (hereinafter the remuneration statement) which should be clear and easily understandable. This remuneration statement should be published as a part of the company's annual statement as well as posted on the company's website.	No	The Company does not make a public statement of the Company's remuneration policy because it is the internal and confidential document of the Company. The general information on the average sizes of the payments of the separate groups of the workers and the total sum of the payoffs to the Company managers is stated in the Annual Report openly.
8.2. Remuneration statement should mainly focus on directors' remuneration policy for the following year and, if appropriate, the subsequent years. The statement should contain a summary of the implementation of the remuneration policy in the previous financial year. Special attention should be given to any significant changes in company's remuneration policy as compared to the previous financial year.	No	The Company Board does not follow this regulation.

8.3. Remuneration statement should leastwise include the following information: • Explanation of the relative importance of the variable and non-variable components of directors' remuneration; • Sufficient information on performance criteria that entitles directors to share options, shares or variable components of remuneration; • An explanation how the choice of performance criteria contributes to the long-term interests of the company; • An explanation of the methods, applied in order to determine whether performance criteria have been fulfilled; • Sufficient information on deferment periods with regard to variable components of remuneration; • Sufficient information on the linkage between the remuneration and performance; • The main parameters and rationale for any annual bonus scheme and any other non-cash benefits; • Sufficient information on the policy regarding termination payments; • Sufficient information with regard to vesting periods for share-based remuneration, as referred to in point 8.13 of this Code; • Sufficient information on the policy regarding retention of shares after vesting, as referred to in point 8.15 of this Code; • Sufficient information on the composition of peer groups of companies the remuneration policy of which has been examined in relation to the establishment of the remuneration policy of the company concerned; • A description of the main characteristics of supplementary pension or early retirement schemes for directors; • Remuneration statement should not include commercially sensitive information.	No	The Company Board does not follow this regulation.
8.4. Remuneration statement should also summarize and explain company's policy regarding the terms of the contracts executed with executive directors and members of the management bodies. It should include, inter alia, information on the duration of contracts with executive directors and members of the management bodies, the applicable notice periods and details of provisions for termination payments linked to early termination under contracts for executive directors and members of the management bodies.	No	The Company Board does not follow this regulation.

8.5. Remuneration statement should also contain detailed information on the entire amount of remuneration, inclusive of other benefits, that was paid to individual directors over the relevant financial year. This document should list at least the information set out in items 8.5.1 to 8.5.4 for each person who has served as a director of the company at any time during the relevant financial year. 8.5.1. The following remuneration and/or emoluments-related information should be disclosed: • The total amount of remuneration paid or due to the director for services performed during the relevant financial year, inclusive of, where relevant, attendance fees fixed by the annual general shareholders meeting; • The remuneration and advantages received from any undertaking belonging to the same group; • The remuneration paid in the form of profit sharing and/or bonus payments and the reasons why such bonus payments and/or profit sharing were granted; • If permissible by the law, any significant additional remuneration paid to directors for special services outside the scope of the usual functions of a director; • Compensation receivable or paid to each former executive director or member of the management body as a result of his resignation from the office during the previous financial year; • Total estimated value of non-cash benefits considered as remuneration, other than the items covered in the above points. 8.5.2. As regards shares and/or rights to acquire share options and/or all other share-incentive schemes, the following information should be disclosed: • The number of share options offered or shares granted by the company during the relevant financial year and their conditions of application; • The number of shares options exercised during the relevant financial year and, for each of them, the number of shares involved and the exercise price or the value of the interest in the share incentive scheme at the end of the financial year; • The number of share options unexercised at the end of the financial year; their exercise price, the exercise date and the main conditions for the exercise of the rights; • All changes in the terms and conditions of existing share options occurring during the financial year. 8.5.3. The following supplementary pension schemes-related information should be disclosed: • When the pension scheme is a defined-benefit scheme, changes in the directors' accrued benefits under that scheme during the relevant financial year; • When the pension scheme is defined-contribution scheme, detailed information on contributions paid or payable by the company in respect of that director during the relevant financial year. 8.5.4. The statement should also state amounts that the company or any subsidiary company or entity included in the consolidated annual financial report of the company has paid to each person who has served as a director in the company at any time during the relevant financial year in the form of loans, advance payments or guarantees, including the amount outstanding and the interest rate.	No	The Company Board does not follow this regulation.

8.6. Where the remuneration policy includes variable components of remuneration, companies should set limits on the variable component(s). The non-variable component of remuneration should be sufficient to allow the company to withhold variable components of remuneration when performance criteria are not met.	No	The Company Board does not follow this regulation.
8.7. Award of variable components of remuneration should be subject to predetermined and measurable performance criteria.	No	The Company Board does not follow this regulation.
8.8. Where a variable component of remuneration is awarded, a major part of the variable component should be deferred for a minimum period of time. The part of the variable component subject to deferment should be determined in relation to the relative weight of the variable component compared to the non-variable component of remuneration.	No	The Company Board does not follow this regulation.
8.9. Contractual arrangements with executive or managing directors should include provisions that permit the company to reclaim variable components of remuneration that were awarded on the basis of data which subsequently proved to be manifestly misstated.	No	There is no such practice in the Company.
8.10. Termination payments should not exceed a fixed amount or fixed number of years of annual remuneration, which should, in general, not be higher than two years of the non-variable component of remuneration or the equivalent thereof.	No	There is no such practice in the Company.
8.11. Termination payments should not be paid if the termination is due to inadequate performance.	No	There is no such practice in the Company.
8.12. The information on preparatory and decision-making processes, during which a policy of remuneration of directors is being established, should also be disclosed. Information should include data, if applicable, on authorities and composition of the remuneration committee, names and surnames of external consultants whose services have been used in determination of the remuneration policy as well as the role of shareholders' annual general meeting.	No	There is no such practice in the Company.
8.13. Shares should not vest for at least three years after their award.	Not applicable	There is no such practice in the Company.
8.14. Share options or any other right to acquire shares or to be remunerated on the basis of share price movements should not be exercisable for at least three years after their award. Vesting of shares and the right to exercise share options or any other right to acquire shares or to be remunerated on the basis of share price movements, should be subject to predetermined and measurable performance criteria.	Not applicable	There is no such practice in the Company.

8.15. After vesting, directors should retain a number of shares, until the end of their mandate, subject to the need to finance any costs related to acquisition of the shares. The number of shares to be retained should be fixed, for example, twice the value of total annual remuneration (the non-variable plus the variable components).	Not applicable	There is no such practice in the Company.
8.16. Remuneration of non-executive or supervisory directors should not include share options.	Not applicable	There is no such practice in the Company.
8.17. Shareholders, in particular institutional shareholders, should be encouraged to attend general meetings where appropriate and make considered use of their votes regarding directors' remuneration.	Not applicable	There is no such practice in the Company.
8.18. Without prejudice to the role and organization of the relevant bodies responsible for setting directors' remunerations, the remuneration policy or any other significant change in remuneration policy should be included into the agenda of the shareholders' annual general meeting. Remuneration statement should be put for voting in shareholders' annual general meeting. The vote may be either mandatory or advisory.	No	There is no such practice in the Company.
8.19. Schemes anticipating remuneration of directors in shares, share options or any other right to purchase shares or be remunerated on the basis of share price movements should be subject to the prior approval of shareholders' annual general meeting by way of a resolution prior to their adoption. The approval of scheme should be related with the scheme itself and not to the grant of such share-based benefits under that scheme to individual directors. All significant changes in scheme provisions should also be subject to shareholders' approval prior to their adoption; the approval decision should be made in shareholders' annual general meeting. In such case shareholders should be notified on all terms of suggested changes and get an explanation on the impact of the suggested changes.	No	There is no such practice in the Company.

8.20. The following issues should be subject to approval by the shareholders' annual general meeting: • Grant of share-based schemes, including share options, to directors; • Determination of maximum number of shares and main conditions of share granting; • The term within which options can be exercised; • The conditions for any subsequent change in the exercise of the options, if permissible by law; • All other long-term incentive schemes for which directors are eligible and which are not available to other employees of the company under similar terms. Annual general meeting should also set the deadline within which the body responsible for remuneration of directors may award compensations listed in this article to individual directors.	No	There is no such practice in the Company.
8.21. Should national law or company's Articles of Association allow, any discounted option arrangement under which any rights are granted to subscribe to shares at a price lower than the market value of the share prevailing on the day of the price determination, or the average of the market values over a number of days preceding the date when the exercise price is determined, should also be subject to the shareholders' approval.	No	There is no such practice in the Company.
8.22. Provisions of Articles 8.19 and 8.20 should not be applicable to schemes allowing for participation under similar conditions to company's employees or employees of any subsidiary company whose employees are eligible to participate in the scheme and which has been approved in the shareholders' annual general meeting.	No	There is no such practice in the Company.
8.23. Prior to the annual general meeting that is intended to consider decision stipulated in Article 8.19, the shareholders must be provided an opportunity to familiarize with draft resolution and project-related notice (the documents should be posted on the company's website). The notice should contain the full text of the share-based remuneration schemes or a description of their key terms, as well as full names of the participants in the schemes. Notice should also specify the relationship of the schemes and the overall remuneration policy of the directors. Draft resolution must have a clear reference to the scheme itself or to the summary of its key terms. Shareholders must also be presented with information on how the company intends to provide for the shares required to meet its obligations under incentive schemes. It should be clearly stated whether the company intends to buy shares in the market, hold the shares in reserve or issue new ones. There should also be a summary on scheme-related expenses the company will suffer due to the anticipated application of the scheme. All information given in this article must be posted on the company's website.	No	There is no such practice in the Company.

Principle IX: The role of stakeholders in corporate governance **The corporate governance framework should recognize the rights of stakeholders as established by law and encourage active co-operation between companies and stakeholders in creating the company value, jobs and financial sustainability. For the purposes of this Principle, the concept "stakeholders" includes investors, employees, creditors, suppliers, clients, local community and other persons having certain interest in the company concerned.**		
9.1. The corporate governance framework should assure that the rights of stakeholders that are protected by law are respected.	Yes	The Company Board tries to assure the rights of all the interested that are protected by the law.
9.2. The corporate governance framework should create conditions for the stakeholders to participate in corporate governance in the manner prescribed by law. Examples of mechanisms of stakeholder participation in corporate governance include: employee participation in adoption of certain key decisions for the company; consulting the employees on corporate governance and other important issues; employee participation in the company's share capital; creditor involvement in governance in the context of the company's insolvency, etc.	Yes	The interested can take part in the Company management as far as the laws of The Republic of Lithuania allow.
9.3. Where stakeholders participate in the corporate governance process, they should have access to relevant information.	Yes	The regulation is followed as far as it is allowed by the laws of the Republic of Lithuania.
Principle X: Information disclosure and transparency **The corporate governance framework should ensure that timely and accurate disclosure is made on all material information regarding the company, including the financial situation, performance and governance of the company.**		
10.1. The company should disclose information on: • The financial and operating results of the company; • Company objectives; • Persons holding by the right of ownership or in control of a block of shares in the company; • Members of the company's supervisory and management bodies, chief executive officer of the company and their remuneration; • Material foreseeable risk factors; • Transactions between the company and connected persons, as well as transactions concluded outside the course of the company's regular operations; • Material issues regarding employees and other stakeholders; • Governance structures and strategy. This list should be deemed as a minimum recommendation, while the companies are encouraged not to limit themselves to disclosure of the information specified in this list.	Yes, except item 4	The information, provided in these recommendations, except item 4, is disclosed in these sources: in the Annual Report, Consolidated Financial Accountability and in its Explanatory Note, in the Reports about the essential events. This information is posted in the website of the NASDAQ OMX Vilnius www.nasdaqomx.com, in the website of the Company Group ALITA AB www.alita.lt
10.2. It is recommended to the company, which is the parent of other companies, that consolidated results of the whole group to which the company belongs should be disclosed when information specified in item 1 of Recommendation 10.1 is under disclosure.	Yes	The consolidated results of the activities of the Company group are disclosed.

10.3. It is recommended that information on the professional background, qualifications of the members of supervisory and management bodies, chief executive officer of the company should be disclosed as well as potential conflicts of interest that may have an effect on their decisions when information specified in item 4 of Recommendation 10.1 about the members of the company's supervisory and management bodies is under disclosure. It is also recommended that information about the amount of remuneration received from the company and other income should be disclosed with regard to members of the company's supervisory and management bodies and chief executive officer as per Principle VIII.	Yes	The information on the qualification and the long-lived experience in the management of the members of the collegial body is disclosed in the Annual Report. The payment policy is not disclosed openly because it is the internal and confidential Company document. The general information on the average sizes of the payments and the total sum of the payoffs to the Company managers is stated in the Annual Report openly.
10.4. It is recommended that information about the links between the company and its stakeholders, including employees, creditors, suppliers, local community, as well as the company's policy with regard to human resources, employee participation schemes in the company's share capital, etc. should be disclosed when information specified in item 7 of Recommendation 10.1 is under disclosure.	No	There is no such practice in the Company.
10.5. Information should be disclosed in such a way that neither shareholders nor investors are discriminated with regard to the manner or scope of access to information. Information should be disclosed to all simultaneously. It is recommended that notices about material events should be announced before or after a trading session on the Vilnius Stock Exchange, so that all the company's shareholders and investors should have equal access to the information and make informed investing decisions.	Yes	The vital information is published in the website of the NASDAQ OMX Vilnius in Lithuanian and English, in the Company website in Lithuanian, in the paper "Lietuvos Rytas" in Lithuanian.
10.6. Channels for disseminating information should provide for fair, timely and cost-efficient or in cases provided by the legal acts free of charge access to relevant information by users. It is recommended that information technologies should be employed for wider dissemination of information, for instance, by placing the information on the company's website. It is recommended that information should be published and placed on the company's website not only in Lithuanian, but also in English, and, whenever possible and necessary, in other languages as well.	Yes	The vital information is published in the Company website www.alita.lt in Lithuanian and English.
10.7. It is recommended that the company's annual reports and other periodical accounts prepared by the company should be placed on the company's website. It is recommended that the company should announce information about material events and changes in the price of the company's shares on the Stock Exchange on the company's website too.	Yes	All the essential events of 2009, the Annual Report and the Financial Account were posted in the website of the Company.

Principle XI: The selection of the company's auditor **The mechanism of the selection of the company's auditor should ensure independence of the firm of auditor's conclusion and opinion.**		
11.1. An annual audit of the company's financial reports and interim reports should be conducted by an independent firm of auditors in order to provide an external and objective opinion on the company's financial statements.	Yes	The independent auditor carries out the audit of the Company interim financial accountability, the Company annual financial accountability and the audit of the annual report.
11.2. It is recommended that the company's supervisory board and, where it is not set up, the company's board should propose a candidate firm of auditors to the general shareholders' meeting.	Yes	The Company Board proposes a candidate firm of auditors to the General Meeting.
11.3. It is recommended that the company should disclose to its shareholders the level of fees paid to the firm of auditors for non-audit services rendered to the company. This information should be also known to the company's supervisory board and, where it is not formed, the company's board upon their consideration which firm of auditors to propose for the general shareholders' meeting.	Not applicable	The audit firm of the Company did not provide any non-audit services to the Company and so it did not receive any payment for it from the Company.