



AKCINĖ BENDROVĖ „ALITA“
JOINT STOCK COMPANY „ALITA“

To: Lithuanian securities Commission

26-02-2010 No. *S-10*

CONFIRMATION OF RESPONSIBLE PERSONS

Following the Article No.22 of Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information approved by Securities Commission of the Republic of Lithuania we, Vytautas Junevičius, General Director and Inga Bandziniene, Accountant-general since, hereby confirm that, to the our knowledge, the attached ALITA AB Consolidated Interim Financial Statements of 2009 prepared in accordance with International Financial Reporting Standards are true and fairly present assets, liabilities, financial position, profit or loss of ALITA AB.

General Director

Vytautas Junevičius

Accountant-general

Inga Bandziniene



AB ALITA

INTERIM FINANCIAL STATEMENTS
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009

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Company details

AB Alita

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

Board of Directors

Vytautas Junevičius
Vilmantas Pečiūra
Arvydas Jonas Stankevičius
Darius Veželis

Management

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

Auditor

KPMG Baltics, UAB

Banks

Swedbank, AB
Danske bankas A/S Lietuvos filialas

AB ALITA
Company code 149519891, Alytus, Miškininkų 17

Balance Sheet as of 31 December 2009

(LTL '000)

Note	2009	2008
ASSETS		
NON-CURRENT ASSETS		
4.	-	926
4.1	-	1.915
4.2	-	42.133
5.	-	41.366
5.	61.649	71.684
5.	-	5.747
5.	28.629	25.205
	-	2.443
	<u>90.278</u>	<u>191.419</u>
CURRENT ASSETS		
6.	-	16.959
7.	-	516
	-	1.951
8.	93	37.237
9.	1.989	3.207
10.	46	179
	<u>2.128</u>	<u>60.049</u>
	<u>92.406</u>	<u>251.468</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
SHAREHOLDERS' EQUITY		
11.	23.673	50.827
11.	-	5.083
11.	-	(3.157)
12.	6.126	21.863
	<u>29.799</u>	<u>74.616</u>
NON-CURRENT LIABILITIES		
14.	28.118	72.201
	-	-
	<u>28.118</u>	<u>72.201</u>
CURRENT LIABILITIES		
14.	33.810	73.333
	598	797
	57	11.795
	-	99
	-	-
13.	24	18.627
	<u>34.489</u>	<u>104.651</u>
	<u>92.406</u>	<u>251.468</u>

General Director

Vytautas Junevičius

Statement of Income for the twelve month period ended 31 December 2009

(LTL '000)

<u>Note</u>	<u>2009</u>	<u>2008</u>
CONTINUING ACTIVITIES		
18. NET SALES	-	92.633
Cost of sales	-	<u>(54.457)</u>
GROSS PROFIT	-	38.176
Other income	-	2.013
16. Selling and distribution expenses	-	(16.774)
16. General and administrative expenses	(86)	(20.417)
Other expenses	-	<u>(1.409)</u>
OPERATING PROFIT	(86)	1.589
17. Financial income	2.377	2.774
17. Financial expenses	(3.216)	(11.862)
Share of profit (loss) of equity accounted investees	<u>(10.035)</u>	<u>5.169</u>
PROFIT BEFORE INCOME TAX	(10.960)	(2.330)
Income tax	-	<u>1.306</u>
NET PROFIT FOR THE YEAR FROM CONTINUING ACTIVITIES	<u>(10.960)</u>	<u>(1.024)</u>
DISCONTINUED ACTIVITIES		
3. Gains (losses) from discontinued activities	(1.653)	-
NET PROFIT FOR THE YEAR	<u>(12.613)</u>	<u>(1.024)</u>
Basic earnings per share (LTL)	-0,53	-0,02

General Director

Vytautas Junevičius

AB ALITA
 Company code 149519891, Alytus, Miškininkų 17

Statement of Income for the October - December month period 2009

(LTL '000)

<u>Note</u>	October - December	
	2009	2008
	CONTINUING ACTIVITIES	
18.	NET SALES	32.616
	Cost of sales	(18.425)
	GROSS PROFIT	14.191
	Other income	355
16.	Selling and distribution expenses	(4.854)
16.	General and administrative expenses	(11.434)
	Other expenses	(289)
	OPERATING PROFIT	(2.031)
17.	Financial income	67
17.	Financial expenses	(3.252)
	Share of profit (loss) of equity accounted investees	3.603
	PROFIT BEFORE INCOME TAX	(1.613)
	Income tax	1.306
	NET PROFIT FOR THE YEAR FROM CONTINUING ACTIVITIES	(307)
	DISCONTINUED ACTIVITIES	
	Gains (losses) from discontinued activities	-
	NET PROFIT FOR THE YEAR	(705)
	Basic earnings per share (LTL)	-0,01

General Director



Vytautas Junevičius

AB ALITA

Statement of Changes in Equity for the twelve month period ended 31 December 2009

(LTL '000)

Note	Share capital	Compulsory reserve	Revaluation reserve	Retained earnings (deficit)	Total equity
Balance as of 31 December 2007	50.827	5.083	9.881	29.350	95.141
Share of profit (loss) of equity accounted investees				(3.922)	(3.922)
Balance as of 31 December 2007	50.827	5.083	9.881	25.428	91.219
Decrease in value of investments for sale	-	-	(15.571)		(15.571)
Deferred tax assets on unrealised gain			2.533		2.533
Dividends paid				(2.541)	(2.541)
Net profit for the year	-	-	-	(1.024)	(1.024)
Balance as of 31 December 2008	50.827	5.083	(3.157)	21.863	74.616
Increase (decrease) in value of investments for sale			1.588		1.588
Deferred tax assets (liabilities) on unrealised gain			(317)		(317)
Transfer of the discontinued production activities to the Company group ALITA AB	(27.154)	(5.083)	1.886	(3.124)	(33.475)
Net profit (loss) for the year	-	-	-	(12.613)	(12.613)
Balance as of 31 December 2009	<u>23.673</u>	<u>-</u>	<u>-</u>	<u>6.126</u>	<u>29.799</u>

General Director



Vytautas Junevičius

AB ALITA

Statement of Cash Flows for the twelve month period ended 31 December 2009

(LTL '000)

	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 amortisation	3.114	4.436
Change of impairment of trade accounts receivable (+)-	-	27
Change of impairment of property, plant and equipment	231	502
Write-off of property, plant and equipment	24	17
(Gain) loss from fixed assets sale	(193)	(42)
Impairment of deferred cost	180	803
Change of impairment of inventories (+)-	173	6.686
Write-off of inventories	107	160
Interest expenses	9.025	11.598
Interest income	(2.378)	(2.754)
Share of (profit) loss of equity accounted investees	10.035	(5.169)
Income tax expenses / (income)	-	151
Deferred income tax	(265)	(1.457)
	<u>7.440</u>	<u>13.934</u>
Changes in current assets and current liabilities:		
Decrease (increase) in inventories	8.678	5
Decrease (increase) in trade accounts receivable	11.498	11.027
Decrease (increase) in liabilities of subsidiary	288	1.020
(Increase) decrease in prepayments and deferred cost	1.470	(2.430)
Decrease (increase) in other accounts receivable	1.045	403
Increase (decrease) in trade accounts payable and accrued liabilities	(19.747)	(12.788)
Income tax paid	-	(2.530)
	<u>10.672</u>	<u>8.641</u>
Cash flow from (to) investing activities:		
Acquisition of property, plant and equipment	(3.774)	(1.356)
Acquisition of intangible fixed assets	(24)	(749)
Subsidy received	1.501	-
Transfer funds, related to the discontinued activities	(892)	-
Sale of property, plant and equipment	193	42
Interest received	2.378	2.754
	<u>(618)</u>	<u>691</u>
Cash flow from (to) financing activities:		
Loans issued	(3.424)	(25.205)
Repayment of issued loans	1	47
Loans received	7.043	47.277
(Repayment) of loans	(4.782)	(17.266)
Interest (paid)	(9.025)	(11.598)
Dividends (paid)	-	(2.541)
	<u>(10.187)</u>	<u>(9.286)</u>
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	46	179

General Director

Vytautas Junevičius

AB ALITA

Notes to the financial statements
for the twelve month period ended 31 December 2009
(LTL '000 unless otherwise stated)

1. Reporting entity

AB Alita (the Company) was established in 1963 and was re-registered as a state enterprise in 1990. In 1995 the Company was re-organised to a joint stock company.

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

The Company produces alcohol beverages, including sparkling wines, alcohol mixes, cider, wines, hard liqueurs, as well as concentrated fruit juice.

On September 29, 2009 the resolution to approve the Terms of the Spin-off of the AB ALITA was passed in the Extraordinary General Meeting and on October 7, 2009 the Company group ALITA AB was separated from the AB ALITA and registered. Both companies continue their activities after the Spin-off. In the course of separation two new controlling companies were established. AB ALITA develops and controls only the Investment Activities (related to shares held in the foreign companies). The Spin-off procedures were performed according to the Company Law.

At the time of reorganization all the production activity and all the attributed assets, rights and obligations to this activity was separated from the AB ALITA. The main purpose of the Spin-off of the AB ALITA is the reorganization of the activities of the AB ALITA, separating the investment activity of the AB ALITA from the production activity that is not related to the development of the investment activity.

After the spin-off the authorized capital of the ALITA AB amounts to 23 673 416 LTL. The nominal value of one share is LTL 1. The Company ALITA AB shares are enlisted in the Secondary Trade List of the NASDAQ OMX Vilnius Stock Exchange for the regulated trading.

A detailed description of the completed reorganisation of AB ALITA can be found in the website of NASDAQ OMX Vilnius at www.nasdaqomxbaltic.com or in the website www.alita.lt.

2. Significant accounting policies

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis of preparation

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

The preparation of the financial statements in conformity with IFRSs, as adopted by the European Union, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

AB ALITA

Notes to the financial statements
for the twelve month period ended 31 December 2009
(LTL '000 unless otherwise stated)

2. Significant accounting policies (cont'd)

Comparative figures

The Company's financial year begins on 1 January and ends on 31 December. As it is mentioned above, at the time of reorganization all the production activity and all the attributed assets, rights and obligations to this activity was separated from the AB ALITA. Figures related to the production activities for the year that ended on 31 December 2009 were disclosed as discontinued activity. The comparative figures for the year ended on 31 December 2008 are those from AB ALITA audited non-consolidated financial statements, where the associate investments is measured under the equity method. The effect of the equity method was restated by retrospectively adjusting the previous period's results.

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Certain items of property, plant and equipment that have been indexed in accordance with Lithuanian legislation prior to 1 January 2004, the date of transition to IFRSs, are measured on the basis of deemed cost, being the indexed amount at the date of the indexation less indexed accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labor and an appropriate proportion of production overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent costs

The Group recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item or major overhaul when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognized in the income statement as an expense as incurred.

Depreciation

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

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

AB ALITA

Notes to the financial statements
for the twelve month period ended 31 December 2009
(LTL '000 unless otherwise stated)

2. Significant accounting policies (cont'd)

Intangible assets

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

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

Inventories

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

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

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

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

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Impairment

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

Calculation of recoverable amount

The recoverable amount of the Company's receivables carried at amortized cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at the initial recognition of these financial assets). Receivables with a short duration are not discounted.

Dividends

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

AB ALITA

Notes to the financial statements
for the twelve month period ended 31 December 2009
(LTL '000 unless otherwise stated)

2. Significant accounting policies (cont'd)

Liabilities

Liabilities are initially recognized at fair value less direct costs related to occurrence of respective loan and other liabilities. Subsequent to initial recognition, liabilities are stated at amortized cost on an effective interest method basis. Short-term liabilities are not discounted.

Provisions

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

Revenue

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

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

Rental income is recognized in the income statement on a straight-line basis over the term of the lease. Revenue from disposal of assets is recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

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

Expenses

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

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

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

Income tax

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

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

AB ALITA

Notes to the financial statements

for the twelve month period ended 31 December 2009

(LTL '000 unless otherwise stated)

Earnings per share

The Company presents data of basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. During reporting periods there were no any dilutive potential ordinary shares issued by the Company.

Subsequent events

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

AB ALITA

Notes to the financial statements

(LTL '000 unless otherwise stated)

3. The business spin-off

On September 29, 2009 the resolution to approve the Terms of the Spin-off of the AB ALITA was passed in the Extraordinary General Meeting and on October 7, 2009 the Company group ALITA AB was separated from the AB ALITA and registered. Both companies continue their activities after the Spin-off Company Law.

In the course of separation, two new controlling companies were established - the AB "Alita" - one of which carries out and controls only the Investment Activities (related to shares held in the foreign companies), and the other - Company group ALITA AB - carries out and controls the main Production Activities (including activities related to the shares held in the Lithuanian companies).

The Company group ALITA AB was established and began its activity on the basis of the below given decisions, by the spin off of all the production activity and all the attributed assets, rights and obligations to this activity from the AB "Alita". The Company group ALITA AB pursues the production and economic-commercial activities by taking over the raw material, production material, the long-term assets and low-value assets, the rights to the trade-marks and designs, ISO standards and the new licences for the new production, wholesale and retail of the alcoholic drinks and retail of the tobacco production.

How the assets, equite and liabilities has been divided up after the reorganization of AB „Alita“ are summarised in the the reports below:

Discontinued activities

Results of discontinued activities :

	<u>2009</u>	<u>2008</u>
NET SALES	50.439	92.633
Cost of sales	<u>(32.353)</u>	<u>(54.457)</u>
GROSS PROFIT	18.086	38.176
Other income	1.136	2.013
Selling and distribution expenses	(4.710)	(16.774)
General and administrative expenses	(9.366)	(20.417)
Other expenses	<u>(789)</u>	<u>(1.409)</u>
OPERATING PROFIT	4.357	1.589
Financial income	2	135
Financial expenses	<u>(6.278)</u>	<u>(6.658)</u>
PROFIT BEFORE INCOME TAX	(1.919)	(4.934)
Income tax	<u>265</u>	<u>1.306</u>
NET PROFIT FOR THE YEAR	<u><u>(1.654)</u></u>	<u><u>(3.628)</u></u>
Basic earnings per share (LTL)	-0,06	-0,13

The loss from discontinued operation of LTL 1,654 thousand (2008 : loss of LTL 3,628 thousand) attributable entirely to the owners of the company AB Alita.

Cash flows from discontinued activities :

	<u>2009</u>	<u>2008</u>
Net cash used in operating activities	12.567	8.642
Net cash from investing activities	(2.103)	(1.948)
Net cash from financing activities	<u>(9.691)</u>	<u>(6.648)</u>
Net cash flows from (used in) discontinued activities :	<u>773</u>	<u>46</u>

AB ALITA

Notes to the financial statements

(LTL '000 unless otherwise stated)

Discontinued activities (cont'd)

	Transfer of the discontinued activities to the Company Group <u>ALITA AB</u>	Continuing activities <u>AB ALITA</u>
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	584	-
Investment property	1.619	-
Property, plant and equipment	43.200	-
Subsidiaries investments	41.366	-
Associate investments	-	70.437
Available-for-sale investments	7.336	-
Loans	-	28.629
Deferred income tax assets	2.391	-
Total non-current assets	<u>96.496</u>	<u>99.066</u>
CURRENT ASSETS		
Inventories	8.001	
Prepayments	817	
Prepayment income tax	-	
Trade accounts receivable	4.835	93
Subsidiaries accounts receivable	20.523	
Other accounts receivable	172	1.602
Cash and cash equivalents	892	83
Total current assets	<u>35.240</u>	<u>1.778</u>
TOTAL ASSETS	<u><u>131.736</u></u>	<u><u>100.844</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
SHAREHOLDERS' EQUITY		
Share capital	27.154	23.673
Compulsory reserve	5.083	-
Revaluation reserve	(1.886)	-
Retained earnings	3.124	15.062
Total shareholders' equity	<u>33.475</u>	<u>38.735</u>
Subsidy	1.501	-
Long-term bank loans and leasing liabilities	29.247	45.023
Deferred income tax liability		
Total non-current liabilities	<u>30.748</u>	<u>45.023</u>
CURRENT LIABILITIES		
Current portion of LT and short term bank and leasing liabilities	56.819	16.905
Short-term loans from subsidiaries	-	-
Trade accounts payable	7.361	-
Subsidiaries accounts payable	5	-
Income tax payable	-	-
Accrued liabilities	3.328	181
Total current liabilities	<u>67.513</u>	<u>17.086</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>131.736</u></u>	<u><u>100.844</u></u>

AB ALITA

Notes to the financial statements

(LTL '000 unless otherwise stated)

4. Intangible assets

	Software	Other intangible assets	Total
COST			
Balance as of 1 January 2008	953	360	1,313
Additions	390	359	749
Disposals and write offs			-
Balance as of 31 December 2008	<u>1.343</u>	<u>719</u>	<u>2.062</u>
ACCUMULATED DEPRECIATION AND IMPAIRMENT:			
Balance as of 1 January 2008	755	187	942
Amortization for the year	128	66	194
Disposals and write offs			-
Balance as of 31 December 2008	<u>883</u>	<u>253</u>	<u>1.136</u>
BOOK VALUE as of 31 December 2008	<u>460</u>	<u>466</u>	<u>926</u>
COST			
Balance as of 1 January 2009	1.343	719	2.062
Additions	23	-	23
Disposals and write offs			-
Transfers between captions			-
Transfer to the Company Group ALITA AB	(1.366)	(719)	(2.085)
Balance as of 31 December 2009	<u>-</u>	<u>-</u>	<u>-</u>
ACCUMULATED DEPRECIATION AND IMPAIRMENT:			
Balance as of 1 January 2009	883	253	1.136
Amortization for the year	227	138	365
Disposals and write offs			-
Transfer to the Company Group ALITA AB	(1.110)	(391)	(1.501)
Balance as of 31 December 2009	<u>-</u>	<u>-</u>	<u>-</u>
BOOK VALUE as of 31 December 2009	<u>-</u>	<u>-</u>	<u>-</u>

4.1 Investment property

	Total
COST	
Balance as of 1 January 2008	3.703
Additions	
Disposals and write offs	
Balance as of 31 December 2008	<u>3.703</u>
ACCUMULATED DEPRECIATION AND IMPAIRMENT:	
Balance as of 1 January 2008	1.193
Depreciation for the year	93
Disposals and write offs	
Impairment for the year	502
Balance as of 31 December 2008	<u>1.788</u>
BOOK VALUE as of 31 December 2008	<u>1.915</u>
COST	
Balance as of 1 January 2009	3.703
Additions	-
Disposals and write offs	-
Transfer to the Company Group ALITA AB	(3.703)
Balance as of 31 December 2009	<u>-</u>
ACCUMULATED DEPRECIATION AND IMPAIRMENT:	
Balance as of 1 January 2009	1.788
Depreciation for the year	76
Disposals and write offs	-
Impairment for the year	282
Transfer to the Company Group ALITA AB	(2.146)
Balance as of 31 December 2009	<u>-</u>
BOOK VALUE as of 31 December 2009	<u>-</u>

AB ALITA

Notes to the financial statements

(LTL '000 unless otherwise stated)

4.2 Property, plant and equipment

	Land	Buildings	Vehicles and equipment	Other tangible fixed assets	Construction in progress and prepayments	Total
COST						
January 2008	28	41.422	59.003	7.577	2.143	108.130
Additions		143	839	65	309	1.356
Disposals and write offs			(496)	(312)		(808)
Transfers between captions			117	(82)	(35)	-
December 2008	28	41.565	59.463	7.248	2.417	110.721
ACCUMULATED DEPRECIATION AND IMPAIRMENT:						
January 2008	-	16.071	42.392	6.767	-	62.474
Depreciation for the year		987	2.826	336		4.149
Disposals and write offs			(488)	(303)		(791)
December 2008	-	17.058	44.730	6.800	-	68.588
BOOK VALUE as of 31 December 2008	28	24.507	14.733	448	2.417	42.133
COST						
January 2009	28	41.565	59.463	7.248	2.417	110.721
Additions			673	9	3.092	3.774
Disposals and write offs			(1.068)	(78)		(1.146)
Transfers between captions						-
Transfer to the Company Group ALITA AB	(28)	(41.565)	(59.068)	(7.179)	(5.509)	(113.349)
December 2009	-	-	-	-	-	-
ACCUMULATED DEPRECIATION AND IMPAIRMENT:						
January 2009	-	17.058	44.730	6.800	-	68.588
Depreciation for the year		820	1.706	157		2.683
Disposals and write offs			(1.044)	(77)		(1.121)
Transfer to the Company Group ALITA AB		(17.878)	(45.392)	(6.880)		(70.150)
December 2009	-	-	-	-	-	-
BOOK VALUE as of 31 December 2009	-	-	-	-	-	-

AB ALITA

Notes to the financial statements

(LTL '000 unless otherwise stated)

5. Long-term financial asset

Subsidiary investments

Subsidiary investments consist of the following:

	2009	2008
AB Anykščių Vynas	-	33.365
UAB Alita Distribution	-	8.001
Total	<u>-</u>	<u>41.366</u>

Associate investments

In September 2007, on the basis of the Privatisation Agreement concluded between AB ALITA and the Serbian Privatisation Agency, AB ALITA acquired a 41.52 percent interest holding in the brewery Beogradska Industrija Piva in Belgrade consisting of 3,781,012 ordinary registered shares, each of 600 RSD in nominal value (equivalent to approximately LTL 26.28) for LTL 70,437,000. This investment is presented in the consolidated financial statements under the equity method, thus at the end of each accounting period the profit earned or loss incurred by the associate that accordingly increases or decreases the value of the investment is measured in relation to the share of the interest held.

During the twelve month period ended 31 December of 2009 the associated entity suffered a loss amount of LTL 24,170 thousand. Part of the loss related to the Company amounted to LTL 10,035 thousand Litass resulting in increase of the consolidated loss of the Company.

Associate investments consist of the following:

	2009	2008
Shares of associate	70.437	70.437
Accrued profit (loss)	(8.788)	1.247
Total	<u>61.649</u>	<u>71.684</u>

Available-for-sale investments

Available-for-sale investments consist of the following:

	2009	2008
AB Šiaulių Bankas shares	-	9.693
Other securities	-	-
Total	<u>-</u>	<u>9.693</u>
Impairment in the beginning of the year	-	(1)
Available-for-sale investments written-off	-	1
Impairment at the end of the year	-	-
Increase in value in the beginning of the year	(3.946)	11.625
Increase (decrease) in value during the year	1.589	(15.571)
Discontinued activities	2.357	-
Increase in value at the end of the year	-	(3.946)
Total	<u>-</u>	<u>5.747</u>

Loans issued

In 2008 -2009, on the basis of the loan agreement the AB ALITA granted the loan to United Nordic Beverages amount of LTL 28,629 thousand under the annual interest of 7.5–9.0 percent and repayable within two years (in June 2010 -EUR 7,791 thousand and in September 2011 - EUR 500 thousand).

AB ALITA

Notes to the financial statements

(LTL '000 unless otherwise stated)

6. Inventories

Inventories consist of:

	<u>2009</u>	<u>2008</u>
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	-	<u>23</u>
	-	23.775
Write down of inventories to the net realisable 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)
Discontinued activities	<u>391</u>	
Write down of inventories to the net realisable value at the end of the year	-	<u>(6.816)</u>
Total	<u>-</u>	<u>16.959</u>

7. Prepayments

Prepayments consist of:

	<u>2009</u>	<u>2008</u>
Prepayments to local suppliers	-	158
Prepayments to foreign suppliers	-	210
Deferred cost	-	<u>951</u>
Total	<u>-</u>	<u>1.319</u>
Impairment of prepayments and deferred cost in the beginning of the year	(803)	-
Additional impairment during the year	(180)	(803)
Discontinued activities	<u>983</u>	-
Impairment at the end of the year	-	<u>(803)</u>
Total	<u>-</u>	<u>516</u>

8. Trade accounts receivable

Trade accounts receivable consist of:

	<u>2009</u>	<u>2008</u>
Trade accounts receivable	93	16.568
Trade accounts receivable from subsidiaries	-	20.811
Impairment in the beginning of the year	(142)	(115)
Additional impairment during the year	-	(27)
Discontinued activities	<u>142</u>	
Impairment at the end of the year	-	<u>(142)</u>
Total	<u>93</u>	<u>37.237</u>

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Notes to the financial statements

(LTL '000 unless otherwise stated)

9. Other accounts receivable

Other accounts receivable consist of:

	2009	2008
Loans issued		12
Accrued interest	1.592	2.644
Other accounts receivable	397	681
Total	1.989	3.337
Impairment in the beginning of the year	(130)	(130)
Other accounts receivable written-off	130	
Additional impairment during the year	-	-
Impairment at the end of the year	-	(130)
Total	1.989	3.207

The accrued interest includes the amounts of interest income accrued in relation to the loans granted to United Nordic Beverages. The balance of the other accounts receivable amount is represented by the payment by AB ALITA to the Serbian Privatisation Agency.

10. Cash and cash equivalents

	2009	2008
Cash in banks	46	95
Cash on hand	-	24
Total	46	119

11. Shareholders' equity

Share capital

Pursuing to the conditions of the spin-off, approved by the general shareholders meeting on September 29, 2009, the reduced share capital of AB ALITA of LTL 23 673 416, comprising 23,673,416 ordinary registered shares with a nominal value of 1 Litas each and the new company ALITA Group AB, with share capital of LTL 27 153 793, comprising 23,673,416 ordinary registered shares with a nominal value of 1 Litas each, were registered in the register of legal entities on October 7, 2009. The detail information is given in the website : www.alita.lt.

The share capital is 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.

Revaluation reserve

	2009	2008
Increase (decrease) in value of AB Šiaulių Bankas shares	-	(3.946)
Deferred income tax	-	789
Total	-	(3.157)

Profit distribution

As at 2008 was not paid dividends.

AB ALITA

Notes to the financial statements

(LTL '000 unless otherwise stated)

12. Basic earnings per share

Basic earnings per share are calculated as follows:

	2009	2008
Net profit, attributable to the shareholders	(12.613)	(1.024)
Number of shares (thousand)	23.673	50.827
Earnings (loss) per share (LTL)	<u>-0.53</u>	<u>-0.02</u>

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

13. Accrued liabilities

Accrued liabilities are listed below:

	2009	2008
Excise duty	-	8.353
Value added tax (VAT)	12	4.202
Packaging tax	-	2.316
Advances received	-	1.782
Salaries	2	414
Accrued social security tax	1	239
Withholding income tax	1	78
Vacation pay	-	843
Other accrued liabilities	8	400
Total	<u>24</u>	<u>18.627</u>

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

	2009	2008
Long-term loans	28.118	72.080
Long-term leasing liabilities	-	121
Total long-term liabilities	<u>28.118</u>	<u>72.201</u>
Current portion of long-term loan	33.810	16.905
Credit line payable	-	52.794
Overdraft	-	3.483
Current portion of long-term leasing liabilities	-	151
Total short-term liabilities	<u>33.810</u>	<u>73.333</u>

As at December 31, 2009 The Company has a long-term loan amounting to EUR 17,626 thousand and its repayment terms is the year 2011. The average variable rate of this loan 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 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 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:

COMPANY GROUP 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 of the date of the Terms of the Spin-off is EUR 7,819 thousand (equivalent in Litas – LTL 27,000 thousand), 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 LTL 45,000 thousand;

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 of the date of the Spin-Off Terms is EUR 17,952 thousand (equivalent in litas – LTL 61,985 thousand), 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 long-term debt was secured by pledging the property, plant, equipment, inventories, all current and future funds in banks, as well as trademarks owned by the Company Group ALITA AB that was established after the reorganization; also property, equipment, inventories and trademarks of AB Anykščių vynos.

AB ALITA

Notes to the financial statements

(LTL '000 unless otherwise stated)

15. Selling and distribution expenses

Selling and distribution expenses consist of:

	For the twelve month period ended 31 December	
	2009	2008
Advertising	-	13,615
Warehousing	-	1,017
Sales and marketing departments' expenses	-	1,370
Transportation and logistics	-	703
Other	-	69
Total	-	16,774
	October-December	
	2009	2008
Advertising	-	4,078
Warehousing	-	251
Sales and marketing departments' expenses	-	321
Transportation and logistics	-	204
Other	-	-
Total	-	4,854

16. General and administrative expenses

General and administrative expenses consist of:

	For the twelve month period ended 31 December	
	2009	2008
Salaries, wages and social security	9	4,009
Redundancy compensations	-	81
Other employee related cost	-	94
Tax expenses (other than income tax)	12	2,882
Maintenance and repairs	-	1,177
Energy expenses	-	219
Depreciation and amortization	-	1,082
Professional services	62	333
Insurance expenses	-	157
Bank fees	-	23
Impairment of investment property	-	502
Change in impairment of trade and other accounts receivable, deferred cost and prepayments	-	830
Charity	-	504
Change in write down for obsolete and slow moving inventories	-	6,689
Other	3	1,835
Total	86	20,417
	October-December	
	2009	2008
Salaries, wages and social security	9	986
Redundancy compensations	-	33
Other employee related cost	-	6
Tax expenses (other than income tax)	12	1,077
Maintenance and repairs	-	319
Energy expenses	-	63
Depreciation and amortization	-	227
Professional services	62	89
Insurance expenses	-	52
Bank fees	-	4
Impairment of investment property	-	502
Change in impairment of trade and other accounts receivable, deferred cost and prepayments	-	830
Charity	-	11
Change in write down for obsolete and slow moving inventories	-	6,686
Other	3	549
Total	86	11,434

The Company employed 3 employees as at 31 December 2009 (319 employees as at 31 December 2008).

AB ALITA

Notes to the financial statements

(LTL '000 unless otherwise stated)

17. Financial income (expenses)

Financial income (expenses) consist of:

	For the twelve month period ended 31 December	
	2009	2008
Interest income	2.377	2.645
Gain from available-for-sale investments disposal	-	-
Other financial income	-	129
Total	2.377	2.774
Interest expenses on loans	(2.953)	(11.598)
Currency exchange gain (loss), net	-	(13)
Other financial expenses	(263)	(251)
Total	(3.216)	(11.862)
	October-December	
	2009	2008
Interest income	548	99
Gain from available-for-sale investments disposal	-	-
Other financial income	-	(32)
Total	(2.931)	67
Interest expenses on loans	(543)	(3.145)
Currency exchange gain (loss), net	-	23
Other financial expenses	(70)	(130)
Total	(613)	(3.252)

18. Information according to business and geographic segments

	For the twelve month period ended 31 December	
	2009	2008
Business segments		
Wholesale alcoholic drinks	-	-
Alcoholic products	-	90.241
Apple products	-	673
Unallocated	-	1.719
Total	-	92.633
Geographic segments		
Revenue from domestic market customers	-	85.030
Revenue from foreign customers	-	7.604
Total	-	92.633
	October-December	
	2009	2008
Business segments		
Wholesale alcoholic drinks	-	-
Alcoholic products	-	32.139
Apple products	-	-
Unallocated	-	477
Total	-	32.616
Geographic segments		
Revenue from domestic market customers	-	30.453
Revenue from foreign customers	-	2.163
Total	-	32.616

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Notes to the financial statements

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19. Transactions with related parties

During the year the Company had transactions with the following related parties

AB Anykščių Vynas
UAB Alita Distribution
UAB Vilkmergės alus
Company Group ALITA, AB

Transactions during the year with the above mentioned companies are summarised below:

Transactions with related parties

	<u>2009</u>		<u>2008</u>
Sales to related parties	24.291 *		28.621
Purchases from related parties	800 *		3.519

* Transactions with the above mentioned companies from discontinued activities.

The accounts receivable from related parties

	<u>2009</u>		<u>2008</u>
Subsidiaries	-		20.811
Company Group ALITA, AB	93		-

The amounts payable to related parties

	<u>2009</u>		<u>2008</u>
Subsidiaries	-		99
Short-term loans	598		797

During 2009 the Company's management was paid LTL 631 thousand salaries (LTL 931 thousand in 2008). As at 2009 was not paid dividends(LTL 2,129 thousand in 2008).

Guarantees, warranties issued

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

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

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

AB ALITA

Notes to the financial statements

(LTL '000 unless otherwise stated)

20. Subsequent events

On 19 February 2010 public company 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 public company 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 Akcionarsko društvo Beogradska industrija piva (the Company), concluded between the Share Fund of the Republic of Serbia and the Privatisation Agency of the Republic of Serbia, from one side, and public company 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 EUR 2 600 000 as indicated in Article 8.1.2 of the Privatisation Agreement;

- failed to secure that the Company would dispose its fixed assets in accordance with the provisions of the Privatisation Agreement and caused the Company to be put into the enforced settlement by way of sale of Company's fixed 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 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 the Company 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 public company 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 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 into the Company, 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 the Company - for the breach of the obligation, stipulated in Article 8.2.2 of the Privatisation Agreement (i.e. for the failure to secure that the Company 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 the Company to be put into the enforced settlement by way of sale of Company's fixed assets or any other similar proceeding and failure to prevent such proceedings).

On 5 March 2010 public company „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.

21. Information about audit

Consolidated interim financial statements was not audited. An audit will be perform for the full financial year 2009.

The comparative information is taken from financial statements for the year 2008, which was prepared and audited in accordance with International Financial Reporting Standarts as adopted by European Union, where the associate investments is measured under the equity method. The effect of the equity method was restated by retrospectively adjusting the previous period's results.