



AKCINĖ BENDROVĖ „ALITA“
JOINT STOCK COMPANY „ALITA“

To: Lithuanian securities Commission

26-05-2010 No. S-23

CONFIRMATION OF RESPONSIBLE PERSONS

Following the 22nd Article of the Lithuania's Republic's stocks law and also following the Laws of the periodic and fill-in information arrangements and presentations, we, responsible persons, hereby confirm that the attached the ALITA AB Interim Financial Statements for the first quarter, 2010 is not verified by auditors, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of ALITA AB.

General Director

Vytautas Junevičius

Accountant-general

Inga Bandziniene



AB ALITA

INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2010

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Company details

AB Alita

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

Board of Directors

Vytautas Junevičius
Vilmantas Pečiūra
Arvydas Jonas Stankevičius
Darius Vėželis

Management

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

Auditor

KPMG Baltics, UAB

Banks

Swedbank, AB
Danske bankas A/S Lietuvos filialas

Statement of financial position as of 31 March 2010

(LTL '000)

<u>Note</u>	<u>31 March 2010</u>	<u>31 December 2009</u>
ASSETS		
NON-CURRENT ASSETS		
4.	70.626	61.649
5.	28.629	28.629
	-	-
	<u>99.255</u>	<u>90.278</u>
CURRENT ASSETS		
	1	-
6.	87	93
7.	2.524	1.989
8.	10	46
	<u>2.622</u>	<u>2.128</u>
	<u>101.877</u>	<u>92.406</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
SHAREHOLDERS' EQUITY		
	23.673	23.673
	-	-
	6.050	6.126
	<u>29.723</u>	<u>29.799</u>
NON-CURRENT LIABILITIES		
12.	28.118	28.118
	-	-
	<u>28.118</u>	<u>28.118</u>
CURRENT LIABILITIES		
12.	42.774	33.810
	1.194	598
	60	57
11.	8	24
	<u>44.036</u>	<u>34.489</u>
	<u>101.877</u>	<u>92.406</u>

General Director



Vytautas Junevičius

Statement of comprehensive income for the three month period ended 31 March 2010

(LTL '000)

Note	For the three month period ended 31 March	
	2010	2009
	CONTINUING ACTIVITIES	
	NET SALES	-
	Cost of sales	-
	GROSS PROFIT	-
	Other income	-
	Selling and distribution expenses	-
13.	General and administrative expenses	(18)
	Other expenses	-
	OPERATING PROFIT	(18)
14.	Financial income	536
14.	Financial expenses	(594)
	Net finance cost	(58)
	Share of profit (loss) of equity accounted investees	-
	PROFIT BEFORE INCOME TAX	(76)
	Income tax	-
	NET PROFIT FOR THE YEAR FROM CONTINUING ACTIVITIES	(76)
	DISCONTINUED ACTIVITIES	
3.	Gains (losses) from discontinued activities	-
	NET PROFIT FOR THE YEAR	(76)
	OTHER COMPREHENSIVE INCOME	
	Increase (decrease) in value of available-for-sale financial assets	-
	Effect of deferred tax	247
	TOTAL OTHER COMPREHENSIVE INCOME	(989)
	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(76)
	Basic and diluted earnings (loss) per share (in Litas)	
	From continuing operations	0,00
	From discontinued operations	-0,17
		0,00
		-0,14

General Director



Vytautas Junevičius

Statement of Changes in Equity for the three month period ended 31 March 2010

(LTL '000)

Note	Share capital	Compulsory reserve	Revaluation reserve	Retained earnings (deficit)	Total equity
Balance as of 31 December 2008	<u>50.827</u>	<u>5.083</u>	<u>(3.157)</u>	<u>21.863</u>	<u>74.616</u>
Comprehensive income					
Net profit for the year	-	-	-	(7.324)	(7.324)
Other comprehensive income					
Increase (decrease) in value of available-for-sale financial assets			(1.236)		(1.236)
Effect of deferred tax			247		247
Total other comprehensive income	<u>-</u>	<u>-</u>	<u>(989)</u>	<u>-</u>	<u>(989)</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>(989)</u>	<u>(7.324)</u>	<u>(8.313)</u>
Balance as of 31 March 2009	<u>50.827</u>	<u>5.083</u>	<u>(4.146)</u>	<u>14.539</u>	<u>66.303</u>
Comprehensive income					
Net profit for the year	-	-	-	(5.289)	(5.289)
Other comprehensive income					
Increase (decrease) in value of available-for-sale financial assets			2.824		2.824
Effect of deferred tax			(564)		(564)
Total other comprehensive income	<u>-</u>	<u>-</u>	<u>2.260</u>	<u>-</u>	<u>2.260</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>2.260</u>	<u>(5.289)</u>	<u>(3.029)</u>
Transfer of the discontinued production activities to the Company group ALITA AB	(27.154)	(5.083)	1.886	(3.124)	(33.475)
Balance as of 31 December 2009	<u>23.673</u>	<u>-</u>	<u>-</u>	<u>6.126</u>	<u>29.799</u>
Comprehensive income					
Net profit for the year	-	-	-	(76)	(76)
Total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>(76)</u>	<u>(76)</u>
Balance as of 31 March 2010	<u>23.673</u>	<u>-</u>	<u>-</u>	<u>6.050</u>	<u>29.723</u>

General Director



Vytautas Junevičius

AB ALITA

Statement of Cash Flows for the three month period ended 31 March 2010

(LTL '000)

	For the three month period ended 31 March	
	<u>2010</u>	<u>2009</u>
Cash flow from (to) operating activities:		
Net profit	(76)	(7.324)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortisation	-	976
Write-off of property, plant and equipment	-	63
(Gain) loss from fixed assets sale	-	(98)
Write-off of inventories	-	7
Interest expenses	549	2.858
Interest income	(536)	(740)
Share of (profit) loss of equity accounted investees	-	3.492
Deferred income tax	-	-
	<u>(63)</u>	<u>(766)</u>
Changes in current assets and current liabilities:		
Decrease (increase) in inventories	-	2.923
Decrease (increase) in trade accounts receivable	6	12.630
Decrease (increase) in liabilities of subsidiary	-	4.985
(Increase) decrease in prepayments and deferred cost	(1)	-
Decrease (increase) in other accounts receivable	(535)	2.682
Increase (decrease) in trade accounts and other amounts payable	(13)	(16.034)
Income tax paid	-	(652)
	<u>(606)</u>	<u>5.768</u>
Cash flow from (to) investing activities:		
Associate investments	(8.977)	-
Sale of property, plant and equipment	-	98
Interest received	536	740
	<u>(8.441)</u>	<u>838</u>
Cash flow from (to) financing activities:		
Loans issued	-	(3.424)
Repayment of issued loans	-	(1)
Loans received	9.573	4.000
(Repayment) of loans	(13)	(4.317)
Interest (paid)	(549)	(2.858)
Dividends (paid)	-	-
	<u>9.011</u>	<u>(6.600)</u>
Increase (decrease) in cash and cash equivalents	(36)	6
Cash and cash equivalents in the beginning of the period	46	179
Cash and cash equivalents at the end of the period	10	185

General Director



Vytautas Junevičius

AB ALITA

Notes to the interim financial statements

for the three month period ended 31 March 2010

(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 produced 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

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.

Basis of preparation

The financial statements are presented in Litas, being the functional currency of the Company .

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 interim financial statements
for the three month period ended 31 March 2010
(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 2009 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.

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.

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.

Notes to the interim financial statements
for the three month period ended 31 March 2010
(LTL '000 unless otherwise stated)

2. Significant accounting policies (cont'd)

Non-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.

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.

Impairment

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

Calculation of recoverable amount

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

Dividends

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

Liabilities

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

Provisions

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

Notes to the interim financial statements
for the three month period ended 31 March 2010
(LTL '000 unless otherwise stated)

2. Significant accounting policies (cont'd)

Revenue

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

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.

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.

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 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.

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.

Notes to the interim financial statements
for the three month period ended 31 March 2010
(LTL '000 unless otherwise stated)

2. Significant accounting policies (cont'd)

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.

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 interim financial statements
for the three month period ended 31 March 2010**
(LTL '000 unless otherwise stated)

3. Discontinued activities

Results of discontinued activities :

	For the three month period ended 31 March 2009
NET SALES	10.153
Cost of sales	<u>(7.913)</u>
GROSS PROFIT	2.240
Other income	265
Selling and distribution expenses	(1.482)
General and administrative expenses	(2.408)
Other expenses	<u>(159)</u>
OPERATING PROFIT	(1.544)
Financial income	-
Financial expenses	<u>(1.871)</u>
PROFIT BEFORE INCOME TAX	(3.415)
Income tax	<u>-</u>
NET PROFIT FOR THE YEAR	<u><u>(3.415)</u></u>
Basic earnings per share (LTL)	-0,07

The loss from discontinued operation attributable entirely to the owners of the company AB Alita.

**Notes to the interim financial statements
for the three month period ended 31 March 2010**
(LTL '000 unless otherwise stated)

4. Investments in associated companies

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.

Investments in associated companies consist of the following:

	31 March 2010	31 December 2009
Investments in associated companies	79.414	70.437
Accrued profit (loss)	(8.788)	(8.788)
Total	70.626	61.649

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.

In February 2010, a payment of the guarantee extended to the Privatisation Agency of the Republic of Serbia in the amount of EUR 2,600 thousand (LTL 8977 thousand) was made from the guarantee limit of EUR 2.600 thousand held by AB ALITA. This amount increases the investment into the associated company.

**Notes to the interim financial statements
for the three month period ended 31 March 2010**
(LTL '000 unless otherwise stated)

5. 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).

6. Trade accounts receivable

	31 March 2010	31 December 2009
Trade accounts receivable	87	93
Impairment in the beginning of the year	-	(142)
Impairment due to business spin-off	-	142
Impairment at the end of the year	-	-
Total	87	93

7. Other accounts receivable

	31 March 2010	31 December 2009
Accrued interest	1.592	1.592
Other accounts receivable	932	397
Total	2.524	1.989
Impairment in the beginning of the year	-	(130)
Impairment due to business spin-off	-	130
Additional impairment during the year	-	-
Impairment at the end of the year	-	-
Total	2.524	1.989

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.

8. Cash and cash equivalents

	31 March 2010	31 December 2009
Cash in banks	10	95
Cash on hand	-	24
Total	10	119

**Notes to the interim financial statements
for the three month period ended 31 March 2010**
(LTL '000 unless otherwise stated)

9. 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.

Profit distribution

The annual meeting of AB ALITA shareholders held on 27 April 2010 passed a resolution to allocate LTL 2,367 thousand from the profit brought forward to legal reserves. There were no dividend allocations for 2009.

10. Basic earnings (loss) per share

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

	For the three month period ended 31 March	
	2010	2009
Net profit (loss), attributable to the shareholders	(76)	(7.324)
Number of shares (thousand)	23.673	50.827
Earnings (loss) per share (LTL)	0,00	-0,14

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

11. Other amounts payable

	31 March 2010	31 December 2009
Value added tax (VAT)	-	12
Salaries	2	2
Accrued social security tax	1	1
Withholding income tax	-	1
Other accrued liabilities	5	8
Total	8	24

**Notes to the interim financial statements
for the three month period ended 31 March 2010**
(LTL '000 unless otherwise stated)

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

	31 March 2010	31 December 2009
Long-term loans	28.118	28.118
Total long-term liabilities	<u>28.118</u>	<u>28.118</u>
Short-term loans	10.158	-
Current portion of long-term loan	33.810	33.810
Total short-term liabilities	<u>43.968</u>	<u>33.810</u>

As at March 31, 2010 The Company has a long-term loan amounting to EUR 17,936 thousand and its repayment terms is the year 2011. The average variable rate of this loan was from 3,526 iki 3,406 % in 2010.

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.

13. General and administrative expenses

General and administrative expenses consist of:

	For the three month period ended 31 March	
	2010	2009
Salaries, wages and social security	12	-
Tax expenses (other than income tax)	4	-
Professional services	-	-
Other	2	-
Total	<u>18</u>	<u>-</u>

14. Financial income (expenses)

Financial income (expenses) consist of:

	For the three month period ended 31 March	
	2010	2009
Interest income	536	740
Total	<u>536</u>	<u>740</u>
Interest expenses on loans	(549)	(1.079)
Currency exchange gain (loss), net	-	-
Other financial expenses	(45)	(78)
Total	<u>(594)</u>	<u>(1.157)</u>

**Notes to the interim financial statements
for the three month period ended 31 March 2010**
(LTL '000 unless otherwise stated)

15. Transactions with related parties

The Company had transactions with the following related parties

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

Transactions with the above mentioned companies are summarised below:

Transactions with related parties

	For the three month period ended 31 March	
	2010	2009
* Sales to related parties	-	2.775
* Purchases from related parties	-	468

* Transactions with the above mentioned companies from discontinued activities.

The accounts receivable from related parties

	31 March 2010	31 December 2009
Company Group ALITA, AB	87	93

The amounts payable to related parties

	31 March 2010	31 December 2009
Short-term loans	1.194	598

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.

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.

**Notes to the interim financial statements
for the three month period ended 31 March 2010**
(LTL '000 unless otherwise stated)

16. Subsequent events

In response to the information published in media on 6 April 2010, the public company "ALITA" notes that, as it is already was announced in its notice on material event of 20 February 2010, the shares of Beogradska industrija piva (further - the Company), acquired by the public company "ALITA" pursuant to 24 July 2007 share sale-purchase agreement 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 from the other side, shall be transferred to the Share Fund of the Republic of Serbia.

The public company "ALITA" has not received official letter confirming such transfer of the shares of the Company. However, on the basis of the information provided on the web page of the Central Securities Depository and Clearing House of Serbia (<http://www.crhov.rs>), public company "ALITA" understands that such transfer of the shares of the Company has taken place.

The public company "ALITA" has requested to clarify the information on the transfer from the registrar of the securities of the Company. Public company "ALITA" informs that it has not yet taken any decisions regarding the protection of its rights or further actions in response to the actions of the Share Fund of the Republic of Serbia and the Privatisation Agency of the Republic of Serbia.

Considering the earlier announcements, public company "ALITA" noted that according to the response of the registrar of its securities account Raiffeisen Bank a.d., provided on the request of the public company "ALITA", 3 781 012 units of BIP AD (Beogradska industrija piva) shares (ISIN: RS BIPBE05999) were transferred from the securities account of public company "ALITA" to the Share Fund of the Republic of Serbia on 19 February 2010.

Supplementing the previously announced information about the actions of the Share Fund of the Republic of Serbia and the Privatisation Agency of the Republic of Serbia in termination of the privatisation agreement and transferring to the Share Fund of the Republic of Serbia the shares of BIP AD (Beogradska industrija piva) acquired by the public company ALITA (the Company), hereby the Company informs that on 12 May 2010 it sent an official notice to the Government of the Republic of Serbia with a copy to the Privatisation Agency of the Republic of Serbia, the Share Fund of the Republic of Serbia and the Embassy of the Republic of Lithuania in Serbia.

In the sent notice the Company stated that decisions adopted and actions performed by the authorities of the Republic of Serbia infringe the interests of the Company, as an investor, and do not comply with the principles established in the 29 March 2005 Agreement of the Government of the Republic of Lithuania and the Council of Ministers of Serbia and Montenegro on reciprocal investment promotion and protection (the Agreement).

The Company also stated that the Republic of Serbia is responsible for the violations of the provisions of the Agreement and the international law committed by its authorities and must remunerate the losses sustained by the Company.

An official notice of the Company by which the Company informs the Republic of Serbia on the existing dispute, initiates official negotiations with the Government of the Republic of Serbia regarding infringement of the rights of the Company, as an investor, and invites to resolve the existing dispute by way of amicable negotiations and agree on the place and time of the first meeting, has been filed in accordance with the provisions of the Agreement.

The Company has also informed that basing on Article 9 of the Agreement, in case of failure to resolve the dispute within 6 months by way of amicable negotiations, the Company reserves the right to apply to International Investment Dispute Resolution Centre or invoke another way of dispute resolution stipulated in the Agreement.

The extraordinary general meeting of shareholders of the public company ALITA is convened on the initiative and decision of the Board of the public company ALITA. The extraordinary general meeting will be held on 11 June 2010. The Board will propose the following draft resolutions on the items included in the agenda of the extraordinary general meeting of shareholders:

- Change of the name of the public company ALITA. The proposed draft resolution: To change the Company's name from public company ALITA to AB ALT investicijos.
- Approval and registration of the new wording of the Articles of Association of the public company ALITA. The proposed draft resolution: In view of change of the Company's name, to amend the Company's Articles of Association and to approve the new wording of the Company's Articles of Association.

17. Information about audit

Interim financial statements was not audited. An audit will be perform for the full financial year 2010.

The comparative information is taken from financial statements for the year 2009, 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.