JSC “ANYKŠČIŲ VYNAS“

INTERIM STATEMENTS

FOR THE ENDED 31 DECEMBER 2007

The interim statements for the ended 31 December 2007 have been prepared in accordance with International Financial Reporting Standard as adopted by the European Union. We consider that the accounting policines used are appropriate and that the interim statements thus give a true and fair view.

Director	Marius Gudauskas
Accountant-general	Audronė Zemlevičienė

BALANCE SHEET

ASSETS

thousand Litas	2007.12.31	2006.12.31
NON-CURRENT ASSETS		
Intangible non-current assets	22	53
		-
Property, plant and equipment	16.145	28.376
Other investments	-	-
TOTAL NON-CURRENT ASSETS	26.167	28.429
CURRENT ASSETS		
Inventories	20.030	13.040
Prepayments and deferred cost	76	39
Trade receivables	9.708	6.185
The JSC“Alita“ group receivables	1.886	26
Other assets	42	44
The JSC „Alita“ group loan	2.880	-
Other non-current asets	1	-
Cash and cash equivalents	281	3.384
TOTAL CURRENT ASSETS	34.904	22.718
TOTAL ASSETS	61.071	51.147

BALANCE SHEET (CONT‘D)

EQUITY AND LIABILITIES

thousand Litas	**2007.12.31**	**2006.12.31**
CAPITAL AND RESERVES		
Share capital	49.081	49.081
Accumulated losses	(9.892)	(10.619)
Total capital and reserves	39.189	38.462
NON-CURRENT LIABILITIES		
Deferred tax liability	616	520
Total non current liabilities	616	520
CURRENT LIABILITIES		
Current portion of long-term loan	-	1.657
Short-term loan	5.110	1.485
Trade creditors	3.891	2.185
Trade the JSC „Alita“ group	377	-
Other liabilities and accured expenses	11.888	6.838
Total current liabilities	21.266	12.165
Total liabilities	21.882	12.685
TOTAL EQUITY AND LIABILITIES	61.071	51.147

JSC"Anykščių vynas" Director Marius Gudauskas

INCOME STATEMENT

thousand Litas	2007.12.31	2006.12.31
Revenue	46.565	33.831
Cost of sales	(34.851)	(24.493)
GROSS PROFIT	11.714	9.338
Selling expenses	(5.845)	(3.927)
General and administrative expenses	(5.279)	(4.468)
OPERATING RESULT	590	943
Financial expenses, net	233	226
RESULT BEFORE TAX	823	1.169
Tax for the year	(96)	949
RESULT FOR THE YEAR	727	2.118
Basic earnings per share (LTL)	0,01	0,04

JSC"Anykščių vynas" Director Marius Gudauskas

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

thousand Litas

	Share capital	Legal reserve	Other reserve	Accumulated losses	Total
Capital and reserves at 31 December 2005	49.081	-	-	(12.737)	36.344
Net profit for year 2006				2.118	2.118
Capital and reserves at 31 December 2006	49.081	-	-	(10.619)	38.462
Net profit for year 2007		-	-	727	727
Capital and reserves at 31 December 2007	49.081	-	-	(9.892)	39.189

JSC"Anykščių vynas" Director Marius Gudauskas

CASH FLOW STATEMENT

thousand Litas

Cash flow from (to) operating activities:	2007.12.31	2006.12.31
Result after tax	727	2.118
Adjusments for:		
Depreciation and amortization	2.947	3.421
Change in impairment of trade debtors	(845)	(13)
Write-off of property, plant and equipment	124	63
Profit (loss) from disposal of non-current assets	(148)	(91)
Interest expenses	256	169
Interest income	(132)	(28)
Write-off of inventories	20	14
Change of impairment of inventories	86	-
Income tax expense/ (income)	96	-
Deferred income tax liability	96	(949)
	3.227	4.704
Change in current assets and short-term liabilities:		
Change in inventories	(7.096)	(4.943)
Change in receivables	(2.678)	(1.050)
Change in the JSC „Alita“ group receivables	(1.483)	(26)
Change in prepayments and deferred expenses	(37)	280
Change in other receivables	2	5
Change in trade receivables and accrued liabilities	6.660	1.110
Net cash inflow from ordinary activities	(1.405)	80
Net cash flow from (to) investing activities:		
Acquisition of property, plant and equipment	(807)	(398)
Acquisition of intangible fixed assets	(2)	-
Acquisition of investments for sale	-	1
Sales of property, plant and equipment	148	91
Interest received	132	28
Net cash (used in) investing activities:	(529)	(278)
Net cash flow from (to) financing activity:		
Loans issued from Company	(8.801)	-
(Repayment) of loans from employees	2.920	-

Loans received	9.633	5.179
(Repayment) of loans	(7.665)	(9.677)
Interest (paid)	(256)	(169)
Net cash flow (used in) financing activity	(1.169)	(4.667)
Change in cash and cash equivalents	**(3.103)**	**(4.865)**
Cash and cash equivalents at 1 January	**3.384**	**8.249**
Cash and cash equivalents at 30 June	**281**	**3.384**

JSC"Anykščių vynas" Director Marius Gudauskas

NOTES TO THE INTERIM STATEMENTS

Background information

JSC Anykščių Vynas (the Company) is a publicly listed joint stock company. The Company was established in 1926. It was registered as a state enterprise in 1990 and re-registered as a joint stock company in 1995. The Company produces alcohol beverages: fruit-berry wine, strong alcohol beverages, cider, sparkling wine and also other fruit and berry products.

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 Company 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 accordance with IFRS 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 estimates.

Property, plant and equipment

Recognition and measurement

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

Depreciation

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

Intangible assets

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

Amortisation is charged to the income statement on a straight-line basis.

Inventories

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

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

In the 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.

The Company books multiple usage tare, which comprise plastic boxes 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.

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

Sales of goods

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

Cost of sales

Cost of sales comprises purchases made during the year as well as change for the year in inventories and costs incurred to obtain the turnover for the year.

Operating 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, dividend income, foreign exchange gains and losses.

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.

Segment reporting

A 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 risks and rewards that are different from those of other segments. The Company's primary format for segment reporting is based on business and geographical segments.

The Company's business segments (basis for primary reporting format) include production and sales of wine, strong alcohol drinks and other fruit and berry products. Segment information is presented in respect of the Company's geographical segments (secondary reporting format). The majority of the Company's sales are in the domestic market. All the Company's assets are located in the country, where it is domiciled.
Revenues, total assets and capital investments of separate segments are as follows

Business segments

thousand Litas	Strong alkohol drink		Wines		Fruit-berries products		Total	
	2007 12 31	2006 12 31	2007 12 31	2006 12 31	2007 12 31	2006 12 31	2007 12 31	2006 12 31
Sales	22.128	15.201	9.690	8.620	14.747	10.010	46.565	33.831
Cost	(15.899)	(10.998)	(8.544)	(6.821)	(10.408)	(6.674)	(34.851)	(24.493)
Gross profit	6.229	4.203	1.146	1.799	4.339	3.336	11.714	9.338

Geographical segments

thousand Litas	Sales		Total assets		Acquisitions of non-current assets	
	2007 12 31	2006 12 31	2007 12 31	2006 12 31	2007 12 31	2006 12 31
Lithuania	36.726	28.035	61.071	51.147	807	398
Germany	6.615	4.799				
Latvia	766	429				
Estonia	518	467				
Austria	1.362	-				
Great Britain	62	77				
Other countries	516	24				
Total	**46.565**	**33.831**	**61.071**	**51.147**	**807**	**398**

Selling expenses

thousand Litas	2007 12 31	2006 12 31
Advertising	(3.624)	(2.058)
Staff cost	(884)	(772)
Transportation	(547)	(511)
Distribution	(423)	(307)
Other	(367)	(279)
Total	**(5.845)**	**(3.927)**

General and administrative expenses

thousand Litas	2007 12 31	2006 12 31
Staff costs	(1.403)	(1.496)
Taxes and fees	(1.419)	(466)
Depreciation and amortization	(339)	(445)
Security	(202)	(198)
Communications	(113)	(98)
Other	(1.803)	(1.765)
Total	**(5.279)**	**(4.468)**

Financial expenses, net

thousand Litas	2007 12 31	2006 12 31
Interest expenses	(256)	(169)
Currency exchange loss	(3)	(1)
Other financial expenses	(254)	(132)
Currency exchange gain	132	28
Interest income	80	120
Other financial income	534	380
Total	**233**	**226**

Inventories

thousand Litas	2007 12 31	2006 12 31
Raw materials and consumables	1.735	1.444
Work in progress	16.828	9.556
Finished goods	1.419	1.999
Goods for resale and other goods	48	41
Total	**20.030**	**13.040**

Trade receivables

thousand Litas	2007 12 31	2006 12 31
Receivable from customers for production sold	9.708	6.185
Receivable from the JSC „Alita“ group	1.886	26
Other receivables sums	42	44
Total	**11.636**	**6.255**

Other assets

thousand Litas	2007 12 31	2006 12 31
The JSC „Alita“ group loan	2.880	-
Other assets	1	-
Total	**2.881**	**-**

Cash and cash equivalents

thousand Litas	2007 12 31	2006 12 31
Cash at bank	268	3.369
Cash in hand	13	15
Total	**281**	**3.384**

Loans and finance lease liabilities

thousand Litas	2007 12 31	2006 12 31
Short-term loan	5.110	1.485
Current portion of long-term loan	-	1.657
Total current liabilities	**5.110**	**3.142**

Other liabilities and accrued costs

thousand Litas	2007 12 31	2006 12 31
Excise duty payable	6.957	3.867
Value added tax payable	2.882	1.302
Salaries and social insurance payable	358	281
Other liabilities and accrued charges	1.691	1.388
Total	**11.888**	**6.838**

In the item of inventories the increase of work in progress is conditioned by production of concentrate apple and soft fruit juice.

The Company is signed the loan treaty with JSC Bank Hansabankas for credit limit to 2.500 million EUR, which is scheduled to be fully repaid until 30 August 2007. Average annual variable interest rate in nine months 2007 was 4,82 %. The Company pledged non-current assets, inventories, cash at JSC Bankas Hansabankas and future inflows into bank accounts as a security for the loan.

Information about audit

Interim statements for the ended 31 December 2007 was not audited. An audit will be perform for the full financial year 2007.

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