AB Anykščių Vynas

Interim Financial statements
for the year ended
31 December 2012

Confirmation of responsible persons

Following the Article No. 22 of Law on Securities of the Republic of Lithuania and Rules on Submission of Periodic and Additional Information approved by Securities of the Republic of Lithuanian we, Audrius Zuzevičius, director and Audronė Zemlevičienė, Chief Accountant, hereby confirm that, to the ous knowledge, the interim statements for the ended 31 December 2012 have been prepared in accordance with international Financial Reporting Standard as adopted by the European union, give a true and fair view of the assets, liabilities, financial position and profit or loss and cash flows of AB "Anykščių vynas".

Director Audrius Zuzevičius

Chief Accountant Audronė Zemlevičienė

(thousand litas, unless otherwise indicated)

Statement of financial position

	Note	31 December 2012	31 December 2011
ASSETS			
Property, plant and equipment	6	18,573	19,470
Intangible assets	6	438	1,097
Long-term loans		2,900	2,800
Total non-current assets		**21,911**	**23,367**
Inventories	7	2,028	3,984
Trade and other receivables	8	2,068	3,845
Other assets		45	279
Cash and cash equivalents		150	45
Total current assets		**4,291**	**8,153**
Total assets		**26,202**	**31,520**
EQUITY			
Share capital	10	20,000	37,000
Accumulated losses		(6,657)	(21,326)
Total equity attributable to shareholders		**13,343**	**15,674**
LIABILITIES			
Deferred tax liability		861	889
Deferred income		-	63
Total non-current liabilities		**861**	**952**
Loans and borrowings	11	8,632	8,632
Trade and other payables	12	536	1,980
Other liabilities	12	2,830	4,282
Total current liabilities		**11,998**	**14,894**
Total liabilities		**12,859**	**15,846**
Total equity and liabilities		**26,202**	**31,520**

The notes on pages 8-17 are an integral part of these financial statements.

Director Audrius Zuzevičius

(thousand litas, unless otherwise indicated)

Statement of comprehensive income

	Note	12 month period ended 31 December 2012	2011
Revenue	5	12,351	20,031
Cost of sales		(10,457)	(17,291)
Gross profit		**1,894**	**2,740**
Other income		119	340
Selling expenses		(779)	(1,329)
Administrative expenses		(3,223)	(5,234)
Loss from disposalof a subsidiary		-	(2,370)
Other expenses		(27)	(44)
Results from operating activities		**(2,016)**	**(5,897)**
Finance income		124	64
Finance costs		(467)	(418)
Net finance costs		**(343)**	**(354)**
Loss before income tax		**(2,359)**	**(6,251)**
Income tax expense		**28**	**29**
Loss for the period		**(2,331)**	**(6,222)**
Earnings per share			
Basic earnings per share (in Litas)	10	(0,12)	(0,08)

The notes on pages 8-17 are an integral part of these financial statements.

Director Audrius Zuzevičius

(thousand litas, unless otherwise indicated)

Statement of comprehensive income

	Note	3 month period ended 31 December 2012	2011
Revenue	5	4,179	5,073
Cost of sales		(2,951)	(4,532)
Gross profit		**1,228**	**541**
Other income		25	6
Selling expenses		(249)	(432)
Administrative expenses		(1,085)	(2,233)
Other expenses		(3)	13
Results from operating activities		**(84)**	**(2,105)**
Finance income		30	32
Finance costs		(99)	(123)
Net finance costs		**(69)**	**(91)**
Loss before income tax		**(153)**	**(2,196)**
Income tax expense		**28**	**29**
Loss for the period		**(125)**	**(2,167)**
Earnings per share			
Basic earnings per share (in Litas)	10	(0,01)	(0,06)

The notes on pages 8-17 are an integral part of these financial statements.

Director Audrius Zuzevičius

(thousand litas, unless otherwise indicated)

Statement of Changes in Equity

	Share capital	Accumulated losses	Total equity
Balance at 1 January 2011	**49,081**	**(27,185)**	**21,896**
Loss for the period	-	(6,222)	**(6,222)**
Total comprehensive income for the period	-	**(6,222)**	**(6,222)**
Reduction of the share capital, reducing the accumulated deficit	(12,081)	12,081	-
Balance at 31 December 2011	**37,000**	**(21,326)**	**15,674**
Balance at 1 January 2012	**37,000**	**(21,326)**	**15,674**
Loss for the period	-	(2,331)	**(2,331)**
Total comprehensive income for the period	-	**(2,331)**	**(2,331)**
Reduction of the share capital, reducing the accumulated deficit	(17,000)	17,000	-
Balance at 31 December 2012	**20,000**	**(6,657)**	**13,343**

The notes on pages 8-17 are an integral part of these financial statements.

Director Audrius Zuzevičius

(thousand litas, unless otherwise indicated)

Statement of Cash Flows

	12 month period ended December 31	
	2012	2011
Cash flows from operating activities		
Profit (loss) for the period	(2,331)	(6,222)
Adjustments for:		
Depreciation and amortization of non-current assets	1,556	1,736
Interest expenses (income), net	276	309
Gain on sale of property, plant and equipment	-	(42)
Disposal of subsidiary	-	2,370
Change in inventories	1,956	241
Change in trade and other receivables	1,949	(377)
Change in trade and other payables	(2,896)	1,951
Change in deferred tax	(28)	(29)
Change in employee benefits accrual	-	285
Net cash from (used in) operating activities	**482**	**222**
Cash flows from investing activities		
Interest received	124	64
Proceeds from sale of property, plant and equipment	-	42
Acquisition of property, plant and equipment	-	(14)
Disposal of subsidiary	-	2,900
Loans granted by the Company	(100)	(2,800)
Net cash from (used in) investing activities	**24**	**192**
Cash flows from financing activities		
Interest paid	(400)	(373)
Net cash from (used in) financing activities	**(400)**	**(373)**
Change in cash and cash equivalents	**105**	**41**
Cash and cash equivalents at the beginning of the period	**45**	**4**
Cash and cash equivalents at the end of the period	**150**	**45**

The notes on pages 8-17 are an integral part of these financial statements.

Director Audrius Zuzevičius

Notes to the financial statements

1. Reporting entity

AB Anykščių Vynas (hereinafter - the Company) is incorporated and domiciled in Lithuania. The address of the Company's registered office is Dariaus ir Girėno 8, Anykščiai LT-29131, Lithuania.

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, hard alcohol beverages, cider, sparkling wine and also other fruit and berry products.

The Company's shares are listed on the Baltic Secondary List of the Stock Exchange NASDAQ OMX Vilnius.

The controlling shareholder of the Company is Company Group ALITA, AB which as at 31 December 2012 owns 18,980 thousand ordinary registered shares or 94.9% of all shares of the Company.

2. Basis of preparation

2.1. Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) as adopted by the European Union (EU).

2.2. Basis of measurement

The financial statements have been prepared on the historical cost basis. Management has been in a process of negotiation with a bank concerning the deadlines for repayment of credit line facility to be extended until the end of June 2013. It is expected that the Company will reach an agreement with the bank regarding new repayment schedules.

2.3. Functional and presentation currency

These financial statements are presented in Litas, which is the Company's functional currency. All financial information presented in Litas has been rounded to the nearest thousand, unless indicated otherwise.

2.4. Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS, as adopted by the European Union, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, 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.

(a) Impairment losses on property, plant and equipment

The carrying amounts of the Company's property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit).

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable value.

Notes to the financial statements (cont'd)

2. Basis of preparation (cont'd)

(b) Impairment losses on intangible assets

The carrying amounts of the Company's intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of the intangible assets is estimated based on its value in use.

(c) Impairment losses on receivables

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

(d) Useful lives of property, plant and equipment and intangible assets

Asset useful lives are assessed annually and changed when necessary to reflect current thinking on their remaining lives in light of technological change, prospective economic utilisation and physical condition of the assets concerned.

(e) Production costs

The allocation of fixed production overheads to cost of production is based on the normal capacity of the production facilities. The amount of fixed overhead allocated to each production unit is not increased as a consequence of low production. Unallocated overheads are recognised as an expense in a period in which they are incurred. Variable production overheads are allocated to each unit of production on the basis of actual use of the production facilities.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless stated otherwise.

3.1. Foreign currency

Transactions in foreign currencies are translated into Litas at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

3.2 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

3.3. Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment acquired until 1 January 1996 are measured at cost less accumulated depreciation and impairment as adjusted by the amounts of revaluations according to the rates set for individual groups of assets by the Government of the Republic of Lithuania. Carrying value of such assets after revaluation became its deemed cost. Items of property, plant and equipment acquired on 1 January 1996 or later are measured at cost less accumulated depreciation and impairment losses.

Notes to the financial statements (cont'd)

3. Significant accounting policies (cont'd)

3.3. Property, plant and equipment (cont'd)

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

- Buildings and plant 8–80 years;
- Machinery and equipment 4–50 years;
- Vehicles 4–25 years;
- Other equipment and tools 3–11 years.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.4. Intangible assets

Intangible assets comprising trademarks, computer software and software licenses that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortization

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Notes to the financial statements (cont'd)

3. Significant accounting policies (continued)

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are 1-3 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.5. Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. Grants that compensate the Company for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the Company for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the asset.

3.6. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out (FIFO) principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.7. Non-current assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

3.8. Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the shareholders of the Company.

3.9. Employee benefits

Short-term employee benefits

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

Social security contributions

The Company pays social security contributions to the State Social Security Fund (hereinafter "the Fund") on behalf of its employees in accordance with the local legal requirements. The social security contributions are recognised as an expense on an accrual basis and are included within personnel expenses.

Notes to the financial statements (cont'd)

3. Significant accounting policies (continued)

3.10. Provisions

A provision is recognised if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.11. Revenue recognition

Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement, however usually transfer occurs when the products are shipped from the company's warehouse and the sales invoice is issued.

Sales of services

Sales of services are recognised on performance of the services.

Rental income

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

3.12. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

3.13. Finance income and finance costs

Finance income comprises interest income on funds invested and other financial income. Interest income is recognised in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and other financial expenses. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.14. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the shareholders, who are the Company's chief operating decision makers , to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information it is available.

Notes to the financial statements (cont'd)

3. Significant accounting policies (continued)

3.15. Earnings per share

The Company presents basic and diluted earnings per share (EPS) data 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 off all dilutive potential ordinary shares. During the reporting period there were no dilutive potential ordinary shares issued by the Company.

4. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is defined as the estimated amount for which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

Long term loans

The fair value of long term loans receivable is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

Trade and other receivable

The fair value of trade and other receivables is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

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.

(thousand litas, unless otherwise indicated)

Notes to the financial statements (cont'd)

5. Operating segments

Information about reportable segments

For the management purpose, the Company is organized into two reportable operating segments that offer different products, and require different technology and marketing strategies.

	12 month period ended 31 December							
	Alcohol drinks		Apple products		Not allocated to any specified segment		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
External revenue	8,120	16,426	3,801	3,079	430	526	12,351	20,031

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. All of the Company's assets are located and all capital investments are made in Lithuania.

	12 month period ended 31 December	
	2012	2011
Revenue from Lithuanian customers	12,264	19,905
Revenue from foreign customers	87	126
Total	**12,351**	**20,031**

Business segments

	3 month period ended 31 December							
	Alcohol drinks		Apple products		Not allocated to any specified segment		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
External revenue	2,304	4,182	1,753	733	122	158	4,179	5,073

Geographical segments

	3 month period ended 31 December	
	2012	2011
Revenue from Lithuanian customers	4,143	5,046
Revenue from foreign customers	36	27
Total	**4,179**	**5,073**

(thousand litas, unless otherwise indicated)

Notes to the financial statements (cont'd)

6. Property, plant and equipment (continued)

At 31 December 2012, property, plant and equipment with a carrying amount of 17,355 thousand Litas (2011: 18,037 thousand Litas) is pledged to secure credit line facility.

The carrying amount of insured property, plant and equipment as at 31 December 2012 was 17,357 thousand Litas (2011: 18,043 thousand Litas). Assets are insured against all risks as follows: buildings for value of 72,803 thousand Litas, production equipment for value of 43,195 thousand Litas, and inventories for value of 4,600 thousand Litas.

The amortisation of trademarks and other intangible assets is recognised in administrative expenses in the statement of comprehensive income.

7. Inventories

	31 December 2012	31 December 2011
Saturated apple juice	-	129
Finished production	1,146	971
Production in progress	368	2,111
Raw materials and consumables	458	731
Goods for resale	56	42
Total carrying amount of inventories	**2,028**	**3,984**

According to the agreement with the Bank, the Company insured inventories with value of 4,600 thousand Litas against fire, natural forces and other damages. The Company has also pledged inventories with the amount of 2,028 thousand Litas to the bank.

8. Trade and other receivables

	31 December 2012	31 December 2011
Trade receivables due from related parties	93	790
Other trade receivables	1,975	3,055
Trade and other receivables, net of impairment losses	**2,068**	**3,845**
Trade and other receivables, gross	**2,251**	**4,028**
Impairment of trade and other receivables	(183)	(183)
Trade and other receivables, net of impairment losses	**2,068**	**3,845**

Notes to the financial statements (cont'd)

9. Capital and reserves

As of 31 December 2012 the authorized and issued share capital comprised 20,000,000 ordinary shares with a nominal value of 1 Litas each. All issued shares are fully paid.

On 26 July 2012 the Company held the Extraordinary General Meeting and pursuant to Article 52, Part 2, Item 1 and Part 3, Item 2 of the Law on Companies of the Republic of Lithuania, decided to reduce the Company share capital by 17,000,000 Litas, i.e. from 37,000,000 Litas to 20,000,000 Litas by cancellation and denouncing 17,000,000 of the Company ordinary nominal shares with a share nominal value of 1 LTL. The purpose to reduce the Company state capital is to eliminate the loss put in the Company Balance Sheet.

The holders of ordinary shares are entitled to one vote per share in the General Shareholders' Meeting and are entitled to receive dividends as declared from time to time and to capital repayment in case of decrease of the capital.

10. Earnings per share

	12 month period ended 31 December	
	2012	**2011**
Loss for the period	(2,331)	(6,222)
Number of shares 31 December (thousand)	20,000	37,000
Basic and diluted earnings per share	**(0,12)**	**(0,17)**

	3 month period ended 31 December	
	2012	**2011**
Loss for the period	(125)	(2,167)
Number of shares 31 December (thousand)	20,000	37,000
Basic and diluted earnings per share	**(0,01)**	**(0,06)**

The Company has no dilutive potential shares or convertibles.

11. Loans and borrowings

The Company has a credit line facility amounting to 8,632 thousand Litas (2,500 thousand EUR) with Swedbank, AB, Lithuania. The credit line matures on 30 June 2013. As at 31 December 2012 8,632 thousand Litas had been drawn (2011: 8,632 thousand Litas). The effective interest rate in 2012 was 3,6% (2011: 4,0%).

To secure the repayment of this credit line facility the Company pledged property, plant and equipment with a carrying amount of 17,355 thousand Litas as at 31 December 2012, as well as inventories amounting to 2,028 thousand Litas, all the current and future funds in the main accounts of the bank and current and future rent of 6.7521 ha land plot rights. The Company has insured its property, plant and equipment with a carrying amount of 17,357 thousand Litas as at 31 December 2012.

12. Trade and other payables

	31 December 2012	31 December 2011
Other trade payables	536	1,276
Accrued vacation reserve	155	216
Employment related liabilities	96	203
Provisions for redundancy payments	-	285
Other liabilities and other payables	2,579	4,281
Total trade and other payables	**3,366**	**6,261**

Notes to the financial statements (cont'd)

On August 2012 the Company signed the tax loan agreement for the extension of the excize tax and VAT repayment period till the end of December 2013 amounting to 2,424 thousand Litas with the State Tax Inspectorate.

13. Contingencies

AB Anykščių Vynas issued a guarantee to Company Group ALITA, AB for loans granted by the bank amounting to 13,647 thousand EUR. To secure the guaranty The Company has pledged Company owned brand names.

The Company rents 1 land plot from the State with contract maturity on 8 August 2046. The environmental obligations (cleaning, restoration, etc.) are incumbent on lessee of the rented state land.

On 31 December 2012 the Company has made a complaint to the Vilnius District Administrative Court against the State Tax Inspectorate concerning the resolution to pay 413 thousand LTL of the VAT tax, overdue interest and fines, for the year of 2010. The Company has not made any provisions for the VAT tax in question.

14. Litigation and claims

The Company is not involved in any litigation where it acts as a defendant.

15. Information about audit

Interim Financial statements were not audited. The audit will be performed for the full financial year 2012.

The comparative information was taken from interim financial statements and audited Financial statements for the year 2011, which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union.