



**Auditor's opinion**

**To: Shareholders of AB "Vilniaus degtinė"**

1. We have audited attached hereto the balance sheet of AB "Vilniaus degtinė" (hereinafter – the Company) as of 31 December 2004 and income statement, statement of changes in equity and cash flow statement related thereto (hereinafter - financial statements). The administration of the Company is responsible for the financial statements. It is our responsibility to state our opinion, based on our audit, on these financial statements.
2. We conducted our audit in accordance with the National Auditing Standards. The Standards require that we plan and perform our audit so as to obtain sufficient evidence to confirm that there are not material misstatements of information in the financial statements. During the audit, on a test basis, the evidence supporting the amounts and disclosures of the financial statements were examined. During the audit, the principles of accounting applied and the significant estimates made by the directors were assessed, as well as the general submission of financial statements in accordance with the order on the formation of financial statements. We believe that our audit provides a sufficient basis for our opinion.
3. In our opinion, the financial statements in all material respects give a true and fair view of the financial state of the Company as of 31 December 2004, as well as the results of business activities in 2004 year and cash flow and are prepared in accordance with the Lithuanian Business Accounting Standards.
4. We have carried out a review of the Report on the Company's activities for the year ended 31 December 2004 (hereinafter – the Report). The administration of the Company is responsible for the Report and plans and forecasts of the activities of the Company. It is our responsibility to state our opinion, based on our review, whether the information in the Report corresponds to the financial statements.
5. Our review was based on the checking the Report that there are not material discrepancies in the Report compared with the financial statements. We have not reviewed the part of the Report concerning directors' estimates, plans and forecasts as it is not the objective of the audit. Therefore the opinion is not stated about it.
6. On the basis of the review made, we can state that we have not identified any material discrepancies in the Report as compared with the financial statements of the Company for the year ended 31 December 2004.

18-04-2005  
Vilnius

UAB Mokesčių ekspertų biuras  
Auditorius Artūras Kapitanovas

**AB "VILNIAUS DEGTINĖ"**

(enterprise name)

**120057287, Panerių str. 47/2, Vilnius**

(enterprise identification number, address, other information)

APPROVED

Minutes No. \_\_\_\_\_ 20\_\_\_\_

2004 m. **Balance sheet**  
(reporting period)

LTL

to specify - in litas or thousands of litas

	ASSETS	Notes No.	Financial year	Previous financial year
<b>A.</b>	<b>NON-CURRENT ASSETS</b>		<b>37944737</b>	<b>20043933</b>
<b>I.</b>	<b>INTANGIBLE ASSETS</b>		<b>18844034</b>	<b>181629</b>
I.1.	Development works			
I.2.	Goodwill			
I.3.	Licences and patents		18624960	13410
I.4.	Computer software		219074	168219
I.5.	Other intangible assets			
<b>II.</b>	<b>TANGIBLE ASSETS</b>		<b>19080427</b>	<b>19862304</b>
II.1.	Land			
II.2.	Buildings and constructions		6172400	6526476
II.3.	Plant and equipment		4868663	5682793
II.4.	Vehicles		248354	142116
II.5.	Other property, plant and equipment		731214	687368
II.6.	Construction in progress		7056602	6823551
II.7.	Other tangible assets		3194	
<b>III.</b>	<b>FINANCIAL ASSETS</b>		<b>20276</b>	<b>0</b>
III.1.	Investments in subsidiaries and associates			
III.2.	Loans to subsidiaries and associates			
III.3.	Amounts receivable after one year		20276	
III.4.	Other financial assets			
<b>B.</b>	<b>CURRENT ASSETS</b>		<b>18349206</b>	<b>15566263</b>
<b>I.</b>	<b>INVENTORIES, PREPAYMENTS AND CONTRACTS IN PROGRESS</b>		<b>6157758</b>	<b>7765591</b>
I.1.	Inventories		6031528	7536283
I.1.1.	Raw materials and completing products		4798722	6328963
I.1.2.	Work in progress		49364	41238
I.1.3.	Finished products		1183442	1048914
I.1.4.	Goods for resale			117168
I.2.	Prepayments		126230	229308
I.3.	Deferred expenses			
<b>II.</b>	<b>AMOUNTS RECEIVABLE WITHIN ONE YEAR</b>		<b>11218118</b>	<b>5906573</b>
II.1.	Trade amounts receivable		10646757	5587500
II.2.	Receivables from subsidiaries and associates			
II.3.	Other amounts receivable		571361	319073
<b>III.</b>	<b>OTHER CURRENTS ASSETS</b>		<b>0</b>	<b>0</b>
III.1.	Current investments			
III.2.	Time deposits			
III.3.	Other currents assets			
<b>IV.</b>	<b>CASH AND CASH EQUIVALENTS</b>		<b>973330</b>	<b>1894099</b>
	<b>TOTAL ASSETS:</b>		<b>56293943</b>	<b>35610196</b>

	EQUITY AND LIABILITIES	Notes No.	Financial year	Previous financial year
C.	<b>EQUITY</b>		<b>29311852</b>	<b>28376713</b>
I.	<b>CAPITAL</b>		<b>24408431</b>	<b>24408431</b>
I.1.	Authorised (subscribed)		24408431	24408431
I.2.	Subscribed uncalled share capital (-)			
I.3.	Share premium			
I.4.	Own Shares (-)			
II.	<b>REVALUATION RESERVE (RESULTS)</b>			
III.	<b>RESERVES</b>		<b>12481578</b>	<b>12240555</b>
III.1.	Legal reserve		2440843	2440843
III.2.	Reserve for acquiring own shares			
III.3.	Other reserves		10040735	9799712
IV.	<b>RETAINED EARNINGS (LOSSES)</b>		<b>-7578157</b>	<b>-8272273</b>
IV.1.	Profit (loss) of the reporting year		935139	241023
IV.2.	Profit (loss) of the previous year		-8513296	-8513296
D.	<b>GRANTS AND SUBSIDIES</b>			
E.	<b>AMOUNTS PAYABLE AND LIABILITIES</b>		<b>26982091</b>	<b>7233483</b>
I.	<b>NON-CURRENT AMOUNTS PAYABLE AND LIABILITIES</b>		<b>17433118</b>	<b>150046</b>
I.1.	Financial debts		17433118	150046
I.1.1.	Leases and similar obligations		35322	150046
I.1.2.	To credit institutions		17397796	
I.1.3.	Other financial debts			
I.2.	Trade amounts payable			
I.3.	Amounts received in advance			
I.4.	Provisions		0	0
I.4.1.	For covering liabilities and demands			
I.4.2.	For pensions and similar obligations			
I.4.3.	Other provisions			
I.5.	Deferred taxes			
I.6.	Other amounts payable and non-current liabilities			
II.	<b>CURRENT AMOUNTS PAYABLE AND LIABILITIES</b>		<b>9548973</b>	<b>7083437</b>
II.1.	Current portion of non-current debts		1613905	262230
II.2.	Financial debts		0	0
II.2.1.	To credit institutions			
II.2.2.	Other debts			
II.3.	Trade amounts payable		2569980	2667194
II.4.	Amounts received in advance		128081	93771
II.5.	Profit tax liabilities		6389	48282
II.6.	Liabilities related with labour relations		347617	397157
II.7.	Provisions			
II.8.	Other amounts payable and current liabilities		4883001	3614803
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>56293943</b>	<b>35610196</b>

(title of the head of enterprise administration)

(signature)

(full name)

**AB "VILNIAUS DEGTINĖ"**

(enterprise name)

**120057287, Paneriu str. 47/2, Vilnius**

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APPROVED

Minutes No. \_\_\_\_\_

20

2004

**INCOME STATEMENT**

(reporting period)

LTL

to specify – in litas or thousands of litas

No.	Items	Notes No.	Financial Year	Previous financial year
I.	SALES INCOME		29071209	26091488
II.	COST OF SALES		16018597	15435792
III.	GROSS PROFIT (LOSS)		13052612	10655696
IV.	OPERATING COSTS		12202690	10636304
IV.1.	Sales		5462684	3928894
IV.2.	General and administrative		6740006	6707410
V.	OPERATING PROFIT (LOSS)		849922	19392
VI.	OTHER ACTIVITIES		558867	262417
VI.1.	Income		1095423	330604
VI.2.	Expenses		536556	68187
VII.	FINANCING AND INVESTING ACTIVITIES		-432327	8991
VII.1.	Income		66617	56640
VII.2.	Expenses		498944	47649
VIII.	PROFIT (LOSS) FROM NORMAL ACTIVITIES		976462	290800
IX.	GAIN			
X.	LOSSES			
XI.	PROFIT (LOSS) BEFORE TAX		976462	290800
XII.	PROFIT TAX		41323	49777
XIII.	NET PROFIT (LOSS)		935139	241023

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