



JSC „ANYKŠČIŲ VYNAS“

The First Half-year Report of

2009

I. GENERAL PROVISIONS**II.****1. The reporting cycle for which the year prospect-report was prepared.**

The report is prepared for the first half-year of 2009.

2. The principal data about the Issuer (Emitentas).

The name of the Issuer:	Joint-Stock Company „Anykščių Vynas“.
Legal-organizational form:	Joint-Stock Company, Juridical person.
The registration date and place:	November 21, 1990 in the Company of the State Land Cadastre and the other Realty and the State Company Register in Vilnius).
The place and date of re-registration:	July 28, 2004, Utena branch of the State Company Register Centre.
The Register number:	BĮ 97-340.
The Company Code:	2541 11650.
The address of the residence:	Darius ir Girėno 8, Anykščiai, LT-29131.
Tel.:	(8-381) 50 233.
Fax.:	(8-381) 50350.
E-mail:	info@anvynas.lt
Website:	www.anvynas.lt

The Company „Anykščių Vynas“ has no branches and agents and no subsidiaries.

3. The main activities of the Issuer.

The principal activities are the production of the alcoholic drinks and concentrated juice and their sale.

4. The information where and when you are able to have a look at the report and papers according to which the report was prepared.

You are able to have a look at the report and papers, according to which the report was prepared (financial statements, auditor's reports, etc.) in the residence of the JSC „Anykščių Vynas“: Darius ir Girėno 8, Anykščiai, during the working time (8-17 o'clock). The public information media is “Lietuvos Rytas”.

5. The persons who are responsible for the given information in the report:

The JSC „Anykščių Vynas“

	Position	Name, surname	Tel. No.	Fax. No.
Director		Violeta Labutienė	(8~381)50 299	(8~381) 50 350
Accountant-general		Audronė Zemlevičienė	(8~381) 50 391	(8~381) 50 350

III. THE INFORMATION ABOUT THE ISSUER'S AUTHORIZED CAPITAL, ISSUED SECURITIES AND MEMBERS OF THE MANAGEMENT BODIES

6. The Issuer's authorized capital.

6.1. The authorized capital registered in the Register of Enterprises.

The Company authorized capital, registered in the Register of Enterprises, is 49 080 535 Lt.

The capital is divided into 49 080 535 ordinary nominal shares, the nominal value of one share is 1 LTL. All the Company shares are paid-up. All the Company shares are of one type – they are ordinary nominal shares that form 100% of the authorized capital.

Every fully paid-up share gives its owner one vote in the General Meeting.

The shareholders' rights and duties are set in the Company Law of the Republic of Lithuania and in the other laws and acts.

6.2. The information about the intended increase of the authorized capital by converting or changing issued debt or derivative securities into the shares.

There is no information.

7. The Shareholders

The total number of the shareholders was 432 on June 30, 2009.

The shareholders who have or control more than 5% of the Issuer's authorized capital.

Shareholder's name, surname (company name, type, address of the residence, Company Register Code)	Number of ordinary nominal shares, unit.		The owned part of the authorised capital and votes, %.		
	Total	Including shares owned by proprietary	Total	Including ordinary nominal shares owned by the shareholder's the given part of votes	Together with acting persons, %
AB "Alita" Miškininkų 17, LT-62200 Alytus, 1495 19891	46577570	46577570	94.90	94.90	-

8. The securities unmarking the presence in the authorized capital, but their turnover is regulated by the Law on the Security Market.

The Company did not issue any securities unmarking the presence in the authorized capital.

9. The secondary turnover of the securities.

The JSC “Anykščių Vynas” ordinary nominal shares are quoted in the JSC NASDAQ OMX Vilnius Complementary trade list since July 3, 1995.(Securities Code 11277). At present there are 49 080 535 of the ordinary nominal shares of the JSC „Anykščių Vynas“. The total nominal value is 49 080 535 LTL. The ISIN Code of these securities is LT0000112773 (the clipping is ANK 1L).

The information on the shareholders having special control rights.

There is no information.

The information on the restriction of the voting rights and shareholders' agreements.

There is no information.

The diagram of the comparable indices of the daily usage goods and services of the JSC „Anykščių Vynas“, the JSC „Alita“, the JSC NASDAQ OMX Vilnius and the OMX Baltic:

Baltic market indexes



The data of the diagram:

Index/Shares	01.01.2009	01.07.2009	+/-%
—OMX Vilnius	179,25	181,50	1,26
—OMX Baltic Consumer Staples GI	195,42	173,76	-11,08
—ALT1L	0,63 LTL	0,44 LTL	-30,16
—ANK1L	0,24 LTL	0,29 LTL	20,83

Anykščių vynas

The diagram of the share price and turnover history from 2009 01 01 to 2009 07 01



VP trade history in the years of 2005 – 2009.

THE INDEX	2005	2006	2007	2008	2009
The opening price	-	0,88	1,16	1,12	0,24
The biggest price	0,94	1,27	1,65	1,17	0,39
The lowest price	0,68	0,60	0,98	0,20	0,19
The final price	0,88	1,27	1,07	0,24	0,28
The turnover, in units	1 127 146	1 567 121	2 229 700	227 417	716 163
The turnover, in million	0,92	1,43	2,91	0,15	0,18
The capitalization, in million	43,19	62,33	52,52	11,78	13,74

Currency: LTL

Note: The diagram data is from the websight of the JSC NASDAQ OMX Vilnius.

NASDAQ OMX Vilnius trade:

The year and quarter	The price		The turnover		The last trade days of the period			The total turnover	
	Max.	Min.	Max.	Min.	The price	The turnover	The date	Unit	LTL
2009 I	0,39	0,20	7379,28	0,00	0,25	0,00	2009-03-31	161413	42028,17
2009 II	0,34	0,19	11299,67	0,00	0,29	0,00	2009-06-30	456925	114311,70

10. The contracts with the brokers of the securities of the public turnover.

The JSC “Anykščių Vynas” and the JS bank “Swedbank” signed the contract for the Company accounting of the issued securities and personal securities management. The JS bank “Swedbank” address: Savanorių pr. 19, 03502 Vilnius, tel:((8-5) 268 44 85, fax.: (8-5) 268 41 70.

11. The members of the management bodies.

11.1. The position, names and surnames, data about the presence in the Issuer’s authorized capital (the part of the authorized capital and votes in hand, %).

No.	The position (JSC “Anykščių vynas”)	The name, surname	The number of shares	The part of the authorised capital in hand (%)
The BOARD since 25 04 2008				
1	Chairman – does not work in the Company	Vytautas Junevičius	-	-
2	Member – does not work in the Company	Vilmantas Pečiūra	-	-
3	Member – does not work in the Company	Arvydas-Jonas Stankevičius	-	-
4	Member – does not work in the Company	Darius Vėželis	-	-
ADMINISTRATION since 16 06 2008				
1	Director	Violeta Labutienė	-	-
2	Accountant-general	Audronė Zemlevičienė	-	-
ADMINISTRATION 23 05 2008 – 16 06 2008				
1	Production Manager, Substituting Director	Vidas Lagūnas	-	-
2	Accountant-general	Audronė Zemlevičienė	-	-
ADMINISTRATION 10 02 2006 – 23 05 2008				
1	Director	Marius Gudauskas	-	-
2	Accountant- general	Audronė Zemlevičienė	-	-

11.2. The data about the presence in the activity of other companies and organizations:

Vytautas Junevičius, the Chairman of the Board, has 41.89% of the JSC “Alita“ ordinary nominal shares and he is the Chairman of the Board and the General Director of the JSC “Alita”. He is a member of the Board of the JSC “Šiaulių Bankas”. He has 5.6% of shares of the PJSC “Šiaulių banko investicijų valdymas”, 50% of shares of the PJSC “Aunuva”.

Arvydas – Jonas Stankevičius, a Member of the Board, he is the Production Director and a Member of the Board of the JSC “Alita”. He has 16.75% of the ordinary nominal shares of the JSC “Alita”, he has 40% of shares of the PJSC “Lieda” and 40% of the ordinary nominal shares of the PJSC “Alytaus vaistinė”;

Vilmantas Pečiūra – a Member of the Board, Finance and Administration Director, he has 12.57% of the ordinary nominal shares of the JSC “Alita”. He is the Chairman of the Board of the JSC “Beogradska Industrija Piva”

Darius Vėželis – a Member of the Board, Marketing and Sale Director, he has 12.57% of the ordinary nominal shares of the JSC “Alita”. He is a member of the Board of the JSC “Beogradska Industrija Piva”.

Violeta Labutienė – the Director of the JSC “Anykščių Vynas”, she does not take part in the activity and capital of the other Companies.

Audronė Zemlevičienė – the Accountant-general of the JSC “Anykščių Vynas”, she does not take part in the activity and capital of the other companies.

11.3. The information about all the important agreements among the Issuer, Issuer’s Managers, workers and the other persons.

There is no information.

12. The agreements of the associated parties.

There are no agreements.

13. The risk factors related to the issuer’s activity.

Economical factors:

The Company works in two geographical segments – the local and foreign markets. The biggest part of all the production (72.7% in the first half-year of 2009, 92.2% in the first half-year of 2008, 78.9% in 2007) is sold in the local market. And almost all the apple production (Apple concentrated juice, aroma, dried pomace (89.0% in the first half-year of 2009, 63.6% in the first half-year of 2008, 94.6% in 2007) is sold abroad. Being a great competition in the local market and due to the slump of the economic and financial state of the country the Company fruit-berry wine sale is falling (because of the adverse excise policy to the fruit-berry wine and friendly excise policy to the strong beer), the sale of the other production is also decreasing because of the increased excise rates since

the beginning of the year. The apple production depends on nature fully, and the sale volumes depend on the production volumes and prices in the European market. The Company provides raw material, spare parts which it purchases from different suppliers, so there is no dependence on one supplier. The Company also has no monopoly customer. The production and sale decreased in the first half-year of 2009 in comparing with the same period of the last year because of the lower sale of the alcoholic drinks.

On June 30, 2009 the PJSC „Anykščių Šiluma“ was indebted 568 thousand of LTL to the Company. As it is not clear if the receivable sum would be repaid, it was evaluated as a delay. The JSC „Anykščių Šiluma“ presented the schedule of the payback. The JSC „Anykščių Vynas“ uses the short term loan from the JS bank „Swedbank“ (The contract for the loan was signed in August 29, 2008 and is valid till August 29, 2008). The financial debt to the JS bank „Swedbank“ was 8 632 thousand of LTL on June 30, 2009. There are no essential problems with the payments to the suppliers and production customers.

Political risk factors:

The Government decisions to increase the excise to the production since January 1, 2009 has a negative influence on the Company production.

Social factors:

There is a collective agreement with the trade union that is in force till July, 2009.

Technical-technological factors:

The most of the technological machines is reconstructed or new, a lot of attention is given to the automation of the technological processes and improvement of the production quality. At present the production facilities are used about ~65%. There are no risk factors to the technological processes.

14. The data about the workers in 2008- the first half-year of 2009:

	The first half-year of 2009	The first half-year of 2008	The first half-year of 2009 in comparing with the first half-year of 2008, %
The average listing number of the workers	208	263	79,1
The average payment before taxes, LTL.	1484	1464	101,4

15. Information on audit

The JSC „Anykščių Vynas“ financial accounting and financial statement audit of the first half year was not done. The audit will be done for the whole financial year of 2009 according to the International Financial Reporting Standards.

III. THE ESSENTIAL EVENTS IN THE ISSUER'S ACTIVITY, ITS PROSPECT

16. The essential events in the Issuer's activity.

January 6, 2009. The JSC “Anykščių Vynas” shortens the working time.

When the excise tax for the alcoholic drinks was raised 10-20% once more since 2009, the JSC „Anykščių Vynas“ passed to four days a week working time because of rapidly decreasing sales.

Because of the increased excise tax the JSC „Anykščių Vynas“ is forced to raise the production prices once more and in its turn this will have influence on its sale. There is no doubt that people, unable to purchase legal qualitative drinks, would look for them in the black market. Due to the decreasing sales the for days a week working time in the Company, where 240 people work, may last for an indefinite period of time.

January 19, 2009. The resolution of the Board of the JSC „Anykščių Vynas“.

On January 19, 2009 the Board of the JSC „Anykščių Vynas“ has analysed the formed situation in the Company that was caused by the increased excise tax for the alcoholic drinks and the rapidly decreasing sales. The main guidelines were foreseen for the improvement of the Company activities.

The Board decided to optimize the production by reducing the production assortment, to review the Company management structure and to reduce the number of the workers in 20-25%.

February 25, 2009. The activity results of 2008.

In 2008 the revenue of the JSC „Anykščių Vynas“ amounted to 37 453 thousand of LTL (10 847 thousand of EURO) and the interim result of the activities before taxes was the loss of 6407 thousand of LTL (1855.6 thousand of EURO). It was determined by the general situation in the country market and the decreased Company sale because of the increased excise for the alcoholic drinks to 20% in the beginning of 2008. In comparing with 2007 the sale incomes decreased in 19.4% or 9112 thousand of LTL. In 2007 the activity result before taxes was the profit of 823.4 thousand of LTL (238.5 thousand of EURO).

February 27, 2009. The JSC „Anykščių Vynas“ interim information.

The JSC „Anykščių Vynas“ presents the unaudited interim information of the year of 2008.

March 24, 2009. The JSC „Anykščių Vynas“ calls the General Meeting.

On the Board's own initiative and resolution the JSC „Anykščių Vynas“ General Meeting is called on April 24, 2009 at 12 o'clock, that will be held in the Company hall (Dariaus and Girėno str. 8, Anyksciai. The data about the Company is kept and stored in the Register of Legal Persons, the VAT payer code: LT541116515). The registration begins at 11,30 a.m. The shareholders must have an identification document, the representatives must have an identification document and a letter of authorization approved according to the law. The accounting day of the General Meeting is April

17, 2009. The shareholders can have a look at the Company papers related to the agenda of the General Meeting and meeting resolution drafts in the Company headquarters from April 14, 2009.

Agenda of the General Meeting

1. The annual report of the year of 2008.
2. The auditor's report.
3. The approval of the Company's financial statement of 2008.
4. The approval of the distribution of profit (loss) for the financial year of 2008.
5. The selection of the firm of auditors for 2009-2010 financial year and establishment of terms of remuneration for the audit services.

March 24, 2009. The JSC "Anykščių Vynas" shortens the working time.

The JSC "Anykščių Vynas" will work four days a week in the second quarter of 2009 due to rapidly decreasing sales as the result of the increased excise duty to 10-20% from January, 2009.

Due to the decreasing sales, the working time four days a week in the Company may last for an indefinite period of time.

April 15, 2009. The draft resolutions of the General Meeting

The Board of the JSC "Anykščių Vynas" presents the General Meeting the following resolution drafts on April 24, 2009:

1. The annual report of the year of 2008 (The resolution on this item is not accepted).
2. The auditor's report (It was heard).
3. To approve the Company financial statement in 2008.
4. To approve the draft of the distribution of the profit (loss) for the financial year of 2008:
 The profit (loss) brought forward in the beginning of the reporting financial year (9 892 thousand of LTL; 2 864.9 thousand of EURO);
 The net profit (loss) for the reporting financial year (6 300 thousand of LTL; 1 824.6 thousand of EURO);
 The profit (loss) available for the distribution (16 192 thousand of LTL; 4 689.5 thousand of EURO);
 The profit (loss) brought forward at the end of the reporting financial year transferred to the other financial year (16 192 thousand of LTL; 4 689.5 thousand of EURO).
5. To elect the JSC „KPMG Baltics“ a Company Auditor for 2009-2010 financial years.

April 24, 2009. The resolutions of the General Meeting.

On April 25, 2008 the JSC "Anykščių Vynas" General Meeting took place and passed these resolutions:

1. The annual report of the year of 2008 (It was heard).
2. The auditor's report (It was heard).
3. Approved the Company financial statement in 2008.
4. Approved the distribution of the profit (loss) for the financial year of 2008:
 The profit (loss) brought forward in the beginning of the reporting financial year (9 892 thousand of LTL; 2 864.9 thousand of EURO);
 The net profit (loss) for the reporting financial year (6 300 thousand of LTL; 1 824.6 thousand of EURO);

The profit (loss) available for the distribution (16 192 thousand of LTL; 4 689.5 thousand of EURO);

The profit (loss) brought forward at the end of the reporting financial year transferred to the other financial year (16 192 thousand of LTL; 4 689.5 thousand of EURO).

5. Elected the JSC „KPMG Baltics“ a Company Auditor for 2009-2010 financial years.

April 24, 2009. The papers of the General Meeting.

The General Meeting approved the Company financial statement, the annual report of the year of 2008 and the verification of the responsible persons is added.

May 27, 2009. The results of the first quarter of 2009.

In the first quarter of 2009 the JSC „Anykščių Vynas“ sustained the unaudited pretax losses of 721 thousand of LTL (208.8 thousand of EURO). It was determined by the general situation in the country and the decreased Company sales because of the increased excise taxes for the alcoholic drinks. The sales for the first quarter of 2009 amounted to 4 674 thousand of LTL (1 354 thousand of EURO) and decreased by 39.8% or 3 086 thousand of LTL (893.8 thousand of EURO) in comparing with the same period of the previous year.

The Company sustained pretax losses of 783 thousand of LTL (226.8 thousand of EUR) in the same period of the previous year.

May 28, 2009. The interim information of the JSC „Anykščių Vynas“.

The JSC „Anykščių Vynas“ presents the unaudited interim financial statement for the three months of 2009.

June 30, 2009. The JSC “Anykščių Vynas” shortens the working time a week.

As the result of the decreased sales, the JSC „Anykščių Vynas“ shortens the working time to four days a week in the third quarter of 2009 again.

You are able to get the announced regulated information for the survey in the Company or Vilnius Stock Exchange website: www.nasdaqomx.com/vilnius.

17. The lawsuits and arbitrations.

During the first half-year of 2009 the Company brought a lawsuit against Algirdas Bainoras in order to set up a claim for 1865.05 LTL for the lease of the lodgement. Besides, the credit claim for the sum of 2579.43 LTL was made to the JSC „Baltic Europe Servines Transport“ for the debt of the lodgement lease.



JSC “ANYKŠČIŲ VYNAS“

INTERIM STATEMENTS

FOR THE ENDED 30 JUNE 2009

JSC „Anykščių vynos“

Interim statements for the ended 30 June 2009

CONFIRM 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 Lithuania we, Violeta Labutienė, Director and Audronė Zemlevičienė, accountant-general, hereby confirm that, to the our knowledge, the interim statements for the ended 30 June 2009 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 of JSC “Anykščių vynos”. We also confirm that JSC “Anykščių vynos” Interim Report for the six months of 2009 includes a fair review of the development and performance of the business.

Director



Violeta Labutienė

Accountant-general



Audronė Zemlevičienė

JSC „Anykščių vynas“

Interim statements for the ended 30 June 2009

BALANCE SHEET**ASSETS**

thousand Litas

2009.06.302008.12.31**NON-CURRENT ASSETS**

Intangible non-current assets

9

12

Property, plant and equipment

22,934

24,000

-

TOTAL NON-CURRENT ASSETS22,94324,012**CURRENT ASSETS**

Inventories

12,083

17,855

Trade receivables

1,590

3,658

Alita groups receivables

7,270

9,538

Prepayment and deferred cost

434

463

Other assets

218

41

Alita groups loans

-

797

Cash and cash equivalents

347

449

TOTAL CURRENT ASSETS21,94232,801**TOTAL ASSETS**44,88556,813

JSC „Anykščių vynas“

Interim statements for the ended 30 June 2009

BALANCE SHEET (CONT'D)**EQUITY AND LIABILITIES**

thousand Litas	<u>2009.06.30</u>	<u>2008.12.31</u>
CAPITAL AND RESERVES		
Share capital	49,081	49,081
Accumulated losses	<u>(18,155)</u>	<u>(16,192)</u>
Total capital and reserves	<u>30,926</u>	<u>32,889</u>
NON-CURRENT LIABILITIES		
Deferred tax liability	<u>509</u>	<u>509</u>
Total non-current liabilities	<u>509</u>	<u>509</u>
CURRENT LIABILITIES		
Current portion of long-term	8,632	8,632
Liabilities to suppliers	1,449	6,040
Liabilities to Alita groups	77	-
Other liabilities and accrued expenses	<u>3,292</u>	<u>8,743</u>
Total current liabilities	<u>13,450</u>	<u>23,415</u>
Total liabilities	<u>13,959</u>	<u>23,924</u>
TOTAL EQUITY AND LIABILITIES	<u><u>44,885</u></u>	<u><u>56,813</u></u>

JSC "Anykščių vynas" Director



Violeta Labutienė

JSC „Anykščių vynos“

Interim statements for the ended 30 June 2009

INCOME STATEMENT

thousand Litas

	2009 06 30	2008 06 30
Revenue	11,991	18,586
Cost of sales	(11,799)	(14,110)
Gross profit	192	4,476
Other income	552	201
Sales expenses	(701)	(3,066)
General and administrative expenses	(1,259)	(2,365)
Other expenses	(433)	(115)
Operating result	(1,649)	(869)
Finance income	14	91
Finance expenses	(328)	(239)
Result before tax	(1,963)	(1,017)
Tax for the year		
Result for the year	(1,963)	(1,017)
Earnings per share (in Litas)	(0,04)	(0,02)

JSC "Anykščių vynos" Director



Violeta Labutienė

JSC „Anykščių vynas“

Interim statements for the ended 30 June 2009

INCOME STATEMENT

thousand Litas

	2009 04 01 2009 06 30	2008 04 01 2008 06 30
Revenue	7,317	10,825
Cost of sales	(7,524)	(8,210)
Gross profit	(207)	(2,615)
Other income	266	132
Sales expenses	(347)	(1,581)
General and administrative expenses	(610)	(1,266)
Other expenses	(214)	(78)
Operating result	(1,112)	(178)
Finance income	1	64
Finance expenses	(131)	(120)
Result before tax	(1,242)	(234)
Tax for the year		
Result for the year	(1,242)	(234)
Earnings per share (in Litas)	(0,03)	0

JSC "Anykščių vynas" Director



Violeta Labutienė

JSC „Anykščių vynu“

Interim statements for the ended 30 June 2009

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

thousand Lit

	Share capital	Legal reserve	Other reserve	Accumulated losses	Total
Capital and reserves at 31 December 2007	<u>49,081</u>	<u>-</u>	<u>-</u>	<u>(9,892)</u>	<u>39,189</u>
Net profit for I half-year 2008				<u>(1,017)</u>	<u>(1,017)</u>
Capital and reserves at 30 June 2008	<u>49,081</u>	<u>-</u>	<u>-</u>	<u>(10,909)</u>	<u>38,172</u>
Net profit for 2008				<u>(5,283)</u>	<u>(5,283)</u>
Capital and reserves at 31 December 2008	<u>49,081</u>	<u>-</u>	<u>-</u>	<u>(16,192)</u>	<u>32,889</u>
Net profit for I half-year 2009				<u>(1,963)</u>	<u>(1,963)</u>
Capital and reserves at 30 June 2009	<u>49,081</u>	<u>-</u>	<u>-</u>	<u>(18,155)</u>	<u>30,926</u>

JSC "Anykščių vynu" Director



Violeta Labutienė

JSC „Anykščių vynas“

Interim statements for the ended 30 June 2009

CASH FLOW STATEMENT

thousand Litas

Cash flow from (to) operating activities:	2009.06.30	2008.06.30
Result after tax	(1,963)	(1,017)
Adjustments for:		
Depreciation and amortization	1,083	1,335
Write-off of property, plant and equipment	(1,75)	-
Profit (loss) from disposal of non-current assets	(3)	(11)
Interest expenses	284	229
Interest income	(9)	(76)
Write-off of inventories	-	5
	(783)	465
Change in current assets and short-term liabilities:		
Change in inventories	5,772	516
Change in receivables	2,243	4,849
Change in parent company's receivables	2,345	(4,334)
Change in prepayments and deferred expenses	29	(206)
Change in other receivables	(177)	(1)
Change in trade receivables and accrued liabilities	(10,042)	(5,544)
Net cash inflow from ordinary activities	(613)	(4,255)
Net cash flow from (to) investing activities:		
Acquisition of property, plant and equipment	(14)	(256)
Acquisition of intangible non-current assets	-	(13)
Sales of property, plant and equipment	3	11
Loans provided by the company	-	(2,909)
Portion of loans returned to the company	797	4,030
Interest received	9	76
Net cash (used in) investing activities:	795	939
Net cash flow from (to) financing activity:		
Loans received	-	3,522
Interest (paid)	(284)	(229)
Net cash flow (used in) financing activity	(284)	3,293
Change in cash and cash equivalents	(102)	(23)
Cash and cash equivalents at 1 January	449	281
Cash and cash equivalents at 30 June	347	258

JSC "Anykščių vynas" Director



Violeta Labutienė

JSC "Anykščių vynos"

Interim statements for the ended 30 June 2009

Notes

1 Reporting entity

AB Anykščių Vynas (the Company) is a publicly listed joint stock company the shares of which are listed in Vilnius Stock Exchange market. 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 main shareholder of the Company is AB Alita which as at 30 June 2009 owns 46,578 thousand ordinary registered shares or 94.9% of all shares of the Company.

2 Basis of preparation

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 measurement

The financial statements are presented in thousand Litass; Litass is the national currency and the functional currency of the Company. The financial statements are prepared on the historical cost basis, as modified by the historic indexation of certain property, plant and equipment.

Use of estimates and judgements

The preparation of the financial statements in conformity with IFRSSs, 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 of 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.

Judgments made by the management in the application of IFRSSs, as adopted by the European Union, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 4.

Notes

3 Significant accounting policies

The accounting policies of the Company as set out below have been consistently applied and coincide with those used in the previous year.

Foreign currency

Translation of amounts in foreign currencies into the national currency

Transactions in foreign currencies are translated into Litas 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. 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. 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 recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Financial instruments are recognized on the day of the transaction. Financial assets are derecognised if the Company's 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 derecognised if the Company's obligations 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 amortised 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 amortised cost using the effective interest rate method basis. Short-term liabilities are not discounted.

The effective interest method is a method of calculating the amortised 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

3 Significant accounting policies (cont'd)

Financial instruments (cont'd)

Derivative financial instruments

Derivatives are recognized initially at fair value; attributable transaction costs are recognised in the income statement when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for in the income statement.

The Company did not hold any investments in this category during the period.

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment acquired on 1 January 1996 or later are stated at cost as deemed cost less accumulated depreciation and impairment losses. Items of property, plant and equipment acquired before 1 January 1996 are stated at cost less accumulated depreciation adjusted by revaluations made following rates specified by the Government of the Republic of Lithuania for separate assets groups. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

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

Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. The owner-occupied property acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Subsequent costs

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

JSC „Anykščių vynos“

Interim statements for the ended 30 June 2009

Notes

3 Significant accounting policies (cont'd)

Property, plant and equipment (cont'd)

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. The estimated useful lives are as follows:

- Buildings and constructions 8–80 years;
- Machinery and equipment 4–50 years;
- Transport vehicles 4–25 years;
- Other equipment and tools 3–11 years.

Depreciation methods, residual values and useful lives are reassessed annually.

Intangible assets

Intangible assets, comprising computer software and software licenses that are acquired by the Company are stated at cost less accumulated amortization and impairment losses. The assets are amortized using the straight-line method over a 1-3 years' period. Amortisation methods and useful lives are reassessed annually.

Subsequent expenditure

Subsequent expenditure on capitalized intangible assets 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.

Emission rights

The EU Emission Allowance Trading Scheme was established by Directive 2003/87/EC and commenced on 1 January 2005. The first phase runs for the three-year period from 2005 to 2007; the second will run for five years from 2008 to 2012 to coincide with the first Kyoto Commitment Period. The scheme works on a 'Cap and Trade' basis. EU Member States' governments are required to set an emission cap for each phase for all 'installations' covered by the Scheme. This cap is established in the National Allocation Plan (NAP), which is issued by the relevant authority in each Member State. The NAP describes the amount of yearly emissions (measured in tones of carbon dioxide equivalents) permitted per installation for each phase for which allowances will be allocated on an annual basis.

Member States are required to allocate allowances to installations by 28 February each year according to the NAP (a certain number of allowances are kept in reserve for new installations).

Member States must ensure that by 30 April of the following year at the latest, that the operator of each installation surrenders a number of allowances equal to the total emissions from that installation during the preceding calendar year.

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Interim statements for the ended 30 June 2009

Notes

3 Significant accounting policies (cont'd)

Emission rights (cont'd)

When the Company has sufficient allowances to meet its obligations, the net approach is applied, the amount of the provision is equal to the costs of the assets and neither the asset nor the provision is presented on the balance sheet.

In case the Company is 'short' of allowances, the liability is recognised on the balance sheet being the best estimate of the expenditure (economic resources) required to settle the emission obligation.

Inventories

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

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.

Impairment

A financial asset is impaired if there is objective evidence that certain event or events could have an adverse impact on asset-related cash flows in the future. Significant financial assets must be tested for impairment on an individual basis. The remaining financial assets are grouped according to their credit risk and the impairment for those groups is measured on a portfolio basis. An asset the impairment of which is tested on an individual basis and its impairment loss is continually recognised cannot be included in any group of assets that are tested for impairment on a portfolio basis.

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

For the assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in the income statement.

JSC „Anykščių vynos“

Interim statements for the ended 30 June 2009

Notes

3 Significant accounting policies (cont'd)

Impairment (cont'd)

Calculation of recoverable amount

The recoverable amount of the Company's receivables carried at amortised 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 short duration are not discounted.

The recoverable amount of non-financial assets is the greater of their fair value less costs to sell and value in use. 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 assessments of the time value of money and the risks specific to the asset.

Reversals of impairment

An impairment loss in respect of receivables booked at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In case of certain changes in events or circumstances, on the basis of which the recoverable value of non-financial assets was calculated, indicating that carrying value on non-financial assets can be recoverable, impairment loss is reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Dividends

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

Employee benefits

The Company does not have any defined contribution and benefit plans and has no share based payment schemes. Post employment obligations to retired employees on a pension are borne by the State.

Provisions

Provisions are recognised in the balance sheet when it is probable that an outflow of economic benefits will be required to settle a present legal or constructive obligation arising from a past event.

JSC „Anykščių vynu“

Interim statements for the ended 30 June 2009

Notes

3 Significant accounting policies (cont'd)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales of services

Sales of services are recognised on performance of the services.

Interest income is recognized on an accrual basis, by reference to the principal outstanding and at the effective interest rate applicable.

Costs

Costs in the accounting are recognized on an accrual and comparison principles.

Only that part of the costs of the previous and accounting periods, not taking into consideration the time the cash was spent, which is related to income earned during the accounting period, is recognized as costs. Costs not related to earning of specific income are recognized as costs of the period when incurred.

Operating lease payments

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

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 recognised as it accrues in the income statement, 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 recognised in the income statement using the effective interest method.

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Interim statements for the ended 30 June 2009

Notes

3 Significant accounting policies (cont'd)

Income tax

Income tax consists of current and deferred tax. Income tax is recognised in the income statement except to the extent it relates to the items recognised directly in equity, in which case it is recognised in equity.

Current income 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.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of the assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not calculated for temporary differences recorded at the moment of initial recognition of assets or liabilities when such differences affect neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets is recognised only to the extent it is probable that the future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent it is no longer probable that the related tax benefit will be realised.

Segment reporting

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 segments.

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 the ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to the 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.

Contingencies

Contingent liabilities are not recognized in the financial statements, except for contingent liabilities in business combinations. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the financial statements but disclosed when an inflow or economic benefits are probable.

Notes

3 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.

Fair value of financial instruments

Fair value is defined as the amount at 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.

Carrying amount of trade amounts receivable, amounts payable and short-term credit lines is close to their fair value. The fair value of the long-term debt is based on the quoted market price for the same or similar issues or on the current rates available for debt with the same maturity profile. The fair value of non-current loans, borrowings and other payables with variable interest rates approximates their carrying amounts.

Notes

4 Significant accounting estimates and judgements

Estimates and assumptions are continually reviewed and are based on historical experience and other factors, representing the current situation and reasonable expected future events.

The Company makes estimates and assumptions concerning future events, therefore accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are discussed below.

Market uncertainties

The ongoing global liquidity crisis resulted in, among other things, a lower liquidity levels in economy, a lower level of capital market funding and lower liquidity. In addition to that, Lithuania has been experiencing economic downturn which has affected, and may continue to affect, the activities of enterprises operating in this environment. These financial statements reflect management's assessment of the impact of the Lithuanian and global business environment on the operations and the financial position of the Company. The future developments in business environment may differ from management's assessment.

Impairment losses on non-current assets

The carrying amounts of the Company's non-current 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. 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.

Based on these assumptions, the recoverable value of the tangible non-current assets exceeds the book value of those assets.

4 Significant accounting estimates and judgements (cont'd)

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 judgements 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.

The management evaluates probable cash flows from the debtors based on historical loss experience related to the debtors with a similar credit risk. Methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

JSC „Anykščių vynas“

Interim statements for the ended 30 June 2009

Notes

6 Business and geographical segments

Business segments

	Alcohol drinks		Apple products		Not allocated		Total	
	2009 06 30	2008 06 30	2009 06 30	2008 06 30	2009 06 30	2008 06 30	2009 06 30	2008 06 30
thousand Litas								
Sales	8,758	15,913	2,892	2,332	341	341	11,991	18,586
Cost of sales	(8,122)	(12,246)	(3,467)	(1,672)	(210)	(192)	(11,799)	(14,110)
Gross profit	636	12,246	(575)	660	131	149	192	4,476
Operating expenses					(1,960)	(5,431)	(1,960)	(5,431)
Other operating income					552	201	552	201
Other operating expenses					(433)	(115)	(433)	(115)
Finance income					14	91	14	91
Finance expenses					(328)	(239)	(328)	(239)
Net result	636	12,246	(575)	660	(2,024)	(5,344)	(1,963)	(1,017)

Geographical segments

	Sales		Total assets		Acquisitions of property, plant and equipment	
	2009 06 30	2008 06 30	2009 06 30	2008 12 31	2009 06 30	2008 06 30
thousand Litas						
Lithuania	9,146	17,065	44,885	56,813	14	267
Latvia	215	269				
Estonia	221	656				
Poland	1,339	-				
Great Britain	33	44				
Germany	1,036	429				
Other countries	1	123				
	11,991	18,586	44,885	56,813	14	267

JSC „Anykščių vynas“

Interim statements for the ended 30 June 2009

Notes

6 Business and geographical segments

Business segments

	Alcohol drinks		Apple products		Not allocated		Total	
	2009 04 01	2008 04 01	2009 04 01	2008 04 01	2009 04 01	2008 04 01	2009 04 01	2008 04 01
	2009 06 30	2008 06 30	2009 06 30	2008 06 30	2009 06 30	2008 06 30	2009 06 30	2008 06 30
thousand Litas								
Sales	5,408	9,453	1,724	1,165	185	207	7,317	10,825
Cost of sales	(5,116)	(7,352)	(2,290)	(733)	(118)	(125)	(7,524)	(8,210)
Gross profit	292	2,101	(566)	432	67	82	(207)	2,615
Operating expenses					(957)	(2,847)	(957)	(2,847)
Other operating income					266	132	266	132
Other operating expenses					(214)	(78)	(214)	(78)
Finance income					1	64	1	64
Finance expenses					(131)	(120)	(131)	(120)
Net result	292	2,101	(566)	432	(968)	(2,767)	(1,242)	(234)

Geographical segments

	Sales		Total assets		Acquisitions of property, plant and equipment	
	2009 04 01	2008 04 01	2009 04 01	2008 12 31	2009 04 01	2008 04 01
	2009 06 30	2008 06 30	2009 06 30		2009 06 30	2008 06 30
thousand Litas						
Lithuania	5,595	9,724	44,885	56,813	14	174
Latvia	105	102				
Estonia	151	459				
Poland	414	-				
Great Britain	16	16				
Germany	1,036	429				
Other countries	-	95				
	7,317	10,825	44,885	56,813	14	174

JSC „Anykščių vynos“

Interim statements for the ended 30 June 2009

Notes**7 Other operating income and expenses**

thousand Litas

	2009 06 30	2008 06 30
Income from sale of current assets	454	122
Income from rent and provided services	95	66
Income from sale of property, plant and equipment	3	11
Other operating income	-	2
Total other operating income	552	201
Cost of sale of current assets	(356)	(103)
Cost of rent and provided services	(77)	(12)
Other operating expenses	-	-
Total other operating expenses	(433)	(115)

7 Other operating income and expenses

thousand Litas

	2009 04 01 2009 06 30	2008 04 01 2008 06 30
Income from sale of current assets	211	89
Income from rent and provided services	52	36
Income from sale of property, plant and equipment	3	5
Other operating income	-	2
Total other operating income	266	132
Cost of sale of current assets	(167)	(73)
Cost of rent and provided services	(47)	(5)
Other operating expenses	-	-
Total other operating expenses	(214)	(78)

JSC „Anykščių vinas“

Interim statements for the ended 30 June 2009

8 Sales expenses

thousand Litas

	2009 06 30	2008 06 30
Advertising expenses	(82)	(1,642)
Personnel expenses	(357)	(496)
Distribution	(173)	(156)
Transportation	(47)	(213)
Other	(42)	(559)
	(701)	(3,066)

8 Sales expenses

thousand Litas

	2009 04 01 2009 06 30	2008 04 01 2008 06 30
Advertising expenses	(45)	(897)
Personnel expenses	(180)	(258)
Distribution	(59)	8
Transportation	(24)	(131)
Other	(39)	(303)
	(347)	(1,581)

9 General and administrative expenses

thousand Litas

	2009 06 30	2008 06 30
Personnel expenses	(512)	(688)
Repair and maintenance	(371)	(430)
Taxes	(66)	(449)
Depreciation and amortization	(113)	(156)
Security	(121)	(101)
Communications	(23)	(52)
Insurance expenses	(40)	(37)
Other payments to employees	(2)	(15)
Payments to banks	(6)	(7)
Other	(5)	(425)
	(1,259)	(2,365)

JSC „Anykščių vinas“

Interim statements for the ended 31 March 2009

Notes**9 General and administrative expenses**

thousand Lit	2009 04 01 2009 06 30	2008 04 01 2008 06 30
Personnel expenses	(256)	(348)
Repair and maintenance	(197)	(293)
Taxes	(2)	(254)
Depreciation and amortization	(87)	(81)
Security	(61)	(51)
Communications	(14)	(34)
Insurance expenses	(20)	(19)
Other payments to employees	-	(12)
Payments to banks	(3)	(4)
Other	30	(170)
	(610)	(1,266)

Because of the increased excises for the alcoholic drinks, the sale and production volumes decreased in the I half-year of 2009 considerably, therefore the Company reduced the number of the workers and the redundancy was paid them. The suspension of the redundancy was formed on December 31, 2008 and it amounted to 540 thousand of Lit.

10 Finance income and expenses

thousand Lit	2009 06 30	2008 06 30
Interest income	9	76
Delinquency charges	-	15
Other finance income	5	-
	14	91
Interest expenses for loans	(284)	(229)
Influence of foreign currency exchange	(5)	(1)
Other finance expenses	(39)	(9)
	(328)	(239)
	(314)	(148)

JSC „Anykščių vynas“

Interim statements for the ended 30 June 2009

Notes**10 Finance income and expenses**

thousand Litas	2009 04 01 2009 06 30	2008 04 01 2008 06 30
Interest income	-	54
Delinquency charges	-	10
Other finance income	1	-
	1	64
Interest expenses for loans	(119)	(115)
Influence of foreign currency exchange	(3)	(1)
Other finance expenses	(9)	(4)
	(131)	(120)
	(130)	(56)

In 2008, the Company provided loans with the interest to related companies. During 2009 I half-year, interest income amounted to 9 thousand Litas (during 2008: 74 thousand Litas). During 2009 I quarter the loans was returned. On August 2008, the bank renewed a loan agreement re extension of credit line limit of 2,500 thousand Litas with higher interest; therefore, more interest was calculated and paid to the bank: 238 thousand Litas (in 2008: 229 thousand Litas). Other interest expenses amounting 52 thousand Litas relate to factoring service.

JSC „Anykščių vynas“

Interim statements for the ended 30 June 2009

Notes**17 Inventories**

thousand Lit

	2009 06 30	2008 12 31
Saturated apple juice	4,761	11,481
Production in progress	3,839	4,903
Finished goods	2,299	2,891
Packaging materials	1,163	1,415
Raw materials	568	632
Auxiliary materials	303	218
Goods for resale and other goods	63	55
	<hr/>	<hr/>
Less write-down to net realizable value	12,996 (913)	21,595 (3,740)
	<hr/>	<hr/>
	12,083	17,855
	<hr/>	<hr/>
Write-down in the beginning of the year	(3,740)	(1,671)
	<hr/>	<hr/>
During the year	-	(2,767)
Reversal of impairment	2,827	698
	<hr/>	<hr/>
Write-down in the end of the year	(913)	(3,740)
	<hr/>	<hr/>

The decrease in inventories was influenced by the balance of saturated apple juice, cider semimanufactures. The Company insured inventories of 13,000 thousand Lit against fire, natural forces and other damages. The Company has also pledged inventories to the bank of 6,559 thousand Lit.

JSC „Anykščių vinas“

Interim statements for the ended 30 June 2009

Notes**18 Trade receivables**

thousand Lit	2009 06 30	2008 12 31
Alita Group amounts	7,270	9,538
Trade receivables for production	1,723	3,680
Receivable for heating (discussed below)	568	854
	9,561	14,072
Less impairment	(701)	(876)
	8,860	13,196
Impairment in the beginning of the year	(876)	(876)
Reversal of impairment due to write-down of receivable	175	-
Impairment in the end of the year	(701)	(876)

The Company has receivable amount of 568 thousand Lit for heating from UAB Anykščių Šiluma. During 2009 I half-year, UAB Anykščių Šiluma paid 286 thousand Lit for produced heating. The impairment loss of 744 thousand Lit was recorded for UAB Anykščių Šiluma due to expected slow repayment of the debt; however, in 2008 the Company provided the payment schedule and committed to pay entire debt during 2009-2010.

19 Other amounts receivable

thousand Lit	2009 06 30	2008 12 31
Alita Group loans	-	797
Prepayments	434	463
Other current assets	218	41
	652	1,301

JSC „Anykščių vynos“

Interim statements for the ended 30 June 2009

Notes

20 Cash and cash equivalents

thousand Lit	2009 06 30	2008 12 31
Cash at bank	338	437
Cash in hand	9	12
	347	449

As at 30 June 2009, cash balances, amounting to 312 thousand Lit, as well as inflows into the main accounts of the bank were pledged to secure repayment of the loans provided by the bank.

21 Capital and reserves

Share capital consists of 49,080,535 ordinary shares with a nominal value of 1 Lit each. Major part of the shares – 46,577,570 (94.90%) shares – is owned by the parent company AB Alita, the remaining part – 2,502,965 (5.10%) of the shares – is owned by minor shareholders.

The holders of the ordinary shares are entitled to one vote per share in the meeting of the Company and are entitled to receive dividends as declared from time to time and to capital repayment in case of decrease of the capital. During 2009 I half-year number and nominal value of shares has not changed.

22 Loans and finance lease liabilities

thousand Lit	2009 06 30	2008 12 31
Short-term credit line	8,632	8,632
Current portion of long-term loan	-	-
Total current liabilities	8,632	8,632

AB Anykščių Vynas has a credit line up to 8,632 thousand Lit (2,500 thousand EUR) with the bank. 8,632 thousand Lit were used as at 30 June 2009. The average annual variable interest rate in 2009 I half-year was 4,977%. To secure the repayment of this loan, the Company pledged non-current assets with a book value of 20,103 thousand Lit as at 30 June 2009 as well as inventories amounting to 6,559 thousand Lit, all 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 insured its non-current assets with a book value of 20,181 thousand Lit as at 30 June 2009.

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Notes**23 Other liabilities and accrued expenses**

thousand Lit	2009 06 30	2008 12 31
Excise duty payable	1,419	4,093
Value added tax payable	621	1,334
Provisions for redundancy payments	124	540
Salaries	242	265
Accrued vacation reserve	262	262
Social insurance	154	167
Income tax from the salaries	26	17
Other liabilities	444	20,65
	3,292	8,743

Because of the increased excises for the alcoholic drinks, the sale and production volumes decreased in the I half-year of 2009 considerably, therefore the Company reduced the number of the workers and the redundancy was paid them. The suspension of the redundancy was formed on December 31, 2008 and it amounted to 540 thousand of Lit.

25 Related party transactions

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

- AB Alita – the parent company,
- UAB Alita Distribution – the company controlled by AB Alita,
- UAB Vilkmėrgės Alus – the company controlled by UAB Alita Distribution.

Transactions during the year and balances outstanding at the end of the year with the above mentioned companies are summarised below:

thousand Lit	2009 06 30	2008 06 30
Transactions with related parties		
Sales to related companies	9,071	9,141
Purchases from related companies	165	1,542
Amounts receivable from related parties	2009 06 30	2008 12 31
Trade receivable from related parties	7,270	9,538
Loans receivable from related parties	-	797
Amounts payable to related parties		
Trade payable to related parties	77	-

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Notes

26 Off-balance sheet items

In accordance with the National Allocation Plan for 2008-2012, AB Anykščių Vynas has been provided with 14,934 CO2 emission allowances (2,986 per year) for the system *boiler house, oilcake dryer*.

AB Anykščių Vynas issued a guarantee for AB Alita to the bank for the credits amounting to 45,000 thousand Litas and 25,772 thousand EUR as well as for guarantee limit of 3,600 thousand EUR.

27 Legal claims

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

28 Subsequent events

No significant events occurred after the balance sheet date, which would require adjustments to these financial statements.

29 Financial instruments

Fair value of financial instruments

The management of the Company is of the opinion that book values of trade and other receivables, trade and other payables as well as borrowings approximate their fair value.

Carrying amount of trade amounts receivable, other financial property, amounts payable and short-term credit lines approximate their fair value.