



**THE 1<sup>st</sup> HALF YEAR REPORT OF  
ANYKŠČIŲ VYNAS AB**

**2014**

*Prepared following the Rules on Preparation and Provision of Periodical and Additional Information  
approved by the Board of Bank of Lithuania*

## CONTENTS

1. MAIN DATA ABOUT THE ISSUER .....	3
2. OTHER INFORMATION ABOUT THE ISSUER.....	4
3. INFORMATION ABOUT THE ISSUER.....	11
4. FINANCE.....	13

The definitions used in this interim report of the 1<sup>st</sup> half of the year 2014 have the meaning defined in the list below, unless the context provides otherwise. This list contains the main concepts used throughout the Annual report. The text of the interim report may provide for explanations or definitions of other concepts as well.

‘Company’ or ‘Issuer’ – a public company ANYKŠČIŲ VYNAS AB established and acting pursuant to the laws of the Republic of Lithuania.

‘Interim report’ – this document meant for the public in which information about the Company is disclosed which is required to be disclosed under the legal acts.

## 1. MAIN DATA ABOUT THE ISSUER

### 1.1. The reporting cycle for which the interim report was prepared

The interim report of the 1<sup>st</sup> half of the year 2014 is prepared for the reporting period from 1 January 2014 till 30 June 2014.

### 1.2. The Issuer and its contact information

The name	ANYKŠČIŲ VYNAS
Legal form:	Joint-Stock Company, Legal entity
The registration date and place	21 November 1990, Utena branch of the State Enterprise Centre of Registers
The date and place of re-registration	24 July 2004, Utena branch of the State Enterprise Centre of Registers
The Register number	BJ 97-340
The Company’s registration code	254111650
The registered address	Dariaus ir Girėno st. 8, Anykščiai LT-29131
Phone	(8-381) 50 233
Fax.	(8-381) 50350
E-mail	<a href="mailto:info@anvynas.lt">info@anvynas.lt</a>
Website	<a href="http://www.anvynas.lt">www.anvynas.lt</a>

### 1.3. The main activities of the Issuer

The type of activities of ANYKŠČIŲ VYNAS AB: production and sale of alcoholic drinks and concentrated apple juice. The Company produces and distributes cider, natural and fortified fruit wines of special technology, bitters, liqueurs, spirits and concentrated apple juice.

### 1.4. Information about agreements with intermediaries of public trading in securities

On 29 June 2004 ANYKŠČIŲ VYNAS AB signed an agreement on management of Issuer’s securities accounting with Swedbank AB, represented by the Department of Operations with Securities (company code 112029651, address: Konstitucijos Ave. 20A, Vilnius, LT-03502, phone: (+370 5) 258 24 85, fax.: (+370 5) 258 21 70).



### 1.5. Data on trading of the Issuer's securities in regulated markets

On 3 July 1995, ANYKŠČIŲ VYNAS AB issued ordinary shares were included into the NASDAQ OMX Vilnius Secondary List. On 30 June, 2014 there were 20,000,000 (twenty million) ordinary registered shares of ANYKŠČIŲ VYNAS AB with LTL 1 (one) nominal value each. The total nominal value of shares amounted to LTL 20,000,000. The ISIN code of these shares is LT0000112773 (the ticker is ANK1L).

ANYKŠČIŲ VYNAS AB had not obtained its own shares at the 1st half of the year 2014.

## 2. OTHER INFORMATION ABOUT THE ISSUER

### 2.1. The structure of the Issuer's authorized capital

The structure of the authorized capital of ANYKŠČIŲ VYNAS AB by type of the shares on 30 June 2014:

Type of shares	Number of shares	Nominal value, LTL	Total nominal value, LTL	Portion in the authorized capital, %
Ordinary registered shares	20,000,000	1	20,000,000	100.00
<b>Total:</b>	<b>20,000,000</b>	<b>-</b>	<b>20,000,000</b>	<b>100.00</b>

All shares of ANYKŠČIŲ VYNAS AB are fully paid. Each fully paid share gives its owner one vote in the General Shareholders Meeting.

### 2.2. Restrictions of securities' transferability

There are no restrictions on transferability of the shares of ANYKŠČIŲ VYNAS AB.

### 2.3. Information about the description of principal investments made during reporting period

In order to balance the cash flow the management takes active actions to ensure the financial stability of the Company. Over the past few years many funds have been provided for investments and solved many production improvement and efficiency issues. Due to this during the 1<sup>st</sup> half of 2014 the investment of ANYKŠČIŲ VYNAS AB amounted to 20.9 thousand LTL (investments were made in manufacturing equipment improvement).

### 2.4. Information about shareholders

On 30 June 2014 there were 389 shareholders on the shareholders' list of ANYKŠČIŲ VYNAS AB.

Shareholders of ANYKŠČIŲ VYNAS AB who owned 5% or more of the Company's authorized capital on 30 June 2014:

Name, surname/ company name, legal form, office address, registration code	Number of ordinary registered shares held by the right of ownership, units	Portion of the authorized capital held, %	Portion of the votes attaching to the shares held by the right of ownership, %
Company Group ALITA AB, Miškininkų st. 17, LT-62200 Alytus, register code: 302444238	18,980,045	94.90	94.90

On 30 June 2014 other shareholders owned (together) 1,019,955 shares of the Company. This amounted to 5.10% of all shares issued by the Company and votes attached to such shares.

There are no shareholders with the special rights of the control.

There are no shareholders with restricted voting rights.

#### 2.5. Information about mutual agreements of the shareholders

There are no mutual agreements of the shareholders the Issuer is aware of that might result in the restriction of the share transferability and/or voting rights.

#### 2.6. Information about the authorized capital of other companies owned by the Company

ANYKŠČIŲ VYNAS AB has no the authorized capital of other companies.

#### 2.7. Information about employees

The dynamics of average number of employees and average monthly salary (without compensations) of ANYKŠČIŲ VYNAS AB during the 1<sup>st</sup> half of the year 2014 and the whole year 2013 by personnel groups:

Personnel	2013			The 1 <sup>st</sup> half of 2014		
	Average number of employees	%	Average salary	Average number of employees	%	Average salary
Managers	2	2.7	4 652	2	3.0	1642
Specialists and officials	24	32.4	1 896	21	31.3	1837
Workers	48	64.9	1 492	44	65.7	1316
<b>Total:</b>	<b>74</b>	<b>100</b>	<b>1 720</b>	<b>67</b>	<b>100</b>	<b>1642</b>

The average number of employees decreased by 7 people (or 8.6%) due to optimising manufacturing and managing functions. The average salary rate decreased by 78 LTL, due to apple season of 2013, which started at the second half of the year; during the apple season the salaries were bigger because of overtime, night work and higher qualification job.

ANYKŠČIŲ VYNAS AB employees' structure comparison by education as at 30 June 2014 and 31 December 2013:

Employees education	31/12/2013		30/06/2014	
	Number of employees	%	Number of employees	%
University degree	18	27.3	17	25.8
College	21	31.8	21	31.8
Secondary	26	39.4	27	40.9
Unfinished secondary	1	1.5	1	1.5
<b>Total:</b>	<b>66</b>	<b>100</b>	<b>66</b>	<b>100</b>

The Company has the Collective Agreement; the Trade Union of Lithuanian Food Producers Committee and workers Union "Solidarumas" Committee are established.

There are no Issuer's employees or part of them with special rights or undertakings.



## 2.8. Powers of attorney of Issuer's bodies to issue and buy Issuer's shares

There were no powers of attorney of Issuer's bodies to issue or buy Issuer's shares in the 1<sup>st</sup> half of 2014.

## 2.9. Information about the Company's Board members, Manager and Chief Accountant

### 2.9.1. General information about the Company's managing bodies

Under the Articles of Association of ANYKŠČIŲ VYNAS AB the Company's management bodies are:

- The General Shareholders Meeting;
- The Board (elected of 4 members for 4 years);
- The Company's Manager (Director), who is elected or recalled by the Company's Board.

The General Shareholders Meeting works under the competence set up by the Company Law of the Republic of Lithuania and by ANYKŠČIŲ VYNAS AB Articles of Association.

The Company's Articles of Association may be amended by the decision of the General Shareholders Meeting, which would be adopted by a qualified majority of votes of at least 2/3 of all the votes carried by the shares of the shareholders attending the meeting, whose shares grant them more than 1/2 of all votes.

The Board is a collegial management body 4 members, elected for 4 year by the Supervisory Board. The Chairman of the Board is elected from the Board members. The Board members tenure is unlimited.

The Manager of the Company – Director is a sole Company's governing body, whose competence is foreseen by the Company Law of the Republic of Lithuania and Articles of Association of the Company. The Manager of the Company approves the Rules of Administration Work, organizes daily activities of the Company and represents the Company in the relationships with the third parties.

### 2.9.2. Other information about the Company's managing bodies

#### The Board:

Name, surname	Position	Beginning of term	End of term
Vytautas Junevičius	Chairman	26 04 2012	25 04 2016
Vaidas Mickus	Member	26 07 2012	25 04 2016
Audrius Zuzevičius	Member	09 11 2012	25 04 2016
Artūras Tiurinas	Member	09 11 2012	22 11 2013

The additional information about the Board members of ANYKŠČIŲ VYNAS AB:

#### Vytautas Junevičius

Education: University degree, engineer–economist; the specialist in international business relationships. From 1994 to 2009 the CEO of Alita AB (on 07/10/2009 the name was changed to ALT investicijos); from 07/10/2009 to 30/11/2009 the CEO of the Company Group ALITA, AB; from 01/12/2009 to 31/10/2011 worked as an advisor to the CEO of the Company Group ALITA, AB; since 01/11/2011 has worked as a senior advisor to the CEO of the Company Group ALITA.

Participation in other companies' activities: the Chairman of the Board of Anykščių vynas AB, the Board member of Šiaulių bankas AB.

He has 2,895,364 (or 14.48%) of the Company Group ALITA, AB shares, 346,205 or 0.13% of Šiaulių bankas AB shares. No shares of Anykščių vynas AB.

#### Vaidas Mickus

Education: University degree (Business Administration – Bachelor, Accounting and Audit – Masters degree).

Employment: Finance & IT director of the Company group ALITA, AB since 24 May 2012 to 23 July 2012; the CEO of the Company Group ALITA AB since 23 July 2012.

He has no shares either of the Company Group ALITA AB or ANYKŠČIŲ VYNAS AB.

**Audrius Zuzevičius** the Director of ANYKŠČIŲ VYNAS AB since 23 January 2012

Education: University degree (mechanical engineer).

2002–2011 – mechanical engineer at Bottling and Souvenir Production Department, mechanic in Engineering Workshop of Mechanical Department, Head of Bottling and Souvenir Production Department, Head of Production, Director of ANYKŠČIŲ VYNAS AB

He has no shares either of ANYKŠČIŲ VYNAS AB or the Company Group ALITA AB.

#### **Artūras Tiurinas**

Education: University degree (Bachelor and Master degree in Managing and Business Administration).

He had no shares either of ANYKŠČIŲ VYNAS AB or the Company Group ALITA AB.

#### **Head of the Company (the director) and Chief Accountant of ANYKŠČIŲ VYNAS AB:**

Name, surname	Position	Beginning of term	End of term
Audrius Zuzevičius	General Manager	20/01/2012	
Audronė Zemlevičienė	Chief Accountant	19/05/2005	

The additional information about the managing bodies and Chief Accountant of ANYKŠČIŲ VYNAS AB:

#### **Audrius Zuzevičius**

The information about the General Director is near the information about the Board members.

#### **Audronė Zemlevičienė**

University degree, economist.

For the past 10 years worked in the Company as an accountant, deputy Chief Accountant, Chief Accountant.

Has no shares either of ANYKŠČIŲ VYNAS AB or the Company Group ALITA AB

No loans were granted, guaranties issued or sureties granted for covering the obligations of the Managing Bodies of ANYKŠČIŲ VYNAS AB.

There is no conflict of interests between the duties and responsibilities of the Members of the Board and administrative management to the Company and their private interests.

#### **The information about estimated average amounts for Anykščių vynas AB one member of the Board and the Administration during the 1st half of 2013 and 2014:**

	Average members number during the period		Benefits for carrying out the Supervisory Board or the Board member functions, thousand LTL		Salary and related benefits, thousand LTL		Other benefits, thousand LTL		Average benefits for one member, thousand LTL per month	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Board members	3	4	-	-	50.4	35.8	-	-	2.8	1.5
Administration members	2	2	-	-	81.9	62.7	-	-	6.8	5.2



### ***2.10. The Audit committee***

No Audit Committee is formed in the Company. The role of the Audit Committee, according to the Law of Audit, was performed by the parent company's Company Group ALITA AB Audit Committee. From 19 April 2013, according to the decision of the Company's Group ALITA AB General Shareholders Meeting, the role of the Audit Committee was delegated to the Supervisory Board of the Company's Group ALITA AB.

### ***2.11. Significant agreements and related party transactions***

Parties related to the Company are considered to be shareholders, employees, members of the Board, their close relatives and entities that directly and indirectly control the companies constituting the Group or are controlled individually or together with another party that is also recognised to be a related (associated) party, under the condition that the relation enables one of the parties to control another party or have a significant influence upon the other party's financial and management decisions.

The Company and its employees are related by employment relations, on the basis where the employees of the Company are paid their salaries.

There are no significant transactions concluded with the shareholders, employees, members of the Board or their close relatives.

The Company has concluded agreements which are important for the Company's activity. These agreements include sureties, the purchasing and selling of the goods, service rendering transactions.

#### ***Sureties between the companies of the group***

The subsidiary of the Company, ANYKŠČIŲ VYNAS AB, has undertaken to provide surety to Swedbank, AB, to the extent of its assets, and has pledged the immovable property, equipment, land lease rights, all circulating stocks of goods, all current and future funds in Swedbank, AB, and part of trademarks, securing the discharge of the obligations of the Company under the credit agreements with Swedbank, AB. Anykščių vynos AB has also pledged part of its brands securing the discharge of the obligations of the Company under the credit agreement with Šiaulių bankas AB.

Company Group ALITA AB has provided a surety for Swedbank AB in respect of the LTL 7.4 credit line opened for the benefit of ANYKŠČIŲ VYNAS AB.

### ***2.12. Issuer's or its bodies', formed committees or employees agreements***

There are no any agreements concluded with Issuer's or its bodies', formed committees or employees providing for compensations if they resigned or were dismissed without without a reasonable cause or if their work terminated due to the change of control of the Issuer.

### ***2.13. Information about other significant agreements between related parties***

The information about significant agreements and agreements between the related parties of the 1<sup>st</sup> half of 2014 and the previous periods is publicated in the not audited financial statements of the 1<sup>st</sup> half of the year 2014 of ANYKŠČIŲ VYNAS AB and the previous financial statements, which could be found at Central regulated information database [www.nasdaqomxbaltic.com](http://www.nasdaqomxbaltic.com) and at webpage [www.anyvynas.lt](http://www.anyvynas.lt).

### ***2.14. Data about the publicly disclosed information***

The Company, complying with governing legislation regarding the securities market, via NASDAQ OMX Vilnius information disclosure and distribution system's OMX Company News Service website



www.nasdaqomx.com/vilnius and via ANYKŠČIŲ VYNAS AB website [www.anvynas.lt/investuotojams](http://www.anvynas.lt/investuotojams) publicly published the following most important information:

Date	Name of the notification
28/02/2014	Unaudited activity result of AB "ANYKŠČIŲ VYNAS" for the year of 2013
07/03/2014	Supreme Administrative Court of Lithuania upheld the decision of Vilnius District Administrative Court
18/03/2014	Regarding amendment to the credit agreement
18/03/2014	Regarding the adopted decisions of the Board of public limited liability company ANYKŠČIŲ VYNAS, related to the Annual General Meeting of Shareholders, being convened
18/03/2014	Regarding convocation of Annual General Meeting of Shareholders of public limited liability company ANYKŠČIŲ VYNAS
09/04/2014	ANYKŠČIŲ VYNAS AB annual information for 2013
09/04/2014	Decisions of annual general meeting of shareholders of public limited liability company ANYKŠČIŲ VYNAS
05/05/2014	Unaudited activity result of AB "ANYKŠČIŲ VYNAS" for the three months of 2014

### 2.15. The risk factors related with the Issuer's activity

The main risk factors which had impact for the Company's economic - financial performance in the 1<sup>st</sup> half of the year 2014 and may also have impact in the future:

#### *Legal risk.*

The Company's activities and sales both on the local and foreign markets may be affected by the state policy and future decisions concerning the increase of excise duty, customs, product marking, other requirements for the products or production processes, restrictions on advertising and retail trade, judicial or arbitral decisions.

Failure to timely adjust to the requirements of new legal acts or decisions, regulating production and trading of alcoholic beverages, e.g. for quality, marking, packaging, may temporarily reduce the production volumes, which, in its turn, may have an effect on the Company's business prospects and cause contingent expenses for the fulfilment of obligations or payment of penalties.

#### *Consumption.*

Most of the Company's trademarks are well known in the local market. The Company's ability to retain competitiveness of its trademarks depends on its success to offer the consumers the product which they find attractive. But the consumer's preferences toward certain product may change due to social or economic factors.

The general economical situation and a decrease on the income level per person as well as additional taxes influence the consumption habits. Part of consumers may choose cheaper products produced by the Company or its competitors. Increased competition in the market of alcoholic beverages encourages a decrease in a general price level.

#### *Market risk. Currency rates.*

The Company's functional currency is Litas. The Company is exposed to the currency risk in respect of procurement and borrowing from banks as well as due to sales and accounts receivable in other currencies than Litas or Euro. The risk associated with operations in Euro is considered insignificant as long as the Litas is pegged to the Euro at a fixed rate. In the event of the devaluation of the Litas in respect of the Euro, the Company's expenses may increase and will have to be covered from the Company's own resources.



*Supply.*

Global changes in the demand and supply, the uncertainty about the natural and weather conditions and (or) government policies may cause price fluctuations of the main raw materials used in the production of alcoholic drinks. Such unpredictable fluctuations in the price for raw materials and packaging may have an effect on the Company's results of performance.

Energy resources used by the Company are natural gas, electricity and water. Supply prices of some of the resources on the domestic market depend on the trends on the global energy markets.

*Seasonality.*

Pronounced seasonality affects only production of products made from apples, the supply of which directly depends on natural conditions and sales volumes depend on the prices in the European market.

*Credit risk.*

Due to the specificity of activity the Company is exposed to a large credit risk concentration: around 81% of turnover is related to a few major wholesale customers. The Company applies procedures, ensuring assessment and monitoring of the customers' credibility as well as encouragement of more favourable terms of settlement. The Company does not guarantee for the other parties trading obligations.

*Financial risk.*

As at 30 June 2014 the Company had LTL 8.4m of short term loans. The Company had no long term loans and leasing liabilities. The current level of the Company's financial debt may affect that the additional attraction of the loaned capital to carry out the future financial demands could be relatively complicated and/or relatively expensive.

More information about the Company's loans, interest rates is in not audited financial statements' of the 1<sup>st</sup> half of 2014 Note10.

*Environmental protection.*

In its activities the Company must comply with various rules of the environmental protection, regulating the marking, use and storage of various harmful substances used in the activities of the Company. These rules obligate to implement procedures and technologies that allow a proper management of any hazardous substances, provides for the liability when managing and eliminating any pollution of the environment. Besides the liability for the current activities, the Company may have to be liable for any its past activities if it turned out that any harm to the environment was made. Also, any changes in the regulations in the area of the environment protection, both on the national and international level, may oblige the Company to take measures to comply with the newly set standards. This may have a negative effect to the activities, financial status and results of the Company.

*Quality of the Products.*

Real or hypothetical risks related to the quality and safety of the products or their effects on health may result in the liability of the Company and adversely affect its activities and reputation. Despite mechanisms of control applied in the activities of the Company, there are no warranties or guarantees that any product offered by the Company may be recognised as failing to meet quality standards or not suitable for further processing and consumption. Therefore the Company may be forced to withdraw such products or destroy them and to take responsibility if any of such products would cause hazard to consumers' health. Withdrawal of large amount of products and any requests to compensate the damage caused by the use of such products may result in long-term restrictions on appearance of such products in the market and a loss of confidence in the Company's products. Even if it cleared out that that suspicions concerning the safety of the



products are not grounded, the negative public opinion may have a strong adverse effect on the reputation, image and name of the Company.

#### *Intellectual property.*

The Company puts much effort for the protection of its intellectual property rights, including registration of trademarks, patents and website addresses. The Company also uses security measures and signs contracts in order to protect its confidential information. Yet, the Company may not be sure that the measures taken will be sufficient or that the third parties will not violate or unlawfully takeover the Company's intellectual property rights. Due to the popularity of the Company's products among consumers there may be attempts to falsify its products. In the event substandard or even health hazardous product imitations appeared on the market, the Company might suffer losses. The failure of the Company to protect its intellectual property rights against the abuse or unlawful takeover may also affect the Company's performance results and future business development.

Other social, technical-technological and ecological factors are deemed to have no major impact on the Company's business-financial activities in 2014.

#### ***2.16. Termination or reduction of production that has exercised or exercises material impact on the results of the Issuer during the last two financial (business) years***

During the last two years there were no termination of production.

#### ***2.17. The main lawsuits and arbitrations***

The information about the main lawsuit and arbitrations is presented in the explanatory note no. 13 of the 1<sup>st</sup> half of the year 2014 not audited interim financial statements.

### **3. INFORMATION ABOUT THE ISSUER**

#### ***3.1. The short history of the Issuer and the review of the main products***

ANYKŠČIŲ VYNAS AB was founded in 1926 – it is the oldest company in the East Baltic region which began to produce wine in the industrial way. The founder is a certified agronomist Balys Karazija.

Balys Karazija was constantly expanding shops, buying more modern equipment and became the first widely recognized Lithuanian winemaker. Already in 1938 he was recognized internationally. In 1938 in International Exhibition in Paris wine "Birutė" won the top prize, and two other wines were awarded by gold medals.

In 1940 the winery of B. Karazija was nationalized. In the postwar time there was a lack of raw material, new equipment, technology. Only in the 1960s, approximately after ten years of reconstruction, the winery came to life again. In 1968 ANYKŠČIŲ VYNAS AB was awarded a diploma and three medals at the All-union Exhibition of Economic Achievements, successfully participated in the international exhibitions in the USA, Canada, Chile, Great Britain, Poland, etc. In 1969 and 1972 the natural Lithuanian wines "Jubiliejinis" and "Šermukšnėlė" were given the grade of quality. When M. Gorbačiovas started his anti-alcoholic campaign, the country's leading winery was turned into a food-producing plant, producing cool drinks, sweets and the other non-alcoholic production.

Since 1988 it produces apple concentrated juice according to the technology of the Swiss company "Unipektin". In 1995 the Company has been awarded the International Diamond Star and International Europe Award for the quality.

Today ANYKŠČIŲ VYNAS AB is the Company which can process about 35 thousand tonnes of fruits and berries, also makes notable taste and high quality drinks from natural materials – fruit wine, cider, bitters, liquors, spirit drinks.



The assortment of the Company's production was constantly changing according to the consumer's taste, but the natural black current wine is still one of the most popular. In 2007 the black currant wine, was granted a name Voruta a legendary king's Mindaugas castle that as explorers guess was near Anykščiai. Being popular several years ago the traditional Lithuanian drinks – natural wines – find their consumer and a team of admirers again. This was proved in December, 2009 when the black currant wine "Voruta" was awarded the name of the Nation Heritage by the Ministry of Agriculture of Lithuania. The natural black currant wine "Voruta" was awarded the gold medal in the competition "The Lithuanian Year Product 2010". It was already the second award of this product. In 2009 "Voruta" was also awarded the gold medal in the competition of the alcoholic drinks "Zolotoj Grifon" in Yalta. Natural chokeberry wine "Voruta" in the competition "Lithuanian Product of the Year 2011" was awarded by gold medal. In 2014 the new flavour of natural wines was added – garden berries. This product had been successfully integrated into "Voruta" natural wines family, which already contains such flavours as apple, chokeberry, cherry and black current. In 2013 the new flavour of natural wines was added – apple wine. This product had been successfully integrated into "Voruta" natural wines family.

### **3.2. Quality and environment managing systems**

ANYKŠČIŲ VYNAS AB maintain and continuously improves its quality managing system in accordance with LST EN ISO 9001:2008 (ISO 9001:2008) standard. The quality concept applies not only to the final product but also the way the Company presents its products to the market, how fast and in what manner responds to the consumer's comments.

The activity of each organization has an influence not only on the production quality but also on the environment, people and workers' health. In order to manage its activity's, products' influence upon the environment the Company operates in conformity with the requirements of the standards of the Environment Management System LST EN ISO 14001:2004 (ISO 14001:2004).

On 7 July 2014 the international certification company TUV UOLEKTIS UAB made the second integrated managing system audit of ANYKŠČIŲ VYNAS AB. During the audit the compliance with ISO 9001 and ISO 14001 standards' requirements was inspected. There was no incompliance found. On 26 August 2011 the Company was issued the TIC (TUV International Certification) certificate confirming the compliance of Quality Management System to ISO 9001:2008 (LST EN 9001:2008) and ISO 14001:2004 (LST EN ISO 14001:2005) standards' requirements, which is valid till August 2017.

On the 1<sup>st</sup> half of 2014 ANYKŠČIŲ VYNAS AB carried out the environmental objectives and targets. The main source of pollution is the boiler house and apple cake stove. On the 1<sup>st</sup> half of 2014 permitted pollution amount into atmosphere noted in pollution permission No TA (2)-12 had not been exceeded. The Company had not got any fines; there were no restrictions or halt of production for environmental pollution. There were no any other factors of risk or accidents.

The Company has the agreements with packaging waste recycler.

The special attention is paid for the quality of production and raw materials. The quality of production is constantly controlled by the employees of production control laboratory, who are working in accordance with the law of LR and EU. On the 1<sup>st</sup> half of 2014 there were no official complaints from consumers or regulatory authorities for the noncompliance of quality of production to the quality requirements. The manufacturing technology laboratory employees are continuously getting acquainted with the new requirements of legal acts of EU and national legal acts requirements that regulated manufacturing of alcoholic beverages, analyse new methods of alcoholic beverages' examination, apply in their work changes of the methods of technology and control.



**3.3. Belonging to the associated organizations**

On the 1<sup>st</sup> half of 2014 ANYKŠČIŲ VYNAS AB belonged to the association of Panevėžys Chamber of Commerce, industry and crafts.

The Company does not take part in the capital of this association but it is a member and pays the membership fees.

**3.4. Short review about activities**

Despite of strong competition in the local market and unfavourable excise policy (unfavourable excise policy for fruit wines while this policy is favourable for the strong beer) the Company's sales increased by 11%.

The special attention was still paid to natural wine "Voruta". In 2014 the new flavour of natural wines was added – garden berries. This product had been successfully integrated into "Voruta" natural wines family, which already contains such flavours as apple, chokeberry, cherry and black current. The release of new products and successful marketing strategy gave positive results – 1.6 times more natural wine by quantity was sold compared with the same period last year. The revenues of natural wine had increased by 30% during the 1<sup>st</sup> half of the year 2014.

Company continued working with export customers in Latvia, Estonia, UK, and USA. The Company exports natural wines, special technology fruit wines and apple products.

More information about the Company's financial situation and general revenues data is presented in not audited financial statements for the 1<sup>st</sup> half of the year 2014.

**4. FINANCE**

ANYKŠČIŲ VYNAS AB consolidated activity results for the 1<sup>st</sup> half of the year 2014 according to the International Accounting Standards is LTL 0.4 million (EUR 0.1 m) loss before taxes. During the 1<sup>st</sup> half of the year 2013 the loss of the Company was LTL 1.0 million (EUR 0.3 m) before taxes.

The sales revenues for the 1<sup>st</sup> half of 2014 amounts to LTL 5.6 million (EUR 1.6 m) and compared with the same period of 2013 had increased 11 percentage.

Other Company's financial activity's information is presented in the 1<sup>st</sup> half of the year 2014 not audited interim financial statements.

ANYKŠČIŲ VYNAS AB not audited interim financial statements can be found at NASDAQ OMX Vilnius information disclosure and distribution system's OMX Company News Service website [www.nasdaqomx.com/vilnius](http://www.nasdaqomx.com/vilnius) and in ANYKŠČIŲ VYNAS AB website [www.anvynas.lt/investuotojams](http://www.anvynas.lt/investuotojams).

Director



Audrius Zuzevičius