



**ANYKŠČIŲ VYNAS, AB**

**The Interim Report  
For the Six months period ended 30 June 2015**

**(UNAUDITED)**

The concepts spelt in the capital letter throughout the 1<sup>st</sup> half year of 2015 Interim Report shall have the meaning defined in the list below, unless the context provides otherwise. This list contains the main concepts used throughout the Interim Report. The text of the Interim Report may provide explanations or definitions of other concepts as well.

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

'Annual 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. Reporting period covered by this Interim report was prepared

The Interim Report was drawn up for the period from 1 January, 2015 to 30 June, 2015.

### 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	BĮ 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, tel.: (+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 June 30<sup>th</sup> of 2015 there were 20,000,000 (twenty million) ordinary registered shares of ANYKŠČIŲ VYNAS AB, the nominal value of each are 0.29 EUR. The total value of shares amounted to 5 800 000 (five million eight hundred thousand) EUR. The ISIN code of these shares is LT0000112773 (the ticker is ANK1L).

During the 1<sup>st</sup> half of the year 2015, ANYKŠČIŲ VYNAS AB had not acquired its own shares.

## 2. OTHER INFORMATION ABOUT THE ISSUER

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

The authorized capital of ANYKŠČIŲ VYNAS AB is EUR 5,800,000 (five million eight hundred thousand). The structure of the authorized capital of ANYKŠČIŲ VYNAS AB by type of the shares on 30 June 2015:

Type of shares	Number of shares	Nominal value, EUR	Total nominal value, EUR	Portion in the authorized capital, %
Ordinary registered shares	20,000,000	0,29	5,800,000	100.00
<b>Total:</b>	<b>20,000,000</b>	-	<b>5,800,000</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. The total amount of investments of ANYKŠČIŲ VYNAS AB AB during the 1<sup>st</sup> half of the year 2015 was 4.6 thousand EUR (most of this was made in production equipment improvement and IT section).

### 2.4. Information about shareholders

On 30 June 2015 there were 313 shareholders in the list shareholders of ANYKŠČIŲ VYNAS AB. Shareholders of ANYKŠČIŲ VYNAS AB who owned 5% or more of the Company's authorized capital on 30 June 2015:

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	19,070,697	95.35	95.35

On 30 June 2015, other shareholders owned (together) 929,303 shares of the Company. This amounted to 4.65% 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 year 2014 and the 1<sup>st</sup> half of year 2015 by personnel groups:

Personnel	2014			The 1 <sup>st</sup> half of year 2015		
	Average number of employees	%	Average salary	Average number of employees	%	Average salary
Managers	2	2.9	1,768	2	2.9	2,023
Specialists and officials	23	33.3	580	23	32.9	613
Workers	44	63.8	425	45	64.2	407
<b>Total:</b>	<b>69</b>	<b>100</b>	<b>515</b>	<b>70</b>	<b>100</b>	<b>520</b>

The average number of employees practically unchanged. The average salary increased by 5 EUR due to result of annual bonus for the 2014 achieved results.

ANYKŠČIŲ VYNAS AB employees's structure comparison by education as at 30 December 2014 and 30 June 2015:

Employees education	31 12 2014		30 06 2015	
	Number of employees	%	Number of employees	%
University degree	17	25.8	17	25.0
College	22	33.3	22	32.3
Secondary	26	39.4	28	41.2
Unfinished secondary	1	1.5	1	1.5
<b>Total:</b>	<b>66</b>	<b>100</b>	<b>68</b>	<b>100</b>

The Company has a Collective Agreement, there are ANYKŠČIŲ VYNAS AB committees of the Trade Union of Lithuanian Food Producers and Workers' Union 'Solidarumas'.

Labor contracts or collective labor contracts do not provide any special rights or undertakings to the Issuer's employees or part of them.

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

There were no powers of attorney for Issuer's bodies to issue or buy Issuer's shares during the 1<sup>st</sup> half of the year 2015.

## **2.9. Information about the Company's members of Supervisory Council, Board, manager and Chief Financial Officer**

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

Under the Articles of Association of ANYKŠČIŲ VYNAS AB, which were valid until 22 January 2015 the Company's management bodies were:

- 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.

On 22 January 2015 extraordinary shareholders meeting of ANYKŠČIŲ VYNAS AB approved the new bylaws that were on the same date registered in the Register of Legal Entities. The new bylaws contain the following governing bodies:

The General Shareholders Meeting;  
The Supervisory Board (of 3 members elected for 4 years by the General Shareholders Meeting);  
The Board (elected by the Supervisory Board: 3 members for 4 years);  
The Head of the Company (Director) who is elected by the Company's Board.

The General Shareholders Meeting works under the competence set 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 only by resolution of the General Shareholders Meeting passed by at least 2/3 majority vote of the shareholders present at the General Meeting following the order provided for in the Law on Companies.

The Supervisory Board is the collegial supervision body 3 members elected for 4 years by the General Shareholders Meeting. The Chairman is elected from the Supervisory Board members. The Supervisory Board members' tenure is unlimited.

The Board is a collegial management body 3 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 Head 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 Head of the Company is elected and dismissed by the Board. The Head 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, and performs other functions prescribed by the bylaws.



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

**The Supervisory Board:**

Name, Surname	Position	Beginning of term	End of term
Raimondas Kurlianskis	Chairman	22 01 2015	22 01 2019
Inga Žemkauskienė	Member	22 01 2015	22 01 2019
Dalius Balceris	Member	22 01 2015	22 01 2019

**The additional information about the Supervisory Board members:**

**Raimondas Kurlianskis**

Education University degree, Vilnius University, Faculty of Economics, Labour Economy;  
Vilnius University, International Business School, Administration of International Business  
Participation in other companies' activities:

Vice-president and Board member of the MG Baltic group.

General Director and Board of MG Baltic Media, UAB

Director and Chairman of the board of Alfa Media, UAB

Board member of MG Baltic Investment UAB,

Chairman of the board of UPG Baltic UAB,

Chairman of the board Mediafon UAB,

Chairman of the board Laisvas ir nepriklausomas kanalas UAB,

Chairman of the Supervisory Council of Company Group ALITA, AB,

He does not own any shares in Company Group ALITA, AB and ANYKŠČIŲ VYNAS AB.

**Inga Žemkauskienė**

Education: University degree, Vilnius University, Faculty of Law; specialisation- civil law.

Participation in other companies' activities:

Attorney at Law and partner at law firm Raulynaitis, Žemkauskienė and Partners

Lecturer of civil procedure at Mykolas Romeris University.

Member of the Supervisory Council of STUMBRAS, AB

Member of the Supervisory Council of Company Group ALITA, AB,

She does not own any shares in Company Group ALITA, AB and ANYKŠČIŲ VYNAS AB.

**Dalius Balceris**

Education - University degree, Vilnius University, Faculty of Law; specialisation- civil law

Participation in other companies' activities:

Attorney at Law and partner at law firm Raulynaitis, Žemkauskienė and Partners

Member of the Supervisory Council of STUMBRAS, AB

Member of the Supervisory Council of Company Group ALITA, AB,

He does not own any shares in Company Group ALITA, AB and ANYKŠČIŲ VYNAS AB.

During the 1<sup>st</sup> half of the year 2015 no loans were granted to, guaranties issued to or sureties granted for the obligations of the members of the Supervisory Board.

**The Board:**

Name, surname	Position	Beginning of term	End of term
Vidas Lazickas	Chairman	22 01 2015	22 01 2019
Justas Rameika	Member	22 01 2015	22 01 2019
Marijus Strončikas	Member	22 01 2015	22 01 2019
Vytautas Junevičius	Chairman	26 04 2012	05 12 2014
Vaidas Mickus	Member	26 07 2012	05 12 2014
Audrius Zuzevičius	Member	09 11 2012	05 12 2014

**The additional information about the current Board members:**

**Vidas Lazickas**

Education: University degree, Vilnius Construction Technical School, Industrial and Civil Construction. Vilnius University, Faculty of Economics, Management and Arrangement of Production.

Participation in other companies' activities:

Director of Economy and Finances and Board member of the of the MG Baltic group,

Director and Board member of Minvista UAB,

Director of Eminta UAB,

Board member of MG Baltic trade UAB,

Board member of Apranga APB,

Board member of Laisvas ir nepriklausomas kanalas UAB,

Board member of MG Baltic Media UAB,

Board member of MV Eesti OU,

Board member of MV Latvia SIA,

Board member of MV Poland S.P. z.o.o,

Board member of MG Valda UAB,

Chairman of the board of Company Group ALITA, AB,

Chairman of the board of Mitnija UAB

Director of Euvalda UAB,

Chief accountant Extera UAB.

He does not own any shares in Company Group ALITA, AB and ANYKŠČIŲ VYNAS AB.

**Justas Rameika**

Education: University degree, Vilnius University, Faculty of Economics; Europese Hogeschool Brussel, Faculty of Economics; Vilnius University, Business Management.

Participation in other companies' activities:

Chief financial officer of JSC MG Baltic Trade;

Finance controller of MG Baltic Group;

Board member of Alfa Media UAB,

Board member of UPG Baltic UAB,

Board member of Minvista UAB,

Board member of MV Poland S.P. z.o.o,

Board member of Company Group ALITA, AB,

He does not own any shares in Company Group ALITA, AB and ANYKŠČIŲ VYNAS AB.

**Marijus Strončikas**

Education: University degree y, Kaunas University of Technology (KTU), Informatics, Master; Baltic Institute of Corporate Governance (BICG), Professional Board Member (Executive education).

Participation in other companies' activities:

IT and Purchasing Director at MG Baltic Group;

Board member of Apranga APB,

Board member of Company Group ALITA, AB,

He does not own any shares in Company Group ALITA, AB and ANYKŠČIŲ VYNAS AB.



During the 1<sup>st</sup> half of the year 2015 no loans were granted to, guaranties issued to or sureties granted for the obligations of the members of the Board members.

**Head of the Company (the General Manager) and Chief Accountant of ANYKŠČIŲ VYNAS AB:**

Name, surname	Position	Beginning of term	End of term
Audrius Zuzevičius	General Manager	23 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**

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, the Director of ANYKŠČIŲ VYNAS AB since 23 January 2012.

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

**Audronė Zemlevičienė**

University degree, economist..

For the past 10 years worked in the Company as Chief Accountant.

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

The Director of the Company and Chief Accountant are paid a salary in accordance with their employment agreements and are ensured all social guarantees as prescribed by the Collective Agreement.

During the 1<sup>st</sup> half of the year 2015 the Director and Chief Accountant of ANYKŠČIŲ VYNAS AB had not got any loans, guarantees or warranties to secure their fulfillment of the obligations.

**The information about estimated average amounts for the Company's one member of the Supervisory Board, the Board and the Administration during the year 2014 and the 1<sup>st</sup> half of year 2015**

	Average members number during the period		Benefits for carrying out the Supervisory Board or the Board member functions, thousand EUR		Salary and related benefits, thousand EUR		Other benefits, thousand EUR		Average benefits for one member, thousand EUR per month*	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Supervisory Board members	-	3	-	-	-	-	-	-	-	-
Board members	3	3	-	-	24.7	-	-	-	9.0	-
Administration members	2	2	-	-	42.4	24.3	-	-	21.2	12.1



#### ***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 legislation provided 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.

Other information about transactions concluded during the 1<sup>st</sup> half of the year 2015 with related parties is presented in Note 13 to the Interim unaudited financial statements.

#### ***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 previous periods and the period of the 1<sup>st</sup> half of the year 2015 is publicated in the ANYKŠČIŲ VYNAS AB Interim unaudited financial statements and previous financial statements, which could be found at Central regulated information database [www.nasdaqomxbaltic.com](http://www.nasdaqomxbaltic.com) and at webpage [www.anvynas.lt](http://www.anvynas.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](http://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
08.01.2015	Regarding agenda supplementation and draft decisions of Extraordinary General Meeting of Shareholders convened by public limited liability company ANYKŠČIŲ VYNAS
12.01.2015	The company received an appeal of Plass Investments Limited regarding the decision of Court in the case on sale of the boiler house held by the company
13.01.2015	Notification regarding approval of the circular of the mandatory tender offer
15.01.2015	Notification regarding the announcement of the non-competitive mandatory tender offer circular
21.01.2015	Regarding new draft decision on item included in the agenda of Extraordinary General Meeting of Shareholders convened by public limited liability company ANYKŠČIŲ VYNAS
22.01.2015	Decisions of Extraordinary General Meeting of Shareholders of public limited liability company ANYKŠČIŲ VYNAS
23.01.2015	Registration of the new wording of articles of association of the limited liability company ANYKŠČIŲ VYNAS, election of the chairman of the supervisory council, election of the members of the board
23.01.2015	Opinion of the board of limited liability company ANYKŠČIŲ VYNAS about the announced mandatory non-competitive official offer to buy shares of the company
05.02.2015	The report on the implementation of mandatory non-competitive tender offer was received
05.02.2015	Notification on the acquisition of voting rights
27.02.2015	Unaudited activity result of AB ANYKŠČIŲ VYNAS for the year of 2014
27.02.2015	Court terminated civil case regarding invalidation of the Agreement on sale of the boiler house held by the company
03.03.2015	Signing of a loan contract
31.03.2015	Regarding convocation of Annual General Meeting of Shareholders of ANYKŠČIŲ VYNAS AB
31.03.2015	Regarding the adopted decisions of the Board of ANYKŠČIŲ VYNAS AB, related to the Annual General Meeting of Shareholders, being convened
31.03.2015	Notice on the intent to remove the shares of ANYKŠČIŲ VYNAS AB from AB NASDAQ OMX Vilnius stock exchange secondary list and to suspend public offer of shares
22.04.2015	Decisions of annual general meeting of shareholders of public limited liability company ANYKŠČIŲ VYNAS
22.04.2015	ANYKŠČIŲ VYNAS AB annual information for 2014
23.04.2015	Notification on intent to submit official tender offer re shares of ANYKŠČIŲ VYNAS AB
18.05.2015	Notification regarding approval of the circular of the tender offer
19.05.2015	Notification regarding the announcement of the tender offer circular
26.05.2015	Opinion of the board of limited liability company ANYKŠČIŲ VYNAS about the announced official offer to buy shares of the company
29.05.2015	Unaudited activity result of AB ANYKŠČIŲ VYNAS for the three months of 2015
05.06.2015	Notification regarding the sale of vodka and bitters business part
05.06.2015	Notification regarding the sale of vodka and bitters business part (updated information)
09.06.2015	The report on the implementation of tender offer was received
09.06.2015	Notification on the acquisition of voting rights
07.07.2015	Re submission of an request to remove from stock exchange secondary list
13.07.2015	Delisting of AB ANYKŠČIŲ VYNAS shares from NASDAQ OMX Vilnius Secondary list



### *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 during the 1<sup>st</sup> half of the year 2015 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 starting 1 January, 2015 is EUR. 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 Euro.

#### *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 83% 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.*

On 30 June 2015 the Company had million EUR 1.0 of long term loans and 1.0 million EUR short term loans. 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 and interest rates during the 1<sup>st</sup> half of the year 2015 is presented in Note 11 to the Interim unaudited financial statements

*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 2015.

**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 during the 1<sup>st</sup> half of the year 2015 is included in Note 15 to the Interim unaudited financial statements.

**2.18. *Information regarding compliance with the Corporate Governance Code***

During the 1<sup>st</sup> half of the year 2015, there were no essential changes related to Company annual report for the year 2014 concerning the compliance with the Governance Code for the companies listed on the regulated market.

**3. DATA ABOUT ISSUER'S ACTIVITY**

**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 Šermukšnelė 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 2013 was awarded by gold medal In 2013 the new taste in Voruta product range has been provided to the customers – natural apple wine Voruta a. In 2014 another taste was added – garden fruit. This product had been successfully integrated into Voruta natural wines family.

At the end of 2014 new product was provided to the market – originally bottled sweet apple and sweet cherry wine Voruta, which straight received very favourable valuation from consumers.

### ***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 recertification audit Company ANYKŠČIŲ VYNAS AB. During the audit the compliance with ISO 9001 and ISO 14001 standards' requirements was inspected. The Company was issued with 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 25 August 2017.

During the 1<sup>st</sup> half of year 2015 ANYKŠČIŲ VYNAS AB carried out the environmental objectives and targets. The main source of pollution is the boiler house and apple cake stove. 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 agreements with packaging waste recycling company.

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. During the 1<sup>st</sup> half of year 2015 there were no official complaints from consumers or regulatory authorities for the non compliance 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*

During the 1<sup>st</sup> half of year 2015 ANYKŠČIŲ VYNAS AB belonged to these associated structures:

Panevėžys Chamber of Commerce, industry and crafts.  
Association GSI Lithuania

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

### *3.4. Short review about activities*

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, restrictions on trade of special technology fruit wines in PET bottles) hadn't impact in sales revenue of the Company in comparison with the same period of last year.

The special attention was still paid to natural wine Voruta. In 2014 the new flavour of natural wines was added – garden berries wine. This product had been successfully integrated into Voruta natural wines family. At the end of 2014 new product was provided to the market – originally bottled sweet apple and sweet cherry Wine Voruta, which straight received very favourable valuation from consumers. The release of new products and successful marketing implements gave positive results for the sold quantity of this natural wine. During the 1<sup>st</sup> half of year 2015 share of natural wines has increased to 44% from all the sales of the Company.

During the 1<sup>st</sup> half of year 2015 Company continued working with export customers in Latvia, Estonia, UK, and USA. The Company exports natural wines, special technology fruit wines and apple products. Also the new natural occasional winter wine “Winter Glintvein” had been started exporting very successfully.

More information about the Company's financial situation and general revenues data is presented in the Interim financial statements report for the 1<sup>st</sup> half of the year 2015 period ended on 30 June 2015.

## **4. FINANCE**

ANYKŠČIŲ VYNAS AB unaudited activity results for the 1<sup>st</sup> half of year 2015 according to the International Accounting Standards is LTL 0.1 million of EUR profit before taxes. At the same period of 2014 the activity results was 0.1 million of EUR loss before taxes.

The unaudited sales revenues for the 1<sup>st</sup> half of the year 2015 amounted to 1.6 million of EUR and in comparing with the same period of 2014 sales revenues unchanged.

Other financial information is presented in the Interim financial statements report for the 1<sup>st</sup> half of the year 2015 period ended on 30 June 2015.

ANYKŠČIŲ VYNAS AB audited 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.anyvynas.lt/investuotojams](http://www.anyvynas.lt/investuotojams).

Director



Audrius Zuzevičius