



**THE 1st HALF YEAR INTERIM CONSOLIDATED
REPORT OF
THE COMPANY GROUP ALITA, AB**

2014

Prepared according to the Rules on Preparation and Submission of Periodic and Additional Information approved by the Board of the Bank of Lithuania

The concepts spelt in the capital letter throughout the 1st half year of 2014 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' means a public company, established and acting pursuant to the laws of the Republic of Lithuania, the Company Group ALITA, AB.

'Companies of Group' includes: Company Group ALITA, AB and Anykščių vynos AB.

'Interim report' means this document containing all relevant information for the public as specified in legal acts concerning disclosure of information about the Company.

1. MAIN DATA ABOUT THE ISSUER

1.1. Reporting period covered by this Annual Report

The 1st half of the year 2014 interim report was drawn up for the period from 1 January 2014 to 30 June 2014.

1.2. The issuer and its contact information

Name:	Company Group ALITA, AB
Legal form:	public company
Date and place of registration:	7 October 2009, Centre of Registers, Alytus branch office
Company code:	302444238
Register, in which data about the entity are accumulated and stored:	Centre of Registers, Alytus branch office
Office address:	Miškininkų St. 17, Alytus, LT-62200, Lithuania
Tel.:	(8 315) 5 72 43
Fax.:	(8 315) 7 94 67
E-mail:	mailto:alita@alita.lt
Website:	http://www.alita.lt

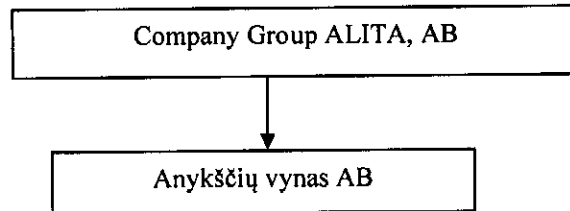
The subsidiary of the issuer and its contact information:

Name:	Anykščių vynos AB
Legal form:	public company
Date and place of registration:	21 November 1990, Centre of Registers, Utena branch office
Date and place of re-registration:	28 July 2004, Centre of Registers, Utena branch office
Registration number:	BĮ 97-340
Company code:	254111650
Office address:	Dariaus ir Girėno St. 8, Anykščiai, LT-29131
Tel.:	(8 381) 50 233
Fax.:	(8 381) 50 350
E-mail:	info@anvynas.lt
Website:	www.anvynas.lt

1.3. Type of the Issuer's principal activities and its organizational structure

The Company Group ALITA, AB and Anykščių vynas AB are engaged in production and sale of alcoholic drinks and concentrated apple juice. The Group produces and distributes sparkling wines, carbonated wine drinks, alcohol cocktails, cider, natural and fortified fruit wines, vodka, brandy, whiskey, bitters, strong grain drinks and concentrated fruit juice.

Organizational structure of the Company Group ALITA, AB:



The Company Group ALITA, AB has a representative office in Latvia. Contact data of the representative office are provided below:

Name:	Alita
Legal form:	representative office
Date and place of registration:	1 December 2006 in Riga
Registration number:	P 000715
Company code:	40006011900
Office address:	Ūnijas iela 74-1d, LV-1084, Riga
Tel.:	(371) 7 283 153
Fax.:	(371) 7 240 425
E-mail:	alita@alita.lv

The Company also owns UAB A.L.D. that filed for bankruptcy in 2011 and was declared bankrupt during the same year.

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

On 7 October 2009, the Company Group ALITA, AB signed an agreement on management of securities accounting with Swedbank, AB, represented by the Department of Operations with Securities (company code 112029651, address: Konstitucijos 20A, Vilnius, LT-03502, tel.: (+370 5) 258 24 85, fax.: (+370 5) 258 21 70).

Anykščių vynas AB signed an agreement with Swedbank, AB on management of securities accounting with this intermediary of public trading in securities as early as 29 June 2004.

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

Data on the Company Group ALITA, AB securities trading

On 4 January 2010, the securities issued by the Company Group ALITA, AB were admitted to the Secondary List of NASDAQ OMX Vilnius, following the decision of the Board of 23 December 2009 (Minutes No 108). The shares of the Company Group ALITA, AB are divided in two parts: 3,126,000 (three million one hundred twenty six thousand) units have ISIN code LT0000128266, ticker AGP1L, and 16,874,000 (sixteen million eight hundred seventy four thousand) units have ISIN code LT0000128589. Shares with ISIN code LT0000128589 are not traded in NASDAQ OMX Vilnius.

During the 1st half of the year 2014 the Company Group ALITA, AB had not acquired its own shares.

The information about securities transactions of Anykščių vynos AB

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

During the 1st half of the year 2014 Anykščių vynos AB had not acquired its own shares.

2. OTHER INFORMATION ABOUT THE ISSUER

2.1. The composition of the Issuer's authorized capital

The authorized capital of the Company Group ALITA, AB is 20,000,000 (twenty million) LTL.

The composition of the authorized capital of the Company Group ALITA, AB by the type of the shares as at 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
Total:	20,000,000	-	20,000,000	100.00

All shares of the Company Group ALITA, AB are fully paid up. Each fully paid-up share gives its owner one vote in the General Shareholders Meeting.

The composition of the authorized capital of Anykščių vynos AB by type of the shares as at 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
Total:	20,000,000	-	20,000,000	100.00

All shares of Anykščių vynos AB are fully paid up. Each fully paid-up share gives its owner one vote in the General Shareholders Meeting.

2.2. Restrictions on transferability of the securities

There are no restrictions on transferability of the shares of the Company Group ALITA, AB.

Information about mutual agreements of the shareholders of which the Issuer is aware and which might result in the restriction of the shares transferability is provided in note no 2.5.

There are no restrictions on transferability of the shares of Anykščių vynos AB.

2.3. Information about the principal investments made during reporting period

The management and the shareholders are active in order to ensure the financial stability of the Company, to balance the cash flows. Over the past few years many funds have been provided for investments and many production improvement and efficiency issues were solved. The Company's needs for investments during the 1st half of the year 2014 was 56.3 thousand LTL (most of this was spent for acquisition of the brands, in manufacturing equipment improvement and IT section), Anykščių vynos AB had investments for 20.9 thousand LTL.

2.4. Information about shareholders

On 30 June 2014, the Company Group ALITA, AB had listed 541 shareholders.

On 30 June 2014, the following shareholders of the Company Group ALITA, AB held 5% or more of the Company's authorized capital:

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, %
FR&R Invest IGA S.A., Boulevard Royal 25A, L-2449, Luxembourg; company code B161760	16,911,188	84.56	84.56
Vytautas Junevičius	2,895,364	14.48	14.48

On 30 June 2014, other shareholders together held 193,448 of the Company's shares. Their holdings accounted for 0.96% of all outstanding shares and votes attaching to them.

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 of which the Issuer is aware and which might result in the restriction of the share transferability and/or voting rights, except for the agreement between the shareholders FR&R Invest IGA S.A. and Vytautas Junevičius restricting the transferability of their shares in the Company and voting rights on certain issues.

2.6. Information about the authorized capital of the other companies in hand

Information about the companies with the capital directly or indirectly owned by the Company Group ALITA, AB on 30 June 2014, when this part of the capital could have a strong impact valuating the Company's owned property, liabilities, financial position, loss and profit:

Anykščių vynas AB	94.9	94.9
Šiaulių bankas AB	2.95	2.95

On 30 June 2014 the Company Group ALITA, AB held 18,980,045 units (or 94.90%) of the ordinary registered shares of its subsidiary Anykščių vynas AB, with the nominal value of LTL 1 (one) each. On 30 June 2014, 1,019,955 units (or 5.10%) of shares of Anykščių vynas AB were owned by other minority shareholders.

Financial results of Anykščių vynas AB are consolidated with the Company's results drawing up the half year consolidated financial statements.

On 30 June 2014, the Company had a holding of 7,956,013 (or 2.95%) ordinary registered shares of Šiaulių bankas AB, in the nominal value of LTL 1 (one) each. The changes in value of Šiaulių bankas AB shares are estimated in the Company's accounting with reference to the market value of Šiaulių bankas AB shares estimated at the reporting day. The revaluation of Šiaulių bankas AB shares is recorded in the balance sheet under equity.

2.7. Information about employees

The total number of personnel of the Company:

31 December 2013	30 June 2014
233	230

The dynamics of average number of employees and average monthly salary (without compensations) of the Company Group ALITA, AB during during the 1st half of 2014 and the year 2013 by personnel groups:

Personnel	2013			The 1 st half of 2014		
	Average number of employees	%	Average salary	Average number of employees	%	Average salary
Managers	10	6,3	11 330	9	5,6	16 015
Specialists and officials	74	46,5	3 348	74	46,3	3 535
Workers	75	47,2	1 906	77	48,1	1 953
Total:	159	100	3 159	160	100	3 547

The average number of employees increased only by one person. The average salary rate increased by 388 LTL, this was the result of raising salaries from February.

The structure of employees of the Company Group ALITA, AB by education as at 30 June 2014 and at 31 December 2013:

Employees education	2013		2014	
	Number of employees	%	Number of employees	%
University degree	71	43.0	71	43.4
College	52	31.5	47	28.7
Secondary	42	25.5	45	27.4
Basic	-	-	1	0.6
Total:	165	100	164	100

The Company has the Collective Agreement; the Trade Union of Lithuanian Food Producers Workers' Committee is established.

There are no employees with special rights or with special position.

The comparative data about the personnel of Anykščių vynas AB is presented below:

The dynamics of average number of employees and average monthly salary (without compensations) of Anykščių vynas AB during the 1st half of the year 2014 and the whole year 2013 by personnel groups:

Employees	2013			The 1 st half of 2014		
	Average number of employees	%	Average salary	Average number of employees	%	Average salary
Managers	2	2.7	4 652	2	3.0	6 826
Specialists and officials	24	32.4	1 896	21	31.3	1 837
Workers	48	64.9	1 492	44	65.7	1 316
Total:	74	100	1 720	67	100	1 642

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	26.4	17	25.8
College	21	30.9	21	31.8
Secondary	28	41.2	27	40.9
Uneducated	1	1.5	1	1.5
Total:	68	100	66	100

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

There are no employees with special rights or with special position.

2.8. Powers 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 1st half of the year 2014.

2.9. Information about the members of supervision and managing bodies, Chief Financier

General information about the Company's managing bodies

Under the Articles of Association of the Company Group ALITA, AB the management and supervision bodies are:

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

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 vote 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 General Shareholders Meeting works under the competence set by the Company Law of the Republic of Lithuania and by the Articles of Association of the Company Group ALITA.

The Supervisory Board is the collegial supervision body, The Chairman is elected from the Supervisory Board members, The Supervisory Board members' tenure is unlimited.

The Board is a collegial management body. The Chairman of the Board is elected from the Board members. The Board members' tenure is unlimited.

The Company's Supervisory Board and the Board carry out functions assigned by the legislation and Articles of Association.

The General Manager has the competence 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 procedures of Administration, organizes daily activities of the Company and represents the Company in the relationships with the third parties and has other duties.

Other information about the Company's managing bodies

The Supervisory Board:

Names surname	Position	Beginning of term	End of term
Leena Maria Saarinen	Chairman	03/10/2011	03/10/2015
Vytautas Junevičius	Member	03/10/2011	03/10/2015
Jan Aberg	Member	03/10/2011	03/10/2015
Mats A Andersson	Member	03/10/2011	19/04/2013

The additional information about the Supervisory Board members:

Leena Maria Saarinen

Education: University degree, Master of Science, Food Technology.

Participation in other companies' activities: the Board Member in a Finnish Company Virvo Oy, the Chairwoman of the Board in a Finnish company Suomen fromFinland.fi Oy, the Chairwoman of the Board in a Finnish Company Nofu Oy (has 7% of shares), the Board member in a Finnish company Helsingin Mylly Oy, the Member of the Board in a Finnish Company Arla Ingman Oy, the Member of the Board in a Finnish Company Digia Oy, the Member of the Board in a Finnish Company Image Wear Oy. She has no shares either of the Company Group ALITA, AB or Anykščių vynos 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 vynos AB, the Board member of Šiaulių bankas AB, Vice President of Vilnius Chamber of Commerce, Industry and Crafts. 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 vynos AB.

Jan Aberg

Education: University degree, Bachelor of Business Administration and Economics, Stockholm Economics School/Institute for Managers – integrated leadership, Swedish Institute for Quality – the inspector.

Participation in other companies' activities: Chief Executive Officer of a Swedish company FR&R Invest AB, member of the Board of Luxembourg companies FR&R Invest Lux Holding S.A. and FR&R Invest IGA S.A., member of the Board of a Dutch Company FR&R Nemo BV. He has no shares either of the Company Group ALITA, AB or Anykščių vynos AB.

No loans were granted, guaranties issued or sureties granted for covering the obligations of the members of the Supervisory Board.

The Board:

Name, surname	Position	Beginning of term	End of term
Carl Andreas De Neegaard	Chairman	23/07/2012	23/07/2016
Vaidas Mickus	Member	23/07/2012	23/07/2016
Algirdas Ragelis	Member	23/07/2012	23/07/2016

Additional information about the Board members:

Carl Andreas de Neegaard

Education: University degree (Bachelor of Economics and Law, Master of Accounting and Corporate Finance). He has no shares either of the Company Group ALITA, AB or Anykščių vynas AB.

Vaidas Mickus

Education: University degree (Business Administration – Bachelor, Accounting and Audit – Master’s degree). Employment: Finance & IT Director of the Company group ALITA, AB from 24/05/2012 to 23/07/2012; the CEO of the Company Group ALITA, AB since 24/07/2012. Vaidas Mickus has been the Board member of Anykščių vynas AB since 26/07/2012. He has no shares either of the Company Group ALITA, AB or Anykščių vynas AB and does not participate in other companies’ activities.

Algirdas Ragelis

Education: University degree (Bachelor of Mechanical Engineering). Employment: Production Director of the Company Group ALITA, AB since 16/01/2012. He has no shares either of the Company Group ALITA, AB or Anykščių vynas AB and does not participate in other companies’ activities.

No loans were granted, guaranties issued or sureties granted for covering the obligations of the members of the Board.

Head of the Company (the General Manager) and Chief Accountant:

Name, surname	Position	Beginning of term	End of term
Vaidas Mickus	General Manager	23/07/2012	
Justinas Damašas	Finance and IT Director	18/02/2013	
Alina Miežiūnienė	Chief Accountant	07/10/2009	

Additional information about the General Manager and Chief Accountant:

Vaidas Mickus – General Manager. More detailed information about General Manager is disclosed under information about the Board members.

Justinas Damašas – Finance and IT Director. Education – University degree (Management and Business Administration – the Bachelor’s and Master’s degree). He has no shares either of the Company Group ALITA, AB or Anykščių vynas AB.

Alina Miežiūnienė – Chief Accountant. Education – University degree (Accounting and Auditing, the Economist). She has no shares either of the Company Group ALITA, AB or Anykščių vynas AB.

No loans were granted, guaranties issued or sureties granted for the covering the obligations of the General Manager, Finance and IT Director and Chief Accountant.

The information about estimated average amounts for the Company's one member of the Supervisory Board, the Board and the Administration during the 1st half of 2013 and 2014:

	Average number of members during the period		Benefits to surviving on the Supervisory Board or the Board member functions, thousand LTL		Salary and other 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
Supervisory Board members	3	4	-	-	137.6	126.9	-	-	7.7	5.7*
Board members	3	3	-	-	321.1	243.1	-	10.6	17.8	14.1
Administration members	3	3	-	-	360.2	265.5	10.6	18.4	20.6	17.5*

*average numbers estimated by accurate actual average members number during the relevant period.

The Subsidiary company's Anykščių vynas AB managing bodies

According to the Articles of Association of Anykščių vynas AB the Company's Management Bodies are:

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

The General Shareholders Meeting works under the competence set by the Company Law of the Republic of Lithuania.

The Issuer's Articles of Association may be amended by the decision of the General Shareholders Meeting, which was 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 with 4 members for the 4 years term elected by the General Shareholders Meeting. The Chairman of the Board is elected from the Board members. The Board members' tenure is unlimited.

The General Manager has the competence 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 procedures of Administration, organizes daily activities of the company and represents the company in the relationships with the third parties, and carries out other functions.

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

Additional information about the Board members of Anykščių vynas AB:

Audrius Zuzevičius

Education: University degree (engineer-mechanic). Director of Anykščių vynas AB since 23/01/2012. 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.

Additional information about the current Board members of Anykščių vynos AB Vytautas Junevičius and Vaidas Mickus is presented in this report under the additional information about the managing members of the Company Group ALITA AB.

No loans were granted, guaranties issued or sureties granted for covering the obligations of the members of the Board.

Head of the Company (the director) and Chief Accountant of Anykščių vynos AB:

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

Audrius Zuzevičius is the General Director of Anykščių vynos AB since 23/01/2012. More detailed information about General Director is disclosed under information about the Board members.

Audronė Zemlevičienė is the Chief Accountant of Anykščių Vynos AB since 05/19/2005. Education: University degree (Economics). She has no shares either of Anykščių vynos AB or the Company Group ALITA, AB.

No loans were granted, guaranties issued or sureties granted for covering the obligations of the Director and Chief Accountant.

The information about estimated average amounts for Anykščių vynos 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

On April 19 2013 the General Shareholders Meeting made a decision to cancel the Company's Audit Committee and all its members, and all its statutory functions delegate to the Supervisory Board.

No Audit Committee is formed in Anykščių vynos AB. 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 till 19 April 2013. 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

A related party is a person or entity that is related to the Company. A person or a close member of that person's family is related to the Company if that person has control or joint control over the Company, has significant influence over the Company or is a member of the key management personnel of the Company or of a parent of the Company. An entity is related to the Company if they are members of the same group, the entity is controlled or jointly controlled by a related person, a related person has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity) or other cases as described by IAS 24.

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

Also, consulting contracts are concluded for provision of consulting services with legal persons associated with members of the Supervisory Board, the contracts with Supervisory Board members on Supervisory Board members' duties. No other material transactions or deals have been concluded with the shareholders, employees, members of the Board, members of the Supervisory Board or their immediate relatives.

The Company has also concluded a number of agreements with other associated persons that are significant for the operations of the Company and/or those associated persons. The agreements are surety agreements, contracts on the purchase-sale of goods or the service provision transactions.

The Company's shareholders for the Company's taken loans and financial debts has pledged 2,895,364 units of ordinary registered shares of the Company Group Alita AB.

Sureties between the companies of the Group

The subsidiary of the Company, Anykščių vynos 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 trademarks securing the discharge of the obligations of the Company under the credit agreement with Šiaulių bankas AB.

The Company has provided a surety for Swedbank, AB in respect of the credit line of LTL 7.4 million (EUR 2.1 m) opened for the benefit of its subsidiary, Anykščių vynos AB, and in respect of other liabilities to Swedbank, AB. Due to ensure the return of the tax loan the Company Group Alita AB had pledged its real estate for Anykščių vynos AB tax obligation for the State Tax Inspectorate.

Other sureties

On January 2014 the Company with its main bank made an agreement for the factoring till 30 November, 2014. On 30 June 2014 it was used 7,328 thousand LTL from 10,358 thousand LTL of the limit of factoring.

Other information about the other sureties is presented in Note 9 of the consolidated financial statements.

2.12 Agreements of the issuer, its bodies, committee members or employees

The Company's collective agreement and/or separate agreements with the company's employees provide for compensations which under certain conditions are paid to the employees upon their leave from work or if they are dismissed without a due reason.

2.13 Information about other significant agreements between related parties

The information about significant agreements between related parties and transactions with the related parties of the previous periods and of the period of the 1st six months of 2014 is published in the not audited financial statements of the 1st half of the year 2014 of the Company Group ALITA, AB and the previous financial statements, which can be found at www.nasdaqomxbaltic.com or at www.alita.lt.

2.14 Data about the publicly disclosed information

The Company, complying with governing legislation regarding the securities market, published the following information at NASDAQ OMX Vilnius website www.nasdaqomx.com/vilnius and at the website of the Company Group ALITA, AB www.alita.lt/investuotojams:

Date	Title of announcement
2014.02.28	Consolidated non-audited annual results of Company Group ALITA, AB of 2013
2014.03.04	The Serbian Commercial Appellate Court annulled the decision of the Belgrade Commercial Court and returned the case for re-examination
2014.03.17	Decision of the Lithuanian Court of Appeals regarding abolishment of the decision of Kaunas Regional Court of 27 March 2013 and dismissal of the claim of minority shareholder Plass Investments Limited was received
2014.03.19	Regarding convocation of Annual General Meeting of Shareholders of Company group ALITA AB
2014.03.19	Regarding the adopted decisions of the Board of Company group ALITA AB, related to the Annual General Meeting of Shareholders, being convened
2014.04.08	The Belgrade Commercial Court dismissed the request to set-aside the partial arbitral award
2014.04.10	Decisions of annual general meeting of shareholders of Company group "ALITA", AB
2014.04.10	Company Group ALITA AB annual information for the year 2013
2014.05.05	Consolidated non-audited results of Company Group ALITA, AB for the I quarter of 2014
2014.05.26	The cassation appeal of Plass Investments Limited was accepted to examine

2.15 The risk factors related with the Issuer's activity

The main risk factors which had impact for the Company's economical - financial performance during the 1st half of the year 2014 and also they may 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 in excise duty, customs, product marking, other requirements for the products or production processes, restrictions on advertising and retail trade, and decisions taken by the courts or arbitrations.

Failure to timely adjust to the requirements of new legal acts or decisions, regulating production and trading in 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 liabilities or payment of penalties.

Consumption

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

The general economic situation and a decrease on the income level per person as well as additional taxes influence the consumption habits. 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.

Procurement

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 adverse effect on the Company's performance results.

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

Seasonality

The pronounced seasonality affects only products made from apples, which supply directly depends on natural conditions and sales volume depends on the prices in the European market.

Credit risk

Due to the specific activity the Company is exposed to a large credit risk: over 72% of its turnover falls 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 2014 the Group companies had 31.6 million LTL (9.2 million EUR) of long-term loans and leasing liabilities and 28.0 million LTL (8.1 million EUR) of short-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 and interest rates is included in Note 9 of the consolidated financial statements.

Top management and high qualification employees

The ability of both the Company and its subsidiary to keep up in the competitive environment and implement a long-term strategy depends mostly on the experience, knowledge, personal qualities of the top management and the high qualification employees. The Company's ability to attract and hire managers and employees of supreme qualification is part of the success. Under the conditions of a constant fierce competition for the high quality staff there is a possibility that the Company's managers and main employees may decide to change jobs. A loss of such employees or the Company's inability to hire new managers with adequate know-how and qualifications or a shortage of such persons on the market may have an adverse effect on the prospects, financial status and performance of all companies of the Group.

Environmental protection

In their activities the companies of the Group must comply with various rules of the environmental protection, regulating the use, marking and storage of various harmful substances used in the activities of the Group. These rules obligate the companies to implement procedures and technologies that allow proper management of any hazardous substances, provides for the liability of management and elimination of the pollution of the environment. Besides the liability for the current activities, the companies of the Group may have to cover the damages brought by its past activities if it were proved that it was detrimental to the environment. Also, any changes in the regulations in the area of the environment, both on the national and international level, may obligate the companies of the Group to take measures to comply with the newly set standards. These activities may also have a negative effect on the activities, financial status and performance of the companies of the Group.

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 companies of the Group and adversely affect their activities and reputation. Despite all control mechanisms applied in the activities of the companies of the Group, there are no warranties or guarantees that one or other product thereof may be recognised as failing to meet high quality standards or not suitable for further processing and consumption. Therefore, the companies may be forced to cancel production of such products or destroy them where such products would be hazardous to consumers' health. In the case of cancelation of a large part of the products or any claims for compensation of the damage due to the consumption of such products may result in long-term restrictions on appearance of such products on the market and a loss of confidence in the Group companies and their products. Even after it is ascertained 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 companies of the Group.

Intellectual property

The Company devotes much effort to the protection of its intellectual property rights, including registration of brand names, patents and website addresses. The Company also employs security measures and signs contracts with relevant service providers in order to protect its confidential information. Yet, the Company may not be sure that the measures taken so far will be sufficient or that the third parties will not violate or unlawfully abuse the Company's intellectual property rights. Due to the popularity of the Company's products among consumers there may be attempts to counterfeit its brand names. 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 abuse or unlawful takeover may also affect the Company's performance and business development.

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

2.16. Halts or reductions of production that have exercised or exercise material impact on the results of the Issuer during the last two financial (business) years

During the last two years there were no halts of the production process.

2.17 The main lawsuits and arbitrations

The information about the Company's loans and interest rates is included in Note 12 of the consolidated financial statements.

3. INFORMATION ABOUT THE ISSUER

The Company Group ALITA, AB was established on 7 October after the spin-off from AB Alita (subsequent name – AB ALT Investicijos). Based on the terms and conditions of the spin-off, the production activities (including activities related to the shares of Anykščių vynos, AB and Alita Distribution, UAB) and the related assets, rights and duties were transferred to the Company Group ALITA, AB

The Company Group ALITA, AB and Anykščių vynos AB are two Lithuanian companies having the old wine production traditions and the Company Group ALITA, AB is the only company in Lithuania producing the drink “Samanė” according to the production traditions of our antecedents, and the only cognac having a Lithuanian name “Alita”. The main rules of these companies are to produce a qualitative product, to strive for the professional heights, to evoke major and major aims. The Lithuanian consumer is the priority of the companies. It is pleasant to hear that despite the negative changes in the market the Lithuanian consumers estimate the efforts to propose the drinks of the highest quality.

The most popular trademark is the sparkling wine “Alita”. The sparkling wine is one of the most important and representative product of the Company.

The consumers also appreciate brandies “Alita”, “Alita XO”, “Alita Reserva”. In 2011 the white brandy “Pure” with no analogue in the Lithuanian market was presented to consumers and it received very favourable valuation from consumers. It was awarded the Silver medal in the competition “Prodexpo 2012” in Moscow in 2012. Because of the great success of this white brandy the company released classic taste brandy “Pure Black”.

The other popular product is the natural cranberry kind of bitter “Bobelinė”. It is made from the natural juice of the picked up cranberry late in autumn, it is of luxuriant colour and aroma, of enduring taste. The kind of bitter is 20% and 35% alc. vol. In 2012 the range of bitters were successfully extended and the new bitter “Božolinė” was presented to the consumers.

The subsidiary company Anykščių vynos AB, established in 1926, has the biggest experience in the production of the natural fruit-and berry wine. The Company began to produce the berry wine in 1927. The range was adjusted by the constant changing taste of the consumer, but the natural black currant wine remained one of the most popular. In 2007 the black currant wine was named after the Mindaugas castle Voruta, which, according to predictions of researchers, was near Anykščiai. Being popular several years ago the traditional Lithuanian drinks – natural wines – find their consumer and a team of admirers again. 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.

At the end of 2013 for the cold period of the year new wine drink – “Winter wine” - meant for heated consumption was released, it became very popular not only in Lithuania but in Latvia and UK as well. In 2014 two more new wines were released – fruits and berries wine drink “Summer punsh” and “Old Kagor”, which is dedicated for sweet wine lovers.

3.1. Quality and environment managing systems

The Company Group ALITA, AB is continuously improving its quality management system in accordance with the requirements of EN ISO 9001:2008. The quality concept means not only the high quality of the final product, but also the market presentation of the product, fast and proper response to the consumers’ feedback.

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, product influence upon the environment, the Company operates in conformity with the requirements of the standards of the Environment Management System EN ISO 14001:2004. In 2014 recertification audits of the Management Quality System were performed in the Company Group ALITA, AB according to EN ISO 9001:2008 standard and Anti-pollution Management System according to EN ISO 14001:2004 standard. During the audit no discrepancies were detected and the above mention certificates (issued in 2013) were left in force till the year 2016.

On the 1st half of 2014 the Company Group ALITA, AB carried out the environmental objectives and targets. The main source of pollution is the boiler room but pollution ration into atmosphere had not been exceeded during the last years. The Company had no fines or restrictions or halts of production activities because of the environmental damage. There were no other risk factors or accidents.

The Company has the agreements with packaging waste recycler.

The special attention is paid to the quality of production. The quality of production is controlled by the manufacturing technology laboratory workers, who are working in accordance with ISO 9001 and MS RVASVT Quality Management System instructions. In the year 2012 there were no official complaints from consumers or regulatory authorities on the quality of productions. The manufacturing technology laboratory workers continuously evolve their knowledge by learning new local and EU legal requirements for production of beverages, examine new inspection methods of alcohol drinks, and apply technological changes and changes to control methods.

On 4 October 2012 the Company's laboratory was certified for the wine, fermented beverages, ciders, fruit wines, spirit drinks, alcohol cocktails, ethyl alcohol physical and chemical parameters analysis. The certification is valid until 4 October 2015.

3.2. Belonging to the associated organizations

The Company Group ALITA, AB belongs to these associated structures:

- Legal Business Alliance;
- Association GS1 Lithuania;
- The National Governors Association's power grid;
- The Lithuanian Confederation of Industrialists;
- Vilnius Chamber of Commerce, Industry and Crafts.
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The Company does not take part in the capital of the above mentioned structures but it is a member and pays the membership fees.

3.3. Short review of Issuer's activities

The Company Group ALITA, AB is the biggest producer of naturally fermented sparkling wine in the Baltic States. The Company produces naturally fermented sparkling wines and several kinds of spirits: alcohol cocktails, vodka, brandy, cognac, bitters and strong grain drinks. The Company's products are highly popular in the Lithuanian market and also exported to other countries – Latvia, Estonia, United Kingdom, Ireland, Russia, USA, Finland, Germany, China and other countries.

The Company works in the light of business plan made in 2010; the plan includes not only the strategy of the Company Group ALITA, AB, but also of the whole group till the year 2014; this confirms the company's vitality and continuation of the activity.

The information about the Company's sales volumes is included in Note 11 of the consolidated financial statements.

During the 1st half of the year 2014, exports sales of alcohol drinks expanded by 41%, and export part in the total sales expanded by 27%. This is the fifth year of the ongoing upward trend in the main export markets – Russia, Latvia, Estonia and other. This year the Company started trading with Denmark. Export sales had grown because of successful cooperation with the main retail chains in the Baltic States and outsourcing projects.

In 2013 the Company applied for European Union structural assistance and received approval for the new project "Company Group Alita, AB export markets development" which is expected to help to increase sales in Western and Eastern Europe and China markets. By this project the Company during the 1st half of the year 2014 was participating in PRODEXPO-2014 in Moscow, PROWEIN-2014 in Dusseldorf and VIEXPO-2014 in Hong Kong.

Much attention is paid to the development of new products and their quality. 29 new products were presented to the consumers during the 1st half of 2014.

4. FINANCE

During the 1st half of 2014 the Group's results compared with the same period of the last year had increased by 34%. The positive financial results was due to rapidly growing export and successful marketing strategy in Lithuania market.

The consolidated activity results for the 1st half of the year 2014 according to the International Financial Reporting Standards was 1.0 million LTL (0.3 million EUR) loss before taxes. During the 6 months of 2013 the consolidated loss before taxes was 1.5 million LTL (0.4 million EUR).

The Group's consolidated sales revenues for the 1st 6 months of 2014 amounted to 35.4 million LTL (10.3 million EUR) and in comparison with the same period of 2013 remained almost the same. At the same period of 2013 the sales revenues were 35.8 million LTL (10.4 m EUR). The concolidated export revenues during the 1st half of 2014 was 1.4 times bigger than at the same period last year and amounted to 8.5 million LTL (2.5 m EUR).

Other Company's financial activity's information is presented in the 1st half of the year 2014 consolidated interim financial statements.

The Company's Group ALITA, AB consolidated interim condensed financial statements can be found at NASDAQ OMX Vilnius information disclosure and distribution system's OMX Company News Service website www.nasdaqomx.com/vilnius and in ANYKŠČIŲ VYNAS AB website www.alita.lt/investuotojams.

Production director,
acting as General Director



Algirdas Ragelis