

INDEPENDENT AUDITOR'S REPORT

To AB "Gubernija" shareholders

We have audited the accompanying financial statements of AB "Gubernija", which comprise the balance sheet as of December 31, 2007, the profit(loss) statement, the statement of changes in equity and the cash flow statement, a declaratory letter, and the annual report for the year 2007 which is attached hereto to this financial accounting.

In our opinion, the financial accountability of AB "Gubernija" is prepared in accordance with the International Financial Reporting Standards validated in the European Union.

Management is responsible for the financial accountability and the annual report. Our responsibility is to express an opinion on these financial statements based on our audit and to evaluate if data given in the annual report coincide with the data in the financial reports.

We conducted our audit in accordance with International Standards on Auditing and the current practice. We planned and performed the audit to obtain reasonable assurance whether the financial statements are free from the material misstatement. During the audit, we did tests, which include a survey of sums in the financial statement in the way of sampling.

We audited the applied accounting principles and significant evaluations made by the management and declared in the financial report. Our job in point of the annual report was limited in the inspection if the declared data coincided with the financial statement and did not include the evaluation of management and inspection of the activity plans and forecasts.

In our opinion, the performed audit bases properly the notion about this financial accountability.

We believe the financial statements in all significant cases under the current circumstances give a true and fair view of the financial position of AB "Gubernija" on December 31, 2007, results of the activities of the year 2007 according to International Financial Reporting Standards validated in the European Union.

We did not notice any material misstatement in the annual report of AB "Gubernija" for the year 2007 in comparison with the audited financial statements.

The audit finished on April 14, 2008

The report of the audit validated on April 15, 2008

UAB „Auditoriai ir konsultantai“

(The number of the audit company No. 001239)

President Antanas Šiupienius,

An independent auditor the number of the auditor's certificate No. 000278)



AB GUBERNIJA, 144715765

(įmonės pavadinimas)

DVARO 179, ŠIAULIAI

(įmonės kodas, adresas, kiti duomenys)

PATVIRTINTA

20 ____ m. ____ d.

protokolo Nr. ____

2007 m. Gruodžio 31 d. **PELNO (NUOSTOLIŲ) ATASKAITA/
INCOME STATEMENT**

2007-01-01..2007-12-31 (finansinių atskaitomybės sudarymo data) 2008 02 28 Nr.
(ataskaitinis laikotarpis)

Litas/in Litas

	Straipsniai/ Items	Pastabos Nr./ Notes	Finans. m./ Finan. year2007-12-31	Praėję finansiniai m. Previous financial year2006-12-31	Praėję fin. m./ Previous financial year2005-12-31
I.	PARDAVIMO PAJAMOS/ SALES	16	50 480 692	52 395 801	40 922 868
II.	PARDAVIMO SAVIKAINA/ COST OF SALES	17	39 583 762	39 912 302	30 802 711
III.	BENDRASIS PELNAS (NUOSTOLIAI)/ GROSS PROFIT		10 896 930	12 483 499	10 120 157
IV.	VEIKLOS SĄNAUDOS / OPERATING EXPENSES	18	15 141 032	15 401 572	11 153 600
IV	Pardavimo/ Sales		10 787 247	10 883 063	7 829 891
IV	Bendrosios ir administracinės/ General and administrative		4 353 785	4 518 509	3 323 709
V.	TIPINĖS VEIKLOS PELNAS (NUOSTOLIAI) / OPERATING PROFIT		(4 244 102)	(2 918 073)	(1 033 443)
VI.	KITA VEIKLA / OTHER OPERATIONS	19	163 532	(3 680)	(13 576)
VI	Pajamos/ Income		313 855	32 320	13 424
VI	Išlaidos/ Expenses		150 323	36 000	27 000
VII.	FINANSINĖ IR INVESTICINĖ VEIKLA/ FINANCIAL AND INVESTING ACTIVITIES	20	(1 853 938)	(1 512 332)	(1 051 853)
VI	Pajamos/ Income		5 358	13 805	101 303
VI	Išlaidos/ Expenses		1 859 296	1 526 137	1 153 156
XI.	PELNAS (NUOSTOLIAI) PRIEŠ APMOKESTINIMĄ/ CURRENT YEAR PROFIT BEFORE TAXES		(5 934 508)	(4 434 085)	(2 098 872)
XII.	PELNO MOKESTIS/ PROFIT TAX	21	(214 046)	31 181	
XIII.	GRYNASIS PELNAS (NUOSTOLIAI)/ NET PROFIT OF CURRENT YEAR		(6 148 554)	(4 402 904)	(2 098 872)

Gen. direktoriaus pavaduotojas

(įmonės administracijos vadovo pareigų
pavadinimas)

parašas(signature)



Povilas Stumbrys

vardas ir pavardė (name, surname)

AB GUBERNIJA, 144715765

(įmonės pavadinimas)

DVARO 179, ŠIAULIAI

(įmonės kodas, adresas, kiti duomenys)

PATVIRTINTA

20

m.

protokolo Nr.

2007 m. gruodžio 31 d. **BALANSAS/ BALANCE SHEET**

(finansinės atskaitomybės sudarymo data)

2008.02.28 Nr.

2007-01-01..2007-12-31

(ataskaitinis laikotarpis)

Litas/in Litas

	TURTAS/ ASSETS	Pasta- bos Nr./ Notes	Finansiniai metai/ Financial year 2007.12.31	Praėjė finansiniai m./ Financial year 2006-12-31	Praėjė finansiniai m./ Previous financial year 2005-12-31
A.	ILGALAIKIS TURTAS/ Long term assets		33 763 263	39 725 248	44 937 825
I.	NEMATERIALUSIS TURTAS / INTANGIBLE ASSETS	1	209 163	363 489	23 365
I.3	Patentai, licencijos/ Licences and patents		163500	272 500	
I.4	Programinė įranga/ Computer software		43114	83 364	5 153
I.5	Kitas nematerialusis turtas/ Other intangible assets		2549	7 625	18 212
II.	MATERIALUSIS TURTAS/ TANGIBLE ASSETS	2	33 274 059	38 724 788	44 225 843
II.2	Pastatai ir statiniai / Buildings & Plant		11957342	12 973 173	13 411 407
II.3	Mašinos ir įrengimai / Machinery & equipment		19171282	22 430 766	26 798 655
II.4	Transporto priemonės / Vehicles		406059	636 659	712 423
II.5	Kita įranga, prietaisai, įrankiai ir įrengimai / Other property, plant and equipment		1436137	2 348 774	2 253 814
II.6	Nebaigta statyba/ Construction in progress				375 453
II.7	Kitas materialusis turtas / Other tangible assets		303239	335 416	674 091
III.	FINANSINIS TURTAS / FINANCIAL LONG - TERM ASSETS	3	17 100	17 100	17 100
III.4	Kitas finansinis turtas/ Other financial assets		17100	17 100	17 100
IV.	KITAS ILGALAIKIS TURTAS/OTHER TANGIBLE ASSETS	4	262 941	619 871	671 517
IV.1	Atidėto pelno mokesčio turtas/Diferend profit taxes assets		262941	619 871	671 517
B.	TRUMPALAIKIS TURTAS/ Short term assets		10 031 447	12 509 865	12 291 637
I.	ATSARGOS, IŠANKSTINIAI APMOKĖJIMAI IR NEBAIGTOS VYKDYTI SUTARTYS/ STOCK AND CONTRACTS IN PROGRESS	5			
I.1	Atsargos/ Inventories		3 872 198	4 455 192	5 323 666
I.1.1	Žaliavos ir komplektavimo gaminiai/ Raw materials and consumables		3 371 971	4 023 994	4 656 040
I.1.2	Nebaigta gamyba/ Work in progress		2544268	2 993 464	3 455 085
I.1.3	Pagaminta produkcija/ Finished goods		287571	393 839	504 147
I.1.4	Pirkta prekės, skirtos perparduoti/ Goods for resale		529083	618 348	687 505
I.2	Išankstiniai apmokėjimai/ Prepayments		11049	18 343	9 303
I.3	Nebaigtos vykdyti sutartys/ Contracts in progress		500227	431 198	667 626
II.	PER VIENERIUS METUS GAUTINOS SUMOS/ AMOUNTS RECEIVABLE WITHIN ONE YEAR		5 792 172	7 666 112	6 967 971
II.1	Pirkėjų įsiskolinimas / Trade debtors	6	5785941	7 655 220	6 956 087
II.3	Kitos gautinos sumos / Other amounts receivable		6231	10 892	11 884
III.	Kitas trumpalaikis turtas	7	87200		
III.1	Terminuoti indėliai		87200		
IV.	PINIGAI IR PINIGŲ EKVIVALENTAI/ CASH IN BANK AND IN HAND	8	279877	388 561	369 287
	TURTO IŠ VISO / TOTAL ASSETS:		43 794 710	52 235 113	57 598 749

	NUOSAVAS KAPITALAS IR ĮSIPAREIGOJIMAI/ Capital and reserves	Pastabos Nr./ Notes	Finansiniai m. Financial year2007-12-31	Praėję finansiniai m. Previous financial year2006-12-31	Praėję finansiniai m. Previous financial year2005 12-31
C.	NUOSAVAS KAPITALAS / SHAREHOLDERS CAPITAL		8 161 970	14 310 524	18 607 837
I.	KAPITALAS/ CAPITAL	9	21786000	21786000	21786000
I.1	Išstatinis (pasirašytasis) / Subscribed capital		21786000	21 786 000	21 786 000
I.4	Savos akcijos/ Own Shares (-)				
II.	PERKAINOJIMO REZERVAS (REZULTATAI)/ REVALUATION RESERVE	10	2859941	3 323 389	3 882 373
III.	REZERVAI/ RESERVES	11			
III.1	Privalomasis rezervas/ Legal reserve				
III.2	Savoms akcijoms įsigyti/ Reserve for acquiring own shares				
III.3	Kiti rezervai/ Other reserves				
IV.	NEPASKIRSTYTASIS PELNAS (NUOSTOLIAI) PROFIT (LOSS)/ BROUGHT FORWARD	12	(16 483 971)	(10 798 865)	(7 060 536)
IV.1	Ataskaitinių metų pelnas (nuostolis)/ Profit (loss) of the reporting year profit		(5 685 106)	(3 738 329)	(3 122 537)
IV.2	Ankstesnių metų pelnas (nuostolis)/ Profit (loss) of the previous year		(10 798 865)	(7 060 536)	(3 937 999)
E.	MOKĖTINOS SUMOS IR ĮSIPAREIGOJIMAI/ Amounts payable and liabilities		35 632 740	37 924 589	38 990 912
I.	PO VIENERIŲ METŲ MOKĖTINOS SUMOS IR ILGALAIKIAI ĮSIPAREIGOJIMAI/ Amounts payable after one year and long term liabilities	13	15 738 457	19 040 670	19 498 551
I.1	Finansinės skolos/ Financial debts		14 791 509	17 950 838	18 220 301
I.1.1	Lizingo (finansinės nuomos) ar panašūs įsipareigojimai/ Leases and similar obligations				87 284
I.1.2	Kreditinėms institucijoms / Credit institutions		14791509	17 950 838	18 130 384
I.1.3	Kitos / Others				2 633
I.5	Atidėtieji mokesčiai/ Deferred taxes		946 948	1 089 832	1 278 250
I.6	Kitos mokėtinos sumos ir ilgalaikiai įsipareigojimai/ Other amounts payable and non-current liabilities				
II.	PER VIENERIUS METUS MOKĖTINOS SUMOS IR TRUMPALAIKIAI ĮSIPAREIGOJIMAI/ Amounts payable in one year and short term liabilities	14	19 894 283	18 883 919	19 492 361
II.1	Ilgalaikių skolų einamųjų metų dalis/ Current portion of non-current debts		3 810 815	3 246 587	6 039 874
II.2	Finansinės skolos/ Financial debts		2 833 039	2 779 942	3 797 180
II.2.1	Kreditinėms institucijoms / Credit institutions				
II.2.2	Kitos skolos/ Other debts		2833039	2 779 942	3 797 180
II.2	Skolos tiekėjams/ Trade amounts payable		5403983	6 077 474	5 963 821
II.3	Avansu gautos sumos p/g pasirašytas sutartis		1837809		
II.5	Pelno mokesčio įsipareigojimai/ Profit tax liabilities				
II.6	Su darbo santykiais susiję įsipareigojimai./ Liabilities related with labour relations		1619089	1 725 916	1 634 169
II.7	Atidėjiniai/ Provisions				
II.8	Kitos mokėtinos sumos ir trumpalaikiai įsipareigojimai/ Other amounts payable and current liabilities	15	4389548	5 054 000	2 057 317
	NUOSAVO KAPITALO IR ĮSIPAREIGOJIMŲ, IŠ VISO/ TOTAL EQUITY AND LIABILITIES:		43 794 710	52 235 113	57 598 749

Gen. direktoriaus pavaduotojas
(įmonės administracijos vadovo pareigų pavadinimas)

(parašas)signature



Povilas Stumbrys
vardas,pavardė(name, surname)

AB GUBERNIJA, 144715765

(įmonės pavadinimas)
DVARO 179, ŠIAULIAI

(įmonės kodas, adresas, kiti duomenys)

PATVIRTINTA

20 m.

protokolo Nr.

2007 m. gruodžio 31

**NUOSAVO KAPITALO POKYČIŲ ATASKAITA/
STATEMENT OF CHANGES IN EQUITY**

2007-01-01..2007-12-31

(ataskaitinis laikotarpis)

(atskaitomybės sudarymo data)

2008 02 28 Nr.

Litas/in Litas

	Apmokėtas įstatinis kapitalas/ Paid authorised capital	Ak cij ų pri eda i/ Sh are	Savos akcijos (-)/ Own shares ()	Perkainojimo rezervas (rezultatai)/ Revaluation reserves (results)		Įstatymo numatyti rezervai/ Legal reserves		Kiti rezervai/		Nepa- skirstytasis pelnas (nuostoliai)/ Retained earnings (losses)	Iš viso/ Total
				Ilgalaikio materialiojo turto/ Tangible assets	Finansi nio turto/ Financi al	Privaloma- sis/ Compulsory	Savų akcijų įsigijimo/ acquisition of own				
1 Persk. Lik.praėj. Finans. metų pradžioje/ Balance as of 31 December 2005	21 786 000			3 882 373						(7 060 536)	18 607 837
19. Pelno (nuostolių) ataskaitoje nepripažintas pelnas (nuostoliai)/ Profit (loss), excluded from income statement				(558 984)						664 575	105 591
20. Ataskaitinio laikotarpio grynasis pelnas (nuostoliai)/ Net profit (loss) of the reporting period										(4 402 904)	(4 402 904)
26. Likutis ataskaitinių finansinių metų pabaigoje/ Balance as of 31 December 2006	21 786 000			3 323 389						(10 798 865)	14 310 524
19. Pelno (nuostolių) ataskaitoje nepripažintas pelnas (nuostoliai)/ Profit (loss), excluded from income statement				(463 448)						463 448	
20. Ataskaitinio laikotarpio grynasis pelnas (nuostoliai)/ Net profit (loss) of the reporting period										(6 148 554)	(6 148 554)
26. Likutis ataskaitinių finansinių metų pabaigoje/ Balance as of 31-12- 2007	21 786 000			2 859 941						(16 483 971)	8 161 970

Gen. direktoriaus pavaduotojas

(įmonės administracijos vadovo pareigų pavadinimas)

(parašas)signature



Povilas Stumbrys

vardas,pavardė(name, surname)

AB GUBERNIJA, 144715765

(įmonės pavadinimas)

DVARO 179, ŠIAULIAI

(įmonės kodas, adresas, kiti duomenys)

PATVIRTINTA

20.... m.....d.

protokolo Nr.....

2007 m.gruodžio mėn. 31 d PINIGŲ SRAUTŲ ATASKAITA/

CASH FLOW STATEMENT

(finansinės atskaitomybės sudarymo data)

2008-02-28 Nr.

(ataskaitinis laikotarpis) 2007-01-01..2007-12-31

Litas/in Litas

Eil. Nr.	Straipsniai/ Items	Pastabos Nr./ Notes	Finansiniai metai/ Financial year 2007-12-31	Praėję finansiniai m./ Previous financial year 2006-12-31
I.	Pagrindinės veiklos pinigų srautai/ Cash flows from operating activities			
I.1.	Ataskaitinio laikotarpio pinigų įplaukos (su PVM)/ Inflows of the reporting period (VAT included)		52 753 946	58 286 968
I.1.1.	Pinigų įplaukos iš klientų/ Inflows from customers		52 400 261	56 258 329
I.1.2.	Kitos įplaukos/ Other inflows	15209	353 685	2 028 639
I.2.	Ataskaitinio laikotarpio pinigų išmokos/ Outflows of the reporting period		(50 875 608)	(53 099 228)
I.2.1.	Pinigai, sumokėti žaliavų, prekių ir paslaugų tiekėjams (su PVM)/ Cash paid to suppliers of raw materials, goods and services, and employees (VAT included)		(27 539 318)	(28 418 229)
I.2.2.	Pinigų išmokos, susijusios su darbo santykiais/ Outflows connected with labour relations		(8 514 102)	(8 227 889)
I.2.3.	Sumokėti į biudžetą mokesčiai/ Taxes paid into the budget		(14 126 921)	(15 574 114)
I.2.4.	Kitos išmokos/ Other payments		(695 267)	(878 996)
	Gryniesi pagrindinės veiklos pinigų srautai/ Net cash flows from operating activities		1 878 338	5 187 740
II.	Investicinės veiklos pinigų srautai/ Cash flows from investing activities			
II.1.	Ilgalaikio turto (išskyrus investicijas) įsigijimas/ Acquisition of non-current assets (excluding investments)		(188 246)	(1 109 764)
II.2.	Ilgalaikio turto (išskyrus investicijas) perleidimas/ Transfer of non-current assets (excluding investments)		71 953	199 516
II.4.	Ilgalaikių investicijų perleidimas/ Transfer of long-term			
	Gryniesi investicinės veiklos pinigų srautai/ Net cash flows from investing activities		(116 293)	(910 248)
III.	Finansinės veiklos pinigų srautai/ Cash flows from financing activities			
III.2.	Pinigų srautai, susiję su kitais finansavimo šaltiniais/ Cash flows arising from other financing sources		(1 870 729)	(4 258 218)
III.2.1	Finansinių skolų padidėjimas		1 000 000	
III.2.1.1	Paskolų gavimas		1 000 000	
III.2.2.	Finansinių skolų sumažėjimas/ Decrease in financial debts		(4 708 536)	(4 258 218)
III.2.2.1.	Paskolų grąžinimas/ Loans returned		(3 507 809)	(2 589 600)
III.2.2.2.	Obligacijų supirkimas/ Purchase of bonds			
III.2.2.3.	Sumokėtos palūkanos/ Interest paid		(1 097 732)	(1 198 650)
III.2.2.4.	Lizingo (finansinės nuomos) mokėjimai/ Payments of lease (finance lease) liabilities		(102 995)	(469 968)

III.2.3.	Kitų įmonės įsipareigojimų padidėjimas/ Increase in other enterprise liabilities		1 837 807	
III.2.4.	Kitų įmonės įsipareigojimų sumažėjimas/ decrease in other enterprise liabilities			
III.3.	Kiti finansinės veiklos pinigų srautų padidėjimai/ Other increase in cash flows from financing activities			
III.4.	Kiti finansinės veiklos pinigų srautų sumažėjimai/ Other decrease in cash flows from financing items			
	<u>Grynieji finansinės veiklos pinigų srautai/ Net cash flows from financing activities</u>		(1 870 729)	(4 258 218)
IV.	Ypatingųjų straipsnių pinigų srautai/ Cash flows from extraordinary items			
V.	Valiutų kursų pasikeitimo įtaka grynujų pinigų ir pinigų ekvivalentų likučiui/ Change in exchange rate			
VI.	Grynasis pinigų srautų padidėjimas (sumažėjimas)/ Net increase (decrease) in cash flows		(108 684)	19 274
VII.	Pinigai ir pinigų ekvivalentai laikotarpio pradžioje/ Cash at the beginning of period		388 561	369 287
VIII.	Pinigai ir pinigų ekvivalentai laikotarpio pabaigoje/ Cash at the end of period		279 877	388 561

Gen .direktoriaus pavaduotojas
(įmonės administracijos vadovo
pareigų pavadinimas)

parašas(signature)



Povilas Stumbrys
(vardas ir pavardė)

AB “Gubernija”, the code of the Company -144715765, Dvaro 179, Šiauliai

THE DECLARATORY LETTER
To the interim statement for the year 2007

I. GENERAL INFORMATION

AB “Gubernija” (hereinafter-the Company) was registered on May 5, 1993 in the registry of the legal entities. The code of the Company is 144715765. The manager of the registry is the national enterprise “Registry centre”. The main activity of the Company is production and sales of beer, beer drinks, kvass and bread cider in the local market and abroad. The main production is produced from the raw material bought in Lithuania.

The Company has an agency in Vilnius (M. Sleževičiaus g. 7). It is the warehouse of the wholesale. Traditional technologies are used in production of beer in the joint-stock company “Gubernija”: a natural method of fermentation is applied, beer is not being diluted. It allows producing beer of high quality. Beer makes 83. 5 percent in the structure of the produced products of the Company.

AB “Gubernija” sells beer not only in Lithuania, but also exports to the USA, Israel, Russia, Africa, supplies beer to Latvia, Germany, Sweden, and Estonia. Kvass is being sold in Latvia, Poland, Ireland, Germany, Great Britain, Russia, and Sweden.

Production of beer (thousand of deciliters)

No	Production title	I-XII months of the year 2007	I-XII months of the year 2006
1.	1. Beer in total (produced)	2 364	2 879
	In bottles	2 009	2 645
	On tap	355	185,6
2	2. Kvass in total (produced)	465,6	407,90

Sales and services (million Litass)

No	Indicators	I-XII months of the year 2007	I-XII months of the year 2006
1.	Income from sales	50,48	52,40
2.	The cost price of sales	39,58	39,91

On December 31, 2007 there were 270 employees in the Company (on December 31, 2006 –there were 282 employees).

The financial year is coincident with the artificial year.

THE PRINCIPLES OF ACCOUNTING

AB “Gubernija” in its practice follows the Laws on Joint-stock companies of the Republic of Lithuania, Laws on the Securities’ market, other laws and regulatory acts of the Republic of Lithuania.

The Company draws its financial reports in compliance with the Laws on Financial Reporting of the Republic of Lithuania, requirements of International Auditing Standards, and the accounting policy of the Company. The Company implements the practice declared in the statutes.

The financial accountability is prepared with an assumption that the Company will be able to continue its activities in the nearest future.

Numbers in these reports are given in a national currency, Litas (Lt). Litas has been related to euro 3, 4528 litas for 1 euro since February 2, 2002.

In the year 2007, AB “Gubernija” applied the same accounting policy as in the year 2006. A short description of the accounting policy is declared in the financial accountability on December 31, 2006.

III. NOTES OF THE DECLARATORY LETTER

NOTE 1: THE INTANGIBLE ASSETS

AB “Gubernija” did not buy and write-off any intangible assets during the reporting cycle.

Indicators	Prestige	Patent rights, licenses, etc.	Program software	Other intangible assets	In total
The residual value in the end of the last financial year		272 500	83 364	7 626	363 490
a) Permanent intangible assets by their cost price					
In the end of the last financial year		327 000	122 043	102 061	551 104
Changes in the financial year:					
The acquisition of the assets					
Disposed to other people and written-off assets (-)					
Rewrites from one article to another +/(-)					
In the end of the financial year		327 000	122 043	102 061	551 104
b) Depreciation					
In the end of the financial year		54 500	38 679	94 435	187 614
changes of the financial year:					
depreciation of the financial year		10 900	40 250	5 076	154 326
reconstructive contributions (-)					
depreciation of the disposed to other people and written-off assets					
rewrites from one article to another +/(-)					
In the end of the financial year		163 500	78 929	99 512	341 941
c) Decrease of the value					
In the end of the last financial year					
Changes in the financial year:					
decrease of the value of the financial year					
reconstructive contributions (-)					
depreciation of the disposed to other people and written-off assets (-)					
rewrites from one article to another +/(-)					
In the end of the financial year					
d) The residual value in the end of the financial year		163 500	43 114	2 549	209 163

On December 31, 2007 the cost price of the completely depreciated but still in use intangible assets was 31 thousand Lt.

NOTE 2: PERMANENT TANGIBLE ASSETS

The Company applies the evaluation method of the reassessed value to separate groups of the permanent assets (buildings, constructions, and machines).

PERMANENT TANGIBLE ASSETS

Indicators	Buildings and constructions	Machines and equipment	Vehicles	Permanent assets in sets	Unfinished constructions	Other equipment, tools	In total
The residual value in the end of the last financial year	12973173	22430766	636659	335416		2348774	38724788
a) The cost price of the acquisition							
In the end of the last financial year	14549077	40030446	3756490	335416		8019719	66691148
Changes in the financial year:							
the acquisition of the assets		2732	57264	66018		40513	166527
Disposed and written- off assets (-)		5763	305002	6155		38796	355716
rewrites from one article to another +/-(-)	262	398894	(27670)	(92040)		88387	367833
In the end of the financial year	14549339	40426309	3481082	303239		8109823	66869792
b) Reassessment							
In the end of the last financial year	2530947	2401628	0	0	0	0	4932575
Changes in the financial year:							
increase (decrease) of the value +/-(-)							
disposed and written- off to others assets (-)							
rewrites from one article to another +/-(-)		367					367
In the end of the financial year	2530947	2401995	0	0	0	0	4932942
c) Depreciation							
In the end of the last financial year	4106851	20001308	3119831			5670945	32898935
Changes in the financial year:							
depreciation of the financial year	802615	3329711	164495			1028628	5325449
depreciation of the reassessed assets	213479	331754					545233
depreciation of disposed and written- off to others assets (-)		5752	209303			25887	240942
depreciation of disposed and written- off to others assets (-)							
In the end of the financial year	5122945	23657021	3075023	0	0	6673686	38528675
e) The residual value in the end of the last financial year	11957342	19171282	406059	303239		1436137	33274059

The cost price of the completely depreciated but still in use tangible assets estimating reassessment makes 11 million Lt. The state of buildings of the Company is good. Production machines and constructions are hypothecated.

NOTE 3: THE FINANCIAL ASSETS

AB "Gubernija" is the partner of VŠĮ "Žaliasis taškas". The method of the acquisition cost price is applied to the financial assets accounting of the Company.

NOTE 4: THE ASSETS OF THE DEFERRED PROFIT TAX

There are doubts if the future taxable profit will be sufficient to get use due to the experienced loss, therefore the assets of the profit tax is signed out in the first quarter.

The title of the article	The financial year 2007	The last financial year 2006
The remainder of the deferred profit tax assets on January 1	619 871	619 871
Income (expenses) in the profit (loss) report	(356 930)	
The remainder: on December 31, 2007	262 941	619 871

The assets of the deferred profit taxes are 262, 9 thousand Lt.

NOTE 6: INDEBTEDNESS OF THE CUSTOMERS

Indebtedness of the customers	The financial year 2007 I-XII months	The last financial year 2006-12-31
Indebtedness of the customers	5 789 290	7 661 228
Devaluation till the recoverable value	-3 350	-6 008
IN TOTAL:	5 785 940	7 655 220

NOTE 8: MONEY AND MONEY EQUIVALENTS

Indicators	The financial year 2007 I-XII months	The last financial year 2006-12-31
Money in a bank	229 157	302 895
Money in the till	16 692	41 465
Money equivalents	34 028	44 201
IN TOTAL	279 877	388 561

NOTE 9: THE CAPITAL

Indicators	The amount of the shares	The sum
The structure of the share capital in the end of the financial year	21786000	21786000
1. According to the type of the shares		
1.1. Ordinary shares	21786000	21786000
1.2. Preference shares		
1.3. Shares of the employees		
1.4. Special shares		
1.5. Other shares		
IN TOTAL:	21786000	21786000
2. The capital of the state or municipalities	-	-
Shares which The Company owes	-	-
Shares which the subsidiary enterprises owe	-	-

The nominal value for one share of the Company is 1 Lt. All shares are completely paid. AB “Gubernija” did not buy its own shares during the reporting cycle.

Ordinary nominal shares of AB “Gubernija” are on the list of the current market of AB “Vilniaus vertybinių popierių birža” (“Vilnius bourse”), (listed in on September 13, 2004).

NOTE 10: THE RESERVE OF REASSESSMENT

In the end of the year 2004, the Company reassessed buildings, constructions, and production machines. A remainder of the formed reserve of the reassessment for December 31, 2007 makes 2, 86 million Lt.

Depreciating the part of the reassessed assets, the reassessment reserve and the deferred profit tax are being reduced, and the profit of the reporting year, which is not acknowledged appears in the profit (loss) reports.

An unacknowledged profit due to the depreciation of the reassessed part of the tangible assets is 463, 4 thousand Lt.

NOTE 13: PAYABLE SUMS AND OBLIGATIONS OF THE COMPANY

On April 26, 2007, a creditor of AB “Gubernija” changed. UAB “Respublikos investicija” took over the requirement rights occurring from the crediting contract of December 28, 2004 made with AB SEB Vilnius bank and AB Bank “Hansabankas”. Order and terms of the implementation of the “Crediting contract obligations” have not changed to AB “Gubernija”.

NOTE 14-15: SHORT-TERM OBLIGATIONS

Indexes	Debts or their parts, payable		
	During one financial year	In a year, but not later than in a five years	In five years
Financial debts.	3 810 815	14 791 510	
Other payable sums and short-term obligation	2 833 039		
Trade debts	5 403 983	-	
Received prepayments	1 837 809	-	
Obligation related with work terms	1 619 089	-	
Payable taxes	4 379 750		
The excise duty	475 728		
Water and environment pollution	6 160		
The real property tax	10 757		
VAT	470 258		
Other payable sums	3 416 847		
Referred taxes		946 948	-
IN TOTAL:	19 884 485	15 738 458	

NOTE 16-17: INFORMATION ABOUT BUSINESS SEGMENTS

Income from sales in the year 2007 in comparison with the same period of the year 2006 decreased in 3, 6 percent or 1, 91 million Lt.

Sales of beer in comparison with the same period of the year 2006 decreased in 12 % or 439 thousand deciliters. In the year 2007, sales of beer and kvass to the foreign countries are 4, 3 million Lt. In comparison with the same period of the last year, sales to the foreign countries decreased in 23 percent.

AB "Gubernija" increases production of the soft drinks. In comparison with the same period of the last year, sales of kvass increased in 30, 8 percent.

Sales of the main production in the natural and value expression

Production	2007			2006			2005		
	Thousand dals	Thousand Lt	Percent	Thousand dals	Thousand Lt	Percent	Thousand dals	Thousand Lt	Percent
Beer:	2433,5	42119,7	82,6	2873	47939	87,9	3127	51571	92,3
in bottles	2276,2	38623,6	75,8	2681	47116	80,9	2887,2	46551	83,3
other	157,3	3496,1	6,8	192	3823	7,1	249,2	5020	9,0
Bread kvass	233,03	5534,9	10,8	198	4017	7,4	144,7	2747	4,9
Other kvass	226,0	2162,9	4,2	212	1864	3,5	176,6	1545	2,8
Ciders	118,5	1148,6	2,4	30	713	1,2			
In total:	3011,03	50966,10	100	3313	54533	100	3448,7	55863	100

NOTE 18-19: INFORMATION ABOUT BUSINESS SEGMENTS

Lt

Indicators Lt.	Segments (types of the production goods, and activities)								All companies	
	Beer		Soft drinks		Ciders		Others			
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Income	39 960 697	44 321 366	7 697 962	5 462 186	1 703 555	712 580	1 118 478	1 899 669	50 480 692	52 395 801
Cost price	33 869 154	33 857 267	4 278 278	3 858 578	1 296 990	670 945	139 321	1 525 512	39 583 743	39 912 302
Gross profit	6 091 543	10 464 099	3 419 864	1 603 608	406 565	41 635	979157	374 157	10 896 949	12 483 499

Due to the decreased amount of the produced production permanent expenses for 1 dal of production increased. The increase of expenses was influenced by the rise in prices of energetic resources, the stock, and the structural changes of the production.

NOTE 20: FINANCIAL AND INVESTMENT ACTIVITIES

The Company had expenses of the financial activities for 1, 85 million Lt during the year 2007. Paid interest to the banks for the credits makes the major part of them.

Items	Financial year 2007-12-31	Last financial year
a) Income from financial and investment activities/Total	5 358	13 805
Income from the bank interest	3 473	13 064
Bank commission/differences of the currency rates	1 885	741
b) Expenditure on financial and investment activities	1 859 296	1 526 137
Bank commission/differences of the currency rates	179 718	32 608
Fines, penalties, and other financial expenditure	324 467	231 219
c) The result of the financial and investment activities (a-b)	(1 853 938)	(1 512 332)

NOTE 21: NET PROFIT (LOSS)

In the year 2007, AB “Gubernija” worked into a loss and experienced a loss of 6, 1 million Lt. The profit before the interest, depreciation, and amortization (EBITDA)-1, 8 million Lt.

The unacknowledged profit of the reporting year is 463, 4 thousand Lt. The balance loss of the reporting cycle is (5, 67 million Lt).

The unacknowledged profit due to the depreciation of the part of the reassessed assets is shown in the report of the capital changes: the unacknowledged profit of the reporting year is 463, 4 thousand Lt

Project of the profit appropriation

Items	Amount (Lt)
Profit brought forward from the previous year	(10 798 865)
Current year profit (loss)	(6 138 738)
Profit(loss),excluded from income statement	463 448
Profit(loss) to be appropriated at the end of financial year	(16 474 155)
Shareholders contributions to cover losses	
Transfers from reserves	
Profit to be appropriated	
Appropriation of profit::	
-to legal reserves:	
-to other reserves:	
-dividends	
-other appropriation	
Profit (loss) to be carried forward at the end of the current year	(16 474 155)

OTHER SIGNIFICANT INFORMATION

There is a completed case about acknowledging the decisions of the general shareholders' meeting as invalid in the circuit court of Šiauliai. On January 14, 2008 new statutes of AB "Gubernija" were registered and the authorized capital was increased- 24 814 720 Lt.

On January 11, 2008 the warehouse of the wholesale in Klaipėda was liquidated.

The tax inspection

The Tax inspectorate can inspect how the Company pays taxes and count additional taxes and fines at any time.

On 14 April 2008 independent auditors report about the financial accounting for the year 2007 was signed.

The General Manager
at interim



Povilas Stumbrys