

THE INTERIM STATEMENT

The reporting cycle from 2007-01-01...2007-06-30

The joint-stock company “Gubernija” (hereinafter- the Company) was registered on May 5, 1993. The code of the Company is 144715765. The address of the seat is Dvaro g. 179, LT- 76176 Šiauliai. The e-mail is: info@gubernija.lt. The internet address is www.gubernija.lt

Short description of the history of the Company

GUBERNIJA is the oldest industrial brewery working in Lithuania which has developed from the manufactory manor house and the brewery. It is known that in 1682 its products reached not only different places in Lithuania, but also a part of western Belarus and Minsk. There is a document dated in the second half of the XVII th century in the historic archives of Radvilos in Warsaw where the brewery of Šiauliai manor is described in details. “GUBERNIJA’ brewery is justly considered as the oldest brewery in Lithuania.

The first reconstruction of “GUBERNIJA” brewery which started in 1799 lasted more than ten years. Later reconstructions of “GUBERNIJA” brewery took place every hundred years. The second reconstruction took place in the last decade of the XIX th century and the beginning of the XX th century. Till the end of the XIX th century all works were manual. Beer was tipped off into casks and only since the end of the XIX th century bottles came into the use.

During the Second World War “GUBERNIJA” brewery was destroyed badly and burnt but in August, 1944 it started working again. The brewery developed little by little. In 1982 a spacious room for bottling was opened, in 1985 a new administrative building was built. In 1996 after privatization of “GUBERNIJA” brewery, a new period of the brewery history started. In 1996 a material reconstruction of the brewery was begun. A modern brewery with forward technologies was built in the territory of the Old Gubernija.

The lawful base of the activities and the review

AB “GUBERNIJA“ in its practice follows the Laws on Joint-stock companies of the Republic of Lithuania, Laws on Securities’ market, other laws and regulatory acts of the Republic of Lithuania, statutes and the accounting policy of the Company.

AB “GUBERNIJA” belongs to the brewers’ association of Lithuania, also to the industrialists’ association of Šiauliai and participates in the activities of the associations.

The main direction of the activities of the Company is production and sales of beer, beer drinks, cider, and kvass. The Company constantly renews the assortment of production and pays a lot of attention to the quality.

Beer and beer drinks in the structure of the products of the Company make 84, 16 percent of all sales in the rating expression, the rest part is kvass, kvass drinks, cider, other goods and services.

First six months of the year 2007 were complicated for “GUBERNIJA“, considering its activity. General manager Romualdas Dunauskas resigned on April 02, 2007, a board of the Company was reelected on April 04, 2007 during the general meeting of the shareholders. The Company worked

hard: due to the lack of stock, production of beer was suspended and restarted. The Company was overburdened with the requirements of suppliers and creditors, and lack of current assets.

On April 26, 2007 the main 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".

While analysing the results of the first six months, positive improvements are already observed. It was influenced by the reconsideration of some stock and services supplying contracts, negotiation for the best of times of supplying to the Company and payments for the goods, refusal of inexpedient for the Company agreements and contracts, and mobilization of inner reserves.

Income from sales during the first six months of the year 2007 in comparison with the same period of the year 2006 increased in 310, 2 thousand Lt.

Sales of beer in comparison with the same period of the year 2006 decreased in 12, 7 %, and it had negative influence on the indicators of the general profitability of the Company.

Sales of kvass increased significantly. 240, 1 thousand deciliters of kvass were sold during the first six months. In comparison with the first six months of the year 2006, sales increased in 31, 7 %. Due to the decreased amount of the produced production permanent expenses for 1 dal of production increased. The increase of the cost price was influenced by the rise in prices of energetic resources, the stock, and the structural changes of the production.

The Company has got an agency in Vilnius (Kubiliaus g. 21, Vilnius). It is the warehouse of the wholesale.

Analysis of results from the financial activities

In the first six months of the year 2007 AB "Gubernija" worked into a loss and experienced a loss of 2, 59 million Lt, though the profit before the interest, depreciation, and amortization (EBITDA) is positive-1, 683 million Lt. The significant part of the expenses make depreciation and amortization. A fall of beer sales determined such a result. A lot of attention was paid to the control of the expenses and improvement of the activities.

The unacknowledged profit of the reporting cycle in the profit/loss report of the year 2007 is 283 119 Lt.

On June 30, 2007 the corporate property of the Company was 51, 64 million Lt.

On June 30, 2007 the short-term assets were 15, 03 million Lt. Short-term obligations were 20, 85 million Lt.

Securities

The authorized (signed) capital of the Company is 21 786 000 Lt. The capital is divided into 21.786.000 ordinary nominal shares, the nominal value of every share is 1 Lt. All shares are completely paid-up.

Ordinary nominal shares of AB "Gubernija" are on the list of the current market of AB "Vilniaus vertybinių popierių birža" ("Vilnius bourse") (enlisted on September 13, 2004). Sales of the shares of

the Company are in “Vilniaus vertybinių popierių birža” (“Vilnius bourse”). There no other bourses which sell shares of AB GUBERNIJA.

AB GUBERNIJA did not buy its own shares during the reporting cycle.

On December 31, 2006 shareholders owned more than 5 % of the authorized capital / votes of the Company

Name, surname of the shareholder/ a company, the address of the seat, the code	Number of shares that the shareholder owns, in units	A possessed part of the authorized capital, in percent	A part of votes granted by the owned shares, in percent	A part of votes belonging to the shareholder and other contributors, in percent
VITAS TOMKUS	7 351 191	33,74	33,74	45,07
UAB“RESPUBLIKOS“ SPAUSTUVĖ(UAB “RESPUBLIKOS“ PRINTING-HOUSE), A.SMETONOS 2, VILNIUS, 124250999	2 469 200	11,33	11,33	
ROMUALDAS DUNAUSKAS	2 870 090	13,17	13,17	32,34
JAVELIN FINANCE Siute 4, 41 Lower Baggot Street, Dublin, Ireland 221234	2 696 480	12,38	12,38	
UAB “LINOS NAMAI“ Vilniaus g. 166, Šiauliai 300038452	1 369 039	6,28	6,28	
VIJOLETA DUNAUSKIENĖ	98 940	0,45	0,45	
LARISA AFANASEVA	2 590 110	11,89	11,89	On March 21, 2007 a right to vote was alienated to UAB “Respublikos“ printing-house for two years, attached
TAKHIR SHABAEV	1 310 160	6,01	6,01	On March 21, 2007 a right to vote was alienated to UAB “Respublikos“ printing-house for two years, attached

AB GUBERNIJA and AB FMI "FINASTA" (Konstitucijos avenue 23, Vilnius) made a contract about keeping records of the securities which had been issued by the Company, preparation of the periodic reports and rendering of other services.

Plans and forecasts of the activities

In the year 2007 the Company has produced a new kind of beer "JUODAS LEDAS" ("BLACK ICE") and plans to produce some more new beer drinks and beverages.

A turnover of new products would be considered as successful if it reached a turnover of 10 million Litas in the year 2007.

The aim of the Company in the inner market of beer is to return to a 10 percent part of Lithuania beer market and maintain the general development of the market.

Events after the balance was completed

On January 22, 2007 the Commission of Securities of the Republic of Lithuania sent a report about the loss of the shares' packet and informed that Vitas Tomkus had sold 11, 34 percent of shares to UAB "Respublikos" printing-house (124250999). On March 21, 2007 a contract about the alienation of the voting rights was made by which L. Afanasjeva and T. Shabaev alienated their votes to UAB "Respublikos" printing-house for two years. Legal conflicts about that contract take place, alienated votes are being attached.

Information about the audit

The financial accountability for six months of AB "Gubernija" was not audited because the shareholders' meeting did not affirm the auditing company which could audit the Company.

AB GUBERNIJA

General manager



Romas Bubnelis