

THE INTERIM STATEMENT

The reporting cycle since January 1, 2009 to June 30, 2009

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 the year 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. 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 only 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 1999 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.

The Company has got its specialty shops at Dvaro 179, V.Kudirkos 44 A, Vilniaus g.15 A, Lyros g. 13, Birutės g. 37 in Šiauliai, at Juozapavičiaus pr. 10A, in Kaunas, at Šaltupio g.26, in Anykščiai, at Taikos pr.115-119, Naikupės pr.44, in Klaipėda, at Kęstučio g. 4, in Kretinga, at Gerosios Vilties 18A, and Vytauto g.39 in Vilnius. The Company has got an agency and the warehouse of the wholesale (M. Slezevičiaus g. 7, Vilnius).

AB “GUBERNIJA” belongs to the brewers’ association of Lithuania, but since July 2, 2008 membership of AB “Gubernija” in the activities of Lithuanian brewers’ association is suspended. Also AB “Gubernija” belongs the industrialists’ association of Šiauliai.

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.

The Company has been working into a loss already for some years, but the recent years were especially complicated because the Company works in difficult financial conditions and under other indefinite factors which may have influence on the perspectives of the activities for the

Company. The first six months of the year 2009 was particularly complicated for activities: there was a lack of the assets, prices of the stocks, substances, services and energetic resources became higher. Due to the lack of the main stocks and other substances necessary for the production the Company reduced the assortment of the production (produces only marketable output) and the amounts of the production.

Refusing inexpedient contracts of the production supplying, performing some structural changes in the activities of the Company, and mobilization of inner reserves helped to stabilise the situation.

Beer and beer drinks in the structure of the products of the Company make 80,12 percent of all sales. In the year 2009, there was produced 523,79 thousand deciliters of beer, it is 205,51 thousand deciliters less than during the same period of the last year. Due to the decreased amount of the produced output permanent expenses for 1 dal of the production increased. The increase of the cost price was influenced by the rise in prices of energetic resources, the stock, labour, and the structural changes of production.

Analysis of results from the financial activities

In the first six months of the year 2009 AB "Gubernija" worked into a loss (the loss before taxing was 2,886 million Lt). That result was influenced by the decrease in sales and low prices, though the profit before the interest, taxes, depreciation, and amortization (EBITDA) is positive- 0,958 million Lt because depreciation of the permanent assets and amortization make the significant part of the expenses.

A lot of attention is paid to the control of the expenses and improvement of the activities, but positive results are not achieved..

On June 30, 2009 the corporate property of the Company was 41,53 million Lt., the short-term assets on June 30, 2009 was 7,13 million Lt, and short-term obligations were 18,97 million Lt.

At the moment the financial situation is very complicated. Taxes and debts to the suppliers are paid behind, In order to prevent conflicts with the employees that were made redundant, contracts on the scheduled payments are signed. Now payments for employees are performed following the provisions of The Labor code.

In the end of the year the private capital of AB "Gubernija" became smaller than ½ of the authorized capital amount stated in the statutes. The management and the board of the Company have been informed about the current situation. The meeting of the shareholders on April 30, 2009 did not make any decisions on that question.

Securities

On 14th January, 2008 the statutes of the Company with the increased authorized capital were registered in the registry of the Legal entities. The authorized (signed) capital of the Company after the increase is 24 814 720 Lt. (71868740 eur). The capital is divided into 24 814 720 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 NASDAQ OMX Vilnius vertybinių popierių birža ("Vilnius bourse") (enlisted on September 13, 2004). Sales of the shares of the Company during the year 2004- 2008 take place in "Vilnius 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.

Indicator	2005	2006	2007	2008	2009
The price at opening	0	1,45	1,19	1,18	<u>0,42</u>
The highest price	7,55	1,70	2,31	1,19	<u>0,40</u>
The lowest price	0,73	0,84	0,90	0,37	<u>0,15</u>
The latter price	1,45	1,19	1,19	0,42	<u>0,33</u>
Turnover(in units)	12936562	3287841	3002289	184244	<u>34607</u>
Turnover, million	19,42	5,06	4,78	0,15	<u>0,01</u>
Capitalization	31,59	25,93	25,93	9,15	<u>7,19</u>

AB "Gubernija" and AB FMĮ "Finasta" (Konstitucijos aveniu 23, Vilnius) signed a contract on keeping records of the securities which had been issued by the Company, preparation of the periodical reports, and rendering of other services.

The total number of the shareholders on July 17, 2009 was 288.

On July 17, 2009 shareholders owned or run more than 5 % of the issuer authorized capital

Name, surname of the shareholder/ a company, the address of the seat, the code	Number of owned shares, in units	A possessed part of the authorized capital, in percent	A part of votes granted, in percent	A part of votes belonging to people working in cooperation, in percent
VITAS TOMKUS	LT0000114357 PVA 7297223	29,41	29,41	39,36
UAB „RESPUBLIKOS“ SPAUSTUVĖ, A. Smetonos g. 2, Vilnius, the code of the company 124250999	LT0000114357 PVA 2 469 200	9,95	9,95	
LARISA AFANASEVA,	LT0000114357 PVA 2590110	10,44	10,44	
TAKHIR SHABAEV	LT0000114357 PVA 1 310 160	5,27	5,27	
ROMUALDAS DUNAUSKAS	LT0000114357 PVA 2870090 LT0000127615 PVA 790441 Viso:3660531	14,75	14,75	

VIOLETA DUNAUSKIENĖ	LT0000114357 PVA 98940 LT0000127615 PVA 27249 Viso:126189	0,51	0,51	39,91
LINA DUNAUSKAITĖ	LT0000114357 PVA 11 740 LT0000127615 PVA 3233 Viso:14973	0,06	0,06	
UAB „LINOS NAMAI“, Vilniaus g. 166, Šiauliai, the code of the company 300038452	LT0000114357 PVA1369039 LT0000127615 PVA1448828 Viso:2815867	11,36	11,36	
JAVELIN FINANCE, Siute 4, 41 Lower Baggot Street, Dublin, Ireland, the code of the company 221234	LT0000114357 PVA 2 696 480 LT0000127615 PVA593738	13,86	13,86	

The shareholders of AB “Gubernija” do not have any special rights of control.

Employees

On June 30, 2009 there were 200 employees in the Company (on June 30, 2008 there were 244 employees). There are not any set special rights, duties and compensations undoing the labour contracts for the issuer employees mentioned in the labour contracts.

The alternation of the statutes of AB “Gubernija” is set in the statutes of the issuer. Statutes of the joint- stock companies: “ 6.2 A competence set in the the Law on Joint-stock companies of the Republic of Lithuania for the general shareholders’ meeting to alter the statutes of the Company (except the cases declared in the Laws on the Joint- stock companies)“.

AB “Gubernija” has a general shareholders’ meeting and a sole body of governing- The manager of the Company (The General Manager), and a collegial body of governing- the Board, the council of observers in the Company is not formed.

The Board is elected for a period of 4 years by the general shareholders’ meeting.

5 members form the Board of the Company.

The Board of the Company elects, recalls, fires, sets his salary, approves official regulations, encourages, and penalizes the Manager of the Company.

Members of administrative bodies

Members of administrative bodies of the Company

Name, surname, the code of the person	Duties	Sums of money calcula- ted in Litas,	Sums of money calcula- ted in Litas
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		2009	2008
Romualdas Dunauskas	The Chairman of the Board	-	
		-	-
		-	-
Lina Dunauskaitė,	The member of the Board	-	-
Andrius Šimaitis	The member of the Board	-	-
Augustinas Radavičius	The member of the Board	-	-
Sigitas Vilčiauskas	The member of the Board		
The management of the Company		Sums of money calculated in Litas, 2009	Sums of money calculated in Litas 2008
Diana Veleckienė	The general manager at interim since February 3, 2009 till June 23, 2009	56399	0
Vijoleta Dunauskienė	The general manager since June 25, 2009	1341	0
Vitalija Ramanauskienė	The chief accountant since June 18, 2004 till now	34097	78543
Povilas Stumbrys	The general manager since March 5, 2008 till February 2, 2009	16773	134954

At the moment there are some civil cases in the courts of the Republic of Lithuania on the issuing of the decisions made by the general shareholders' meeting of AB "Gubernija". Depending on the final judgement of the cases, information mentioned above about the current members of the board and the administration may alter.

It is not known about the agreements, the party of which the issuer is and which would become validated, alter, or discontinue due to the change of the issuer's control.

There were no agreements supposing compensations because of the resignation, dismissal of the issuer, its members, or employees, or the end of the work.

Plans and forecasts of the activities

In the year 2009, the Company plans to make new products, increase the assortment of soft drinks and the offer of these products. 2-3 new types of beer will be presented to the inner market of beer and especially big attention will be paid to the export to countries not belonging to the European Union. Also to increase competitive abilities of the Company using inner resources of the Company.

The main aim of the Company is to restore its own capital, to maintain and restore former positions in the market of beer, to increase the amounts of beer sales, using various means to decrease expenses for producing, sales, and administration, to reestablish the loss of the current assets.

The Company did not perform any researches on the activities.

Possibilities of the economy subject to continue its activities

If the Company could restore the circulating assets, it could continue its activities. A reduced number of employees, the reduced prices for malt, the decreasing prices for gas and containers enable to suppose that it is possible to reduce the production cost price and production expenses significantly. Increasing the assortment and organizing processes of sales encouragement and marketing properly it is possible to achieve the growth of sales of the production and generation of bigger incomes.

Important events after the end of the financial year

Due to decrease of the demand of the production and the complicated financial situation since January 9, 2009 till July 1, 2009 the Company worked four days a week.

The request of the general manager of the Company Mr Povilas Stumbrys to recall him from the duties of the general manager of the Company was satisfied in the meeting of the board on February 2, 2009. Mrs Diana Veleckiene was elected as the general manager at interim till a new general manager would be appointed.

Under the decision of the board on February 12, 2009 at 1pm the second uncommon meeting of the shareholders was called

On February 3, 2009 AB "Gubernija" received a note from the Hypothec department of Šiauliai circuit court about the possibility of the creditor UAB "Durpa" to exact the debt for the sold malt.

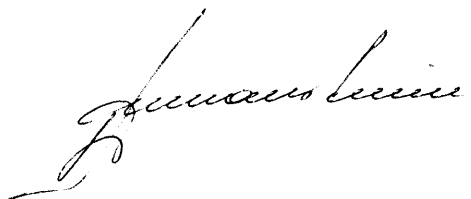
On February 12, 2009 the district court of Vilnius forbade to hold an uncommon meeting of the shareholders of AB "Gubernija" till March 21, 2009 without a separate permission of the court.

After preparation of the interim unaudited financial accountability for the year 2008 of AB "Gubernija", it became clear that under the data of December 31, 2008 the private capital of AB "Gubernija" became smaller than ½ of the authorized capital amount stated in the statutes. The board of the Company has been informed about the current situation and has to make decisions to rectify the situation.

On March 23, 2009 general manager at minterim Mrs Diana Veleckienė and AB Ūkio bankas signed a contract about granting a credit of two million litas. The term of the credit validity is till September 23, 2009. The assets of the Company are mortgaged for the credit. A part of the credit is used to pay the debt of AB "Gubernija" for malt to the supplier UAB "Durpa".

In the year 2009 the Company began producing new products: beer "Grand" 5, 9 %, "Gubernijos anno 1665", "Gubernijos apple kvass", and "Valstiečių kvass". It is planned to develop significantly the assortment of soft drinks in future. The aim of the Company in the inner market of beer is to return to a former part of Lithuania beer market. To pay a special attention to the development of the export for all kinds of the production.

General manager



Vijoleta Dunauskienė