

THE INTERIM STATEMENT

The reporting cycle from 2008-01-01..2008-06-30

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 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.

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 78, 6 percent of all sales in the rating expression, the rest part is kvass, kvass drinks, other goods and services.

First six months of the year 2008 were extremely complicated for “GUBERNIJA“, considering its activity. General manager Romas Bubnelis resigned on April 17, 2008. Mr. Povilas Stumbrys was elected as the general manager since April 29, 2008. The Company worked hard during January – April months of the year 2008 due to the lack of stock, orders of production were fulfilled partially or unfulfilled; considering that suppliers of the services and goods began requiring prepayments and the partial coverage of indebtedness. 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 only in May- June.

Comparing the results for the first six months of the year 2008 with the same period of the year 2007 income from sales decreased in 6, 9 million Lt.

Sales of beer in comparison with the same period of the year 2007 decreased in 29, 8 %, and it made negative influence on the indicator of the general profitability of the Company.

214, 8 thousand deciliters of kvass were sold during the first six months, it makes 3, 9 million Lt of income. In comparison with the first six months of the year 2007, sales increased in 2, 3 %.

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 production.

Analysis of results from the financial activities

In the first six months of the year 2008 AB “Gubernija” worked into a loss and experienced a loss of 2, 66 million Lt, though the profit before the interest, depreciation, and amortization (EBITDA) is positive- 813 thousand Lt. The significant part of the expenses make depreciation of the permanent assets and amortization.

A fall in sales determined a such result. A lot of attention was paid to the control of the expenses and improvement of the activities.

On June 30, 2008 the corporate property of the Company was 42, 08 million Lt.

On June 30, 2008 the short-term assets were 10, 89 million Lt, short-term obligations were 17, 84 million Lt.

Securities

The authorized (signed) capital of the Company is 24.814.720 Lt. 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 AB “Vilniaus 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 “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 June 25, 2008 06 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, emission	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	LT0000114357 PVA 7 297 223	29,41	0	0
Respublikos spaustuvė UAB124250999	LT0000114357 PVA 2 469 200	9,95	0	
ROMUALDAS DUNAUSKAS	LT0000114357 PVA 2870090 LT0000127615 PVA 790 441	14,75	14,75	36.21
JAVELIN FINANCE Siute 4, 41 Lower Baggot Street, Dublin, Ireland 221234	LT00001143357 PVA2696480,LT0000127615 PVA 742627	13,86	13,86	
UAB „LINOS NAMAI“ Vilniaus g. 166, Šiauliai 300038452	LT0000114357 PVA1369039 ; LT 0000127615 PVA 374670	7,03	7,03	
LINA DUNAUSKAITĖ	LT00001276615-PVA 11740;LT000012761	0,06	0,06	
VIJOLETA DUNAUSKIENĖ	LT0000114357 PVA 98970; LT0000127615 PVA27249 In total:	0,51	0,51	39,36
POVILAS STUMBRYŠ	0	0	39,36	
LARISA AFANASEVA	LT0000114357 PVA 2590 110; LT0000127615 PVA 360826 In total: 3303442	13,31	-	On March 21, 2007 a right to vote was alienated to UAB “ Respublikos“ printing-house for two years.
TAKHIR SHABAEV	LT0000114357 PVA 1310160; LT0000127615 PVA 360826 In total: 1670986	6,73		On March 21, 2007 a right to vote was alienated to UAB “ Respublikos“ printing-house for two years.

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 2008 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.

Events after the balance was completed

The participation in the activities of the brewers' association of Lithuania was suspended since July 02, 2008.

Following 3rd part of 2.82nd article in the CC of the Republic of Lithuania, 2nd part of 9th article in the law of the accounting policy, 1st and 7th items of 37th article in the law of the Joint- stock companies, 8th article of IAS (Policy of accounting, alternations and errors in accounting evaluation), and 12th article of IAS (Profit taxes), since July 01, 2008 AB "Gubernija" changed the accounting policy of the real estate (buildings and constructions) and the industrial machinery. It was decided to return expediently to the method of the aquisition cost price in order to record the industrial machinery and UAB Corporation "Matininkai/Surveyors" were invited to record setting the value of the real estate in the market which reassessed (the 2nd reassessment) buildings and constructions of the Company and set the market value of buildings and constructions for the 1st of July, 2008.

The change of the accounting assessment for the industrial machinery in order to ensure an adequate significance of information to the consumers of the financial reports will be presented in the way as if this policy has always been used, i.e., industrial machinery are being recorded in the acquisition cost price.

Information which is presented in a such accounting policy is more trustworthy and more important because the historic value of the real estate is much different from the market value, and using new values long- term tangible assets will be recorded in a more exact way, and the balance will show the objective value of the long- term assets. Besides that, it is important to the Company to renew the private capital which would be not less than ½ of the authorised capital declared in the statutes.

Information about the audit

The financial accountability for six months of AB "Gubernija" has not been audited.

AB GUBERNIJA
General Manager



parašas (signature)

Povilas Stumbrys