

AB GUBERNIJA

(enterprise name)

Dvaro 179, Šiauliai 144715765

(enterprise identification number, address, other information)

APPROVED

..... 20

Minutes No.....

2006-01-01..2006-09-30

BALANCE SHEET**2006-09-30**

to specify – in litas or thousands of litas

in Litas

Eil. Nr.	ASSETS	Note No.	Financial year 06-09-30	Previous financial year 2005-12-31(re- count)	Previous financial year 2005-09-30(re- count)
A.	NON-CURRENT ASSETS		40 844 374	44 937 825	46 621 852
I.	INTANGIBLE ASSETS	1	402 947	23 365	25 000
I.3.	Licences and patents		299750		
I.4.	Computer software		93 956	5 153	6 061
I.5.	Other intangible assets		9 241	18 212	18 939
II.	TANGIBLE ASSETS	2	39 752 810	44 225 843	46 189 544
II.2.	Buildings and constructions		13 225 634	13 411 407	13 701 985
II.3.	Plant and equipment		23 778 002	26 798 655	27 744 796
II.4.	Vehicles		543 292	712 423	875 869
II.5.	Other property, plant and equipment		1 853 864	2 253 814	2 601 148
II.6.	Construction in progress			375 453	381 307
II.7.	Other tangible assets		352 018	674 091	884 439
III.	FINANCIAL ASSETS	3	17 100	17 100	17 100
III.4.	Other financial assets		17 100	17 100	17 100
IV.	Other tangible assets	4	671 517	671 517	390 208
IV.1.	Diferend profit taxes assets		671 517	671 517	390 208
B.	CURRENT ASSETS		14 215 663	12 660 924	15 257 083
I.	INVENTORIES, PREPAYMENTS AND CONTRACTS IN PROGRES		5 750 243	5 323 666	5 842 860
I.1.	Inventories		5 058 890	4 656 040	5 216 229
I.1.1.	Raw materials and completing products	5	3 855 230	3 455 085	4 121 269
I.1.2.	Work in progress		409 964	504 147	452 517
I.1.3.	Finished products		753 275	687 505	632 616
I.1.4.	Goods for resale		40 421	9 303	9 827
I.2.	Prepayments		691 353	667 626	626 631
II.	AMOUNTS RECEIVABLE WITHIN ONE YEAR	6	8 119 457	6 967 971	8 717 627
II.1.	Trade amounts receivable		8 108 795	6 956 087	8 691 711
II.3.	Other amounts receivable		10 662	11 884	25 916
IV.	CASH AND CASH EQUIVALENTS	8	345 963	369 287	696 596
	TOTAL ASSETS:		55 060 037	57 598 749	61 878 935

Eil. Nr.	EQUITY AND LIABILITIES	Note No.	Financial year2006-09-30	Previous financial year 2005-12-31(re- count)	Previous financial year 2005-09-30(re- count)
C.	EQUITY		16 508 965	18 607 837	20 755 345
I.	CAPITAL	9	21 786 000	21 786 000	21 786 000
I.1.	Authorised (subscribed)		21 786 000	21 786 000	21 786 000
II.	REVALUATION RESERVE (RESULTS)	10	3 364 165	3 882 373	3 982 093
III.	RESERVES	11			
IV.	RETAINED EARNINGS (LOSSES)	12	(8 641 200)	(7 060 536)	(5 012 748)

IV.1.	Profit (loss) of the reporting year		(1 580 664)	(3 122 537)	(1 089 001)
IV.2.	Profit (loss) of the previous year		(7 060 536)	(3 937 999)	(3 923 747)
E.	AMOUNTS PAYABLE AND LIABILITIES		38 551 072	38 990 912	41 123 590
I.	NON-CURRENT AMOUNTS PAYABLE AND LIABILITIES	13	22 478 317	19 498 551	25 945 123
I.1.	Financial debts		21 200 067	18 220 301	24 416 354
I.1.1.	Leases and similar obligations		87 284	87 284	562 448
I.1.2.	To credit institutions		21 110 150	18 130 384	21 666 051
I.1.3.	Other financial debts		2 633	2 633	2 187 855
I.5.	Deferred taxes		1 278 250	1 278 250	1 528 769
II.	CURRENT AMOUNTS PAYABLE AND LIABILITIES	14	16 072 755	19 492 361	15 178 467
II.1.	Current portion of non-current debts		449 966	6 039 874	3 189 569
II.2.	Financial debts		2 754 471	3 797 180	
II.2.1.	To credit institutions				
II.2.2.	Other debts		2 754 471	3 797 180	
II.3.	Trade amounts payable		6 873 668	5 963 715	7 889 940
II.6.	Liabilities related with labour relations		1 579 448	1 634 169	1 467 982
II.8.	Other amounts payable and current liabilities	15	4 415 202	2 057 423	2 630 976
	TOTAL EQUITY AND LIABILITIES		55 060 037	57 598 749	61 878 935

3

General direktor _____
(post of the head of (signature))

Romualdas Dunauskas
(name, surname)

(signature)

(Complete Form of Income Statement)

AB Gubernija
(enterprise name)

Dvaro 179, Šiauliai. 144715765
(enterprise identification number, address, other information)

APPROVED
Minutes No.....
..... 20

INCOME STATEMENT 2006-01-01..2006-09-30
(reporting period)

20_06__m September 30

In Litas

to specify – in litas or thousands of litas

No.	Items	Note No.	Financial year 2006-09-30	Previous financial year	Previous financial year 2005-09-30
I.	SALES INCOME		40 922 868	54 818 751	42 616 769
II.	COST OF SALES		30 802 711	41 220 338	31 353 643
III.	GROSS PROFIT (LOSS)		10 120 157	13 598 413	11 263 126
IV.	OPERATING COSTS		11 153 600	16 890 993	12 403 016
IV.1	Sales		7 829 891	12 151 351	9 902 729
IV.2	General and administrative		3 323 709	4 739 642	2 500 287
V.	OPERATING PROFIT (LOSS)		(1 033 443)	(3 292 580)	(1 139 890)
VI.	OTHER ACTIVITIES		(13 576)	10 390	149 361
VI.1.	Income		13 424	288 165	262 026
VI.2.	Expenses		27 000	277 775	112 665
VII.	FINANCING AND INVESTING ACTIVITIES		(1 051 853)	(1 242 889)	(909 465)
VII.1.	Income		101 303	152 138	113 648
VII.2.	Expenses		1 153 156	1 395 027	1 023 113
VIII.	PROFIT (LOSS) FROM NORMAL ACTIVITIES		(2 098 872)	(4 525 079)	(1 899 994)
XI.	PROFIT (LOSS) BEFORE TAXES		(2 098 872)	(4 525 079)	(1 899 994)
XII.	PROFIT TAXATION			379 836	
XIII.	NET PROFIT (LOSS)		(2 098 872)	(4 145 243)	(1 899 994)

Profit(lost) for one

-0,10

-0,19

-0,09

General direktor _____
(post of the head of enterprise administration) (signature)

Romualdas Dunauskas
(name, surname)

AB GUBERNIJA

(įmonės pavadinimas)

144715765 DVARO 179 Šiauliai

(įmonės kodas, adresas, kiti duomenys)

PATVIRTINTA

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

protokolo Nr.....

CASH FLOW STATEMENT

_2006-01-01..2006-09-30 PINIGŲ SRAUTŲ ATASKAITA

(ataskaitinis laikotarpis)

2006..m...September 30..

Litais/in Litas

Nurodyti – litais ar tūkstančiais litų

Eil. Nr.	Straipsniai	Pastabos Nr.	Financial year 2006-09-30	Previous financial year 2005-09-30
I.	Pagrindinės veiklos pinigų srautai			
I.1.	Ataskaitinio laikotarpio pinigų įplaukos (su PVM) Inflows of the reporting period (VAT included)		45 476 116	46 203 138
I.1.1.	Pinigų įplaukos iš klientų / Inflows from customers		43 428 924	44 539 907
I.1.2.	Kitos įplaukos/Other inflows		2 047 192	1 663 231
I.2.	Ataskaitinio laikotarpio pinigų išmokos/Outflows of the reporting period		(41 868 040)	(40 737 146)
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)		(22 384 632)	(23 229 069)
I.2.2.	Pinigų išmokos, susijusios su darbo santykiais/ Outflows connected with labour relations		(4 981 887)	(4 641 429)
I.2.3.	Sumokėti į biudžetą mokesčiai/ Taxes paid into budget		(13 892 062)	(12 822 620)
I.2.4.	Kitos išmokos/other payments		(609 459)	(44 028)
	Grynjieji pagrindinės veiklos pinigų srautai		3608076	5 465 992
II.	Investicinės veiklos pinigų srautai			
II.1.	Ilgalaikio turto (išskyrus investicijas) įsigijimas /Acquisition of non-current assets(excluding investments)		(189 703)	(2 928 229)
II.2.	Ilgalaikio turto (išskyrus investicijas) perleidimas/ Transfer of non-current assets(excluding investments)		174 088	1 239 192
II.4.	Ilgalaikių investicijų perleidimas/Transfer of long-term investments)			917 901
	Grynjieji investicinės veiklos pinigų srautai/ Net cash flows from investing activities		(15 615)	(771 136)
III.	Finansinės veiklos pinigų srautai/Cash flows from financing activities			
III.2.	Pinigų srautai, susiję su kitais finansavimo šaltiniais/Cash flow arising from other financing sources		(3 509 724)	(4 516 119)
III.2.2.	Finansinių skolų sumažėjimas/ Decrease in financial debts		(3 509 724)	(4 516 119)
III.2.2.1.	Paskolų grąžinimas/loans returned		(2 244 337)	(2 304 744)
III.2.2.2.	Obligacijų supirkimas/ Puurchase of bonds			
III.2.2.3.	Sumokėtos palūkanos /Interest paid		(896 960)	(910 215)
III.2.2.4.	Lizingo (finansinės nuomos) mokėjimai /Payments of lease(finanse lease)liabilities		(368 427)	(842 210)
III.2.3.	Kitų įmonės įsipareigojimų padidėjimas /Increase in other enterprise liabilities			(458 950)

III.3.	Kiti finansinės veiklos pinigų srautų padidėjimai / Other increase in cash flows from financing activities		13 619	113 648
III.4.	Kiti finansinės veiklos pinigų srautų sumažėjimai/Other decrease in cash flows from financing items		(101 819)	(112 898)
	Grynieji finansinės veiklos pinigų srautai/Net cash flows from financing activities		(3 597 924)	(4 515 369)
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		(17 861)	(15 073)
VI.	Grynasis pinigų srautų padidėjimas (sumažėjimas)Net increase(decrease) in cash flows		(23 324)	164 414
VII.	Pinigai ir pinigų ekvivalentai laikotarpio pradžioje/Cash at the beginning of period		369 287	532 182
VIII.	Pinigai ir pinigų ekvivalentai laikotarpio pabaigoje/Cash at the end of period		345 963	696 596

Gen. direktorius Romualdas Dunauskas
(įmonės administracijos vadovo
pareigų pavadinimas)

_____ (parašas)

Romualdas Dunauskas
(vardas ir pavardė)

AB Gubernija

(enterprise name)

144715765 Dvaro 179, Šiauliai

(enterprise identification number, address, other information)

APPRO

VED

Minutes

No.....

... .. 20...

STATEMENT OF CHANGES IN EQUITY

(reporting period)

30 September 2006

in LITAS

	Paid share capital	Share premium	Own shares (-)	Revaluation reserve (result)		Reserves provided by law		Other reserves	Other reserves	Retained profit (loss)	Total
				Non-current tangible assets	Financial assets	Compulsory	For obtaining own shares				
Balance as of 31 December 2004	21 786 000			5 642 846		773 593				(4 073 094)	24 129 345
Result of changes in accounting polic(32)				(846 427)							(846 427)
Result of changes in accounting polic(34)										(649 949)	(649 949)
Result of correcting material errors				(3 333)						25 703	22 370
Recalculated balance as of 31 December 2004	21 786 000			4 793 086		773 593				(4 697 340)	22 655 339
Profit / loss not recognized in the Profit (loss) Statement				(810 993)						810 993	
Net profit / loss of the reporting period										(1 899 994)	(1 899 994)
Used reserves						(773 593)				773 593	
Increase / reduction of share capital											
Balance as of 30 June 2005	21 786 000			3 982 093						(5 012 748)	20 755 345
Profit / loss not recognized in the Profit (loss) Statement (34)				(59 720)						211 713	151 993
Net profit / loss of the reporting period										(2 245 249)	(2 245 249)
Balance as of 31 December 2005	21 786 000			3 922 373						(7 046 284)	18 662 089
Result of correcting material errors				(40 000)						(14 252)	(54 252)
Profit / loss not recognized in the Profit (loss) Statement				(3 967)						3 967	
Profit / loss not recognized in the Profit (loss) Statement				(514 241)						514 241	
Net profit / loss of the reporting period										(2 098 872)	(2 098 872)
Balance as of 30 September 2006	21 786 000			3 364 165						(8 641 200)	16 508 965

General direktor
(title of the dead of enterprice administrati(signature),

Romualdas Dunauskas _____
(full name)

ILGALAIKIS MATERIALUSIS TURTAS/ TANGIBLE ASSETS

AB Gubernija

(monės pavadinimas, kodas)

144715765 Dvaro 179 Šiauliai

(adresas)

Priedas Nr.3

App.3

Ilgalaikis materialusis turtas/ State of tangible assets

(Lt)

Rodikliai/ Items	Žemė/ Land	Pastatai ir statiniai/ Buildings and constructions	Mašinos ir įrengimai/ Machinery and equipments	Transporto priemonės/ Vehicle	Ilgalaikis turtas komplektacijai/ Other machines and equipments	Ne- baigta statyba/ Construction in progress	Kita įranga, prietaisai/ Other tangible assets	Iš viso/ Total
Likutinė vertė praėjusių finansinių metų pabaigoje / Acquisition value at the end of previous financial year		13454740	26798655	712423	674091	375453	2253814	44269176
a) Įsigijimo savikaina/ Acquisition value		13994314	40537722	3678769	674091	375453	7056635	66316984
- turto įsigijimas/ Acquisitions of assets		91325		25891	132360		34915	284491
- perleistas ir nurašytas turtas (-)/ Cessions and disused assets (-)			93387	71013	4417		137224	306041
- perrašymai iš vieno straipsnio į kitą + / (-)/ Transfers from one heading to another		482150	119428	5404	-450016	-375453	329662	111175
Finansinių metų pabaigoje/ At the end of the current year	0	14567789	40563763	3639051	352018	0	7283988	66406609
b) Perkainojimas/ REVALUATION								
Praėjusių finansinių metų pabaigoje/ at the end of previous financial year		2530947	2408047					4938994
- kitiems asmenims perleisto ir nurašyto turto (-)/ Acquired by third parties			6002					6002
Finansinių metų pabaigoje/ at the end of financial year	0	2530947	2402045	0	0	0	0	4932992
c) Nusidėvėjimas/ Depreciations								
Praėjusių finansinių metų pabaigoje/ At the end of previous financial year		3070521	16147114	2966346			4802821	26986802
Finansinių metų pokyčiai/ Current year changes :								
- finansinių metų nusidėvėjimas/ depreciation of financial year		594139	2780899	200419			763979	4339436
perkainuoto turto nusidėvėjimas/ written back (-)		208442	349132					557574
- kitiems asmenims perleisto ir nurašyto turto nusidėvėjimas (-)/ acquired by third parties			87304	71006			136676	294986
perkainuoto perleisto turto nusidėvėjimas			2035					2035
Finansinių metų pabaigoje/ at the end of financial year	0	3873102	19187806	3095759	0	0	5430124	31586791
e) Likutinė vertė finansinių metų pabaigoje/ Net value at the end of current year (a) + (b) - (c) - (d)	0	13225634	23778002	543292	352018	0	1853864	39752810

NEMATERIALUSIS TURTAS / INTANGIBLE ASSETS

AB Gubernija

(monės pavadinimas, kodas)

144715765 Dvaro 179 Šiauliai

(adresas)

Priedas Nr.2

App. 2

(Lt)

Nematerialusis turtas/ State of lintangible assets

Rodikliai/ Items	Plėtos darbai/ Development costs	Prestižas/ Good will	Patentai, licencijos ir pan./ Intangible rights	Programinė įranga/ Computers software	Kitas nematerialusis turtas/ other assets	Iš viso/ Total
Likutinė vertė praėjusių finansinių metų pabaigoje/ Acquisition value at the end of previous financial year				5153	18212	23365
a) Ilgalaikis nematerialusis turtas įsigijimo savikaina/ Acquisition value				169464	112553	289427
Praėjusių finansinių metų pabaigoje/ at the end of previous financial year					7410	7410
Finansinių metų pokyčiai/ Current year changes::						
- turto įsigijimas/ Acquisitions of assets			327000	111154		438154
- kitiems asmenims perleistas ir nurašytas turtas (-)/ Cessions and				158575	16232	174808
Finansinių metų pabaigoje/ At the end of the current year	0	0	327000	122043	103730	552773
b) Amortizacija/ Depreciations						
Praėjusių finansinių metų pabaigoje/ At the end of previous financial year				164311	101751	266062
- finansinių metų amortizacija/ depreciation of financial year			27250	22340	7401	56991
- kitiems asmenims perleisto ir nurašyto turto amortizacija (-)/ acquired by third parties				158564	14662	173226
Finansinių metų pabaigoje/ at the end financial year	0	0	27250	28087	94490	149827
Finansinių metų pabaigoje/ at the end financial year	0	0				
d) Likutinė vertė finansinių metų pabaigoje/ Net value at the end of current year (a) - (b) - (c)	0	0	299750	93956	9241	402947

**STOCK COMPANY “GUBERNIJA”, company code 144715765, DVARO 179, LT-76176
SIAULIAI (LITHUANIA)**

EXPLANATORY NOTE

Added to nine month's interim financial report of the year 2006

I. GENERAL SECTION

1.1. Stock Company Gubernija was registered in the Register of Legal Persons on 3 May 1973. The legal form is Stock Company.

The manager of the register is State Enterprise Centre of Registers.

The fiscal year of the Company starts on January 1, 2006 and ends on December 31, 2006.

Stock Company Gubernija has its agency in Vilnius. It is wholesale warehouse. The address of the agency is Kubiliaus str. 21 Vilnius.

1.2. The main types of Company's economical activity are the following: the production of beer, beer drinks, cider and kvass and realization of these products in local and foreign markets.

New trademark of “Respublikos” beer is introduced into the market in the year 2006. This beer is of 5,6% and 9,5% alc. vol. in bottles of glass and PET.

Brewery “Gubernija” from the August of 2006 has started its activity in the cider market with the trademark “WINNER'S cider”.

During the summer season of this year the brewery started to pour a part of its production into brown bottles that are widely spread in the Lithuanian market and having acquired a license put into circulation a dominating in beer market box of industry design that belongs to the BBH concern. 1.5 million litas are planned to be allocated for this purpose.

Brewery “Gubernija” does not use “high gravity” technology in beer production and considers its production technology an advantage, when beer is produced for each title separately from the initial phase of brewing to the final pouring into containers. However, this beer production technology is substantially more expensive and such product cannot be cheap at the stores.

Beer experts, having appreciated this factor, awarded “GUBERNIJOS STELLA” beer an AgroBALT 2006 medal as undeniable favorite of the beer quality.

In the structure of the production of the company during the months of January-September, year 2006, beer in the expression of value constituted 89% of the total sales, the rest was constituted by kvass, goods to be resold and services, therefore, the company's position in the beer market together with the beer sales defines the results of the company activity best.

In Lithuania, beer is produced by 6 large and medium beer brewery companies, as well as by many small producers. The production volumes, their dynamics and occupied part in the market by the main beer manufacturers are displayed in these tables, compiled from the data of Lithuanian beer brewers association.

Sales of Lithuanian beer industry including export (thousands of dollars)

Current No.	The title of beer production company	Year 2005 months I-IX	Year 2006 months I-IX	Changes
1.	Švyturys-Utena	10.136	10.399	263
2.	Kalnapilis -Tauras	5.083	5.723	640
3.	Gubernija	2.418	2.253	-165
4.	Ragutis	2.179	2.263	84
5.	Rinkuškiai	762	849	87
6.	Kauno alus	504	533	29
	Total:	21.082	22.020	938

The distribution of Lithuanian beer market among the largest beer producers in Lithuania

Current No.	The title of beer production company	Occupied part of the market in the year 2005, months I-IX	Occupied part of the market in the year 2006, months I-IX
1.	Švyturys-Utena	48.31	48.51
2.	Kalnapilis-Tauras	23.91	25.2
4.	Ragutis	10.75	10.75
3.	Gubernija	10.71	9.0
5.	Rinkuškiai	3.79	4

The production of the company is sold using all existing sales channels.

Stock company Gubernija has been increasing beer sales in the recent years using the largest retail trade networks.

Stock company Gubernija has a network of its private shops in many cities in Lithuania.

The raw material for the production of beer is purchased in Lithuania besides imported from Denmark, Estonia and Germany.

The atypical Company's activity includes the sale of redundant material and resources that are not used in the production process by the Company anymore, the sale of waste material and the resale of some products and services.

The results of financial activity of the Company are mostly influenced by prices of articles, season as well as the proper provision of high quality raw materials and other materials used for

the production. The Company works under conditions of tough competition. The major competitors in the beer market are beer breweries “Švyturys - Utenos alus”, “Kalnapilio-Tauro grupė”, “Ragutis”.

291 employees were working in the Stock Company Gubernija on September 30, 2006. 310 employees were working on September 30, 2005.

II. ACCOUNTING POLICY

2.1. Nine months interim financial report of the year 2006 has been formulated according to the continuing activity and income costs accumulation principles of the Company, under the Law of the Outline of Accountancy of the Republic of Lithuania and the Law of Companies' Financial Reporting of the Republic of Lithuania, the requirements set by TAS accounting standards and the accounting policy of the Company.

In the year 2006 Stock Company Gubernija performs the activity provided in the Company's Statutes.

Stock Company Gubernija did not change the accounting policy during the interim reporting term. The description of the applied accounting policy is given in the annual financial report of the year 2005.

III. COMMENTS ON THE EXPLANATORY NOTE

1. The state of long-term intangible assets (Annex No. 2).

The software for the sales analysis and budgets formation were purchased during the period from January 01, 2006 to September 30, 2006. The software is fully adopted. Their value is 111,154.00 Lt. Antivirus software and outdated programs that were no longer used were written-off as well. The license for the use of the industrial designs evaluated 317,000,00 Lt has been purchased.

2. The Assessment of the Assets

The Company applies the method of assessment of revaluation for the separate groups of the long-term assets (buildings and constructions, machinery and equipment).

The changes in tangible assets (Annex No. 3).

The reconstruction of the industrial block and its extension has been finished, the car, computers and copiers, printer, promotional outdoor furniture, freezers have been purchased, the car VAZ 21093, lift-truck 'Toyota', device for packaging and compressor, excavator have been sold, the assets that had been unusable and partially out of service, i.e. freezing equipment, refrigerators,

advertising light-boxes, refrigerators-windows, tables, collapsible chairs, computer have been written-off.

During the reporting cycle, the depreciation evaluated in 4,954,001.00Lt has been accumulated.

3. The financial assets are 17,100.00Lt. It consists of:

1 share of Private Joint Stock Company “Žaliasis taškas”, the value of which is 15000Lt per share. The amount of 15,000.00Lt has been invested into this company what comprises 1.35 percent of the authorized capital of this company;

1 share of State Enterprise” The Park of Science and Technology “of Šiauliai University, the value of which is 2,000.00Lt per share.

1 share of Private Joint Sock Company “Krepšinis ir mes”, the value of which is 100.00Lt per share.

9. The meeting of shareholders that took place on June 12, 2006 resolved to increase the authorized capital by additional contributions, i.e. 6,000,000.00Lt. Of them 3,028,720.00Lt contribution is signed and paid. In conformity with the application of the shareholder of Stock Company Gubernija Vitas Tomkus, on July 4, 2006, Šiauliai Regional Court according to the order issued on 3/7/2006 prohibited Stock Company Gubernija to implement the resolution of the general meeting of the shareholders signed on 12/6/2006 concerning the increasing of authorized capital of the Company by additional monetary contributions in proportion to the shares par value that shareholders owned on the day of the meeting of shareholders which adopted the resolution to increase the authorized capital and approved the changes in Statute and new edition of the Company’s Statute. The Court determined the term of 14 days for Vitas Tomkus to bring in the action. The action has been brought in.

The emission of shares has been temporarily suspended. The revised authorized capital has not been registered. The court hearing has been rescheduled twice already.

14. At the end of June 2006, the Annex No. 060404060817-20 to the Lending Agreement signed at December 28, 2004, according to which banks AB SEB “Vilniaus Bankas” and AB bankas “Hansabankas” granted the credit on application of the company, was revised. In conformity with the application of the Company the schedule of the partial maturity of the credit and additional conditions were changed. The Current Maturities of Long Term Debts were reduced.

15. Other amount payables and current liabilities consist of excise duties, real estate tax, VAT, the taxes for the environmental pollution and the usage of natural resources besides the payments according to receiving-orders and the shares paid up by the shareholders:

- Taxes – 1,359,433.00 Lt;
- The shareholders' share deposits – 3,028,720.00 Lt;
- Receiving-Orders – 4,224.00 Lt;
- Received pledges – 22,825.00 Lt.

16. During January-September of the year 2006, the income from sales decreased by 1.6 million Lt, or 3.9 percent if compared with the same period in the year 2005. The decrease in the income from sales was influenced by the changes in the structure of the sold production by containers and by beer sorts. The beer sales decreased by 6.95 percent if compared to the corresponding period of the year 2005, however, the sales of kvass increased, new "Respublikos" beer was created, the cider production and bottling was started.

The export of beer produced by joint-stock company Gubernija increased during the reporting cycle by 25.8 percent and the company is the leader in the beer exported during September, 2006 and having sold 360 thousands decalitres of beer it is the second company by the beer export during nine months of this year.

17. During the reporting cycle beer production has decreased by 7.5 percent if compared to the corresponding period of the year 2005, that is, the total production was by 4.6 percent smaller than last year.

Along with the decrease in the quantity of total production, the regular costs of 1 part of the production have increased.

The increase in the net cost was partially conditioned by the up in costs of the energy resources, because these expenditures have increased by 13.4 percent in comparison to the corresponding period of the year 2005. The packing costs of 1 part of the production increased by 9.2 percent because of the changes in sales structure by containers and the increase in export.

The changes in the spheres of production and sales influenced the decrease in overall profitability. The gross profit decreased by 1.1 millions litas in comparison to the corresponding reporting cycle of the year 2005.

The EBITDA of this year is 3.9 millions litas.

18. Activity expenditures decreased by 1.24 millions litas thanks to the strict planning and control of the operating expenditures in Stock Company Gubernija.

20. Financial investment operations: loss of 1,051,853.00 Lt. The Company raises the consolidated long-term loan granted by banks AB SEB Vilniaus bankas and Hansabankas besides has long-term liabilities for the leasing to banks SEB Vilniaus bankas and Sampo Bankas. The major part of incurred expenses consists of the paid interest.

The activity of nine months' interim reporting period resulted in loss of 2,098,872.00 Lt.

Because of revaluation of buildings, constructions and industrial equipment the Company executed at the end of the year 2004 while depreciating these assets, the revaluation reserve, amounted in 514,241.00 Lt, was reduced. Due to the cumulative depreciation of the written-off, transferred, revaluated assets by 3.967.00 Lt. the revaluation reserve was reduced by this amount as well. The amount by which the revaluation reserve (results) was reduced increases the retained earnings (moderates losses). Because of this operation, the loss registered in the income statement differs from the loss in balance statement. Profit that was not included in the income statement because of depreciation of revaluated assets is stated in the interim report of capital alteration.

The balance loss of Stock Company Gubernija for the interim reporting term is 1,580,664.00 Lt.

In the process of composing the interim financial reporting, mistakes were noticed that stock company Gubernija in its accounting policy regards as substantial. The mistakes are being corrected in retrospect; therefore, the retained loss of the previous financial reporting period is revaluated, as is the revaluation reserve (results) of the long-term tangible assets, balance value of the balance sheet item II.2 entitled "Buildings and Constructions". The correction of the mistakes is shown in the report of the changes in private capital entitled "The Result of the Correction of the Substantial Mistakes".

Stock Company's Gubernija nine month's interim financial report of the year 2006 has not been audited.

Stock Company Gubernija

The Director General

Romualdas Dunauskas