



For Lithuanian Securities Commission  
Konstitucijos av. 23, LT - 08105 Vilnius

**MANAGEMENT CONFIRMATION LETTER**

2007-11-05

Hereby we confirm, that according to our knowledge, JSC Stumbras interim financial statement for the period ended 30 September 2007 is made in accordance with International Financial Reporting Standards and gives a true and fair view of the financial position, assets, liabilities and profit of the Company.

General Director

Česlovas Matulevičius

Financial Director

Voldemaras Kallo

**STUMBRAS AB**  
**CONDENSED INTERIM FINANCIAL INFORMATION AND REPORT ON REVIEW**  
**OF INTERIM FINANCIAL INFORMATION**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007**

<b>CONTENTS</b>	Pages
<b>REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION</b>	3
<b>CONDENSED INTERIM FINANCIAL INFORMATION</b>	
CONDENSED INTERIM BALANCE SHEET -----	4
CONDENSED INTERIM INCOME STATEMENT -----	5
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY -----	6
CONDENSED INTERIM CASH FLOW STATEMENT -----	7
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION -----	8 - 18

*Translation note*

*This version of our report/the accompanying documents is a translation from the original, which was prepared in Lithuanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.*

**Report on Review of Interim Financial Information**

To the Shareholders of Stumbras AB

*Introduction*

We have reviewed the accompanying condensed balance sheet of Stumbras AB (the Company) as of 30 September 2007 and the related condensed statements of income, changes in equity and cash flows for the nine-month period then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as adopted by the European Union applicable to interim financial reporting ('IAS 34'). Our responsibility is to express a conclusion on this interim financial information based on our review. Although management issued interim financial information as of 30 September 2006, this information was not reviewed.

*Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34.

On behalf of PricewaterhouseCoopers UAB

Christopher C. Butler  
Partner

Vilnius, Republic of Lithuania  
30 October 2007

Rasa Radzevičienė  
Auditor's Certificate No. 000377

**STUMBRAS AB**  
**CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007**

(all tabular amounts are in LTL'000 unless otherwise stated)

**Condensed interim balance sheet**

	Note	30 September 2007	31 December 2006
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	29 356	25 149
Intangible assets	7	693	563
Available-for-sale financial assets		15	15
Non-current deferred charges and prepayments		127	42
		<u>30 191</u>	<u>25 769</u>
<b>Current assets</b>			
Inventories	8	15 013	13 242
Trade and other receivables and prepayments		52 534	46 553
Cash and cash equivalents	9	23 869	39 157
		<u>91 416</u>	<u>98 952</u>
Non-current assets classified as held for sale		168	162
		<u>91 584</u>	<u>99 114</u>
<b>Total assets</b>		<u>121 775</u>	<u>124 883</u>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital	10	40 000	40 000
Reserves	11	1 985	4 990
Retained earnings		24 869	20 692
<b>Total equity</b>		<u>66 854</u>	<u>65 682</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	12	13 846	-
Deferred income tax liabilities		56	56
		<u>13 902</u>	<u>56</u>
<b>Current liabilities</b>			
Trade and other payables		32 487	33 749
Borrowings	12	4 615	21 923
Current income tax liabilities		3 917	3 473
		<u>41 019</u>	<u>59 145</u>
<b>Total liabilities</b>		<u>54 921</u>	<u>59 201</u>
<b>Total equity and liabilities</b>		<u>121 775</u>	<u>124 883</u>

The General Director and the Finance Director approved the condensed interim financial information on pages 4 to 18 on 30 October 2007.

Česlovas Matulevičius  
 General Director

Voldemaras Kallo  
 Finance Director

The notes on pages 8 to 18 are an integral part of this condensed interim financial information.

**STUMBRAS AB**  
**CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007**

(all tabular amounts are in LTL'000 unless otherwise stated)

**Condensed interim income statement**

	Note	Nine-month period ended 30 September	
		2007	Not reviewed 2006
<b>Continuing operations:</b>			
Sales	5	107 972	65 145
Cost of sales		(55 816)	(33 767)
<b>Gross profit</b>		52 156	31 378
Other gains (losses) -net		(22)	(16)
Selling and marketing costs		(8 573)	(5 326)
Administrative expenses		(15 666)	(11 502)
Other income		1 053	3 601
Other expenses		(195)	(3 050)
<b>Operating profit</b>		28 753	15 085
Finance income		267	151
Finance costs		(769)	(729)
<b>Profit before income tax</b>		28 251	14 507
Income tax expense	13	(5 079)	(1 483)
Profit for the nine-month period from continuing operations		23 172	13 024
<b>Discontinued operations:</b>			
Profit for the nine-month period from discontinued operations	14	-	1 348
<b>Profit for the nine-month period</b>		23 172	14 372
Basic and diluted earnings per share for profit from continuing operations attributable to the equity holders of the Company during the period (expressed in LTL per share)			
	15	0.58	0.33
Basic and diluted earnings per share for profit/losses from discontinued operations attributable to the equity holders of the Company during the period (expressed in LTL per share)			
	15	-	0.03

The notes on pages 8 to 18 are an integral part of this condensed interim financial information.

**STUMBRAS AB**  
**CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007**

(all tabular amounts are in LTL'000 unless otherwise stated)

**Condensed interim statement of changes in equity**

	Note	Share capital	Reserves	Retained earnings	Total equity
<b>Balance at 1 January 2006</b>		39 685	-	23 655	63 340
Profit for the nine-month period		-	-	14 372	14 372
<b>Total recognised income for the nine-month period ended 30 September 2006</b>		39 685	-	38 027	77 712
Increase in share capital		315	-	-	315
Transferred to legal reserve		-	990	(990)	-
Transferred to reserve		-	4 000	(4 000)	-
Dividend relating to 2005		-	-	(17 858)	(17 858)
<b>Balance at 30 September 2006 (Not reviewed)</b>		40 000	4 990	15 179	60 169
<b>Balance at 1 January 2007</b>		40 000	4 990	20 692	65 682
Profit for the nine-month period		-	-	23 172	23 172
<b>Total recognised income for the nine-month period ended 30 September 2007</b>		40 000	4 990	43 864	88 854
Transferred from reserves	11	-	(4 000)	4 000	-
Transferred to legal reserve	11	-	995	(995)	-
Dividend relating to 2006	16	-	-	(22 000)	(22 000)
<b>Balance at 30 September 2007</b>		40 000	1 985	24 869	66 854

The notes on pages 8 to 18 are an integral part of this condensed interim financial information.

**STUMBRAS AB**  
**CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007**

(all tabular amounts are in LTL'000 unless otherwise stated)

**Condensed interim cash flow statement**

	Note	Nine-month period ended 30 September	
		2007	Not reviewed 2006
<b>Cash flows from operating activities</b>			
Cash generated from operations	17	33 381	22 190
Interest received		307	3 024
Interest paid		(769)	(729)
Income tax paid		(4 634)	(249)
Net cash generated from operating activities		28 285	24 236
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(8 285)	(5 235)
Proceeds from sale of property, plant and equipment	17	247	544
Purchases of intangible assets	7	(292)	-
Loans granted to related parties		(39 800)	(15 000)
Loan repayments received from related parties		30 000	14 000
Net cash used in investing activities		(18 130)	(5 691)
<b>Cash flows from financing activities</b>			
Issuance of ordinary shares		-	315
Repayments of borrowings		(3 462)	(3 077)
Dividends paid to the Company's shareholders		(21 981)	(17 851)
Net cash used in financing activities		(25 443)	(20 613)
<b>Net (decrease)/increase in cash, cash equivalents</b>		(15 288)	(2 068)
Cash and cash equivalents at beginning of period		39 157	12 674
<b>Cash and cash equivalents at end of period</b>		23 869	10 606

The notes on pages 8 to 18 are an integral part of this condensed interim financial information.



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**STUMBRAS AB**  
**CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007**

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(all tabular amounts are in LTL'000 unless otherwise stated)

## **Selected notes to the condensed interim financial information**

### **1. General information**

Stumbras AB (the Company) was registered as a Public Limited Liability Company under the laws of the Republic of Lithuania on 17 December 1990. Company code: 132082782. The shares of the Company are listed on the Secondary List of the Vilnius Stock Exchange. The shareholders of the Company are:

	<b>30 September 2007</b>	<b>31 December 2006</b>
Mineraliniai vandenys UAB	93.30 per cent	98.35 per cent
Other	6.70 per cent	1.65 per cent

The ultimate parent of the Company is Koncernas MG Baltic incorporated in Lithuania. Mr. Darius Juozas Mockus is the 100% owner of Koncernas MG Baltic.

The Company is incorporated and domiciled in Kaunas. The address of its registered office is as follows:

K. Būgos 7  
LT-44355 Kaunas  
Republic of Lithuania

The Company is involved in production and trade of strong alcohol drinks.

The number of the Company's employees as at 30 September 2007 amounted to 337 (31 December 2006: 299).

### **2. Accounting policies**

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2006, as described in the annual financial statements for the year ended 31 December 2006.

### **3. Basis of preparation**

This condensed interim financial information for the nine-month period ended 30 September 2007 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim condensed financial report should be read in conjunction with the annual financial statements for the year ended 31 December 2006.

New interpretations IFRIC 7, 8, 9 and 10 become effective from 1 January 2007. None of these interpretations has a material effect of the Company's financial statements. In addition, IFRS 7 will be effective to the annual financial statements for the year ended 31 December 2007.

The Company has not early adopted any of the new or revised standards and interpretations that become effective for financial years beginning on or after 1 January 2008.

### **4. Comparatives**

Where necessary, comparative figures in respect of the period ended have been reclassified to reflect the presentation adjustments during the accounting period. The effect of these reclassifications is described as follows:

LTL'000	Not reviewed 30 September 2006
Interest	
Decrease in	
Other income	151
Increase in	
Finance income	151

**STUMBRAS AB**  
**CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007**

(all tabular amounts are in LTL'000 unless otherwise stated)

**5. Segment information**

*(a) Primary reporting format – business segments*

The Company is operating in one business segment i.e. production and sales of alcohol drinks, another reportable segment – production and sales of ethanol is related to the discontinued operations.

*(b) Secondary reporting format – geographical segments*

The home-country of the Company is Lithuania.

<b>Sales</b>	Not reviewed	
	<b>30 September 2007</b>	<b>30 September 2006</b>
Lithuania	98 691	60 257
Estonia	2 828	269
Poland	2 093	992
Latvia	1 991	2 384
Israel	469	319
Kazakhstan	418	-
USA	354	216
France	187	-
Spain	121	75
Denmark	114	94
Great Britain	93	53
El Salvador	90	-
Finland	79	-
Northern Ireland	77	60
UAE	62	84
Greece	60	112
India	56	-
Bulgaria	51	-
Singapore	37	87
Germany	-	51
Other countries	101	92
<b>Total</b>	<b>107 972</b>	<b>65 145</b>

Sales are allocated based on the country in which the customers are located.

All Company's assets are located in Lithuania and all capital expenditure related to Lithuania.

<b>Analysis of sales by category</b>	Not reviewed	
	<b>30 September 2007</b>	<b>30 September 2006</b>
Sales of goods	107 426	64 114
Revenue from resale of goods	276	661
Revenue from services	270	370
	<b>107 972</b>	<b>65 145</b>

**STUMBRAS AB**  
**CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007**

(all tabular amounts are in LTL'000 unless otherwise stated)

**6. Property, plant and equipment**

	Land and buildings	Plant and machinery	Vehicles	Other property, plant and equipment	Construction in progress	Total
<b>At 31 December 2005</b>						
Cost	11 644	28 362	1 781	5 757	108	47 652
Accumulated depreciation	(2 927)	(17 345)	(1 268)	(2 604)	-	(24 144)
Net book amount	8 717	11 017	513	3 153	108	23 508
<b>Year ended 31 December 2006</b>						
Opening net book amount	8 717	11 017	513	3 153	108	23 508
Additions	-	1 862	1	389	4 184	6 436
Disposals	-	-	-	(524)	-	(524)
Reclassifications	176	2 848	4	22	(3 050)	-
Reclassifications to non-current assets classified as held for sale	3	(96)	1	(7)	-	(99)
Depreciation charge	(201)	(2 931)	(128)	(912)	-	(4 172)
Closing net book amount	8 695	12 700	391	2 121	1 242	25 149
<b>At 1 January 2007</b>						
Cost	12 835	32 027	1 713	4 990	1 242	52 807
Accumulated depreciation and impairment	(4 140)	(19 327)	(1 322)	(2 869)	-	(27 658)
Net book amount	8 695	12 700	391	2 121	1 242	25 149
<b>At 30 September 2007</b>						
Opening net book amount	8 695	12 700	391	2 121	1 242	25 149
Additions	-	407	-	593	7 249	8 249
Disposals	-	-	-	(324)	-	(324)
Reclassifications	1 098	3 253	6	26	(4 383)	-
Reclassifications to non-current assets classified as held for sale	-	(6)	-	-	-	(6)
Depreciation	(158)	(2 268)	(99)	(1 187)	-	(3 712)
Closing net book amount	9 635	14 086	298	1 229	4 108	29 356
<b>At 30 September 2007</b>						
Cost	13 933	31 111	1 593	4 365	4 108	55 110
Accumulated depreciation and impairment	(4 298)	(17 025)	(1 295)	(3 136)	-	(25 754)
Net book amount	9 635	14 086	298	1 229	4 108	29 356

**STUMBRAS AB**  
**CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007**

(all tabular amounts are in LTL'000 unless otherwise stated)

**6. Property, plant and equipment (continued)**

As at 30 September 2007 property, plant and equipment for the net book value of LTL 16 640 thousand (LTL 17,040 thousand as at 31 December 2006) and land rent rights for the value of LTL 1 thousand (4 thousand as at 31 December 2006) were provided as collateral for bank borrowings (Note 12).

**7. Intangible assets**

	<b>Patents, licences</b>	<b>Software</b>	<b>Total</b>
<b>At 31 December 2005</b>			
Cost	572	316	888
Accumulated amortisation	(245)	(184)	(429)
Net book amount	<u>327</u>	<u>132</u>	<u>459</u>
<b>Year ended 31 December 2006</b>			
Opening net book amount	327	132	459
Additions	50	198	248
Amortisation charge	(127)	(17)	(144)
Closing net book amount	<u>250</u>	<u>313</u>	<u>563</u>
<b>At 1 January 2007</b>			
Cost	622	515	1 137
Accumulated amortisation	(372)	(202)	(574)
Net book amount	<u>250</u>	<u>313</u>	<u>563</u>
<b>At 30 September 2007</b>			
Opening net book amount	250	313	563
Additions	53	239	292
Amortisation charge	(110)	(52)	(162)
Closing net book amount	<u>193</u>	<u>500</u>	<u>693</u>
<b>At 30 September 2007</b>			
Cost	671	753	1 424
Accumulated amortisation	(478)	(253)	(731)
Net book amount	<u>193</u>	<u>500</u>	<u>693</u>

The Company does not have internally generated intangible assets.

**STUMBRAS AB**  
**CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007**

(all tabular amounts are in LTL'000 unless otherwise stated)

**8. Inventories**

	<b>30 September 2007</b>	<b>31 December 2006</b>
Raw materials	10 466	8 837
Work in progress	314	527
Finished goods	4 233	3 878
	15 013	13 242

As at 30 September 2007, inventories of LTL 20 000 thousand (the same amount as at 31 December 2006) are provided as collateral to secure the borrowings (Note 12).

The cost of inventories recognised as expense for the nine-month period ended 30 September 2007 amounted to LTL 64 thousand (LTL 640 thousand for the nine month period ended 30 September 2006).

**9. Cash and cash equivalents**

As at 30 September 2007, cash at bank and future inflows to bank accounts amounting to LTL 20 000 thousand (LTL 60 000 thousand as at 31 December 2006) is provided as collateral for banks' borrowings (see Note 12).

**10. Share capital**

As at 30 September 2007, the Company's authorised share capital comprised 40 000 000 ordinary registered shares with a par value of LTL 1 per share (as at 31 December 2006: 40 000 000 shares with a par value of LTL 1 per share). All issued shares are fully paid. During 2006 the Company's share capital was increased by LTL 315 thousand by issuing 314 646 ordinary registered shares with a par value of LTL 1 per share holding the employee status, i.e. these shares were sold to the Company's employees and can only be transferred to other employees of the Company within the following 12-month period.

**11. Reserves**

A legal reserve is a compulsory reserve under Lithuanian legislation. Annual transfers of 5 per cent of net profit for the reporting period calculated in accordance with the regulatory legislation on accounting of the Republic of Lithuania are required until the reserve reaches 10 per cent of the Company's authorised capital. The legal reserve shall not be used for the payment of dividends and it may be used to cover future losses only. As at 31 December 2006 the legal reserve amounted to LTL 990 thousand. The annual General Shareholders Meeting approved the decision to transfer LTL 995 thousand to the legal reserve in 2007.

According to the shareholders decision, the reserve of LTL 4 000 thousand for the acquisition of own shares was cancelled in 2007.

**12. Borrowings**

	<b>30 September 2007</b>	<b>31 December 2006</b>
<b>Non current</b>		
Bank borrowings	13 846	-
<b>Current</b>		
Bank borrowings	4 615	21 923
<b>Total borrowings</b>	18 461	21 923

The whole amount of bank borrowings relates to a syndicated loan from two banks at a floating interest rate. This loan is to be repaid by 1 September 2011.

**STUMBRAS AB**  
**CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007**

(all tabular amounts are in LTL'000 unless otherwise stated)

**12. Borrowings (continued)**

Bank borrowings are secured by the property, plant and equipment (Note 6), inventories (Note 8) and cash at banks including future inflows into accounts (Note 9).

Interest rate of borrowings is based on market interest rate, therefore carrying amount of borrowings approximates to its fair value.

The actual interest rate at the balance sheet date was 5.836 per cent (4.73 per cent as at 31 December 2006).

The maturity of non-current borrowings is as follows:

	<b>30 September 2007</b>	<b>31 December 2006</b>
Between 1 and 2 years	9 231	-
Between 2 and 5 years	4 615	-
	<u>13 846</u>	<u>-</u>

The carrying amounts of the Company's borrowings are denominated in the following currencies:

	<b>30 September 2007</b>	<b>31 December 2006</b>
EUR	18 461	21 923
	<u>18 461</u>	<u>21 923</u>

As at 30 September 2007, the Company had a guarantee provided by SEB Vilniaus Bankas AB for the amount of LTL 500 thousand maturing on 31 December 2007. The Company pays annual interest of 1.1 per cent on the guarantee amount. The maximum amount of guarantees that could be issued by the bank is LTL 500 thousand.

**13. Income tax expense**

	<b>30 September 2007</b>	<b>30 September 2006</b>
Income tax related with continuing operations	5 079	1 483
Income tax related with discontinued operations	-	334
	<u>5 079</u>	<u>1 817</u>

Profit is taxed at the income tax rate of 15 per cent (15 per cent in 2006) according to the tax laws of the Republic of Lithuania. According to the newly adopted Provisional Law on Social Tax of the Republic of Lithuania, social tax at the rate of 4 per cent for 2006 and at a rate of 3 per cent for 2007 should be paid on taxable income earned during 2006 and 2007 respectively.

**14. Discontinued operations**

In December 2005 the Company split its operations and assets and liabilities into those related to production of strong alcohol drinks and production of non-denatured ethyl alcohol and bioethanol. Production of strong alcohol drinks remained at Stumbras AB. Production of non-denatured ethyl alcohol and bioethanol, considered as discontinued operations, together with all related assets and liabilities was transferred to a newly established company Biofuture AB.

In 2006, until final registration and enforcement of necessary documentation allowing the newly established company Biofuture AB to operate non-denatured and denatured ethyl alcohol production and sales, these activities were performed by Stumbras AB. Income and expenses related to these activities were disclosed as the result of discontinued operations.

**STUMBRAS AB**  
**CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007**

(all tabular amounts are in LTL'000 unless otherwise stated)

**14. Discontinued operations (continued)**

The result of discontinued operations presented in the Income statement is as follows:

	<b>30 September 2007</b>	Not reviewed <b>30 September 2006</b>
Revenue	-	17 896
Expenses	-	(16 214)
Profit/(loss) before tax of discontinued operations	-	1 682
Income tax	-	(334)
Profit/(loss) after tax of discontinued operations	-	1 348

**15. Earnings per share**

*Basic*

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	<b>September 2007</b>	Not reviewed <b>30 September 2006</b>
Profit from continuing operations attributable to the equity holders	23 172	13 024
Profit /(loss) from discontinued operations attributable to the equity holders	-	1 348
Net profit attributable to equity holders of the Company	23 172	14 372
Weighted average number of ordinary shares in issue (thousands)	40 000	39 799
Basic earnings per share (LTL per share)		
From continuing operations	0.58	0.33
From discontinued operations	-	0.03
Basic earnings per share	0.58	0.36

*Diluted*

The Company has no dilutive potential ordinary shares and therefore the diluted earnings per share are the same as basic earnings per share.

**16. Dividends per share**

At the annual General Shareholders' Meeting on 30 March 2007, a dividend in respect of 2006 of LTL 0.55 per share amounting to a total dividend of LTL 22 000 thousand was declared.

**STUMBRAS AB**  
**CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007**

(all tabular amounts are in LTL'000 unless otherwise stated)

**17. Cash generated from operations**

	<b>30 September 2007</b>	Not reviewed <b>30 September 2006</b>
Net profit for the period	23 172	14 372
Adjustments for:		
- income tax (Note 13)	5 079	1 817
- depreciation (Note 6)	3 712	2 569
- amortisation (Note 7)	162	108
- loss/ (profit) on disposal of property, plant and equipment	77	-
- interest income	(621)	(581)
- interest expense	769	729
Changes in working capital:		
- non-current receivables and deferred charges	(50)	1 420
- inventories and assets held for sale	(1 771)	14 758
- trade and other receivables and prepayments	4 134	3 945
- trade and other payables, deferred income and provisions	(1 282)	(16 947)
Cash generated from operations	<u>33 381</u>	<u>22 190</u>

In the cash flow statement, proceeds from sale of property, plant and equipment comprise:

	<b>30 September 2007</b>	Not reviewed <b>30 September 2006</b>
Net book amount (Note 6 and Note 7)	324	544
Profit/ (loss) on disposal of non-current assets	(77)	-
Proceeds from sale of non-current assets	<u>247</u>	<u>544</u>

*Non-cash transactions*

No major non-cash transactions took place during the nine-month period ended 30 September 2007 and 30 September 2006.

**18. Contingent and off-balance sheet liabilities**

*(a) Capital commitments*

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	<b>30 September 2007</b>	<b>31 December 2006</b>
Property, plant and equipment	<u>276</u>	<u>106</u>

*(b) Operating lease commitments – where the Company is the lessee*

The Company leases various property, plant and equipment under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	<b>30 September 2007</b>	<b>31 December 2006</b>
No later than 1 year	362	383
Later than 1 year and no later than 5 years	491	653
Later than 5 years	30	4
	<u>883</u>	<u>1 040</u>



**STUMBRAS AB**  
**CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007**

(all tabular amounts are in LTL'000 unless otherwise stated)

**18. Contingent and off-balance sheet liabilities (continued)**

*(c) Tax audits*

The tax authorities have carried out a full-scope tax audit at the Company until September 2003 and also started tax audit in 2007. The tax authorities may at any time inspect the books and records within 5 years subsequent to the reported tax year, and may impose additional tax assessments and penalties. The Company's management is not aware of any circumstances which may give rise to a potential material liability in this respect.

**19. Related-party transactions**

Mineraliniai vandenys AB is the majority shareholder of the Company owning 93.30 per cent of the Company's shares. The remaining shares are widely held.

Other companies treated as related parties are subsidiaries of Koncernas MG Baltic UAB.

Services are usually negotiated with related parties on a cost-plus basis. Goods are sold on the basis of the price list in force with non-related parties.

The following transactions were carried out with related parties:

*(a) Sales of goods and services*

	<b>30 September 2007</b>	Not reviewed <b>30 September 2006</b>
– UAB „Mineraliniai vandenys”	59 398	26 979
– AB „Biofuture“	5	5 611
– UAB „Mitnija“	1	-
– Stumbras Poland Sp.zo.o	823	-
	<hr/> 60 227	<hr/> 32 590

*(b) Cost of sales*

	<b>30 September 2007</b>	Not reviewed <b>30 September 2006</b>
– UAB „Trojina“	-	67
– AB „Biofuture“	-	58
	<hr/> -	<hr/> 125

*((c) Selling and marketing cost*

	<b>30 September 2007</b>	Not reviewed <b>30 September 2006</b>
– UAB „Mineraliniai vandenys”	782	364
– UAB „Trojina”	-	44
– UAB „Tromina“	124	52
– UAB „Laisvas nepriklausomas kanalas“	520	209
– UAB „Neo press“	34	10
	<hr/> 1 460	<hr/> 679

**STUMBRAS AB**  
**CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007**

(all tabular amounts are in LTL'000 unless otherwise stated)

**19. Related-party transactions (continued)**

*(d) Administrative expenses*

	<b>30 September 2007</b>	Not reviewed <b>30 September 2006</b>
– UAB Koncernas „MG Baltic”	387	361
– UAB Koncernas „MG Baltic Trade”	79	310
– UAB „Mineraliniai vandenys”	26	37
– UAB „MG Valda”	105	152
– AB „Biofuture“	-	865
	<u>597</u>	<u>1 725</u>

*(e) Other income*

	<b>30 September 2007</b>	Not reviewed <b>30 September 2006</b>
– UAB „Minvista”	178	403
– UAB „Mineraliniai vandenys”	180	-
– Stumbras Poland Sp.zo.o	21	-
	<u>379</u>	<u>403</u>

*(f) Other expenses*

	<b>30 September 2007</b>	Not reviewed <b>30 September 2006</b>
– UAB „Biofuture”	11	5
	<u>11</u>	<u>5</u>

*(g) Purchases of property, plant and equipment*

	<b>30 September 2007</b>	Not reviewed <b>30 September 2006</b>
– UAB „Mitnija”	209	-
	<u>209</u>	<u>-</u>

*(h) Key management compensation*

	<b>30 September 2007</b>	Not reviewed <b>30 September 2006</b>
Salaries and other short-term employee benefits	889	1 056
Social security expenses	275	327
	<u>1 164</u>	<u>1 383</u>

Key management includes 7 (2006: 9) members of the management of the Company.

*(i) Year-end balances arising from sales/purchases of goods/services*

Receivables from related parties:

	<b>30 September 2007</b>	<b>31 December 2006</b>
– UAB „Mineraliniai vandenys”	22 770	16 496
– AB „Biofuture“	-	83
– UAB „Mitnija“	-	24
– Stumbras Poland Sp.zo.o	27	672
– UAB „Minvista”	347	169
	<u>23 144</u>	<u>17 444</u>

**STUMBRAS AB**  
**CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007**

(all tabular amounts are in LTL'000 unless otherwise stated)

**19. Related-party transactions (continued)**

(j) Amounts due to related parties:

	<b>30 September 2007</b>	<b>31 December 2006</b>
Trade payables		
– UAB Koncernas „MG Baltic”	57	55
– UAB Koncernas „MG Baltic Trade”	-	48
– UAB „Mineraliniai vandenys”	104	98
– UAB „Tromina”	-	136
– UAB “MG Baltic Investment“	-	3
– UAB „Laisvas nepriklausomas kanalas”	116	390
– UAB „MG valda”	14	15
– AB „Biofuture”	-	4
– UAB „Neo press”	5	-
	296	749

(k) Loans to related parties (provided to Minvista UAB and Mineraliniai vandenys UAB)

	<b>30 September 2007</b>	<b>31 December 2006</b>
<i>Loans to related parties</i>		
Beginning of year	-	33 399
Loan repayments received	(30 000)	(48 399)
Additional loans	39 000	15 000
End of the year	9 000	-

The annual interest rate for the loan amounts to 6.00 per cent (2006: 2.05 per cent).

	<b>30 September 2007</b>	<b>31 December 2006</b>
<i>Accrued interest on the loans to related parties</i>		
Beginning of year	169	2 833
Interest charged	354	571
Interest payments received	(40)	(3 235)
End of the year	483	169

**20. Seasonality**

The Company's sales are subject to seasonal fluctuations with peak demand in the fourth quarter and the lowest sales in the first quarter of the year. This is due to the holiday periods.