

Žemaitijos pienas AB Approval of responsible persons

25 May 2009
Telšiai

Regarding drafting of financial statement for the year ended 31 March 2009

We hereby confirm that to the best of our knowledge, the attached not audited Žemaitijos pienas, AB Interim Financial Statements for the three months 2009 prepared in accordance with International Financial Reporting Standards give a true and fair view of the assets, liabilities, financial position and profit of Žemaitijos pienas, AB.

Žemaitijos pienas, AB
General Manager



Robertas Pažemeckas

Žemaitijos pienas, AB
Chief Accountant



Dalia Gecienė



AB „ŽEMAITIJOS PIENAS“, company code 180240752, Sedos Str. 35, Telšiai
CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2009
(all amounts are in LTL thousand unless otherwise stated)

AB „ŽEMAITIJOS PIENAS“

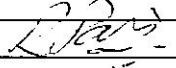
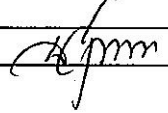
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED
31 MARCH 2009**

Balance sheets

Notes	Group	
	As of 31 March 2009	As of 31 December 2008
ASSETS		
Non-current assets		
Intangible assets	174	201
Property, plant and equipment	84.733	88.481
Investment property	-	-
Available – for – sale investments	-	-
Investments into subsidiaries	-	-
Non-current receivables	1.081	1.124
Deferred income tax asset	1.056	1.152
Total non-current assets	87.044	90.958
Current assets		
Inventories	51.963	62.989
Prepayments	401	580
Trade receivables	25.816	26.697
Receivables from subsidiaries		
Receivables from other related parties	6.158	3.045
Other receivables	5.642	8.367
Cash and cash equivalents	8.467	9.049
Total current assets	98.447	110.727
Total assets	185.491	201.685

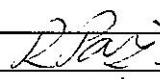
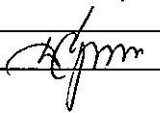
Balance sheets (cont'd)

	Notes	Group	
		As of 31 March 2008	As of 31 December 2007
LIABILITIES AND SHAREHOLDERS' EQUITY			
Equity attributable to equity holders of the parent			
Share capital		48.375	48.375
Legal reserve		4.838	4.838
Retained earnings		35.638	39.269
Minority interest		2.552	2.552
Total shareholders' equity		91.403	95.034
Non-current liabilities			
Grants received		3.916	4.157
Long-term loans from related parties		25.632	25.632
Financial lease obligations		16.553	13.370
Other current liabilities		640	640
Total non-current liabilities		46.741	43.799
Current liabilities			
Current portion of non-current loans		16.838	18.545
Current portion of non-current financial lease obligations		4.273	4.642
Trade payables		17.173	24.333
Payables to subsidiaries			
Payables to other related parties		382	5.118
Income tax payable		2	2
Other current liabilities		8.679	10.212
Total current liabilities		47.347	62.852
Total liabilities and shareholders' equity		185.491	201.685

General Manager	Robertas Pažemeckas		25 May 2009
Chief Accountant	Dalia Gecienė		25 May 2009


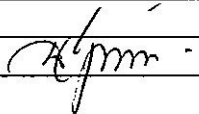
Income statements

	Notes	Group	
		As of 31 March 2008	As of 31 March 2007
Sales		90.246	113.397
Cost of sales		(74.655)	(98.979)
Gross profit		15.591	14.418
Operating expenses		(18.739)	(20.869)
Other operating income, net		320	1.472
Profit from operations		(2.828)	(4.979)
Financial and investment activities		(702)	(392)
Profit before income tax		(3.531)	(5.371)
Income tax		(102)	(3)
Net profit		(3.632)	(5.374)

General Manager	Robertas Pažemeckas		25 May 2009
Chief Accountant	Dalia Gecienė		25 May 2009

Statements of changes in equity

Group	Attributable to shareholders of the Company					
	Share capital	Legal reserve	Retained earnings	Total	Minority interest	Total
Balance as of 31 December 2006	48.375	4.838	19.400	72.613	1.037	73.650
Dividends declared	-	-	(968)	(968)	-	(968)
Net profit for the year	-	-	24.510	24.510	-	24.510
Balance as of 31 December 2007	48.375	4.838	42.942	96.155	1.037	97.192
Net profit for the year	-	-	(5.374)	(5.374)	-	(5.374)
Balance as of 31 March 2008	48.375	4.838	37.568	90.781	1.037	91.818
Balance as of 31 December 2008	48.375	4.838	39.270	92.483	2.552	95.035
Net profit for the year	-	-	(3.632)	(3.632)	-	(3.632)
Balance as of 31 March 2009	48.375	4.838	35.638	88.851	2.552	91.403

General Manager		Robertas Pažemeckas				25 May 2008
Chief Accountant		Dalia Gecienė				25 May 2008

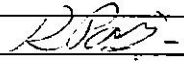
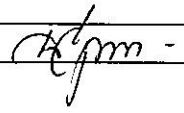
Cash flow statements

	Group	
	As of 31	As of 31
	March 2009	March 2008
Cash flows from (to) operating activities		
Net profit	-3.632	-5.374
Adjustments for non-cash items:		
Depreciation and amortization	4.806	3.824
Amortization of grants received	-178	-478
(Profit) loss from disposal and write-offs of property, plant and equipment and intangible assets	-7	-
Result from financial and investment activities	673	395
Allowance for receivables	-	401
Income tax expenses	-	-
Other non-cash (income) expenses	-	-
	<u>1.662</u>	<u>-1232</u>
Changes in working capital:		
Decrease in inventories	11.026	4.883
(Increase of) Receivables	179	2.025
Decrease in prepayments and other current assets	179	-6.379
Increase in trade payables, payables to related parties and payables to subsidiaries	-11.896	-8.619
Income tax (paid)	-	-
Increase (decrease) in other current liabilities	4.589	1.974
Net cash flows from operating activities	<u>5.739</u>	<u>-7.348</u>
Cash flows from (to) investing activities		
(Acquisition) of property, plant and equipment and intangible assets	-6.462	-3.979
Disposal of property, plant and equipment	5.439	29
Proceeds from sales of investments	-	-
Repayment of loans granted	641	987
Loans (granted)	-188	-1.388
Interest received	83	32
Net cash flows (to) investing activities	<u>-488</u>	<u>-4.319</u>

(Cont'd on the next page)

Cash flow statements (cont'd)

	Group	
	As of 31 March 2009	As of 31 March 2008
Cash flows from (to) financing activities		
Dividends (paid)	-1	-3
Cash, (transferred) during reorganization	-	-
Loans received	-	10.495
(Repayment) of loans	-2.211	-
Financial lease (payments)	-2.623	-640
Sponsorship Received	-	-
Other revenue from financial activities	-241	-417
Interest (paid)	-757	-472
Net cash flows (to) financial activities	-5833	8.963
Net increase (decrease) in cash and cash equivalents	-581	-2.704
Cash and cash equivalents at the beginning of the year	9.049	13.053
Cash and cash equivalents at the end of the year	8.468	10.349

General Manager	Robertas Pažemeckas		25 May 2008
Chief Accountant	Dalia Gecienė		25 May 2008

Notes to the financial statements

1. General information

The Company produces dairy products and sells them in the Lithuanian and foreign markets. The Company has a number of wholesale departments with storage facilities and transport means in major Lithuanian towns. The Company's shares are traded on the Current List of the Vilnius Stock Exchange.

As of 31 March 2009 the share capital of the Company was LTL 48.375 thousand, which consisted of 4.837.500 ordinary shares with a normal value of LTL 1 each. All the shares of the Company are issued, subscribed and fully paid. As of 31 March 2009 the Group consisted of AB Žemaitijos pienas and the following subsidiaries (hereinafter referred to as "the Group"):

- AB „Žemaitijos pienas“ Sedos Str. 35, Telšiai, Lithuania;
- ŽŪK „Tarpučių pienas“ Klaipėdos Str. 3, Šilutė, Lithuania;
- ŽŪK „Sodžiaus pienas“ Šilalės Str. 35, Laukuva, Lithuania;
- ABF „Šilutės Rambynas“ Klaipėdos Str. 3, Šilutė, Lithuania.

2. Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

3. Main indicators of the Company's' performance

	As of 31 March 2009
Sales, thousand LTL	90.246
Gross profit, thousand LTL	15.591
EBITDA , thousand LTL	2.032
Current ratio (at the end of period)	2.08
Book value per share (at the end of period)	1,84

4. Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price. Cost is determined by the first-in, first-out (FIFO) method.

	Group	
	As of 31 March 2009	As of 31 March 2008
Raw materials	10.713	8.489
Stored production	40.327	27.552
Goods for resale	923	5.365
	<u>51.963</u>	<u>41.406</u>

5. Segment information

For management purposes the activities of the Group and Company are organized as one major segment – production and selling of the dairy products (primary segment). Financial information on geographical segments (secondary segment) is presented below:

	Group	
	As of 31 March 2009	As of 31 March 2008
Sales		
Lithuania	53.042	62.450
Other Baltic States and CIS countries	19.287	27.808
Other European countries	16.593	22.203
USA	600	-
Other	724	936
	90.246	113.397

6. Subsequent events

Subsequent events was not after was make consolidated financial statements.