

ŽEMAITIJOS PIENAS, AB
INTERIM CONSOLIDATED UNAUDITED
FINANCIAL STATEMENT
FOR THE PERIOD OF 6 MONTHS, 2015

ŽEMAITIJOS PIENAS, AB

Company code 180240752, Sedos st. 35, Telšiai, Lithuania

Interim consolidated unaudited financial statement for the period of 6 months, 2015

(All amounts are indicated in thousands of EUR unless provided otherwise)

Balance sheet

ASSETS	The Group	
	30-06-2015	31-12-2014
Fixed assets		
Intangible assets	154	191
Tangible assets	22 445	18 292
Investments for sale	139	174
Investments into subsidiaries	1	1
Loans granted	4 830	4 706
Other fin. assets	16	16
Deferred profit tax assets	1 451	1 451
Total amount of fixed assets	29 036	24 831
Current assets		
Stock	23 232	24 944
Advance payments	376	722
Receivables from the buyers	12 440	10 343
Other receivables	1 250	1 216
Cash and cash equivalents	11 911	7 018
Total amount of current assets	49 209	44 244
ASSETS IN TOTAL	78 245	69 075
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	14 029	14 010
Own shares (-)	(1 323)	(1 323)
Required reserve	1 401	1 401
Other reserves	4 566	4 566
Undistributed profit	33 627	32 416
Equity of the shareholders of the parent company	52 300	51 070
Minority interest	864	655
Equity in total	53 163	51 725
Long-term liabilities		
Support received	1 872	2 133
Loans	-	-
Liabilities arising from the financial lease	32	32
Liabilities arising from the deferred profit tax	-	-
Other long-term liabilities	5	5
Total amount of long-term liabilities	1 909	2 170
Short-term liabilities		
Loans	-	-
Liabilities arising from the financial lease	33	75
Trade debts and other payable amounts	22 840	14 860
Payable profit tax	300	244
Total amount of short-term liabilities	23 173	15 180
Liabilities in total	25 082	17 350
EQUITY AND LIABILITIES IN TOTAL	78 245	69 075

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Profit (loss) statement

	<u>The Group</u>			
	January - June, 2015	January - June, 2014	April - June, 2015	April - June, 2014
Sales	72 539	81 248	38 932	38 042
Sales cost price	(58 433)	(68 560)	(31 133)	(30 435)
GROSS PROFIT (LOSS)	14 106	12 689	7 799	7 607
<i>Operating expenses</i>	<i>(11 880)</i>	<i>(9 984)</i>	<i>(7 116)</i>	<i>(5 691)</i>
Incl. sales expenses	(8 380)	(6 808)	(5 098)	(3 972)
Incl. general and administrative expenses	(3 500)	(3 176)	(2 017)	(1 719)
Other operating income	407	453	192	246
Other operating expenses	(244)	(307)	(118)	(153)
OPERATING (LOSS) PROFIT	2 389	2 851	757	2 009
Difference between the fair value of the net assets, which belong to the Group, and the acquisition price of the business affiliation				
Income from financial operations	193	210	104	177
Expenses of financial operations	(145)	(36)	(109)	(19)
PROFIT (LOSS) BEFORE TAX	2 437	3 025	752	2 167
Profit tax benefits (expenses)	(1 017)	(679)	(644)	(468)
NET PROFIT (LOSS)	1 420	2 346	108	1 699

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*Statement of changes in equity*Group

	Share capital	Own shares(-)	Required and other reserves	Undistributed profit	Equity of the shareholders of the parent company	Minority interest	In total
31 December 2013	14 010	(1 323)	5 967	29 748	48 402	687	49 089
Own shares acquired		-	-	-	-	-	-
Liquidation of subsidiaries				-	-	-	-
Dividends, tantiemes , premiums paid			-	-	-	-	-
Reserves			-	-	-	-	-
Net profit of the 1st half of a year				2 278	2 278	69	2 347
30 June 2014	14 010	(1 323)	5 967	32 026	50 680	756	51 436
31 December 2014	14 010	(1 323)	5 967	32 417	51 071	655	51 725
Reserves			-	-	-	-	-
Dividends, tantiemes paid				-	-	-	-
Own shares acquired		-			-		
Net profit of the 1st half of a year				1 229	1 229	209	1 438
Change in share capital due to the differencens in EUR	19			(19)	-	-	
30 June 2015	14 029	(1 323)	5 967	33 627	52 300	864	53 163

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Cash flow statement

	The Group	
	January - June, 2015	January - June, 2014
<i>Net operating cash flows</i>		
Net (loss) profit	1 420	2 347
Modifications of the net (loss) profit		
Depreciation and amortization	2 124	1 678
Loss (profit) from the sale and write-off of fixed assets	(10)	(57)
Profit tax expenses	-	-
Impairment of receivables	-	538
Other financial (income) expenses	(70)	(54)
Expenses arising from the liquidation of subsidiaries	-	-
	3 464	4 452
<i>Changes in the working capital:</i>		
Increase (in stock)	1 712	3 881
Decrease (increase) in receivables from the buyers	(2 096)	(4 301)
Decrease (increase) in advance payments	334	(158)
(Increase in) other receivables	(251)	(436)
Changes in deposits	-	-
Increase (decrease) in trade debts	6 598	1 454
Increase (decrease) in other payable amounts	1 440	(184)
Profit tax paid	-	-
Net operating cash flows	11 201	4 708
<i>Cash flows from investment operations</i>		
Tangible and intangible assets (acquisition)	(6 207)	(3 406)
Revenues from the sale of tangible assets	11	227
Acquisition of own shares	-	-
Repaid granted loans	364	946
Loans granted	(262)	(440)
Interest received	71	62
Net cash flows from investment operations	(6 023)	(2 611)
<i>Cash flows from financial operations</i>		
Change in share capital due to the differences in EUR	19	-
Payment of dividends, tantiemes	-	-
Support received	-	952
Loans received	-	2 653
Repaid loans	-	(3 185)
Payment of the liabilities arising from the financial lease	(43)	(81)
Other fin., invest. cash flows	(261)	(554)
Interest paid	(0)	(9)
Net cash flows from financial operations	(285)	(224)
<i>Net increase (decrease) in cash flows</i>	4 893	1 873
Cash and cash equivalents in the beginning of the period	7 018	2 015
Cash and cash equivalents at the end of the period	11 911	3 888

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1. GENERAL INFORMATION

Žemaitijos pienas, AB (hereinafter referred to as the Company) is a public limited liability company registered in the Republic of Lithuania. Its registered office is situated at the address Sedos st. 35, Telšiai, Lithuania.

The Company produces dairy products and sells them on the Lithuanian and foreign markets. The Company has a number of wholesale units with warehouses and vehicles in the biggest cities of Lithuania. The Company commenced its operations in the year 1984.

On the grounds of the Law on Expressing the Share Capital of Public and Private Limited Liability Companies of the Republic of Lithuania and the Nominal Value of Securities in Euro and Changes to Articles of Association, as the Republic of Lithuania joined the Euro zone from January 1st, 2015, according to the Board decision of Central Securities Depository of Lithuania, PLC in 04/11/2014, on January 1st, 2015, "Žemaitijos pienas", PLC issued shares nominal value has been changed from LTL to 0.29 Euro. The change of shares nominal value from 1 LTL to 0.29 Euro has also been approved at the company's shareholders meeting in 24/04/2015. Having changed the shares nominal values, the share capital of the company has changed as well, i.e. total nominal value of issued shares has become - 14 028 750 Euros.

On 30 June 2015, the Company's share capital was 14 029 thousand of EUR composed of 48.375.000 ordinary registered shares with a nominal value of 0,29 EUR per share.

All of the shares are issued, subscribed and paid up.

Subsidiaries did not hold any shares of the Company as of 30 June 2015 and 2014.

The Company's shares are traded on the Baltic Additional trade list of the Vilnius Stock Exchange.

On 30 June 2014 and 2015 the Company had acquired its own shares – 2.071 thousand units by 1.323 thousand of EUR.

On 30 June 2015, the Group was composed of Žemaitijos pienas, AB and its subsidiaries (hereinafter - the Group):

<u>Subsidiary</u>	<u>Registered office of the Company</u>	<u>Interest of the Group's shares</u>	<u>Consolidated interest</u>	<u>Investments (cost price) in 2015</u>	<u>Net assets 30 June 2015</u>	<u>Main activities</u>
Šilutės Rambynas, ABF	Klaipėdos st. 3, Šilutė, Lithuania	87.82 %	87.82 %	3 150	7 593	Production and sale of cheese
Muižas pienas, SIA	Skaikālnes st. 1, Rīga, Latvia	32 %	-	1	-	Wholesale and retail
				<u>3 151</u>		

On 30 June 2015, the Group had 1.435 employees (on 30 June 2014 – 1.412 employees).

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Main indicators of the Company's performance :

	<i>As of 30 June 2015</i>	<i>As of 30 June 2014</i>
Sales, thousand EUR	72 539	81 248
Gross profit, thousand EUR	14 106	12 689
EBITDA, thousand EUR	4 562	4 712
Current ratio (at the end of period)	2,12	2,99
Book value per share (at the end of period)	1,10	1,06

2. ACCOUNTING PRINCIPLES

This consolidated financial statement has been prepared in accordance with the International Financial Reporting Standards adopted by the European Union (EU).

The submitted financial statement has been prepared on the acquisition cost price basis, except for the revaluation of certain financial instruments at their fair value.

The financial year of the Group's companies coincides with the calendar year.

Since January 1st, 2015, financial accountability is presented in Lithuanian national currency - Euro.

Here are the most significant accounting policies:

The consolidated financial statement covers the financial statements of the Company and its controlled subsidiaries at a certain date. The control is deemed to be present when the Company has the power to control the financial and operating policy of another company, wherein it has invested its capital, in order to obtain some benefits thereof.

The acquisition of subsidiaries is accounted for using the purchase method. The acquisition cost price is composed of the fair value of transferred assets, issued equity instruments or assumed liabilities on the day of acquisition as well as expenses related with this acquisition directly. The assets and liabilities of the acquired company, which meet three recognition criteria under IFRS, are assessed at their fair value on the day of acquisition. The primary assessment of the subsidiary's assets and liabilities is modified within twelve months as of acquisition, having received additional data, which helps to assess more accurately the fair value of the assets and liabilities of this subsidiary.

Any positive difference between the acquisition cost price and the fair value of the acquired company's net assets is recognized as goodwill. Any negative difference between the acquisition cost price and the fair value of the acquired company's net assets is recognized as income of that period and is accounted for in the profit (loss) statement.

The interest of the minority shareholders is composed of their portion of the fair values of the assets and liabilities.

The financial results of the subsidiary, which has been acquired (sold) within a year, are included in the consolidated profit (loss) statement from the day of its acquisition until its sale (if any).

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The financial statements of the subsidiaries are modified in order to conform to the accounting principles of the Group, should they be different.

All the significant transactions between the Group's companies, balance, income, expenses and undistributed profit (loss) from mutual transactions are eliminated from the consolidated financial statement.

Investments in the subsidiaries are accounted for in the Company's balance sheet at their acquisition cost price. The dividends of the subsidiaries are recognized as income only to the extent they are paid from the post-acquisition profit of the subsidiary. The portion of the dividends that exceeds such profit is deemed to be the coverage of investment and is recognized as a reduction in the investment cost price.

Intangible assets are initially recognized at their acquisition value. Intangible assets are recognized if it is probable that the Group and the Company will receive in the future some economical benefits related with these assets and if the value of these assets can be measured reliably. The Group and the Company does not have intangible assets of an indefinite useful life; therefore after their primary recognition, intangible assets are accounted for at their acquisition value, less accumulated amortization and impairment loss, if any. Intangible assets are amortized using the straight-line method over the estimated useful life. The amortization expenses of intangible assets are included into the operating expenses.

The acquisition costs of new software are capitalized and recognized as intangible fixed assets if these costs are not a component of hardware. Software and licenses are amortized within a period of 3 years.

The costs, which are incurred in restoring or maintaining of the planned economic benefits from the operation of the existing software systems, are recognized as costs in the period when maintenance and support works are performed.

Tangible assets are accounted for at their acquisition cost price, less accumulated depreciation and impairment.

The intangible fixed assets, which are being constructed, are accounted for in item 'Incomplete Constructions'. Such assets are accounted for at their acquisition cost price, less estimated impairment loss. The acquisition cost price covers the expenses on design, construction, installation of mechanisms and equipment and other direct expenses.

The depreciation of tangible fixed assets other than the constructions in progress is calculated over the estimated useful lives using the straight-lien method. At the end of each year, the Group and the Company review the useful lives of tangible fixed assets, balance value and depreciation method and recognize the impact of the changes in assessment, if any, prospectively. The estimated useful lives of tangible fixed assets are as follows:

Buildings: 20 - 40 years

Machinery and equipment: 5 years

Vehicles and other equipment: 4 - 10 years

The assets, whose useful lives are longer than one year and the acquisition value is not less than 144,81 Euro, are classified as fixed assets.

The tangible fixed assets, which have been acquired under financial lease contracts, are depreciated over the useful life using the same method for calculating of depreciation as that of the private property.

Profit or loss arising from the sales of fixed assets is calculated as the difference between the sales income and the balance value of these assets and is recognized in the profit (loss) statement of that year.

Repair costs are added to the book value of tangible fixed assets if it is probable that the Group's companies will receive economic benefits from these costs in the future, and if they can be measured reliably. All other repair and service costs are recognized as expenses in the profit (loss) statement at the time they occur.

The Group company's investment assets are composed of land and buildings, which are leased and earn income thereof, and are not used for the main operations of the Group's companies. Investment assets are accounted for at their acquisition value, less accumulated depreciation and estimated impairment loss.

Depreciation is calculated using the straight-line method over 20 - 40 years of useful life.

Any transfers to/from investment assets are performed only when the purpose of these assets changes.

On the primary recognition, the stock is accounted for at its acquisition/production cost price. In subsequent periods, the stock is accounted for at a lower net probable selling price or acquisition/production cost price. The cost price is established using FIFO method. The cost price of incomplete constructions and production covers the expenses on raw materials, work and other direct expenses as well as the value added expenses related with production. The net probable selling price means the estimated selling price in the ordinary course of business, less estimated production completion and probable selling expenses.

The Group and the Company recognize financial assets in the balance sheet when the Group and the Company become a party to the contract for some financial instrument.

Trade amounts, loans and other receivables with fixed or determinable payments, which are not traded on the active market, are classified as 'Loans and receivables'. Loans and receivables are initially recognized at their fair value in the balance sheet. In subsequent periods, those financial assets are accounted for at their amortized cost price using the effective interest rate method, less any recognized impairment loss, which reflects unrecoverable amounts.

Cash and cash equivalents are composed of cash on hand and money in bank accounts, deposits upon demand and other short-term liquid investments (up to three months), which can be easily exchanged for precise cash amounts and which are subject to the risk of negligible changes in their value.

Financial liabilities are any contractual liabilities to deliver cash or other financial assets to another entity or to exchange financial instruments with another enterprise under the conditions that are potentially unfavourable or derivative or the contract of a non-derivative instrument, which can be purchased in exchange of some equity instruments of the enterprise itself.

Financial liabilities are ascribed to the financial liabilities estimated at their fair value in the profit (loss) statement or other financial liabilities.

Other financial liabilities, including loans, are recognized at their fair value, less transaction costs. In subsequent periods, other financial liabilities are accounted for at their amortized cost price, calculated using the effective interest rate method. Interest expenses are recognized using the effective interest rate method.

The effective interest rate method refers to the method for calculating of the amortized cost price of financial liabilities and allocation of the interest income during a certain period of time. The effective interest rate means the interest rate that discounts the estimated future cash flows accurately over a certain period of time or over a shorter period of time.

The fair value reflects the value of financial instruments, at which assets can be sold or liabilities can be covered. In cases where the management believes that the amortized cost price of financial assets and financial liabilities is considerably different from their fair value, the fair value

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of such financial assets and liabilities is disclosed separately in the comments of the financial statements.

Grants are accounted for on an accrual basis, i.e. received grants or parts thereof are recognized as having been used over the periods, in which the expenses related with these grants are incurred.

Lease is classified as the financial lease when basically all the risks and benefits related with the title are transferred under the contract of lease. The lease of activities does not fall into the concept of the financial lease.

Any income under the contract of lease of activities are recognized on the straight-line method over the entire leasing period.

The assets under the financial lease contract are recognized as assets at the fair value of the leased assets in the beginning of the lease or the current value of the minimum lease payments, if it is lower. A corresponding liability towards the lessor is reflected in the balance sheet as the liability under the financial lease contract. Financial expenses (interest expenses), i.e. the difference between the total payable amounts and the fair value of the assets acquired, are recognized as expenses in the profit (loss) statement over the leasing period using the constant interest rate.

Payments under the contract of lease of activities are recognized as expenses in the profit (loss) statement on the straight-line method over the entire leasing period.

Income is evaluated at the fair value of the received or receivable assets for the goods or services, excluding the value added tax, less rebates and concessions. Income is recognized on an accrual basis. Income is accounted for and reflected in the financial statements, regardless of revenues, i.e. when they are earned.

Income from interest is recognized on an accrual basis, taking into account the balance of the debt and the applicable effective interest rate. Income from the interest received is presented in the cash flow statement as cash flows from investment activities.

Income from dividends is recognized when the shareholders become entitled to receive dividends. Income from the dividends received is presented in the cash flow statement as cash flows from investment activities.

Expenses are recognized in the profit (loss) statement on an accrual basis when incurred.

Transactions in foreign currencies are converted into the litas according to the official exchange rate established by the Bank of Lithuania on that day, which approximately equals to the market currency exchange rate. Monetary assets and liabilities are converted into the litas at the exchange rate of the reporting day.

Since January 1st, 2015, transactions in foreign currency are converted to Euros in the official rate, set by the European Central Bank on that day, which is approximately the same as market rate. Monetary assets and liabilities are converted to Euros in the exchange rate on the balance-sheet issuance day.

The following currency exchange rates were used in preparing of the balance sheet:

<u>30 June 2015</u>	<u>31 December 2014</u>
1 EUR = 1	1 EUR = LTL 3,4528
1 USD = EUR 0,8982	1 USD = LTL 2,8387

The differences in the exchange rates resulting from the transactions in foreign currency are included in the profit (loss) statement at the moment they occur. The profit or loss resulting from the changes in the currency exchange rates on converting of monetary assets and liabilities into the euros are covered in the profit (loss) statement.

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Deferrals are recognized when the Group and the Company has a legal obligation or an irrevocable commitment arising from the past committing event and it is likely that the funds will be spent to cover these liabilities, and it is possible to determine the amount of such liabilities.

Profit tax expenses consist of the profit tax expenses and the deferred profit tax of the current year.

The taxable profit differs from the profit presented in the gross income statement due the elements of expenses and income that do not reduce or increase the taxable profit. From 1 January 2010, the profit tax rate in Lithuania is valid 15 per cent.

The deferred profit tax is accounted for in the balance sheet. Deferred tax assets and liabilities are recognized for future tax purposes, noting the differences between the book value of assets and liabilities in the financial statement and their respective tax bases. Deferred tax liabilities are recognized with respect to all temporary differences, which will increase the taxable profit, and the deferred tax assets are recognized only to the extent that is likely to reduce the future taxable profit. Such assets and liabilities are not recognized if temporary differences are related to goodwill (or negative goodwill), or if the assets or liabilities recognized at the time of a transaction, which is not related with business affiliation, do not affect the taxable or financial profit.

A business segment in this financial statement is an integral segment of the Group and the Company engaged in the production of a product or providing of a service or a group of related products or services, whose risk and profit differ from other business segments.

Post-balance events, which provide additional information about the Group's situation on the reporting date (adjusting events), are reflected in the financial statements. Post-balance events, which are not adjusting events, are described in the comments when their impact is significant.

The parties related to the Group and Company refer to the shareholders, employees, Board members, their close relatives and companies that control the Company directly or indirectly via an intermediary or are controlled individually or jointly with any another party, which is also recognized as a related party, provided that this relationship allows one party to control the other party or to exercise significant influence over the other party in making financial and management decisions.

3. INFORMATION ABOUT THE SEGMENTS

For managerial purposes the activities of the Group and the Company are organized as a single main segment – the production and sale of dairy products (primary segment). The sales of the Group according to the geographical segments (secondary segment) are provided hereunder:

Sales	The Group			
	January - June, 2015	January - June, 2014	April - June, 2015	April - June, 2014
Lithuania	37 228	40 136	19 204	21 274
Other Baltic and CIS states	9 674	22 846	6 459	7 081
Other European states	21 158	16 661	10 287	8 676
Other	4 479	1 605	2 982	1 011
In total	72 539	81 248	38 932	38 042

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The income from sales is classified according to the state, where the buyers are registered

4. LOANS GRANTED

The Group's granted loans consisted of the following:

	<u>30 June 2015</u>	<u>31 December 2014</u>
Loans granted	5 303	5 405
Minus: temporary portion of the loans granted	(473)	(699)
	<u>4 830</u>	<u>4 706</u>

The repayment term is from 1 to 9 years.

5. STOCK

The Group's stock consisted of the following:

	<u>30 June 2015</u>	<u>31 December 2014</u>
Raw materials	3 484	3 468
Production and incomplete constructions	22 566	24 341
Goods for resale	238	191
	<u>26 288</u>	<u>28 000</u>
Minus: impairment up to the net realizable value	(3 056)	(3 056)
In total	<u>23 232</u>	<u>24 944</u>

6. RECEIVABLES FROM THE BUYERS

Receivables of the Group from the buyers consisted of the following:

	<u>30 June 2015</u>	<u>31 December 2014</u>
Receivables from the buyers	11 207	9 186
Receivables from the related parties	1 904	1 828
	<u>13 111</u>	<u>11 014</u>
Minus: impairment	(671)	(671)
In total	<u>12 440</u>	<u>10 343</u>

Changes in the impairment of doubtful receivables from the buyers are included in the profit (loss) statement as operating expenses.

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Receivables from the buyers are free of interest and their term is usually from 30 to 90 days.

7. OTHER RECEIVABLES

Other receivables of the Group's consisted of the following:

	30 June	31 December
	2015	2014
Advance profit tax	-	-
Current portion of long-term loans	473	699
Grants receivable	-	142
Input VAT	751	346
Other receivables	26	29
In total	1 250	1 216

8. CASH AND CASH EQUIVALENTS

The Group's cash and cash equivalents consisted of the following:

	30 June	31 December
	2015	2014
Cash in the bank	11 871	6 907
Cash on hand	40	111
In total	11 911	7 018

9. EQUITY

As the Republic of Lithuania joined the Euro zone from January 1st, 2015, according to the Board decision of Central Securities Depository of Lithuania, PLC in 04/11/2014, on January 1st, 2015, "Žemaitijos pienas", PLC issued shares nominal value has been changed from 1 LTL to 0.29 Euro. Having changed the shares nominal values, the share capital of the company has changed as well, i.e. total nominal value of issued shares has become - 14 028 750 Euros. The change in share capital, resulting due to rounding the shares nominal values in Euros by accuracy of Euro cents, is not considered to be an increase of the share capital and is registered in the accounting as the company's inputs of the financial year, which includes Euro adoption date (if the change is positive).

On 30 June 2015, the share capital amounted to 48.375.000 ordinary registered shares with a nominal value of 0,29 Eur.

On 30 June 2015 and 31 December 2014, all the shares were fully paid.

The required reserve is mandatory under legal acts of the Republic of Lithuania. It is necessary to transfer not less than 5 percent of the net profit each year until the reserve reaches 10 percent of the share capital. The Company's required reserve was fully formed. The required reserve may not be distributed to the shareholders.

Other reserves are formed according to the decision of the annual meeting of shareholders to distribute the profit and the Company's articles of association. These reserves can only be used for

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the purposes determined by the general meeting of shareholders. Following the valid Law on Companies, the Company's reserves other than required reserves must be restored to the distributable profit and redistributed if they have not been used or they are not planned to be used.

10. LOANS

On 31 December 2014 and on 30 June 2015 the Group hadn't loans.

11. LIABILITIES UNDER THE FINANCIAL LEASE CONTRACT

The Group's future minimum payments under the financial lease contracts consisted of the following:

Group	30 June 2015		31 December 2014	
	Minimum payments under the financial lease contract	Current amount of the minimum payments under financial lease contract	Minimum payments of the financial lease contract	Current value of the minimum payments under the financial lease contract
Over one year	33	33	76	75
Over two-five years	32	32	32	32
Minimum payments under the financial lease contract	65	65	108	107
Minus: future interest	(0)		(1)	
Current value of the minimum payments under the financial lease contract	65		107	

On 30 June 2015, all the Group's existing financial lease contracts were signed in euros.

12. PAYABLE AMOUNTS

Here are the terms of financial liabilities:

- Trade debts are free from interest and are usually repaid within a period of 30 days.
- Other payable amounts are free from interest and have approximately a repayment term of one month.
- Payable interest is usually paid on a monthly basis over the entire financial year.

	The Group	
	30 June 2015	31 December 2014
Payables suppliers	15 737	10 845

ŽEMAITIJOS PIENAS, AB

Company code 180240752, Sedos st. 35, Telšiai, Lithuania

Interim consolidated unaudited financial statement for the period of 6 months, 2015

(All amounts are indicated in thousands of EUR unless provided otherwise)

Payable to related parties	1 698	503
Prepayments	713	202
In total	18 148	11 550

13. OTHER PAYABLE AMOUNTS

Other payable amounts consisted of the following:

	The Group	
	30 June 2015	31 December 2014
Accumulated expenses	440	551
Leave reserve	2 351	2 351
Payable salaries	906	-
Payable social insurance	501	(2)
Payable taxes, except for the profit tax	185	14
Provisioning	-	
Other short-term liabilities	309	396
In total	4 692	3 310

Outstanding balances at the end are unsecured and interest free for them.