

NOTIFICATION OF THE BOARD OF AKCINĖ BENDROVĖ “ŽEMAITIJOS PIENAS” ABOUT THE INTENTION TO DELIST THE SHARES OF THE COMPANY FROM TRADING ON THE REGULATED MARKET AB NASDAQ VILNIUS AND NOT TO CONTINUE THE PUBLIC OFFERING OF SHARES

At the extraordinary general meeting of shareholders of AKCINĖ BENDROVĖ “ŽEMAITIJOS PIENAS”, registered office at Sedos str. 35, Telšiai, Republic of Lithuania, legal entity code 180240752, VAT identification code LT802407515, company data is collected and kept with the Register of Legal Entities, registered authorised capital: EUR 14,028,750 (hereinafter, the “Company”), to be held on 21 October 2016 (hereinafter, the “Meeting”), it is *inter alia* intended to additionally consider the issues to initiate delisting of all the outstanding shares of the Company and delist them from trading on the regulated market AB Nasdaq Vilnius and not continue the public offering of shares, regarding which the decisions have already been adopted in the general meeting of shareholders of the Company, dated 26 August 2016. Taking the above into account, also referring to paragraphs 5 and 6 of Article 43 and paragraphs 1(3) and 3 of Article 54 of the Law of the Republic of Lithuania on Securities (hereinafter, the “Law on Securities”), the Board of the Company on 3 August 2016 provided the notification about the intention to delist the shares of the Company from trading on the regulated market AB Nasdaq Vilnius and not to continue the public offering of shares, and after taking the relevant decisions in the indicated general meeting of shareholders of the Company held on 26 August 2016, the public notification about the intention to delist the shares of the Company from trading on the regulated market AB Nasdaq Vilnius and not to continue the public offering of shares caused legal consequences. Thus, the Board of the Company considers that the obligation, foreseen in paragraphs 5 and 6 of Article 43 and paragraphs 1(3) and 3 of Article 54 of the Law on Securities was duly fulfilled. Disregarding the above, we hereby repeat the notification about the intention to delist the shares of the Company from trading on the regulated market AB Nasdaq Vilnius and not to continue the public offering of shares, dated 3 August 2016.

Information about the intended publication of the mandatory tender offer

After the Meeting being convened repeatedly approves the decision to delist the shares of the Company from trading on the regulated market AB Nasdaq Vilnius by the majority of at least 3/4 votes carried by shares of all the shareholders present at the Meeting and repeatedly approves the decision not to continue the public offering of the shares of the Company by the majority of at least 2/3 votes carried by shares of all the shareholders present in the Meeting, the shareholders, who vote for these decisions, would have to submit and implement a tender offer, as provided for in Article 43 of the Law on Securities. One or several shareholders will have a right to discharge this duty on behalf of other shareholders. In the course of this tender offer the shares may be sold by those shareholders who voted against the decision to delist the shares of the Company from trading on AB Nasdaq Vilnius and not to continue the public offering of shares or who have abstained from voting in this respect.

Reasons for delisting of the shares of the Company from trading on AB Nasdaq Vilnius and non-execution of the public offering of shares

The Company’s Board suggests the Meeting to consider the issue on delisting the shares of the Company from trading on AB Nasdaq Vilnius and non-executing the public offering of shares for the following reasons:

1. The Company has no purpose of attracting additional capital by implementing public offerings of its shares or other securities on the regulated market AB Nasdaq Vilnius and has not implemented such offerings in the past.
2. Neither at the end of 2015 or 2014 nor currently the Company had/has any credits and, considering the good financial condition of the Company, during the periods when the Company had a need of obtaining external funding, financial institutions usually granted financing under conditions acceptable to the Company, by reason of which in the current stage of business development, the Company has no objective of seeking for alternative sources of funding for its activities.
3. The existence of the shares of the Company on the regulated market brings no real benefit for the Company, but requires additional human resources from it, also leads to additional

costs in connection with the performance of the requirements for listed companies; such costs amount to approximately EUR 35,000 annually.

4. Having delisted the shares of the Company from trading on the regulated market AB Nasdaq Vilnius, the Company will be able to and will concentrate all its efforts exclusively on performing its direct activities.

In the light of the foregoing, the Board of the Company suggests its shareholders to consider the issue on delisting the shares of the Company from trading on AB Nasdaq Vilnius and no continuing of public offering of its shares.

Measures taken by the management bodies of the Company for protection of shareholders' rights and interests

The Company has taken and will take all measures provided for in legal acts in order that owners of the shares issued by it have access to all necessary means and information, giving them a possibility of exercising their rights during the tender offer and delisting of the shares of the Company from trading on the regulated market AB Nasdaq Vilnius. The Company will provide all the information related to these processes to the Bank of Lithuania and AB Nasdaq Vilnius, as well as will make such information public, under the procedure set by legal acts.

In addition to the above measures, the Company's Board has provided for:

1. Measures for adequate organisation of the Meeting for the vote to be taken by roll call, with the purpose of noting the Company's shareholders who voted "for" and "against" on the issues included in the agenda of the Meeting, as well as those shareholders who did not vote at all.
2. Measures, which will be aimed at ensuring the provision of necessary information to the Company's shareholders, who will apply to the Company regarding a possibility of selling their shares during the implementation of the tender offer intended for delisting the shares of the Company from trading on AB Nasdaq Vilnius.
3. Criteria for the analysis of the circular of the tender offer intended for delisting the shares of the Company from trading on AB Nasdaq Vilnius, after it is submitted by respective shareholders of the Company and approved by the Bank of Lithuania, with the aim to express the opinion of the Company's Board on the tender offer, ensuring that the information contained in the circular is accurate, complete and not misleading.

Planned changes in the composition of the management bodies of the Company and in the activities of the Company

The Company does not plan any changes in the composition of its management bodies and/or the activities of the Company, which could be related to delisting of the shares of the Company from trading on the regulated market AB Nasdaq Vilnius and non-execution of the public offering of the shares. Disregarding the above, in the Meeting it is *inter alia* proposed to consider the matter regarding increase of the number of members of the Board of the Company from 5 (five) to 7 (seven).

Tender offer price and methods for setting it

The offerors of the tender offer will set the price of the tender offer intended for delisting the shares of the Company from trading on AB Nasdaq Vilnius. In accordance with paragraph 4 of Article 43 of the Law on Securities, the tender offer price must be no less than the average weighted market price of the shares of the Company on AB Nasdaq Vilnius within 6 months before the publication about the intention to delist the shares of the Company from trading on AB Nasdaq Vilnius. The average weighted market price of the shares of the Company on this regulated market during the period from 3 February 2016 to 2 August 2016 is EUR 0.763. The average weighted market price of the shares of the Company on this regulated market during the period from 29 March 2016 to 28 September 2016 is EUR 0,788.

Chairperson of the Board of the Company
Signature date: 29 September 2016



Algirdas Pažemeckas