



I. GENERAL INFORMATION ABOUT THE ISSUER

1. The reporting period covered by the report

The consolidated annual report is prepared and submitted for the financial year 2016.

2. The Issuer and its contact details

Name of joint stock company "Žemaitijos pienas"
Legal - organizational form public limited company
A registered limited liability company registered
23 June 1993
Company code 180240752
VAT payer code LT802407515
The share capital of 14,028,750 euros
Address Sedos g. 35, LT-87101 Telšiai
Phone 8 (444) 22201
Fax: 8 (444) 74897
Email info@zpienas.lt
Website address www.zpienas.lt

3. Information about branches and representative offices

December 31 2016. consolidated AB "Žemaitijos Pienas" Group consists of the parent company Žemaitijos pienas, its subsidiary and associated company. The company's subsidiaries:

AB-F „Šilutės Rambynas“, company code 277141670.

The company owns 87.82 percent.
Home address - Klaipėdos g. 3, Šilutė.
Activities - cheese and other dairy products.

Related company SIA "Muižas piens", code 40003786632

The company owns 32 percent.
Home address - Skaistkalnes 1, Riga, Latvia.
Nature of business - retail and wholesale.

AB "Žemaitijos pienas" owns production workshops, warehouses and other economic activities necessary for Real Estate in Sedos g. 35, Telšiai, Also has 4 structural units with warehouses and transportation means Below are a Lithuanian cities:

- Vilnius branch addr.: Algirdas g. 40/13, Vilnius
- Kaunas branch addr.: Kėdainių g. 8A, Kaunas
- Klaipėda branch addr.: Šilutės pl. 33, Klaipėda
- Panevėžys branch addr.: J. Janonio. 9, Panevėžys

4. Issuer and its subsidiaries' main activity or activities

AB Žemaitijos pienas 'core business - dairy products (cheese and cheese products, prepackaged cheese and cheese products, processed cheese and cheese products, cream, cream cheese, butter milk products themed, mixed Spreads, milk fat, pasteurized cream, buttermilk, whey, dried milk products, fresh dairy products (milk, cream, cottage cheese, cheese products, yoghurt, desserts, cottage cheeses, curd cheese, fermented dairy products)) the development, manufacture and sales of Lithuanian and foreign markets.

SC-F „Šilutės Rambynas“ main activity - cheese and cheese product development, production and sales of pasteurized cream, pasteurized whey and concentrated whey production and sales.

SIA “Muižas milk” main activity - retail trade in dairy products, other activities in the territory of the Republic of Latvia for the implementation of AB “Žemaitijos pienas”, dairy products sales policy.

5. Data about securities traded on regulated markets

AB Žemaitijos pienas "ordinary shares are listed on “Nasdaq Vilnius” stock exchange Baltic additional securities trading list since 1997. 13 October.

Shares types - ordinary, intangible;

Number of shares - 48,375,000 units;

Nominal value of shares - 14,028,750 euros;

The par value - 0,29 EUR

The total number of voting rights - 46,304,379¹

ISIN code LT0000121865;

VSE symbol - ZMP1L

6. Agreements with securities intermediaries of public trading

2004. 16 July. the company entered into an agreement with AB „Šiaulių bankas“, home addr .: Tilžės st. 149, Šiauliai , according to which the company's securities account management since 2004. 23 July. Passed to AB Šiaulių Bankas.

7. Data for the companies in trading in shares on regulated markets

Traded on a regulated market only AB “Žemaitijos pienas” securities, currently 48,375,000 ordinary shares of units is included in the Nasdaq Vilnius Baltic Secondary List. (VSE symbol ZMP1L). The par value of 0,29 euro. The total nominal value of shares 14 028 750 euro.

Securities without participation in the system capital, the circulation of which is regulated by the Securities Act, no.

Trading on other stock exchanges and other organized markets is not being carried out and has not been carried out.

¹ Do not participate in the company's treasury and its controlled shares

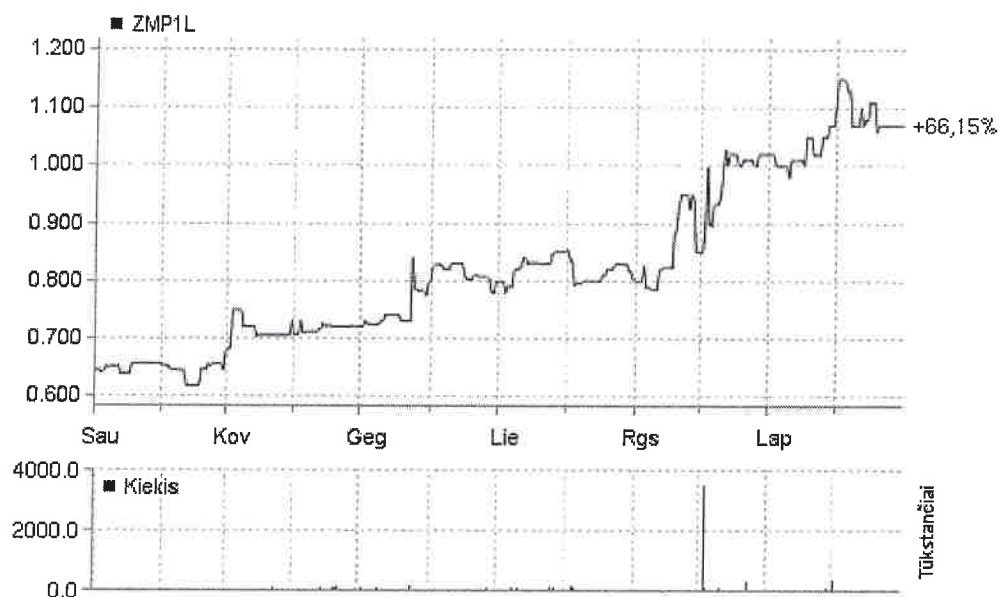
The following graphic information about the transaction is concluded (trade) AB “Žemaitijos pienas” shares on the Vilnius Stock Exchange during 2016. January - December. period. Data source - NASDAQ OMX Vilnius website address:

<http://www.nasdaqbaltic.com/market/?instrument=LT0000121865&list=3&pg=details&tab=historical&lang=lt¤cy=0&date=&start=2016.01.01&end=2016.12.31>

ABF “Šilutės Rambynas” securities are not traded on a regulated market.

8. Historical data of securities

Public company "Žemaitijos pienas" securities trading on NASDAQ OMX Vilnius Stock Exchange 2012 - 2016 years' data:



9. The Issuer's share capital

2016. 31 December. AB Žemaitijos pienas share capital consisted of:

Type of shares	Number of shares (pcs.)	Nominal value (EUR)	Total nominal value (EUR)	In share capital (%)
Ordinary shares, intangible	48 375 000	0.29	14 028 750	100

All shares are fully paid and there are no restrictions on the transfer of securities.

10. Objective overview of the Company's financial position, performance, development and investment overview

AB Žemaitijos pienas "- the old dairy traditions Lithuanian dairy products manufacturing company, cherishing classic dairy product recipes and techniques for promoting the hundred-year history reflects the heritage and cultural products resuscitation and consumption, as well as to innovation, that develops and offers users a new and unusual products.

AB Žemaitijos pienas appeared in 1924, founded as a dairy. In that year, it a dairy in Telšiai, the capacity of which at the time was seen as truly great. At the end of 1984 work started in Telšiai dairy in new premises, which operated until opening and privatization of the biggest Telšiai cheese factory in Baltic states. AB Žemaitijos pienas was registered in June 23 1993. Tent District Board re-registered in October 16 1998 Lithuanian Ministry of Economy.

The extraordinary work is this company's business card, which is undeniably evidence of AB Žemaitijos pienas reliability and solidity take advantage of their products in the domestic market as well as in making Žemaitija and Lithuania known in the world. Currently the company employs about 1,200 professional and creative staff with a significant contribution, optimism and wisdom allows the company to achieve ambitious goals and to face new challenges in the national and international markets.

Through many years of accumulated experience and unique recipes today allows to provide a wide range of products to customers with excellent taste and high quality range. Today, the company produces over 200 titles for new and existing user's favorite dairy products - including organic dairy group DOBILAS. Brand MAGIJA (eng. MAGIC) products since its inception, has won the trust of consumers and gained astonishing popularity. Customers loved fermented and processed cheese, the only Lithuania unripened torn sausages PIK-NIK.

Companies Lithuania and pride - hard cheese DŽIUGAS - in many national and international exhibitions earned the highest achievements. Users liked the company produced milk, kefir, yogurt, sour cream, cream, cottage cheese and covered with cheese curds, natural and various additives flavored butter, as well as many other products. Nurtured and our country's culinary heritage. ŽEMAITIJOS PIENAS homemade cottage cheese and sour cream, butter Žemaitiškas kastinys produced only from traditional raw materials and additives in accordance with the traditional technologies, these products have won exceptional taste Lithuanian culinary heritage fund certificates and marked with a special sign of the Fund.

The Company's production of the many consumers in Lithuania and abroad. AB Žemaitijos pienas products exported to the European Union and other global markets. Most of AB, "Žemaitijos pienas" products produced in line with not only European but also global standards, are awarded in the international exhibition of gold medals and diplomas.

The company in order to remain competitive both in the purchase of raw milk and dairy products sales markets has continued to invest in upgrading production facilities by implementing the most advanced technologies in 2014, a new production line of glazed cheeses was launched, in the same year designed the new milk powder production workshop (worth more than 6 million. EUR). In 2015 a new technology and high-performance cleaning milk line was installed and put into use, each year the investment in new technologies, energy savings, business process improvement and intends to allocate funds for the financing of the company and other activities (referred in chapt 13 of this report)

At the beginning of the year 2016 the company reorganized the management of the quality of work of the Department, and at the end decided that all international food safety standards compliance

checks will be carried out in advance of the time without adjustment, i.e. all audits carried out by selecting the unreported auditing scheme.

In 2016 AB “Žemaitijos pienas” invested in the production units of equipment renewal and modernization, in order to ensure control of hazards in the efficiency of the products manufactured.

In 2016 the company signed a contract with the National Agency for the payment of the award under the Lithuanian Rural Development Programme 2014-2020 measures "Investments in tangible assets" activity area "Support for investment in agricultural product processing, marketing and (or) development." By acquiring new equipment, the company aims to reduce the pollution discharged into wastewater, and more efficient use of energy resources.

11. Significant events of the previous financial year-end

The first months of the year 2016, Bureau Veritas Certification auditors audited IMSKVS system in accordance with international standards ISO 22000, FSSC 22000, BRC and IFS requirements. In 2016 January 26 - 28-day Bureau Veritas unit Lithuania auditors by our compliance with the international standard BRC (British Retail Consortium) 7th version. Conformity assessment of the highest possible assessment of A ++. In 2016 January 26 - 28-day Bureau Veritas unit Lithuania auditors by our compliance with the international standards ISO 22000 and FSSC 22000. The audit discrepancies identified. April 4-8, “Bureau Veritas” unit in Poland by the auditor IMSKVS compliance with the international standard IFS requirements. Conformity assessment of what is equivalent to 98.78% the highest A-level assessment.

▪ Year awards:

- At the Exhibition "Agro Balt 2016" were announced and awarded the best of this year's exhibition contest winners - gold medal was decorated ŽEMAITIJOS kefir cocktail with bananas and strawberries.
- Lithuanian Trade Enterprises Association (ALTE) organized the competition "The most popular trade items in 2016 was joined by the winners and diplomas decorated:
 - ŽEMAITIJOS half-fat cottage cheese,
 - MAGIC vanilla curd cheese,
- Hard cheese DŽIUGAS GOURMET (matured for 36 months) assessed TASTE Crystal Award Crystal Taste Award "
- 2016 Superior Taste Award chocolate MAGIC Curd cheese received 2 stars for taste and quality.
- "Made in Lithuania 2016 GERMANTO GOUDA won the gold medal.
- At the end of the year 2016 "Product of the Year" was decorated with medals:
 - GERMANTO Cheese Gouda - Gold medal
 - ŽEMAITIJOS butter - Gold medal
 - Curd cheese magic with cocoa and caramelized hazelnuts - Silver Medal.

12. Principal risks and uncertainties facing the company, a description of

The main factors creating business risk are changes in raw milk and dairy products markets, as well as the possible political, legal, social and technological changes, directly or indirectly related to AB

“Žemaitijos pienas” “business, which may adversely affect the Company's cash flows and operating results.

External risk factors - economic situation of economic crisis, currency fluctuations, etc. - are all factors which AB “Žemaitijos pienas” cannot influence. For example increased energy costs affect the company as it increases production costs as well as increasing prices for transport fuel increases of raw materials and product distribution Bringing transportation costs, resulting in the company needs to increase its prices.

Socio-demographic environment also influences AB “Žemaitijos pienas” activities. Decline in the number of family members, reduced fertility, increased mortality and emigration are important because the company's milk production end users are people. Decline in the number of people strongly influenced by Lithuania in sales volumes. The company is making every effort to develop exports.

In any market vendor face a number of competitors - other companies that are vying for their goods buyers, based on the price differences between goods and services, the diversity of ways, etc. The market economy, competition between firms not only inevitable, but also necessary, because the competitive struggle forcing producers to reduce production and marketing costs, develop new products, expanding the range of products, improve product quality, encourage the search for new markets, etc.

AB “Žemaitijos pienas”, like every entity that, market conditions for profit, and it gets to keep the risk, as well as competition with other milk processing companies. The company's management can not ignore the external business environment influencing the company.

The maximum “AB Žemaitijos pienas“Lithuania competitors in the market must be regarded as major Lithuanian milk industry companies: AB “Pieno žvaigždės”, AB “Rokiškio sūris” and AB “Vilkyškių pieninė”.

The modern economy is characterized by a fierce competitive struggle, because AB “Žemaitijos pienas” forced to know the closest competitors and track their progress, monitor actions, strategies and implement changes in their own production, sales and production being.

The AB “Žemaitijos pienas” competitors include foreign and milk products manufacturers and sellers of their products importing to Lithuania.

Since most of the company's production is exported, and the global dairy industry crisis started in 2014 continued in the 2016 period, therefore, significantly dropped prices for dairy products sales markets, the continued Russian embargo and abolished milk production quotas in the EU and unpredictable future due to the high content from intervention of skimmed milk powder using a negative impact on the dairy industry in the market, while at the same time, the company and its financial results. A classification of the increasing state regulation of the dairy farming sector, restrictions on the freedom to negotiate raw milk prices, set up new restrictions on relations with milk producers negatively assessed phenomena.

The company specializes in fresh dairy products and cheese, most of its income from the sale of these products. For this reason, the company's revenue, profit and overall financial condition is affected by, and can make a negative of fresh dairy products and cheese demand and price changes in the market. Fresh dairy products segment mainly affected by the Lithuanian market, and cheese - the export market.

13. Financial and non-financial performance analysis and environmental and personnel-related information

13.1. Analysis of the financial performance

The principal financial performance indicators, reflecting the Company's and the Group's activities during 2015-2016, are the following:

Financial ratio	According to the International Financial Standards			
	2016		2015	
	Group's	Company's	Group's	Company's
Sales, thousand euro	149.987	147.616	149.114	144.273
Gross Margin, %	24,63	22,17	24,65	20,88
Net Margin, %	10,55	8,17	5,56	3,84
EBITDA, thousand euro	22.533	17.633	13.182	9.687
EBITDA margin, %	15,03	11,95	8,84	6,71
ROE, %	22,74	19,84	13,81	10,07
ROA, %	17,04	14,00	10,05	7,33
Current Ratio	2,72	2,14	2,4	2,19
Quick Ratio	1,58	1,19	1,19	0,99
Debt-to-equity ratio	0,34	0,42	0,37	0,37
Debt Ratio	0,25	0,29	0,27	0,27
Amount of Fixed Asset Investments	9.098	8.559	11.201	10.803

The ratios specified above were calculated applying the following formulas:

Gross Margin = gross profit / sales

Net Margin = net profit / sales

EBITDA = net profit + corporation tax + interest expense + depreciation and amortisation expense.

EBITDA margin = EBITDA / sales

ROE = net profit / equity capital

ROA = net profit / assets

Current Ratio = current assets / current liabilities

Quick Ratio = (current assets – stocks) / current liabilities

Debt-to-equity ratio = amount due and liabilities / equity capital

Debt (arrears) Ratio = amount due and liabilities / assets

Comparison of procurement quantities and prices of raw milk in 2016, 2015 and 2014:

Procurement of raw milk (recalculated to base fat richness)	2016	2015	2014
Quantity of purchased milk, thousand tons	359	361	343
Purchase price, EUR/t	188	194	244

Distribution of the products, sold by the company Žemaitijos Pienas AB during 2015 and 2016 according to the type of a product was as follows:

Name of a product group	Sales, EUR thousand		The change, comparing between 2016 and 2015, %
	2016	2015	
Fermented cheeses	59.408	54.799	8,41
Fresh dairy products	51.544	52.818	- 2,41
Butter and spreadable butter blends	11.147	8.514	30,93
Dry dairy products	11.816	9.146	29,19
Ice-cream	21	48	- 56,25
Other	13.680	18.948	- 27,80
Total	147.616	144.273	2,32

Distribution of the products, sold by the group Žemaitijos Pienas AB during 2015 and 2016 according to the type of a product was as follows:

Name of a product group	Sales, EUR thousand		The change, comparing between 2016 and 2015, %
	2016	2015	
Fermented cheeses	63.848	58.031	10,02
Fresh dairy products	52.820	60.904	-13,27
Butter and spreadable butter blends	11.147	8.514	30,93
Dry dairy products	11.816	9.146	29,19
Ice-cream	21	48	-56,25
Other	10.245	12.471	-17,85
Total	149.897	149.114	0,53

The Company's sales according to geographic segments (secondary segments) in 2015 and in 2016:

Sales according to geographic segments	Turnover, EUR thousand	
	2016	2015
Lithuania	81.608	82.317
Other Baltic States and the CIS	25.423	17.812
Other European countries	29.988	33.869
Other	10.597	10.275
Total	147.616	144.273

The Group's sales according to geographic segments (secondary segments) in 2015 and in 2016:

Sales according to geographic segments	Turnover, EUR thousand	
	2016	2015
Lithuania	80.263	75.668
Other Baltic States and the CIS	27.401	20.332
Other European countries	31.328	42.355
Other	10.905	10.759
Total	149.897	149.114

13.2. Environment protection

AB "Žemaitijos pienas", milk products manufacturing and marketing company, according to the criteria assigned to the IPPC environmental permit rules in Appendix 1 of the devices. 2006-12-29 company issued the Integrated Pollution Prevention and Control permit an unlimited duration but because of changes - adjusted. The company has no negative impact on the environment, which should be taken to reduce the immediate measures, but the company continuously monitors its own performance, plans and implements investments that would reduce production and operating costs and energy consumption in every way to improve the company's environmental condition. At the same time we are always ready to solve the environmental problems of the society.

The company constantly improves the integrated quality management and food safety management system that meets international standards BRC, ISO 22000, FSSC (ISO 22000, ISO / TS 22002-1) and IFS requirements, plans to introduce the ISO 14000 environmental management system. The company is not included in the emission trading system in accordance with the National Allocation Plan year 2013-2020.

Natural resources are used sparingly. Impact on the environment is controlled by coordinated monitoring programs. The company continually updates its fleet in order to reduce air pollution to the environment. In order to ensure emissions reduction from stationary sources of pollution, the company uses the best available techniques.

The waste is treated in accordance with the environmental requirements, provided by the annual "Waste Inventory Report" through environmental electronic data capture system. The territory of hazardous and non-hazardous waste is stored and managed in a way that does not negatively impact the environment, sorted, storage spaces marked accordingly. The waste is transported to timely prevent waste companies. AB "Žemaitijos pienas" performs extraction of secondary raw materials from the waste stream and systematically communicate the waste collectors and processors.

AB "Žemaitijos pienas" production process occupies an important place in the pack. Products are packaged in glass, PET, plastic, paper, combined, wood and other packaging. Packaging waste management company cooperates with NGO "Packaging management organization, which takes care of a responsible packaging collection and recycling.

The company continuously carries out investment projects, the introduction of new modern technologies, which allow more efficient use of energy resources, reduce emissions into the environment of emissions, the use of other environmental measures:

- 2016. the company signed a contract with the National Agency for the payment of the award under the Lithuanian Rural Development Programme 2014-2020 measures "Investments in tangible assets" activity area "Support for investment in agricultural product processing, marketing and (or) development." By acquiring new equipment the company will seek to reduce the pollution discharged into wastewater, and more efficient use of energy resources.

13.3. Human Resources Policy Aspects

The company aims to create and develop long-term relationships with employees, especially when the labor market situation is not satisfactory - the lack of high-skilled workers. Therefore, employees are encouraged to grow professionally. Employees have the opportunity to improve their knowledge and skills in seminars, courses. There are training programs prepared by the trained and certified professionals, production workers, operators, fitters, foremen, craftsmen.

Professional training during the reporting period:

Ref. No.	Work / training title	Trained staff 2016
1.	Trained new employees by initial training program	219
2.	Trained and certified production staff under the continuing education program	136
3.	Trained (training runs) production staff by continuous training	-
4.	The company's specialists trained personnel in internal training	290
5.	Trained staff external training company premises (purchased service)	400
6.	Qualified new g. masters and foremen	14
7.	Trained staff safety issues	238
8.	Trained staff work with new equipment	85
9.	Employees participated in external training (courses, seminars, conferences)	97
10.	Training programs prepared	8
	Total:	1.487

Great attention is paid to foreign language learning. Employees are trained in courses organized by the company and various other forms of learning and training, foreign language skills deepened abroad.

13.4. Personnel

According to data from December 31 2016 AB “Žemaitijos pienas” the number of employees was 1.214, compared with December 31 2015. the number of employees increased slightly, which in the past reporting period was the 1.197.

In the last financial year, AB “Žemaitijos pienas” the average number of employees:

	2016 12 31	2015 12 31
The average number of employees	1.214	1.197

Grouping of employees by education:

The number of employees	2016 12 31	2015 12 31
With a Master's education	43	49
Higher education	187	180
With higher education	241	182
With professional education	291	280
With secondary education	366	424
With low education	86	82
Total:	1.214	1.197

AB “Žemaitijos pienas” number of employees in accordance with their respective teams, and their average earnings in accordance with the relevant employee groups in euro includes:

The number of employees by groups	12 31 2016		12 31 2015		12 31 2014	
	Workers number	Average salary euros	Workers number	Average salary euros	Workers number	average wage, euros
Leaders	7	4.930	27	2.755	21	2.503
Specialists	272	1.310	246	1.184	239	1.027
Labor	935	743	924	755	932	592
Total:	1.214		1.197		1.192	

The Company's employees the rights and obligations provided for in their job descriptions. Employment contracts do not provide for special rights or obligations.

During the previous fiscal year, the average ABF “Šilutės Rambynas” personnel change:

	12 31 2016	12 31 2015	12 31 2014
The average number of employees	192	195	179

ABF “Šilutės Rambynas” grouping of employees by education:

The number of employees by education	12 31 2016	12 31 2015	12 31 2014
With masters degree	9	9	8
Higher education	21	21	20
With higher education	27	27	23
With professional education	76	76	73
With secondary education	37	40	36
With low education	22	22	19
Total:	192	195	179

ABF “Šilutės Rambynas” average salary in accordance with the relevant groups of workers in euro:

The number of employees by employee groups	12 31 2016		12 31 2015		12 31 2014	
	The number of employees	Average salary EUR	The number of employees	Average salary EUR	The number of employees	Average salary, EUR
Leaders	7	2.049	6	2.167	4	1.913
Specialists	34	988	43	979	87	828
Labor	151	793	148	772	88	614
Total:	192		197		179	

Employment contracts there are no special rights or obligations. Both AB “Žemaitijos pienas” both ABF “Šilutės Rambynas” constituted and functioning of the collective agreement.

14. References and additional explanations of the annual financial report of the data

The annual financial statements and notes of the data is sufficiently comprehensive and informative so no additional explanation. The annual report is prepared in accordance with the Ministry of the Group's consolidated financial statements, Minister of Financial Statements and other statutory requirements.

15. Data on the issuer's own shares

During the financial year 2011 of AB "Žemaitijos pienas" via Stock Exchange NASDAQ OMX Vilnius, the official tender submarket was bought 10 units. AB Žemaitijos pienas ordinary shares of 1 (one) litas par value for 5,21 euros. December 2012. The NASDAQ OMX Vilnius stock exchange order-based company purchased 1,360,010 units. shares by euros 867 thousand, all of the Company's shares are fully paid, the company now owns 2,070,621 units. of its own shares, representing 4.28 per cent. During 2013 period, the company bought 710 their own shares. 611 pcs. July 04 2016. By August 02 d. 2016 the company intended to buy part of the shares, but this time the shares have not been purchased. The company's own shares during the reporting period did not transfer. It should be noted that the subsidiary is not acquired any shares in the Company.

16. Company group's business plans and forecasts

Currently AB "Žemaitijos pienas" is one of the largest and most advanced milk processing companies in Lithuania, which currently employs more than a thousand employees. AB "Žemaitijos pienas" products are sold and highly appreciated not only in Lithuania, but also abroad. Every year, increasing sales show that the company has a strong position in the dairy market and strengthens them consistently.

AB "Žemaitijos pienas" skills and practices associated with those activities, which the company does best, and that helps it to stand out in a large competition. AB "Žemaitijos pienas" has long been in the same - the milk processing market, and gained a great experience: the company's customers know what they can expect from AB "Žemaitijos pienas", the company knows what consumers expect. In addition, over a long period of operation, the company has a well-established and good relations with suppliers.

The company trying to make its manufactured goods to the consumer to purchase a number of commercial facilities (shops), a manufacturer of its goods to the consumer wants to present as soon as a greater number of trade intermediaries: wholesalers, retailers and other entities. Therefore AB "Žemaitijos pienas" is usually subject to an intensive distribution strategy, which is typical of everyday consumer goods realization, including food products.

AB "Žemaitijos pienas" long-term goals - to become technically and technologically modern, competitive, reliable and stable growth for companies, their production products to ensure a profitable market in the European Union as well as the global markets, with a focus on products with high added value, own brands and persistent marketing effect; maintain the highest level of product quality; full use of existing facilities; systematic accumulation of intellectual capital.

Company's current main objectives:

- Buy the milk market, but not more expensive than the raw milk Lithuania buys other market participants;

- To reduce production costs and production costs, ensuring a stable and increasing product quality, so the main cost of production and cost reduction directions referred to as the negotiations with the major packaging, jams and so on, suppliers for price reductions and production efficiency;
- View the range produced to give up cost-inefficient production;
- All manufactured products must be kept at the highest technological standards complying warehouses;
- To increase sales to the company at favorable prices. To focus on the main strongest products with its own brand and retain at least 25 percent. domestic market share. Export markets focus on higher value-added product sales to the end user;
- Prepare the pricing in line with market requirements;
- To strengthen the marketing function, and company name, investing in brand-building, dissemination, customer loyalty-building;
- Reduce distribution costs, as a way of naming the distribution channels truncation, i.e. the distribution channels the number of participants is minimized;
- Encourage employees for the final result and assumed execution of the plans;
- Constantly improve, upgrade existing equipment of technological processes and transport economy to the higher production and quality of work, cost and productivity.
- Install a new ERP, which aims - to create a sound business management system that includes monitoring and control mechanisms in all the company's business processes to ensure timely and expeditious original recording.

ABF "Šilutės Rambynas" as a related company has such a policy in the food production and sales activities in the areas.

17. Information about the company's research and development activities

The company as its subsidiary (together or separately) constantly makes investments and looking for ways to ensure steady revenue growth and improved operating efficiency. The company also pays great attention to new product development. 2016. User Submitted kefir desserts, cut into cubes and grated fermented semi-hard cheeses.

The company focuses on high quality and added value for the consumer, and has collaborated with LUHS, VU, KTU CPST scientists, Lithuanian and foreign experts. Derivatives laboratory tests National Food and Veterinary Risk Assessment Institute, Eurofina, Hamilton, KTU MI, LUHS Veterinary Academy and others. laboratories, improved formulation, strengthening the uniqueness of the product, the development of new products. Research is continuous in nature, mainly directed to the existing product basket of product development.

For the highest standards of performance, advanced operational methods and innovative approach both in technology and in business management as well as individual company management and work processes, the company constantly seeks to improve going into foreign internships, exhibitions, cooperates with the largest suppliers, horizontally integrating good production practices, not only in their own production and logistics processes, but the improvement initiatives already starting from the suppliers of industrial processes and products.

18. Information about the company's use of financial instruments

AB "Žemaitijos pienas" assets are reflected according to IAS financial instruments - related companies. The Company's management estimates that the consideration to the performance of

companies, their trends, and the market prospects, there is no risk of these stocks depreciation. AB “Žemaitijos pienas” adheres to a conservative financial policy instruments in use, so the credit risk, cash flow risk, liquidity risk or not it is materially insignificant. Hedges used, long-term financing instruments used to a limited extent - only financial leasing, where contracts are concluded exclusively on favorable terms.

The company's main risk - Receivables liabilities liquidity AB “Žemaitijos pienas” operates through trade credit insurance or other forms of almost total export turnover.

AB “Žemaitijos pienas” is formed and an Audit Committee, which is the main risk, provides management proposals and their implementation, thereby increasing the company's assets and liabilities reliability.

Information about the issuer's financial risks is presented in the annual financial statements notes.

II. FURTHER INFORMATION ABOUT THE ISSUER, ITS SHAREHOLDERS, OTHER ISSUERS BODIES

19. Issuer's share capital structure

Registered in the Register 48,375,000 share capital. He divided the 48-375 000 pcs. ordinary 0,29 euro. the nominal value of the shares.

2016. 31 December. AB “Žemaitijos pienas” share capital consisted of:

Type of shares	Number of shares (pcs.)	Nominal value (EUR)	Total nominal value (EUR)	In share capital (%)
Ordinary shares	48 375 000	0.29	14 028 750	100

All shares are fully paid and there are no restrictions on the transfer of securities.

20. All restrictions on the transfer of securities

Securities transfer (disposition) restrictions apply.

21. Shareholders

December 31 2016. the company a total of was 2.920 shareholders. All issued shares are entitled to the same rights provided for in the Companies Law and the Articles of Association.

Shareholders owning or controlling more than 5 percent. AB “Žemaitijos pienas” share capital and voting rights:

Ref. No.	Shareholder	2016.		
		shares Number of shares.	Proportion of ownership, directly ²	Voting rights percent., indirectly ³
1.	Algirdas Pažemeckas	25 003 342	54	20.12
2.	Danutė Pažemeckienė	3 025 820	6.53	67.59
4.	AB „Klaipėdos pienas“, į/k 240026930, Šilutės pl.33, Klaipėda	2 901 844	6.27	67.85
5.	Other shareholders	17 443 994	33.20	-
	Total	48 375 000	100.00	-

There are no restrictions on transfer of securities. The shareholders are interest and non-property rights and have duties under the Companies Law and the Articles of Association.

Restrictions on voting rights. All the company's shares to which voting rights are of equal nominal value of each share at the general meeting of shareholders one vote.

22. Shareholders' rights

The shareholders have the laws and regulations rights granted to property and non-property rights:

The shareholders have the following property rights -

get the company's profit (dividend); get liquidation of the company's assets; free access to a share capital increase from company funds, except in cases prescribed by law; the shareholder is a natural person - to bequeath all or part of the shares to one or more persons; according to the law to sell or otherwise dispose of all or part of the shares to other persons, other property rights, which are possible under the law;

The shareholders have the following non-property rights -

participate in meetings; granted by the shares to vote at meetings; to obtain confidential information about the company's business; to elect and be elected to the company's management and control bodies, to occupy any position in the company, unless otherwise established by the Republic of Lithuania Law on Companies of the company's articles of association; provide specific suggestions of the company's financial, economic, organizational and others. activities to improve the appeal court of shareholders, the supervisory board, the board and the chief executive decisions or actions that are in violation of the law, the Articles of Association, the shareholders' rights and interests. One or more shareholders without a separate power of attorney shall be entitled to compensation for damage caused to the shareholders; other non-statutory rights.

Representatives of the Issuer knowledge there are no agreements between shareholders that may be the transfer of securities and (or) voting rights or other special rights acquired.

² Law on Securities Article 25

³ Law on Securities Art. 26, related parties - R. Jarulaitis (2.39 per cent.), R. Jarulaitienė (2.46 percent). D. Gecienė (1.03 per cent.), Baltic Holding (1.44 percent.)

A person acquires all the rights and duties granted by the acquired company share capital and (or) voting rights: in case of capital increase - from the company statutes amendments relating to the authorized capital and (or) voting rights in an increase in the registration date, in other cases - from property rights to the company share capital and (or) voting rights occurred.

23. Shareholders with special control rights and description of these rights

There are no shareholders with special control rights.

24. All restrictions on voting rights

The company has no shareholders, which would restrict the right to vote and / or subject to other restrictions or system under which the securities property rights granted separated from the holding of securities.

25. All agreements between shareholders of which the issuer is aware and that may be the transfer of securities and (or) voting rights

The Issuer is not aware of agreements between shareholders, which could limit the transfer of securities and (or) voting rights.

26. Changing order of the amendment articles

AB "Žemaitijos pienas" operate under the laws of the Republic of Lithuania, Government resolutions and normative acts regulating the activities of companies, the Company's Articles of Association.

AB "Žemaitijos pienas" may be changed by the Republic of Lithuania according to the laws.

27. Issuer's bodies

Issuer's bodies are the General Meeting, the Supervisory Board, the Board and Chief Executive Officer (CEO), also acts have their respective audit committee. Control bodies are the company's board and the manager.

The Supervisory Board is a collegial supervisory body in company care. The Council is chaired by the Chairman. Company Council, consisting of 3 members elected by the general meeting of shareholders for four years. Company stipulate that the Board member's cadence is unlimited.

The Company's Board is a collegial body that represents the company's shareholders for the period between meetings and making decisions in the company's most important economic activity. Board working procedures adopted by the Board shall determine its rules of procedure. The Board consists of 5 members. Board members are not more than four years by the Supervisory Board. Their terms of office limited. The activities managed by the chairman of the Board shall elect its members. Board members of the company acting jointly, the obligation is not specialized.

The Head of the Managing Director, who follows the Articles of Association, the general meeting decisions of the Board and other company local acts, he does not have the specific operating rights in the company.

Organizes daily activities of the company and carry out the actions necessary to carry out its functions, the corporate bodies to implement the decisions of the company and its operations. The General Manager is responsible and reports to the Board on a regular basis.

The General Meeting does not have any special rights to unforeseen legislation.

company bodies is governed by the laws of the Republic of Lithuania and other laws and the Articles of Association set requirements. According to the documents mentioned in the provisions of the company's bodies are elected, appointed and dismissed from office.

Bodies of the issuer does not have any exclusive and / or special rights in determining the regulation of release or by purchasing securities of the issuer, in this area they have the rights provided by the legislation.

General Meeting and his rights

Amend and supplement the Articles of Association; to collect and remove the firm, the Supervisory Board members; approve the annual financial statements, the Board of the Company's activities; a decision to increase the authorized capital; determine the type of shares issued by the Company, the class and the minimum issue price; a decision to reduce the share capital; decide to issue convertible bonds; take a decision to change one type or class of shares of the Company to another, to approve the share exchange procedures; adopt a decision for the Company to acquire its own shares; a decision to transform the company to liquidate the Company or to cancel the liquidation; a decision to reorganize the Company and approve the reorganization plan (conditions). Cases prescribed by law the decision on the Company's reorganization, merger, may be made by the Board; to decide on the distribution of profits; decide to set up reserves, excluding revaluation reserve. The Company's shareholders do not have any special rights and responsibilities in the company.

28. Issuer's management and supervisory bodies

Issuer's management bodies are the Board (collegiate) and head of the company (sole - CEO). A company's supervisory body - the Supervisory Board, as well as the Company has an Audit Committee. Control bodies are the company's board and the manager.

The Supervisory Board is a collegial supervisory body in the company's care. The Council is chaired by the Chairman. Company Council, consisting of 3 (three) members, elected by the general meeting of shareholders for four years. Company stipulate that the Board member's cadence is unlimited.

The Supervisory Board's powers and responsibilities:

elected members of the Board and remove them from office. If the company is operating at a loss, the Supervisory Board must consider whether the board members for the position; supervised by the Board and the Company's Chief Executive Officer; the AGM comments and suggestions on the Company's business strategy, annual financial statements, profit distribution plan and the annual report, as well as the Board and the Company's Chief Executive Officer; sets (combination) of the Board of the monthly / quarterly limits production for tasting free of charge to customers, the market for the exploration and / or expansion and the end of the quarter to approve; submit proposals to the Board and the Company Manager to revoke their decisions which contradict laws and other legal acts, the Articles of Association or the General Meeting of Shareholders; solve other articles of the Company, as well as

the annual General Meeting of the Supervisory Board within the competence of the Company and its management bodies supervisory issues; determined by the Company's director's salary if he is a member of the Board; Board at the request of a decision on the company working for the Supervisory Board member's termination of employment.

The Company's Board is a collegial body that represents the company's shareholders for the period between meetings and making decisions in the company's most important economic activity. Board working procedures adopted by the Board shall determine its rules of procedure. The Board consists of 7 (seven) members (under statute) 2016-12-31 state of the company is 5 (five) members of the board. Board members are not more than four years by the supervisory board, no special rules for the collection or removal of members of the Board is not provided. Their terms of office limited. The activities managed by the chairman of the Board shall elect its members.

The Board shall consider and approve:

The company's business strategy; Structure of management and employees; the positions to which the way of competition; the consent of the Supervisory Board, for each month are established and approved by the Company's products and the quantity that is available for free for buyers tasting, to investigate and / or expand the market; The Company's branches and representative offices; Director General and Deputy job description and salary.

The Board shall elect the company's manager. The Board agrees with the head of the Company proposed the nomination of the deputy and nominations for the position to which the way of competition.

The Board analyzes and evaluates the Director General on:

The Company's business strategy; The Company's activities; The Company's financial condition; economic performance, income and expenses, inventory and other records of the data; financial sources for the accumulation and use; The Company's transactions.

The Board examines the Director General of the Company's draft annual accounts and profit distribution project and these projects approved, submit them to the General Meeting. The Board sets the Company of tangible asset depreciation and intangible assets amortization methods and standards.

The Board shall timely preparation of general meetings, ensure the registered holders of the shares drawing up the lists, create agenda of the meeting, to present to the shareholders of the Company's annual financial statements, profit distribution project, the Company's activity report and other relevant information items on the agenda.

The Board shall, without the approval of the general meeting shall take decisions on these issues: decisions to be other legal persons the founder or member; decisions to establish branches and representative offices; decisions on long-term assets with a book value of more than 1/20 of the share capital, investment, transfer or lease; decisions on long-term assets with a book value of more than 1/20 of the share capital, to pledge or mortgage; decisions on other persons, the amount of which exceeds 1/20 of the authorized capital of the surety or guarantee; decisions on the acquisition of fixed assets at the price bigger than 1/20 of the share capital; solutions for corporate restructuring, reorganization conditions and / or projects to restructure, reorganize the company / es; The company's entry into associations, concerns, and (or) consortia and withdrawal from them; to allocate funds for charity, health protection, culture, science, physical education and sports, as well as natural disasters and the eradication of the state of emergency; determined by the chief executive officer of the funds used the size of the fund; other articles of the Company or the shareholders meeting of the Board within the competence of decisions.

The Head of the Managing Director, who follows the Articles of Association, the general meeting decisions of the Board and the administration work regulations.

Organizes daily activities of the company and carry out the actions necessary to carry out its functions, the corporate bodies to implement the decisions of the company and its operations. The General Manager is responsible and reports to the Board on a regular basis.

company bodies is governed by the laws of the Republic of Lithuania, legislation and the company's articles of association the power available to them. According to the documents mentioned in the provisions of the company's bodies are elected, appointed and dismissed from office.

The Head and the administration:

The Head of the Managing Director, who follows the company's articles of association, the general meeting decisions of the Board and the administration work regulations. Managing Director is appointed and recalled by the Board. Director General of the selected competition may be organized. The employment contract with the Director General signed by Chairman of the Board. The employment contract with the CEO, who is also Chairman of the Board, the Board shall be signed by an authorized member of the Board. General Director of the Company participate in Board meetings in an advisory capacity, if it is not a member of the board.

Chief executive officer (CEO):

led by the Company's administration; within its jurisdiction conclude transactions on behalf of the Company; represent the Company in dealings with third parties and in court and in arbitration. The right to represent the company's CEO acquired from the date set out in the employment contract; opens and closes the company's accounts with banking institutions; prepare and submit to the Board for approval the Company's management structure, job lists, salary and promotion for the systems of work; preparing a draft share subscription agreement; hire and dismiss employees, conclude and terminate employment contracts with them, the results of the work, with employee disciplinary sanctions and incentives, including of material nature; sets internal rules, approved by the departments of regulations, administrative rules of procedure; issue a mandate for those functions which are within its competence; Companies of cases stipulated by law to convene a general meeting of shareholders, it organizes, prepares the necessary general shareholders' meeting documents; ensure the Company's property, trade secrets protection; performs other laws and the Articles of Association functions; disposal of the Company's assets, including cash.

Supervisory Board composition:

Name surname	Occupation Issuer	Number of shares held in stock. and the share capital%	Election date	End of term	The beginning of "Žemaitijos pienas" work
Kestutis Trečiokas	Supervisory Board Chairman	-	2016 12 29	2020 12 29	closed
Hugo Ader	Supervisory Board member	-	2016 12 29	2020 12 29	closed
Aristydas Kulvinskas	Supervisory Board	-	2016 12 29	2020 12 29	closed

Board structure:

Name surname	Occupation Issuer	Number of shares held in stock. and the share capital%	Election date	End of term	The beginning of "Žemaitijos pienas" work
Rigilda Baniėnė	Member of the Board, Personnel and Legal Director	-	2016 12 01	2019 02 07	2016.07.25
Algirdas Pažemeckas ⁴	Chairman of the Board, Group leader Brendan	25 003 342 54.00	2014 02 07	2019 02 07	1986 12 26
Marius Dromantas	Member of the Board, Director of the Department of Transport	-	2014 02 07	2019 02 07	2003 12 01
Dalia Gecienė	Member of the Board, Senior. accountant	475 160 1.03	2014 02 07	2019 02 07	1986 07 29
Ramūnas Dargis	Member of the Board, Production Department Manager	-	2016 04 02	2020 04 02	2003 05 26

Administration:

Name surname	office	Number of shares held in stock.	Share of the capital%
Robert Pažemeckas	General Manager	-----	-----
Dalia Gecienė	Senior. Accountant	475 160	1.03

During the reporting period (2016). Company (issuer) of the supervisory board members, board members, the company's chief executive officer and chief financial officer / chief accountant credited to euros 587.365 EUR (five hundred and eighty-seven thousand three hundred and sixty-five euros) related to labor relations and 395.000 EUR (three hundred and ninety-five thousand) bonuses.

⁴ 2016-12-31 The Board upheld Mr. Pažemeckas request and dismissed from the members of the Board and Chairman of the Board;

During the reporting period, the supervisory board and management board members, the company's chief executive officer and CFO / chief accountant did not receive any guarantees or warranties, transfers of assets or any other property rights.

The Supervisory Board and the Board members, the company's CEO and CFO / chief accountant does not have a significant material obligations to the Company (the issuer), as well as company (issuer) has no obligations to these persons.

Guarantees and warranties and / or other obligations of the collateral for the management or supervisory bodies of these entities to ensure the fulfillment of obligations during the period of the year 2016 given on behalf of the issuer was not, the issuer did not give these entities and loans.

The Company's Audit Committee

AB Žemaitijos pienas runs the company's audit committee, which consists of three persons - Angelė Taraškevičienė (Chairman), Stanislava Vaičienė and Daiva Katarskienė (members).

Name surname	Job office authority	Number of shares held in stock. issuer	In office of the Committee	Terms of office end Committee
Angelė Taraškevičienė	JSC "values audit", the leader of	-----	2013-04-26	Before elected as members of the company's body removed from office or termination of the term of office
Stanislava Vaičienė	AB Žemaitijos pienas, Accountant	-----	2013-04-26	Before elected as members of the company's body removed from office or termination of the term of office
Daiva Katarskienė	AB Žemaitijos pienas, Accountant	-----	2013-04-26	Before elected as members of the company's body removed from office or termination of the term of office

The main function of the audit committee - to be the company's Supervisory Board advisory body, and the main task - to increase the supervisory board of the company working in the field of financial supervision efficiency, helping to ensure that decisions are taken impartially and due consideration. The audit committee, as such functions to provide the Board with recommendations related to external audit selection, appointment, reappointment and removal and with the terms and conditions, monitor the external audit process and assess how the external auditor and audit company follow the independence and objectivity principles, The Company monitors the financial reporting process, carry out other acts of the Republic of Lithuania and Vilnius Stock exchange listed companies management recommendations of the Code functions.

It should be noted that the Company does not set up any other committee.

III. OTHER INFORMATION RELATED TO THE ISSUER

29. All significant agreements to which the issuer is a party and which take effects, alter or terminate upon a change in control of the issuer, as well as their effects, except for the disclosure of such agreements do significant damage to the issuer

Agreements to which the issuer is a party and which take effect, alter or terminate upon a change in the issuer's control.

30. All of the issuer and its board members or employees agreements providing for compensation if they resign or are dismissed without a valid reason or if their employment is terminated due to a change of control of the issuer

The Issuer has not entered into agreements with its members or employees, which provided compensation if they resign or are dismissed without a valid reason or if their employment is terminated due to change of control of the issuer.

31. Issuer transactions

Significant transactions or alien to the issuer's normal course of business of the issuer on behalf of related parties or other entities in 2016. period has not been concluded.

The Issuer is not entered into the transaction as a result of changes in relation to the issuer's control happen significant changes relate to the issuer and / or have negative consequences to the issuer.

No form of unusual and / or the relevant bodies of the issuer, committee members or employees agreements which provide for compensation when the bodies of the rights and duties of that body, in the company for some reason an end.


Also knowledge of the issuer is not concluded transactions, which could lead to a conflict of interest between the company and its executives, including directors and shareholders or between the executive.

32. Information about compliance with the Corporate Governance Code














AB Žemaitijos pienas adheres to the Securities Exchange listed companies management requirements of the Code of compliance with this document in a separate annex to the consolidated annual report form an integral part.

33. Data on the publicly disclosed information





















During 2016. the reporting period, a lot has been part of the material and the AB Žemaitijos pienas-related events.

<u>date</u>	<u>market company</u>	<u>news</u>
30/12/201609:00 VLN	Žemaitijos pienas	ON retirement from the Board
30/12/201609:00 VLN	Žemaitijos pienas	Notice of AB ZEMAITIJOS PIENAS voting rights acquisition Attachments: 
29/12/201618:00 VLN	Žemaitijos pienas	Notice of AB ZEMAITIJOS PIENAS general meeting decisions

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date	market company	news
		taken Attachments: 
29/12/20168:25 AM	VLN Žemaitijos pienas	<u>VOTING FOR ASSIGNMENT OF CONTRACTS</u>
22/12/201618:00	VLN Žemaitijos pienas	<u>FOR Supervisory Board member resignation</u>
20/12/201620:00	VLN Žemaitijos pienas	<u>VOTING FOR ASSIGNMENT OF CONTRACTS</u>
16/12/201616:00	VLN Žemaitijos pienas	<u>For the interim measures against</u>
12/06/201617:00	VLN Žemaitijos pienas	<u>Due to the company's extraordinary general meeting of shareholders</u> Attachments: 
12/1/201617:00	VLN Žemaitijos pienas	<u>Due to the company's board member appointment</u>
11/25/20168:42 AM	VLN Žemaitijos pienas	<u>New wording of AB Žemaitijos pienas "Articles of Association</u>
10/30/20168:08 AM	VLN Žemaitijos pienas	<u>Notice of AB ZEMAITIJOS PIENAS general meeting decisions taken</u> Attachments: 
10/25/201612:04 PM	VLN Žemaitijos pienas	<u>For the General Meeting of Shareholders</u> Attachments: 
10/21/20168:00 PM	VLN Žemaitijos pienas	<u>Due to the company's extraordinary shareholders meeting of project specifications</u> Attachments: 
10/21/201612:15 PM	VLN Žemaitijos pienas	<u>For the interim measures against</u>
10/20/20161:51 PM	VLN Žemaitijos pienas	<u>Notice of AB ZEMAITIJOS PIENAS voting rights acquisition</u> Attachments: 
10/14/20168:26 AM	VLN Žemaitijos pienas	<u>CORRECTION: For a group of shareholders submitted alternative draft decision</u> Attachments: 
10/13/20162:37 PM	VLN Žemaitijos pienas	<u>For a group of shareholders submitted alternative draft decision</u> Attachments: 
10/13/20169:31 AM	VLN Žemaitijos pienas	<u>Due to the company's extraordinary general meeting of shareholders (partly modified agenda)</u> Attachments: 
8/26/201611:50 AM	VLN Žemaitijos pienas	<u>It will stop the trade in company shares</u>
8/24/20164:15 PM	VLN Žemaitijos pienas	<u>Due to the company's extraordinary general meeting of shareholders</u> Attachments: 
8/4/20167:33 AM	VLN Žemaitijos pienas	<u>Due to the company's extraordinary general meeting of shareholders</u> Attachments: 
8/3/20165:36 PM	VLN Žemaitijos pienas	<u>Report on the decision of the board and the intention of the company shares removed from trading on a regulated market NASDAQ Vilnius and exit of shares publicly</u> Attachments: 
6/28/201612:18 PM	VLN Žemaitijos pienas	<u>2016. 27 June. AB Žemaitijos pienas Board decision</u>
6/23/20166:00 PM	VLN Žemaitijos pienas	<u>For the transaction:</u> Attachments: 


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6/16/20167:42 AM	VLN	Žemaitijos pienas	<u>For the transaction:</u> Attachments: 
6/14/20165:15 PM	VLN	Žemaitijos pienas	<u>AB ZEMAITIJOS PIENAS extraordinary general meeting of shareholders in 2016. 14 June. decisions</u> Attachments: 
5/24/20161:30 PM	VLN	Žemaitijos pienas	<u>On the General Meeting of Shareholders</u> Attachments: 
5/13/20166:00 PM	VLN	Žemaitijos pienas	<u>CORRECTION: AB Zemaitijos pienas 'financial documents</u> Attachments:   
4/29/20166:00 PM	VLN	Žemaitijos pienas	<u>AB Zemaitijos pienas 'financial documents</u> Attachments:   
4/29/20165:00 PM	VLN	Žemaitijos pienas	<u>AB ZEMAITIJOS PIENAS general meeting in 2016. 29 April. decisions</u> Attachments:     
4/8/20166:00 PM	VLN	Žemaitijos pienas	<u>AB ZEMAITIJOS PIENAS Board draft decisions in 2016. 29 April. held the Ordinary General Meeting of Shareholders agenda</u> Attachments:     
4/1/20165:00 PM	VLN	Žemaitijos pienas	<u>Due to the company's board member appointment</u>
4/1/20164:00 PM	VLN	Žemaitijos pienas	<u>Due to the Ordinary General Meeting of Shareholders</u>
3/10/201610:56 PM	VLN	Žemaitijos pienas	<u>For the interim financial statements</u>
2/29/20166:00 PM	VLN	Žemaitijos pienas	<u>Unaudited preliminary AB Žemaitijos pienas Group 2015 operating results</u> Attachments: 
1/7/20162:16 PM	VLN	Žemaitijos pienas	<u>For the interim financial statements</u>

source -

http://www.nasdaqomxbaltic.com/market/?issuer=ZMP&market=&legal%5B%5D=main&legal%5B%5D=firstnorth&start_d=1&start_m=1&start_y=2014&end_d=31&end_m=6&end_y=2014&keyword=&pg=news&lang=lt⁵

Report on material events after the reporting period:

date	market	company	news	language
2/10/20176:00 PM	VLN	Žemaitijos pienas	<u>On the Bank of Lithuania issued a decision of the Director</u>	<u>en</u>
2/9/201710:42 AM	VLN	Žemaitijos pienas	<u>Notice of AB ZEMAITIJOS PIENAS voting rights acquisition</u> Attachments: 	<u>en</u>

About all the events AB Žemaitijos pienas "the statutes and regulations of the Republic of Lithuania informed the procedures laid down in the Vilnius Stock Exchange (NASDAQ Vilnius). Announcements were published in the central regulated information database and the company's website www.zpienas.lt.

⁵ At this address you can find more detailed information and reports published content;

IV. OTHER INFORMATION

34. Details of the audit

AB Žemaitijos pienas (Group) in 2016. 31 December. consolidated balance sheet and the related year then ended in consolidated profit (loss), cash flows and changes in equity for the year then ended by 2016. 10 October. signed a contract performed by Grant Thornton Baltic UAB.

Additional information that should be disclosed in accordance with the law governing companies, other legal acts or the statutes and which are not disclosed in this annual report and annual financial statements - none.

Annual report signed
2017. March 21

Robert Pažemeckas
General Director

Handwritten signature of Robert Pažemeckas in blue ink.

Dalia Gecienė
Senior accountant

Handwritten signature of Dalia Gecienė in blue ink.