

ŽEMAITIJOS PIENAS AB
Confirmation by the responsible persons

28 08 2009
Telšiai

Regarding Interim Report for the six months of the year 2009

We, the undersigned, Robertas Pažemeckas, Managing Director of the company *Žemaitijos pienas AB* and Dalia Gecienė, The Chief Financial Officer of the company *Žemaitijos pienas AB*, hereby confirm that to our knowledge the Interim Report for the six months of the year 2009 provides true information regarding *Žemaitijos pienas AB* business development and activity.

Managing Director



R. Paž.

Robertas Pažemeckas

Chief Financial Officer

D. Gecienė

Dalia Gecienė

ŽEMAITIJOS PIENAS AB
Interim Report for the Six Months of 2009

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1. The period covered in the prepared interim report

The report has been prepared for the first six months of 2009 according to the “Procedures for preparation and furnishing the periodical and additional information” approved under the Resolution No. 1K-3 of the Securities Commission of the Republic of Lithuania of 23 February 2007.

2. General information about the Issuer

Issuer's name	Žemaitijos pienas AB
Legal-organizational form	Stock Company
Registration date	23 June 1993
Company Code	180240752
VAT Payer's Code	LT802407515
Authorized Capital	LTL 48,375,000 the authorized capital is divided into 48,375,000 ordinary registered shares, a par value per share being LTL 1.
Address	Sedos st. 35, LT-87101 Telšiai
Telephone	8-444-22201
Fax:	8-444-22201
E-mail	info@zpienas.lt
Internet website	www.zpienas.lt

3. Information regarding Group's enterprises and branches

The subsidiaries run by the Company:

Šilutės Rambynas ABF, Company Code 277141670.

Date and place of registration: 9 December 1992, Klaipėdos St. 3, Town of Šilutė, District of Šilutė

Authorized Capital – LTL 8,596,650, The Company owns 87.82% of shares.

Domicile address - Klaipėdos St.3, Šilutė.

Nature of business – production of ferment cheese.

Tarpučių pienas L ŽŪK, Company Code 1151449845.

Date and place of registration: 5 June 2001, Klaipėdos St. 3, Town of Šilutė, District of Šilutė

Authorized Capital – LTL 496,027, The Company owns 10.08%, i.e. LTL 50,000 of the corporate authorized capital.

Domicile address – Klaipėdos g. 3, Šilutė.

Nature of business – chilling of raw milk.

Sodžiaus pienas L ŽŪK, Company Code 177975514.

Date and place of registration: 13 July 2001, Šilalės St. 35, District of Šilalė, Town of Laukuva

Authorized Capital – LTL 694,570, The Company owns 15.09%, i.e. LTL 105,000 of the corporate authorized capital.

Buveinės adresas – Šilalės St. 35, Laukuva, District of Šilalė

Nature of business – chilling of raw milk.

Žemaitijos pienas AB has 7 branches:

- Vilnius branch, address: Algirdo St. 40/13, Vilnius
- Kaunas branch, address: Kėdainių St. 8A, Kaunas
- Anykščiai branch. address: Vilties St. 4A, Anykščiai
- Alytus branch, address: Putinų St. 23, Alytus
- Klaipėda branch, address: Šilutės St. 33, Klaipėda
- Panevėžys branch, address: J. Janonio St. 9, Panevėžys
- Telšiai branch, address: Sedos St. 35, Telšiai

4. Nature of the Issuer's main business

The main business of the Company *Žemaitijos pienas AB* is a production and sale of dairy products.

5. Information about the agreements with the intermediaries on public trading of securities

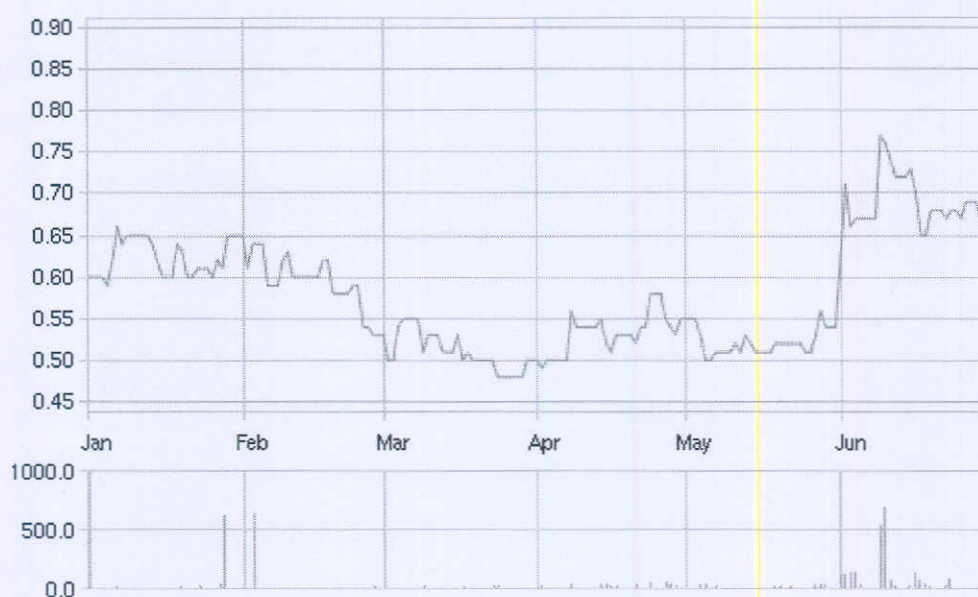
On 16 July 2004 the Company has concluded an agreement with *Šiaulių bankas AB* (address Tilžės St. 149) due to accounting of securities, issued by the company. According to this agreement, *Šiaulių bankas* will be responsible for the Company's securities' accounts starting from 23 July 2004.

6. Data on trading in the shares of the enterprises belonging to the Group in the regulated markets

Only the Company's shares are listed in the additional list of Vilnius Stock Exchange. Securities ISIN code is LT0000121865, the number of shares – 48,375,000.

Hereunder, the transactions of *Žemaitijos pienas AB* at Vilnius Stock Exchange during the period of the first six months of the year 2009 are presented. The graphs are taken from the website of *AB NASDAQ OMX Vilnius*:

http://www.nasdaqomxbaltic.com/market/?start_d=1&start_m=1&start_y=2009&end_d=30&end_m=6&end_y=2009&instrument=LT0000121865&list=3&pg=details&tab=historical&lang=lt¤cy=0&date=



7. Authorized Capital

The Authorized Capital of the Company is LTL 48,375,000 Litas. It consists of 48,375,000 ordinary registered shares. A par value of a share is LTL 1.

8. Acquisition of the own shares

During the reported period, no transactions concerning shares owned by the Company, its subsidiaries or the persons authorized by the subsidiaries were made. The company has neither acquired its own shares nor sold them to others during the reported period.

9. Shareholders

On 9 April 2009, the total number of shareholders was 3186, and on 31 December 2008 it was 3 177. All the shares issued provide the owners of the shares with equal rights, laid down in the Law of Stock Companies of the Republic of Lithuania and in The Articles of Association.

The list of the shareholders owning or holding more than 5 % of *Žemaitijos pienas AB* authorized capital and votes is as follows:

No.	Shareholder	Number of shares under ownership	The share of the authorized capital and votes under ownership, %	The share of votes in possession together with associated parties, %
1	PAŽEMECKAS Algirdas	21, 355, 870	44.15	49.55
2	SKANDINAVISKA ENSKILDA BANKEN CLIENTS, Company Code 50203290810, SERGELS TORG 2, 10640 STOCKHOLM, SWEDEN	3, 841, 690	7.94	7.94
3	<i>Klaipėdos pienas AB</i> , Company Code 240026930, Šilutės road. 33, 91107 Klaipėda	3, 601, 844	7.45	7.45
4	ŠUNOKIENĖ Ona	2, 614, 430	5.4	49.55

There are no restrictions on the transfer of the securities. The shareholders are entitled with interest and non-interest rights as well as to commitments defined in the Law on Stock Companies of the Republic of Lithuania.

Restrictions on voting rights. All the Company's shares giving the right to vote are of equal nominal value; one share gives one vote during the General Meeting.

The shareholders of the Company are entitled to the following interest rights:

- receive a share of Company's profit (dividend);
- receive a share of the Company in the case of liquidation;
- receive free shares in the case the Authorized Capital of the Company is being increased by corporate means, except for the cases defined in the Law;
- in cases when the shareholder is a natural person, he has a right to devise all or part of the shares for a single or several individuals; sell or otherwise transfer all or part of the shares to other individuals, according to the procedures and terms provided in the Law.

The shareholders of the Company are entitled to the following non-interest rights:

- participate in the Meetings;
- vote in the Meetings, according to the voting rights determined by the number of shares in possession;
- receive non-confidential information on economic activity of the Company;
- elect and be elected to the management and supervisory bodies of the Company;

- take any position in the Company, if the Law of Stock Companies or the Articles of Association does not provide otherwise;
- give specific suggestions with respect to the improvement of financial, economic, organizational, etc. activity of the Company;
- appeal against the decisions or actions made in the General Meetings, made by the Supervisory Council, Management Board or the CEO of the Company which are against the Laws of the Republic of Lithuania, The Articles of Association or interest and non-interest rights of the shareholders;

Shareholders, individually or collectively, have a right to claim for the damages and other rights provided in the Laws of the Republic of Lithuania.

An individual is entitled to all the rights and commitments which are provided by the share of the Company's authorized capital and/or voting rights; in the case, when the authorized capital is increased by corporate means – from the day the changes in the Articles of Association related to the increase of the authorized capital and/or of voting rights have been registered; in all other cases – from the day the proprietary rights to the authorized capital of the Company and/or voting rights have emerged..

10. Risk management

The Company is engaged in the activity of producing dairy products out of raw milk. The main factors creating the risk for the company business are possible changes in the markets of raw material, and dairy products. Also some political, legal, social and technological changes directly or indirectly related to the activity of *Žemaitijos pienas AB* are possible with a possible negative impact on the Company's money flows and activity results.

The main raw material of the Company is milk, the amount of which to be sold for processing for European Union's producers of dairy products is restricted by national milk quotas. The restriction of raw material supply can result in the lack of raw material, and increase the price of raw material. These changes could have negative effects on the Company's money flows and activity results.

The business of the Company (especially milk procurement) is an activity which needs a lot of labor force. Increasing price of fuel and increasing wages of employees could have negative effects on the Company's growth potential and activity results.

The Company specializes in the production of fresh dairy products and various kinds of cheese. A major part of its income comes from the sale of these products. Due to these reasons negative changes in the market demand and price of these products could have negative effects on the Company's income, profit and general financial condition. Product price can also be influenced by the competition in the local and international market of dairy products.

11. Information on activity results

The main indicators for the activity of the Group during the first six months of the year 2009, in thousands of LTL:

Financial indicators	Of the Group	
	Six months of the year 2009	2008
Turnover	186,785	471,829
Gross profit	30,057	72,149
Profit before taxes, interests, and depreciation	8,982	15,060
Profit before taxes	(1,770)	(3,889)
Amount of investments in the long-term assets	7,688	31,346

Comparison of the tonnages and prices of the collected raw milk during the first six months of 2009 and in 2008:

Raw milk procured (recalculated into base richness)	Six months of the year 2009	2008
Amount of milk procured, in thousands of tones	148	340
Price for the milk procured, LTL/t	525	752

The distribution of *Žemaitijos pienas AB* products sold in the local and international markets during the first six months of the year 2009 and the year 2008 is as follows, in thousands of Litai:

Product group	Turnover, LTL	
	Six months of the year 2009	2008
Fermented cheese	85,632	225,823
Fresh dairy products	60,391	143,780
Butter and fat mix	14,419	33,829
Dry milk products	4,897	13,194
Ice cream	4,106	15,121
Other	16,019	39,698
Export subsidies	1,321	66
In Total	186,785	471,511

12. Activity plans, development and forecasts

In a long-term perspective, *Žemaitijos pienas AB* expects to become a strong, technically modern, and reliable company attractive for investors; to build a profitable market for its production in European Union and the Baltic States; to retain the highest level of product quality; to fully exploit available production capacity; to systematically accumulate intellectual capital.

The main current goals of the company:

- to procure milk under market conditions but not more expensive than raw milk is purchased by other market players in Lithuania;
- to increase sales at the prices favourable for the company; to focus on the main product portfolio and to retain at least 20 per cent share of the internal market; and in the export markets, to focus on sales of the higher value-added products;
- to strengthen its marketing function and name of the company;
- to reduce production costs and product cost price;
- to abandon economically ineffective production as soon as possible;
- to reduce distribution costs;
- to give incentives for employees only for the final results and achievement of plans set.

As it is hard to predict the economic situation in the State, the corporate group of *Žemaitijos pienas AB* refrains from publishing its turnover and profit forecasts for the year 2009.

13. Environment protection

Žemaitijos pienas AB, a company engaged in production and sale of dairy products, based on the established criteria, is attributed to the Installations group set out in Appendix 1 of the regulations of environmental protection IPPC permit. On December 29, 2006 the company was granted a permit of Integrated Pollution Prevention and Control (IPPC) for an unlimited period of time which due to some changes, however, can be adjusted. The company has no such negative effect on the environment that could require to immediately take necessary actions to reduce it, however company continuously monitors its performance measures, plans and implements investment potentially enabling to reduce costs of production and operation as well energy consumption, and allowing to improve environmental status of the company in every possible way. We are always ready to deal with environmental issues jointly with the general public.

In 2008, company has implemented the integrated quality management and food safety management system that, in the effect, meets requirements of the ISO 9001:2008 and ISO 22000:2005 standards, and further intends to implement the ISO 14000 environment management system.

All the waste and packages are handled based on the established environmental requirements. *Žemaitijos pienas AB* carries out segregation of the secondary raw materials out of the overall waste flow and systematically sends this waste to waste recycling and collecting facilities.

Company continuously undertakes investment projects for the implementation of new modern technologies that allow using energy resources more effectively. On December 19, 2008 the company has submitted an application to National Paying Agency under the Ministry of Agriculture for the support in accordance with the 1st field of activity *Processing and marketing of agricultural products* of the measure *Adding value to agricultural and forestry products* under the *Rural Development Programme for Lithuania for the period 2007–2013*, on the basis of which company intends to acquire 11 new milk-trucks, milk/whey processing and packing equipment and air purifying filter at the total value of 14.2 mln. Litas. This investment in modern milk-trucks

shall reduce a currently high consumption of fuel by obsolete trucks as well as costs of auto repair and technical maintenance, and shall also allow company to save on taxes paid for environmental pollution from the mobile vehicles and result in lower cost price of the raw material being supplied. After implementation of the project, the obsolete equipment will be replaced by the modern one resulting in higher product quality, reduced air pollution by solid particles from the flour packing line and wastewater contamination.

14. The major events during the reported period

In May 2009 *Žemaitijos pienas AB* was granted the ISO 9001 certificate for quality management and ISO 22000 certificate for food safety management systems.

Area of certification – creation, production and sale of dairy products.

More on ISO 9001 and ISO 22000:

ISO 9001 management system certificate shows that the company has a quality management system which ensures effective management of the Company according to the widely-accepted values and objectives.

ISO 22000 food safety management system certificate shows that the company ensures food safety throughout the whole chain of production and supply up to the point of consumption. Companies having the ISO 22000 certificate must give a lot of attention to the process of production and ensure a suitable level of hygiene in order to get safe and quality end product.

15. Issuer's Management Bodies

Issuer's Management Bodies are as follows: General Meeting; Supervisory Council; Management Board; and Chief Executive Officer (Director General).

The Supervisory Council is a collegial management body performing supervisory functions for the Company. The Supervisory Council of the Company consists of 3 (three) members which are elected by the General Meeting for the period of 4 years. The Articles of Association of the Company provide for unlimited number of cadences.

The management Board of the Company is a collegial management body representing the shareholders of the Company during the period between the meeting and making the decision on the most important issues of the Company in the area of economic activity. The procedure of work of the Management Body is established in the Regulation of the Work of the Management Board. Management Board consists of 5 members. The members of the Management Board are elected by the Supervisory Council for the period of four years. The number of cadences is unlimited. The Management Board is run by a Chairman which is elected by the Management Board out of its members.

The Chief Executive Officer of the Company is Director General. In his activity, Director General follows the Articles of Association, decisions of the General Meeting, decisions made by the Management Board, and the Regulation of the Work of Administration.

The Chief Executive Officer of the Company arranges the everyday activity of the Company and performs all the actions required for exercising his functions, implementing the decisions made by the management bodies of the Company, and ensuring the activity of the Company. Director General of the company is directly accountable to and regularly reports to the Management Board.

In their activity, the management bodies of the Company follow the Laws of the Republic of Lithuania, legal acts and the Articles of Association regulating their activity. The provisions in the above-mentioned documents also regulate selection, appointment and dismissal of the members of the management bodies.

16. Members of the collegial bodies

Supervisory Council of the Company

Name	Position within the Issuer	Number of shares under ownership and percentage of the authorized capital, %	Beginning of the cadence	End of the cadence	Start of the service at Žemaitijos pienas
Artūras Kanapienis	Chairman of the Supervisory Council	19 860 0.04	13/10/2007	12/10/2011	05/09/2008 Director General of Žemaitijos pieno investicija AB
Robertas Pažemeckas	Member of the Supervisory Council	-	13/10/2007	12/10/2011	26/08/2002
Romusas Jarulaitis	Member of the Supervisory Council	1 105 510 2.29	13/10/2007	12/10/2011	26/01/1988

Management Board of the Company

Name	Position	Number of shares in possession and the share of the authorized capital in possession, %	Beginning of the cadence	End of the cadence	Start of the service at Žemaitijos pienas
Irena Baltrušaitienė	The Chairwoman of the Management Board, Production Manager	577 130 1.19	30/09/2008	29/09/2012	15/08/1975
Algirdas Bladžinauskas	Member of the Management Board, Sales Manager	-	30/09/2008	29/09/2012	20/08/1996
Dalia Gecienė	Member of the Management Board, Chief Financial Officer	665 160 1.38	30/09/2008	29/09/2012	29/07/1986
Marius Dromantas	Member of the Management Board, Logistics Manager	-	01/06/2009	29/09/2012	01/12/2003
Algirdas Pažemeckas	Member of the Management Board, Director General	21 355 870 44.15	30/09/2008	29/09/2012	26/12/1986

Administration:

Name	Position	Number of shares in possession	Share of the authorized capital in possession, %
Robertas Pažemeckas	Managing Director	-	-
Dalia Gecienė	Chief Financial Officer	665 160	1.38

Amounts of money accrued for the Management Bodies of the Issuer during the reported period

The amount of money accrued for the Management Bodies during the six months of the year 2009 is 562 131 Litas. This amount was allocated as follows: 216 955 Litas for the members of the Supervisory Board, and 345 176 Litas for the members of the Management Board.

No guarantees or sureties have been given to the liabilities of others during the six months of the year 2009.

17. Transactions with the related parties

No agreements have been made one of the parties of which was the Issuer and which would come into force, would change or would be terminated in case the control mechanism of the Issuer changes.

The Issuer has not come into any agreements providing for the compensations for the members of the management bodies or for the workers in case they are dismissed, or fired without any reasonable reason, or their service is terminated due to changes in the control mechanism of the Issuer.

18. Employees

According to the data of 30 June 2009, the number of employees in the Group's enterprises was 1674. Comparing to the data of 31/12/2008, the number of employees has reduced by 8.98%. This reduction was determined by the current economic changes.

	30/06/2009	31/12/2008
Average number of employees	1674	1839

Grouping of the personnel according to the educational background:

Number of employees	30/06/2009	31/12/2008
Personnel having a university degree	190	225
Personnel having a higher education degree	400	413
Personnel having vocational education	414	440
Personnel having secondary education	610	583
Personnel having uncompleted secondary education	60	178

Average monthly salaries before taxes for the separate groups of employees are as follows:

Employee group	First six months of the year 2009		31/12/2008	
	Number of employees	Average monthly wage, LTL	Number of employees	Average monthly wage, Lt
Managing staff	6	13.608	6	15.709
Specialists	222	2.759	218	2.978
Workers	1446	1.706	1615	1.972

By its Human Resource Policy, the Company seeks to create and develop long-term relationships with its employees. During the period from March 2006 until May 2008, an extensive employee training program "Development of general abilities and skills of Žemaitijos pienas AB employees" funded by the EU structural funds have been executed. Thus the employees were given an opportunity to improve their skills. Training programmes have been prepared for the following groups of workers: production workers, production machinery operators, production operators, production machinist-operators, and production supervisors.

19. Data on the publicly announced information

06/02/2009 Regarding the information announced in the media.

The information announced in the daily Verslo Žinios on February 5, 2009 indicating that in the previous and the current year Žemaitijos Pienas AB reduced its volume of production by 15 percent and stopped cheese export to Italy is false.

The company affirms that the announced information does not correspond to the real situation, since Žemaitijos Pienas AB has neither reduced the volume of production nor stopped export to Italy.

13/02/2009 Regarding reduction of investments.

In 2009, Žemaitijos Pienas is planning to invest around LTL 14 million in the production development by obtaining part of the financial resources from the EU Structural Funds. This amount will make up around 50 per cent of the previously planned investments. Such changes have resulted from the global economic crisis.

27/02/2009 Interim information of the 12 months of 2008

We provide financial information regarding 12 months of 2008

Attachment: AB Žemaitijos pienas Unaudited Interim Financial Statements of 2008

16/03/2009 Regarding the general meeting of shareholders

On the initiative of and following the decision of the company board Žemaitijos pienas AB, company code 180240752, calls for an ordinary general meeting of shareholders, which will take place at the company's location in Sedos g. 35,

Telšiai at 3 p.m. on 17 April 2009.

The registration shall begin on 17 April 2009 at 2 p.m. and last till 2.45 p.m.

The beginning of the meeting is scheduled for 3 p.m.

The meeting shall take place at the company's location in Sedos g. 35, Telšiai.

The day of the meeting record is 10 April 2009.

Agenda of the meeting:

1. Annual report of the company;
2. Company auditor's report;
3. Approval of the company's financial accountability for the year 2008;
4. Distribution of the company's profit (loss) in the year 2008;
5. Selection of the audit company and setting the payment terms;
6. Other issues.

17/03/2009 Corrected: the registration day of the meeting.

On the initiative of and following the decision of the company board Žemaitijos pienas AB, company code 180240752, calls for an ordinary general meeting of shareholders, which will take place at the company's location in Sedos g. 35,

Telšiai at 3 p.m. on 17 April 2009.

The registration shall begin on 17 April 2009 at 2 p.m. and last till 2.45 p.m.

The beginning of the meeting is scheduled for 3 p.m.

The meeting shall take place at the company's location in Sedos g. 35, Telšiai.

The registration day of the meeting is 09 April 2009.

Agenda of the meeting:

1. Annual report of the company;
2. Company auditor's report;
3. Approval of the company's financial accountability for the year 2008;
4. Distribution of the company's profit (loss) in the year 2008;
5. Selection of the audit company and setting the payment terms;
6. Other issues.

06/04/2009 Notifications on transactions concluded by managers

Notifications on transactions concluded by managers of the companies.

09/04/2009 Draft Resolutions of the General Shareholder Meeting to be held on 17.04.2009

JOINT STOCK COMPANY ŽEMAITIJOS PIENAS

BOARD RESOLUTION

No 1, March 25, 2009

Telsiai

According to the Joint Stock Companies Act of the Republic of Lithuania, Article 34, the Board of the company decides to address General Meeting the following issues:

1. Approving the Annual Report of the company
2. Hearing the conclusion of company auditors
3. Approving Consolidated Annual Financial Statements 2008
4. Approving the following assignment of profit (loss):
5. Obliging the Board to choose auditing company for auditing consolidated financial statements of 2009 and conclude an agreement on auditing services.
6. Electing and approving members of AB Žemaitijos pienas Auditing Committee.
7. Instituting the Auditing Committee and approving its Activity Guidelines (as attached 3 pages).

20/04/2009 Summon of the ordinary 2009-04-17 general meeting of shareholders of AB Žemaitijos Pienas.

Resolutions of the ordinary General Meeting of Shareholders of Žemaitijos Pienas AB held on 17th April 2009:

1. Approving the Annual Report of the company

2. Hearing the conclusion of company auditors
3. Approving Consolidated Annual Financial Statements 2008
4. Approving the following assignment of profit (loss):
 1. Retained earnings (loss) at the beginning of financial year reported 42 660
 2. Net income (loss) of financial year reported (4 805)
 3. Transfers from reserves 0
 4. Shareholders contribution against losses (if the shareholders decide to cover all or part of the loss) 0
 5. Total distributed earnings (loss) 37 855
 6. Profit allocation to compulsory reserve 0
 7. Profit allocation to compulsory reserve in order to purchase its own shares 0
 8. Profit allocation to other reserves 0
 9. Profit allocation to be paid as dividends 0
 10. Profit allocation to be paid as annual payouts (tantiemes) to board and council members, bonuses to employees and for other purposes 0
 11. Retained earnings (loss) carried forward to next financial year 37 855
5. Obliging the Board to choose auditing company for auditing consolidated financial statements of 2009 and conclude an agreement on auditing services.
6. Do not establish committee of auditing.

20/04/2009 AB Žemaitijos pienas annual information.

1. Independent auditor's report, consolidated annual report, financial statements.
2. Information about compliance with corporate governance code.
3. Acknowledgement of authorised representatives.

22/04/2009 Explanation regarding the Announced Loss

After the audit, loss of AB Žemaitijos pienas group decreased from 4.6 million litas of the announced one to 3.7 million litas the audited one. The difference appeared because of the fixed assets of ABF Silutes rambynas were recalculated under the real value.

29/04/2009 Elected Chairman of the Management

28-04-2009 Management of the Žemaitijos pienas AB elected Algirdas Pažemeckas of the Chairman Management.

2009-05-04/05/2009 AB Žemaitijos pienas 1st Quarter 2009 Preliminary Results

During the 1st quarter 2009 unaudited consolidated sales revenue amounted to 90.25 million litas (26.14 million euros) and this is 20.42 percent less than the same quarter last year. Unaudited consolidated loss reached 3.6 million litas (1.04 million euros) whereas the same time last year it was 5.4 million litas (1.56 million euros).

29/05/2009 Consolidated financial interim report of Žemaitijos pienas for three months 2009

Consolidated financial interim report of Žemaitijos pienas for three months 2009

Please find attached consolidated financial interim report of AB Žemaitijos pienas for three month period for the year 2009.

01/06/2009 Resolutions adopted at the meeting the Supervisory Board of Žemaitijos pienas

Resolution: To recall the member of the Romusas Jarulaitis and to elect the new member of the Board Marius Dromantas.

23/06/2009 Regarding delisting of the shares of AB „Žemaitijos pienas“
Managing bodies of AB „Žemaitijos pienas“ decided not to discuss the question about elimination of company's shares from trading in NASDAQ OMX Vilnius exchange.

31/07-2009 Activity results of AB „Žemaitijos pienas“ Group for the first half-year of 2009
Preliminary unaudited Result for the 1st half-year of 2009

The preliminary consolidated sales figures of AB „Žemaitijos pienas“ Group for the first half-year of 2009 amounts to 186,8 million LTL (54,1 million EUR), i.e. 20,5 % less than during the same period last year. Lower sales have been influenced by declined milk product market prices.

The consolidated unaudited loss for the first half-year of 2009 was 1,9 million LTL (0,55 million EUR). In 2008 consolidated loss for the first half-year was 10,4 millions LTL (3,01 million EUR).

12/08/2009 Regarding supplement to the annual announcement for the year 2008

The Management Board and the Top - Management of the company Žemaitijos pienas AB discussed and approved the additional information to be provided under the consolidated annual announcement for the year that ended on December 31, 2008 that has been submitted incomplete or has not submitted at all.

14/08/2009 About acquisition of shares

AB "Žemaitijos pienas" acquired 32 per cent of shares of SIA "Muizas piens", which is registered in the Republic of Latvia and implements wholesale and retail trade, by purchase - sales agreement.

17/08/2009 Meeting of the shareholders

On the initiative and by the decision of Public Limited Liability Company AB

“Žemaitijos pienas“, the extraordinary General Meeting of the company AB

“Žemaitijos pienas“, company code 180240752, registered office at Sedos g. 35, Telšiai, shall be convened on 15 September 2009 at 3 p.m.

Registration takes place on 15 September 2009 from 2:00 p.m. to 2:45 p.m., the Meeting starts at 3 p.m. The Meeting shall take place in the Company's office at the address Sedos g. 35, Telšiai.

The shareholders' registration day shall be the 8th of September 2009. Only those persons, who are the shareholders at the end of shareholders' registration day, shall have the right to participate and vote in the General Meeting.

Agenda of the Meeting:

1. Selection of the audit company for performance of audit of annual financial reports and establishment of conditions of payment for audit services;

2. Other issues.

Document drafts related with the issues of the agenda may be accessed in the Company's office. Every shareholder shall have the right to express his will about any issues of the agenda of the Meeting in writing within the terms determined in the Law on Companies of the Republic of Lithuania.

Persons who shall participate in the Meeting and who have the right to vote shall have to present the document proving his personal identity. Those shareholders who are not able to participate in the Meeting personally shall have the right to authorize another person to represent his interests, following the procedure specified in legislative acts. The authorization has to comply with requirements for the form and contents as prescribed by legislative acts.

The shareholder may vote in writing by filling in the general ballot. The filled in general ballot may be handed to the Company by post, electronic means, or directly in the Secretary's Office of

the Company's Office provided that the security of such information is guaranteed and shareholder's identity is possible to verify.

Other information is available at our website <http://www.zpienas.lt/>

Following the procedure defined in the Articles of Association of the Company and normative acts of the Republic of Lithuania, *Žemaitijos pienas AB* has informed the Securities Commission and Vilnius Stock Exchange (AB NASDAQ OMX Vilnius) about all the relevant stock events. The notifications have been published in the Central Regulated Information Base and in the website of the Company www.zpienas.lt. The notifications about the summons to the General Meetings have been additionally published in the newspaper *Valstiečių laikraštis*. Information about other transactions by the top management has been published on the websites of Vilnius Stock Exchange and the Securities Commission.

20. Procedure of amending the Articles of Association

In its activity, the company *Žemaitijos pienas AB* follows the laws of the Republic of Lithuania, Decisions of the Government of the Republic of Lithuania, other legal acts regulating the activity of enterprises, and The Articles of Association.

The Articles of Association of *Žemaitijos pienas AB* may be amended following the procedure defined in the legal acts of the Republic of Lithuania.

21. Information about the compliance with the Corporate Governance Code

The company obeys most of the rules of the Corporate Governance Code. The Bodies of the Company include General Meeting, Supervisory Council consisting of 3 members and elected for 4 years cadence, Management Board consisting of 5 members and elected by the Supervisory Council for the period of 4 years, and the Chief Executive Officer. Information on how the Company follows the specific articles of the Corporate Governance Code is provided together with the Annual Report for the year 2008. This information is also provided in the webpage of the company www.zpienas.lt.

Chief Executive Officer



Robertas Pažemeckas