Pieno Žvaigždės, AB Confirmation of the Management

2009 11 30 Vilnius

Interim Financial Statements for the nine months 2009

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

Pieno Žvaigždės, AB CEO

Aleksandr Smagin

Pieno Žvaigždės, AB CFO Audrius Statulevičius

PIENO ŽVAIGŽDĖS, AB

INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS OF 2009

VILNIUS, NOVEMBER 2009

TABLE OF CONTENT

1. Balance sheet	3
2. Income statement	
3. Cash flow statement	5
4. Statement on changes in equity	6
5. Notes to financial statements.	7

Financial statements prepared according IFRS, not audited

1. Balance sheet

Thousand Litas	2009.09.30	2008.12.31
Assets	225 522	225 152
Property, plant and equipment	225 532	235 152
Intangible assets	1 673	1 071
Investments available for sale	275	275
Long-term receivables	4 519	4 453
Deferred tax	221 000	240.051
Total non-current assets	231 999	240 951
Inventories	58 187	81 841
Receivables	72 706	76 709
Cash and cash equivalents	2 138	1 907
Total current assets	133 031	160 457
Total assets	365 030	401 408
Equity		
Share capital	54 205	54 205
Share premium	27 246	27 246
Own shares	(6 108)	(4 108)
Reserves	27 373	28 759
Retained earnings	41 445	36 063
Total equity	144 161	142 165
T 1.1 994		
Liabilities	2.565	2 775
Government grants	3 565	2 775
Interest-bearing loans and borrowings Deferred tax	86 908 1 930	77 568
		1 930
Total non-current liabilities	92 403	82 273
Provisions	-	_
Interest-bearing loans and borrowings	66 979	112 525
Income tax payable	3 200	1 930
Trade and other amounts payable	58 287	62 515
Total current liabilities	128 466	176 970
Total liabilities	220 869	259 243
Total equity and liabilities	365 030	401 408

2. Income statement

Thousand Litas	2009.01.01 - 2009.09.30	2008.01.01 - 2008.09.30
Revenue	460 984	505 744
Cost of sales	(366 241)	$(426\ 024)$
Gross profit	94 743	79 720
Other operating income, net	378	6 673
Sales and administrative expenses	(76 132)	(78 345)
Operating profit before finance costs	18 989	8 048
Finance income	795	399
Finance expenses	(6 671)	(8 307)
Finance income/expenses, net	(5 876)	(7 908)
Profit before tax	13 113	140
Corporate income tax	(3 200)	(21)
Profit for the year	9 913	119
Earnings per share (Litas)	0,18	0,00

Thousand Litas	2009.07.01 - 2009.09.30	2008.07.01 - 2008.09.30
Revenue	161 093	172 445
Cost of sales	(129 606)	(141 886)
Gross profit	31 487	30 559
Other operating income, net	114	6 231
	(25 739)	
Sales and administrative expenses		(23 698)
Operating profit before finance costs	5 862	13 092
	4=0	
Finance income	179	176
Finance expenses	(1713)	(2 839)
Finance income/expenses, net	(1 534)	(2 663)
Profit before tax	4 328	10 429
	(1.026)	(21)
Corporate income tax	(1 036)	(21)
Profit for the year	3 292	10 408
Earnings per share (Litas)	0,06	0,19

3. Cash flow statement

Cash flows from operating activities 9,913 119 Net profit 9,913 119 Adjustments: 31.865 32.806 Depreciation and amortisation 31.865 32.806 Amortisation of government grants (338) (1.493) Result of disposal of property, plant and equipment 152 Change in impairment loss of inventories 2.034 Interest income/expenses, net 5.614 7.908 Cash flows from ordinary activities before changes in the working capital 49.240 39.340 Change in inventories 21.621 6.327 Change in trade and other payable amounts (3.580) (1.002) Cash flows from operating activities 73.493 28.395 Interest paid (6.211) (7.703) Income tax paid (150) (7.703) Net cash flow from operating activities 67.132 20.692 Cash flows from investing activities 46.211 (7.703) Acquisition of property, plant and equipment interest received (24.651) (33.465) Acquisition of intangible assets (808) (4		2009.09.30	2008.09.30
Adjustments: Depreciation and amortisation 31.865 32.806 Amortisation of government grants 152 Change in impairment loss of inventories 2.034 Interest income/expenses, net 5.614 7.908 Cash flows from ordinary activities before changes in the working capital Change in inventories 21.621 6.327 Change in inventories 21.621 6.327 Change in inventories 21.621 6.327 Change in receivables 6.212 (16.270) Change in trade and other payable amounts 3.5800 (1.002) Cash flows from operating activities 73.493 28.395 Cash flows from operating activities 67.132 20.692 Cash flows from operating activities 67.132 20.692 Cash flows from investing activities Cash flow from operating activities Cash flow seed in investing activities Cash flow used in investing activities Cash flow used in investing activities Cash flow used in investing activities Cash flow seed in investing activities Cash flow used in investing activities	Cash flows from operating activities		
Depreciation and amortisation 31.865 32.806	Net profit	9.913	119
Amortisation of government grants (338) (1.493) Result of disposal of property, plant and equipment 152 Change in impairment loss of inventories 2.034 Interest income/expenses, net 5.614 7.908 Cash flows from ordinary activities before changes in the working capital 49.240 39.340 Change in inventories 21.621 6.327 Change in receivables 6.212 (16.270) Change in trade and other payable amounts (3.580) (1.002) Cash flows from operating activities 73.493 28.395 Interest paid (6.211) (7.703) Income tax paid (150) (150) Net cash flow from operating activities 67.132 20.692 Cash flows from investing activities (808) (46) Acquisition of property, plant and equipment (24.651) (33.465) Acquisition of intangible assets (808) (46) Proceeds on sale of property, plant and equipment 956 5.578 Interest received 597 Net cash flow used in investing activities (23.906) (27.93	Adjustments:		
Result of disposal of property, plant and equipment 152 Change in impairment loss of inventories 2.034 Interest income/expenses, net 5.614 7.908 Cash flows from ordinary activities before changes in the working capital 49.240 39.340 Change in inventories 21.621 6.327 Change in receivables 6.212 (16.270) Change in trade and other payable amounts (3.580) (1.002) Cash flows from operating activities 73.493 28.395 Interest paid (6.211) (7.703) Income tax paid (150) (150) Net cash flow from operating activities 67.132 20.692 Cash flows from investing activities (24.651) (33.465) Acquisition of property, plant and equipment (24.651) (33.465) Acquisition of intangible assets (808) (46) Proceeds on sale of property, plant and equipment 956 5.578 Interest received 597 Net cash flow used in investing activities (23.906) (27.933) Cash flows from financing activities <td< td=""><td>Depreciation and amortisation</td><td>31.865</td><td>32.806</td></td<>	Depreciation and amortisation	31.865	32.806
Change in impairment loss of inventories 2.034 Interest income/expenses, net 5.614 7.908 Cash flows from ordinary activities before changes in the working capital 49.240 39.340 Change in inventories 21.621 6.327 Change in receivables 6.212 (16.270) Change in trade and other payable amounts (3.580) (1.002) Cash flows from operating activities 73.493 28.395 Interest paid (6.211) (7.703) Income tax paid (150) (150) Net cash flow from operating activities 67.132 20.692 Cash flows from investing activities (24.651) (33.465) Acquisition of property, plant and equipment (24.651) (33.465) Acquisition of intangible assets (808) (46) Proceeds on sale of property, plant and equipment 956 5.578 Interest received 597 Net cash flow used in investing activities (23.906) (27.933) Cash flows from financing activities (23.906) (27.933) Issue (redemption) of shares	Amortisation of government grants	(338)	(1.493)
Interest income/expenses, net 5.614 7.908 Cash flows from ordinary activities before changes in the working capital 49.240 39.340 Change in inventories 21.621 6.327 Change in receivables 6.212 (16.270) Change in trade and other payable amounts (3.580) (1.002) Cash flows from operating activities 73.493 28.395 Interest paid (6.211) (7.703) Incerest paid (150) Net cash flow from operating activities 67.132 20.692 Cash flows from investing activities (24.651) (33.465) Acquisition of property, plant and equipment (24.651) (33.465) Acquisition of intangible assets (808) (46) Proceeds on sale of property, plant and equipment 956 5.578 Interest received 597 Net cash flow used in investing activities (23.906) (27.933) Cash flows from financing activities (23.906) (27.933) Cash flows from financing activities (20.000) -	Result of disposal of property, plant and equipment	152	
Cash flows from ordinary activities before changes in the working capital 49.240 39.340 Change in inventories 21.621 6.327 Change in receivables 6.212 (16.270) Change in trade and other payable amounts (3.580) (1.002) Cash flows from operating activities 73.493 28.395 Interest paid (6.211) (7.703) Income tax paid (150) (150) Net cash flow from operating activities 67.132 20.692 Cash flows from investing activities (24.651) (33.465) Acquisition of intangible assets (808) (46) Proceeds on sale of property, plant and equipment 956 5.578 Interest received 597 597 Net cash flow used in investing activities (23.906) (27.933) Cash flows from financing activities (23.906) (27.933) Cash flows from financing activities (20.000) - Cash flows from finance lease liabilities (20.000) - Loans received 10.255 24.845 Repayment of borrowin	Change in impairment loss of inventories	2.034	
in the working capital 21.621 6.327 Change in inventories 6.212 (16.270) Change in receivables 6.212 (16.270) Change in trade and other payable amounts (3.580) (1.002) Cash flows from operating activities 73.493 28.395 Interest paid (6.211) (7.703) Income tax paid (150) Net cash flow from operating activities 67.132 20.692 Cash flows from investing activities (808) (46) Acquisition of property, plant and equipment 956 5.578 Interest received 597 5.578 Net cash flow used in investing activities (23.906) (27.933) Cash flows from financing activities (23.906) (27.933) Cash flows from financing activities (20.000) - Loans received 10.255 24.845 Repayment of borrowings (34.192) (12.263) Issue (redemption) of shares (2.000) - Dividends paid (5.917) (12.014) Payment of finance	Interest income/expenses, net	5.614	7.908
in the working capital 21.621 6.327 Change in inventories 6.212 (16.270) Change in receivables 6.212 (16.270) Change in trade and other payable amounts (3.580) (1.002) Cash flows from operating activities 73.493 28.395 Interest paid (6.211) (7.703) Income tax paid (150) Net cash flow from operating activities 67.132 20.692 Cash flows from investing activities (808) (46) Acquisition of property, plant and equipment 956 5.578 Interest received 597 5.578 Net cash flow used in investing activities (23.906) (27.933) Cash flows from financing activities (23.906) (27.933) Cash flows from financing activities (20.000) - Loans received 10.255 24.845 Repayment of borrowings (34.192) (12.263) Issue (redemption) of shares (2.000) - Dividends paid (5.917) (12.014) Payment of finance	Cash flows from ordinary activities before changes	49.240	39.340
Change in receivables 6.212 (16.270) Change in trade and other payable amounts (3.580) (1.002) Cash flows from operating activities 73.493 28.395 Interest paid (6.211) (7.703) Income tax paid (150) Net cash flow from operating activities 67.132 20.692 Cash flows from investing activities 46.211 (33.465) Acquisition of property, plant and equipment (24.651) (33.465) Acquisition of intangible assets (808) (46) Proceeds on sale of property, plant and equipment 956 5.578 Interest received 597 597 Net cash flow used in investing activities (23.906) (27.933) Cash flows from financing activities 10.255 24.845 Repayment of borrowings (34.192) (12.263) Issue (redemption) of shares (2.000) - Dividends paid (5.917) (12.014) Payment of finance lease liabilities (12.269) 4.062 Government grants received 1.128 2.511 <td></td> <td></td> <td></td>			
Change in receivables 6.212 (16.270) Change in trade and other payable amounts (3.580) (1.002) Cash flows from operating activities 73.493 28.395 Interest paid (6.211) (7.703) Income tax paid (150) Net cash flow from operating activities 67.132 20.692 Cash flows from investing activities 46.211 (33.465) Acquisition of property, plant and equipment (24.651) (33.465) Acquisition of intangible assets (808) (46) Proceeds on sale of property, plant and equipment 956 5.578 Interest received 597 597 Net cash flow used in investing activities (23.906) (27.933) Cash flows from financing activities 10.255 24.845 Repayment of borrowings (34.192) (12.263) Issue (redemption) of shares (2.000) - Dividends paid (5.917) (12.014) Payment of finance lease liabilities (12.269) 4.062 Government grants received 1.128 2.511 <td></td> <td></td> <td></td>			
Change in receivables 6.212 (16.270) Change in trade and other payable amounts (3.580) (1.002) Cash flows from operating activities 73.493 28.395 Interest paid (6.211) (7.703) Income tax paid (150) Net cash flow from operating activities 67.132 20.692 Cash flows from investing activities 460 20.692 Cash flows from investing activities (24.651) (33.465) Acquisition of property, plant and equipment 956 5.578 Interest received 597 5.578 Net cash flow used in investing activities (23.906) (27.933) Cash flows from financing activities 10.255 24.845 Loans received 10.255 24.845 Repayment of borrowings (34.192) (12.263) Issue (redemption) of shares (2.000) - Dividends paid (5.917) (12.014) Payment of finance lease liabilities (12.269) 4.062 Government grants received 1.128 2.511 <	Change in inventories	21.621	6.327
Change in trade and other payable amounts (3.580) (1.002) Cash flows from operating activities 73.493 28.395 Interest paid (6.211) (7.703) Income tax paid (150) Net cash flow from operating activities 67.132 20.692 Cash flows from investing activities (24.651) (33.465) Acquisition of property, plant and equipment 956 5.578 Acquisition of intangible assets (808) (46) Proceeds on sale of property, plant and equipment 956 5.578 Interest received 597 5.578 Net cash flow used in investing activities (23.906) (27.933) Cash flows from financing activities (23.906) (27.933) Cash flows from financing activities (34.192) (12.263) Issue (redemption) of shares (2.000) - Dividends paid (5.917) (12.014) Payment of finance lease liabilities (12.269) 4.062 Government grants received 1.128 2.511 Net cash from/(used in) financing activities <t< td=""><td>_</td><td>6.212</td><td>(16.270)</td></t<>	_	6.212	(16.270)
Cash flows from operating activities 73.493 28.395 Interest paid (6.211) (7.703) Income tax paid (150) Net cash flow from operating activities 67.132 20.692 Cash flows from investing activities (24.651) (33.465) Acquisition of property, plant and equipment (956) 5.578 Interest received 597 597 Net cash flow used in investing activities (23.906) (27.933) Cash flows from financing activities (23.906) (27.933) Cash flows from financing activities (20.000) - Loans received 10.255 24.845 Repayment of borrowings (34.192) (12.263) Issue (redemption) of shares (2.000) - Dividends paid (5.917) (12.014) Payment of finance lease liabilities (12.269) 4.062 Government grants received 1.128 2.511 Net cash from/(used in) financing activities (42.995) 7.141 Change in cash and cash equivalents 231 (100)		(3.580)	
Interest paid (6.211) (7.703) Income tax paid (150) Net cash flow from operating activities 67.132 20.692 Cash flows from investing activities Acquisition of property, plant and equipment (24.651) (33.465) Acquisition of intangible assets (808) (46) Proceeds on sale of property, plant and equipment 956 5.578 Interest received 597 Net cash flow used in investing activities (23.906) (27.933) Cash flows from financing activities (23.906) (27.933) Cash flows from financing activities (10.255 24.845 Repayment of borrowings (34.192) (12.263) Issue (redemption) of shares (2.000) - Dividends paid (5.917) (12.014) Payment of finance lease liabilities (12.269) 4.062 Government grants received 1.128 2.511 Net cash from/(used in) financing activities (42.995) 7.141 Change in cash and cash equivalents 231 (100) Beginning cash 1.907 2.702		. ,	` '
Income tax paid (150) Net cash flow from operating activities 67.132 20.692 Cash flows from investing activities Acquisition of property, plant and equipment (24.651) (33.465) Acquisition of intangible assets (808) (46) Proceeds on sale of property, plant and equipment 956 5.578 Interest received 597 Net cash flow used in investing activities (23.906) (27.933) Cash flows from financing activities Loans received 10.255 24.845 Repayment of borrowings (34.192) (12.263) Issue (redemption) of shares (2.000) - Dividends paid (5.917) (12.014) Payment of finance lease liabilities (12.269) 4.062 Government grants received 1.128 2.511 Net cash from/(used in) financing activities (42.995) 7.141 Change in cash and cash equivalents 231 (100) Beginning cash 1.907 2.702	cush nows from operating activities	761.56	
Income tax paid (150) Net cash flow from operating activities 67.132 20.692 Cash flows from investing activities Acquisition of property, plant and equipment (24.651) (33.465) Acquisition of intangible assets (808) (46) Proceeds on sale of property, plant and equipment 956 5.578 Interest received 597 Net cash flow used in investing activities (23.906) (27.933) Cash flows from financing activities Loans received 10.255 24.845 Repayment of borrowings (34.192) (12.263) Issue (redemption) of shares (2.000) - Dividends paid (5.917) (12.014) Payment of finance lease liabilities (12.269) 4.062 Government grants received 1.128 2.511 Net cash from/(used in) financing activities (42.995) 7.141 Change in cash and cash equivalents 231 (100) Beginning cash 1.907 2.702	Interest paid	(6.211)	(7.703)
Net cash flow from operating activities 67.132 20.692 Cash flows from investing activities (24.651) (33.465) Acquisition of property, plant and equipment (808) (46) Proceeds on sale of property, plant and equipment 956 5.578 Interest received 597 Net cash flow used in investing activities (23.906) (27.933) Cash flows from financing activities 10.255 24.845 Repayment of borrowings (34.192) (12.263) Issue (redemption) of shares (2.000) - Dividends paid (5.917) (12.014) Payment of finance lease liabilities (12.269) 4.062 Government grants received 1.128 2.511 Net cash from/(used in) financing activities (42.995) 7.141 Change in cash and cash equivalents 231 (100) Beginning cash 1.907 2.702	1	· · · · · · · · · · · · · · · · · · ·	(1.103)
Cash flows from investing activities (24.651) (33.465) Acquisition of property, plant and equipment (808) (46) Proceeds on sale of property, plant and equipment 956 5.578 Interest received 597 Net cash flow used in investing activities (23.906) (27.933) Cash flows from financing activities 10.255 24.845 Repayment of borrowings (34.192) (12.263) Issue (redemption) of shares (2.000) - Dividends paid (5.917) (12.014) Payment of finance lease liabilities (12.269) 4.062 Government grants received 1.128 2.511 Net cash from/(used in) financing activities (42.995) 7.141 Change in cash and cash equivalents 231 (100) Beginning cash 1.907 2.702	-	` '	20.692
Acquisition of property, plant and equipment (24.651) (33.465) Acquisition of intangible assets (808) (46) Proceeds on sale of property, plant and equipment 956 5.578 Interest received 597 Net cash flow used in investing activities (23.906) (27.933) Cash flows from financing activities 10.255 24.845 Repayment of borrowings (34.192) (12.263) Issue (redemption) of shares (2.000) - Dividends paid (5.917) (12.014) Payment of finance lease liabilities (12.269) 4.062 Government grants received 1.128 2.511 Net cash from/(used in) financing activities (42.995) 7.141 Change in cash and cash equivalents 231 (100) Beginning cash 1.907 2.702	The cush now from operating activities	07.132	20.072
Acquisition of intangible assets Proceeds on sale of property, plant and equipment Interest received Net cash flow used in investing activities Cash flows from financing activities Loans received 10.255 Repayment of borrowings (34.192) Issue (redemption) of shares Dividends paid (5.917) Payment of finance lease liabilities (12.269) Government grants received Net cash from/(used in) financing activities Change in cash and cash equivalents Region in grants (46) (5.578 (23.906) (27.933) (10.255 (24.845 (12.263) (12.263) (12.263) (12.263) (12.269) (12.014) (12.014) (12.014) (12.014) (12.269) (12.269) (12.269) (12.261) (12.262) (12.263) (12.263) (12.269) (12.263) (12.269) (12.263) (12.269) (12.263) (12.269) (12.263) (12.269) (12.263) (12.269) (12.263) (12.269) (12.263) (12.269) (12.263) (12.263) (12.269) (12.263) (12.269) (12.263) (12.263) (12.269) (12.263) (12.269) (12.263) (12.269) (12.263) (12.263) (12.263) (12.263) (12.263) (12.263) (12.263) (12.269) (12.263) (12.263) (12.269) (12.263) (12.269) (12.263) (12.269) (12.263) (12.269) (12.263) (12.269) (12.263) (12.269) (12.263) (12.263) (12.269) (12.263) (12.269) (12.263) (12.263) (12.269) (12.263) (12.269) (12.263) (12.263) (12.263) (12.263) (12.263) (12.263) (12.263) (12.263) (12.263) (12.263) (12.263) (12.263) (12.263) (12.269) (12.263) (12.269) (12.263) (12.263) (12.269) (12.263) (12.269) (12.263) (12.269) (12.263) (12.263) (12.269) (12.263) (12.269) (12.263) (12	Cash flows from investing activities		
Proceeds on sale of property, plant and equipment Interest received Net cash flow used in investing activities Cash flows from financing activities Loans received 10.255 24.845 Repayment of borrowings Issue (redemption) of shares Dividends paid Payment of finance lease liabilities Government grants received Net cash from/(used in) financing activities Change in cash and cash equivalents Repayment 10.255 24.845 (2.000) - 10.263) 12.263) 12.269) 4.062 4.062 4.062 4.062 4.062 4.062 4.062 4.062 6.000 7.141 Change in cash and cash equivalents 231 (100) Beginning cash	Acquisition of property, plant and equipment	(24.651)	(33.465)
Interest received 597 Net cash flow used in investing activities (23.906) (27.933) Cash flows from financing activities 10.255 24.845 Loans received 10.255 24.845 Repayment of borrowings (34.192) (12.263) Issue (redemption) of shares (2.000) - Dividends paid (5.917) (12.014) Payment of finance lease liabilities (12.269) 4.062 Government grants received 1.128 2.511 Net cash from/(used in) financing activities (42.995) 7.141 Change in cash and cash equivalents 231 (100) Beginning cash 1.907 2.702	Acquisition of intangible assets	(808)	(46)
Net cash flow used in investing activities(23.906)(27.933)Cash flows from financing activities10.25524.845Loans received10.25524.845Repayment of borrowings(34.192)(12.263)Issue (redemption) of shares(2.000)-Dividends paid(5.917)(12.014)Payment of finance lease liabilities(12.269)4.062Government grants received1.1282.511Net cash from/(used in) financing activities(42.995)7.141Change in cash and cash equivalents231(100)Beginning cash1.9072.702		956	5.578
Cash flows from financing activities Loans received 10.255 24.845 Repayment of borrowings (34.192) (12.263) Issue (redemption) of shares (2.000) - Dividends paid (5.917) (12.014) Payment of finance lease liabilities (12.269) 4.062 Government grants received 1.128 2.511 Net cash from/(used in) financing activities (42.995) 7.141 Change in cash and cash equivalents 231 (100) Beginning cash 1.907 2.702	Interest received	597	
Loans received 10.255 24.845 Repayment of borrowings (34.192) (12.263) Issue (redemption) of shares (2.000) - Dividends paid (5.917) (12.014) Payment of finance lease liabilities (12.269) 4.062 Government grants received 1.128 2.511 Net cash from/(used in) financing activities (42.995) 7.141 Change in cash and cash equivalents 231 (100) Beginning cash 1.907 2.702	Net cash flow used in investing activities	(23.906)	(27.933)
Loans received 10.255 24.845 Repayment of borrowings (34.192) (12.263) Issue (redemption) of shares (2.000) - Dividends paid (5.917) (12.014) Payment of finance lease liabilities (12.269) 4.062 Government grants received 1.128 2.511 Net cash from/(used in) financing activities (42.995) 7.141 Change in cash and cash equivalents 231 (100) Beginning cash 1.907 2.702			
Repayment of borrowings (34.192) (12.263) Issue (redemption) of shares (2.000) - Dividends paid (5.917) (12.014) Payment of finance lease liabilities (12.269) 4.062 Government grants received 1.128 2.511 Net cash from/(used in) financing activities (42.995) 7.141 Change in cash and cash equivalents 231 (100) Beginning cash 1.907 2.702	Cash flows from financing activities		
Issue (redemption) of shares (2.000) Dividends paid (5.917) (12.014) Payment of finance lease liabilities (12.269) 4.062 Government grants received 1.128 2.511 Net cash from/(used in) financing activities (42.995) 7.141 Change in cash and cash equivalents 231 (100) Beginning cash 1.907 2.702	Loans received	10.255	24.845
Dividends paid (5.917) (12.014) Payment of finance lease liabilities (12.269) 4.062 Government grants received 1.128 2.511 Net cash from/(used in) financing activities (42.995) 7.141 Change in cash and cash equivalents 231 (100) Beginning cash 1.907 2.702	Repayment of borrowings	(34.192)	(12.263)
Payment of finance lease liabilities (12.269) 4.062 Government grants received 1.128 2.511 Net cash from/(used in) financing activities (42.995) 7.141 Change in cash and cash equivalents 231 (100) Beginning cash 1.907 2.702	Issue (redemption) of shares	(2.000)	-
Government grants received 1.128 2.511 Net cash from/(used in) financing activities (42.995) 7.141 Change in cash and cash equivalents 231 (100) Beginning cash 1.907 2.702	Dividends paid	(5.917)	(12.014)
Net cash from/(used in) financing activities(42.995)7.141Change in cash and cash equivalents231(100)Beginning cash1.9072.702	Payment of finance lease liabilities	(12.269)	4.062
Net cash from/(used in) financing activities(42.995)7.141Change in cash and cash equivalents231(100)Beginning cash1.9072.702	Government grants received	1.128	2.511
Change in cash and cash equivalents 231 (100) Beginning cash 1.907 2.702	Net cash from/(used in) financing activities	(42.995)	7.141
Beginning cash 1.907 2.702			
Beginning cash 1.907 2.702	Change in cash and cash equivalents	231	(100)
			` '
	Ending cash	2.138	

4. Statement on changes in equity

Thousand Litas	Share capital	Share premiu m	Own shares	Compulso ry reserve	Revalu ation reserve	Other reserv es	Retained earnings	Total equity
As at 1 January 2008 Profit allocation Dividends Acquisition of own	54 205	27 246	(4 108)	5 420	19 174	3 700 3 100	52 875 (3 100) (12 016)	158 512 0 (12 016)
shares Revaluation of fixed								0
assets					(2			0
Depreciation of revaluated part Net profit for 2008					(2 358)		2 358 119	0 119
As at 30 September 2008	54 205	27 246	(4 108)	5 420	16 816	6 800	40 236	146 615
As at 1 October 2008 Profit allocation	54 205	27 246	(4 108)	5 420	16 816	6 800	40 236	146 615 0
Dividends								0
Acquisition of own shares Revaluation of fixed								0
assets								0
Depreciation of revaluated part Net profit for 2008					(278)		278 (4 451)	0 (4 451)
As at 31 December 2008	54 205	27 246	(4 108)	5 420	16 538	6 800	36 063	142 164
As at 1 January 2009	54 205	27 246	(4 108)	5 420	16 538	6 800	36 063	142 164
Profit allocation Dividends						(550)	550 (5 917)	0 (5 917)
Acquisition of own							(3)17)	, ,
shares Revaluation of fixed			(2 000)					(2 000)
assets					(836)		836	0
Depreciation of revaluated part								0
Net profit for 2009							9 913	9 913
As at 30 September 2009	54 205	27 246	(6 108)	5 420	15 702	6 250	41 445	144 160

5. Notes to financial statements

AB Pieno Žvaigždės was established by way of merger of stock companies Mažeikių Pieninė, Pasvalio Sūrinė, Kauno Pienas and Panevėžio pienas.

The main office of the Company is located in Vilnius and the branches – in Mažeikiai, Pasvalys, Kaunas and Panevėžys.

Ordinary shares of the Company are quoted in the Vilnius Stock Exchange.

The Company is engaged in production and sales of milk products to retail stores directly and through distributors.

Statement of compliance

These are the financial statements of a separate company AB Pieno Žvaigždės, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Main indicators of the Company's' performance

Ratios	2009.01.01 - 2009.09.30	2008.01.01 - 2008.09.30
Sales, Thousand Litas	460 984	505 744
Gross profit, Thousand Litas	94 743	79 720
EBITDA, Thousand Litas	50 515	39 362
Current ratio (at the end of period)	1,02	2,02
Book value per share (at the end of period)	2,66	2,70
Net profit per share	0,18	0,00

Ratios	2009.07.01 - 2009.09.30	2008.07.01 - 2008.09.30
Sales, Thousand Litas	161 093	172 445
Gross profit, Thousand Litas	31 487	30 559
EBITDA, Thousand Litas	16 222	23 509
Current ratio (at the end of period)	1,02	2,02
Book value per share (at the end of period)	2,66	2,70
Net profit per share	0,06	0,19

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Inventories, Thousand Litas	2009.09.30	2008.12.31
Raw materials	11 926	18 458
Stored production	46 131	63 266
Goods for resale	130	117
Total:	58 187	81 841

Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Company sales production mainly in domestic market, Russia, EU. All company's assets located in Lithuania.

Sales, Thousand Litas	2009.01.01 - 2009.09.30	2008.01.01 - 2008.09.30
Lithuania	233 281	268 933
Russia	158 580	170 316
EU, other countries	69 123	66 495
Total:	460 984	505 744
Sales, Thousand Litas	2009.07.01 - 2009.09.30	2008.07.01 - 2008.09.30
Lithuania	83 643	91 190
Russia	45 182	62 113
EU, other countries	32 368	19 142
Total:	161 093	172 445

Post balance sheet events

There were no significant events after the balance sheet date.