

Žemaitijos pienas AB

Approval of responsible persons

25 February 2011

Telšiai

Regarding drafting of financial statement for the year ended 31 December 2010 Following the Article No.22 of Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional approved by Securities Commission of the Republic of Lithuanian we, Algirdas Pažemeckas, General Director And Dalia Geciene, Chief Accountant, hereby confirm that, to the our knowledge, the attached JSC “Žemaitijos Pienas” Consolidated Interim Financial Statements for the year of 2010 prepared in accordance with International Financial Reporting Standards are true and fairly present assets, liabilities, financial position, profit or loss of JSC “Žemaitijos Pienas” group consolidated companies.

APPENDIX:

Interim Condensed Consolidated Financial Statement for the twelve months of 2010.

General Director

Algirdas Pažemeckas

Chief Accountant

Dalia Geciene



AB „ŽEMAITIJOS PIENAS”

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2010**

Balance sheets

	Group	
	As of 31 December 2010	As of 31 December 2009
ASSETS		
Non-current assets		
Intangible assets	23	56
Property, plant and equipment	65,357	78,007
Investment property		-
Available – for – sale investments	4	4
Investments into subsidiaries	-	-
Non-current receivables	3,760	974
Deferred income tax asset	1,605	1,703
Total non-current assets	70,749	80,743
Current assets		
Inventories	62,081	37,871
Prepayments	640	453
Trade receivables	28,046	24,692
Receivables from subsidiaries	-	-
Receivables from other related parties	8,313	4,637
Other receivables	6,542	3,030
Deposits	5,000	6,161
Cash and cash equivalents	8,766	24,629
Total current assets	119,388	101,473
Total assets	190,137	182,216

AB „ŽEMAITIJOS PIENAS“, company code 180240752, Sedos Str. 35, Telšiai

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2010

(all amounts are in LTL thousand unless otherwise stated)

Balance sheets (cont'd)

	Group	
	As of 31	As of 31
	December 2010	December 2009
LIABILITIES AND SHAREHOLDERS' EQUITY		
Equity attributable to equity holders of the parent		
Share capital	48,375	48,375
Legal reserve	4,838	4,838
Reserve for one's shares formation	10,000	-
Retained earnings	56,768	50,465
	<u>119,981</u>	<u>103,678</u>
Minority interest	1,952	2,626
Total shareholders' equity	<u>121,933</u>	<u>106,304</u>
Non-current liabilities		
Grants received	2,678	3,200
Long-term loans from related parties	8,838	24,474
Financial lease obligations	6,575	11,249
Liabilities arising from deferred profit tax	784	542
Other current liabilities	1,879	1,867
Total non-current liabilities	<u>20,754</u>	<u>41,333</u>
Current liabilities		
Current portion of non-current loans	1,670	1,158
Current portion of non-current financial lease obligations	4,673	5,107
Trade payables	24,770	17,996
Payables to subsidiaries	-	-
Payables to other related parties	1	259
Income tax payable	2,886	1,045
Other current liabilities	13,450	9,015
Total current liabilities	<u>47,450</u>	<u>34,580</u>
Total liabilities and shareholders' equity	<u>190,137</u>	<u>182,216</u>

Income statements

	Group		Group	
	As of 31	As of 31	01 October	01 October
	December 2010	December 2009	2010 -	2009 -
			31 December	31 December
			2009	2009
Sales	433,692	372,825	118,463	94,117
Cost of sales	(343,991)	(303,021)	(95,665)	(74,990)
Gross profit	89,701	69,804	22,798	19,127
Operating expenses	(64,454)	(52,172)	(8,757)	(10,239)
Other operating income, net	(2,264)	(2,080)	(1,336)	74
Profit from operations	22,983	15,552	12,705	8,962
Financial and investment activities	215	(1,255)	(79)	14
Profit before income tax	23,198	14,297	12,626	8,976
Income tax	(3,851)	(3,028)	(2,800)	(2,559)
Net profit	19,347	11,269	9,826	6,417

Statements of changes in equity

Group	Attributable to shareholders of the Company						
	Share capital	Legal reserve	Reserve for one's shares formation	Retained earnings	Total	Minority interest	Total
Balance as of 31 December 2008	48,375	4,838	-	39,269	92,482	2,553	95,035
Net profit for the year	-	-	-	11,196	11,196	73	11,269
Balance as of 31 December 2009	48,375	4,838	-	50,465	103,678	2,626	106,304
2009 correct by retrospective method				(4)	(4)	-	(4)
Dividends, tantiemes paid				(2,460)	(2,460)	-	(2,460)
Liquidation of subsidiaries				(523)	(523)	(731)	(1,254)
Reserve for one's shares formation			10,000	(10,000)	-	-	-
Net profit for the year	-	-	-	19,290	19,290	57	19,347
Balance as of 31 December 2010	48,375	4,838	10,000	56,768	119,981	1,952	121,933