



VILKYŠKIŲ PIENINĖ AB GROUP



THE RESULTS OF
12 MONTHS OF 2013

ABOUT THE COMPANY

Vilkyškių pieninė AB, was established in 1993 m.

On the 31th of December 2013 the Group had 936 employees

The production of Dairy products is the core of Group business

Company's share capital amounts to 11,9 million. Lt

Shares issued by the Company have been included into the Current Trade

List of Vilnius Stock Exchange. The shares are listed in the Official List

Standards: ISO 9001:2000 and ISO 22000:2000



COMPANIES OF THE GROUP

AB VILKYŠKIŲ PIENINĖ

Parent Company

Established in 1993

Main activities: The production of cheese, cream, whey

AB „MODEST“

The subsidiary Company

Established in 1992

Main activities: The production of melted smoked cheese, cheese with mould, Mozzarella, other kinds of cheese

AB KELMĖS PIENINĖ

The subsidiary Company

Established in 1993 m.

Main activities: The production of fresh dairy products.

AB „PIENO LOGISTIKA“

The subsidiary Company

Established in 2013

Main activities: Rent of buildings



SHORT HISTORY OF THE COMPANY

1993	Company established
1999-2000	the fully computerized and automated technological line of cheese production started to work in Vilkyškiai
2000	the company received Export Licence to the European Union
2001	company acquired Taurage workshop form Mažeikiai subsidiary of Pieno Žvaigždės AB
2004	Vilkyškių pieninė AB received Export Licence to Russia
2006	acquired "Modest" AB
2006	the Company have been included into the Current Trade List of Vilnius Stock Exchange
2007	implement development of main technological line of cheese production in Vilkyškiai
2008	acquired Kelmės pieninė
2008	installed the whey processing shop in Vilkyškiai
2008	These certificates of the standards ISO 9001:2000 and ISO 22000:2000 were presented to Vilkyškių pieninė AB
2009	Kelmės pieninė AB received Export Licence to Russia
2010	established marketing department
2011	"Modest" AB received Export Licence to Russia
2011	the company began to participate in one of the largest food exhibitions: "Anuga" in Germany and "SIAL" in France
2011	brand of the company was changed. Vilvi trademark began to used in Export markets
2011-2012	many new products were introduced in Lithuanian market; Vilkyskiu assortment of fresh dairy products was significantly expanded
2012	the second cheese plant development was implemented in Vilkyskiu.
2005-2013	Company use the support of European Union and other funds, involve in social projects



SIGNIFICANT EVENTS IN 2013

Exhibitions and awards:

- Products, that received exclusive recognition in the exhibition "Prodexpo 2013" (in February):
 - Melted cheese with blue mould and sun-dried tomatoes "Memel Blue" won the gold medal in the "Best Product" category;
 - "Memel Blue" melted cheese with Bruschetta spices got a nomination of innovative product.
- Representatives of the Company participated in the exhibition "Gulfood 2013" in Dubai. During the exhibition, new contacts were established with Lebanon, Saudi Arabia.
- "Verslo žinios" in conjunction with the market research company "Nielsen" selected Vilkyškių pieninė AB / Vilkyškių brand as the most successful brand and gave a nomination of "Brand of the Year 2013". Such results were reached due to successfully selected brand positioning and communication content, convincing that all dairy products are not the same.
- DDB Brand Capital survey revealed that "Vilkyškių" brand made the largest breakthrough and included the most solid number of new loyal consumers in Lithuania.

Investment:

- Operations of liquid dairy products packaging line were started, that enables to package products in Tetra Top packaging. This packaging is modern, environmentally-friendly. Reliable cardboard packaging protects the product from environmental exposure: light, air, harmful microorganisms and is convenient to use.
- The building of milk truck washes, garage, warehouse, workshop with household and auxiliary facilities, administrative offices, engineering networks, parks and access was put into operation. This building was the largest construction project in recent years.
- Whey products plant extension was completed and that allowed to process up to 600 tons recycled product per day. At the end of the year, the whey ultrafiltration project was implemented. This is a new technology, that allows to break the whey into its components. The result of this process - new profitable products, that increase the company's competitiveness in the market.
- Cheese with the blue mold plant modernization in "Modest" AB allowed to increase about 30% the production of cheese with the blue mold, which is unique in Lithuania.
- Preparatory work of logistics warehouse was started in Kelmės Pieninė AB.

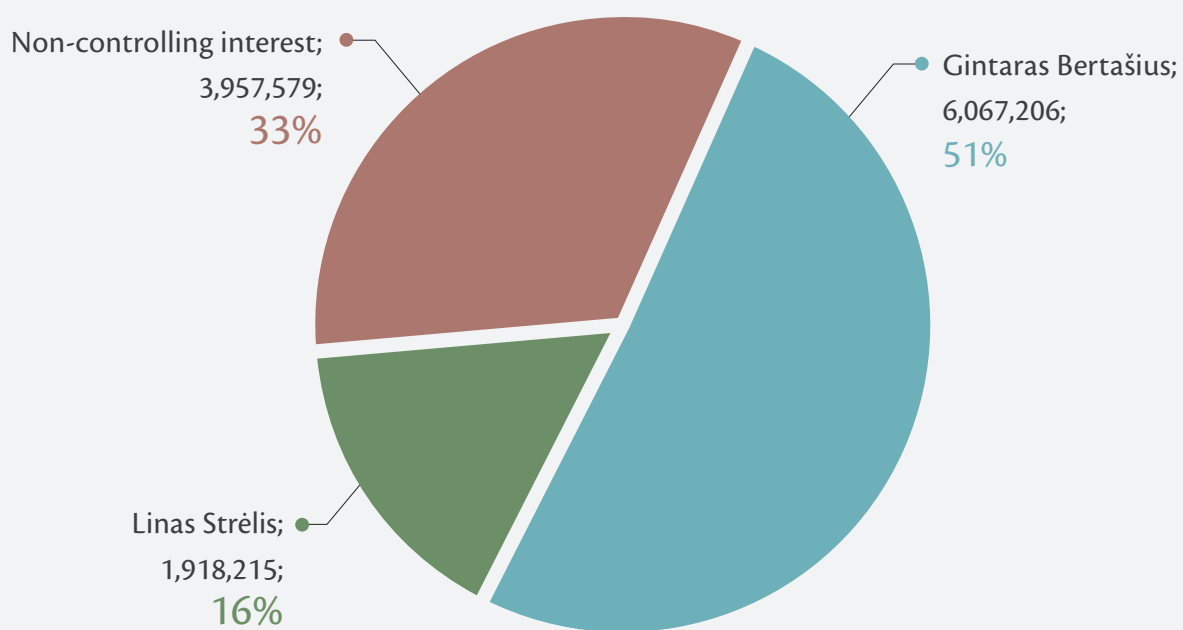
Other events:

- The first branded shop of Vilkyškių pieninė AB was opened in Tauragė.
- Since 2013 December the Group added a new subsidiary named „Pieno logistika“ AB. Its share capital amounts to 371 thousand LTL, main activity - rent of buildings. Vilkyškių pieninė AB holds 50.8% voting rights of "Pieno logistika" AB.
- Vilkyškių pieninė AB celebrated its 20 year anniversary.

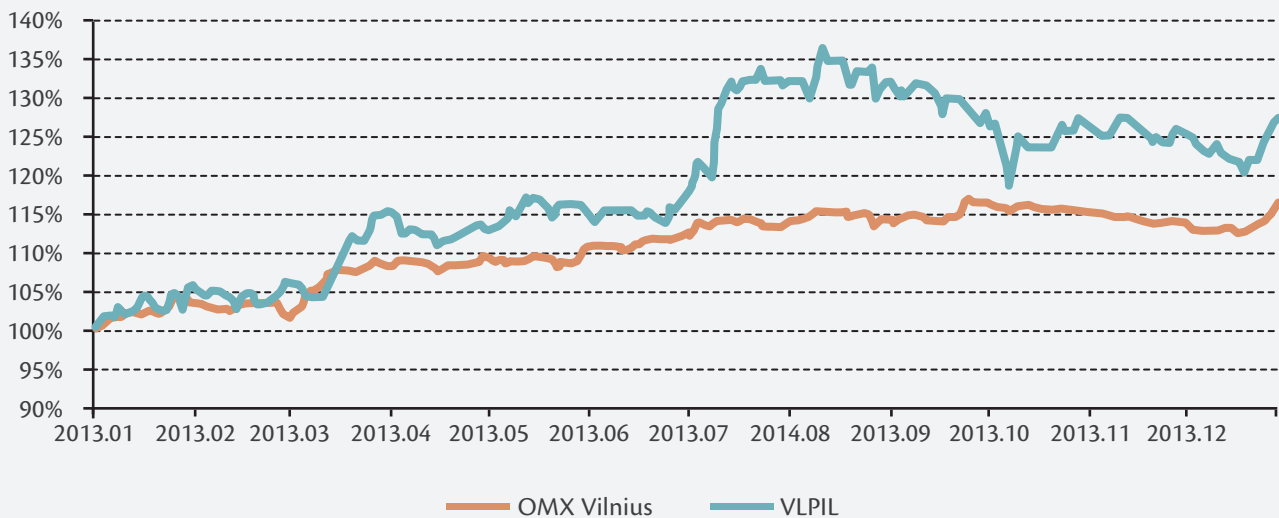
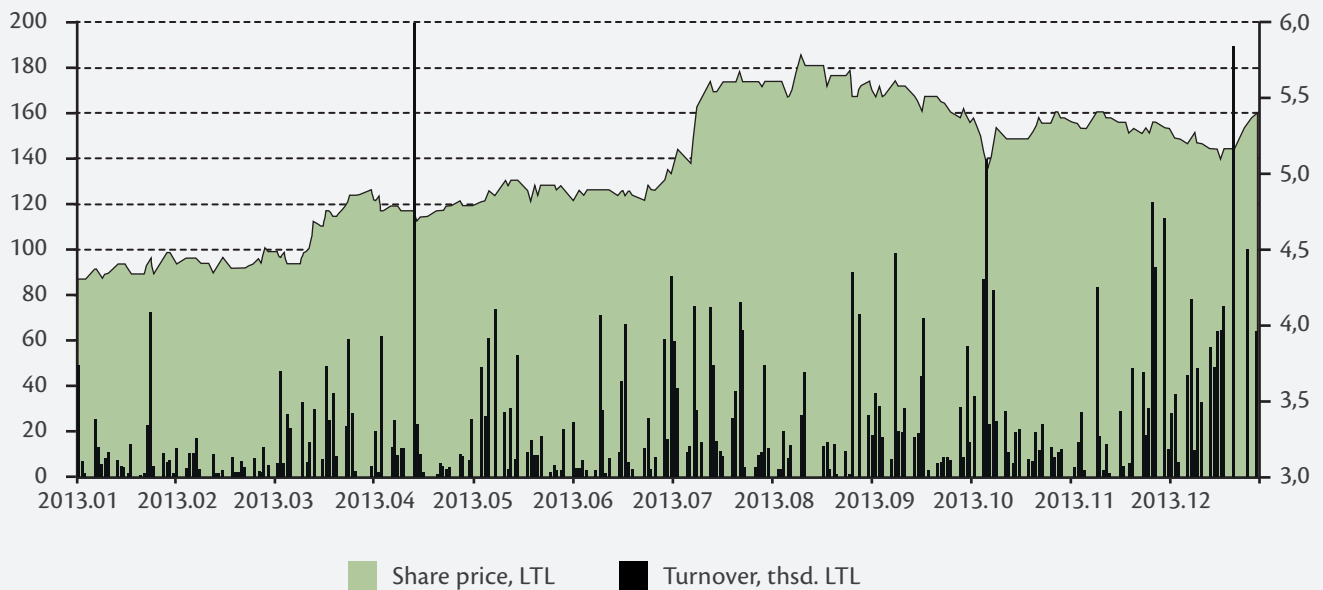


SHAREHOLDERS

Shareholder	Shares	Ownership interest
Gintaras Bertašius	6,067,206	51%
Linas Strėlis	1,918,215	16%
Non-controlling interest	3,957,579	33%
Capital in total	11,943,000	100%



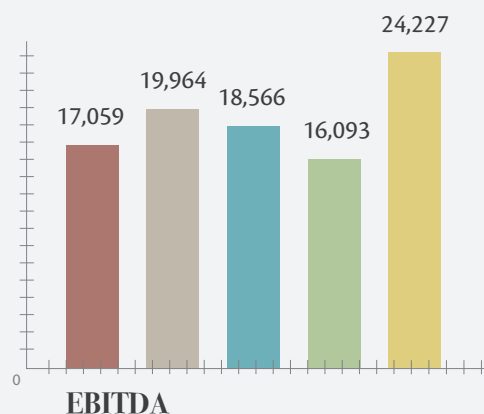
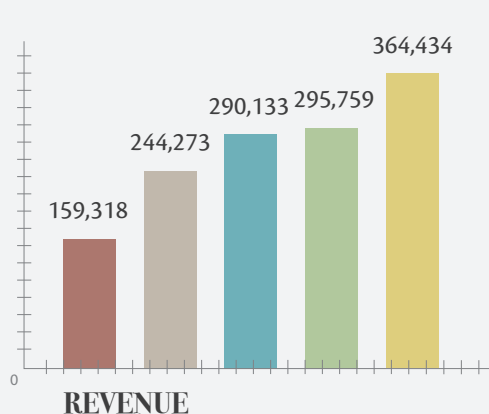
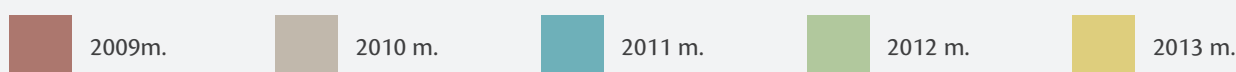
TRADING IN THE ISSUER'S SECURITIES ON THE REGULATED MARKETS

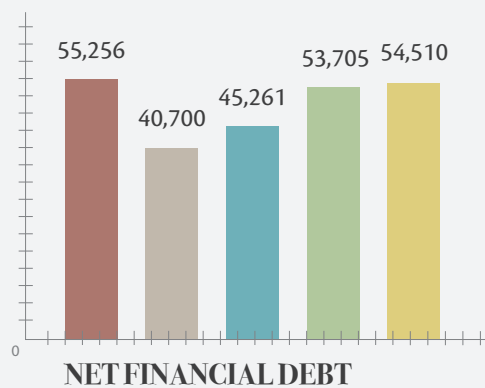
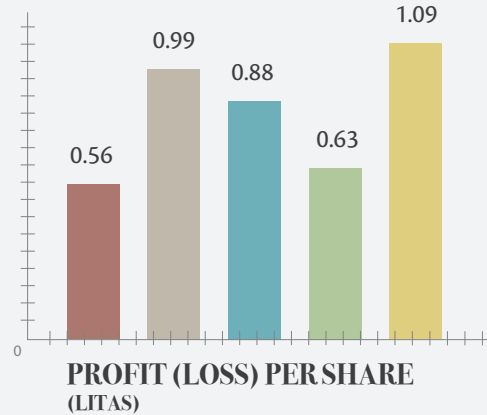
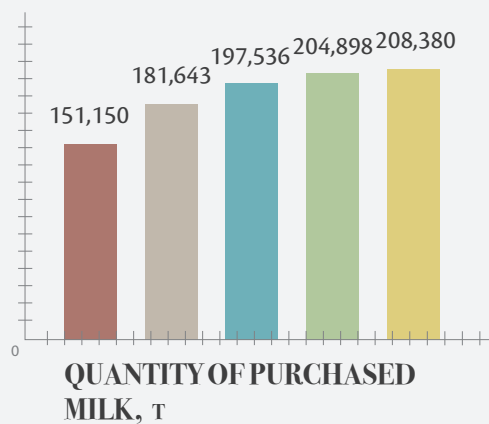
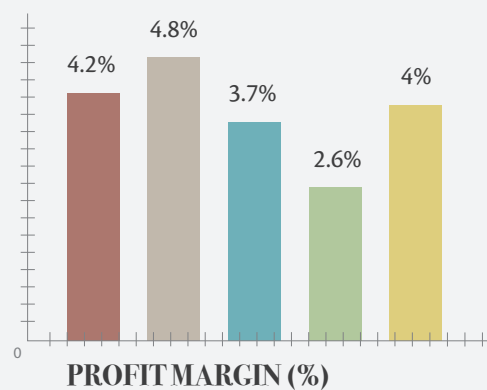
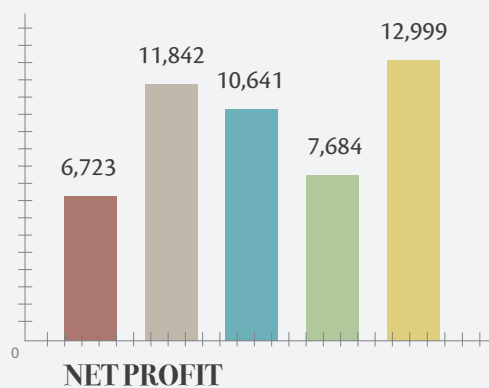
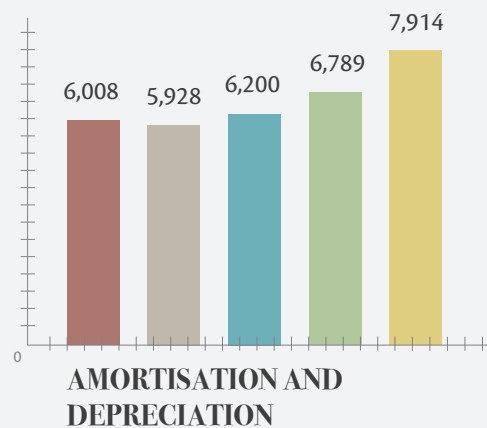
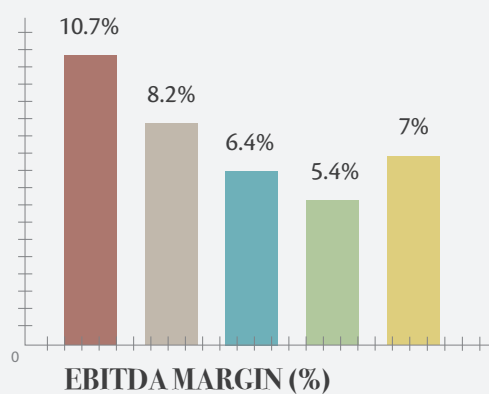


MAIN FINANCIAL INDICATORS

"In the year 2013, the revenue of the Group amounted to 364 million LTL and it is 23 percent more comparing to the last year. The sales increased due to enlarge quantity of sold products and due to changes in products' sales prices in export markets comparing to the same period of the last year. Net profit for the year 2013 was almost 13 million LTL, while for the year 2012 it was about 8 million LTL. During this year, the Group of Vilkyškių pieninė AB intensified its activities in Israel, the Arab countries, the Balkans, the Greek markets, in which products are selling with higher added value. What is more, we have been conducting intensive marketing activity in neighboring countries, and as a result, the Group introduced its dairy products to major retailers in mentioned regions. Moreover, we started to operate new liquid dairy products packaging line and introduced to the market milk, kefir and drinking yogurts in new tetra top packages. The assortment was supplemented by new products - different flavor yogurt drinks and glazed sweet cheese curds named "Murr". At the end of the year, whey products plant extension was completed and whey ultrafiltration project was implemented, that allows to produce new profitable whey products."

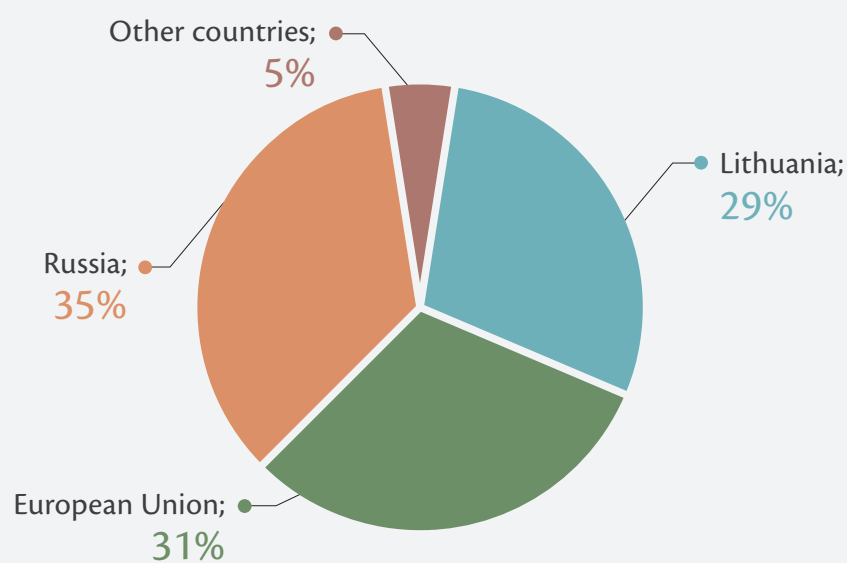
(Thousands LTL)	2009	2010	2011	2012	2013
Revenue	159,318	244,273	290,133	295,759	364,434
EBITDA	17,059	19,964	18,566	16,093	24,227
EBITDA margin (%)	10.7%	8.2%	6.4%	5.4%	7%
Amortisation and depreciation	6,008	5,928	6,200	6,789	7,914
Net profit	6,723	11,842	10,641	7,684	12,999
Profit margin (%)	4.2%	4.8%	3.7%	2.6%	4%
Quantity of purchased milk, t	151,150	181,643	197,536	204,898	208,380
Profit (loss) per share (Litas)	0.56	0.99	0.88	0.63	1.09
Net financial debt	55,256	40,700	45,261	53,705	54,510



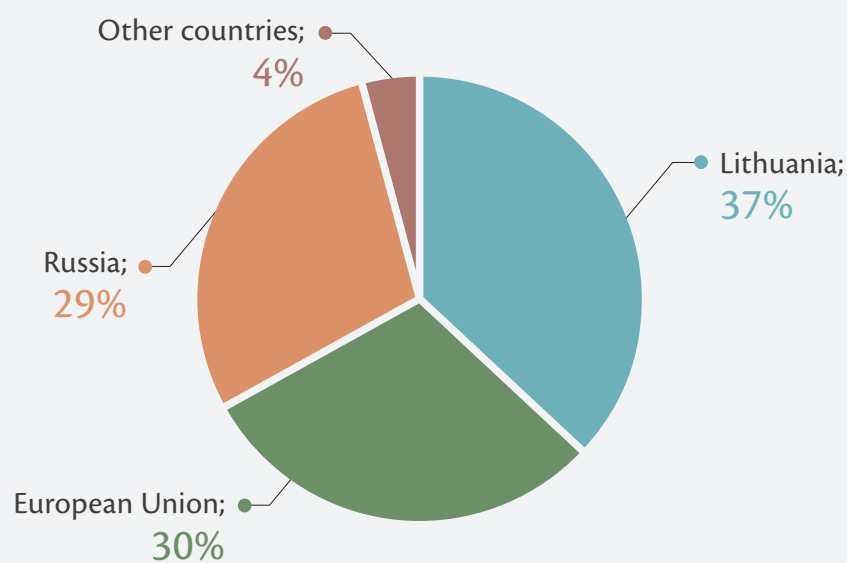


SALES MARKETS

(Thousands LTL)	2012		2013	
Lithuania	109,260	37%	107,446	29%
European Union	87,735	30%	113,495	31%
Russia	87,054	29%	126,075	35%
Other countries	11,710	4%	17,418	5%
Total:	295,759		364,434	



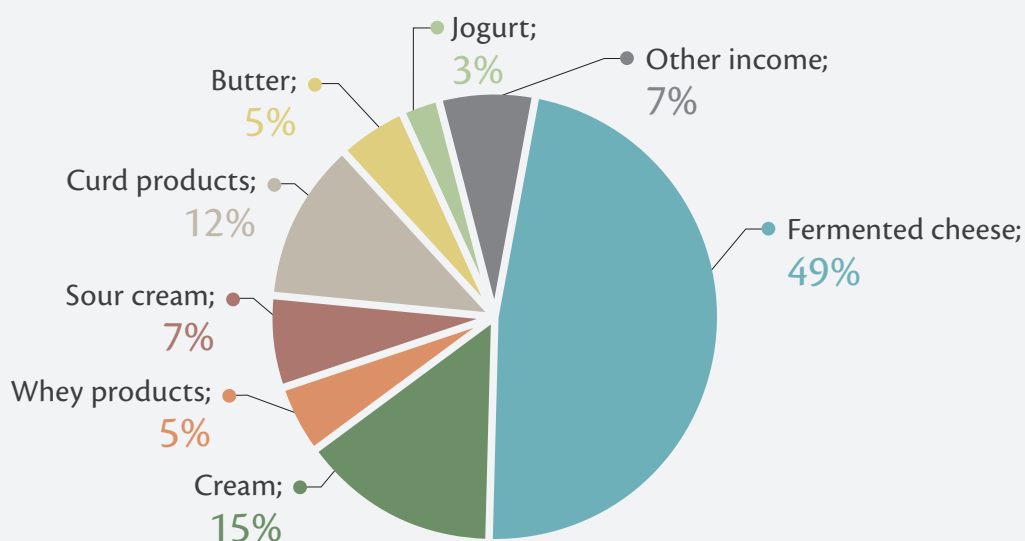
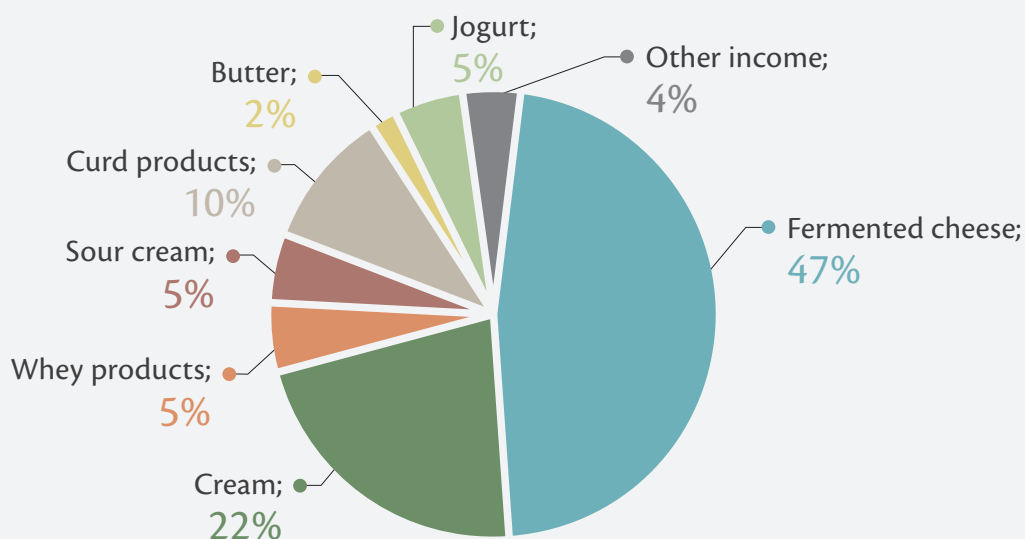
2013



2012

INCOME FROM SOLD PRODUCTION

Tūkst. Lt	2012		2013	
Fermented cheese	144,030	49%	171,982	47%
Cream	43,176	15%	79,263	22%
Whey products	13,690	5%	18,891	5%
Sour cream	20,162	7%	18,066	5%
Curd products	36,827	12%	37,164	10%
Butter	13,381	5%	8,316	2%
Jogurt	9,842	3%	18,301	5%
Other income	14,651	7%	12,451	4%
Total income:	295,759		364,434	



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