



VILKYŠKIŲ PIENINĖ AB GROUP



**THE RESULTS OF
12 MONTHS OF 2014**

ABOUT THE COMPANY

Vilkyškių pieninė AB, was established in 1993 m.

On the 31th of December 2014 the Group had 966 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 Vilkyskiai.
- 2013** Operations of liquid dairy products packaging line were started, that enables to package products in Tetra Top packaging.
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 breake the whey into its components.
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".
- 2005-2013** Company use the support of European Union and other fonds, involve in social projects



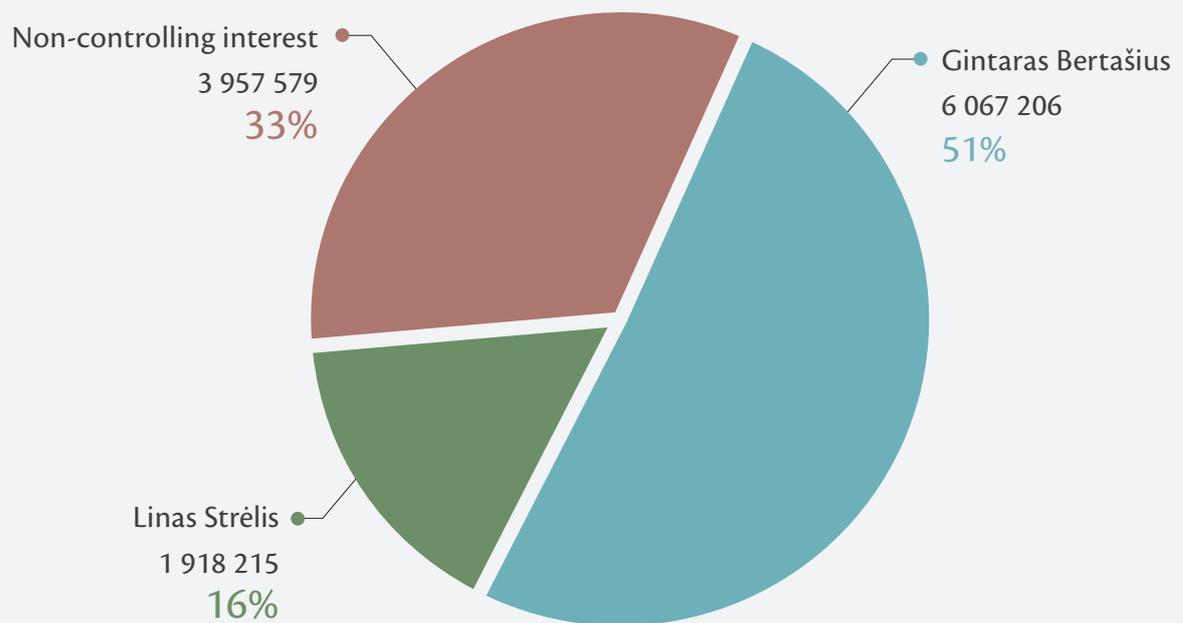
SIGNIFICANT EVENTS IN 2014

- Vilkyškių Pieninė's hard cheese Jubiliejinis 1934 won a gold medal at the international food industry exhibition ProdExpo 2014 in Moscow. The Lithuanian product was awarded for innovative production technologies and packaging.
- Vilkyškių Group attended the Gulfood 2014 trade fair in Dubai, setting up contacts with potential customers.
- The Group's representatives paid a visit to Japan, where they established new potential trade contacts.
- AB Vilkyškių Pieninė installed a brand-new cheese slicing line.
- AB Kelmės Pieninė completed investments into its new yogurt packaging facility, drawing more than LTL 0,4 million from an EU support measure for the dairy sector.
- AB Vilkyškių Pieninė completed an investment project in new dairy product storage containers and a cheese cutter, with EU support exceeding LTL 0,4 million.
- AB Vilkyškių Pieninė launched the reconstruction of its cheese brining basin.
- AB Kelmės Pieninė renovated its compressor-station.
- AB Modest renovated its boiler-house and installed a whey evaporation shop.
- Several new gourmet cheese spreads were launched onto the market, as well as new yogurt deserts enriched with roasted white buckwheat and coming in three flavours — dried plum, dried fig and caramel.
- Vilkyškių Pieninė was named among the global food industry innovation leaders at SIAL 2014, the world's number one food industry exhibition in Paris. The professional SIAL Innovation jury picked not one, but two products made by Vilkyškių Pieninė, out of more than 1,500 contenders! The winning products were a kefir dairy drink in 330 g packages and a line of cheese spreads, both bearing the group's international trademark Vilvi.

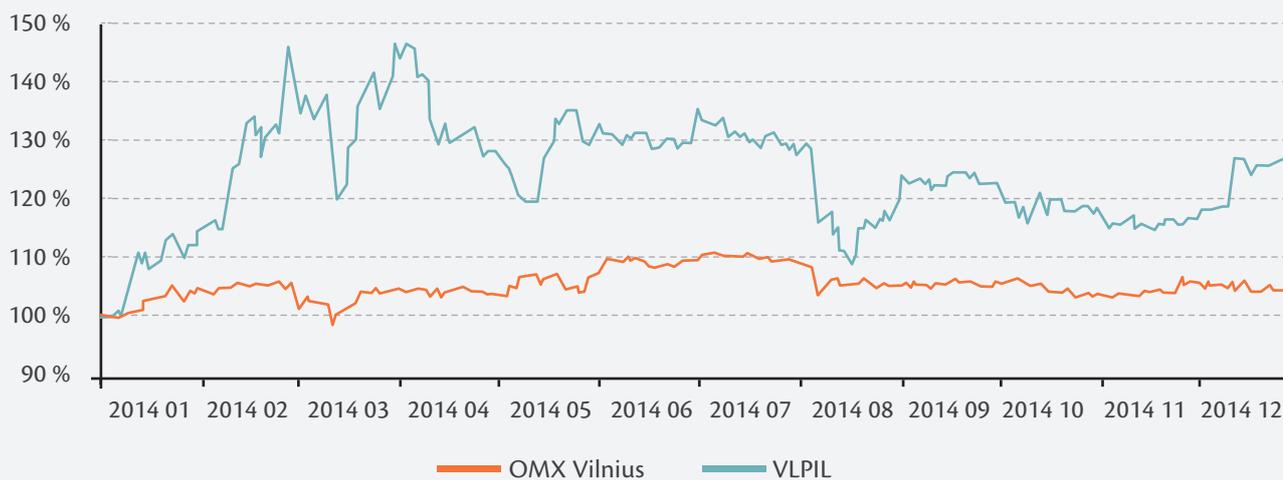
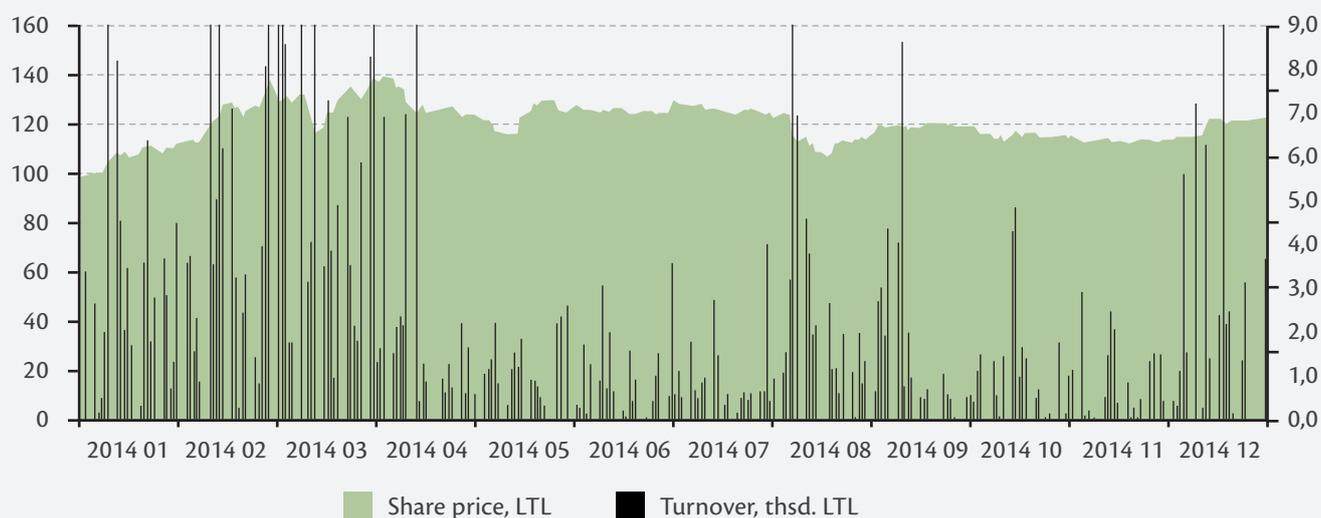


SHAREHOLDERS

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



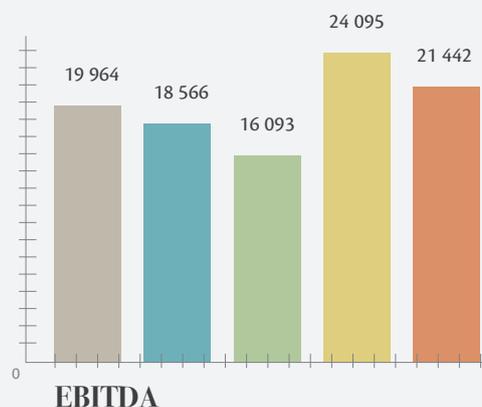
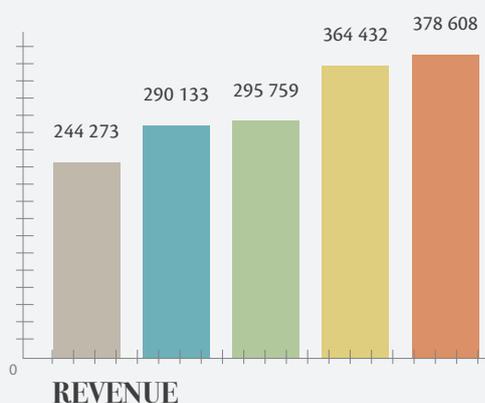
TRADING IN THE ISSUER'S SECURITIES ON THE REGULATED MARKETS

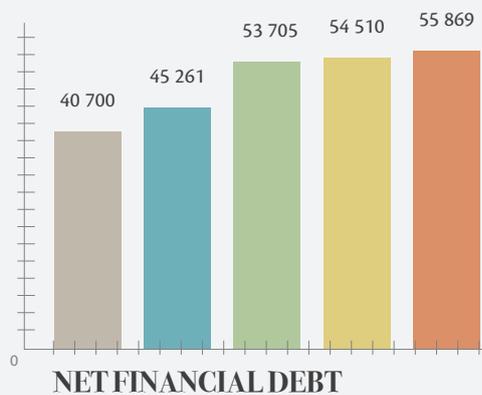
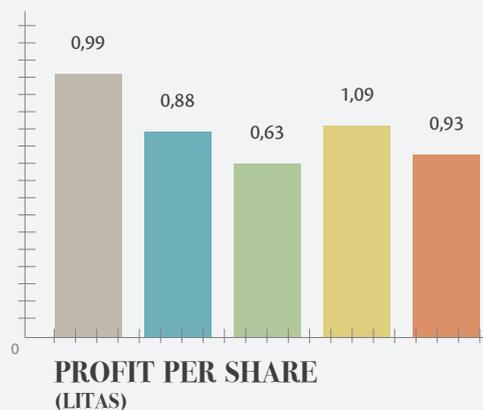
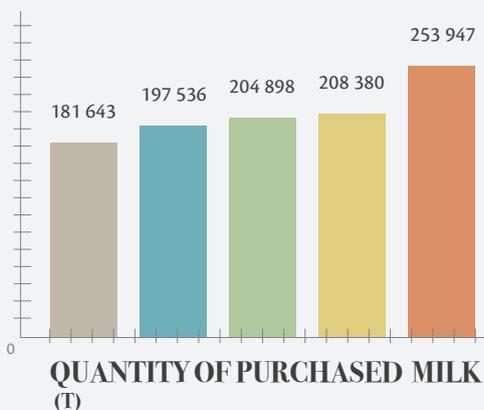
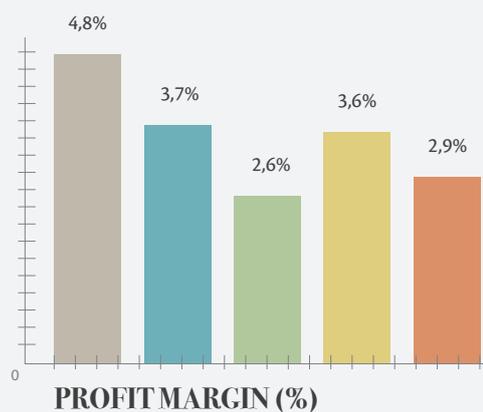
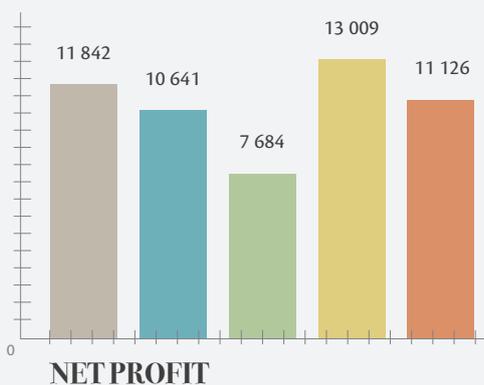
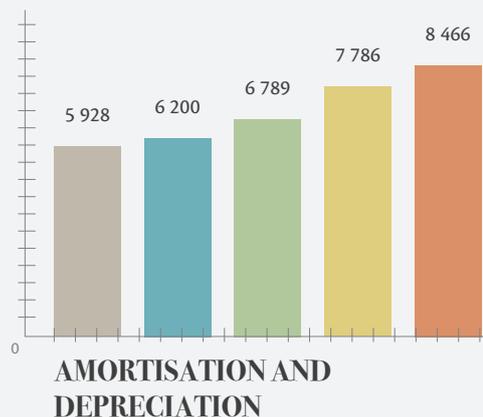
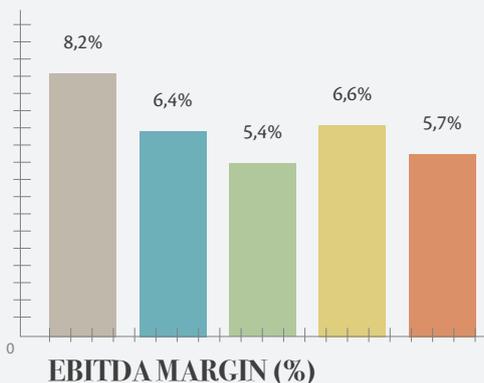


MAIN FINANCIAL INDICATORS

In 2014, Vilkyškių Group reported sales of LTL 379 million, a 4 percent rise from 2013. Revenue growth stalled despite larger volumes sold. The impact came from a fall in dairy product prices on the global market, as well as a decrease in demand and the subsequent embargo introduced by the Russian Federation. The group's net profit came to LTL 11 million in 2014, down 14 pct from the previous year.

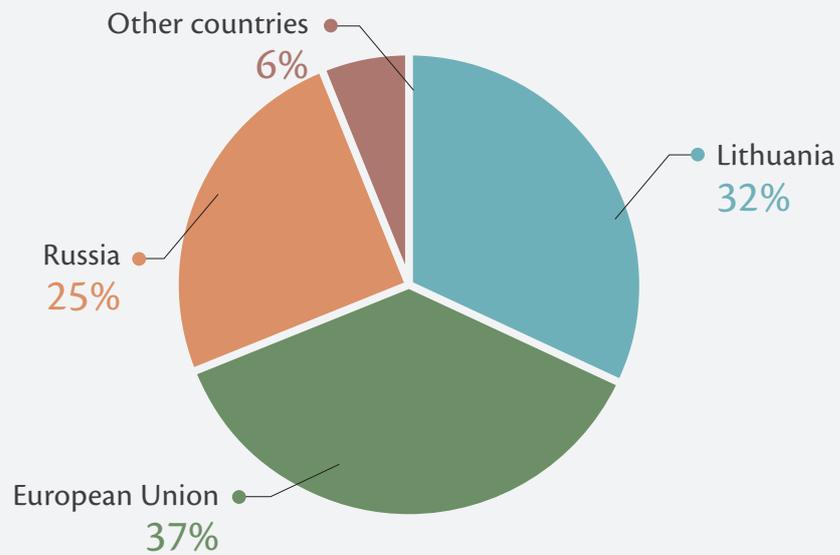
(Thousands LTL)	2010	2011	2012	2013	2014
Revenue	244 273	290 133	295 759	364 432	378 608
EBITDA	19 964	18 566	16 093	24 095	21 442
EBITDA margin (%)	8,2%	6,4%	5,4%	6,6%	5,7%
Amortisation and depreciation	5 928	6 200	6 789	7 786	8 466
Net profit	11 842	10 641	7 684	13 009	11 126
Profit margin (%)	4,8%	3,7%	2,6%	3,6%	2,9%
Quantity of purchased milk, t	181 643	197 536	204 898	208 380	253 947
Profit (loss) per share (Litas)	0,99	0,88	0,63	1,09	0,93
Net financial debt	40 700	45 261	53 705	54 510	55 869



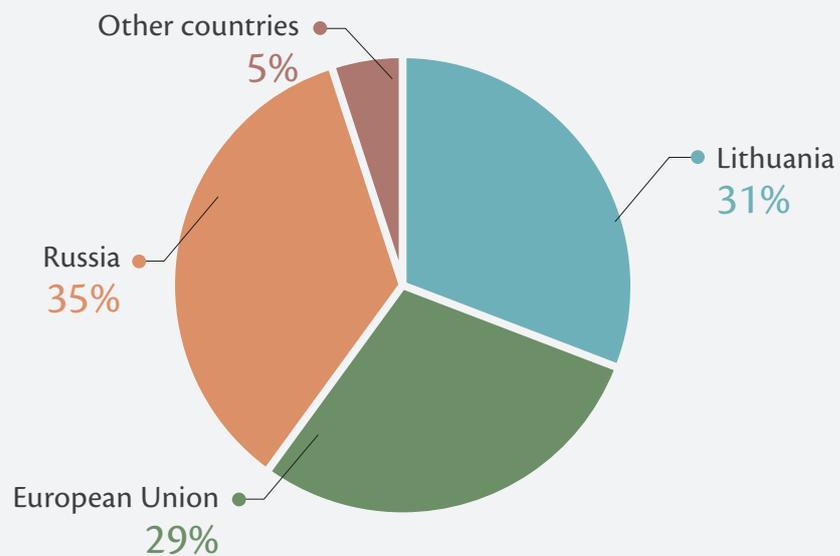


SALES MARKETS

(Thousands LTL)	2013		2014	
Lithuania	113 495	31%	119 353	32%
European Union	107 444	29%	141 330	37%
Russia	126 075	35%	94 434	25%
Other countries	17 418	5%	23 491	6%
Total	364 432		378 608	



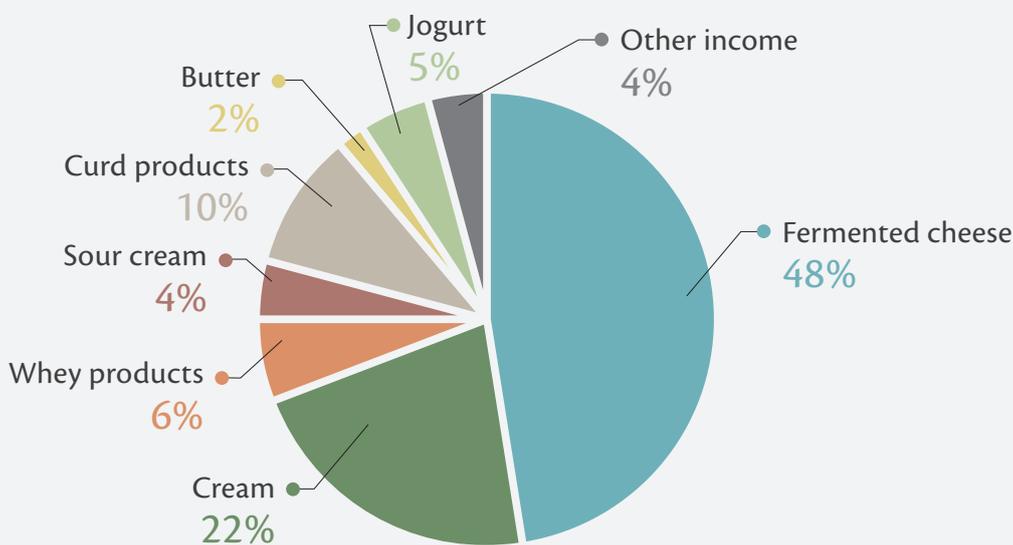
2014



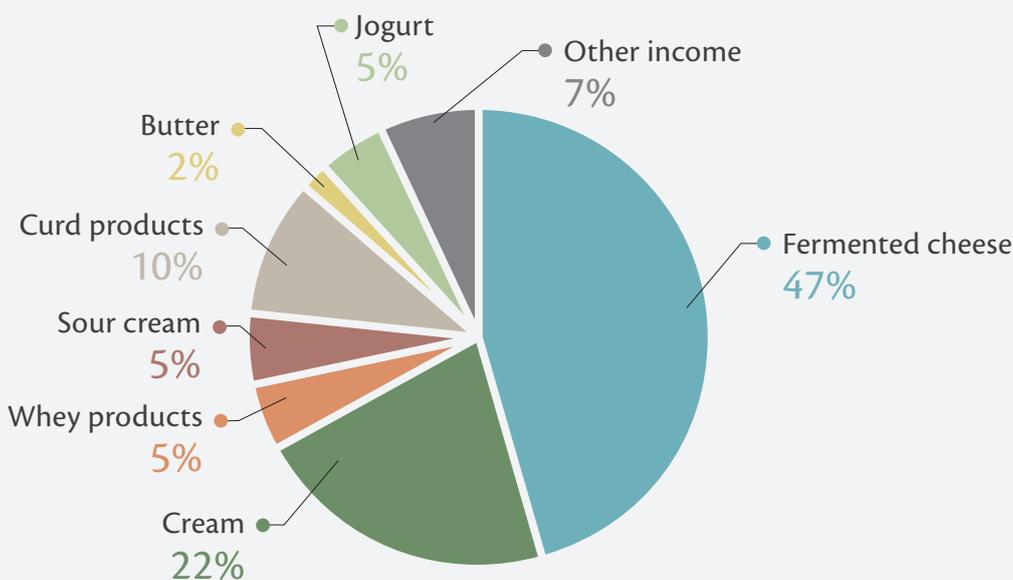
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INCOME FROM SOLD PRODUCTION

(Thousands LTL)	2013		2014	
Fermented cheese	172 653	47%	180 449	48%
Cream	79 263	22%	82 851	22%
Whey products	18 924	5%	22 660	6%
Sour cream	18 067	5%	14 607	4%
Curd products	36 429	10%	37 072	10%
Jogurt	18 301	5%	18 676	5%
Butter	8 317	2%	6 762	2%
Other income	12 478	7%	15 531	4%
Total income:	364 432		378 608	



2014



2013

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