



Vilkyskiu pienine, AB

Group

The results of nine months of 2011

About the Company

- Vilkyskiu pienine AB, was established in 1993
- On the 30th of September, in 2011 the Group had 831 employees
- The production of Dairy products is the core of Group business
- 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 of Vilnius Stock Exchange
- Standards: ISO 9001:2000 and ISO 22000:2000.



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Companies of the Group

Vilkyskiu pienine AB

- Parent company
- Established in 1993
- 2006-2008 had acquired shares of these dairy companies: Kelmes pienine, AB and Modest, AB
- Main activities: The production of cheese, cream, whey

Modest AB

- The subsidiary company
- Established in 1992
- Since 2006 working at the Group of Vilkyskiu pienine
- Main activities: The production of melted smoked cheese. also other kinds of cheese, such like cheese with mould, Mozzarella cheese.

Kelmes pienine AB

- The subsidiary company
- Established in 1993
- Since 2008 working at the Group of Vilkyskiu pienine
- Main activities: The production of Fresh dairy products



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Significant events in 2011 (of the first nine months)

- At the exhibitions "Prodexpo 2011" (2011 February) and "World Food Moscow" (2011 September), three products of "Vilkyskiu pienine", AB were awarded for exclusivity: :
 - "Prussia" ir "Žalgiris" – awarded with gold medals at international competitions
 - "Memel Blue" – bronze medal
 - "Vilkyškių" grietinė 30 % – bronze medal
 - "Legenda" ir "Žalgiris" – Russia's "Choice of Supermarkets 2011"
- Modest, AB received the Licence of Export to Russia;
- At the beginning of the year „Vilkyskiu pienine“ has established a new cutting line of fermented cheese that enables to cut it in slices. This offering of cheese packaging is very popular among consumers.
- The company Modest AB had contracted the project "New technologies improving the quality of products", funded from EU structural support, for a 150 thousand Lt worth.



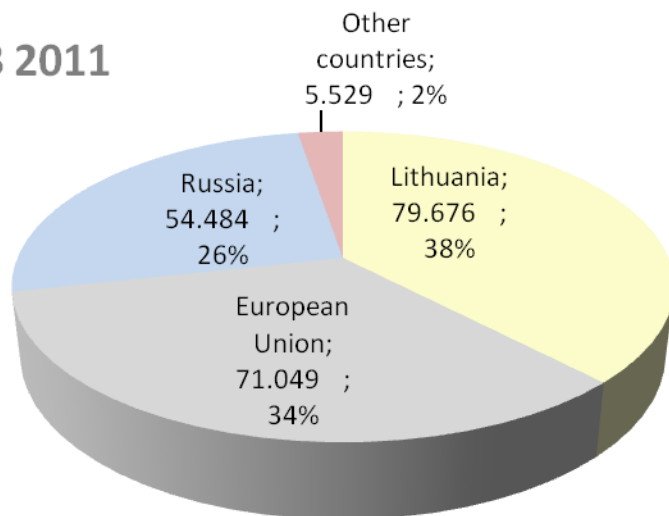
Significant events in 2011 (of the first nine months)

- The new giant project “The development of cheese production line”, worth about 16 million LTL has been started. The growth of production’s capacity will seek 30 percent after the end of the project.
- A new company brand/logo was introduced, also, the packaging visuals are renewed. For export markets the company has developed a brand and logo named “Vilvi”.
- There are a lot of products that have been introduced in Lithuanian market – many of them under brand “Vilkyškių”. The new products are: various tastes of sweet chocolate-glazed curd, yoghurts, curd spreads, piquant and colored cheeses, curd cheese for baking, also an innovative line “Plius Minus” introduced which is exclusive for the additives – it has been enriched with Omega-3 and Omega-6 acids and a lowered cholesterol.
- “Vilkyškių pieninė” has introduced a new image campaign in a Lithuanian market – “From Lithuanian meadows – to Your table”.

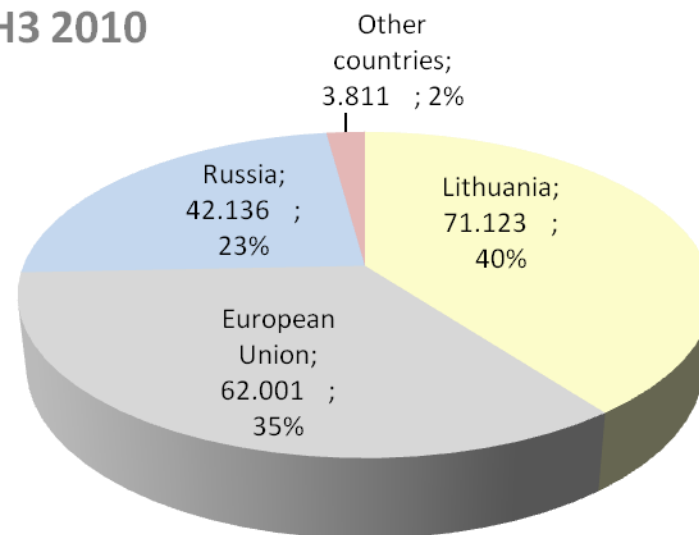


Specification of the markets per revenue (in LTL thousand)

H3 2011

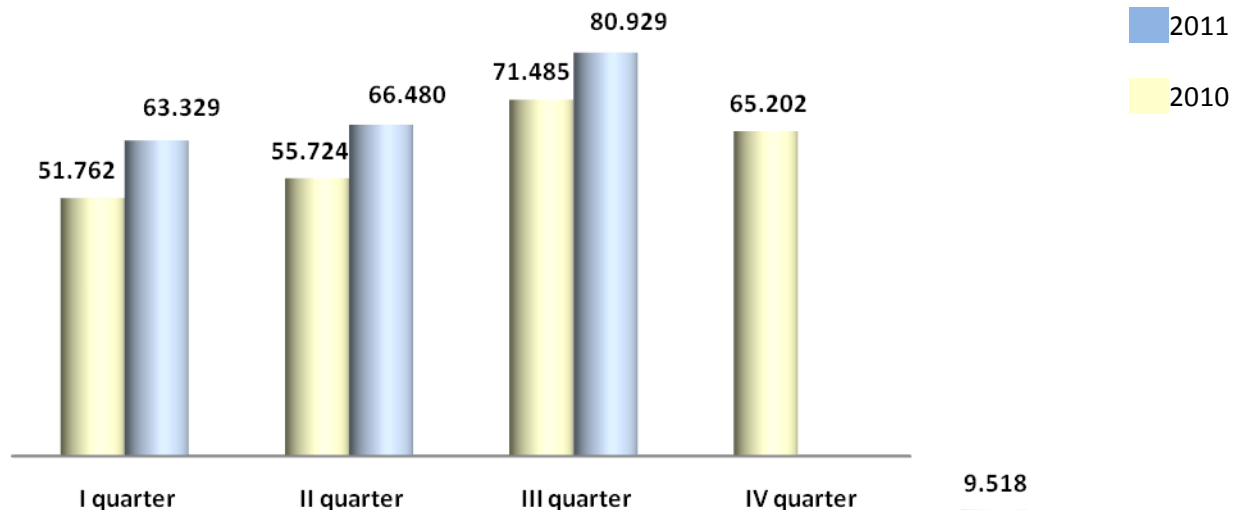


H3 2010

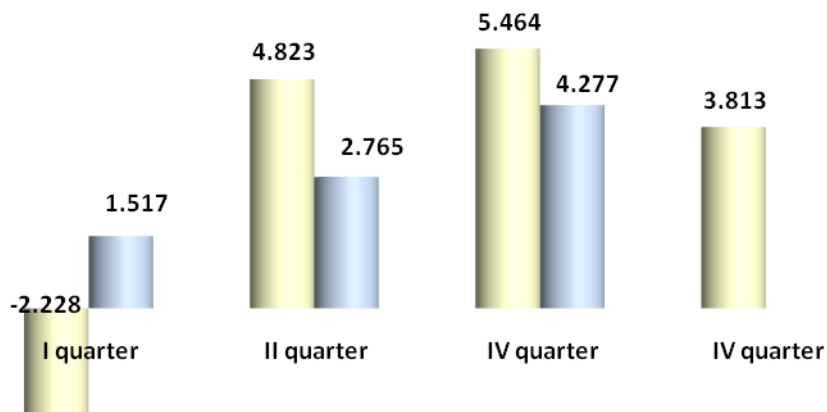


Financial indicators by quarters (in LTL thousand)

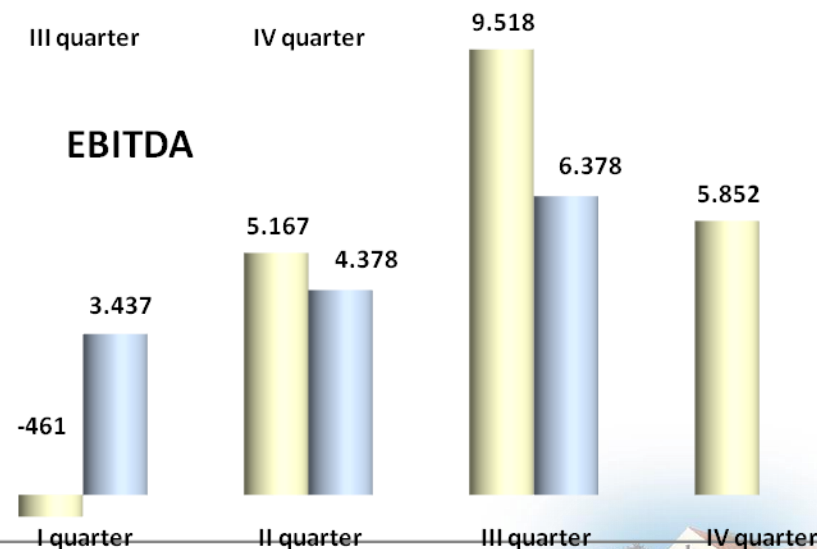
Revenues



Net profit (loss)



EBITDA



Main financial indicators

| (Thousands LTL) | July - September 2011 | July- September 2010 | Change | January - September 2011 | January- September 2010 | Change |
|-------------------------------|-----------------------------|----------------------------|--------|--------------------------------|-------------------------------|--------|
| Revenue | 80.929 | 71.485 | 13% | 210.738 | 179.071 | 18% |
| EBITDA | 6.364 | 9.653 | | 14.193 | 14.224 | -0,2% |
| EBITDA margin | 7,9% | 13,5% | | 6,7% | 7,9% | |
| Amortisation and depreciation | 1.534 | 1.498 | 2,4% | 4.604 | 4.497 | 2% |
| Net profit | 4.277 | 5.464 | -22% | 8.559 | 8.059 | 6% |
| Profit margin | 5,3% | 7,6% | | 4,06% | 4,5% | |
| Quantity of purchased milk | 0,36 | 0,46 | 6% | 0,72 | 0,67 | 6% |
| Investments | 146.890 | 135.348 | -22% | 146.890 | 135.348 | 9% |
| Net financial debt | 48.704 | 41.503 | 17% | 48.704 | 41.503 | 17% |

Sales income for the nine months of the current year has increased by 18% and the profit has increased by 6%, compared with the same period of the previous year.

An increase in revenue and net profit occurred due to increased export prices and due to full exhaustion of production capacities in the parent company AB Vilkyskiu Pienine during the winter time. In the middle of the year prices of raw materials also export prices stabilised which enabled the Company to earn a net profit of 8 million Litas. The profit has been earned from export markets.



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