



VILKYŠKIŲ PIENINĖ AB GROUP



**THE RESULTS OF
9 MONTHS OF 2014**

ABOUT THE COMPANY

Vilkyškių pieninė AB, was established in 1993 m.

On the 30th of September 2014 the Group had 956 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



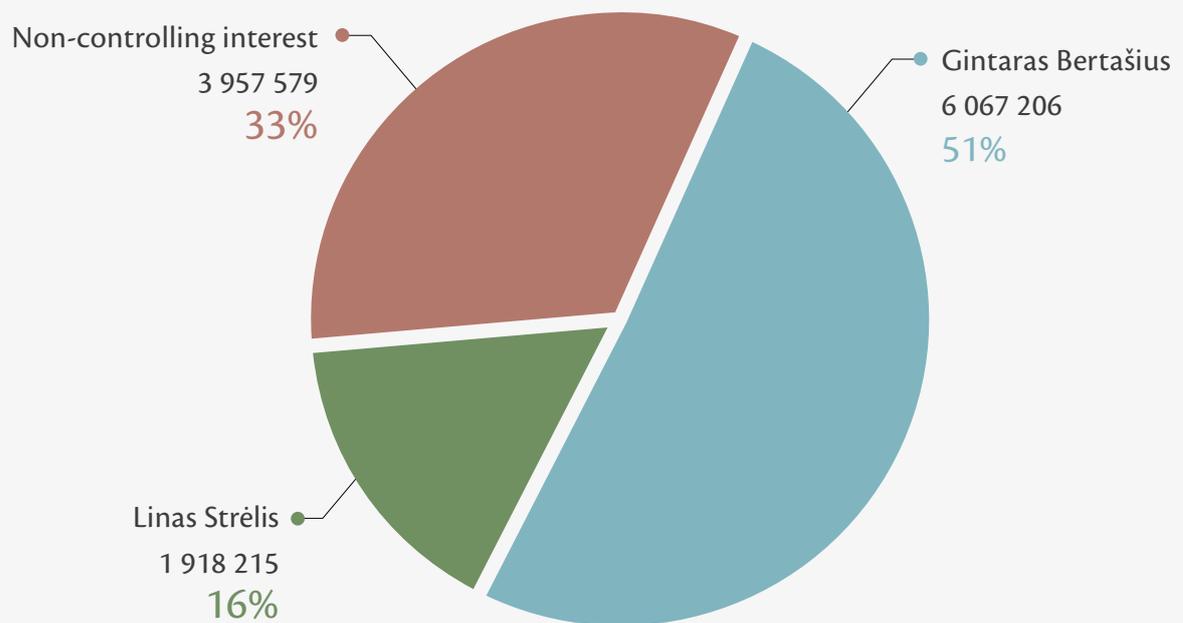
SIGNIFICANT EVENTS IN 9 MONTHS 2014

- In the international food exhibition „ProdExpo 2014“, in Moscow, Vilkyškių pieninė hard cheese „Jubiliejinis 1934“ was awarded with gold medal. Lithuanian product was evaluated in innovative technologies and packing design.
- Company's delegates were participating in food exhibition „Gulfood 2014“ in Dubai. In exhibition was established new relationship with potential costumers.
- Delegates of Vilkyškių pieninė visited in Japan were met new potential costumers.
- Established a new modern cheese cutting equipment, which allows to cut cheese in slices.
- AB Klemes pieninė completed investment project „Investments in milk production“ , during this project company established new modern yogurt packaking line. For this project company recieved 0,4 million LTL from EU funds.
- AB Vilkyškių pieninė completed investment project „Milk processing company modernization“, during this project company established new milk product tanks and a new cheese cutting equipment. For this project company recieved 0,4 million LTL from EU funds.
- Started reconstruction of cheese salting pool in Vilkyškių pieninė AB.
- Started the reconstruction of compressor in Kelmės Pieninė AB.
- New gourmet taste melted cheese were introduced in Lithuanian market.

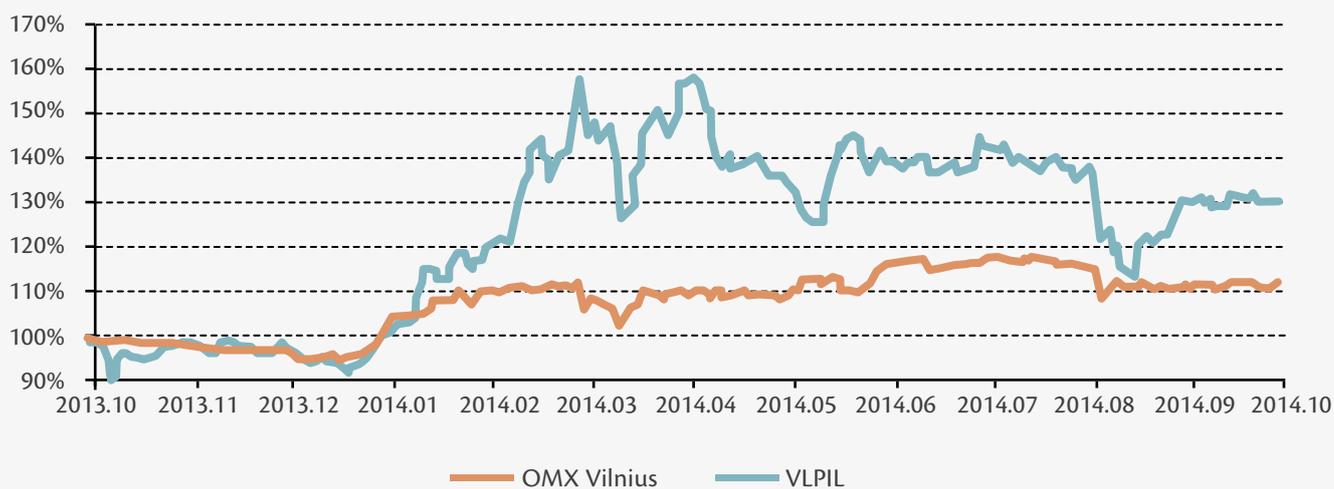
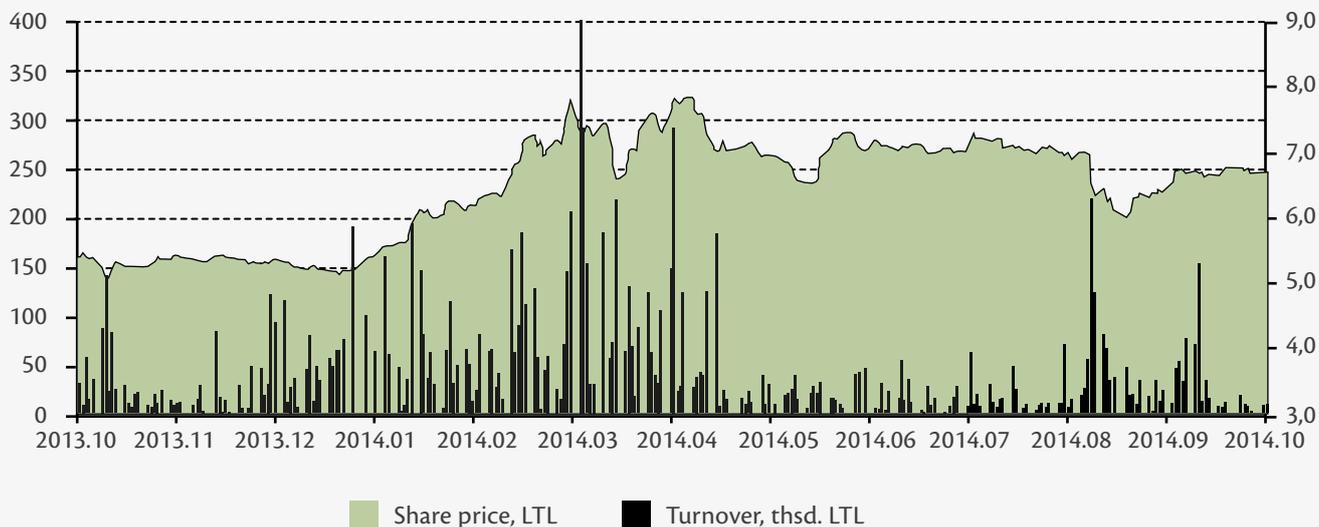


SHAREHOLDERS

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



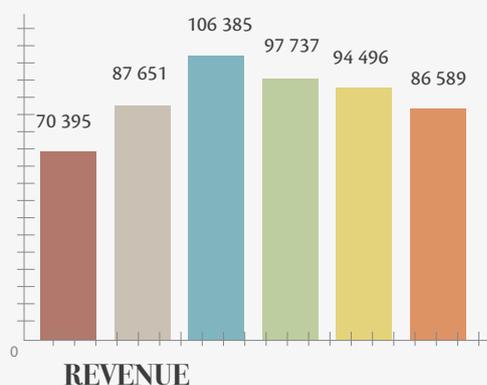
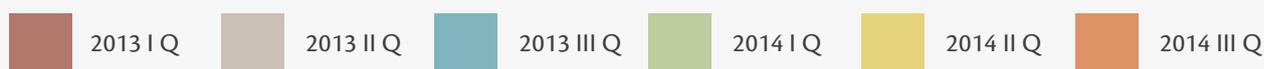
MAIN FINANCIAL INDICATORS

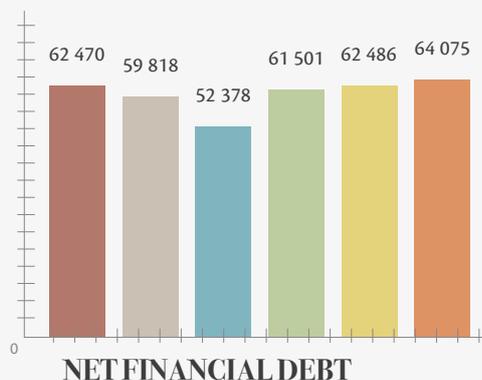
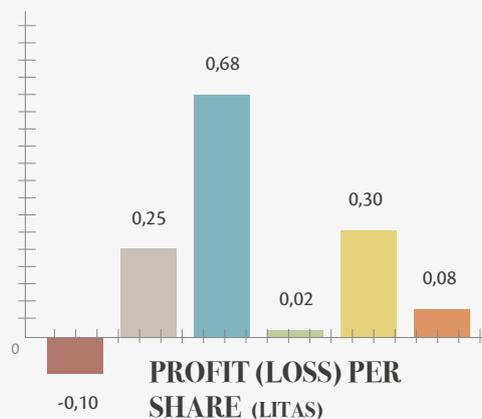
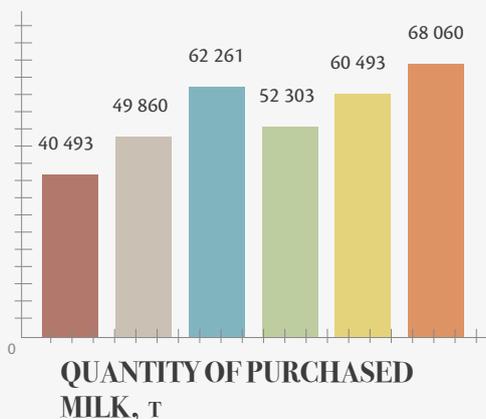
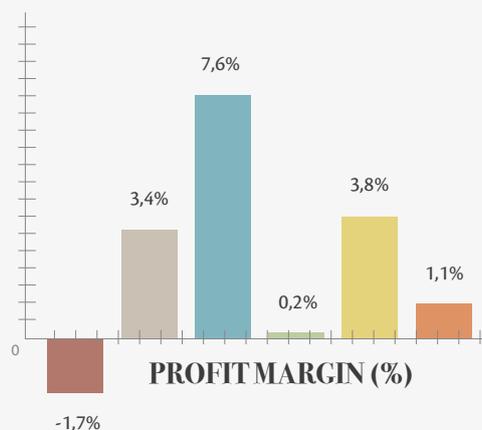
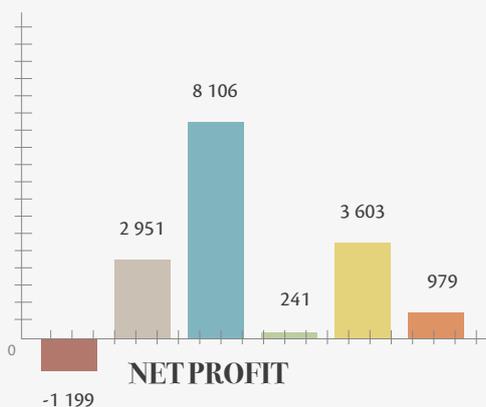
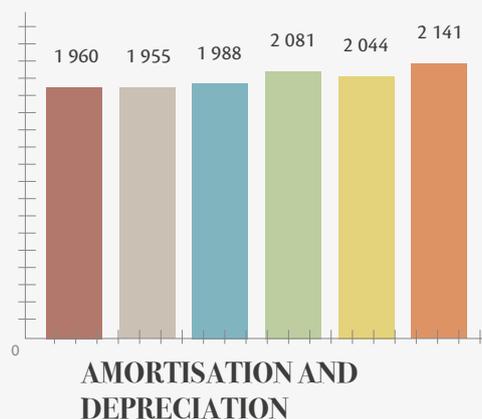
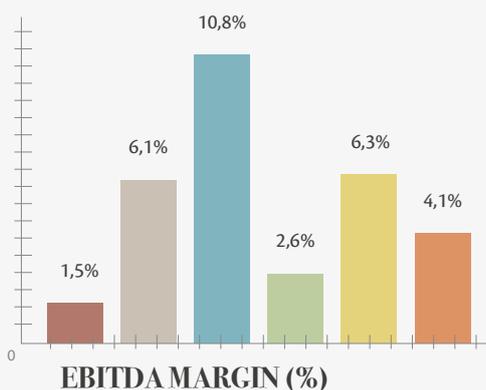
Dairy group Vilkyškių Pieninė's sales came to LTL 278m in nine months this year, up 5.2 pct year-on-year. However, revenues distributed unevenly throughout the 9 months, as H1 sales were LTL 192m, up 22 pct year-on-year, while Q3 sales were down 19 pct y-o-y to LTL 86.6m. The decline was caused by a slump in dairy product prices on global markets and the Russian Federation embargo on food imports from Europe.

As a result, the group's nine-month consolidated unaudited net profit was LTL 4.8m, just half of the result for the same period in 2013.

The Q3 profit (LTL 979,000) distribution by month was a LTL 2.2m profit in July, a LTL 1.1m loss in August due to the Russian embargo, and a LTL 0.1m loss in September, following stabilisation in the company's operations.

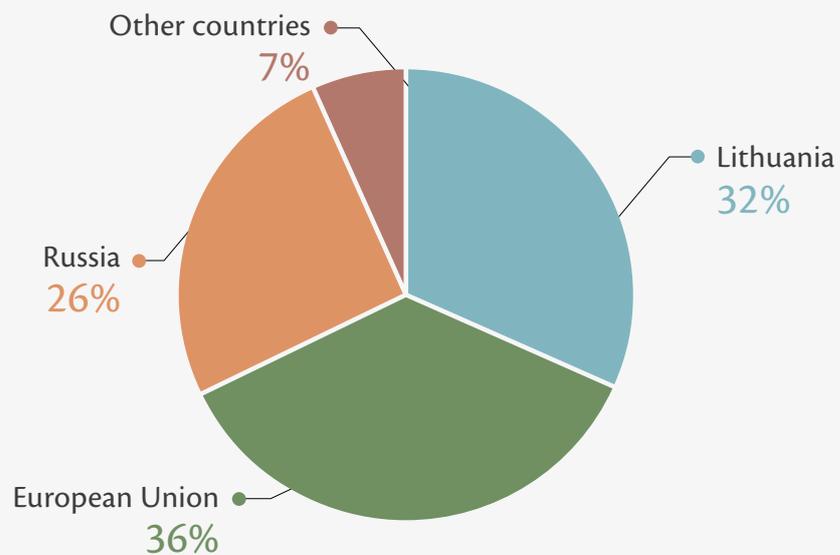
(Thousands LTL)	2013 I Q	2013 II Q	2013 III Q	2014 I Q	2014 II Q	2014 III Q
Revenue	70 395	87 651	106 385	97 737	94 496	86 589
EBITDA	1 077	5 342	11 444	2 570	5 945	3 539
EBITDA margin (%)	1,5%	6,1%	10,8%	2,6%	6,3%	4,1%
Amortisation and depreciation	1 960	1 955	1 988	2 081	2 044	2 141
Net profit	-1 199	2 951	8 106	241	3 603	979
Profit margin (%)	-1,7%	3,4%	7,6%	0,2%	3,8%	1,1%
Quantity of purchased milk, t	40 493	49 860	62 261	52 303	60 493	68 060
Profit (loss) per share (Litas)	-0,10	0,25	0,68	0,02	0,30	0,08
Net financial debt	62 470	59 818	52 378	61 501	62 486	64 075



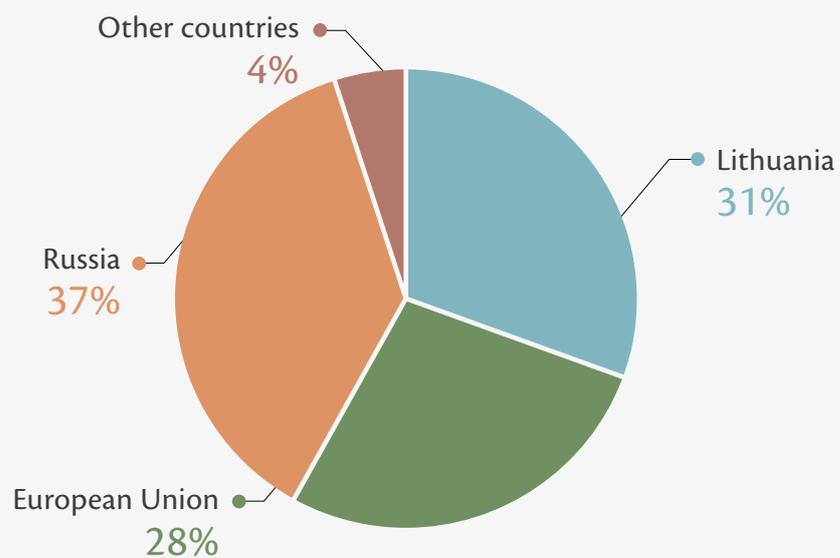


SALES MARKETS

(Thousands LTL)	2013 III Q		2014 III Q	
Lithuania	81 024	31%	88 323	32%
European Union	72 885	28%	100 842	36%
Russia	97 770	37%	71 306	26%
Other countries	12 752	4%	18 351	7%
Total	264 431		278 822	



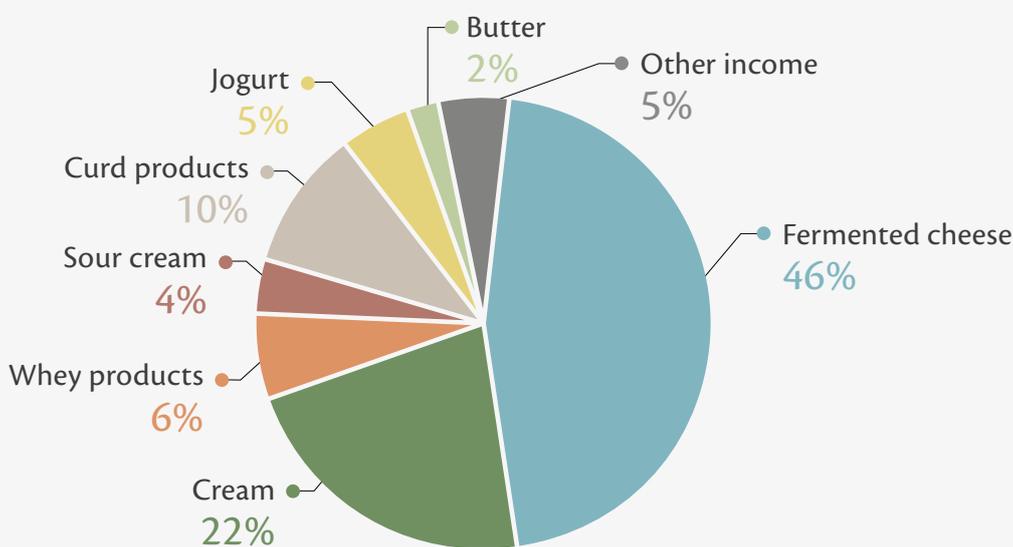
2014 III Q



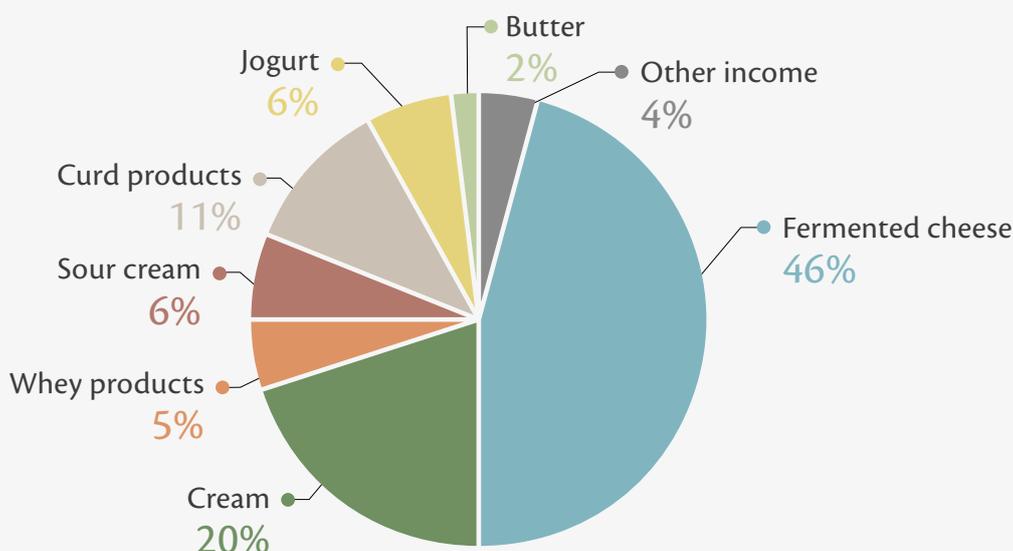
2013 III Q

INCOME FROM SOLD PRODUCTION

(Thousands LTL)	2013 III Q		2014 III Q	
Fermented cheese	121 069	46%	129 245	46%
Cream	53 509	20%	60 341	22%
Whey products	13 729	5%	16 797	6%
Sour cream	14 826	6%	11 678	4%
Curd products	29 553	11%	28 338	10%
Jogurt	14 834	6%	14 821	5%
Butter	6 540	2%	4 756	2%
Other income	10 371	4%	12 846	5%
Total income:	264 431		278 822	



2014 III Q



2013 III Q

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