

The results of 3 months of 2017



VILKYŠKIŲ PIENINĖ AB
GROUP

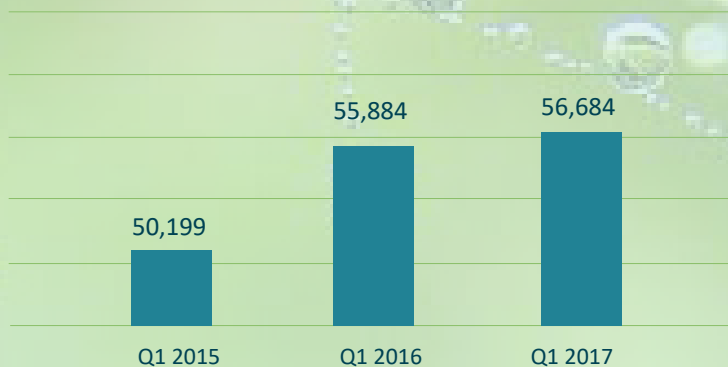
SIGNIFICANT EVENTS IN Q1 2017

- In January 2017, Vilkyškių pieninė, AB commenced export to Chinese market. Mozzarella cheese produced by the Company turned into the first product produced in Lithuania and exported to China.
- In February, the Company traditionally took part in the International exhibition of food industry Gulfood 2017 in Dubai, The United Arab Emirates. The meetings with existing and potential clients took place during the exposition and several new contracts have been signed.
- New MURR glazed cheese curd snack maple syrup flavour – incorporated into MURR glazed cheese curd snack line which involves vanilla, chocolate, biscuit, condensed milk, mascarpone, pistachios and coconut flavours. Additionally, new MURR yogurt desserts have been introduced representing well known and favourite flavours – banana and especially appetizing coconut water flavour.
- In March, VILKYŠKIŲ curd spread with greenery has been announced to be the most popular product in curd spreads category in competition “Most Popular Product 2016”. 32 suppliers and producers took place in the competition. Winners have been selected by evaluating highest sales during 2016. Most popular product had to meet the additional - quality – criteria. State Food and Veterinary Service together with State Consumer Rights Protection Authority monitored if nominated product had not gained any penalties for quality or safety during the last 24 months.

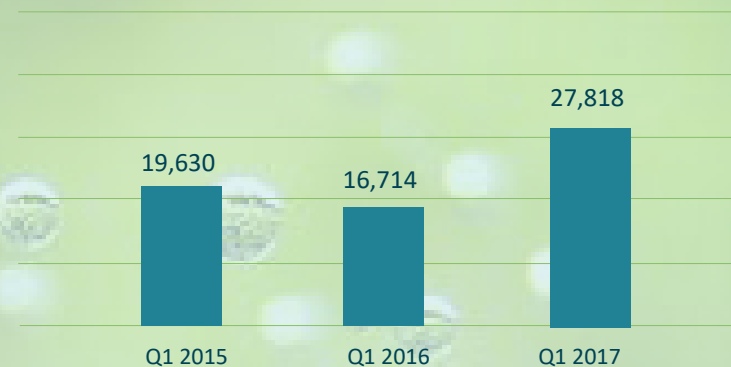
MAIN FINANCIAL INDICATORS

(Thousands EUR)	Q1 2015	Q1 2016	Q1 2017
Revenue	19,630	16,714	27,818
EBITDA	721	14	1,964
EBITDA margin (%)	3.7%	0.1%	7.1%
Net profit	108	-565	1,042
Profit margin (%)	0.6%	-3.4%	3.7%
Quantity of purchased milk, t	50,199	55,884	56,684
Profit (loss) per share (EUR)	0.01	-0.05	0.09
Net financial debt	17,911	24,263	30,896

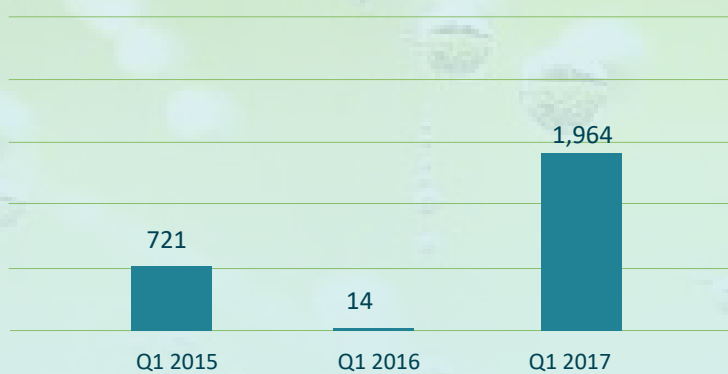
QUANTITY OF PURCHASED MILK, T



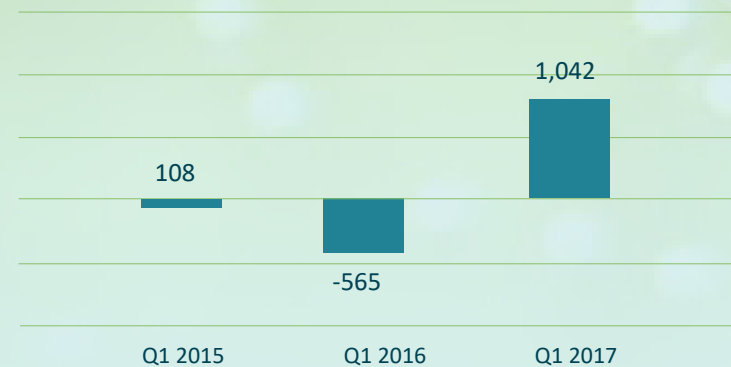
REVENUE (THOUSANDS EUR)



EBITDA (THOUSANDS EUR)

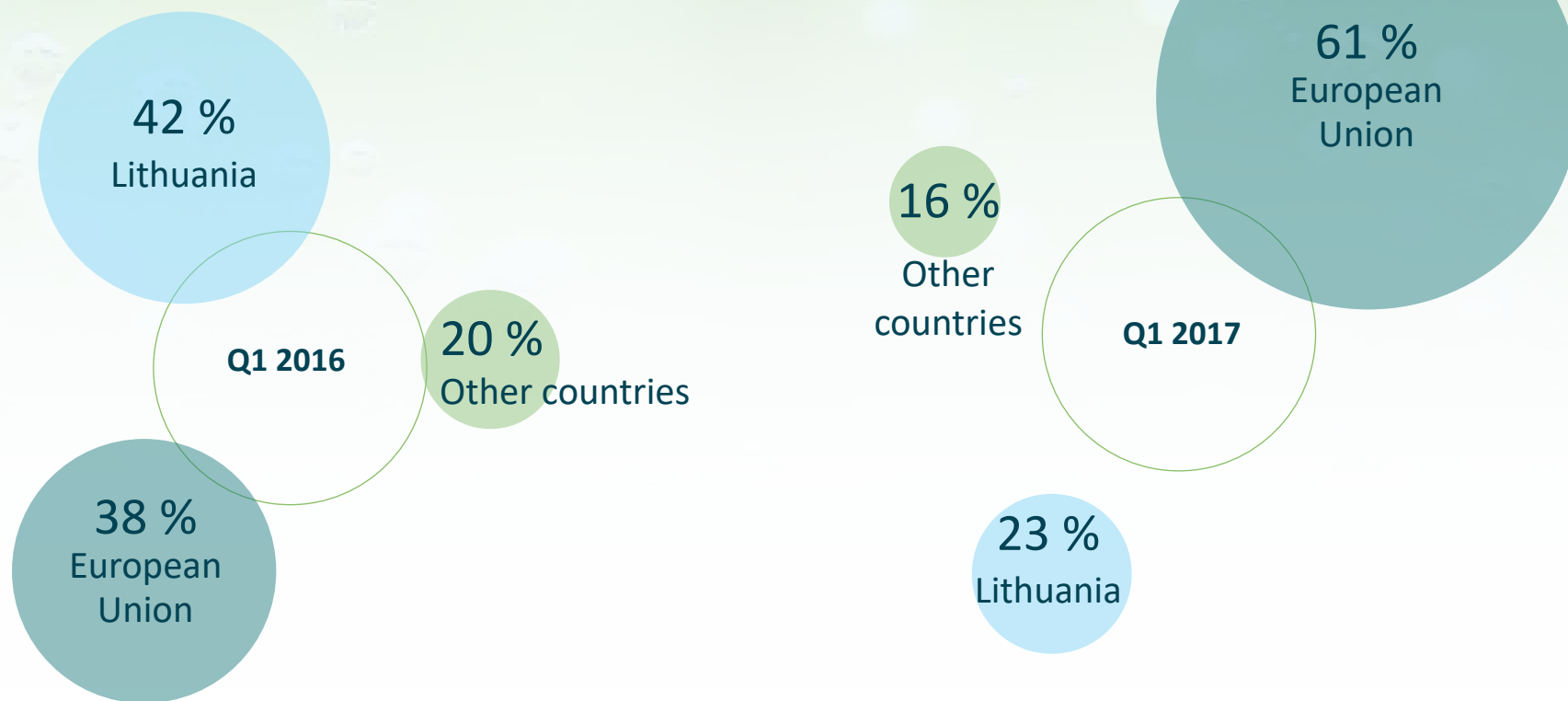


NET PROFIT (THOUSANDS EUR)



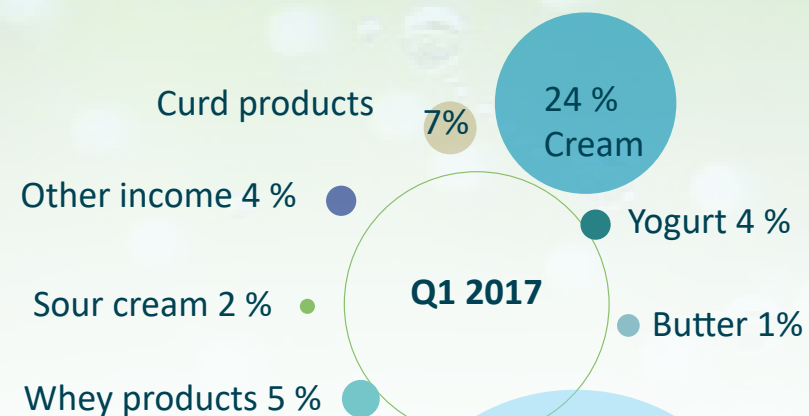
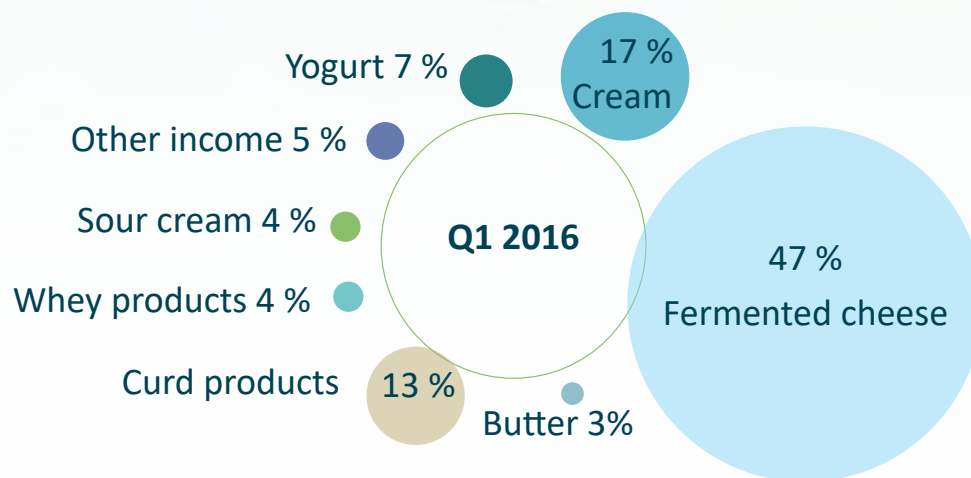
SALES MARKETS

(Thousands EUR)	Q1 2016		Q1 2017	
Lithuania	6,992	42%	6,299	23%
European Union	6,420	38%	16,933	61%
Other countries	3,302	20%	4,586	16%
	16,714		27,818	



INCOME FROM SOLD PRODUCTION

(Thousands EUR)	Q1 2016		Q1 2017	
Fermented cheese	7,850	47%	14,813	53%
Cream	2,863	17%	6,637	24%
Whey products	648	4%	1,496	5%
Sour cream	685	4%	493	2%
Curd products	2,221	13%	2,053	7%
Yogurt	1,154	7%	1,046	4%
Butter	476	3%	372	1%
Other income	817	5%	908	4%
	16,714		27,818	



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Thousand EUR	31 03 2017	31 12 2016
ASSETS		
Property, plant and equipment	51,029	49,065
Intangible assets	7,001	7,020
Long-term receivables	287	342
Non-current assets	58,317	56,427
Inventories	7,636	10,373
Trade and other receivables	10,705	6,968
Prepayments	244	365
Cash and cash equivalents	137	229
Current assets	18,722	17,935
Total assets	77,039	74,362
EQUITY		
Share capital	3,463	3,463
Share premium	3,301	3,301
Reserves	5,098	5,129
Retained earnings	18,055	16,977
Total equity attributable to the shareholders of the Company	29,917	28,870
Non-controlling interest	45	45
Total equity	29,962	28,915
LIABILITIES		
Interest-bearing loans and lease liabilities	22,523	21,611
Derivative financial instruments	116	154
Government grants	2,837	2,942
Deferred tax liabilities	967	820
Non-current liabilities	26,443	25,527
Interest-bearing loans and lease liabilities	8,373	8,697
Current tax liabilities	71	71
Derivative financial instruments	116	83
Trade and other payables, including derivatives	12,074	11,069
Current liabilities	20,634	19,920
Total liabilities	47,077	45,447
Total equity and liabilities	77,039	74,362

CONSOLIDATED INCOME STATEMENT

Thousand EUR	2017.01.01- 2017.03.31	2016.01.01- 2016.03.31
Revenue	27,818	16,714
Cost of sales	-24,929	-15,817
Gross profit	2,889	897
Other operating income	64	60
Distribution expenses	-917	-993
Administrative expenses	-684	-593
Other operating costs	-61	-41
Result from operating activities	1,291	-670
Finance income	9	2
Finance costs	-111	-160
Net finance expenses	-102	-158
Profit before income tax	1,189	-828
Income tax expense	-147	263
Profit for the period	1,042	-565
Attributable to:		
Shareholders of the Group	1,042	-565
Non-controlling interest	0	0
Net profit (loss) for the year	1,042	-565
Basic earnings per share (EUR)	0.09	-0.05

CONSOLIDATED STATEMENT OF CASH FLOWS

Thousand EUR

	2017.01.01- 2017.03.31	2016.01.01- 2016.03.31
Cash flows from operating activities		
Profit for the year	1,042	-565
Adjustments:		
Depreciation of property, plant and equipment	757	781
Amortization of intangible assets	21	3
Amortization and write down of grants	-105	-100
Profit (loss) from disposal of property, plant and equipment	10	2
Income tax expense	147	-263
Interest expenses, net	102	158
	1,974	16
Change in inventories	2,737	-1,392
Change in long-term receivables	55	89
Change in trade and other receivables and prepayments	-3,606	1,450
Change in trade and other payables	963	-817
	2,123	-654
Paid interest	-175	-104
Paid profit tax	-	-
Other financial expenses	-18	-
Net cash from operating activities	1,930	-758
Cash flows from investing activities		
Acquisition of plant and equipment	-2,498	-1,262
Acquisition of intangible assets	-2	-12
Proceeds from sale of plant and equipment	32	1
Acquisition of the subsidiary's shares	-	-
Loans granted	-	-
Loans repaid	-	-
Interest received	-	-
Net cash flows used in investing activities	-2,468	-1,273
Cash flows from financing activities		
Loans received	1,985	2,968
Repayment of borrowings	-1,539	-937
Dividends paid	-	-
Government grants received	-	-
Net cash flows from financing activities	446	2,031
Increase (decrease) in cash and cash equivalents	92	0
Cash and cash equivalents at 1 January	229	154
Cash and cash equivalents at 31 March	137	154

ADDITIONAL INFORMATION



ABOUT THE COMPANY

Vilkyškių pieninė AB, was established in 1993

On the 31th of March 2017 the Group had 950 employees

The production of Dairy products is the core of Group business

Company's share capital amounts to 3.5 million Eur

The Company's issue is included in the Official List of AB NASDAQ OMX Vilnius.

The ISIN code of the securities: LT0000127508, Ticker symbol: VLP1L.

Standards: ISO 22000:2005 ir ISO/TS 22002-1:2009 and additional FSSC 22000

COMPANIES OF THE GROUP

Vilkyškių pieninė AB

Parent Company

Established in 1993

Main activities: The production of cheese, cream and whey processing

“Modest” AB

The subsidiary Company

Established in 1992

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

Kelmės pieninė AB

The subsidiary Company

Established in 1993

Main activities: The production of fresh dairy products.

“Pieno logistika” AB

The subsidiary Company

Established in 2013

Main activities: Rent of buildings

SHORT HISTORY OF THE COMPANY

- 2000 The Company has obtained a license to export its products to the European Union.
- 2001 The Company acquired Taurage workshop from Mažeikiai subsidiary of Pieno Žvaigždės AB
- 2004 Vilkyškių pieninė has obtained a license to export its products to Russia
- 2006 Acquired “Modest” AB
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
Installed the whey processing shop in Vilkyškiai
These certificates of the standards ISO 9001:2000 and ISO 22000:2000 were presented to Vilkyškių pieninė AB
- 2009 Kelmės pieninė has obtained a license to export its products to Russia
- 2010 AB Vilkyškių pieninė set up new marketing and quality departments.
- 2011 AB “Modest” has obtained a license to export its products to Russia
The Company began to participate in one of the largest food exhibitions: “Anuga” in Germany and “SIAL” in France
Brand of the company was changed. Vilvi trademark began to used in Export markets
- 2011-2012 Plenty new products were introduced to Lithuanian market; variety of Vilkyškių fresh dairy products expanded significantly
- 2012 The second cheese plant development was implemented in Vilkyškiai.
- 2013 Vilkyškių pieninė AB / Vilkyškių brand won a nomination of “Brand of the Year 2013” as the most successful brand in Lithuania
Whey products plant extension was completed and that allowed to process up to 600 tons recycled product per day.
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.
Acquired AB “Pieno logisitika”

SHORT HISTORY OF THE COMPANY

2014 The whey ultrafiltration project was implemented.

2015 With a view to improving treatment efficiency, in 2015 Vilkyškių pieninė AB completed the modernisation of its wastewater treatment plant.

AB Vilkyškių pieninė has signed a contract on connection to a gas distribution system with AB Lietuvos dujos.

2016 During 2016-2017 whey processing project which value amounts to 26 million EUR is being implemented.

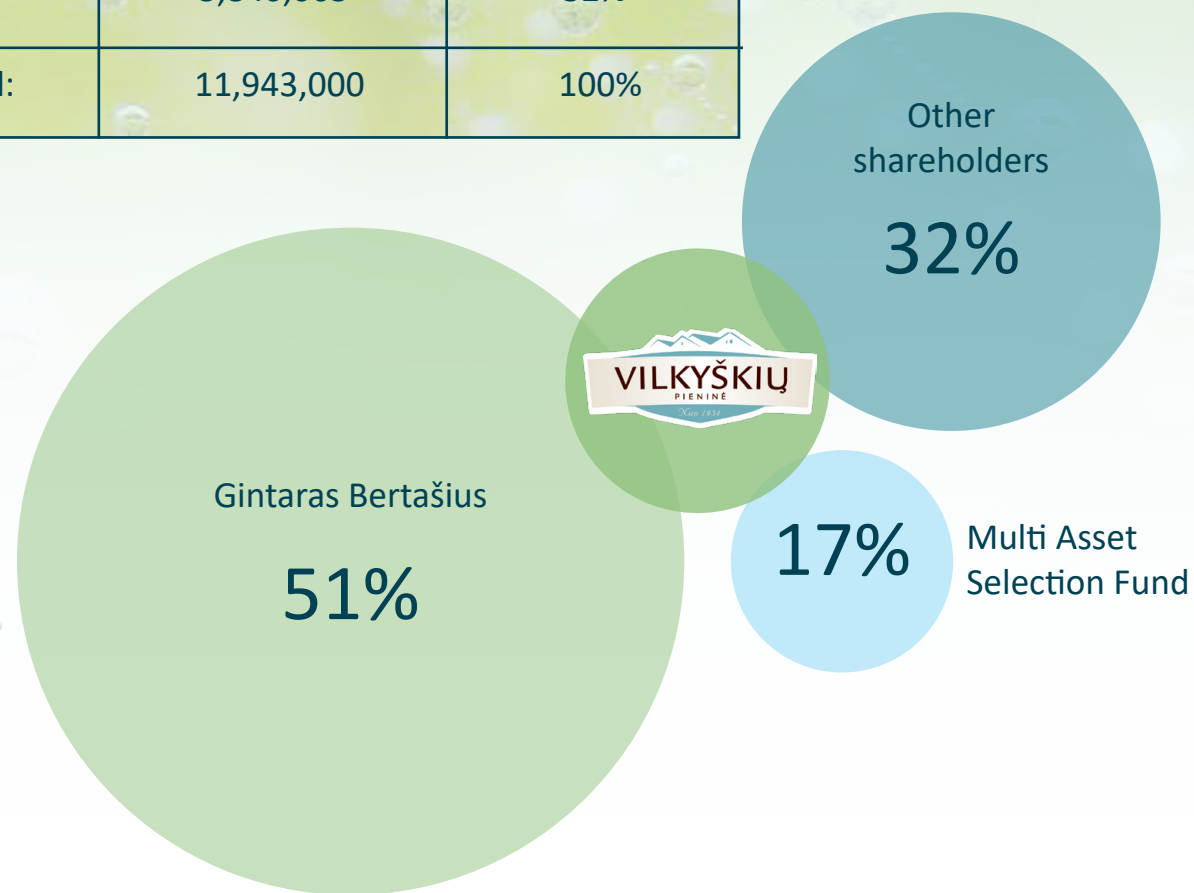
Kelmės pieninė and the National Paying Agency under the Ministry of Agriculture signed support contract No. 17PP-KS-15-2-07565-PR001, regarding the grant of 4 million EUR for the implementation of this project.

A new separate strategic division – of Management and Quality – has been established with the goal to improve the company's efficiency and to optimise the activity of Vilkyškių group at all levels and in all the fields it works in, from input to product sales.

Vilkyškių Pieninė extended the compatibility of its production with the requirements of the ISO 22000:2005 standard and supplemented its certification scheme in accordance with the FSSC 22000 standard's requirements for the creation and production of cheese and cheese products, pasteurised cream, and liquid whey products.

SHAREHOLDERS

Shareholder	Shares	Ownership interest
Gintaras Bertašius	6,067,206	51%
Multi Asset Selection Fund	2,035,729	17%
Other shareholders	3,840,065	32%
Capital in total:	11,943,000	100%





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