



# VILKYŠKIŲ PIENINĖ, AB GROUP



**THE RESULTS  
OF 2011**

## ABOUT THE COMPANY

Vilkyskiu pienine AB, was established in 1993

On the 31th of December, in 2011 the Group had 845 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 of Standards: ISO 9001:2000 and ISO 22000:2000.

## COMPANIES OF THE GROUP

### **VILKYŠKIŲ PIENINĖ AB**

Parent Company

Established in 1993

Main activities: The production of cheese, cream, whey

### **“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

## TRUMPA ĮMONĖS ISTORIJA

- 1993 m.** Company established
- 1999-2000 m.** the fully computerized and automated technological line of cheese production started to work in Vilkyškiai
- 2000 m.** the company received Export Licence to the European Union
- 2001 m.** company acquired Taurage workshop form Mažeikiai subsidiary of Pieno Žvaigždės AB
- 2004 m.** Vilkyškių pieninė AB received Export Licence to Russia
- 2006 m.** acquired "Modest" AB
- 2006 m.** the Company have been included into the Current Trade List of Vilnius Stock Exchange
- 2007 m.** implemented development of main technological line of cheese production in Vilkyškiai
- 2008 m.** acquired Kelmės pieninė
- 2008 m.** installed the whey processing shop in Vilkyškiai
- 2008 m.** These certificates of the standards ISO 9001:2000 and ISO 22000:2000 were presented to Vilkyškių pieninė AB
- 2009 m.** Kelmės pieninė AB received Export Licence to Russia
- 2005-2011 m.** Company use the support of European Union and other fonds, involve in social projects

## SIGNIFICANT EVENTS IN 2011

- “Vilkyškių Pieninė“ has introduced a new image campaign in a Lithuanian market – “From Lithuanian meadows – to your table“.
- At the exhibition “Prodexpo 2011”, three products of Vilkyškių Pieninė, AB were awarded, as having an exclusive acknowledgement through the cheese manufactory:

The Company received an international acclaim for cheese „Prussia“ and „Žalgiris“ in the exhibitions „Prodexpo 2011“ (in February) and “World Food Moscow” (in September), where the brands were awarded gold medals

„MemelBlue“ – a bronze medal

“Vilkyškių“ sour cream of 30% - a bronze medal

Cheese „Legenda“ and „Žalgiris“ were nominated as „Russia’s trade network selection 2011“

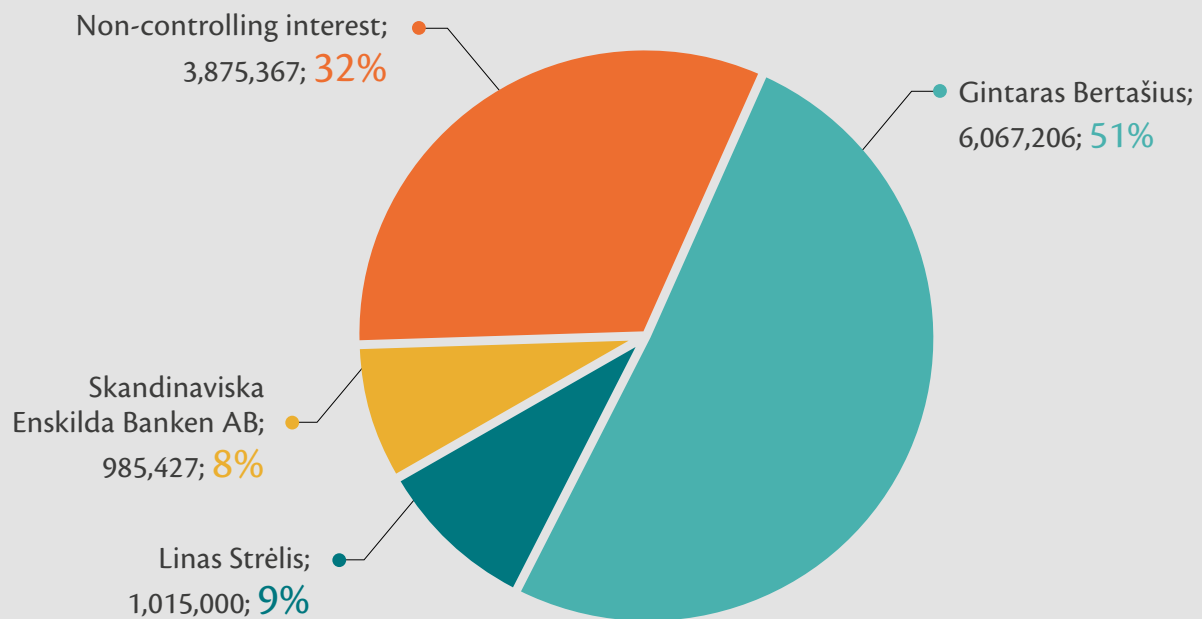
- “Vilkyškių Pieninė“ participated in one of the largest food industry exhibitions ANUGA’2012, which took place in October’2012 Cologne, Germany. The company’s stand attracted for unique design and also for the offered products quality, special attention was for cheeses Memel Blue, Žalgiris, Maasdam and Prussia. Established contacts with representatives from the Czech Republic, Germany, Holland, USA, Poland, Slovakia and other countries.
- The largest investments implemented in year 2011: extension of waste-water cleaning and

equipments washing facilities; purchased new refrigerator - storage equipments, cheese slicing and packaging machine. In JSC “Modest” were renovated cream pasteurizer and reconstructed cooling equipments.

- 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.
- The new giant project “The development of cheese production line”, worth about 16 million. Lt. Has been started. The growth of production’s capacity will seek 30 percent after the end of the project.
- Modest, AB received the licence of export to Russia;
- 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.
- 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“

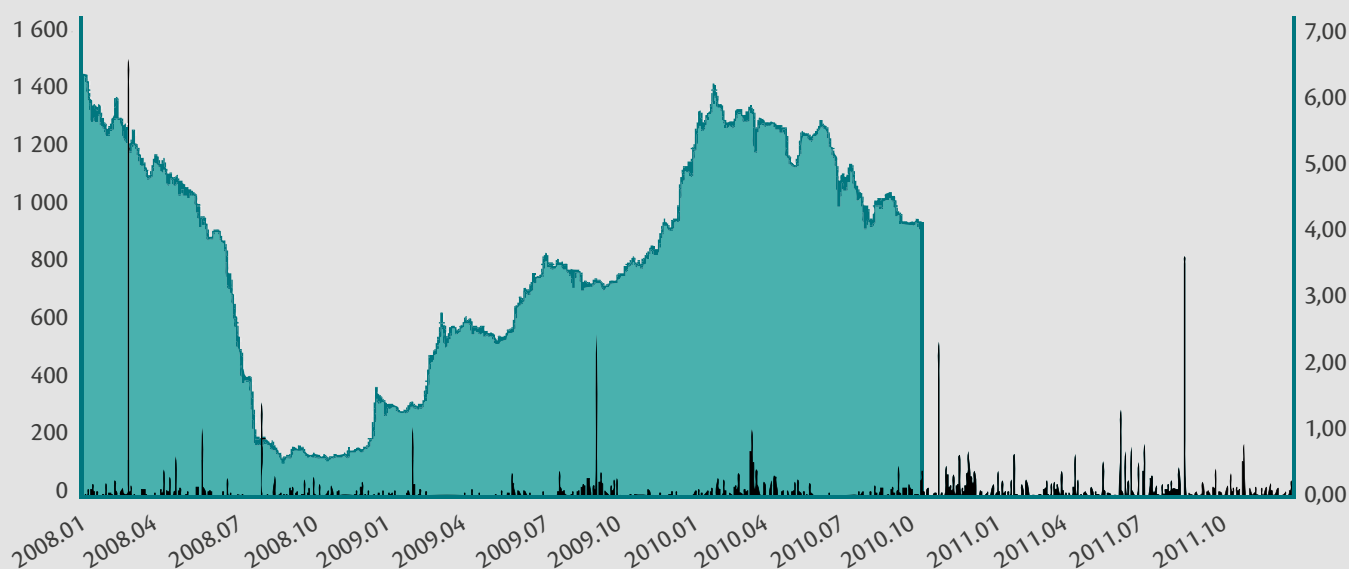
# SHAREHOLDERS

Shareholder	Akcijos	Valdoma akcijų dalis, %
Gintaras Bertašius	6,067,206	51%
Linas Strėlis	1,015,000	9%
Skandinaviska Enskilda Banken AB	985,427	8%
Non-controlling interest	3,875,367	32%
<b>Capital in total</b>	<b>11,943,000</b>	<b>100%</b>



# TRADING IN THE ISSUER'S SECURITIES ON THE REGULATED MARKETS

Quarter		Price (LT)		Turnover (LT)	
Beginning	End	Maximum	Minimum	Maximum	Minimum
2008.01.01	2008.03.31	6.40	5.00	1,507,303	0.00
2008.04.01	2008.06.30	5.52	4.51	237,964	0.00
2008.07.01	2008.09.30	4.75	2.05	324,605	0.00
2008.10.01	2008.12.31	2.50	0.52	69,650	0.00
2009.01.01	2009.03.31	0.79	0.52	241,806	0.00
2009.04.01	2009.06.30	1.69	0.60	83,134	0.00
2009.07.01	2009.09.30	2.86	1.25	557,512	0.00
2009.10.01	2009.12.31	2.75	2.27	66,144	0.00
2010.01.01	2010.03.31	3.70	2.32	232,788	0.00
2010.04.01	2010.06.30	3.67	2.95	74,358	0.00
2010.07.01	2010.09.30	3.78	3.12	105,718	0.00
2010.10.01	2010.12.31	5.94	3.87	536,451	0.00
2011.01.01	2011.03.31	6.22	5.20	150,077	0.00
2011.04.01	2011.06.30	5.64	4.98	298,972	11.26
2011.07.01	2011.09.30	5.67	4.04	828,052	1,450.18
2011.10.01	2011.12.31	4.59	4.04	180,660	2,047.51



SHARE PRICE, LTL

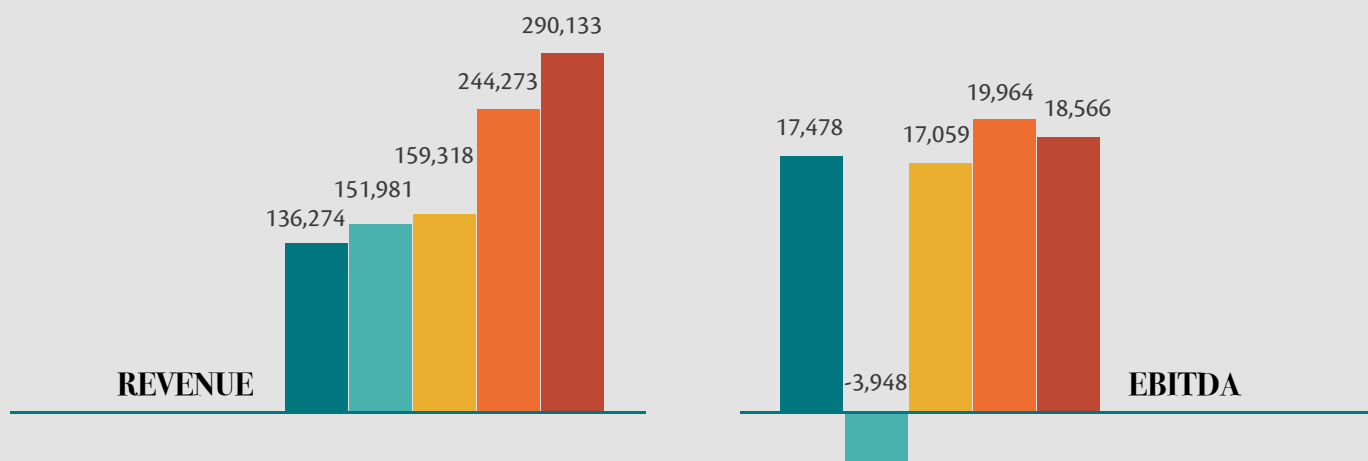
TURNOVER, THSD. LT

## KEY FINANCIAL INDICATORS

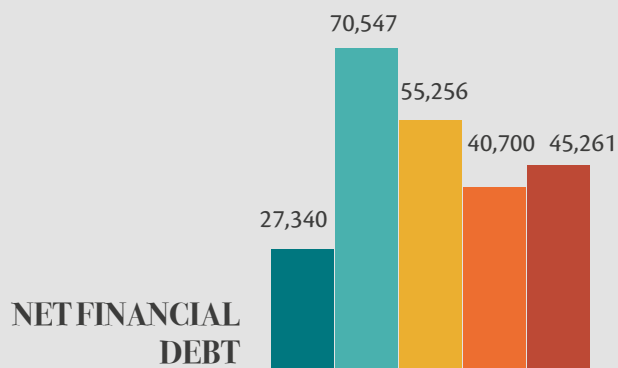
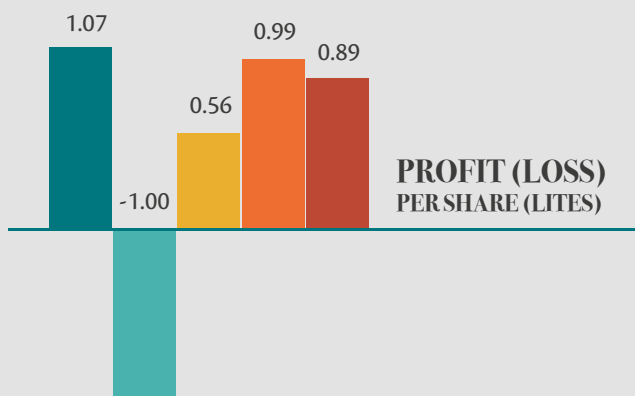
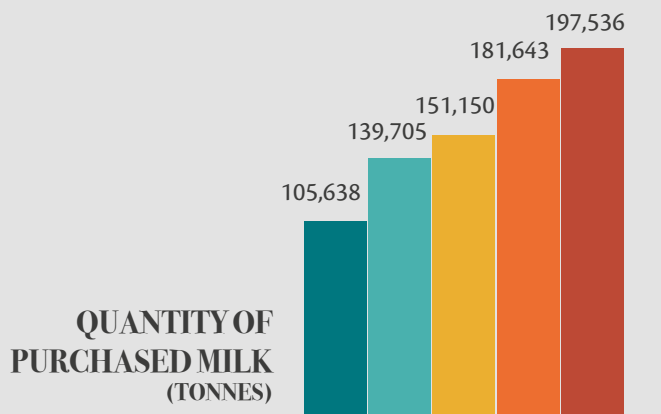
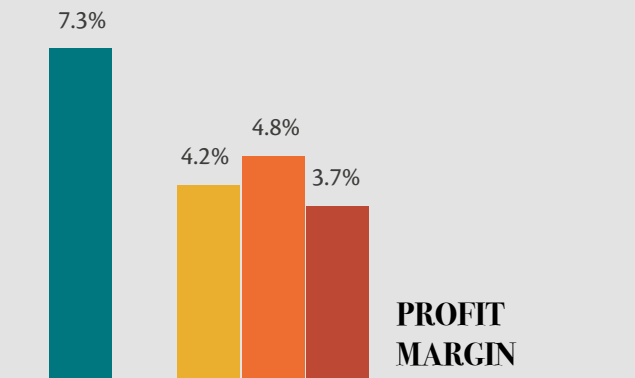
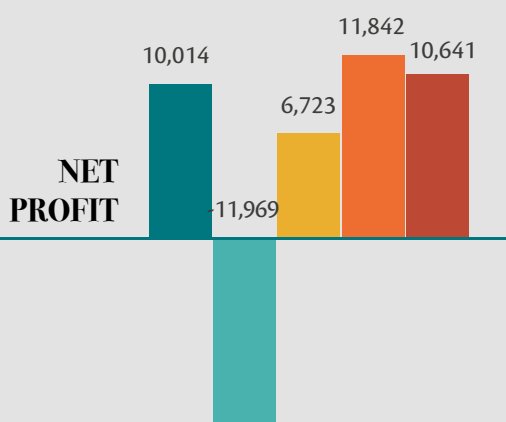
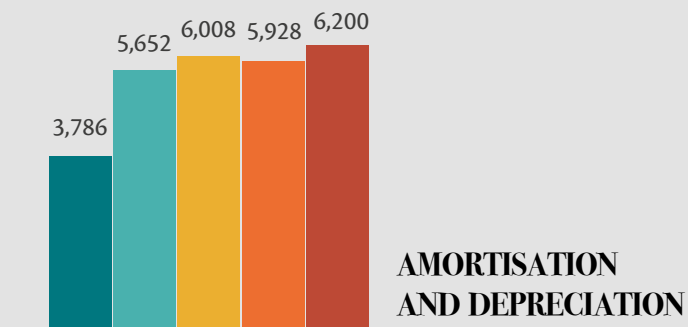
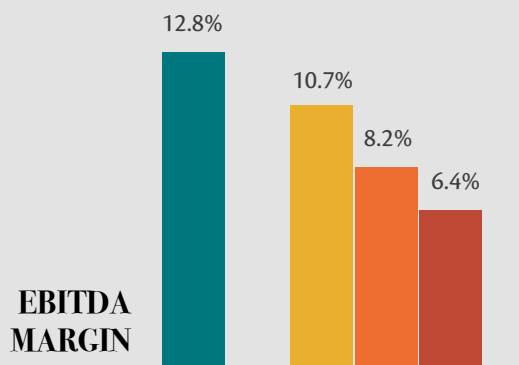
In 2011 the Group of Vilkyskių Pieninė increased the revenue by 19% and earned a consolidated profit of LTL 10,64 million (2010 : LTL 11,84 million). Due to successful development of the product portfolio, enforcement of positions in the local market and consolidation of the position in export markets in 2011, the Group gradually increased its sales volumes.

The Company paid particular attention to innovation and brand building. During the year 2011, the Group of Vilkyskių Pieninė introduced in the market 18 new products that have begun to take root both in local and export markets: an extended assortment of sweet curds and yogurt, new-type curds-spread of three flavours, developed exceptional types of savoury cheese, as well as other products.

Thousands LTL	2007	2008	2009	2010	2011
Revenue	136,274	151,981	159,318	244,273	290,133
EBITDA	17,478	-3,948	17,059	19,964	18,566
EBITDA margin	12.8%		10.7%	8.2%	6.4%
Amortisation and depreciation	3,786	5,652	6,008	5,928	6,200
Net profit	10,014	-11,969	6,723	11,842	10,641
Profit margin	7.3%		4.2%	4.8%	3.7%
Quantity of purchased milk (tonnes)	105,638	139,705	151,150	181,643	197,536
Profit (loss) per share (Lites)	1.07	-1.00	0.56	0.99	0.89
Net financial debt	27,340	70,547	55,256	40,700	45,261

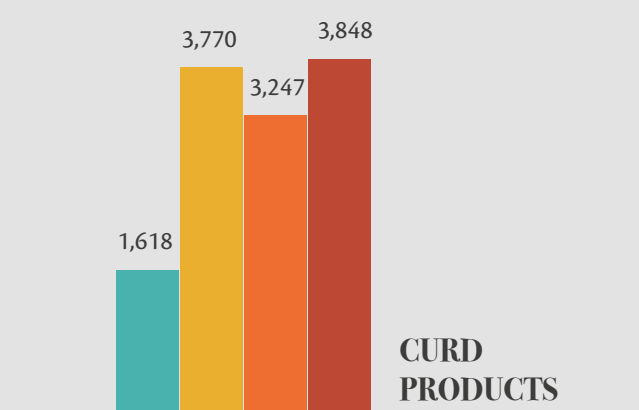
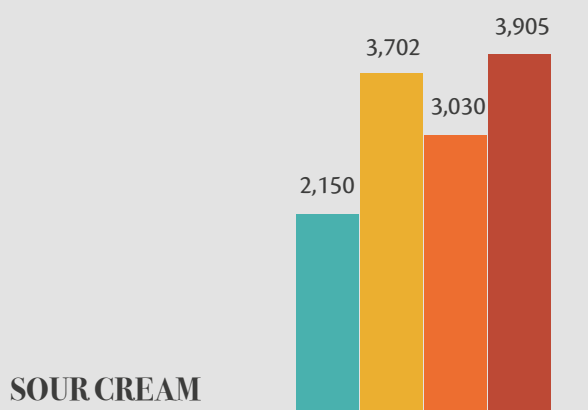
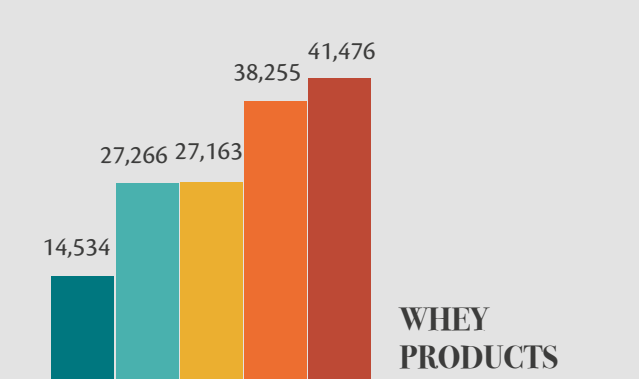
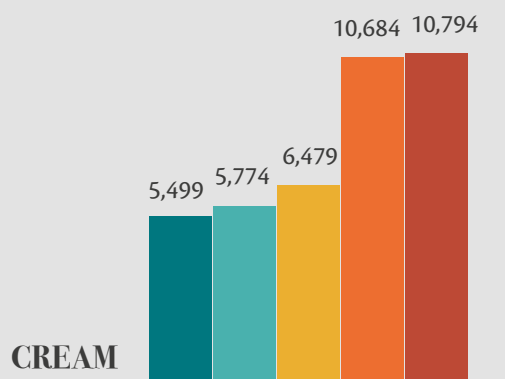
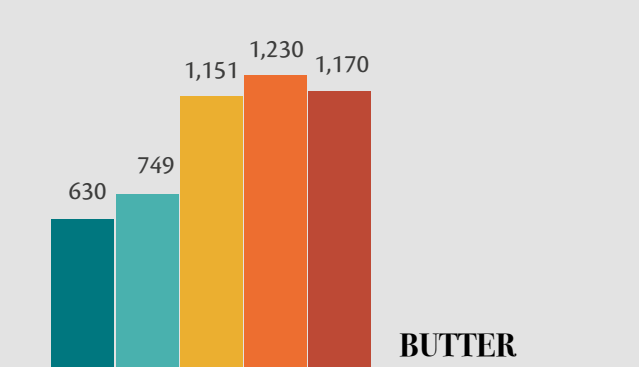
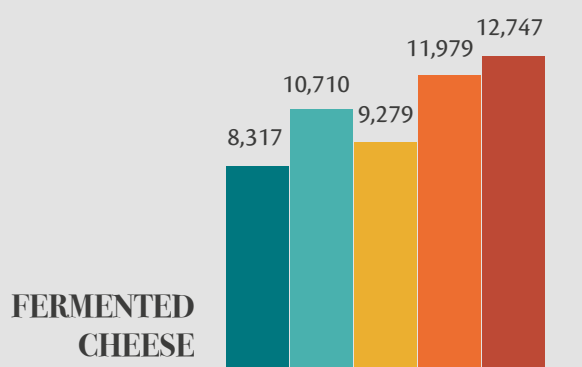






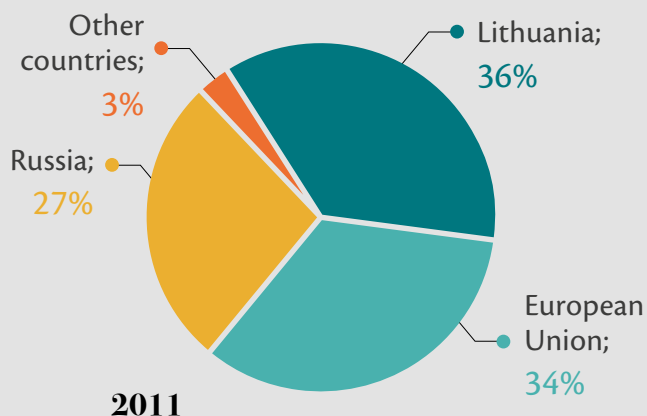
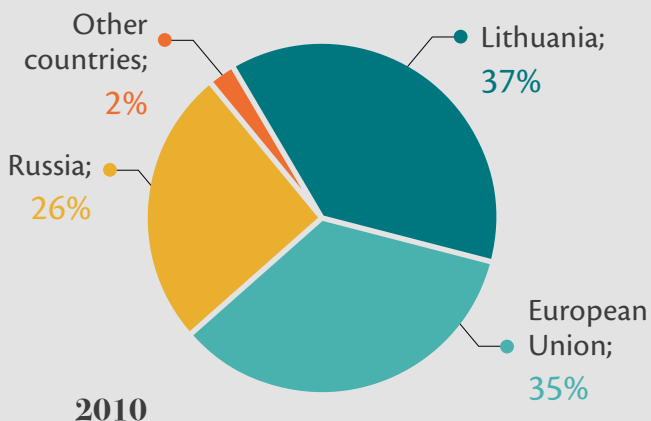
# AMOUNT OF PRODUCED PRODUCTS

(Tons)	2007	2008	2009	2010	2011
Fermented cheese	8,317	10,710	9,279	11,979	12,747
Butter	630	749	1,151	1,230	1,170
Cream	5,499	5,774	6,479	10,684	10,794
Whey products	14,534	27,266	27,163	38,255	41,476
Sour cream		2,150	3,702	3,030	3,905
Curd products		1,618	3,770	3,247	3,848



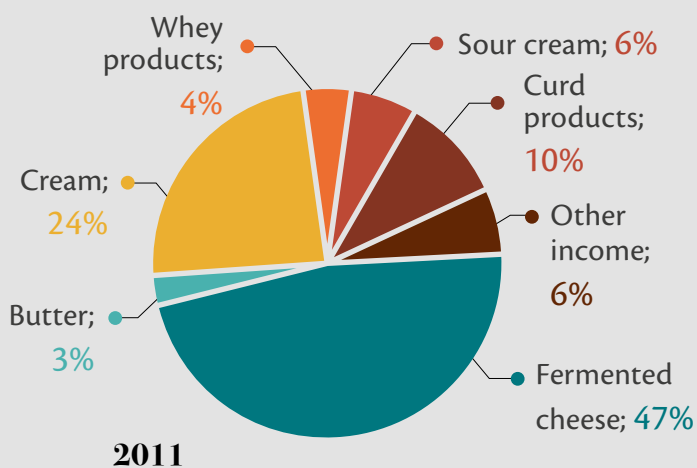
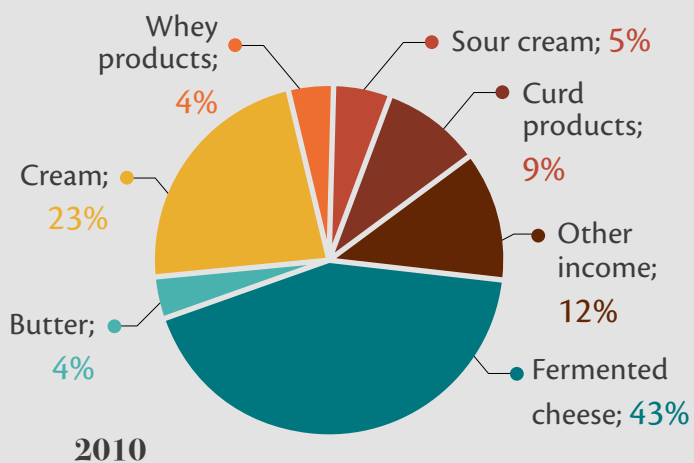
## SALES MARKETS

(LTL thousands)	2010		2011	
Lithuania	91,626	37%	105,526	36%
European Union	84,431	35%	97,594	34%
Russia	62,661	26%	78,594	27%
Other countries	5,555	2%	8,419	3%



## INCOME FROM SOLD PRODUCTION

Income from sold production, expressed in LTL thousand	2010		2011	
Fermented cheese	105,167	43%	136,778	47%
Butter	9,230	4%	8,202	3%
Cream	55,428	23%	68,792	24%
Whey products	10,107	4%	13,127	4%
Sour cream	12,998	5%	17,343	6%
Curd products	22,375	9%	28,629	10%
Other income	28,968	12%	17,262	6%
<b>Total income:</b>	<b>244,273</b>		<b>290,133</b>	



## Vilkyškių pieninė AB

Vilkyškiai, Pagėgiai  
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