



VILKYŠKIŲ PIENINĖ AB GROUP



**THE RESULTS OF
3 MONTHS OF 2014**

ABOUT THE COMPANY

Vilkyškių pieninė AB, was established in 1993 m.

On the 31th of March 2014 the Group had 940 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".
- 2013** Company use the support of European Union and other fonds, involve in social projects



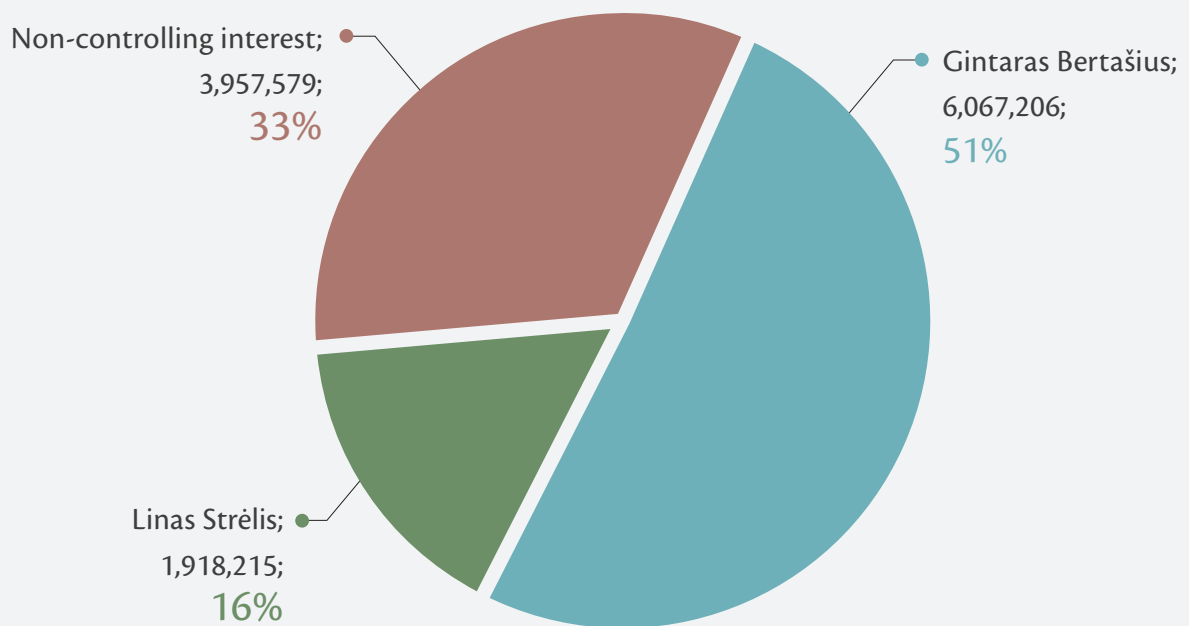
SIGNIFICANT EVENTS IN 2014 1Q

- 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.
- Construction works of logistic warehouse started in Kelmės pieninė factory.
- 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 received 0,4 million LTL from EU funds.
- In the market started selling new gourmet taste melted cheese.

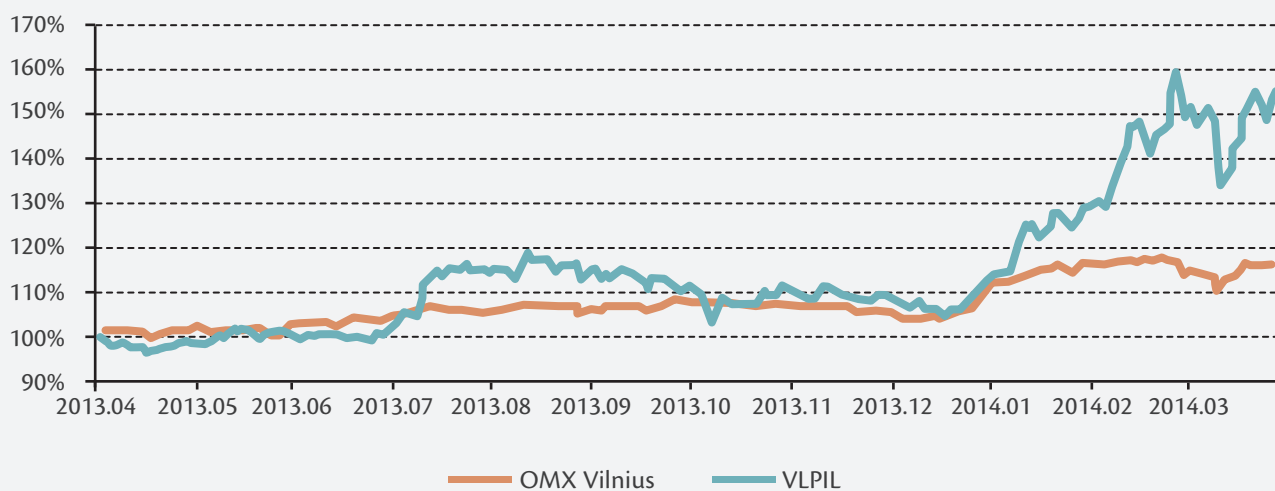
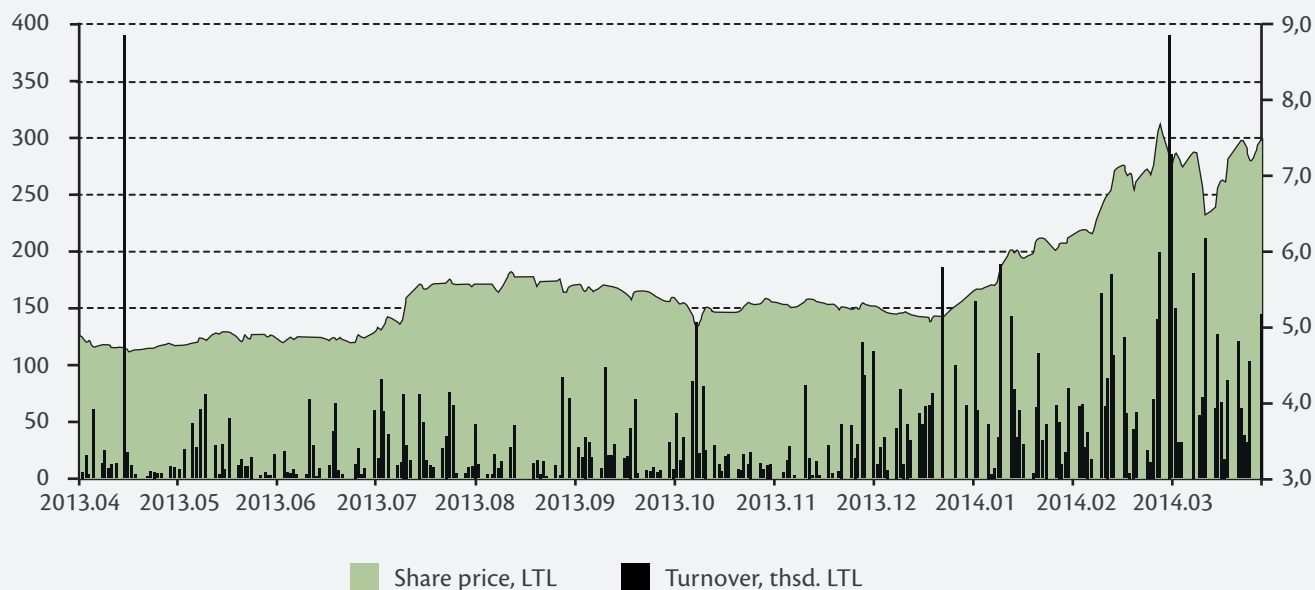


SHAREHOLDERS

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



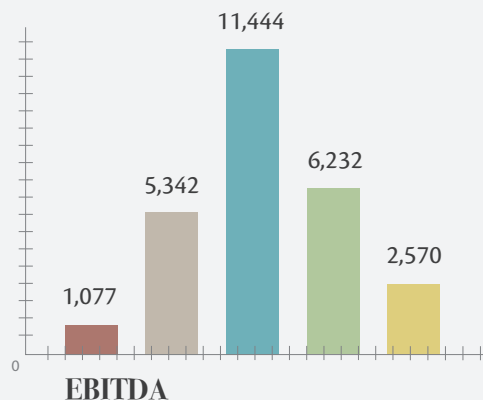
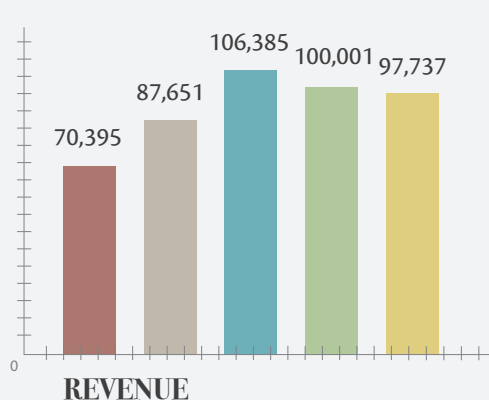
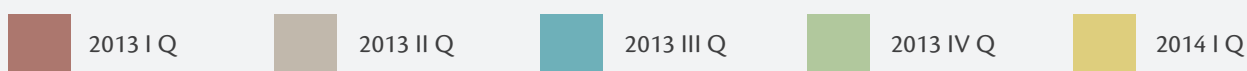
TRADING IN THE ISSUER'S SECURITIES ON THE REGULATED MARKETS

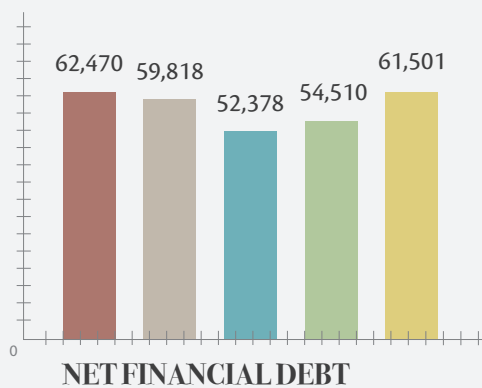
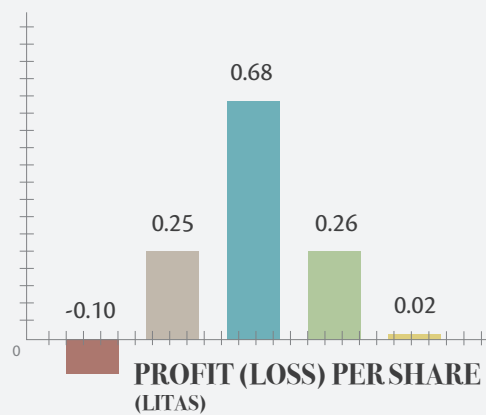
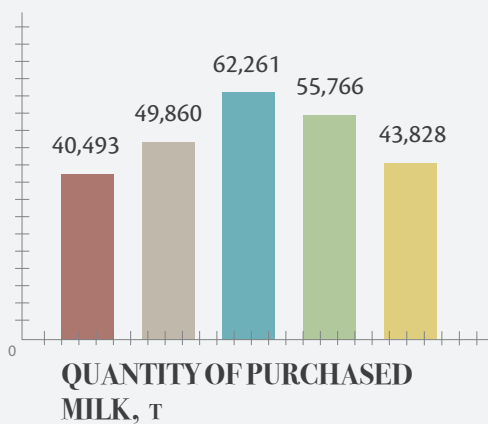
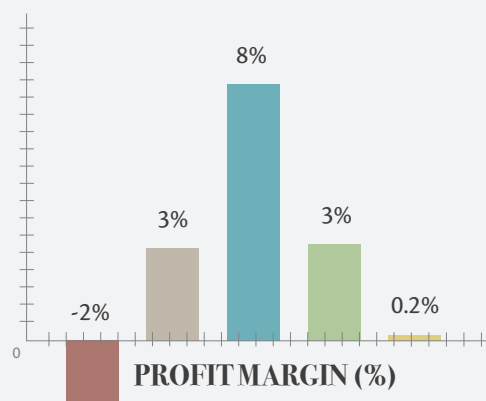
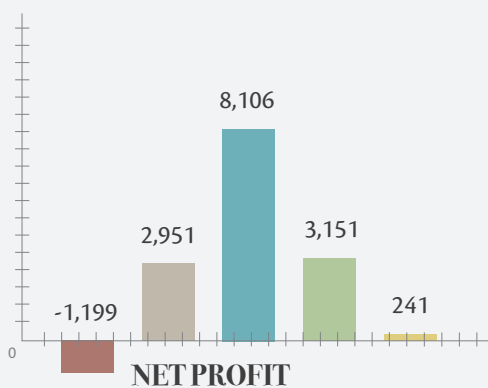
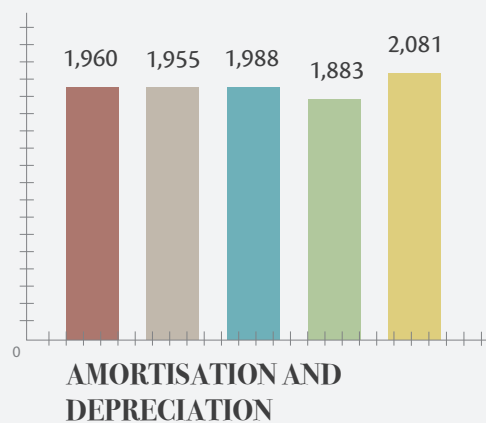
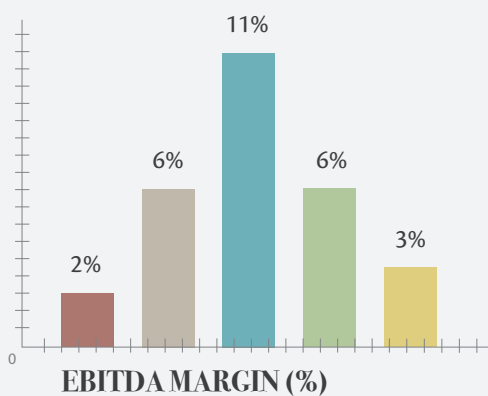


MAIN FINANCIAL INDICATORS

During the first three months of this year, the revenue of the Group amounted to 97,7 million LTL and it is 39 percent more comparing to the last year. The EBITDA of 3 months of 2014 was 2,6 million LTL, The EBITDA of 3 months of 2013 was 1,1 million LTL. Net profit for the 3 months of 2014 was 241 thousand LTL, net loss for the 3 months of 2013 was 1,2 million LTL.

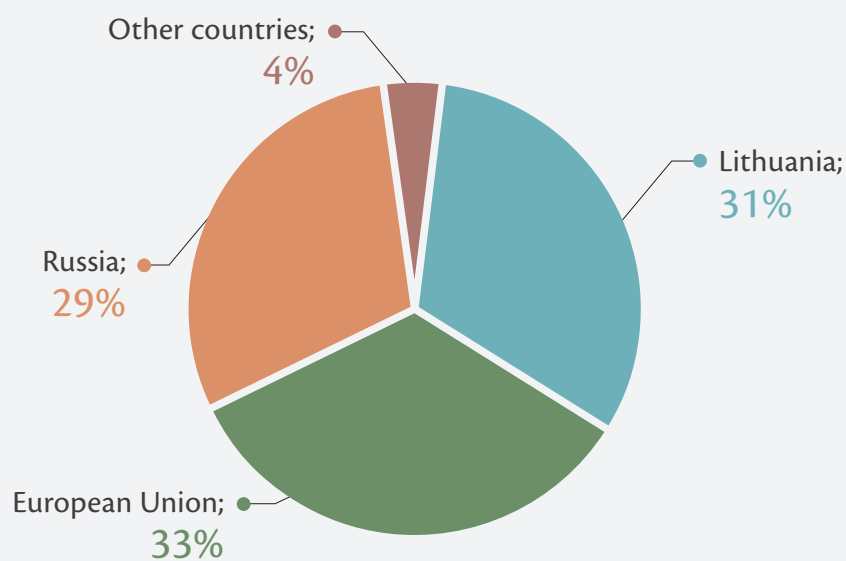
(Thousands LTL)	2013 I Q	2013 II Q	2013 III Q	2013 IV Q	2014 I Q
Revenue	70,395	87,651	106,385	100,001	97,737
EBITDA	1,077	5,342	11,444	6,232	2,570
EBITDA margin (%)	2%	6%	11%	6%	3%
Amortisation and depreciation	1,960	1,955	1,988	1,883	2,081
Net profit	-1,199	2,951	8,106	3,151	241
Profit margin (%)	-2%	3%	8%	3%	0.2%
Quantity of purchased milk, t	40,493	49,860	62,261	55,766	43,828
Profit (loss) per share (Litas)	-0.10	0.25	0.68	0.26	0.02
Net financial debt	62,470	59,818	52,378	54,510	61,501



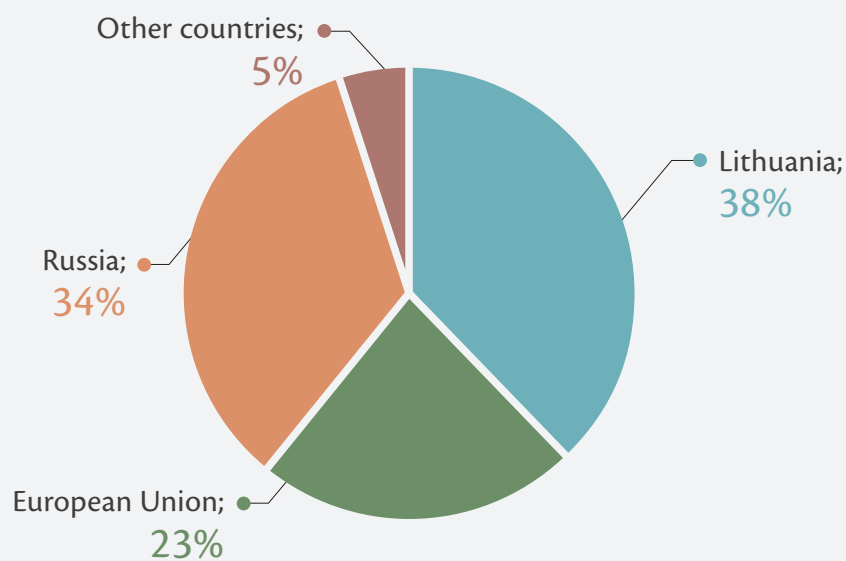


SALES MARKETS

(Thousands LTL)	2013 III Q		2014 III Q	
Lithuania	26,800	38%	30,487	31%
European Union	16,183	23%	32,736	33%
Russia	23,732	34%	27,915	29%
Other countries	3,680	5%	6,599	4%
Total:	70,395		97,737	



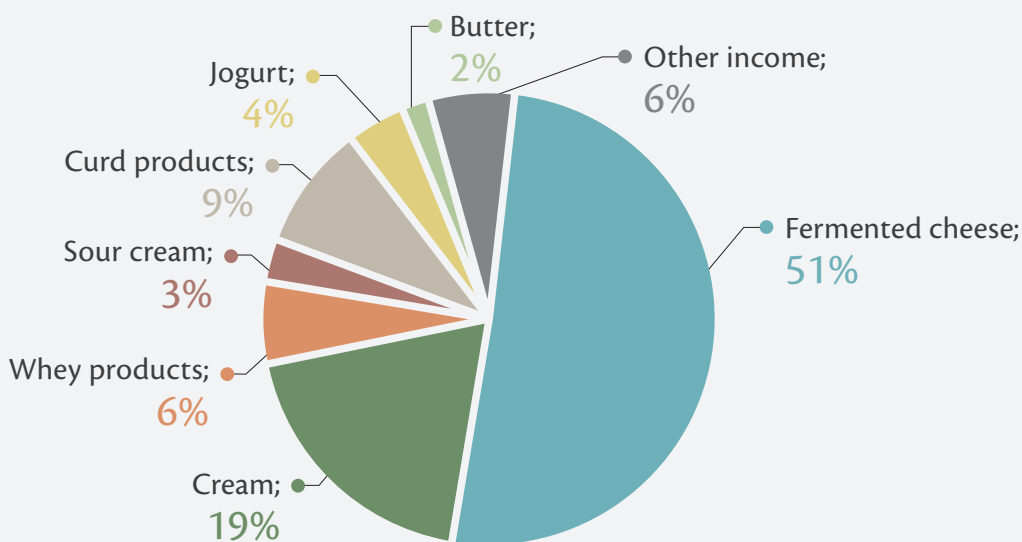
2014 III Q



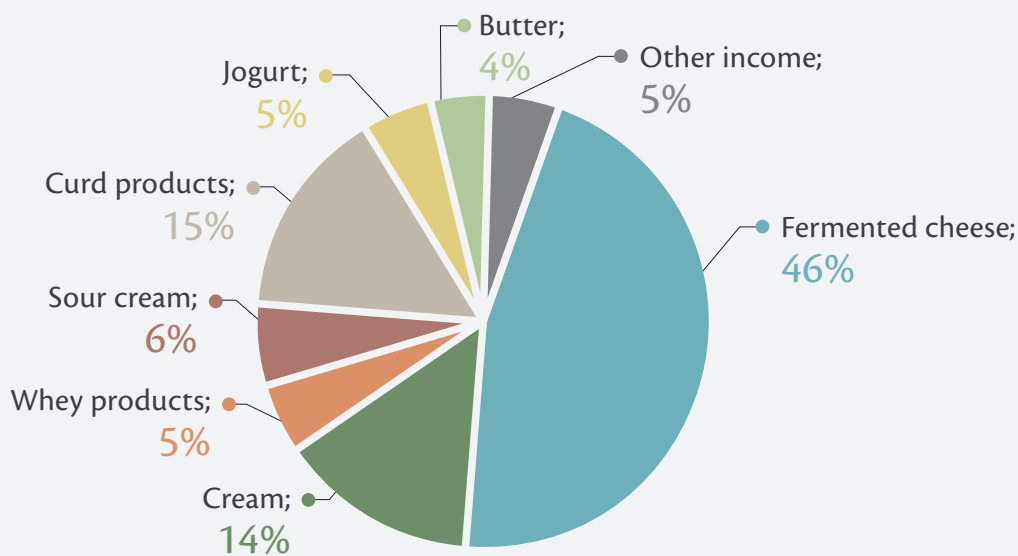
2013 III Q

INCOME FROM SOLD PRODUCTION

(Thousands LTL)	2013 III Q		2014 III Q	
Fermented cheese	32,621	46%	50,122	51%
Cream	10,073	14%	18,977	19%
Whey products	3,452	5%	5,455	6%
Sour cream	4,515	6%	3,263	3%
Curd products	10,291	15%	8,967	9%
Jogurt	3,854	5%	4,364	4%
Butter	2,537	4%	1,628	2%
Other income	3,052	5%	4,961	6%
Total income:	70,395		97,737	



2014 III Q



2013 III Q

VILKYŠKIŲ PIENINĖ AB

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