

The results of 6 months of 2015



VILKYŠKIŲ PIENINĖ AB
GROUP

ABOUT THE COMPANY

Vilkyškių pieninė AB, was established in 1993 m.

On the 30th of June 2015 the Group had 988 employees

The production of Dairy products is the core of Group business

Company's share capital amounts to 3,5 million EUR

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

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 m.

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

- 1993 Company established
- 1999-2000 the fully computerized and automated technological line of cheese production started to work in Vilkyškiai
- 2001 company acquired Taurage workshop form Mažeikiai subsidiary of Pieno Žvaigždės AB
- 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
- 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
- 2012 the second cheese plant development was implemented in Vilkyškiai.
- 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.
- 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".
- 2014 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 0,11 million EUR from EU funds.
- Construction works of logistic warehouse started in Kelmės pieninė factory .
- 2005-2015 Company use the support of European Union and other funds, involve in social projects

SIGNIFICANT EVENTS IN H1 2015

- Vilkyškių pieninė has renewed its spoonable functional yogurts line which as initially introduced in 2012. Functional yogurts have been given a new name – YOGA – along with a refreshed packaging design. These alterations are intended to provide consumers with a better understanding of the benefits of these functional yogurts.



- The company has participated in an exhibition „Gulfood 2015” in Dubai.
- Vilkyškių pieninė has been granted the “Brand of the year 2015” award. “Brand of the year” contest is organized by the business magazine „Verslo žinios“ and market research company „Nielsen“. The purpose of the contest is to select the brand that has been performing most outstandingly during the period of one year. The contest aims at evaluating brands that perform in four industries: food and groceries, drinks, household and personal care products. The „Brand of the year” award has been granted to Vilkyškių pieninė for the second time (first award – in 2013).

- In 2015, Vilkyškių Pieninė introduced a unique new dairy additive, viz. crispy roasted buckwheat, and was recognised by World Dairy Innovation Awards, which took place in Amsterdam as part of the ninth Global Dairy Congress, as one the best in the category “Best dairy ingredient”, i.e. it became one of the three finalists. The judging panel considered as many as 220 entries from 30 countries in 18 categories. In each category the winner and three finalists have been announced.

- For the purpose of entering Islamic markets and having our products appreciated by buyers, the production process of AB Vilkyškių Pieninė and AB Modest has been certified according to the requirements of the Halal rules. A Halal certificate was issued on 30 January 2015. Halal products are associated with product safety, healthiness, quality and ecology. Therefore, these products are frequently consumed by people of other confessions as well.

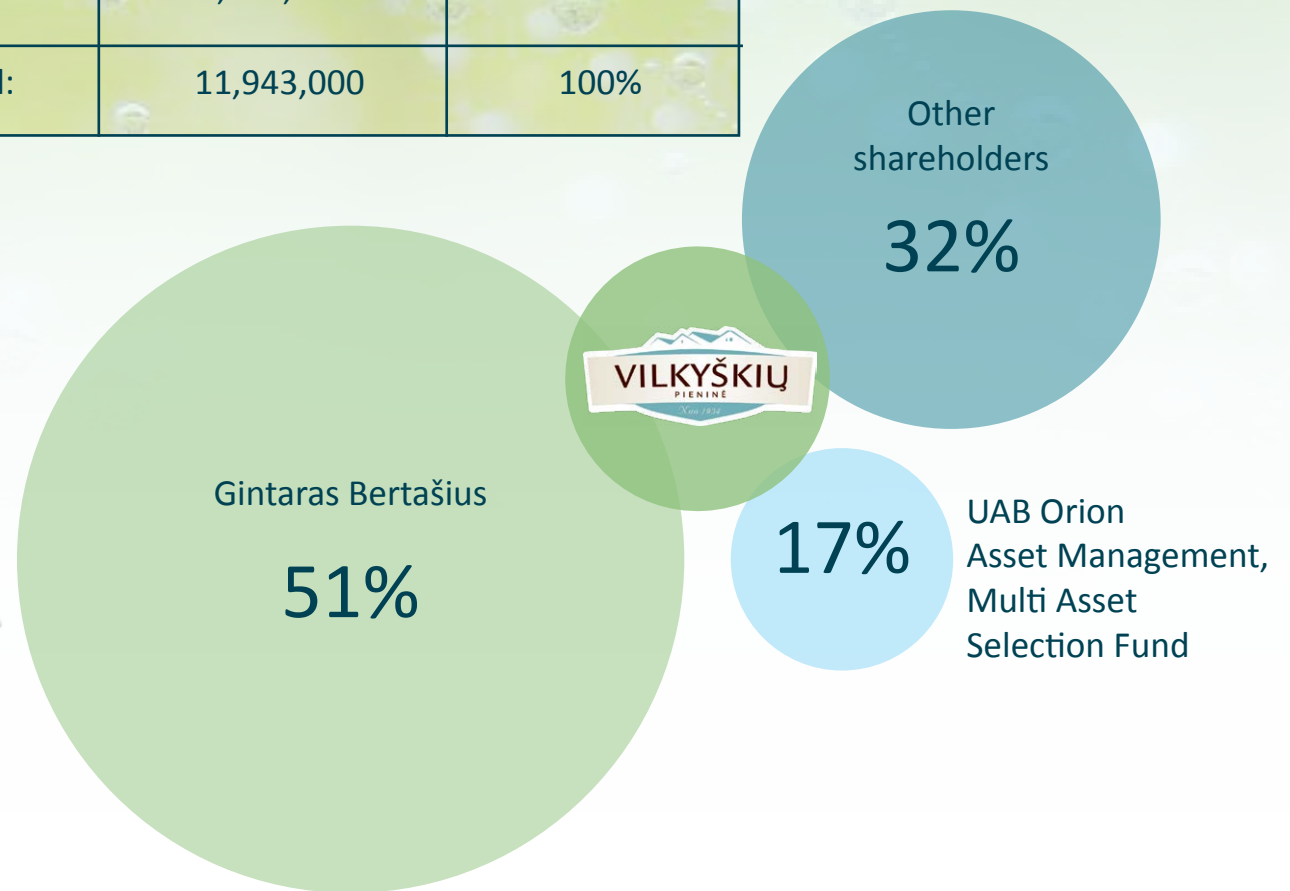
- In summer 2015, AB Vilkyškių Pieninė carried out film project “Movies on your doorstep” and provided fellow-countrymen with the opportunity to watch quality non-commercial movies in three towns – Vilkyškiai, Tauragė and Kelmė. During the whole summer, residents Tauragė region had the opportunity to watch movies that won awards in international festivals and competitions. The repertoire included movies that the festival audience liked most of all.

We seek to be an active member of the community, to contribute to more active social life in our county and to strengthen mutual relationship and communication. There is a shortage of cultural and educational events in regions; therefore, we do our best to promote the dissemination of culture in our region, and first of all we take care of people living close to us.

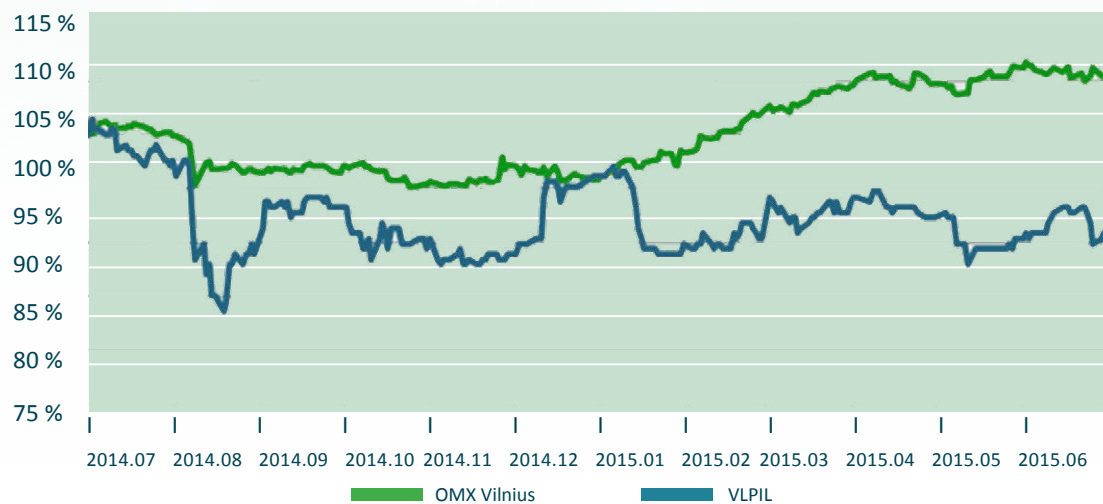
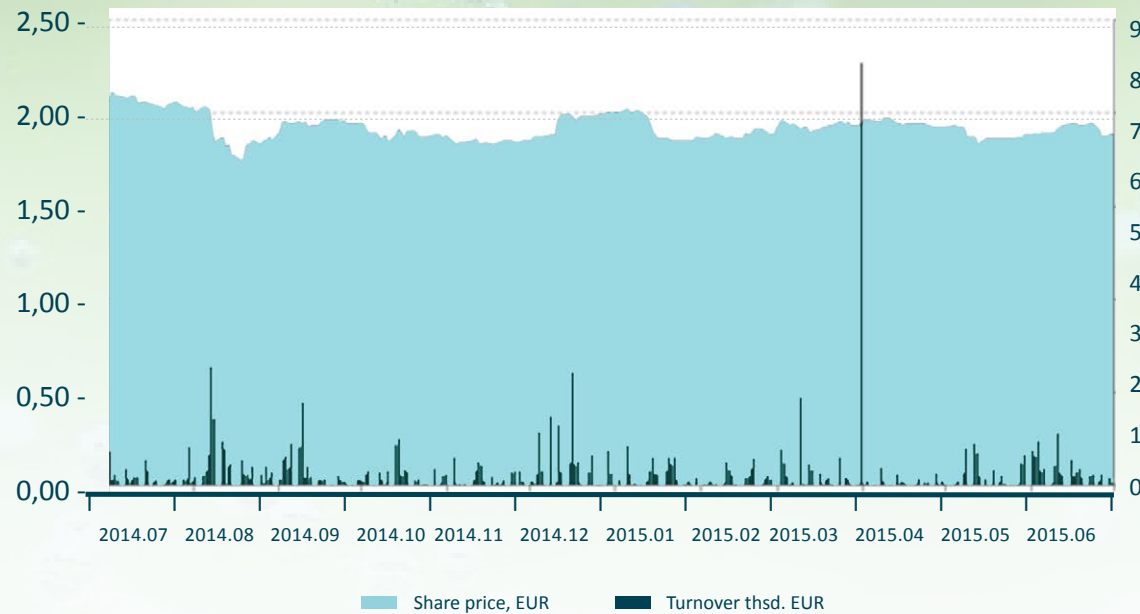


SHAREHOLDERS

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



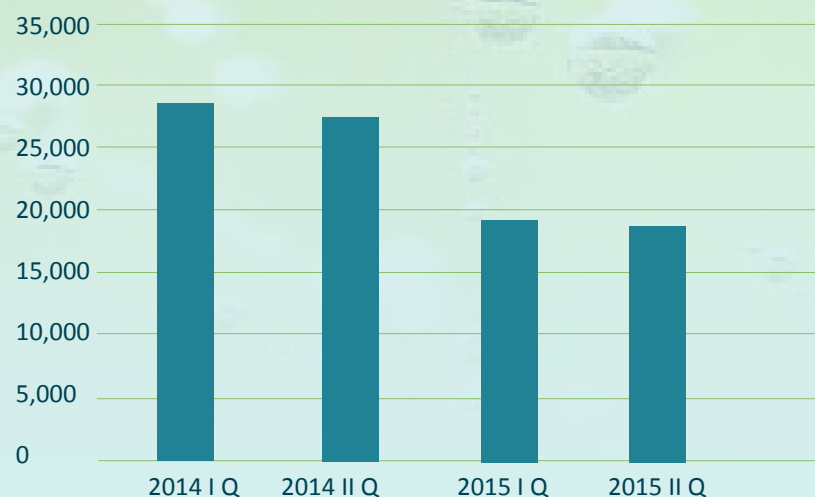
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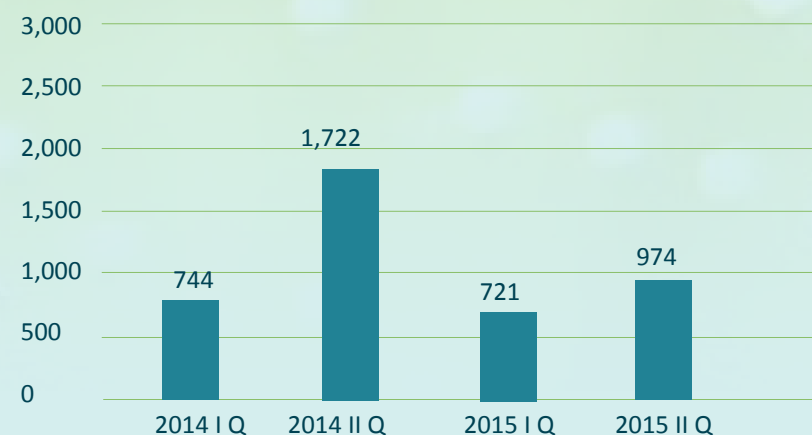
MAIN FINANCIAL INDICATORS

	2014 I Q	2014 II Q	2015 I Q	2015 II Q
Revenue (thousands EUR)	28,307	27,368	19,630	19,519
EBITDA (thousands EUR)	744	1,722	721	974
EBITDA margin (%)	3%	6%	4%	5%
Net profit (thousands EUR)	70	1,044	108	186
Profit margin (%)	0.2%	3.8%	0.6%	1.0%
Profit (loss) per share (EUR)	0.01	0.09	0.01	0.02
Quantity of purchased milk, t	60,493	52,303	50,199	53,117
Net financial debt (thousands EUR)	18,097	18,557	17,911	23,207

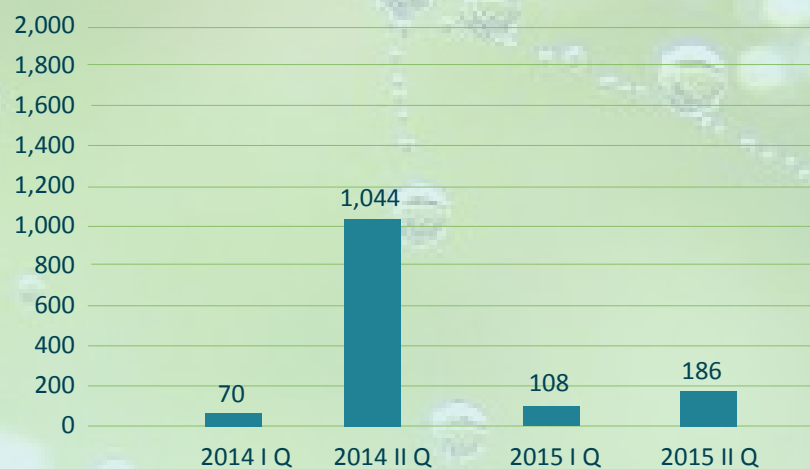
REVENUE (THOUSANDS EUR)



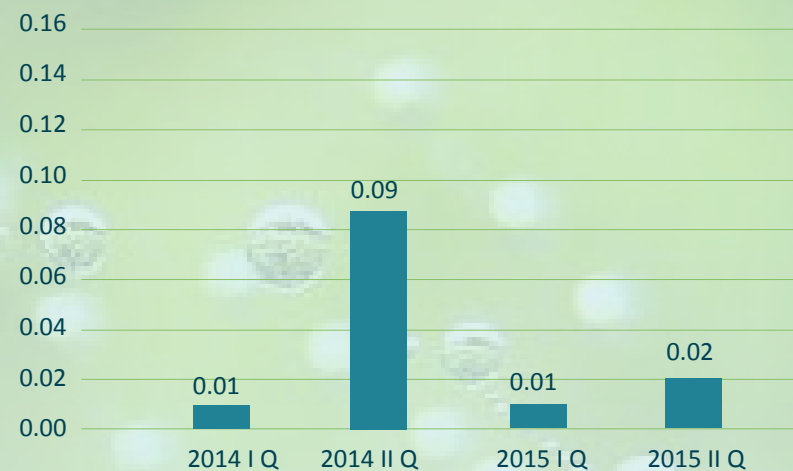
EBITDA (THOUSANDS EUR)



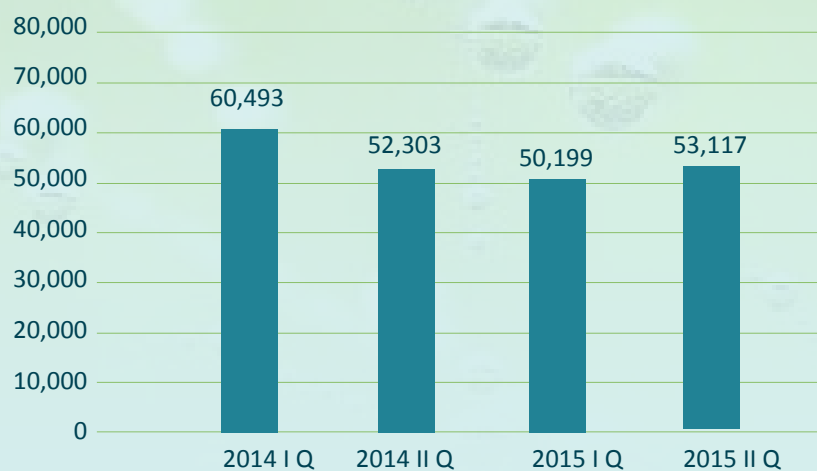
NET PROFIT (THOUSANDS EUR)



PROFIT (LOSS) PER SHARE (EUR)



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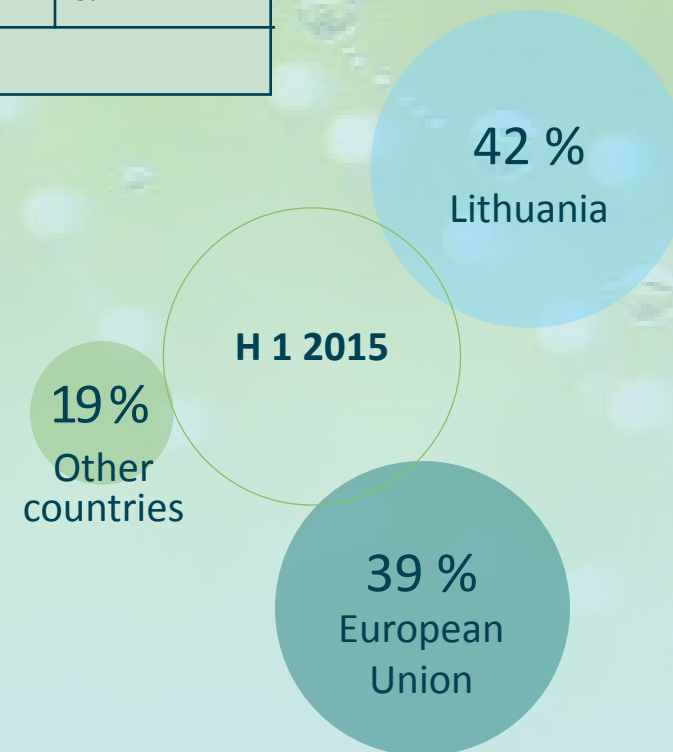
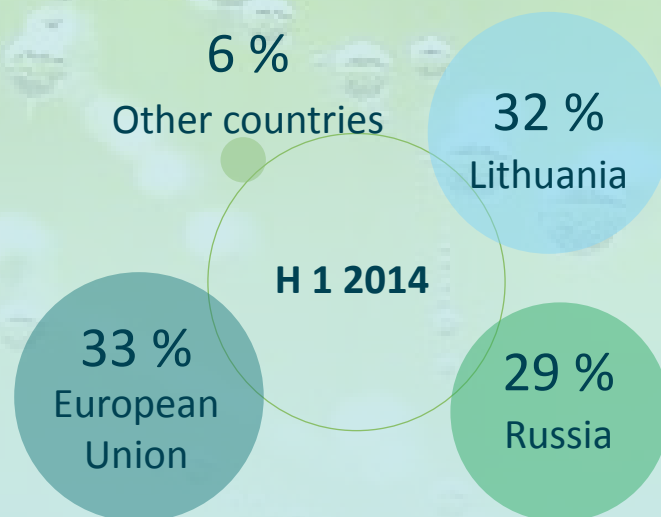


NET FINANCIAL DEBT (THOUSANDS EUR)



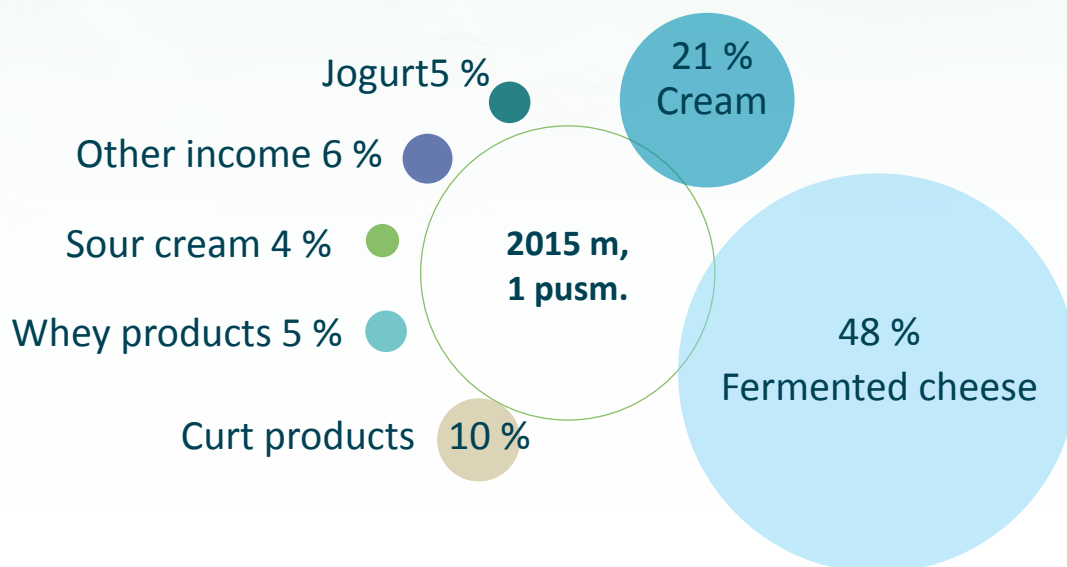
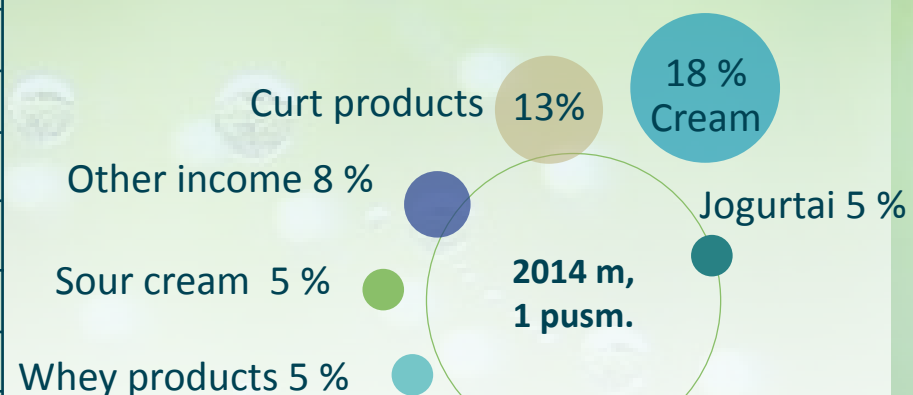
SALES MARKETS

(Thousands EUR)	H 1 2014		H 1 2015	
Lithuania	17,511	32%	16,577	42%
European Union	18,412	33%	15,320	39%
Other countries	3,369	6%	7,252	19%
Russia	16,383	29%	0	0%
Total:	55,675		39,149	



INCOME FROM SOLD PRODUCTION

(Thousands EUR)	H1 2014		H1 2015	
Fermented cheese	26,927	48%	17,405	44%
Cream	11,419	21%	7,167	18%
Whey products	3,011	5%	2,121	5%
Sour cream	2,231	4%	1,816	5%
Curd products	5,634	10%	5,023	13%
Jogurt	2,905	5%	2,380	6%
Other income	3,548	6%	3,237	8%
Total income:	55,674		39,149	





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