

The results of 9 months of 2015



VILKYŠKIŲ PIENINĖ AB
GROUP

ABOUT THE COMPANY

Vilkyškių pieninė AB, was established in 1993 m.

On the 30th of September 2015 the Group had 982 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.

- Vilkyškių pieninė company has just expanded its range of drinking yoghurts with a desert selection of fine MURR products. The company has introduced MURR yoghurt cocktails in Lithuanian, Latvian, and Estonian market. The yoghurts come in both classic tastes, such as vanilla, banana, and a mix of a world-famous Pina Colada cocktail with yoghurt. These new products were developed for those who prefer light and low-calorie deserts, as well as those who like to enjoy an exquisitely sweet drink, or those wishing to try something different (not just a regular drinking yoghurt). The cocktails come in packaging of 2 sizes, 330 grams and 750 grams.



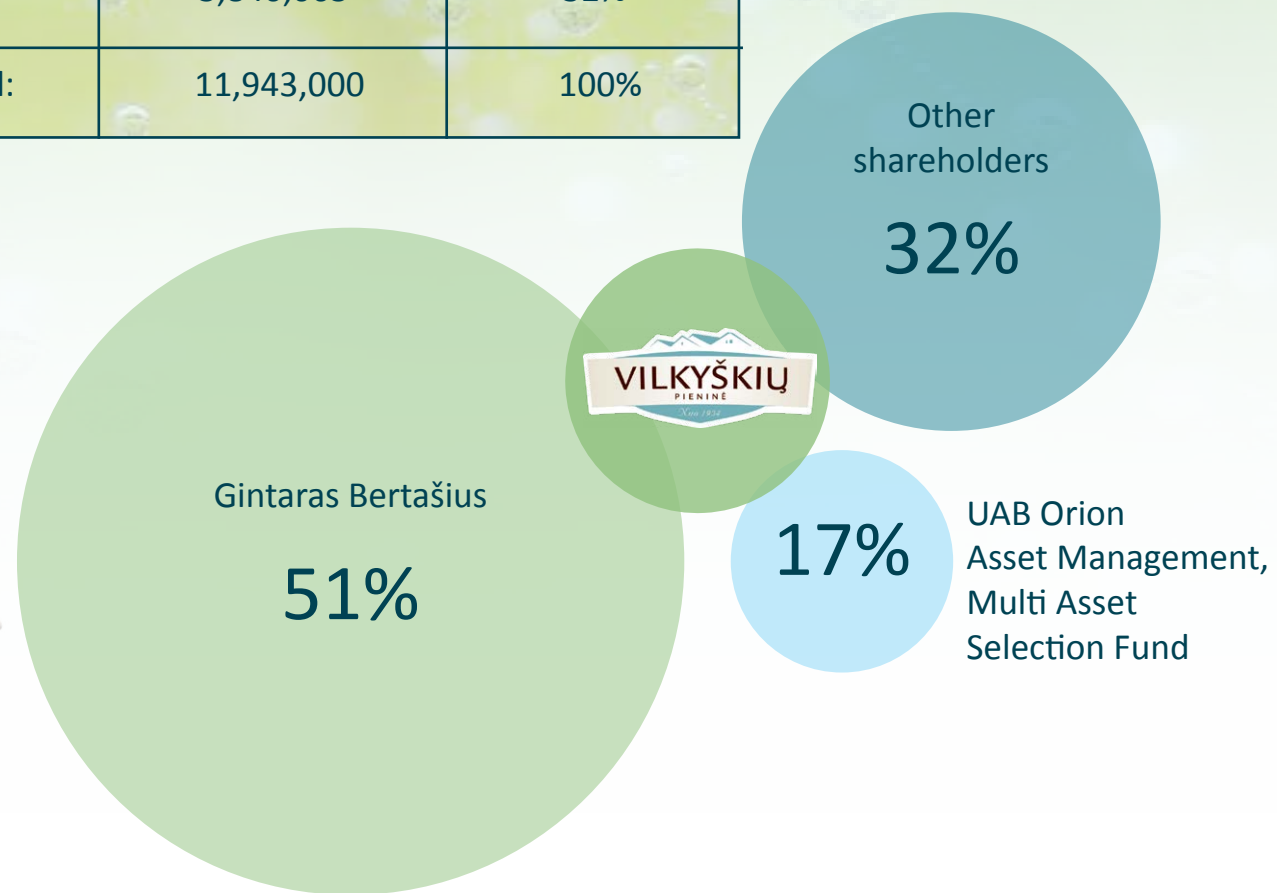
Vilkyškių pieninė company took yet another original step in order to present its yoghurts of IMUNIA series. This marks a new approach on improvement of immunity. These yoghurts offer exquisite taste, and

natural ingredients used many years ago by village people and bringing health benefits, including ginger, lemon, honey, birch leaves, and linden blossoms. The company has just introduced 3 flavours, including yoghurt with honey and birch leaves extract, yoghurt with honey and linden blossom extract, and yoghurt with honey, lemon, and ginger. This yoghurt comes in handy 2-camera containers of 140 grams.

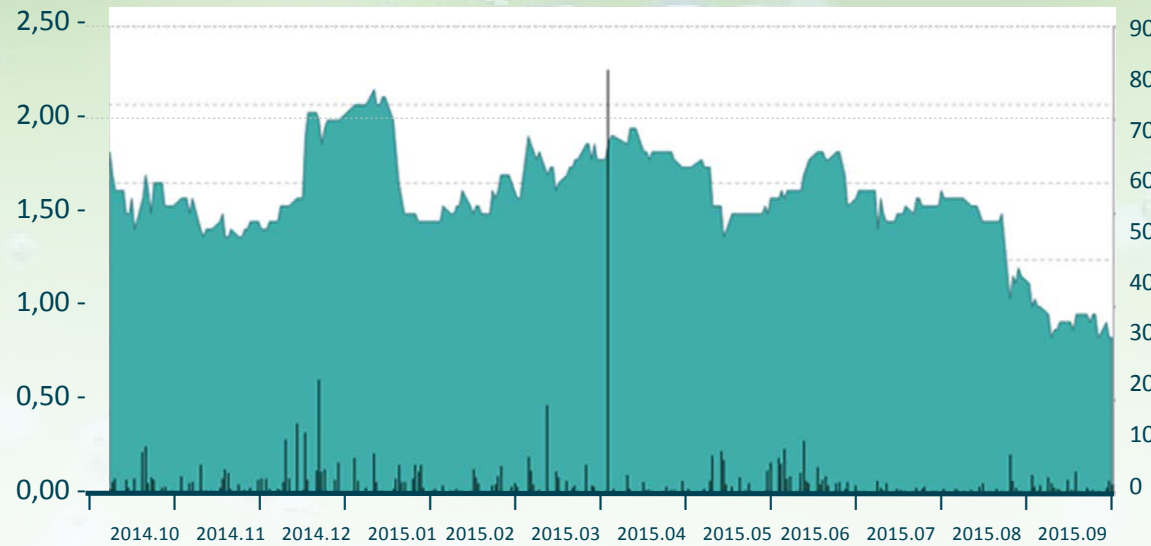


SHAREHOLDERS

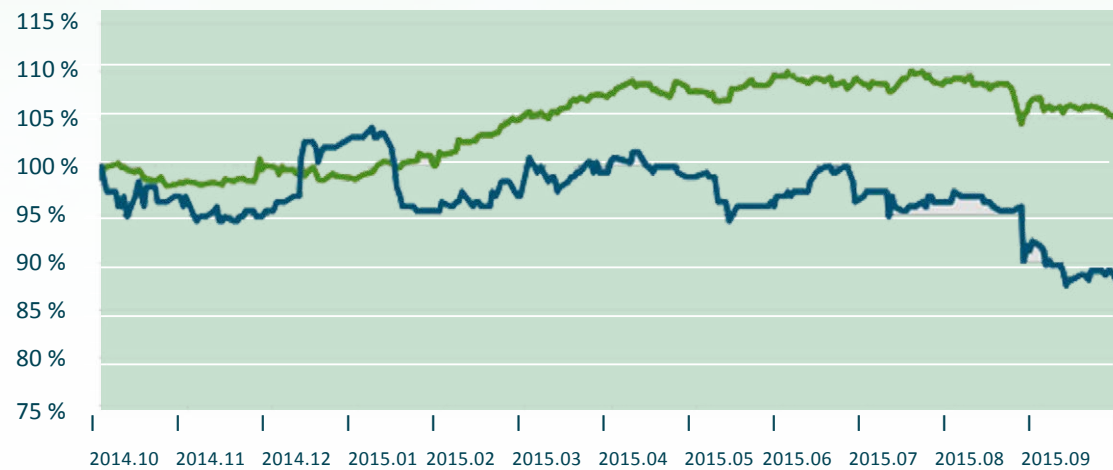
| Shareholder | Shares | Ownership interest |
|--|------------|--------------------|
| Gintaras Bertašius | 6,067,206 | 51% |
| UAB Orion Asset Management, Multi Asset Selection Fund | 2,035,729 | 17% |
| Other shareholders | 3,840,065 | 32% |
| Capital in total: | 11,943,000 | 100% |



TRADING IN THE ISSUER'S SECURITIES ON THE REGULATED MARKETS



Share price, EUR Turnover thsd. EUR

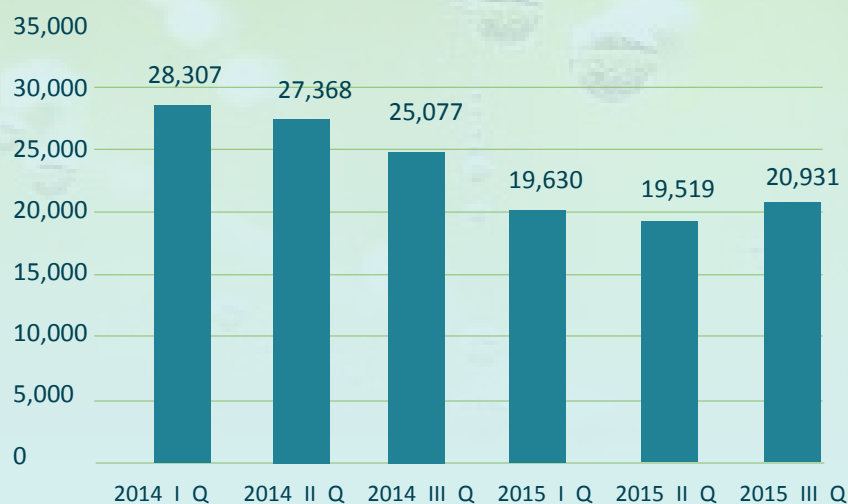


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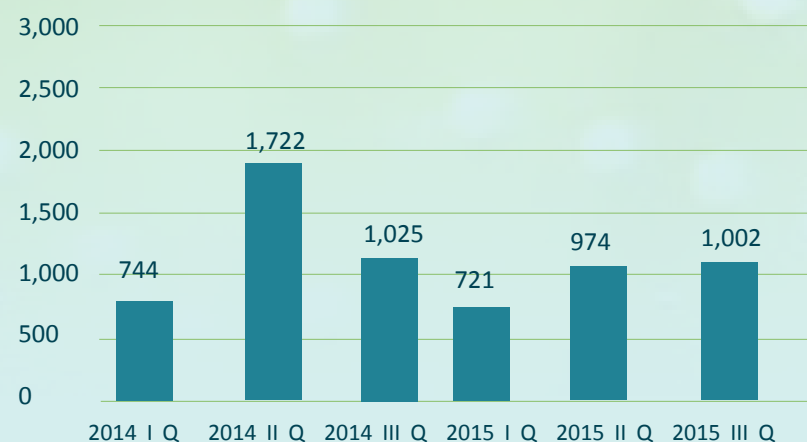
MAIN FINANCIAL INDICATORS

| | 2014 I Q | 2014 II Q | 2014 III Q | 2015 I Q | 2015 II Q | 2015 III Q |
|------------------------------------|----------|-----------|------------|----------|-----------|------------|
| Revenue (thousands EUR) | 28,307 | 27,368 | 25,077 | 19,630 | 19,519 | 20,931 |
| EBITDA (thousands EUR) | 744 | 1,722 | 1,025 | 721 | 974 | 1,002 |
| EBITDA margin (%) | 3% | 6% | 4% | 4% | 5% | 5% |
| Net profit (thousands EUR) | 70 | 1,044 | 284 | 108 | 186 | 333 |
| Profit margin (%) | 0.2% | 3.8% | 1.1% | 0.6% | 1.0% | 1.6% |
| Quantity of purchased milk, t | 60,493 | 52,303 | 68,060 | 50,199 | 53,117 | 67,863 |
| Profit (loss) per share (EUR) | 0.01 | 0.09 | 0.02 | 0.01 | 0.02 | 0.03 |
| Net financial debt (thousands EUR) | 18,097 | 18,557 | 16,181 | 17,911 | 23,207 | 22,898 |

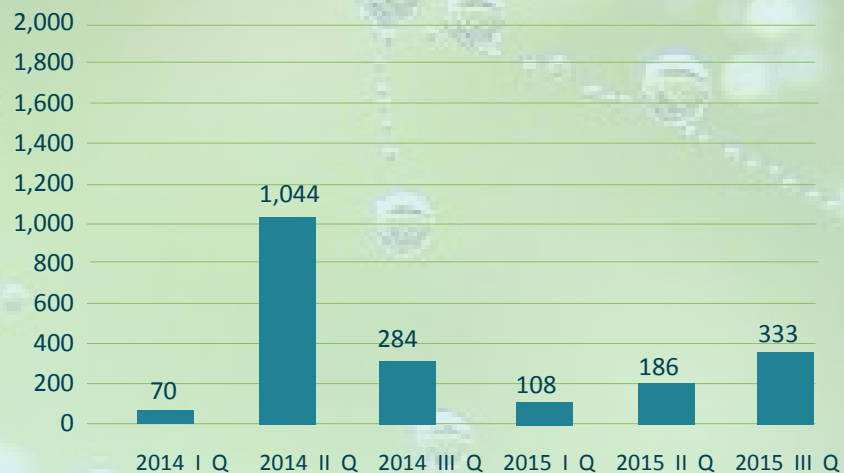
REVENUE (THOUSANDS EUR)



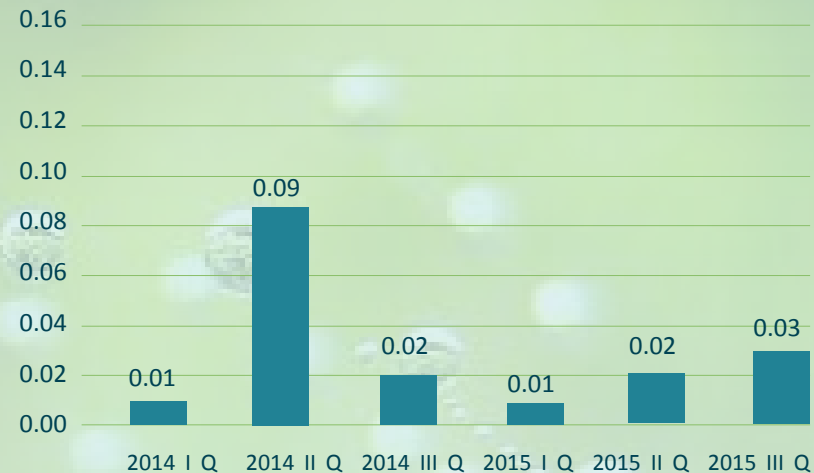
EBITDA (THOUSANDS EUR)



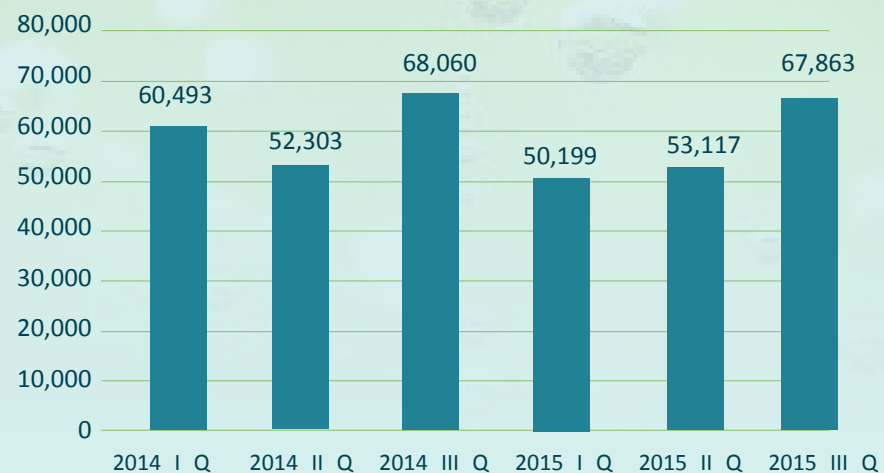
NET PROFIT (THOUSANDS EUR)



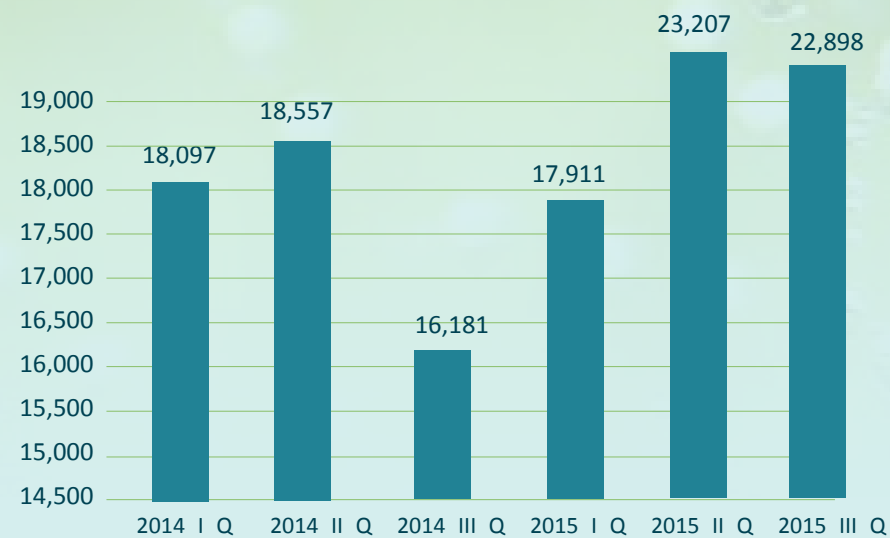
PROFIT (LOSS) PER SHARE (EUR)



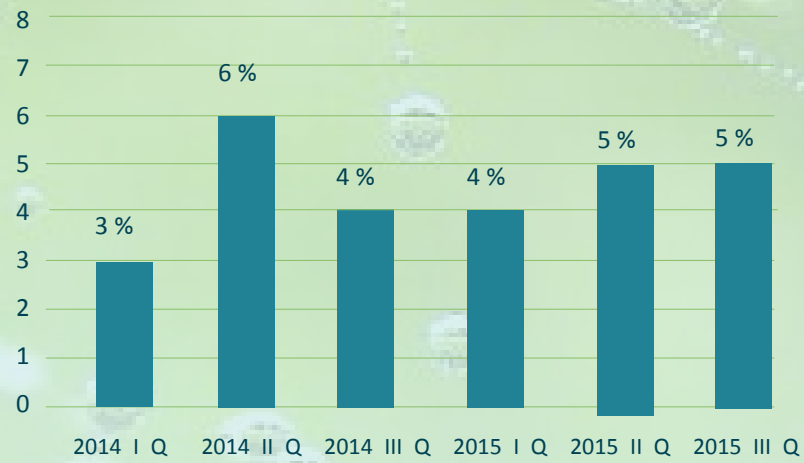
QUANTITY OF PURCHASED MILK, T



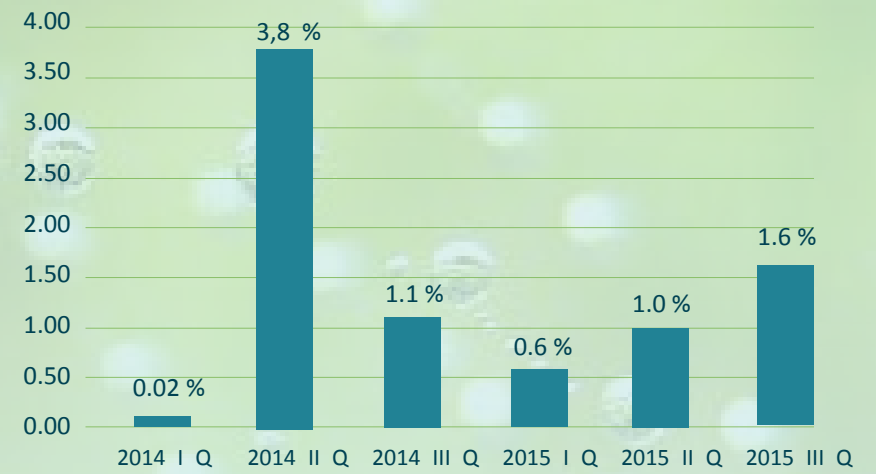
NET FINANCIAL DEBT (THOUSANDS EUR)



EBITDA MARGIN (%)

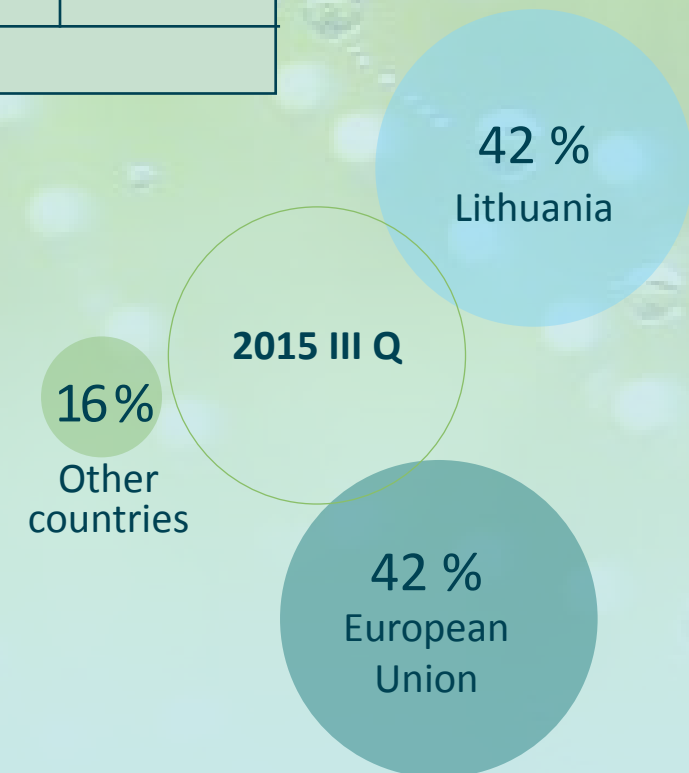
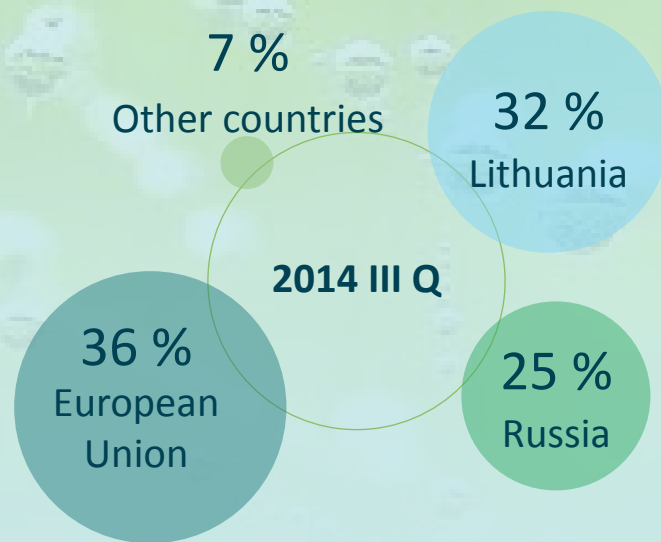


PROFIT MARGIN (%)



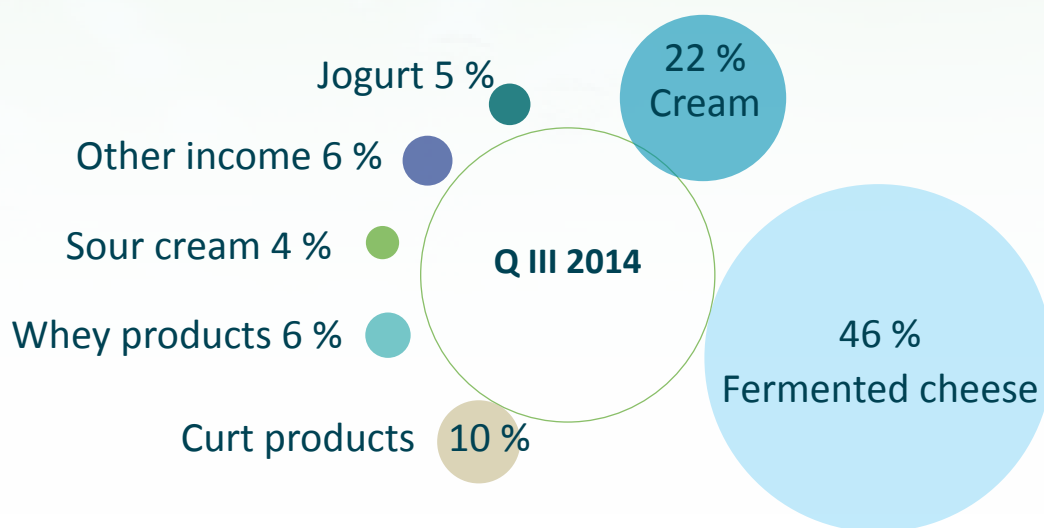
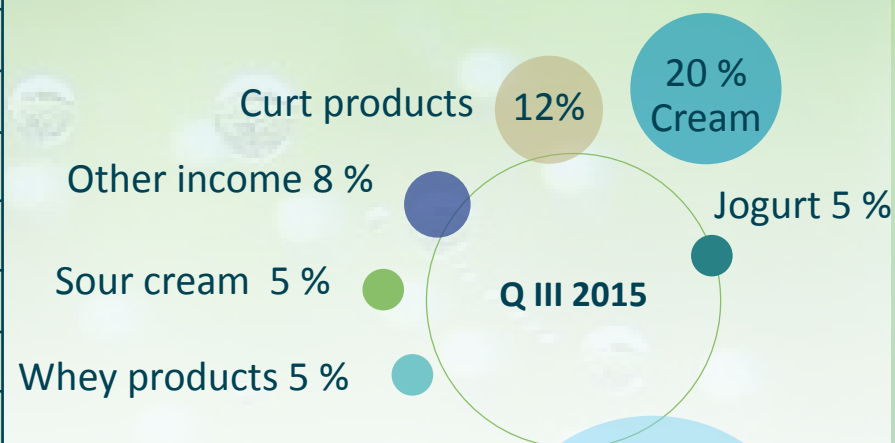
SALES MARKETS

| (Thousands EUR) | 2014 III Q | | 2015 III Q | |
|-----------------|------------|-----|------------|-----|
| Lithuania | 25,580 | 32% | 24,864 | 42% |
| European Union | 29,206 | 36% | 25,373 | 42% |
| Other countries | 5,315 | 7% | 9,843 | 16% |
| Russia | 20,652 | 25% | | 0% |
| Total: | 80,752 | | 60,080 | |



INCOME FROM SOLD PRODUCTION

| (Thousands EUR) | 2014 III Q | | 2015 III Q | |
|----------------------|---------------|-----|---------------|-----|
| Fermented cheese | 37,432 | 46% | 26,507 | 44% |
| Cream | 17,476 | 22% | 12,306 | 20% |
| Whey products | 4,865 | 6% | 2,820 | 5% |
| Sour cream | 3,382 | 4% | 2,785 | 5% |
| Curd products | 8,207 | 10% | 7,397 | 12% |
| Jogurt | 4,292 | 5% | 3,627 | 6% |
| Other income | 5,098 | 6% | 4,638 | 8% |
| Total income: | 80,752 | | 60,080 | |





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