



The issuer's employees, administrative manager and the members of the management bodies who are responsible for the composition of interim consolidated financial statements for 9 months of 2009, hereby confirm that the information provided in the reports is prepared according to the applied accounting standards, reflects the reality correctly and fairly shows issuers' and consolidated general companies assets, liabilities, financial position, profit or loss.

The General Director of Vilkyškių pieninė

Gintaras Bertašius

The Accountant General of Vilkyškių pieninė

Lina Genienė



Date of preparation of the report:

30th of November, 2009

Place of preparation:

Vilkyškiai, Pagėgių municipality, Lithuania



Vilkyškių pieninė AB

Interim consolidated financial statements
for 9 months of 2009

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Vilkyskių pieninė AB

Main data about the Issuer

Name of the Issue	Vilkyskių pieninė AB
Authorized capital	LTL 11 943 000
Registered office	Vilkyskiai, Pajėgiai municipality
Telephone number	8-441 55330
Fax number	8-441 55242
E-mail address	centras@cheese.lt
Legal – organizational form	public limited company
Date and place of registration	The 10 th of May 1993
Date and place of re-registration	The 30 th of December 2005, Tauragė Branch of Public Institution Center of Registers
Code in the Register of Enterprises	277160980
Internet address	http://www.cheese.lt

Management Board of Vilkyskių pieninė AB

The Management Board of the Issuer consists of the following persons: Gintaras Bertašius, Sigita Trijonis, Rimantas Jančevičius, Vilija Milaševičiūtė, Andrej Cyba and Linas Strėlis.

Director General of the Company is Gintaras Bertašius.

Significant accounting policies

Consolidated financial statements of Vilkyskių pieninė AB (company's code 277160980) are prepared following International Standards of Financial Accountability.

Balance sheet

Thousand LTL	30/09/2009	31/12/2008
Assets		
Long term tangible assets	66 491	71 740
Goodwill	23 875	23 875
Intangible assets	686	418
Long-term amounts receivable	953	1 233
Total long-term assets	92 005	97 267
Resources	19 224	20 601
Trading and other amounts receivable	18 558	18 584
Advance payment of income tax	0	1 117
Cash and cash equivalents	469	195
Total short-term assets	38 251	40 497
Total assets	130 256	137 764
Equity		
Share capital	11 943	11 943
Supplements of shares	11 396	11 396
Reserves	8 041	8 523
Undistributed assets	6 520	-81
Total equity attributed to shareholders of the Company	37 900	31 781
Minority interest	95	55
Total equity	37 995	31 836
Liabilities		
Loans and financial leasing liabilities	53 113	48 946
Capital subsidies	8 528	8 894
Deferred profits tax liabilities	1 351	1 591
Total long-term liabilities	62 992	59 431
Loans and financial leasing liabilities	6 166	21 601
Profits tax payable	0	0
Trade and other amounts payable	23 103	24 896
Total short-term liabilities	29 269	46 497
Total liabilities	92 261	105 928
Total equity and liabilities	130 256	137 764

Profit and loss account

Thousand LTL

	30/09/2009	30/09/2008	2009 July-September	2008 July-September
Sales revenue	114 686	117 674	43 983	50 813
Cost price of sales	-95 833	-116 564	-35 868	-48 540
Gross profit (loss)	18 853	1 110	8 115	2 273
Other operating income, net	-452	635	-664	271
Expenditure of distribution	-5 078	-3 967	-1 552	-2 080
Administrative expenditure	-4 530	-5 191	-1 571	-2 211
Operating profit (loss)	8 793	-7 413	4 328	-1 747
Income from financial activity	182	549	49	417
Expenditure from financial activity	-2 828	-2 849	-808	-1 485
Net financing costs	-2 646	-2 300	-759	-1 068
Profit (loss) before taxes	6 147	-9 713	3 569	-2 815
Profit tax expenditure	177	-62	-305	-14
Net profit (loss)	6 324	-9 775	3 264	-2 829
Attributable to:				
Shareholders of the company	6 284	-9 730	3 264	-2 829
Minority interest	40	-45		
Net profit (loss)	6 324	-9 775	3 264	-2 829
Profit (loss) per share (LTL)	0.52	-0.91	0.27	-0.26
Reduced profit (loss) per share (LTL)	-	-		

Cash flow statement

Thousand LTL

	30/09/2009	31/12/2008
Cash flows from operating activities		
Net profit (loss)	6 324	-11 969
Adjustments:		
Depreciation of long-term tangible assets	4 841	5 946
Amortization of intangible assets	177	93
Capital subsidies recognized as income	-366	-387
Result of transfer of long-term tangible assets	1 259	379
Interest expenditure, in net value	2 514	3 816
Income tax expenditure		-1 447
Cash flows from ordinary activities before changes in the working capital	14 749	-3 569
Change in resources	1 377	-1 525
Change in amounts receivable	307	-336
Change in trading and other amounts payable	-1 793	7 620
	14 640	2 190
Paid / received income, net value	-2 514	-3 816
Income tax paid	0	-2 235
Cash flows from operating activities	12 126	-3 861
Cash flows form investing activities		
Acquisition of long-term tangible assets	-851	-10 520
Acquisition of long-term intangible assets	-445	-312
Income from sale of long-term tangible assets	22	431
Transfer of short-term investments	0	4 297
Investment into daughter-enterprise, minus acquired money	0	-30 028
Net cash flows from investing activities	-1 274	-36 132
Cash flows from financing activities		
Loans received	614	37 682
Repayment of borrowings	-10 406	-10 784
Payment of financial lease liabilities	-1 152	-1 040
Issue of shares	0	13 986
Dividends paid	0	-2 030
Capital subsidies received	366	1 319
Net cash flows from financing activities	-10 578	39 133
Change in cash and cash equivalents	274	-860
Net cash and cash equivalents as on the 1 st of January	195	1 055
Net cash and cash equivalents as on the 30th of June	469	195

Statement on changes in equity

Thousand LTL	Equity attributable to the Group						Minority interest	Total equity
	Share capital	Supplements of shares	Revaluation on reserve	Compulsory reserve	Undistributed result	In total		
On the 1 st of January 2008	9 353	-	8 420	935	13 442	32 150	42	32 192
2008 m. Net profit					-11 916	-11 916	-53	-11 969
Emission of shares	2 590	11 396				13 986		13 986
Transferred to reserves			-423		423	0		0
Decrease in reevaluation reserve			-409			-409		-409
Dividends					-2 030	-2 030		-2 030
Changes in the Group							66	66
On the 31 st of December 2008.	11 943	11 396	7 588	935	-81	31 781	55	31 836
On the 1 st of January 2009	11 943	11 396	7 588	935	-81	31 781	55	31 836
2009 m. Net profit					6284	6284	40	6324
Transfers from reserves			-317		317	0		0
Transfers to reserves			-165			-165		-165
Dividends								
Issue of Company's shares								
Others								
On the 30 th of September 2009	11 943	11 396	7 106	935	6 520	37 900	95	37 995

Explanatory notes

Vilkyskiu pienine AB is one of the most modern cheese factories in Lithuania which occupies about 17 % of national cheese market. According to this criterion, the company takes the fourth place among the producers of the country.

Currently, the number of employees of Vilkyskiu pienine AB is 442, and together with the employees of Modest UAB and Kelmes pienine AB, the total number of employees amounts to 776.

Vilkyskiu pienine AB started expanding in June 2001 by acquiring Taurage workshop. In January 2006 it acquired Modest UAB, which produced fresh dairy products and cheese "Mozzarella". Later the activity of Modest UAB was transferred to Taurage workshop. In 2008, having invested LTL 3.6 million, new Mozzarella cheese production line was mounted and started operating. At present Vilkyskiu pienine AB controls 97 % of block of shares. The main products of Modest UAB are cheese "Mozzarella", processed, smoked cheese, mold cheese "Memel blue" and others.

In 2008 Kelmes pienine AB, which is strong and perspective company, joined the group of companies of Vilkyskiu pienine AB. Vilkyskiu pienine AB took an ownership to 99.09 percent of Kelmes pienine AB shares. As Kelmes pienine AB, which specializes in the production of curd products, has joined the group of companies of Vilkyskiu pienine AB, Vilkyskiu pienine AB has entered a market of fresh products. In 2008-2009 was increased the processing of row milk from 30 tons to 90 tons per day, was increased the assortment of fresh dairy products: bottled milk, kephyr, yogurt.

The Company constantly increases its in-house capacities: the Company expands the assortment of cheese. At present Vilkyskiu pienine AB produces even 11 types of cheese of 56 different names. Opened a modern whey processing workshop where whey is processed into whey concentrate.

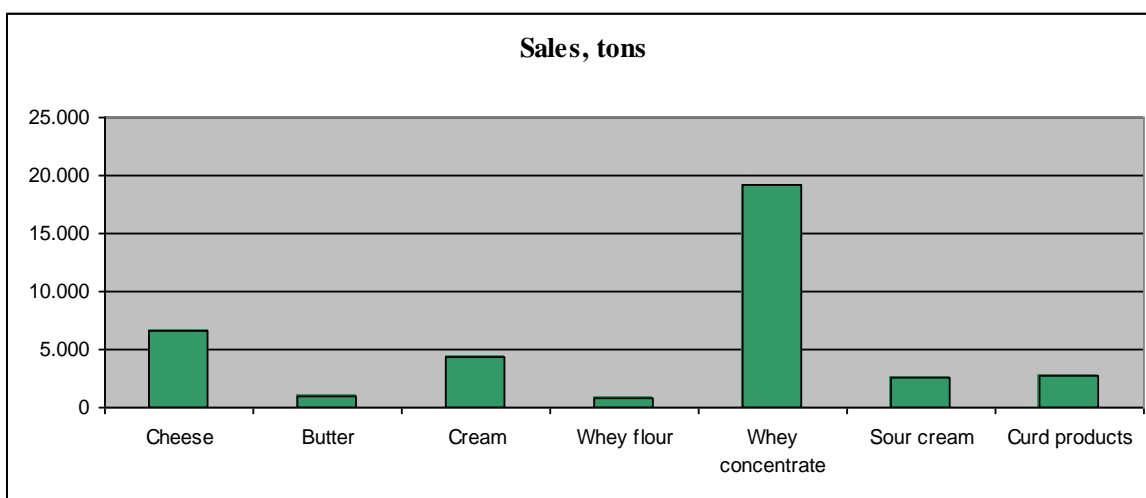
The main clients of the Company are all major Lithuanian trade networks, the purchasers of EU countries and Russia. At present the following value added cheeses are the most known and the most liked: Prussia, Maasdam, Memel Blue and Mozzarella. The group of companies, utilizing the assortment of fresh products of Kelmes pienine AB, enters into the market of Latvia, Estonia and of other countries, and this allows the group of companies to utilize better its productive capacities.

Despite the year 2007 was very successful, the year 2008 was loss-making for the group of companies of Vilkyskiu pienine AB. Consolidated loss reached LTL 11.9 million. The main reasons of loss were decreased prices of dairy products due to the excess of production in the Europe, the reappraisal of stock and onetime expenses because of the acquisition of Kelmes pienine AB and its integration into the group of companies.

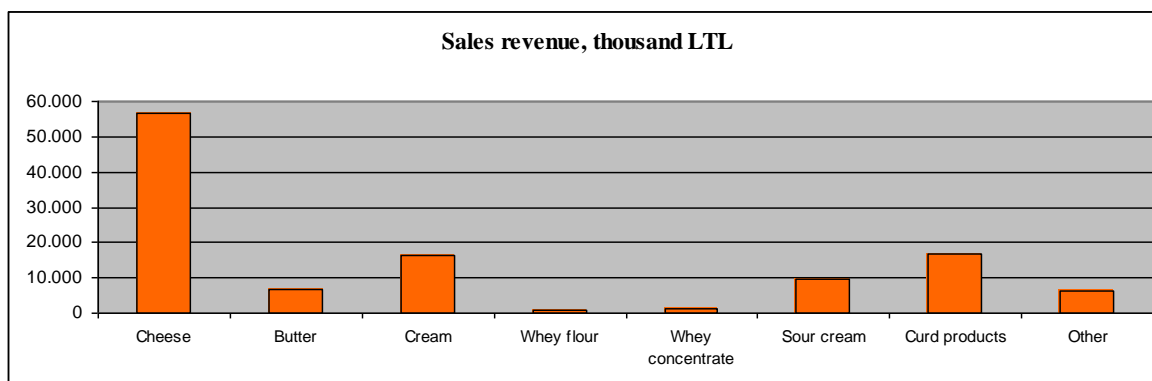
The year of 2009 is profitable to Vilkyškių pieninė AB because of significantly reduced expenditures of production, management and administration, lower raw milk price compared with 2008, and because of renewed means set up by the European Commission in order to balance dairy product market: returned export subsidies for certain dairy products, and application of intervention warehouse system in order to sustain prices – this helps to balance the demand and supply of production.

This year the main Company's activities are to automate and optimize the processes of production, to develop fresh dairy products, to strengthen the department of sales, to introduce new means of marketing and to search for new markets. Moreover, the Company plans to carry out the purposeful transfer from the production of industrial cheese to brand cheese (having unique trade mark), to strengthen the trademarks of the Company and of certain products both in Lithuanian and in foreign markets by expanding the assortment with new exceptional types of cheese.

Tables below present the overviews of key indicators of consolidated trade volumes of the Group of Vilkyškių pieninė AB:



Sold production in tones	9 month of 2009
Cheese	6 621
Butter	892
Cream	4 421
Whey flour	847
Whey concentrate	19 150
Sour cream	2 581
Curd products	2 718



Income form sale in thousand LTL	9 month of 2009
Cheese	56 668
Butter	6 855
Cream	16 414
Whey flour	934
Whey concentrate	1 275
Sour cream	9 666
Curd products	16 779
Other	6 095

MATERIAL EVENTS IN THE ACTIVITY OF THE ISSUER

On the 30th of April 2009 in the ordinary general meeting of shareholders of *Vilkyškių pieninė* AB annual statement of the year 2008 as well as conclusion made by an audit company about financial statement of the Company for the year 2008 were debriefed, financial statement of the Company for the year 2008 was approved, a member of the Management Board Ramūnas Šniepis was released and a new member of the Management Board Vilija Milaševičiūtė was appointed. Moreover, Audit Committee Activity Regulations were approved and a new audit committee was composed. Alius Jakubėlis was appointed as an independent member of the audit committee. The Management Board is authorized to set the salary to the independent member of the audit committee for his work. The Head of the Company is authorized to sign the contract with the independent member of the audit committee. Ligita Pudžiuvelytė and Birutė Bazilienė are appointed as the members of the audit committee.

On the 7th of July 2009 the Extraordinary General Meeting of Shareholders decided to increase Company's authorized capital from LTL 128408 up to LTL 692710, by issuing a new emission of 564302 units of ordinary registered shares. The term for the shareholders to subscribe share subscription agreement ended on the 25th of July. In total 488710 units of shares were subscribed. In conformity with decision adopted by the Extraordinary General Meeting of Shareholders, when not all shares are subscribed for within the period intended for share subscription, the authorized capital may be increased by the amount of nominal values of subscribed shares. Authorized capital of the Company has been increased up to LTL 617118.

The sales of the company for period January - June 2009 amounted to 70.7 million LTL (20.5 million EUR) - 5.8% increase comparing to the same period last year.

The consolidated sales of the company for **July 2009** amounted to 13.81 million LTL (4 million EUR) - 31% decrease comparing to July 2008. The sales of the company for the last 12 months (August 2008 - July 2009) amounted to 150.5 million LTL (43.6 million EUR) and are the same comparing to the same period last year (August 2007 - July 2008). The sales of the company for period January - July 2009 amounted to 84.5 million LTL (24.5 million EUR) and are the same comparing to the same period last year.

The consolidated sales of the company for **August 2009** amounted to 14.8 million LTL (4.3 million EUR) - 10.5% increase comparing to August 2008. The sales of the company for the last 12 months (September 2008 - August 2009) amounted to 151 million LTL (43.7 million EUR) and are the same comparing to the same period last year (September 2007 - August 2008). The sales of the company for period January - August 2009 amounted to 99.3 million LTL (28.8 million EUR) and are the same comparing to the same period last year.

The consolidated sales of the company for **September 2009** amounted to 15.64 million LTL (4.53 million EUR) - 13.7% decrease comparing to September 2008. The sales of the company for the last 12 months (October 2008 - September 2009) amounted to 149.2 million LTL (43.2 million EUR) - 2.9% decrease comparing to the same period last year (October 2007 - September 2008). The sales of the company for period January - September 2009 amounted to 114.68 million LTL (33.25 million EUR) - 2.3% decrease comparing to the same period last year.