



VILKYŠKIŲ PIENINĖ AB GROUP



THE RESULTS OF
6 MONTHS OF 2013

ABOUT THE COMPANY

Vilkyškių pieninė AB, was established in 1993 m.

On the 30th of June 2013 the Group had 953 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

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.



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; Vilkyškių assortment of fresh dairy products was significantly expanded
2012	the second cheese plant development was implemented in Vilkyškiai.
2005-2011	Company use the support of European Union and other funds, involve in social projects



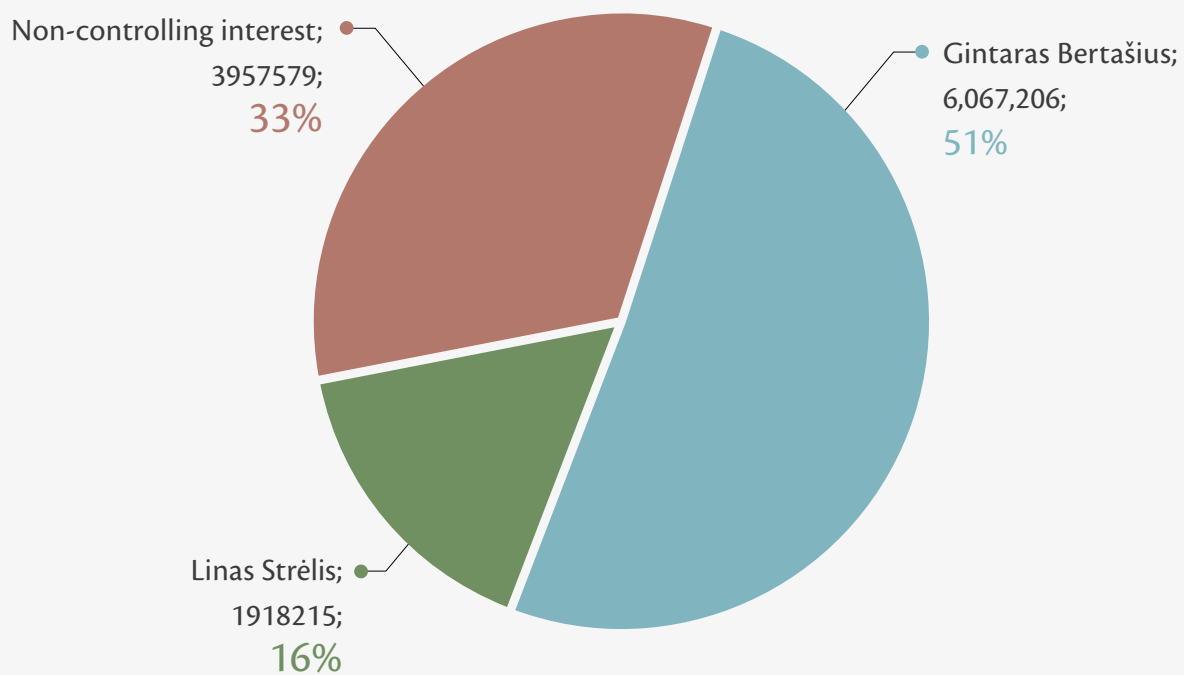
SIGNIFICANT EVENTS IN H1 2013

- Products, that received exclusive recognition in the exhibition "Prodexpo 2013" (in February):
 - Melted cheese with blue mould and sun-dried tomatoes "Memel Blue" won the gold medal in the "Best Product" category;
 - "Memel Blue" melted cheese with Bruschetta spices got a nomination of innovative product.
- Representatives of the Company participated in the exhibition "Gulfood 2013" in Dubai. During the exhibition, new contacts were established with Lebanon, Saudi Arabia.
- Operations of liquid dairy products packaging line were started, that enables to package products in Tetra Top packaging. This packaging is modern, environmentally-friendly. Reliable cardboard packaging protects the product from environmental exposure: light, air, harmful microorganisms and is convenient to use.
- 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.
- Preparatory work of logistics warehouse was started in Kelmė.
- "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". Such results were reached due to successfully selected brand positioning and communication content, convincing that all dairy products are not the same.

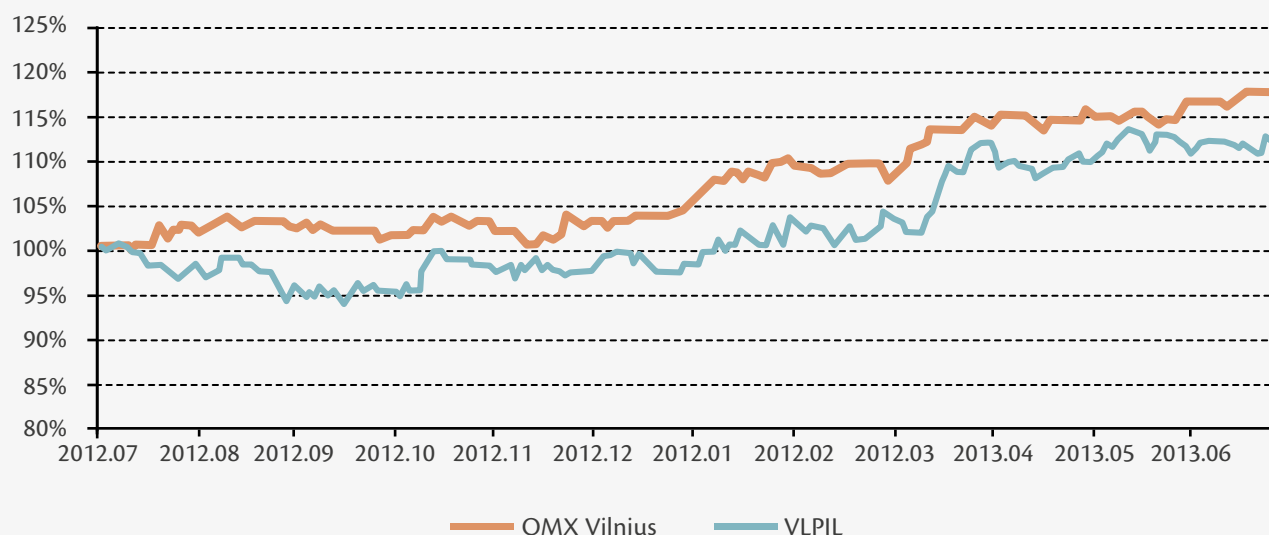
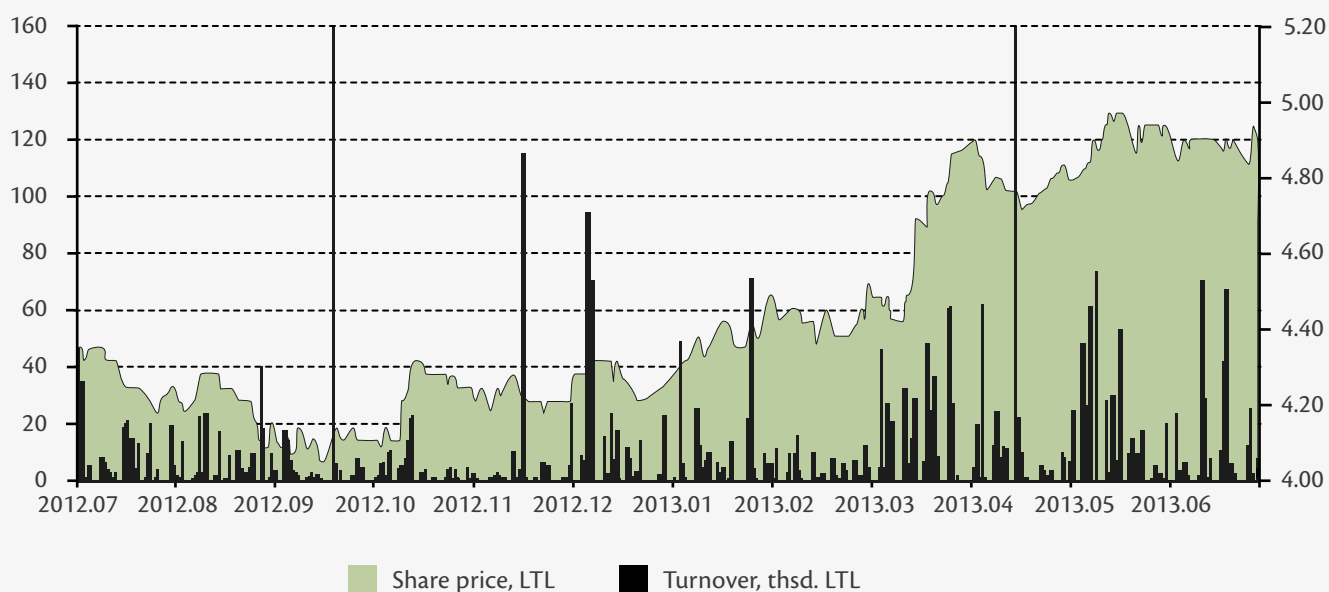


SHAREHOLDERS

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

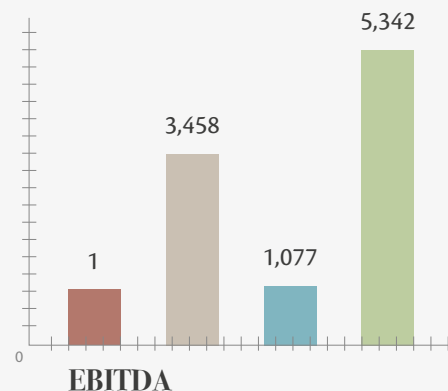
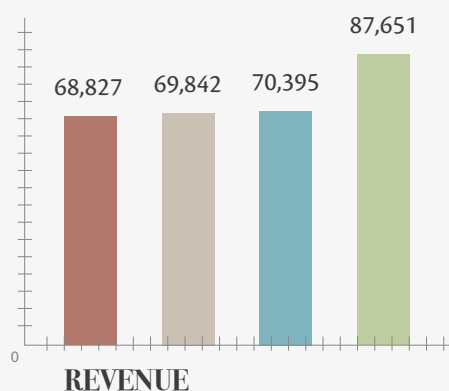
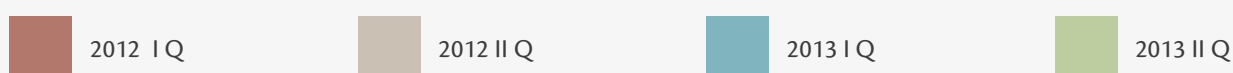


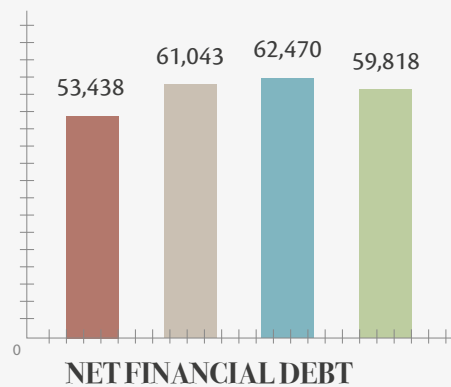
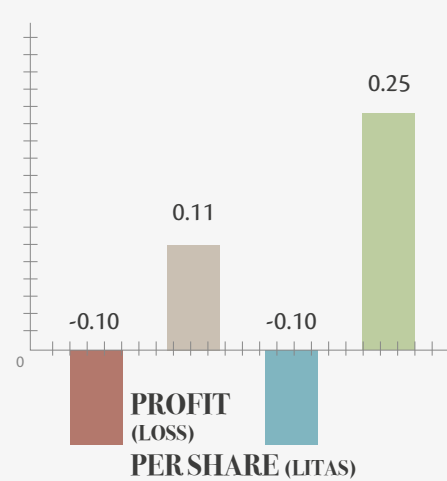
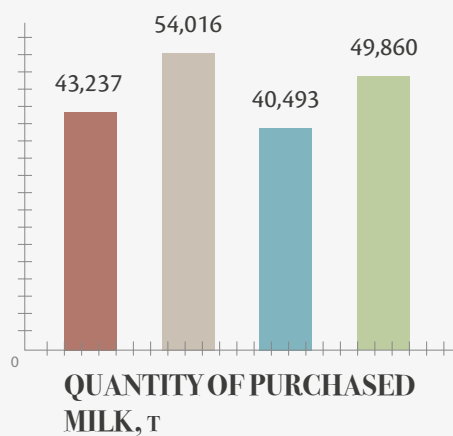
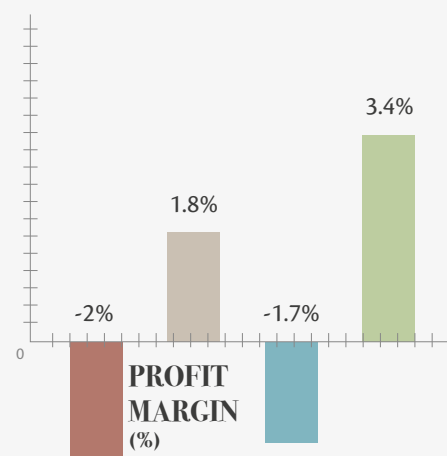
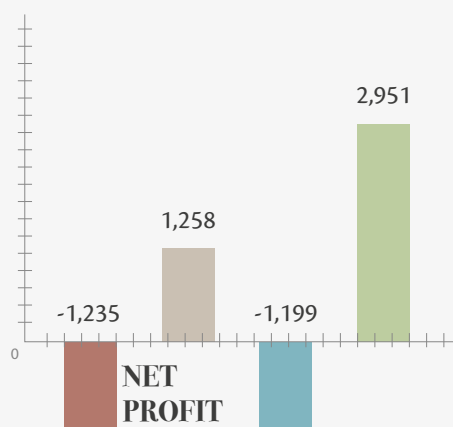
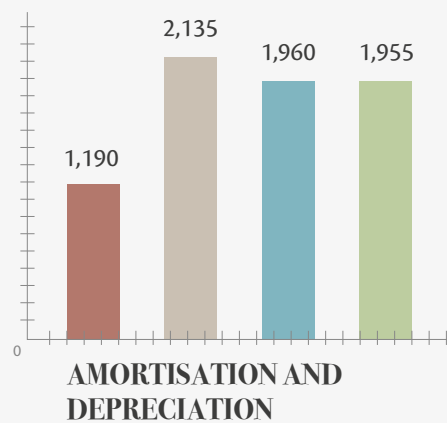
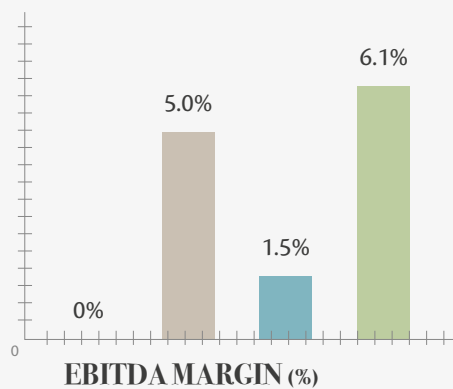
MAIN FINANCIAL INDICATORS

During the first half of this year, the revenue of the Group amounted to 158 million LTL and it is 14 percent more comparing to the same period of the last year. Net profit for the first half of 2013 was 1,752 thousand LTL, while for the same period last year it was 23 thousand LTL.

During the first half of this year, the Group of Vilkyškių pieninė AB intensified its activities in Israel, the Arab countries, the Balkans, the Greek markets, in which products are selling with higher added value. Over the past six months, we have been conducting intensive marketing activity in Russia, Poland, the Kaliningrad region, and as a result, the Group introduced its dairy products to major retailers in mentioned countries. What is more, we started to operate new liquid dairy products packaging line, started to sell milk, kefir and drinking yogurts in new tetra top packages and the assortment was supplemented by a new product - different flavour yogurt drink.

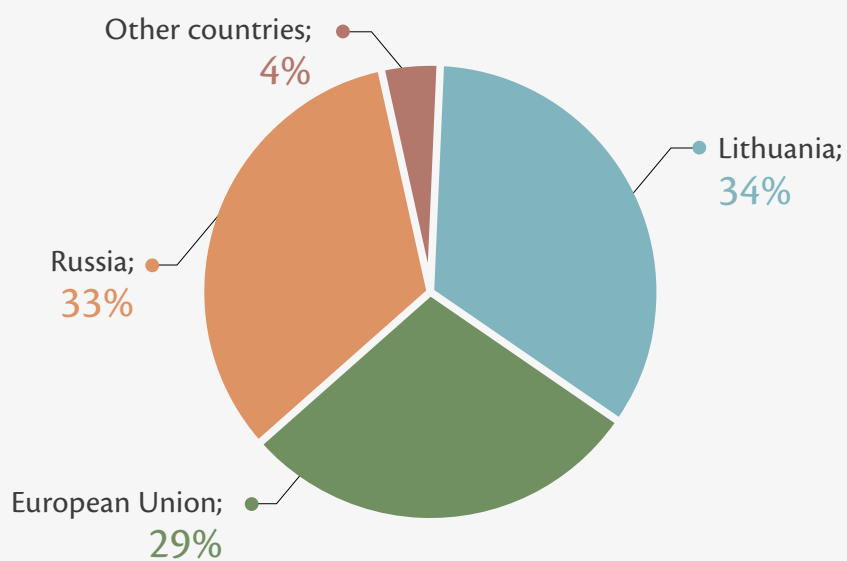
(Thousands LTL)	2012 I Q	2012 II Q	2013 I Q	2013 II Q
Revenue	68,827	69,842	70,395	87,651
EBITDA	1	3,458	1,077	5,342
EBITDA margin (%)	0%	5.0%	1.5%	6.1%
Amortisation and depreciation	1,190	2,135	1,960	1,955
Net profit	-1,235	1,258	-1,199	2,951
Profit margin (%)	-2%	1.8%	-1.7%	3.4%
Quantity of purchased milk, t	43,237	54,016	40,493	49,860
Profit (loss) per share (Litas)	-0.10	0.11	-0.10	0.25
Net financial debt	53,438	61,043	62,470	59,818



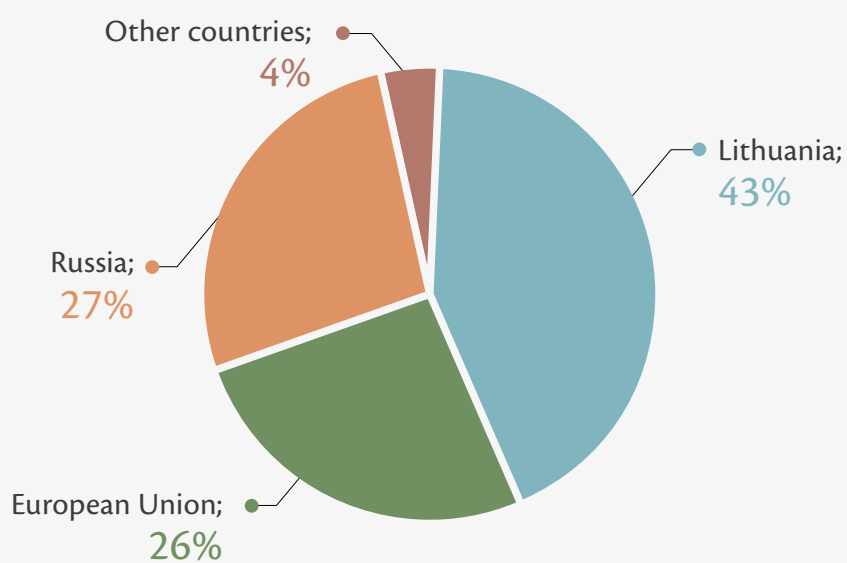


SALES MARKETS

(Thousands LTL)	H 1 2012		H 1 2013	
Lithuania	59,152	43%	53,144	34%
European Union	36,094	26%	45,476	29%
Russia	37,897	27%	52,144	33%
Other countries	5,526	4%	7,282	4%
Total income:	138,669		158,046	



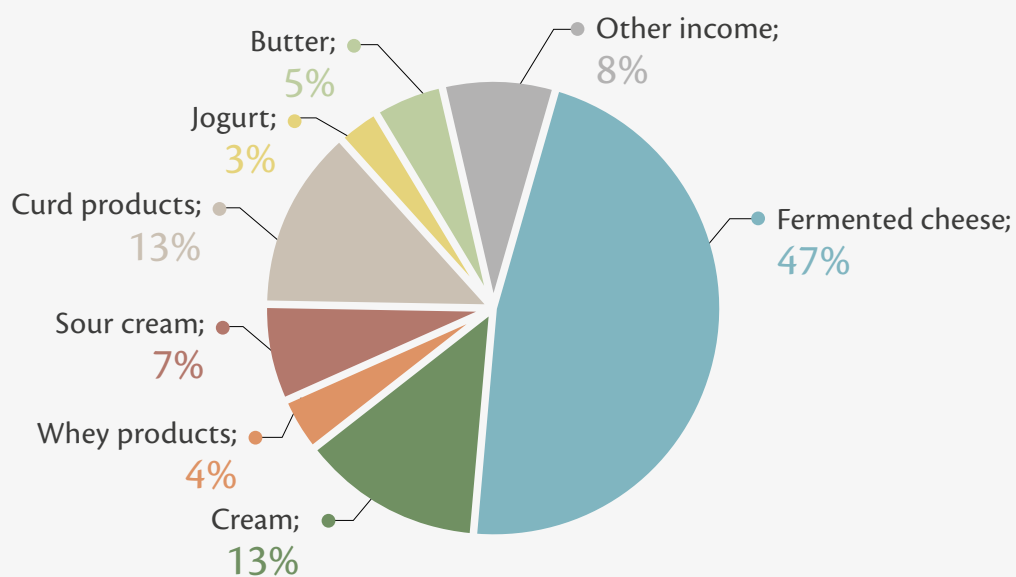
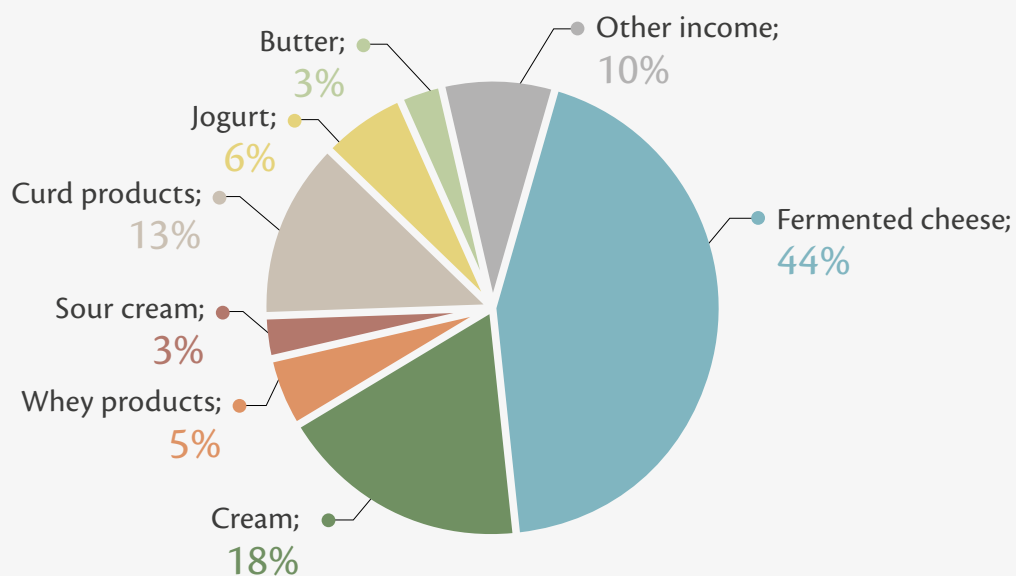
H 1 2013



H 1 2012

INCOME FROM SOLD PRODUCTION

(Thousands LTL)	H1 2012		H1 2013	
Fermented cheese	65,183	47%	70,310	44%
Cream	17,719	13%	27,945	18%
Whey products	6,172	4%	7,982	5%
Sour cream	9,599	7%	4,388	3%
Curd products	18,379	13%	20,793	13%
Jogurt	4,010	3%	9,614	6%
Butter	7,350	5%	4,388	3%
Other income	10,257	8%	12,625	8%
Total income:	138,669		158,046	



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