

# Vilkyskiu pienine AB

Interim consolidated financial statements for the 3 months of 2014



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VILKYŠKIŲ

Interim consolidated financial statements for the 3 months of 2014

### **Confirmation of Responsible Persons**

Following the Article No. 22 of the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission, we Gintaras Bertasius, General Director of Vilkyskiu pienine AB and Vilija Milaseviciute, Economics and financial Director of of Vilkyskiu pienine AB hereby confirm that, unaudited interim condensed consolidated and financial statements for the three months of 2014, prepared in accordance with International Financial Reporting Standarts, give a true and fair view of the assets, liabilities, financial position and profit or loss and cach flows of Vilkyskiu pienine AB group.

Une

**General Director** 

**Gintaras Bertasius** 

2

Ekonomics and financial director

RESO

Vilija Milaseviciute

The financial statements were approved and signed by the Management on 30 May 2014.



### General information

Name of the Issue	Public Company "Vilkyškių pieninė"
Authorized capital	LTL 11 943 000
Registered office	Vilkyškiai, Pagėgiai municipality
Telephone number	8-441 55330
Fax number	8-441 55242
E-mail address	info@vilkyskiu.lt
Date and place of registration	The 18th of May 1993, Taurage Branch of Public Institution Center
Date and place of re-registration	The 30 <sup>th</sup> of December 2005, Taurage Branch of Public Institution Center
	of Registers
Code in the Register of Enterprises	277160980
Internet address	http://www.vilkyskiu.lt

### Vilkyskiu pienine AB Board

Gintaras Bertasius (Chairman) Sigitas Trijonis Rimantas Jancevicius Vilija Milaseviciute Andrej Cyba Linas Strelis

### Vilkyskiu pienine AB Management

General Director
Chief operation officer
Economics and financial Director
Technical Director
Stock Director
Production Director

#### The Group consists of the following companies:

- Vilkyskiu Pienine AB, the parent company
- Modest AB, the subsidiary
- Kelmes Pienine AB, the subsidiary.

The parent Company is engaged in production and sales of different types of cheese. Also, it produces and sells whey, raw milk and cream.

The Company has a subsidiary Modest AB, which is engaged in milk processing and production of dairy products. The Company holds 99.7% voting rights of the subsidiary. Modest AB specialises in production of fermented cheese, cottage cheese and other cheese products.

Company also has a subsidiary - Kelmes Pienine AB, which is engaged in milk processing and production of dairy products. The Company holds 100% voting rights of Kelmes Pienine AB. Kelmes Pienine AB specialises in production of fresh dairy products.

As of December 2013, the Group includes a subsidiary AB Pieno Logistika. The authorized capital of the mentioned company amounts to 371 thousand LTL; the main activity is lease of buildings. AB Vilkyškių Pieninė holds 50.8% shares of AB Pieno Logistika.

At 31 March 2014 the Group had 940 employees (31 March 2013 - 936).



# Consolidated statement of financial position

AssetsImage of the second	Thousand Litas	31 03 2014	31 12 2013
Intangible assets23.923Long-term receivables1.315Non-current assets125.377Nor-current assets26.370Inventories26.370Trade and other receivables31.624Prepayments2.25.513Prepayments2.265Cash and cash equivalents489Current assets59.810Total assets11.327Share capital11.943Share capital11.396Reserves11.548Intende carnings36.085Total equity attributable to the shareholders of the Company70.972Non-controlling interest184Interest-bearing loans and lease liabilities2.7.384Perivative financial instruments1.0.963Interest-bearing loans and lease liabilities2.8.71Sourcurrent liabilities2.8.73Interest-bearing loans and lease liabilities3.4.117Perivative financial instruments3.4.117Interest-bearing loans and lease liabilities3.4.117Perivative financial instruments3.7.32State and other payables, including derivatives3.6.966State3.5.742Current liabilities3.5.742Current liabilities3.5.742Current liabilities3.5.742Current liabilities3.5.742Current liabilities3.5.742Current liabilities3.5.742Current liabilities3.5.742Current liabilities3.6.966Current liabilities3.6.966 <t< td=""><td>Assets</td><td></td><td></td></t<>	Assets		
Long-term receivables1.3151.678Non-current assets125.377123.093Inventories26.37030.179Trade and other receivables31.62425.513Prepayments1.3272.265Cash and cash equivalents489241Current assets59.81058.198Total assets185.187181.291Equity11.94311.943Share capital11.39611.396Reserves11.54811.816Retained earnings36.08535.742Total equity attributable to the shareholders of the Company70.97270.897Non-controlling interest184183Total equity71.15671.080Liabilities27.38428.684Derivative financial instruments1.3511.207Government grants10.96311.204Deferred tax liabilities2.87130.88Non-current liabilities34.11725.826Derivative financial instruments3.79358Trade and other payables, including derivatives36.96639.874Current Liabilities71.46266.088Total liabilities71.46266.088Total liabilities71.46266.088Total liabilities71.46266.088Total liabilities71.46266.088Total liabilities71.46266.088Total liabilities71.46266.088Total liabilities71.46266.088Total li	Property, plant and equipment	100.139	97.493
Non-current assets         122.377         123.093           Inventories         125.377         123.093           Inventories         26.370         30.179           Trade and other receivables         31.624         25.513           Prepayments         1.327         2.265           Cash and cash equivalents         489         241           Current assets         59.810         58.198           Total assets         155.187         181.291           Equity         11.943         11.943           Share capital         11.943         11.943           Share premium         11.396         35.742           Total equity attributable to the shareholders of the Company         70.972         70.897           Non-controlling interest         184         183           Total equity         71.156         71.080           Liabilities         27.384         28.684           Derivative financial instruments         1.351         1.207           Government grants         1.0963         11.204           Deferred tax liabilities         2.871         3.058           Non-current liabilities         34.117         25.826           Derivative financial instruments         379 <td>Intangible assets</td> <td>23.923</td> <td>23.922</td>	Intangible assets	23.923	23.922
Inventories26.37030.179Trade and other receivables31.62425.513Prepayments1.3272.265Cash and cash equivalents489241Current assets59.81058.198Total assets185.187181.291Equity11.94311.943Share capital11.94311.943Share premium11.39611.396Reserves11.54811.816Retained earnings36.08535.742Total equity attributable to the shareholders of the Company70.97270.897Non-controlling interest184183Total equity71.15671.080Liabilities27.38428.684Derivative financial instruments1.3511.207Government grants10.96311.204Deferred tax liabilities2.8713058Non-current liabilities34.11725.826Derivative financial instruments3.79358Trade and other payables, including derivatives36.96639.874Current Liabilities71.46266.058Total and other payables, including derivatives36.96639.874Current liabilities71.46266.058Total liabilities71.46266.058	Long-term receivables	1.315	1.678
Trade and other receivables         31.624         25.513           Prepayments         1.327         2.265           Cash and cash equivalents         489         241           Current assets         59.810         58.198           Total assets         185.187         181.291           Equity         11.943         11.943           Share capital         11.943         11.943           Share premium         11.396         11.396           Reserves         11.548         11.816           Retained earnings         36.085         35.742           Total equity attributable to the shareholders of the Company         70.972         70.897           Non-controlling interest         184         183           Total equity         71.156         71.080           Liabilities         27.384         28.684           Derivative financial instruments         1.351         1.207           Government grants         10.963         11.204           Deferred tax liabilities         2.871         3.058           Non-current liabilities         34.117         25.826           Derivative financial instruments         34.93         35.83           Interest-bearing loans and lease liabilities<	Non-current assets	125.377	123.093
Prepayments         0.1.0.1         1.327         2.265           Cash and cash equivalents         489         241           Current assets         59.810         58.198           Total assets         185.187         181.291           Equity         11.943         11.943           Share capital         11.396         11.396           Share premium         11.396         11.396           Reserves         11.548         11.816           Retained earnings         36.085         35.742           Total equity attributable to the shareholders of the Company         70.972         70.897           Non-controlling interest         184         183           Total equity         71.156         71.080           Liabilities         27.384         28.684           Derivative financial instruments         1.351         1.207           Government grants         10.963         11.204           Deferred tax liabilities         2.871         3.058           Non-current liabilities         34.117         25.826           Derivative financial instruments         34.97         358           Interest-bearing loans and lease liabilities         34.117         25.826           Deriv	Inventories	26.370	30.179
Cash and cash equivalents489241Current assets59.81058.198Total assets185.187181.291Equity11.94311.943Share capital11.94311.943Share premium11.39611.396Reserves11.54811.816Retained earnings36.08535.742Total equity attributable to the shareholders of the Company70.97270.897Non-controlling interest184183Total equity71.15671.080Liabilities22Interest-bearing loans and lease liabilities22Oerrwative financial instruments1.3511.207Government grants10.96311.204Deferred tax liabilities23.058Non-current liabilities34.11725.826Derivative financial instruments3.79358Trade and other payables, including derivatives36.96639.874Current liabilities71.46266.058Total instruments371310.211	Trade and other receivables	31.624	25.513
Current assets         59,810         58,198           Total assets         185,187         181,291           Equity         11.943         11.943           Share capital         11.943         11.943           Share premium         11.396         11.396           Reserves         11.548         11.816           Retained earnings         36.085         35.742           Total equity attributable to the shareholders of the Company         70.972         70.897           Non-controlling interest         184         183           Total equity         71.156         71.080           Liabilities         28.684         12.007           Government grants         10.963         11.204           Deferred tax liabilities         2.8.71         3.058           Non-current liabilities         2.8.71         3.058           Non-current liabilities         34.117         25.826           Derivative financial instruments         3.79         358           Trade and other payables, including derivatives         36.966         39.874           Current liabilities         71.462         66.058           Total equit liabilities         114.031         110.211	Prepayments	1.327	2.265
Total assets         185.187         181.291           Equity         11.943         11.943           Share capital         11.943         11.943           Share premium         11.396         11.396           Reserves         11.548         11.816           Retained earnings         36.085         35.742           Total equity attributable to the shareholders of the Company         70.972         70.897           Non-controlling interest         184         183           Total equity         71.156         71.080           Liabilities         27.384         28.684           Derivative financial instruments         1.351         1.207           Government grants         10.963         11.204           Deferred tax liabilities         2.871         3.058           Non-current liabilities         2.871         3.058           Non-current liabilities         34.117         25.826           Derivative financial instruments         379         358           Trade and other payables, including derivatives         36.966         39.874           Current liabilities         71.462         66.058           Total liabilities         114.031         110.211	Cash and cash equivalents	489	241
Equity10.107101.2.1Share capital11.94311.943Share premium11.39611.396Reserves11.54811.816Retained earnings36.08535.742Total equity attributable to the shareholders of the Company70.97270.897Non-controlling interest184183Total equity71.15671.080Liabilities27.38428.684Derivative financial instruments1.3511.207Government grants10.96311.204Deferred tax liabilities2.8713.058Non-current liabilities34.11725.826Derivative financial instruments3.79358Trade and other payables, including derivatives36.96639.874Current liabilities71.46266.058Total liabilities71.46266.058Total instruments3.793.58Total end other payables, including derivatives36.96639.874Total instruments3.793.58Total end other payables, including derivatives36.96639.874Total instruments3.793.58Total instruments3.6.96639.874Total instruments3.6.96639.874Total instruments3.6.96639.874Total instruments3.6.96639.874Total instruments3.6.96639.874Total end other payables, including derivatives36.96639.874Total instruments3.6.96639.874 </td <td>Current assets</td> <td>59.810</td> <td>58.198</td>	Current assets	59.810	58.198
Share capital11.94311.943Share premium11.39611.396Reserves11.54811.816Retained earnings36.08535.742Total equity attributable to the shareholders of the Company70.97270.897Non-controlling interest184183Total equity71.15671.080Liabilities71.15671.080Interest-bearing loans and lease liabilities27.38428.684Derivative financial instruments13.511.207Government grants10.96311.204Deferred tax liabilities2.8713.058Non-current liabilities34.11725.826Derivative financial instruments3.79358Trade and other payables, including derivatives36.96639.874Turde tax liabilities71.46266.058Total equity bilities71.46266.058Total equity bilities71.46266.058	Total assets	185.187	181.291
Share premium       11.396       11.396         Reserves       11.548       11.816         Retained earnings       36.085       35.742         Total equity attributable to the shareholders of the Company       70.972       70.897         Non-controlling interest       184       183         Total equity       71.156       71.080         Liabilities       27.384       28.684         Derivative financial instruments       1.351       1.207         Government grants       10.963       11.204         Deferred tax liabilities       2.871       3.058         Non-current liabilities       34.117       25.826         Derivative financial instruments       34.117       25.826         Derivative financial instruments       36.966       39.874         Current liabilities       36.966       39.874         Current liabilities       71.462       66.058         Total end other payables, including derivatives       36.966       39.874         Current liabilities       71.462       66.058         Total liabilities       71.462       66.058	Equity		
Reserves11.500Reserves11.54811.816Retained earnings36.08535.742Total equity attributable to the shareholders of the Company70.97270.897Non-controlling interest184183Total equity71.15671.080Liabilities27.38428.684Derivative financial instruments1.3511.207Government grants10.96311.204Deferred tax liabilities2.8713.058Non-current liabilities34.11725.826Derivative financial instruments34.11725.826Derivative financial instruments34.99358Trade and other payables, including derivatives36.96639.874Current liabilities71.46266.058Total end uther payables, including derivatives36.96639.874Total liabilities71.46266.058Total liabilities71.46266.058	Share capital	11.943	11.943
Retained earnings11.54011.540Retained earnings36.08535.742Total equity attributable to the shareholders of the Company70.97270.897Non-controlling interest184183Total equity71.15671.080Liabilities27.38428.684Derivative financial instruments1.3511.207Government grants10.96311.204Deferred tax liabilities2.8713.058Non-current liabilities42.56944.153Interest-bearing loans and lease liabilities34.11725.826Derivative financial instruments3.79358Trade and other payables, including derivatives36.96639.874Current liabilities71.46266.058Total end other payables, including derivatives31.0211	Share premium	11.396	11.396
Total equity attributable to the shareholders of the Company70.97270.897Non-controlling interest184183Total equity71.15671.080Liabilities27.38428.684Derivative financial instruments1.3511.207Government grants10.96311.204Deferred tax liabilities2.8713.058Non-current liabilities34.11725.826Derivative financial instruments3.79358Trade and other payables, including derivatives36.96639.874Current liabilities71.46266.058Total equity114.031110.211	Reserves	11.548	11.816
Non-controlling interest184183Total equity71.15671.080Liabilities27.38428.684Derivative financial instruments1.3511.207Government grants10.96311.204Deferred tax liabilities2.8713.058Non-current liabilities34.11725.826Derivative financial instruments34.11725.826Derivative financial instruments379358Trade and other payables, including derivatives36.96639.874Current liabilities71.46266.058Total liabilities114.031110.211	Retained earnings	36.085	35.742
Total equity71.15671.080Liabilities71.15671.080Interest-bearing loans and lease liabilities27.38428.684Derivative financial instruments1.3511.207Government grants10.96311.204Deferred tax liabilities2.8713.058Non-current liabilities42.56944.153Interest-bearing loans and lease liabilities34.11725.826Derivative financial instruments379358Trade and other payables, including derivatives36.96639.874Current liabilities71.46266.058Total liabilities114.031110.211	Total equity attributable to the shareholders of the Company	70.972	70.897
Liabilities11100Liabilities27.384Interest-bearing loans and lease liabilities27.384Derivative financial instruments1.351Government grants10.963Deferred tax liabilities2.871Non-current liabilities2.871Interest-bearing loans and lease liabilities34.11725.826Derivative financial instruments379Trade and other payables, including derivatives36.96639.874Current liabilities114.031Total liabilities114.031Total liabilities114.031	Non-controlling interest	184	183
Interest-bearing loans and lease liabilities27.38428.684Derivative financial instruments1.3511.207Government grants10.96311.204Deferred tax liabilities2.8713.058Non-current liabilities42.56944.153Interest-bearing loans and lease liabilities34.11725.826Derivative financial instruments379358Trade and other payables, including derivatives36.96639.874Current liabilities71.46266.058Total liabilities114.031110.211	Total equity	71.156	71.080
Derivative financial instruments1.3511.207Government grants10.96311.204Deferred tax liabilities2.8713.058Non-current liabilities42.56944.153Interest-bearing loans and lease liabilities34.11725.826Derivative financial instruments379358Trade and other payables, including derivatives36.96639.874Current liabilities71.46266.058Total liabilities114.031110.211	Liabilities		
Government grants10.96311.204Deferred tax liabilities2.8713.058Non-current liabilities42.56944.153Interest-bearing loans and lease liabilities34.11725.826Derivative financial instruments379358Trade and other payables, including derivatives36.96639.874Current liabilities71.46266.058Total liabilities114.031110.211	Interest-bearing loans and lease liabilities	27.384	28.684
Deferred tax liabilities2.8713.058Non-current liabilities42.56944.153Interest-bearing loans and lease liabilities34.11725.826Derivative financial instruments379358Trade and other payables, including derivatives36.96639.874Current liabilities71.46266.058Total liabilities114.031110.211	Derivative financial instruments	1.351	1.207
Non-current liabilities2.8715.000Interest-bearing loans and lease liabilities34.11725.826Derivative financial instruments379358Trade and other payables, including derivatives36.96639.874Current liabilities71.46266.058Total liabilities114.031110.211	Government grants	10.963	11.204
Interest-bearing loans and lease liabilities34.11725.826Derivative financial instruments379358Trade and other payables, including derivatives36.96639.874Current liabilities71.46266.058Total liabilities114.031110.211	Deferred tax liabilities	2.871	3.058
Derivative financial instruments379358Trade and other payables, including derivatives36.96639.874Current liabilities71.46266.058Total liabilities114.031110.211	Non-current liabilities	42.569	44.153
Trade and other payables, including derivatives36.96639.874Current liabilities71.46266.058Total liabilities114.031110.211	Interest-bearing loans and lease liabilities	34.117	25.826
Current liabilities71.46266.058Total liabilities114.031110.211	Derivative financial instruments	379	358
Total liabilities         114.031         110.211	Trade and other payables, including derivatives	36.966	39.874
	Current liabilities	71.462	66.058
Total equity and liabilities185.187181.291	Total liabilities	114.031	110.211
	Total equity and liabilities	185.187	181.291



### Consolidated income statement

Thousand Litas	01.01.2014- 31.03.2014	01.01.2013- 31.03.2013
Revenue	97.737	70.395
Cost of sales	-92.084	-66.059
Gross profit	5.653	4.336
Other operating income	593	326
Distribution expenses	-3.801	-3.719
Administrative expenses	-1.898	-1.677
Other operating costs	-58	-149
Result from operating activities	489	-883
Finance income	17	15
Finance costs	-452	-532
Net finance expenses	-435	-517
Profit before income tax	54	-1.400
Income tax expense	187	201
Profit for the period	241	-1.199
Attributable to:		
Shareholders of the Group	240	-1.209
Non-controlling interest	1	10
Net profit (loss) for the year	241	-1.199
Basic earnings per share (Litas)	0,02	-0,10
Diluted earnings per share (Litas)	0,02	-0,10



## Consolidated statement of changes in equity

Equity, attributable to the shareholders of the Company

Equity, at	tributable	to the share	enolders	or the Corr	<u> </u>				_	
Thousand Litas	Share capital	Share premium	Revalu- ation reserve	Hedging reserve	Reserve for acquiri ng own shares	Legal reserve	Retained earnings	Total	Non- controll ing interest	Total equity
Balance at 1 January 2013	11.943	11.396	6.570	-2.143	5.768	1.194	25.132	59.860	141	60.001
<b>Comprehensive income for the</b> <b>period</b> Net profit (loss)	-	-	-	-	-	-	-1.209	-1.209	10	-1.199
Other comprehensive income Allocated from reserves Increase of revaluation reserve,	-	-	-88	-	-	-	88			-
net of tax	-	-	-	-	-	-	-	-	-	-
Formation of hedging reserve										
Total other comprehensive	-	-	-	58	-	-	-	58	-	58
income	_	_	-88	58	_	-	88	58	_	58
Total comprehensive income for the period		-	-88	58					- 10	
Contributions by and	-	-	-00	38	-	-	-1.121	-1.150	10	-1.141
<b>distributions to owners:</b> Dividends	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners										
Changes in the Group without losing control		-	_					-	-	
Other changes in the Group	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2013	11.943	11.396	6.482	-2.085	5.768	1.194	24.011	58.709	151	58.860
Balance at 1 January 2014	11.943	11.396	6.216	-1.565	5.971	1.194	35.742	70.897	183	71.080
Comprehensive income for the period	11.910	11.070	0.210	1.000	0.971		240	240	100	241
Net profit (loss) Other comprehensive income			-	-	-	-	240	240	1	241
Allocated from reserves Formation of hedging reserve	-	-	-103	-	-	-	103	-	-	-
Total allow as much and an	-	-	-	-165	-	-	-	-165	-	-165
Total other comprehensive income Total comprehensive income for	-	_	-103	-165	_	-	103	-165	_	-165
the period	_	-	-103	-165	-	_	343	75	1	76
Contributions by and distributions to owners:			103	100			340	70	I	70
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	-	-
<b>Changes in the Group without</b> <b>losing control</b> Other changes in the Group	_		_	-	_	_	_	_	_	_
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	-	
Balance at 31 March 2014	11.943	11.396	6.113	-1.730	5.971	1.194	36.085	70.972	184	71.156

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## Consolidated statement of cash flows

Thousand Litas

Cash flows from operating activities241-1.199Adjustments:241-1.199Adjustments:2Depreciation of property, plant and equipment2.3182.271Amortisation and write down of grants-241-313(Profit) loss on disposal of property, plant and equipment18-27Income tax expense-187-201Interest expenses, net435517Change in inventories3.8091.069Change in long-term receivables36375Change in trade and other receivables and prepayments-5.1714.876Change in trade and other receivables and prepayments-2.371-2.383Paid interest-391-407407Net cash from operating activities-1.775291Cash flows from investing activities-2Interest received-1Net cash from investing activities-2Cash flows from financing activities-2Interest received'9.67910.844Repayment of borrowings-2.737-2.078Net cash used in financing activities6.9428.766Increase (decrease) in cash and cash equivalents248-349<	Thousand Litas	01.01.2014- 31.03.2014	01.01.2013- 31.03.2013
Adjustments:2.3182.271Depreciation of property, plant and equipment2.3182.271Amortisation and write down of grants-241-313(Profit) loss on disposal of property, plant and equipment18-27Income tax expense-187-201Interest expenses, net435517Change in inventories3.8091.069Change in long-term receivables36375Change in trade and other receivables and prepayments-5.1714.876Change in trade and other payables-2.973-2.701Vet cash from operating activities-1.775291Cash flows from investing activities-1.775291Cash flows from investing activities-2.21-2.22Interest received-11235Recovery of the loans-2-21Interest received-212Net cash from investing activities-2.273-2.078Net cash from investing activities-2.273-2.078Loans received-11235Recovery of the loans-2-2Interest received-11Net cash used in financing activities-2.737-2.078Net cash used in financing activities-2.737-2.078Cash and cash equivalents at 1 January241880	Cash flows from operating activities		
Amortisation of intangible assets42Amortisation and write down of grants-241-313(Profit) loss on disposal of property, plant and equipment18-27Income tax expense-187-201Interest expenses, net435517 <b>2.5881.050</b> Change in inventories3.8091.069Change in inventories3.6375Change in trade and other receivables and prepayments-5.171-4.876Change in trade and other payables-2.973-2.701 <b>1.084-5.383</b> -391-407Net cash from operating activities-3.91-407Net cash from investing activities-1.775291Cash flows from investing activities-2-3.561Proceeds from sale of property, plant and equipment-4.928-3.561Proceeds from sale of property, plant and equipment-22Interest received-11Net cash from investing activities-2.973-2.078Cash flows from financing activities-2.979-3.324Cash flows from financing activities-2.737-2.078Net cash used in financing activities6.9428.766Increase (decrease) in cash and cash equivalents248-349Cash and cash equivalents at 1 January241880	<b>1</b>	241	-1.199
Amortisation and write down of grants (Profit) loss on disposal of property, plant and equipment-241-313(Profit) loss on disposal of property, plant and equipment18-27Income tax expense-187-201Interest expenses, net435517Change in inventories3.8091.069Change in long-term receivables36375Change in trade and other receivables and prepayments-5.171-4.876Change in trade and other payables-2.973-2.701Paid interest-3.91-407Net cash from operating activities-1.775291Cash flows from investing activities-1.775291Cash flows from investing activities-22Interest received-12Interest received-12Interest received-12Interest received-12Interest received-12Interest received-12Interest received-12Interest received-1Net cash from investing activities-2.973Cash flows from financing activities-2.737Loans received*9.679Net cash used in financing activities6.942Stroke-2.737Cash and cash equivalents at 1 January241880-349		2.318	2.271
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Change in long-term receivables36375Change in trade and other receivables and prepayments-5.171-4.876Change in trade and other payables-2.973-2.701Image: Change in trade and other payables-3.91-4.07Image: Change in trade and other payables-3.91-407Net cash from operating activities-1.775291Cash flows from investing activities-1.775291Cash flows from investing activities-4.928-3.561Proceeds from sale of property, plant and equipment-4.928-3.561Proceeds from investing activities-4.919-3.324Net cash from investing activities-2.737-2.078Interest received*-2.737-2.078Net cash used in financing activities </td <td></td> <td>2.588</td> <td>1.050</td>		2.588	1.050
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Paid interest-391-407Net cash from operating activities-1.775291Cash flows from investing activities-4,928-3.561Acquisition of property, plant and equipment-4,928-3.561Proceeds from sale of property, plant and equipment-50Loans granted14235Recovery of the loansInterest received-1Net cash from investing activities-4.919-3.324Cash flows from financing activities9.67910.844Repayment of borrowings-2.737-2.078Net cash used in financing activities6.9428.766Increase (decrease) in cash and cash equivalents248-349Cash and cash equivalents at 1 January241880	Change in trade and other payables	-2.973	
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Proceeds from sale of property, plant and equipment-50Loans granted14235Recovery of the loans-Interest received-Interest received-Net cash from investing activities-Loans received*9.679Loans received*9.679Net cash used in financing activities-Net cash used in financing activities6.942Sector 18.766Increase (decrease) in cash and cash equivalents248Cash and cash equivalents at 1 January241	Cash flows from investing activities		
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Recovery of the loans-Interest received-Net cash from investing activities-Cash flows from financing activities-Loans received*9.679Repayment of borrowings-2.737Net cash used in financing activities6.942Net cash used in financing activities6.942Increase (decrease) in cash and cash equivalents248Cash and cash equivalents at 1 January241			
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Interest received-1Net cash from investing activities-4.919-3.324Cash flows from financing activities9.67910.844Loans received*9.67910.844Repayment of borrowings-2.737-2.078Net cash used in financing activities6.9428.766Increase (decrease) in cash and cash equivalents248-349Cash and cash equivalents at 1 January241880	Recovery of the loans	-	2
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Loans received* Repayment of borrowings9.679 10.844 -2.73710.844 -2.078Net cash used in financing activities6.9428.766Increase (decrease) in cash and cash equivalents248-349Cash and cash equivalents at 1 January241880	Net cash from investing activities	-4.919	-3.324
Loans received* Repayment of borrowings9.679 10.844 -2.73710.844 -2.078Net cash used in financing activities6.9428.766Increase (decrease) in cash and cash equivalents248-349Cash and cash equivalents at 1 January241880	Cash flows from financing activities		
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Increase (decrease) in cash and cash equivalents248-349Cash and cash equivalents at 1 January241880			
Cash and cash equivalents at 1 January 241 880	Net cash used in financing activities	6.942	8.766
1 7 5	Increase (decrease) in cash and cash equivalents	248	-349
1 7 5	Cash and cash equivalents at 1 January	241	880
	1 5		

<sup>\*</sup> Change of Credit line 6.696 Thousand Litas (for the three months of 2013 – 8.488 Thousand Litas)



### **Explanatory notes**

### 1. Accounting principles

Consolidated financial statements of Vilkyskiu pienine AB are prepared following International Standards of Financial Accountability.

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Consolidated annual financial statements for the year 2013.

### 2.Main financial indicators

	January – March 2014	January – March 2013
	97.737	70.395
EBITDA (Thousand Litas)	2.570	1.077
EBITDA margin (%)	2,6%	1,5%
Operating result (Thousand Litas)	489	-883
Operating result margin (%)	0,5%	-1,3%
Profit (loss) (Thousand Litas)	241	-1.199
Profit (loss) (%)	0,2%	-1,7%
Profit (loss) per share (litas)	0,02	-0,10
Number or shares (vnt)	11 943 000	11 943 000

#### 3. Segment information

#### Revenue per geographical zones:

Thousand Litas	January – March 2014	January – March 2013	Change
Lithuania	30.487	26.800	14%
European Union	32.736	16.183	2 times
Russia	27.915	23.732	18%
Other countries	6.599	3.680	79%
	97.937	70.395	

### 4. Inventories

Thousand Litas	31 March 2014	31 December 2013
Finished production	18.713	22.536
Raw materials	679	182
Other auxiliary materials	6.304	6.709
Production in progress	674	749
Goods for re-sale	-	3
	26.370	30.179

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30.179



#### 6. Post balance sheet events

The following decisions was taken at the Ordinary General Meeting of Shareholders of Vilkyskiu pienine AB which was held on the 25 April 2014:

**Item 1 of the Agenda**: Company's annual report for the year 2013. Resolution: To approve the Company's annual report for the year 2013.

**Item 2 of the Agenda**: Auditor's Report regarding the Company's Financial Statements for the year 2013. Heard.

**Item 3 of the Agenda**: Approval of Company's annual and consolidated financial statements of the year 2013.

Resolution: To approve of Company's annual and consolidated financial statements of the year 2013.

Item 4 of the Agenda: Profit (loss) appropriation for the year 2013.

Resolution: To approve the Audited Profit appropriation for the year 2013 as follows under IAS (in thousand Litas; in thousand EUR):

	thousand LTL	thousand EUR
1) Non-appropriated profit (loss) at the end of the year 2012	16.681	4.831
2) Approved by shareholders dividends of the year 2012	2.508	726
3) Transfers to reserves provided by law	0	0
4) Portion of the profit allocated to the reserve for the purchase	203	59
of own shares		
5) Non-appropriated profit (loss) at the beginning of the year	13.970	4.046
2013 after dividends payout and transfer to reserves		
6) Net profit (loss) of the reporting period	21.077	6.104
7) Transfers from reserves	354	103
8) Total profit (loss) to be appropriated:	35.401	10.253
- portion of the profit allocated to the legal reserve	0	0
- portion of the profit allocated to the reserve for the purchase	2.387	692
of own shares		
- portion of the profit allocated for payment of the dividends	3.583	1.038
(or 0.30 LTL (0.087 EUR) per ordinary registered share with		
nominal value of 1 LTL)		
- portion of the profit allocated to the other reserves	0	0
- portion of the profit allocated to be paid as annual payouts	150	43
(tantiemes) to board members, bonuses to employees and for		
other purposes		
9) Non-appropriated profit (loss) at the end of the year 2013	29.281	8.480
carried forward to next financial year		

Item 5 of the Agenda: Election of the Company's Board members.

Resolution: Gintaras Bertašius, Sigitas Trijonis, Rimantas Jancevičius, Vilija Milaševičiutė, Andrej Cyba, Linas Strėlis elected as members of the Company's Board for the four year term.

Item 6 of the Agenda: A decision on the purchase of own shares.

Resolution: A decision with regard to the purchase of own shares has been approved:

a) To purchase up to 10 percent of the Company's shares.

b) The purpose of acquisition of own shares – to maintain and increase the price of the Company's shares. c) Period during which the Company may acquire own shares – until 24 April 2015.

d) To set the maximum price per share of own shares to be acquired – at 2.03 EUR (7.00 LTL), at the same time setting the minimum acquisition price per share equal to the nominal value of a share, i.e. 0.29 EUR (1.00 LTL).



Interim consolidated financial statements for the 3 months of 2014

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e) To commit the Board to organize the purchase of own shares, to determine the procedure for purchase and sale of shares, time, number of shares and price, as well as to perform other actions relating thereto in compliance with the terms set in this resolution as well as in accordance with the requirements established in the Republic of Lithuania Law of Companies.