



VILKYŠKIŲ
PIENINĖ

1934

**VILKYŠKIŲ PIENINĖ AB
GROUP**



**THE RESULTS OF
6 MONTHS OF 2014**

ABOUT THE COMPANY

Vilkyškių pieninė AB, was established in 1993 m.

On the 30th of June 2014 the Group had 990 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

AB VILKYŠKIŲ PIENINĖ

Parent Company

Established in 1993

Main activities: The production of cheese, cream, whey

AB „MODEST“

The subsidiary Company

Established in 1992

Main activities: The production of melted smoked cheese, cheese with mould, Mozzarella, other kinds of cheese

AB KELMĖS PIENINĖ

The subsidiary Company

Established in 1993 m.

Main activities: The production of fresh dairy products.

AB „PIENO LOGISTIKA“

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
- 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; Vilkyskiu assortment of fresh dairy products was significantly expanded
- 2012** The second cheese plant development was implemented in Vilkyskiai.
- 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. This building was the largest construction project in recent years.
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".
- 2005-2013** Company use the support of European Union and other fonds, involve in social projects



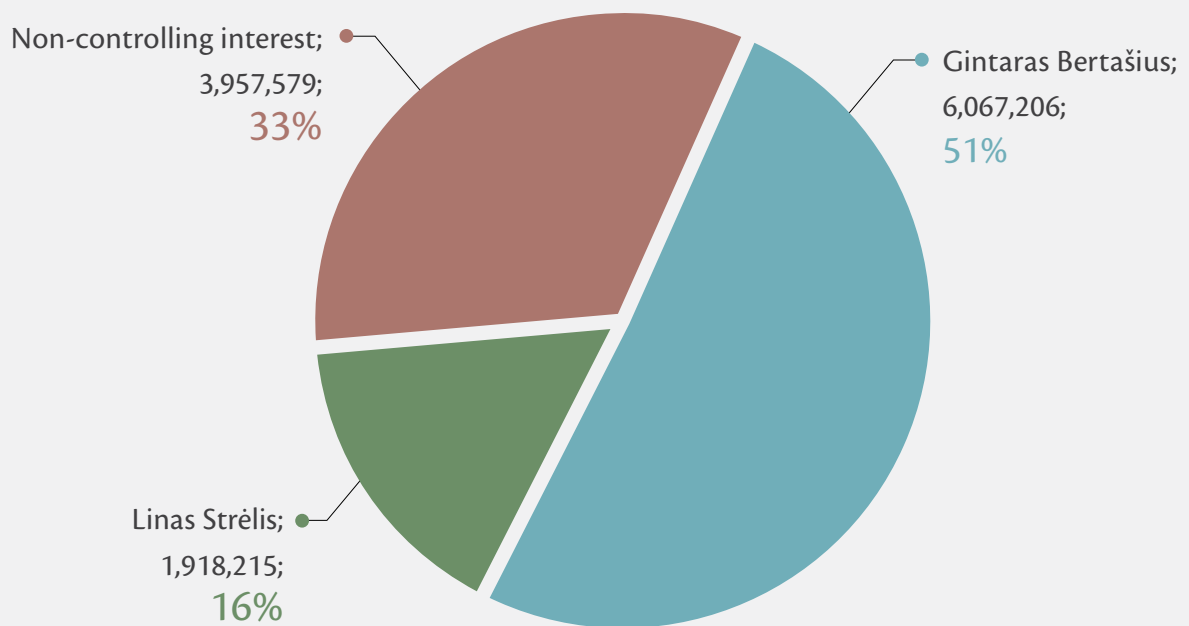
SIGNIFICANT EVENTS IN H1 2014

- In the international food exhibition „ProdExpo 2014“, in Moscow, Vilkyškių pieninė hard cheese „Jubiliejinis 1934“ was awarded with gold medal. Lithuanian product was evaluated in innovative technologies and packing design.
- Company's delegates were participating in food exhibition „Gulfood 2014“ in Dubai. In exhibition was established new relationship with potential costumers.
- Delegates of Vilkyškių pieninė visited in Japan were met new potential costumers.
- Established a new modern cheese cutting equipment, which allows to cut cheese in slices.
- AB Klemes pieninė completed investment project „Investments in milk production“ , during this project company established new modern yogurt packaking line. For this project company recieved 0,4 million LTL from EU funds.
- 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 0,4 million LTL from EU funds.
- Started reconstruction of cheese salting pool in Vilkyškių pieninė AB.
- Started the reconstruction of compressor in Kelmes Pienine AB.
- New gourment taste melted cheese were introduced in Lithuanian market.

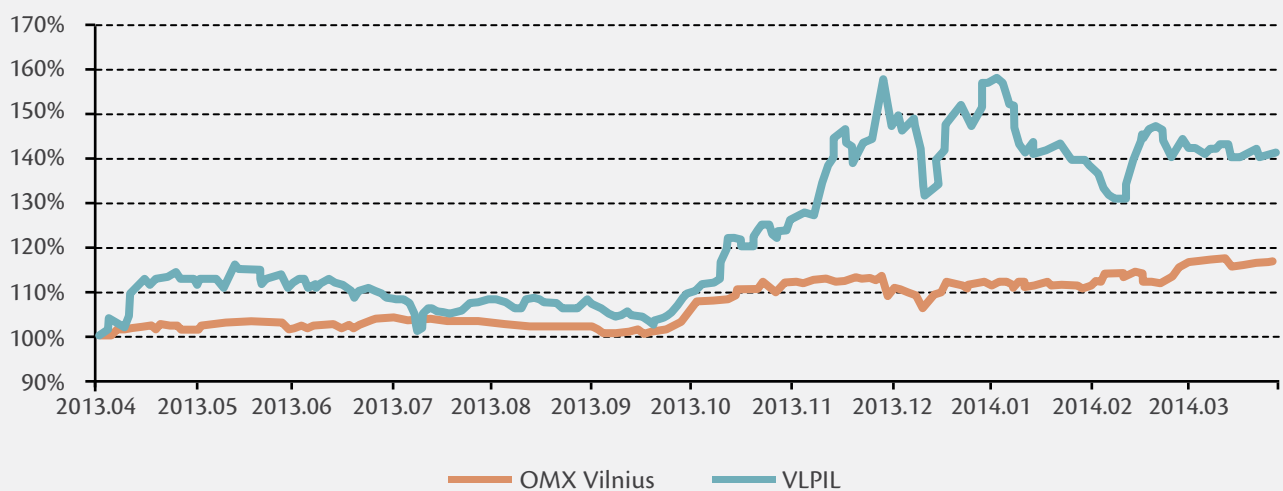
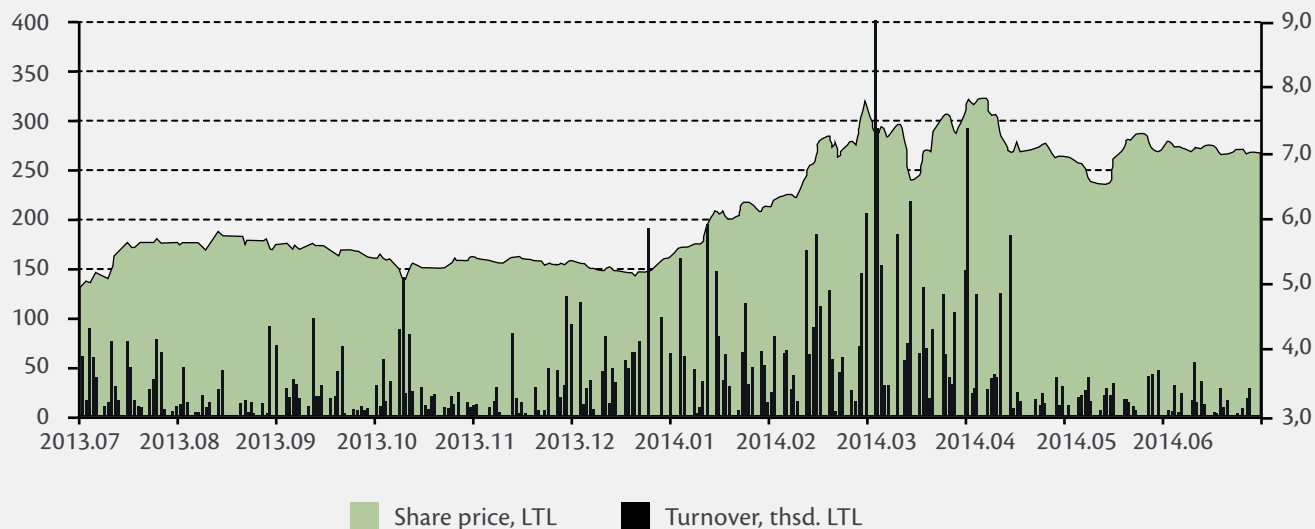


SHAREHOLDERS

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

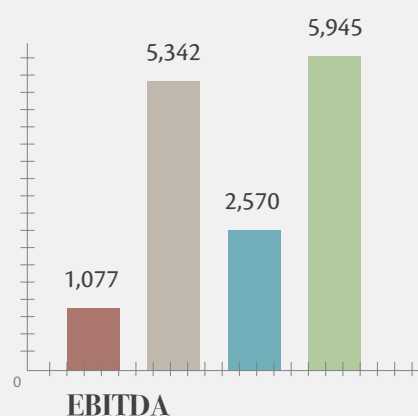
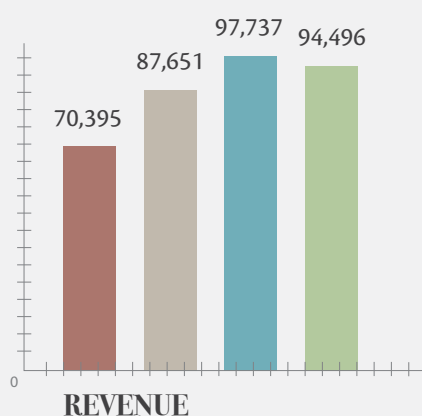
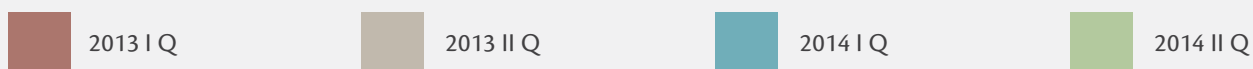


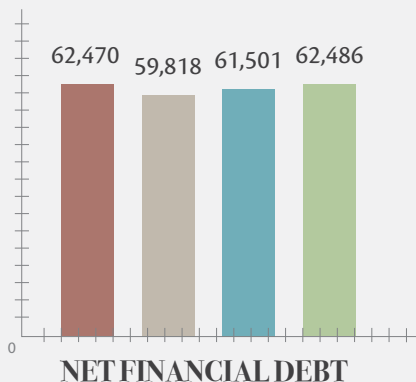
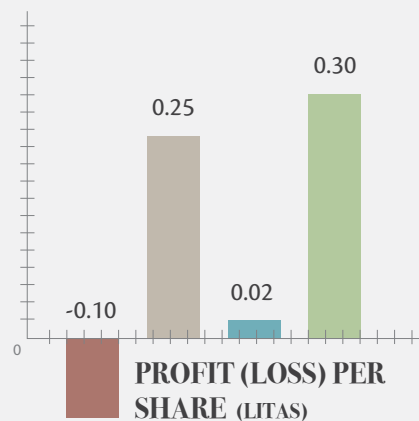
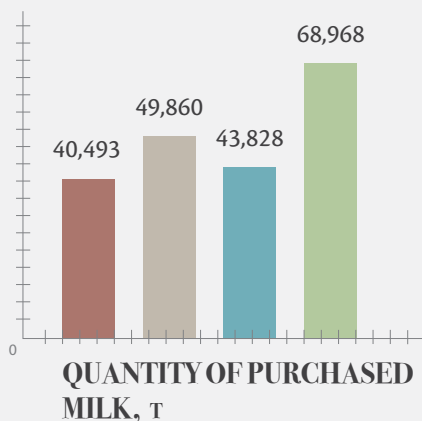
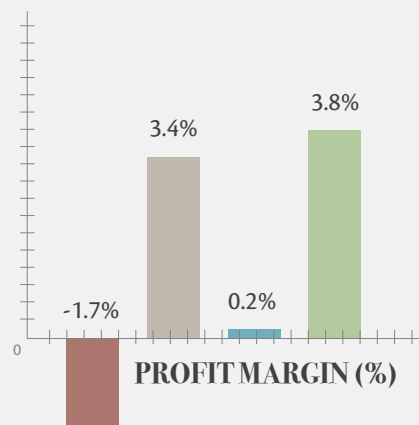
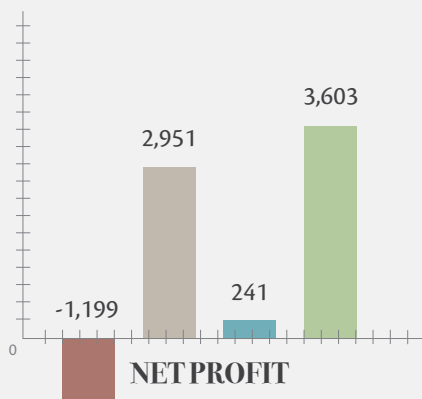
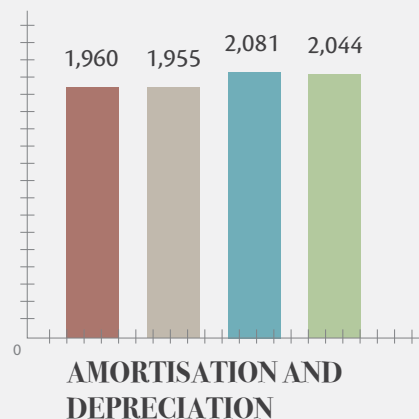
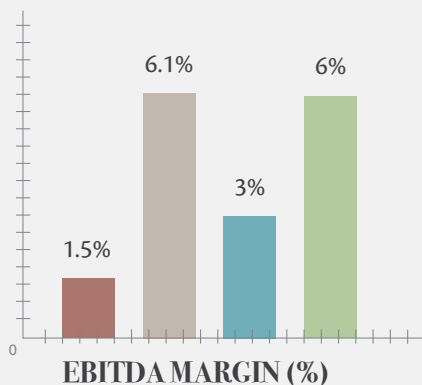
MAIN FINANCIAL INDICATORS

"During the first half of this year, the revenue of the Group amounted to 192 million LTL and it is 22 percent more comparing to the same period of the last year. Net profit for the first half of 2014 was 3,844 thousand LTL, while for the same period last year it was 1,752 thousand LTL.

During the first half of this year, the Group of Vilkyškių pieninė AB continued to increase its sales in Central European and Baltic countries, the Persian Gulf countries and other markets. Established commercial relations with potential customers in Singapore and the United States."

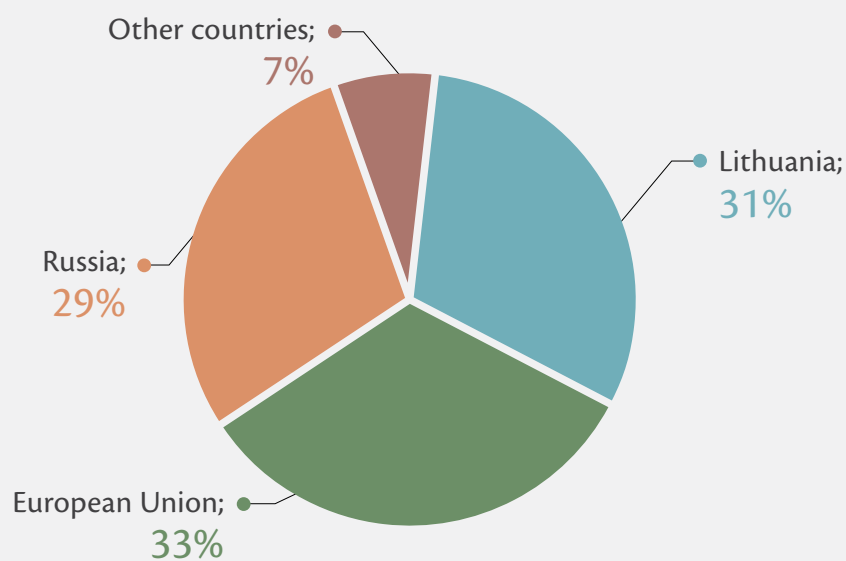
(Thousands LTL)	2013 I Q	2013 II Q	2014 I Q	2014 II Q
Revenue	70,395	87,651	97,737	94,496
EBITDA	1,077	5,342	2,570	5,945
EBITDA margin (%)	1.5%	6.1%	3%	6%
Amortisation and depreciation	1,960	1,955	2,081	2,044
Net profit	-1,199	2,951	241	3,603
Profit margin (%)	-1.7%	3.4%	0.2%	3.8%
Quantity of purchased milk, t	40,493	49,860	43,828	68,968
Profit (loss) per share (Litas)	-0.10	0.25	0.02	0.30
Net financial debt	62,470	59,818	61,501	62,486



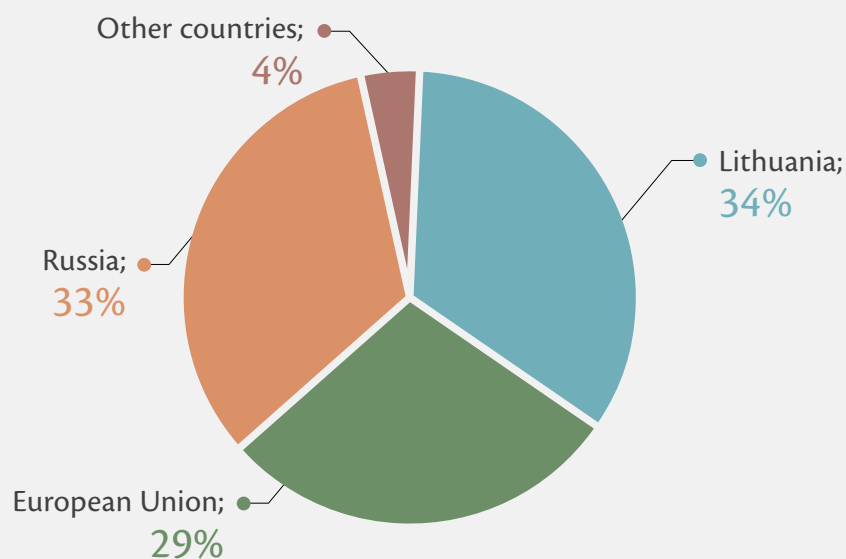


RINKŲ PASISKIRSTYMAS PAGAL PAJAMAS

(Thousands LTL)	H 1 2013		H 1 2014	
Lithuania	53,144	34%	60,461	31%
European Union	45,476	29%	63,572	33%
Russia	52,144	33%	56,566	29%
Other countries	7,282	4%	11,634	7%
Total:	158,046		192,233	



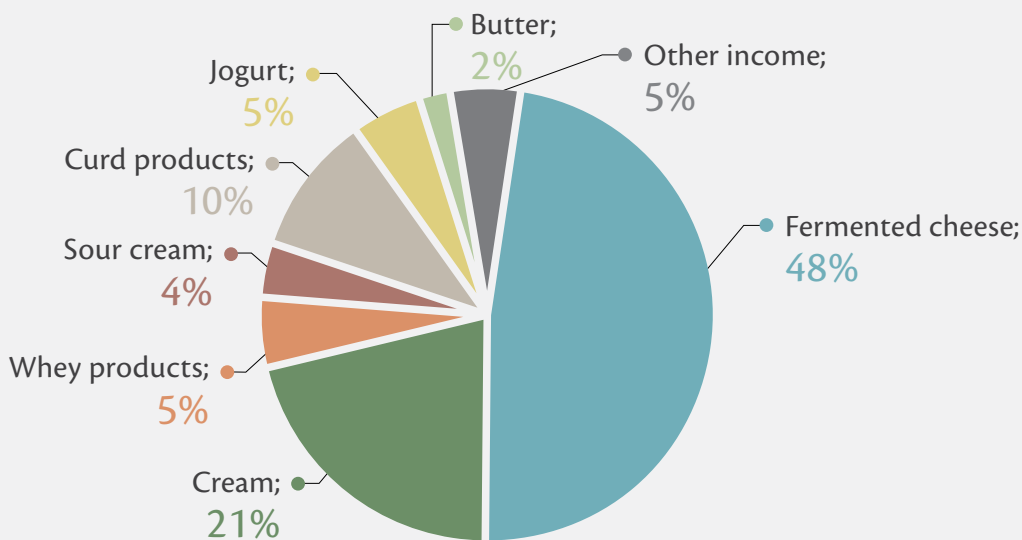
H 1 2014



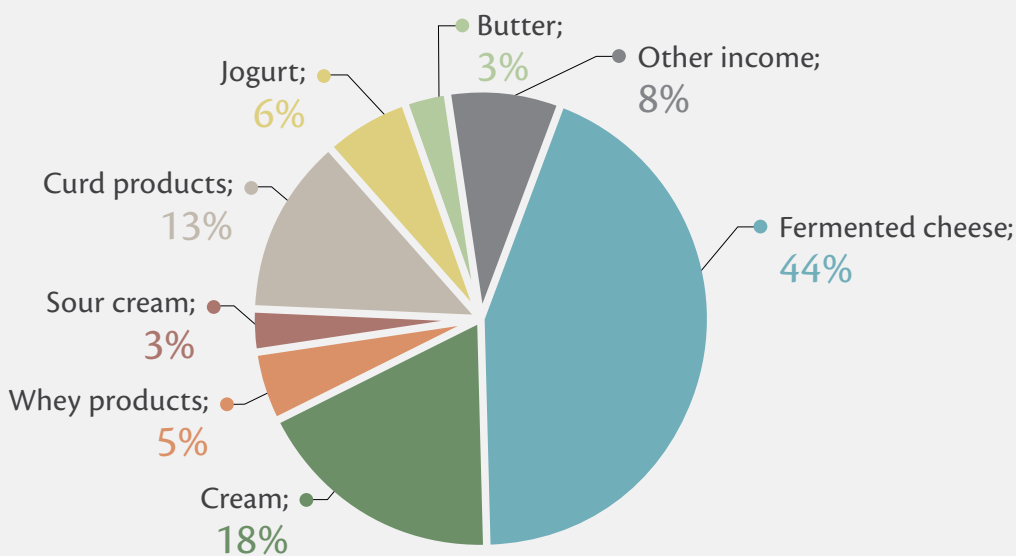
H 1 2013

INCOME FROM SOLD PRODUCTION

(Thousands LTL)	H1 2013		H1 2014	
Fermented cheese	70,310	44%	92,973	48%
Cream	27,945	18%	39,428	21%
Whey products	7,982	5%	10,395	5%
Sour cream	4,388	3%	7,702	4%
Curd products	20,793	13%	19,453	10%
Jogurt	9,614	6%	10,031	5%
Butter	4,388	3%	3,144	2%
Other income	12,625	8%	9,107	5%
Total income:	158,046		192,233	



H1 2014



H1 2013

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