



Vilkyskiu pienine AB

Interim unaudited consolidated financial
statements for the 3 months of 2015

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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 Vilkyškių pieninė AB and Vilija Milaseviciute, Economics and financial Director of Vilkyškių pieninė AB hereby confirm that, unaudited interim condensed consolidated and financial statements for the three months of 2015, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss and cash flows of Vilkyškių pieninė AB group.

General Director

Gintaras Bertasius

Economics and financial director

Vilija Milaseviciute



The financial statements were approved and signed by the Management on 29 May 2015.

General information

Name of the Issue	Public Company "Vilkyškių pieninė"
Authorized capital	EUR 3 463 470
Registered office	Vilkyškiai, Pagėgiai municipality
Telephone number	+370-441 55330
Fax number	+370-441 55242
E-mail address	info@vilkyskiu.lt
Date and place of registration	The 18 th of May 1993, Tauragė Branch of Public Institution Center
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.vilkyskiu.lt

Vilkyskiu pienine AB Board

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

Vilkyskiu pienine AB Management

Gintaras Bertasius	General Director
Vaidotas Juskys	Chief operation officer
Sigitas Trijonis	Technical Director
Rimantas Jancevicius	Stock Director
Arvydas Zaranka	Production Director
Vilija Milaseviciute	Economics and financial Director

The Group consists of the following companies:

- Vilkyskiu Pienine AB, the parent company
- Modest AB, the subsidiary
- Kelmes Pienine AB, the subsidiary
- Pieno logistika 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. Company's the main activity is lease of buildings. AB Vilkyškių Pieninė holds 56.1 % shares of AB Pieno Logistika.

At 31 March 2015 the Group had 966 employees (31 March 2014 - 940).

Consolidated statement of financial position

Thousand EUR	31 03 2015	31 12 2014
Assets		
Property, plant and equipment	30.838	31.210
Intangible assets	7.064	6.951
Long-term receivables	324	406
Non-current assets	38.226	38.567
Inventories	10.136	10.321
Trade and other receivables	6.182	6.756
Prepayments	318	478
Cash and cash equivalents	93	115
Current assets	16.729	17.670
Total assets	54.955	56.237
Equity		
Share capital	3.463	3.459
Share premium	3.301	3.301
Reserves	5.074	5.126
Retained earnings	12.099	11.944
Total equity attributable to the shareholders of the Company	23.937	23.830
Non-controlling interest	46	47
Total equity	23.983	23.877
Liabilities		
Interest-bearing loans and lease liabilities	6.621	7.216
Derivative financial instruments	380	375
Government grants	3.026	3.119
Deferred tax liabilities	850	1.022
Non-current liabilities	10.877	11.732
Interest-bearing loans and lease liabilities	11.290	8.965
Profit tax payable	11	11
Derivative financial instruments	111	109
Trade and other payables, including derivatives	8.683	11.543
Current liabilities	20.095	20.628
Total liabilities	30.972	32.360
Total equity and liabilities	54.955	56.237

Consolidated income statement

Thousand EUR

	01.01.2015- 31.03.2015	01.01.2014- 31.03.2014
Revenue	19.630	28.307
Cost of sales	-17.878	-26.669
Gross profit	1.752	1.638
Other operating income	103	172
Distribution expenses	-1.206	-1.101
Administrative expenses	-548	-550
Other operating costs	-59	-17
Result from operating activities	42	142
Finance income	7	5
Finance costs	-113	-131
Net finance expenses	-106	-126
Profit before income tax	-64	16
Income tax expense	172	54
Profit for the period	108	70
Attributable to:		
Shareholders of the Group	109	70
Non-controlling interest	-1	0
Net profit (loss) for the year	108	70
Basic earnings per share (EUR)	0,01	0,01
Diluted earnings per share (EUR)	0,01	0,01

Consolidated statement of changes in equity

Equity, attributable to the shareholders of the Company

Thousand EUR	Share capital	Share premium	Revaluation reserve	Hedging reserve	Reserve for acquiring own shares	Legal reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 1 January 2014	3,459	3,301	1,800	-453	1,729	346	10,351	20,533	53	20,586
Comprehensive income for the period										
Net profit (loss)	-	-	-	-	-	-	70	70	0	70
Other comprehensive income										
Allocated from reserves	-	-	-30	-	-	-	30	-	-	-
Increase of revaluation reserve, net of tax	-	-	-	-	-	-	-	-	-	-
Formation of hedging reserve	-	-	-	-48	-	-	-	-48	-	-48
Total other comprehensive income	-	-	-30	-48	-	-	30	-48	-	-48
Total comprehensive income for the period	-	-	-30	-48	-	-	100	22	0	22
Contributions by and distributions to owners:										
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 2014	3,459	3,301	1,770	-501	1,729	346	10,451	20,555	53	20,608
Balance at 1 January 2015	3,459	3,301	2,844	-484	2,421	346	11,944	23,831	47	23,878
Comprehensive income for the period										
Net profit (loss)	-	-	-	-	-	-	109	109	-1	108
Other comprehensive income										
Increase of the authorized capital due to translation of the nominal value from Litass to EUR	4	-	-	-	-	-	-	4	-	4
Allocated from reserves	-	-	-46	-	-	-	46	-	-	-
Formation of hedging reserve	-	-	-	-7	-	-	-	-7	-	-7
Total other comprehensive income	-	-	-46	-7	-	-	46	-7	-	-7
Total comprehensive income for the period	-	-	-46	-7	-	-	155	106	-1	105
Contributions by and distributions to owners:										
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 2015	3,463	3,301	2,798	-491	2,421	346	12,099	23,937	46	23,983

Consolidated statement of cash flows

Thousand EUR

	01.01.2015- 31.03.2015	01.01.2014- 31.03.2014
Cash flows from operating activities		
Net profit (loss)	108	70
Adjustments:		
Depreciation of property, plant and equipment	768	671
Amortisation of intangible assets	4	1
Amortisation and write down of grants	-93	-70
(Profit) loss on disposal of property, plant and equipment	1	6
Income tax expense	-172	-54
Interest expenses, net	102	126
	718	750
Change in inventories	186	1.103
Change in long-term receivables	82	105
Change in trade and other receivables and prepayments	754	-1.498
Change in trade and other payables	-2.839	-861
	-1.099	-401
Paid interest	-103	-113
Net cash from operating activities	-1.202	-514
Cash flows from investing activities		
Acquisition of property, plant and equipment	-348	-1.427
Proceeds from sale of property, plant and equipment	-117	-1
Loans granted	1	4
Recovery of the loans	-12	-
Interest received	-	-
Net cash from investing activities	-476	-1.424
Cash flows from financing activities		
Loans received*	2.473	2.803
Repayment of borrowings	-743	-793
Dividends paid	-74	-
Net cash used in financing activities	1.656	2.010
Increase (decrease) in cash and cash equivalents	-22	72
Cash and cash equivalents at 1 January	115	70
Cash and cash equivalents at 31 March	93	142

* Change of Credit line 2.277 Thousand EUR (for the three months of 2014 – 1.933 Thousand EUR)

Explanatory notes

1. Accounting principles

Consolidated financial statements of Vilkyškių pieninė 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 2014.

2. Main financial indicators

	January – March 2015	January – March 2014
Revenue (Thousand EUR)	19.630	28.307
EBITDA (Thousand EUR)	721	744
EBITDA margin (%)	3,7%	2,6%
Operating result (Thousand EUR)	42	142
Operating result margin (%)	0,2%	0,5%
Profit (loss) (Thousand EUR)	108	70
Profit (loss) (%)	0,6%	0,2%
Profit (loss) per share (EUR)	0,01	0,01
Number of shares (vnt)	11 943 000	11 943 000

3. Segment information

Revenue per geographical zones:

Thousand EUR	January – March 2015	January – March 2014	Change
Lithuania	8.070	8.830	-9%
European Union	7.100	9.481	-25%
Other countries	4.460	9.996	-2,2 times
	19.630	28.307	

4. Inventories

Thousand EUR	31 March 2015	31 December 2014
Finished production	7.688	8.091
Raw materials	137	24
Other auxiliary materials	2.166	2.089
Production in progress	145	114
Goods for re-sale	-	3
	10.136	10.321

6. Post balance sheet events

The following decisions were taken at the Ordinary General Meeting of Shareholders of Vilkyškių pieninė AB which was held on the 24 April 2015:

Item 1 of the Agenda: Company's annual report for the year 2014.

Resolution: To approve the Company's annual report for the year 2014.

Item 2 of the Agenda: Auditor's Report regarding the Company's Financial Statements for the year 2014. Heard.

Item 3 of the Agenda: Approval of Company's annual and consolidated financial statements of the year 2014.

Resolution: To approve of Company's annual and consolidated financial statements of the year 2014.

Item 4 of the Agenda: Profit (loss) appropriation for the year 2014.

Resolution: To approve the Audited Profit appropriation for the year 2014 as follows under IAS:

	thousand EUR
1) Non-appropriated profit (loss) at the end of the year 2013	10,253
2) Approved by shareholders dividends of the year 2013	1,038
3) Transfers to reserves provided by law	0
4) Portion of the profit allocated to the reserve for the purchase of own shares	692
5) Non-appropriated profit (loss) at the beginning of the year 2013 after dividends payout and transfer to reserves	8,523
6) Net profit (loss) of the reporting period	1,886
7) Transfers from reserves	109
8) Total profit (loss) to be appropriated:	10,518
- portion of the profit allocated to the legal reserve	0
- portion of the profit allocated to the reserve for the purchase of own shares	87
- portion of the profit allocated for payment of the dividends (or 0.07 EUR per ordinary registered share with nominal value of 0.29 EUR)	836
- portion of the profit allocated to the other reserves	0
- portion of the profit allocated to be paid as annual payouts (tantiemes) to board members, bonuses to employees and for other purposes	43
9) Non-appropriated profit (loss) at the end of the year 2014 carried forward to next financial year	9,552

Item 5 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:

- To purchase up to 10 percent of the Company's shares.
- The purpose of acquisition of own shares – to maintain and increase the price of the Company's shares.
- Period during which the Company may acquire own shares – until 27 April 2016.
- To set the maximum price per share of own shares to be acquired – at 2.10 EUR, at the same time setting the minimum acquisition price per share equal to the nominal value of a share, i.e. 0.29 EUR.
- 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.

Item 6 of the Agenda: Approval of the new wording of the Articles of Association and authorization.

Draft resolution: Taking into consideration the adopted decisions to change the expression of the par value of the Company's shares and authorized capital in litas into expression in euro, amendments of the Republic of Lithuania Law on Companies, that came into force after registration of the last wording of the Articles of Association and other amendments provided in the draft of the Articles of Association amendments, to approve the new wording of the Articles of Association. To authorize General Manager of the Company (with the right to reauthorize) to sign the new wording of the Articles of Association.