



VILKYŠKIŲ PIENINĖ AB GROUP



**THE RESULTS OF
6 MONTHS OF 2012**

ABOUT THE COMPANY

Vilkyškių pieninė AB, was established in 1993 m.

Įmonių grupėje dirba 882 darbuotojai (2012 06 30)

The production of Dairy products is the core of Group business Įmonės

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 of 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

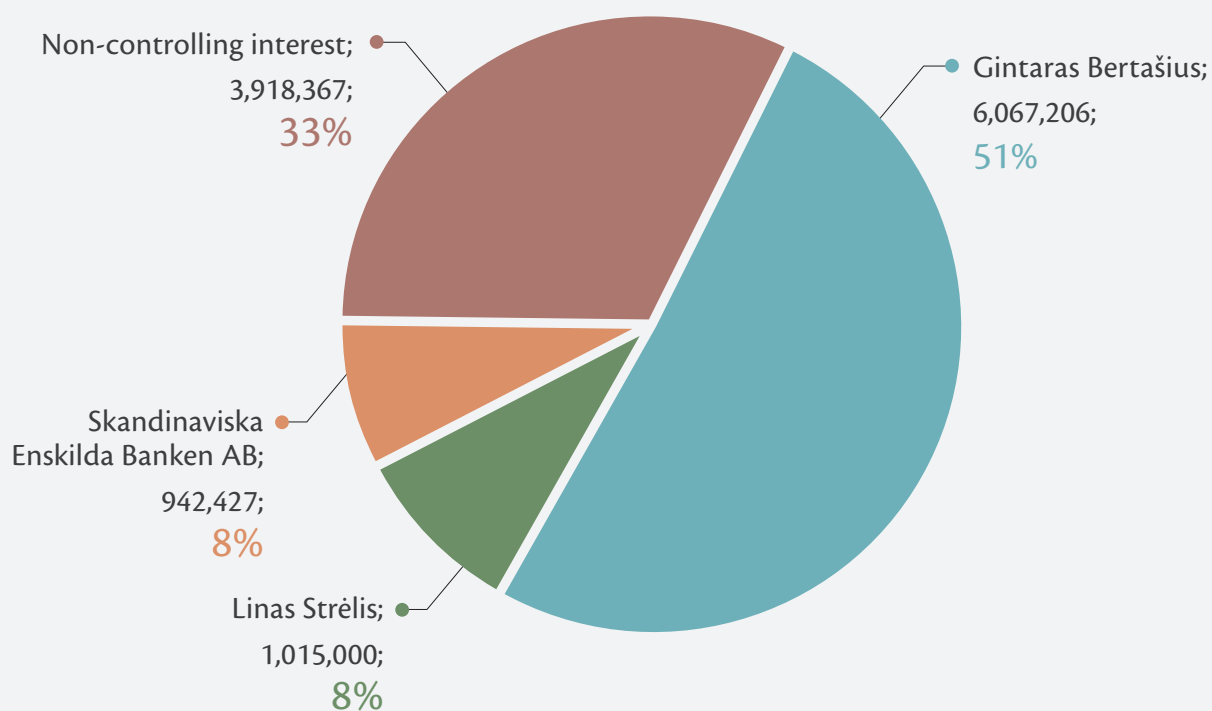
1993	Company established
1999-2000	the fully computerized and automated technological line of cheese production started to work in Vilkyškiai
2000	the company received Export Licence to the European Union
2001	company acquired Taurage workshop form Mažeikiai subsidiary of Pieno Žvaigždės AB
2004	Vilkyškių 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
2005-2011	Company use the support of European Union and other funds, involve in social projects

SIGNIFICANT EVENTS IN I Q 2012

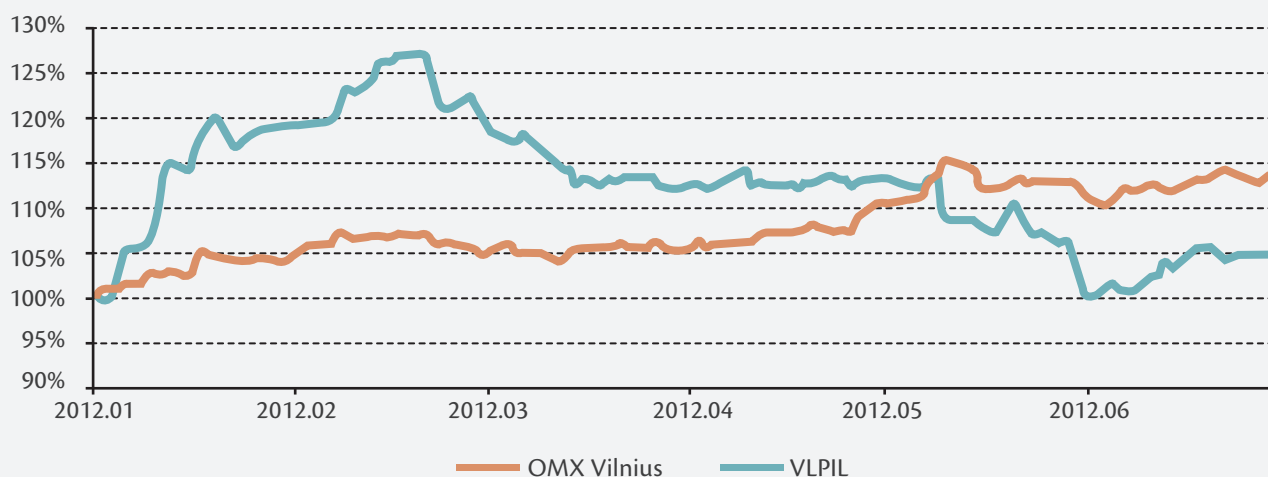
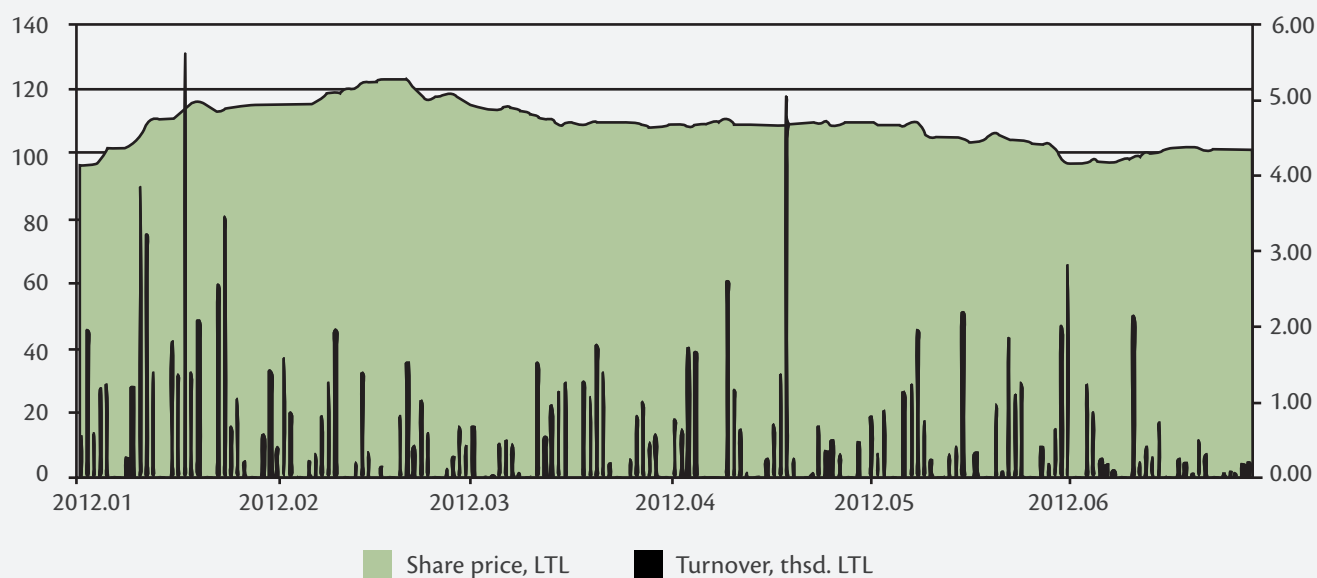
- A new cheese production line, worth about 16 million. LTL, was installed in Vilkyskiu pienine AB. The growth of production's capacity seek 30 percent.
- Vilkyskiu pienine AB participated in exhibition "ProdExpo 2012", which took place in February Moscow, Russia.
- Semi - hard cheese "Maasdam" was awarded gold medal in category "The best product" at the international exhibition "ProdExpo" in 2012.
- "Vilkyškių" gooseberry yoghurt was awarded gold medal in category "The best product" at the international exhibition "ProdExpo" in 2012
- Piquant semi - hard cheese "Basilis" with basil and glazed sweet cheese curd with sea-buckthorns and rhubarbs were nominated as "Russia's trade network selection" at the international exhibition "ProdExpo" which took place in 2012 Moscow.
- Souvenir packages collection of cheeses was introduced (hard cheeses "Prussia", "Žalgiris" and "Legend" - in the souvenir packages).
- The website was renewed to www.vilkyskiu.lt
- According to the updated brand concept, cheese packaging design of "Vilkyškių Pieninė" was renewed.
- A new product - 15 percent. fat "Sour cream for salad" - was introduced in the market.
- Mozzarella with spices changed its name to a new one, called "Bomb", and was introduced in the market. Two new flavors were also introduced, and currently the line consists of three flavors total.
- Vilkyškių Pieninė AB participated in exhibition "Agrobalt 2012".
- Vilkyškių Pieninė was the main sponsor of the exhibition "Wine Day 2012". During the exhibition, hard cheeses, piquant cheeses and cheese with the blue mold were presented.
- Vilkyskiu Pienine AB started to sell its production in the supermarkets in Poland and in Kaliningrad region.

SHAREHOLDERS

Shareholder	Shares	Ownership interest, %
Gintaras Bertašius	6,067,206	51%
Linas Strėlis	1,015,000	8%
Skandinaviska Enskilda Banken AB	942,427	8%
Non-controlling interest	3,918,367	33%
Capital in total	11,943,000	100%



TRADING IN THE ISSUER'S SECURITIES ON THE REGULATED MARKETS

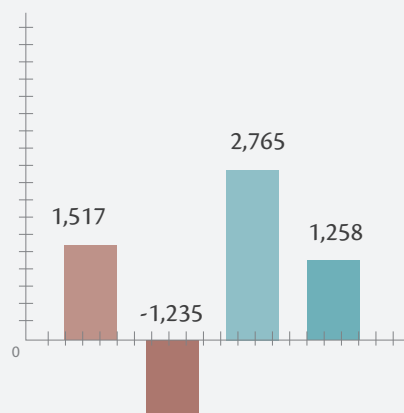
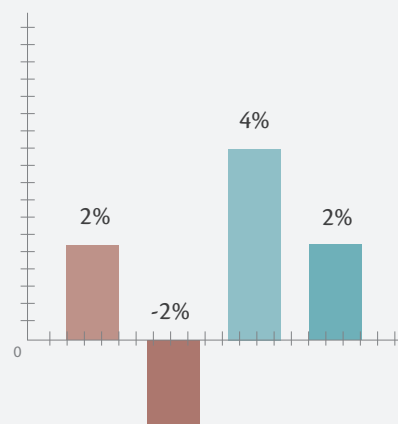
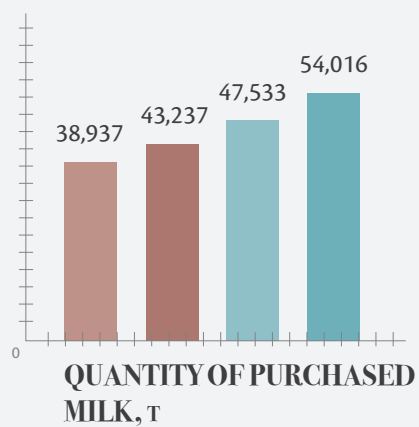
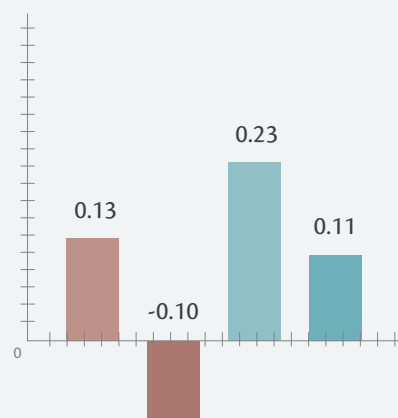
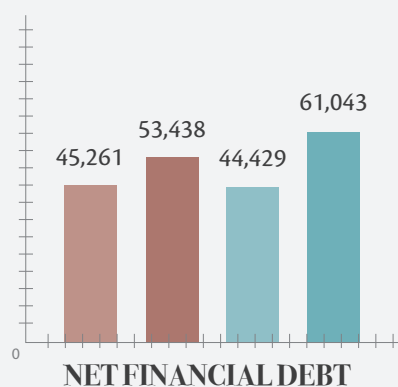


MAIN FINANCIAL INDICATORS

In the first half of this year The Group earned 23 thousand LTL. During the first months of this year, the Group had a loss, because of modernization works of cheese line in the main cheese-making manufactory of Vilkyškių Pieninė AB in February - March. During that period, the production of cheese was completely stopped. What is more, half-year results were affected by significant fall in products' sales price in export markets compared to the same period of the last year .

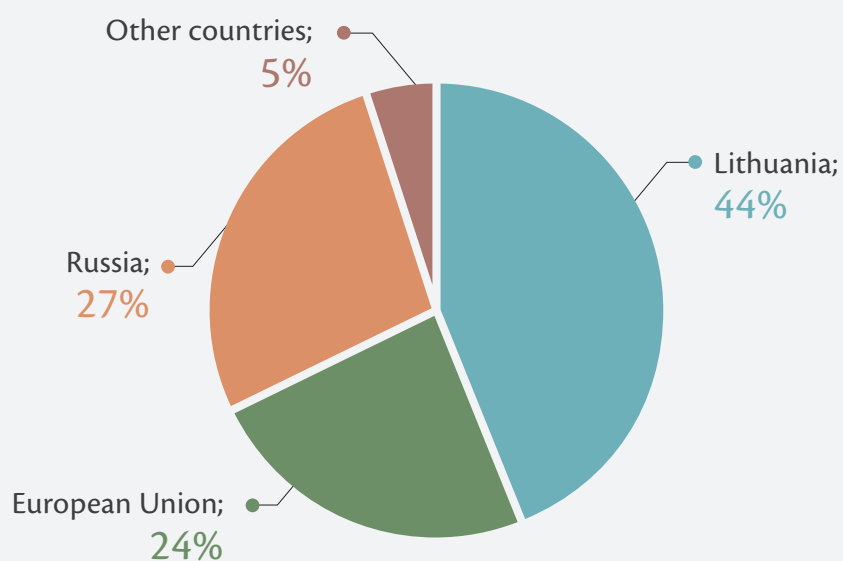
(Thousands LTL)	2011 I Q	2011 II Q	2012 I Q	2012 II Q
Revenue	63,329	66,480	68,827	69,842
EBITDA	3,494	4,378	1	3,458
EBITDA margin (%)	6%	7%	0%	5%
Amortisation and depreciation	1,547	1,922	1,190	2,135
Net profit	1,517	2,765	-1,235	1,258
Profit margin (%)	2%	4%	-2%	2%
Quantity of purchased milk, t	38,937	47,533	43,237	54,016
Profit (loss) per share (Litas)	0.13	0.23	-0.10	0.11
Net financial debt	45,261	44,429	53,438	61,043



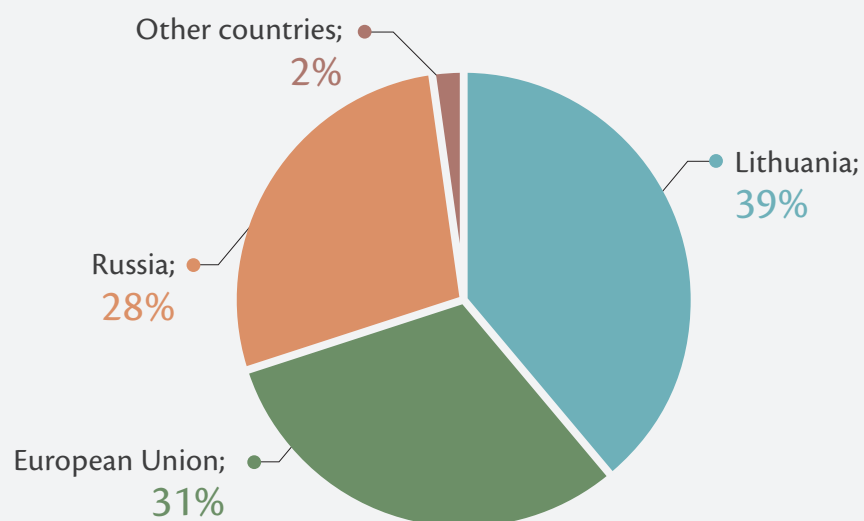
**NET PROFIT****PROFIT MARGIN (%)****QUANTITY OF PURCHASED MILK, T****PROFIT (LOSS) PER SHARE (LITAS)****NET FINANCIAL DEBT**

SALES MARKETS

(Thousands LTL)	H1 2011		H1 2012	
Lithuania	50,594	39%	61,387	44%
European Union	39,970	31%	33,859	24%
Russia	36,113	28%	37,897	27%
Other countries	3,132	2%	5,526	5%
Total income:	129,809		138,669	



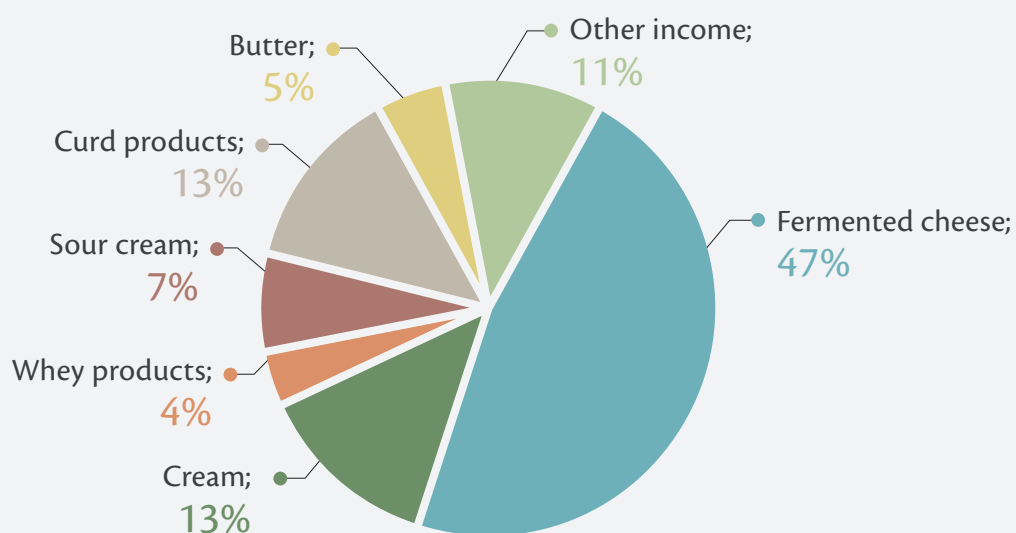
H1 2012



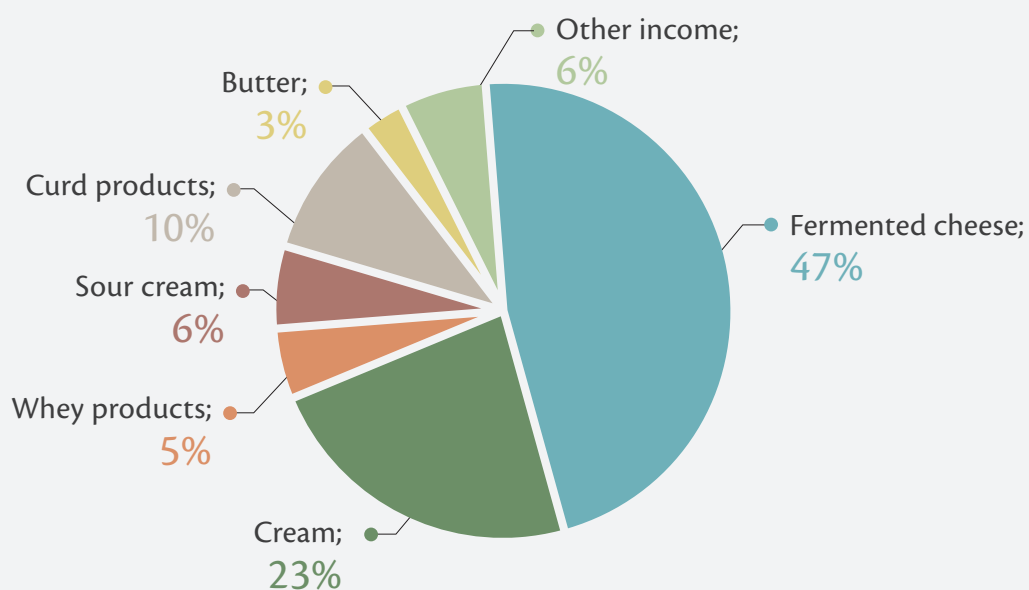
H1 2011

INCOME FROM SOLD PRODUCTION

(Thousands LTL)	H1 2011		H1 2012	
Fermented cheese	60,757	47%	65,183	47%
Cream	30,143	23%	17,719	13%
Whey products	6,303	5%	6,172	4%
Sour cream	8,174	6%	9,599	7%
Curd products	13,475	10%	18,379	13%
Butter	3,409	3%	7,350	5%
Other income	7,537	6%	14,265	11%
Total income:	129,798		138,668	



H1 2012



H1 2011

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