



**Pieno Žvaigždės, AB  
Confirmation of the Management**

2012 05 30  
Vilnius

**Interim Financial Statements for the three months 2012**

We hereby confirm that to the best of our knowledge, the attached not audited Pieno žvaigždės, AB Interim Financial Statements for the three months 2012 prepared in accordance with International Financial Reporting Standards give a true and fair view of the assets, liabilities, financial position, profit or loss and cash flows of Pieno žvaigždės, AB.

Pieno Žvaigždės, AB  
CEO

Aleksandr Smagin

Pieno Žvaigždės, AB  
CFO

Audrius Statulevičius



**PIENO ŽVAIGŽDĖS**

*sveikam gyvenimui*

# **PIENO ŽVAIGŽDĖS, AB**

**INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS OF 2012**

**VILNIUS, MAY 2012**



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Financial statements prepared according IFRS, not audited

## 1. Statement of financial position

Thousand Lit	2012.03.31	2011.12.31
<b>Assets</b>		
Property, plant and equipment	180 388	181 166
Intangible assets	824	899
Investments available for sale	275	276
Long-term receivables	428	126
Deferred tax		
<b>Total non-current assets</b>	<b>181 915</b>	<b>182 467</b>
Inventories	86 423	75 725
Receivables	50 641	73 238
Cash and cash equivalents	2 263	1 973
<b>Total current assets</b>	<b>139 327</b>	<b>150 936</b>
<b>Total assets</b>	<b>321 242</b>	<b>333 403</b>
<b>Equity</b>		
Share capital	54 205	54 205
Share premium	27 246	27 246
Own shares	(20 201)	(14 435)
Reserves	36 541	36 819
Retained earnings	48 592	43 997
<b>Total equity</b>	<b>146 383</b>	<b>147 832</b>
<b>Liabilities</b>		
Government grants	4 059	4 422
Interest-bearing loans and borrowings	88 130	92 078
Deferred tax	1 478	1 478
<b>Total non-current liabilities</b>	<b>93 667</b>	<b>97 978</b>
Provisions	-	-
Interest-bearing loans and borrowings	24 238	28 578
Income tax payable	2 164	1 402
Trade and other amounts payable	54 790	57 613
<b>Total current liabilities</b>	<b>81 192</b>	<b>87 593</b>
<b>Total liabilities</b>	<b>174 859</b>	<b>185 571</b>
<b>Total equity and liabilities</b>	<b>321 242</b>	<b>333 403</b>

**2. Statement of comprehensive income**

Thousand Litas	<b>2012.01.01 - 2012.03.31</b>	<b>2011.01.01 - 2011.03.31</b>
Revenue	157 899	165 302
Cost of sales	(127 916)	(132 441)
<b>Gross profit</b>	<b>29 983</b>	<b>32 861</b>
Other operating income, net	138	63
Sales and administrative expenses	(24 113)	(24 140)
<b>Operating profit before finance costs</b>	<b>6 008</b>	<b>8 784</b>
Finance income	66	55
Finance expenses	( 995)	( 981)
<b>Finance income/expenses, net</b>	<b>( 929)</b>	<b>( 926)</b>
<b>Profit before tax</b>	<b>5 079</b>	<b>7 858</b>
Corporate income tax	( 762)	(1 179)
<b>Profit for the year</b>	<b>4 317</b>	<b>6 679</b>
Earnings per share (Litas)	0,08	0,12



### 3. Cash flows statement

Thousand Lit	2012.03.31	2011.03.31
<b>Cash flows from operating activities</b>		
Net profit	4.317	6.679
Adjustments:		
Depreciation and amortisation	8.158	8.505
Amortisation of government grants	(362)	(237)
Result of disposal of property, plant and equipment	21	(48)
Change in vacation reserve	-	315
Interest income/expenses, net	967	859
Income tax	762	1.179
<b>Cash flows from ordinary activities before changes in the working capital</b>	<b>13.863</b>	<b>17.252</b>
Change in inventories	(10.698)	(45)
Change in receivables	23.261	9.406
Change in trade and other payable amounts	(2.819)	(5.622)
<b>Cash flows from operating activities</b>	<b>23.607</b>	<b>20.991</b>
Interest paid	(967)	(859)
Income tax paid	(967)	(824)
<b>Net cash flow from operating activities</b>	<b>21.673</b>	<b>19.308</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(7.371)	(6.951)
Acquisition of intangible assets	(17)	(28)
Proceeds on sale of property, plant and equipment	63	56
<b>Net cash flow used in investing activities</b>	<b>(7.325)</b>	<b>(6.923)</b>
<b>Cash flows from financing activities</b>		
Loans received	165	-
Repayment of borrowings	(8.453)	(8.627)
Issue (redemption) of shares	(5.766)	(86)
Dividends paid	(4)	-
Payment of finance lease liabilities	-	(2.949)
<b>Net cash from/(used in) financing activities</b>	<b>(14.058)</b>	<b>(11.662)</b>
Change in cash and cash equivalents	290	723
Beginning cash	1.973	3.582
<b>Ending cash</b>	<b>2.263</b>	<b>4.305</b>



## 4. Statement on changes in equity

000 LTL	Share capital	Share premium	Own shares	Compulsory reserve	Revaluation reserve	Other reserves	Retained earnings	Total equity
As at 1 January 2011	54 205	27 246	(14 349)	5 420	15 093	16 370	43 058	147 043
Profit allocation								0
Dividends								0
Acquisition of own shares			(86)					(86)
Revaluation of fixed assets								0
Depreciation of revaluated part					(279)		279	0
Net profit for 2011							6 679	6 679
As at 31 March 2011	54 205	27 246	(14 435)	5 420	14 814	16 370	50 016	153 636
As at 1 April 2011	54 205	27 246	(14 435)	5 420	14 814	16 370	50 016	153 636
Profit allocation						1 050	(1 050)	0
Dividends							(24 810)	(24 810)
Acquisition of own shares								0
Revaluation of fixed assets								0
Depreciation of revaluated part					(835)		835	0
Net profit for 2011							19 006	19 006
As at 31 December 2011	54 205	27 246	(14 435)	5 420	13 979	17 420	43 997	147 832
As at 1 January 2012	54 205	27 246	(14 435)	5 420	13 979	17 420	43 997	147 832
Profit allocation								0
Dividends								0
Acquisition of own shares			(5 766)					(5 766)
Revaluation of fixed assets								0
Depreciation of revaluated part					(280)		280	0
Net profit for 2012							4 317	4 317
As at 31 March 2012	54 205	27 246	(20 201)	5 420	13 699	17 420	48 594	146 383



## 5. Notes to the financial statements

AB Pieno Žvaigždės was established by way of merger of stock companies Mažeikių Pieninė, Pasvalio Sūrinė, Kauno Pienas and Panevėžio pienas.

The main office of the Company is located in Vilnius and the branches – in Mažeikiai, Pasvalys, Kaunas and Panevėžys.

Ordinary shares of the Company are quoted in the NASDAQ OMX Vilnius Stock Exchange.

The Company is engaged in production and sales of milk products to retail stores directly and through distributors.

### Statement of compliance

These are the financial statements of a separate company AB Pieno Žvaigždės, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

### Main indicators of the Company's' performance

<b>Ratios</b>	<b>2012.01.01 - 2012.03.31</b>	<b>2011.01.01 - 2011.03.31</b>
Sales, Thousand Lit	157 899	165 302
Gross profit, Thousand Lit	29 983	32 861
EBITDA, Thousand Lit	13 805	17 052
Current ratio (at the end of period)	1,72	1,08
Book value per share (at the end of period), LTL	2,70	2,83
Net profit per share	0,08	0,12

### Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.





<b>Inventories, Thousand Litas</b>	<b>2012.03.31</b>	<b>2011.12.31</b>
Raw materials	18 639	18 114
Stored production	67 494	57 356
Goods for resale	290	255
<b>Total:</b>	<b>86 423</b>	<b>75 725</b>

### Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Company sales production mainly in domestic market, Russia, EU.

<b>Sales, Thousand Litas</b>	<b>2012.01.01 - 2012.03.31</b>	<b>2011.01.01 - 2011.03.31</b>
Lithuania	78 230	77 795
Other EU countries	16 918	17 185
Other non EU countries	62 751	70 322
<b>Total:</b>	<b>157 899</b>	<b>165 302</b>

### Post balance sheet events

There were no significant events after the balance sheet date.