



Vilkyskiu pienine, AB

Group

The results of 12 months of 2011

About the Company

- Vilkyskiu pienine AB, was established in 1993
- On the 31th of December, in 2011 the Group had 845 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 of Vilnius Stock Exchange
- Standards: ISO 9001:2000 and ISO 22000:2000.



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Companies of the Group

Vilkyskiu pienine AB

- Parent company
- Established in 1993
- 2006-2008 had acquired shares of these dairy companies: Kelmes pienine, AB and Modest, AB
- Main activities: The production of cheese, cream, whey

Modest AB

- The subsidiary company
- Established in 1992
- Since 2006 working at the Group of Vilkyskiu pienine
- Main activities: The production of melted smoked cheese. also other kinds of cheese, such like cheese with mould, Mozzarella cheese.

Kelmes pienine AB

- The subsidiary company
- Established in 1993
- Since 2008 working at the Group of Vilkyskiu pienine
- Main activities: The production of Fresh dairy products



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Significant events in 2011

- The largest investments implemented in year 2011: extension of waste-water cleaning and equipments washing facilities; purchased new refrigerator - storage equipments, cheese slicing and packaging machine. In JSC "Modest" were renovated cream pasteurizer and reconstructed cooling equipments.
- The company Modest, AB had contracted the project "New technologies improving the quality of products", funded from EU structural support, for a 150 thousand Lt worth.
- The new giant project "The development of cheese production line", worth about 16 million. Lt. has been started. The growth of production's capacity will seek 30 percent after the end of the project.
- Modest, AB received the Licence of Export to Russia;
- There are a lot of products that have been introduced in Lithuanian market – many of them under brand "Vilkyškių". The new products are: various tastes of sweet chocolate-glazed curd, yoghurts, curd spreads, piquant and colored cheeses, curd cheese for baking, also an innovative line "Plius Minus" introduced which is exclusive for the additives – it has been enriched with Omega-3 and Omega-6 acids and a lowered cholesterol.



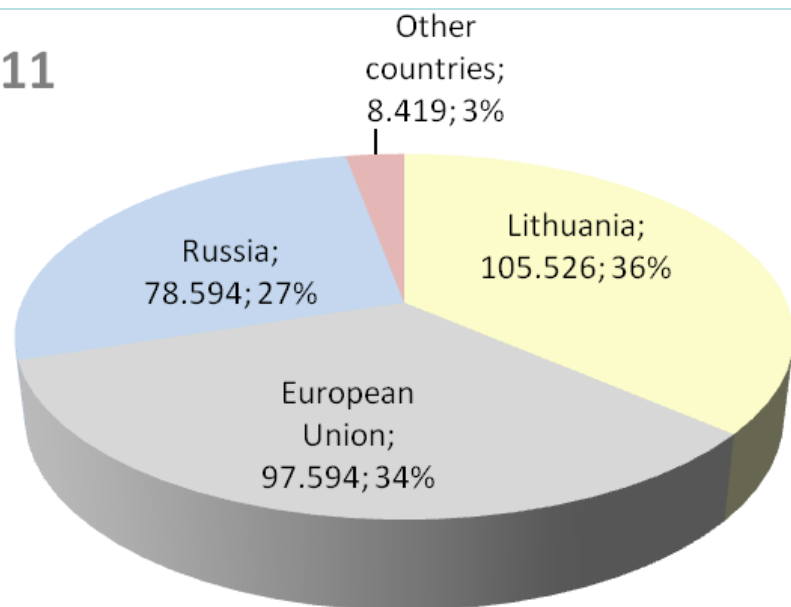
Significant events in 2011

- “Vilkyškių pieninė” has introduced a new image campaign in a Lithuanian market – “From Lithuanian meadows – to Your table”.
- At the exhibition “Prodexpo 2011”, three products of Vilkyškių pieninė, AB were awarded, as having an exclusive acknowledgement through the cheese manufactory:
 - “Prūsija” – the cheese had received gold medal in the international competition for the category “The best product 2011”
 - “Legenda” and “Žalgiris” - cheeses that were recognized at the category “The choice of Russia’s trade chains 2011”
- “Vilkyškių pieninė” participated in one of the largest food industry exhibition Anuga’2012, which took place in October’2012 Cologne, Germany. The company's stand attracted for unique design and also for the offered products quality, special attention were for cheeses Memel Blue, Žalgiris, Maasdam and Prussia. Established contacts with representatives from the Czech Republic, Germany, Holland, USA, Poland, Slovakia and others countries.

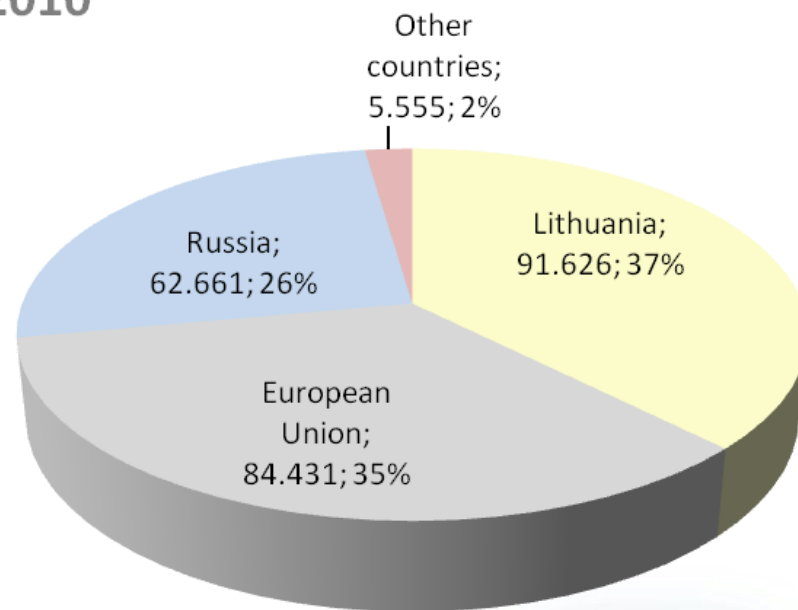


Specification of the markets per revenue (in LTL thousand)

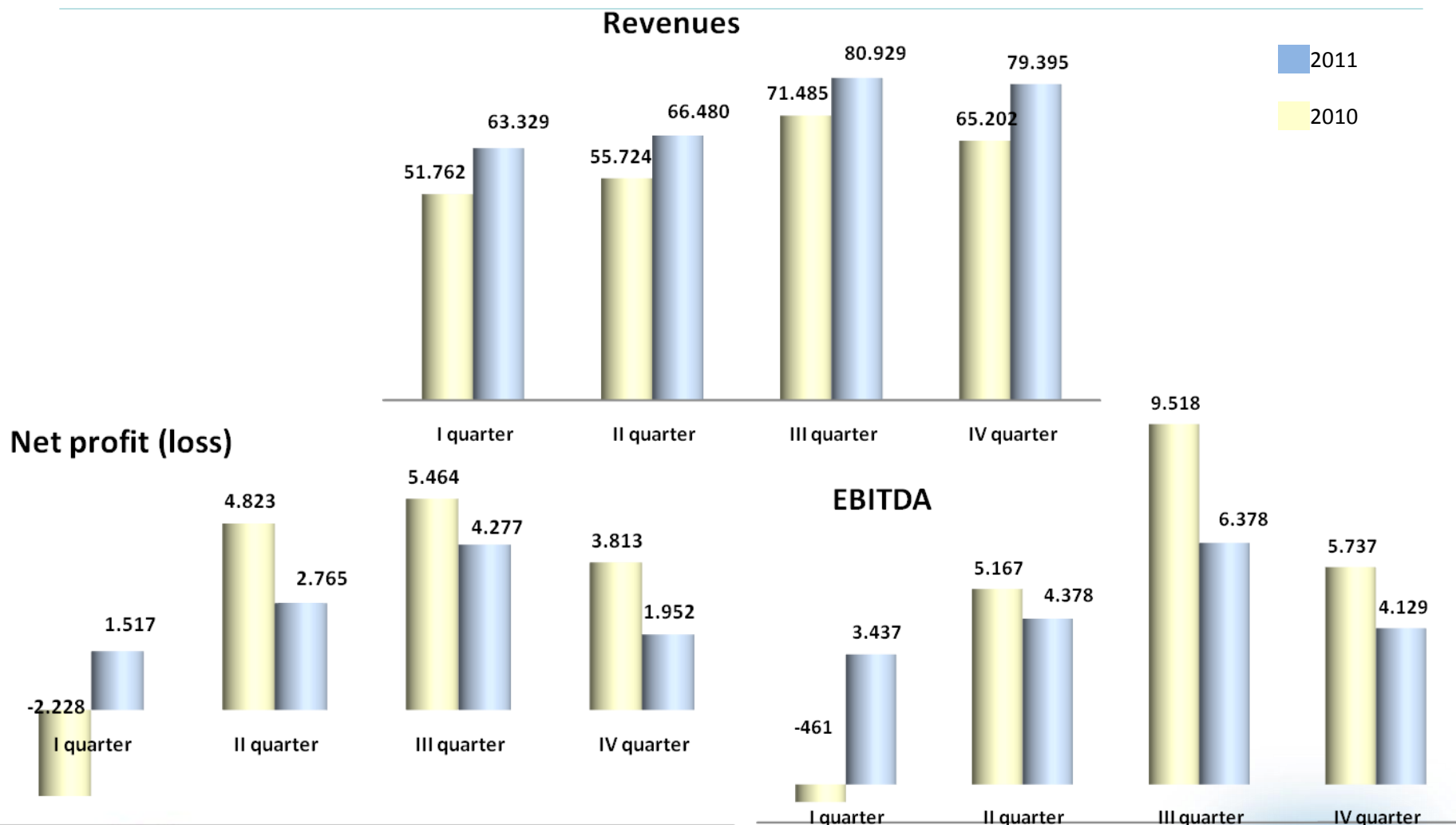
2011



2010



Financial indicators by quarters (in LTL thousand)



Main financial indicators

| (Thousands LTL) | 2011 | 2010 | October - December 2011 | October - December 2010 |
|-------------------------------------|---------|---------|-------------------------------|-------------------------------|
| Revenue | 290.133 | 244.273 | 79.395 | 65.202 |
| EBITDA | 18.322 | 20.211 | 4.129 | 5.852 |
| EBITDA margin | 6,3% | 8,3% | 5,2% | 9,0% |
| Amortisation and depreciation | 6.199 | 6.645 | 1.196 | 1.566 |
| Net profit | 10.511 | 11.872 | 1.952 | 3.813 |
| Profit margin | 3,6% | 4,9% | 2,5% | 5,8% |
| Profit (loss) per share (Lites) | 0,88 | 0,99 | 0,16 | 0,32 |
| Quantity of purchased milk (tonnes) | 197.536 | 181.643 | 50.646 | 46.295 |
| Net financial debt | 45.261 | 40.700 | 45.261 | 40.700 |

Revenues of selling in year 2011, compared with the last year's same period, increased by 19%. Revenues increased regarding to the higher export prices and increased sales volumes of fresh products. AB Vilkyskiu pienine expanded export markets to Israel, Albania, Kosovo, Ukraine.

Net profit for the year 2011, compared with last year's same period, decreased by 11%. Net profit income decreased due to increased of marketing and advertising strategy costs in 2011.



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