

The results of 6 months of 2017



VILKYŠKIŲ PIENINĖ AB
GROUP

SIGNIFICANT EVENTS IN H1 2017

- In January, Vilkyškių pieninė AB started export to the Chinese market. Mozzarella cheese, which is produced in the company, is the first cheese made in Lithuania and exported to China.
- In February, the company traditionally participated in the international exhibition in Dubai, Gulfood 2017, in the United Arab Emirates. At the exhibition hosted meetings with current and future customers, several new contracts were signed.
- In March, VILKYŠKIŲ curd spread with greenery has been announced to be the most popular product in curd spreads category in competition “Most Popular Product 2016”. 32 suppliers and producers took place in the competition. Winners have been selected by evaluating highest sales during 2016. Most popular product had to meet the additional - quality – criteria. State Food and Veterinary Service together with State Consumer Rights Protection Authority monitored if nominated product had not gained any penalties for quality or safety during the last 24 months.
- On April 6-9 “GymON” products were presented at the international sports exhibition in Germany, Frankfurt - FIBO.
- On April 21, Vilkyškių pieninė AB has been declared as the Lithuanian investor of the year 2016. The title has been gained for investing in the development of the production base in Taurage, allocating 26 million eur to investments and creating new work places in region.
- On May 18, Vilkyškių pieninė AB mentioned the 24th birthday. On this occasion, students of Vilkyškių J. Bobrovskis Gymnasium organized event, in which they presented recited poems about dairy, paintings and other handmade works. Now, the walls of Vilkyskiu Pienine are decorated with them.
- On May 17 - 19 Vilkyškių pieninė AB participated in the largest Asian food exhibition in Shanghai “SIAL China 2017”

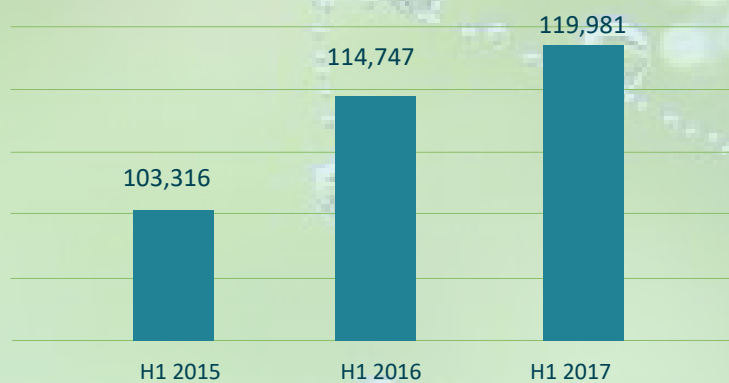
SIGNIFICANT EVENTS IN H1 2017

- On June 25-27, New York Summer Fancy Food Show, the largest food industry exhibition in North America, was held in New York. During the exhibition, Vilkyškių pieninė AB introduced cheeses for the American market, had meetings with new possible customers.
- New brand - GymON protein cocktails for athletes. Whey Protein Concentrate is widely used in the sports nutrition industry. Three flavors of cocktails were introduced: vanilla, strawberry and chocolate. Cocktails are intended for people who seek to grow muscle mass, restore strength after exercise or control their weight. Own website www.gymON.eu has been created so customers can purchase the product directly from the producer - Vilkyškių pieninė AB. For sales in Western Europe, the site is designed not only in Lithuanian but also in English and German. GymOn communication projects (on-line marketing, events sponsorship, product sampling) have been started. The main purpose is to build brand popularity.
- In June, trade of GymON products by Amazon platform was started. The products are sold through the Fulfilled by Amazon (FBA) system, when customer service is provided by Amazon. The target Market - Germany.
- At the first half of the year Vilkyškių pieninė AB introduced the new curd spread with black pepper of "Vilkyškių" line and the new "Murr" line yoghurt drink of watermelon and mango - Arizona. Also the new yogurt of "Vilkyškių" line with blackberries and raspberry taste yogurt drink was introduced. Vilkyškių pieninė AB Murr slurry line, consisting of: vanilla, chocolate, biscuit, condensed milk, mascarpone, pistachios and coconut flavors, added the new taste of maple syrup. From now, lovers of delicacies will be able to regale themselves with a very expressive and unique taste. New "Murr" line yoghurt desserts were also introduced: it's the most favorite dessert tastes - bananas and especially recently discovered coconut water.

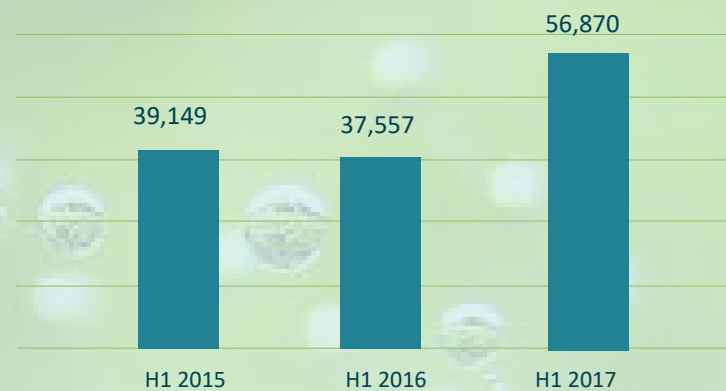
MAIN FINANCIAL INDICATORS

(Thousands EUR)	H1 2015	H1 2016	H1 2017
Revenue	39,149	37,557	56,870
EBITDA	1,695	785	5,913
EBITDA margin (%)	4.3%	2.1%	10.4%
Net profit	294	-536	3,818
Profit margin (%)	0.8%	-1.4%	6.7%
Quantity of purchased milk, t	103,316	114,747	119,981
Profit (loss) per share (EUR)	0.02	-0.04	0.32
Net financial debt	23,207	31,337	30,412

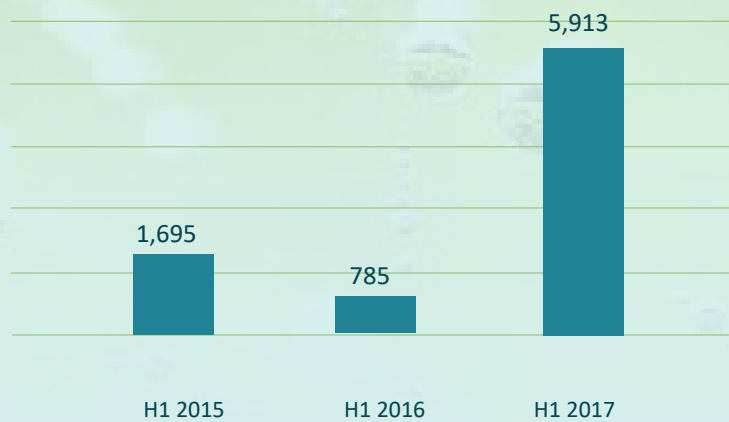
QUANTITY OF PURCHASED MILK, T



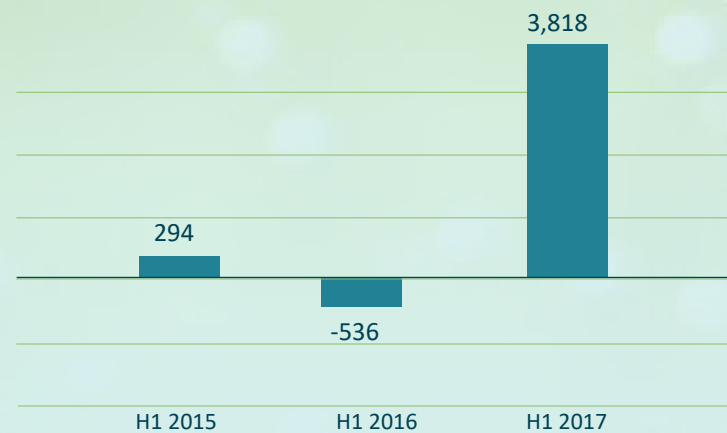
REVENUE (THOUSANDS EUR)



EBITDA (THOUSANDS EUR)

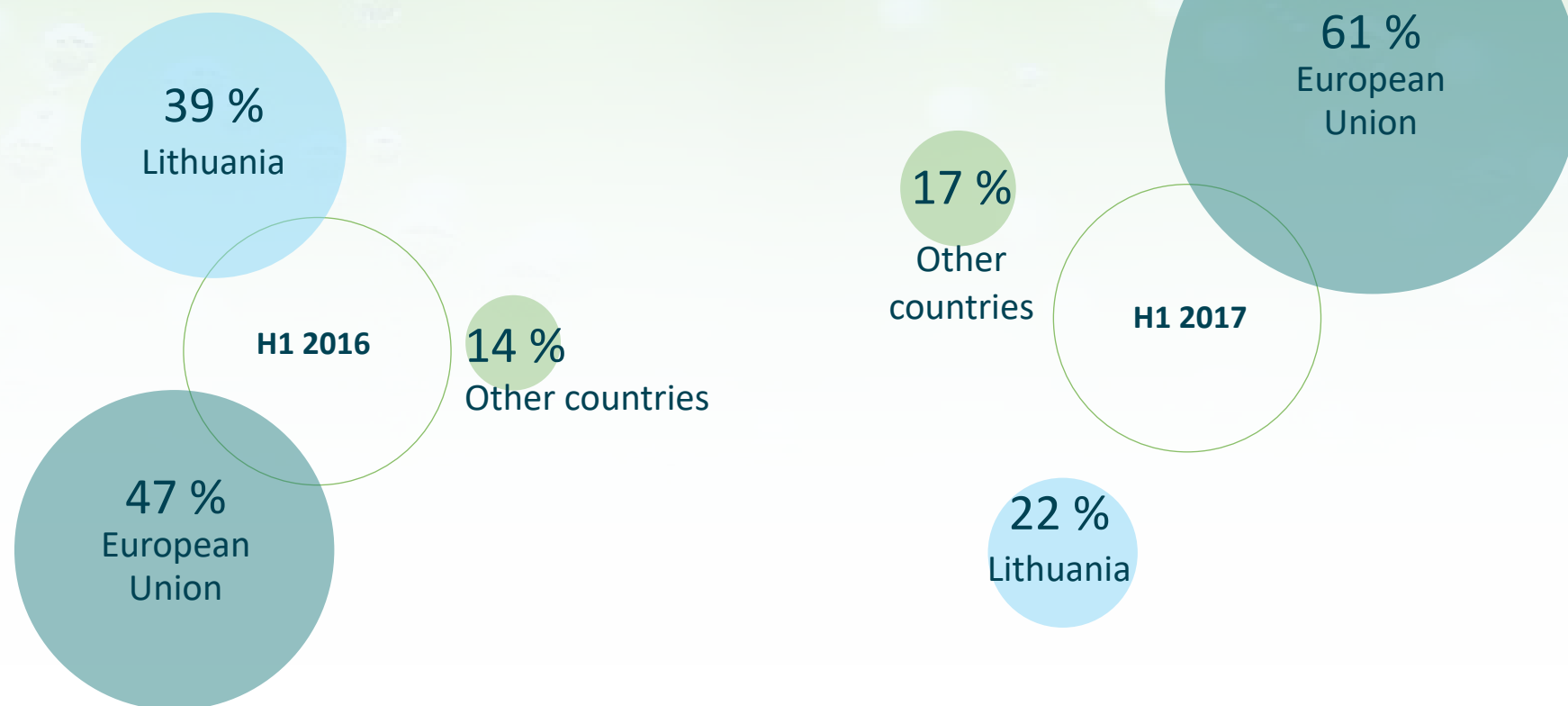


NET PROFIT (THOUSANDS EUR)



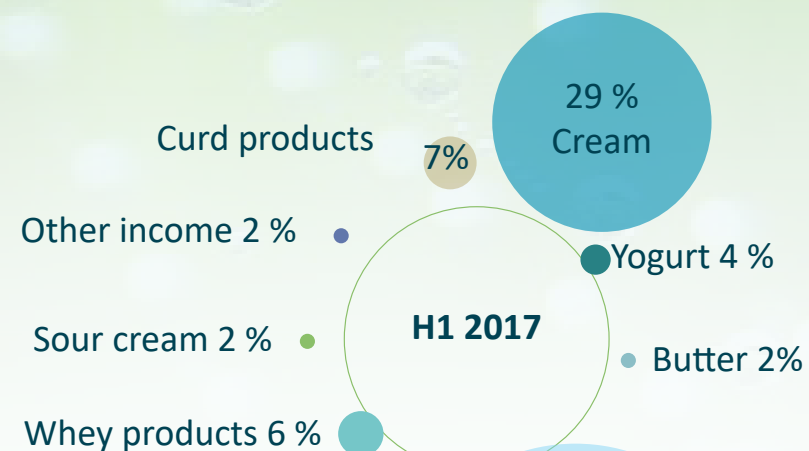
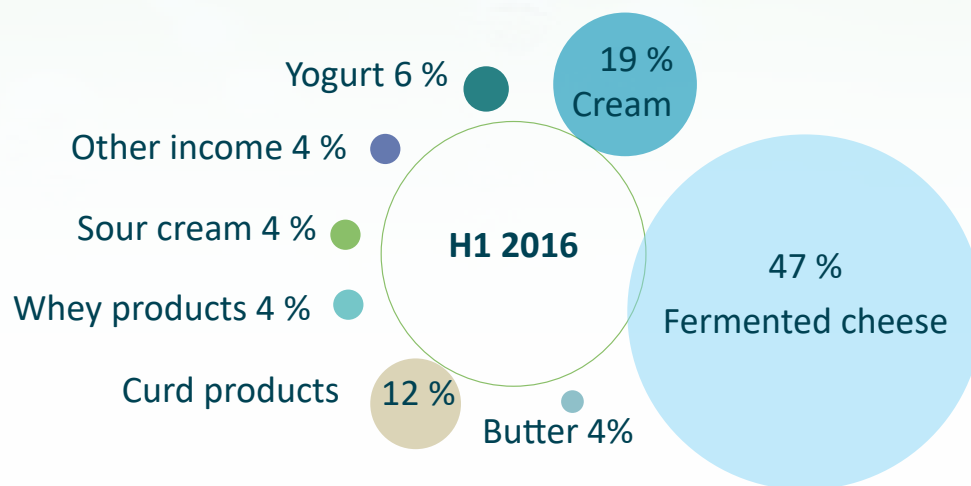
SALES MARKETS

(Thousands EUR)	H1 2016		H1 2017	
Lithuania	14,729	39%	12,491	22%
European Union	17,555	47%	34,878	61%
Other countries	5,273	14%	9,501	17%
Total:	37,557		56,870	



INCOME FROM SOLD PRODUCTION

(Thousands EUR)	H1 2016		H1 2017	
Fermented cheese	17,692	47%	27,452	48%
Cream	6,985	19%	16,423	29%
Whey products	1,426	4%	3,325	6%
Sour cream	1,468	4%	1,021	2%
Curd products	4,589	12%	4,019	7%
Yogurt	2,347	6%	2,087	4%
Butter	1,319	4%	882	2%
Other income	1,731	4%	1,661	2%
Total:	37,557		56,870	



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Thousand EUR	30 06 2017	31 12 2016
ASSETS		
Property, plant and equipment	52,114	49,065
Intangible assets	6,989	7,020
Long-term receivables	375	342
Non-current assets	59,478	56,427
Inventories	7,015	10,373
Trade and other receivables	11,662	6,968
Prepayments	525	365
Cash and cash equivalents	95	229
Current assets	19,297	17,935
Total assets	78,775	74,362
EQUITY		
Share capital	3,463	3,463
Share premium	3,301	3,301
Reserves	5,119	5,129
Retained earnings	19,434	16,977
Total equity attributable to the shareholders of the Company	31,317	28,870
Non-controlling interest	46	45
Total equity	31,363	28,915
LIABILITIES		
Interest-bearing loans and lease liabilities	21,678	21,611
Derivative financial instruments	87	154
Government grants	2,768	2,942
Deferred tax liabilities	1,312	820
Non-current liabilities	25,845	25,527
Interest-bearing loans and lease liabilities	8,735	8,697
Current tax liabilities	-	71
Derivative financial instruments	87	83
Trade and other payables, including derivatives	12,745	11,069
Current liabilities	21,567	19,920
Total liabilities	47,412	45,447
Total equity and liabilities	78,775	74,362

CONSOLIDATED INCOME STATEMENT

Thousand EUR	01.01.2017- 30.06.2017	01.01.2016- 30.06.2016	01.04.2017- 30.06.2017	01.04.2016- 30.06.2016
Revenue	56,870	37,557	29,052	20,843
Cost of sales	-48,864	-34,904	-23,935	-19,087
Gross profit	8,006	2,653	5,117	1,756
Other operating income	133	130	69	70
Distribution expenses	-1,938	-2,063	-1,021	-1,070
Administrative expenses	-1,544	-1,205	-860	-612
Other operating costs	-76	-93	-15	-52
Result from operating activities	4,581	-578	3,290	92
Finance income	22	5	13	3
Finance costs	-295	-398	-184	-238
Net finance expenses	-273	-393	-171	-235
Profit before income tax	4,308	-971	3,119	-143
Income tax expense	-490	435	-343	172
Profit for the period	3,818	-536	2,776	29
Attributable to:				
Shareholders of the Group	3,817	-536	2,775	29
Non-controlling interest	1	0	1	0
Net profit (loss) for the year	3,818	-536	2,776	29
Basic earnings per share (EUR)	0.32	-0.04	0.23	0

CONSOLIDATED STATEMENT OF CASH FLOWS

Thousand EUR

	2017.01.01- 2017.06.30	2016.01.01- 2016.03.31
Cash flows from operating activities		
Profit for the year	3,818	-536
Adjustments:		
Depreciation of property, plant and equipment	1,510	1,526
Amortization of intangible assets	41	37
Amortization and write down of grants	-219	-200
Profit (loss) from disposal of property, plant and equipment	-4	2
Income tax expense	490	-435
Interest expenses, net	273	391
	5,909	785
Change in inventories	3,358	306
Change in long-term receivables	-33	22
Change in trade and other receivables and prepayments	-4,849	328
Change in trade and other payables	1,190	628
	5,575	2,069
Paid interest	-400	-352
Paid profit tax	-69	-8
Other financial expenses	-31	-75
Net cash from operating activities	5,075	1,634
Cash flows from investing activities		
Acquisition of plant and equipment	-3,675	-10,678
Acquisition of intangible assets	-10	-29
Proceeds from sale of plant and equipment	49	1
Acquisition of the subsidiary's shares	-	-3
Loans granted	-	-
Loans repaid	-	-
Interest received	-	-
Net cash flows used in investing activities	-3,636	-10,709
Cash flows from financing activities		
Loans received	2,079	19,037
Repayment of borrowings	-2,708	-9,951
Dividends paid	-989	-41
Government grants received	45	25
Net cash flows from financing activities	-1,573	9,070
Increase (decrease) in cash and cash equivalents	-134	-5
Cash and cash equivalents at 1 January	229	154
Cash and cash equivalents at 30 June	95	149

ADDITIONAL INFORMATION



ABOUT THE COMPANY

Vilkyškių pieninė AB was established in 1993

On the 30th of June 2017 the Group had 954 employees

The production of Dairy products is the core of Group business

Company's share capital amounts to 3.5 million Eur

The Company's issue is included in the Official List of AB NASDAQ OMX Vilnius.

The ISIN code of the securities: LT0000127508, Ticker symbol: VLP1L.

Standards: ISO 22000:2005 and FSSC 22000

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

Main activities:
The production
of fresh dairy
products

“Pieno logistika” AB

The subsidiary
Company
Established in 2013

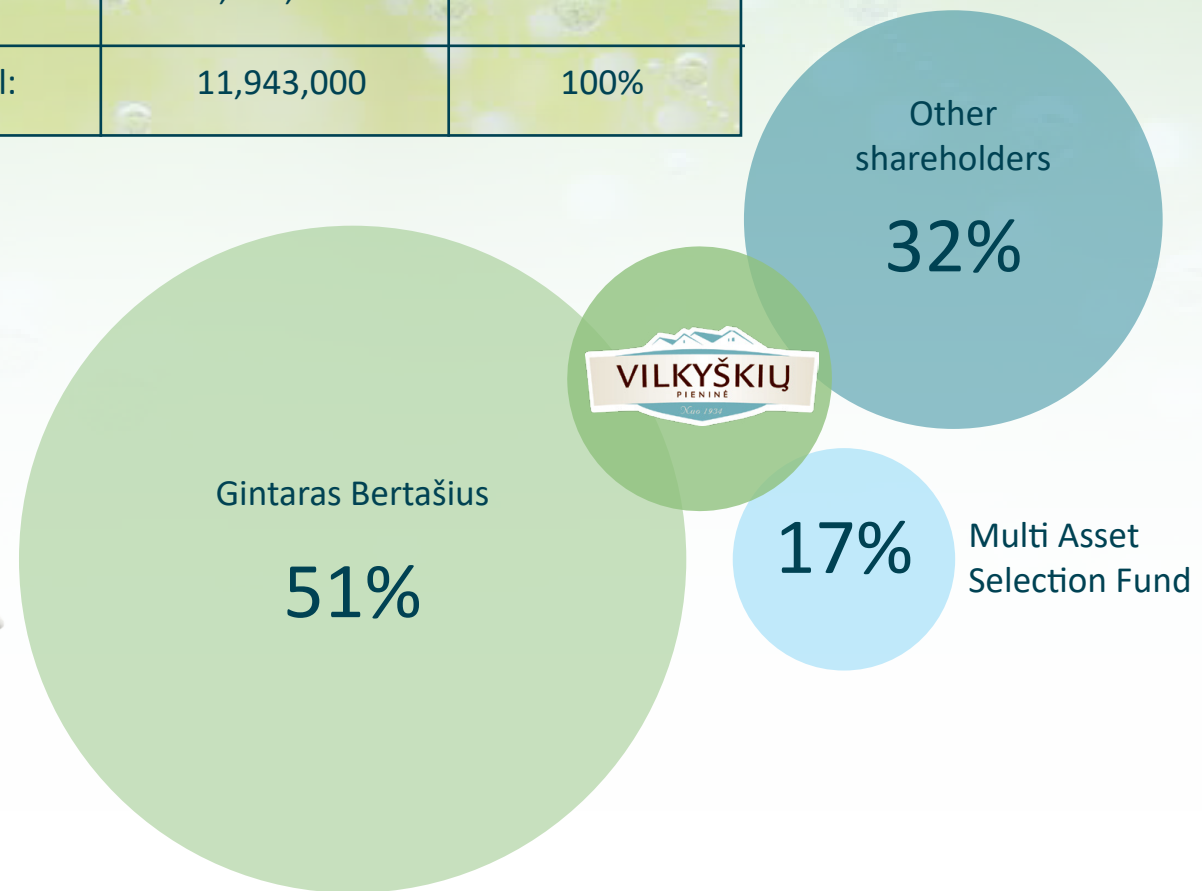
Main activity:
rental of buildings

SHORT HISTORY OF THE COMPANY

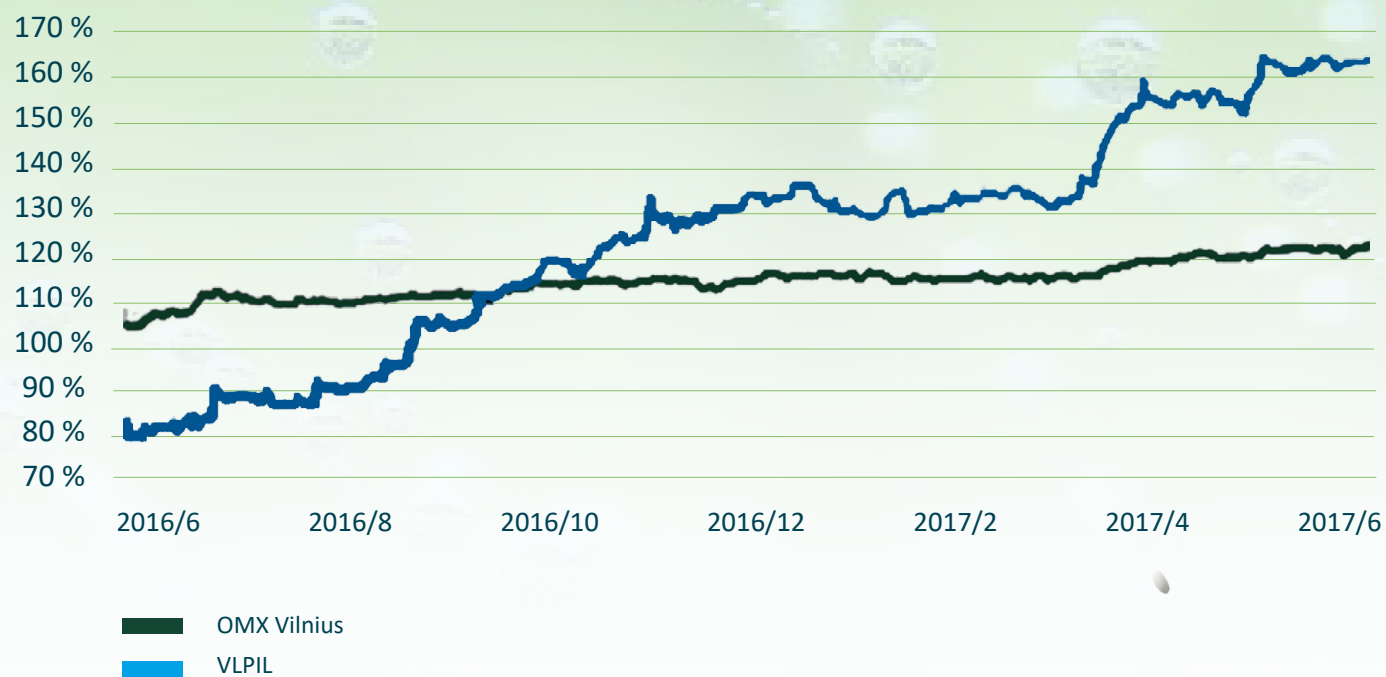


SHAREHOLDERS

Shareholder	Shares	Ownership interest
Gintaras Bertašius	6,067,206	51%
Multi Asset Selection Fund	2,035,729	17%
Other shareholders	3,840,065	32%
Capital in total:	11,943,000	100%



AB VILKYŠKIŲ PIENINĖ SHARE PRICE VARIATION AND OMX VILNIUS INDEXES COMPARING 2016 JUNE - 2017 JUNE





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