

AB Vilkyškių pieninė Group

The results of 9 months of 2010



About the Company

- AB Vilkyškių pieninė was established in 1993
- As at 30 September 2010 the Group had 777 employees
- Core business of AB Vilkyškių pieninė Group is production of dairy products.
- Securities 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.



Group of Companies

Parent company
VILKYŠKIŲ PIENINĖ AB

Produce cheese, cream, whey

The subsidiary 99,9%

KELMĖS PIENINĖ AB

Fresh dairy products

The subsidiary 97,2%

MODEST AB

Milted, smoked, mold,
Mozzarella cheese

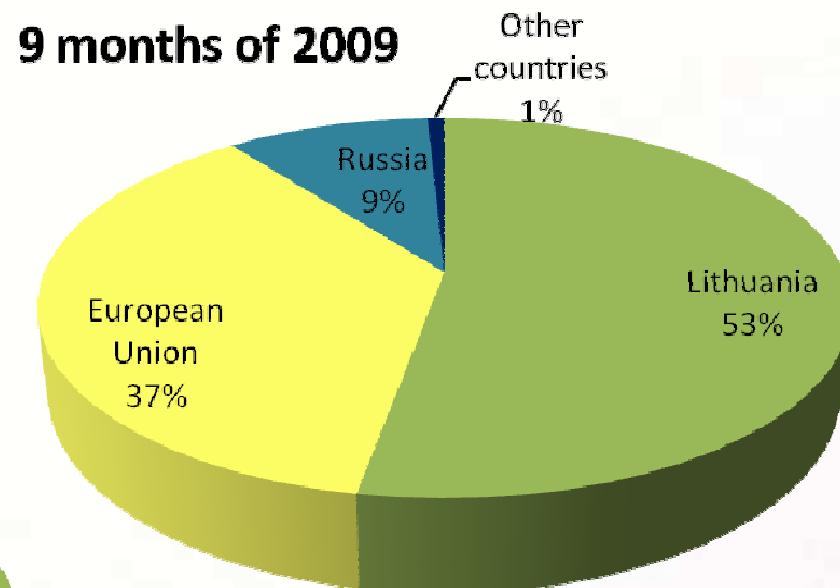
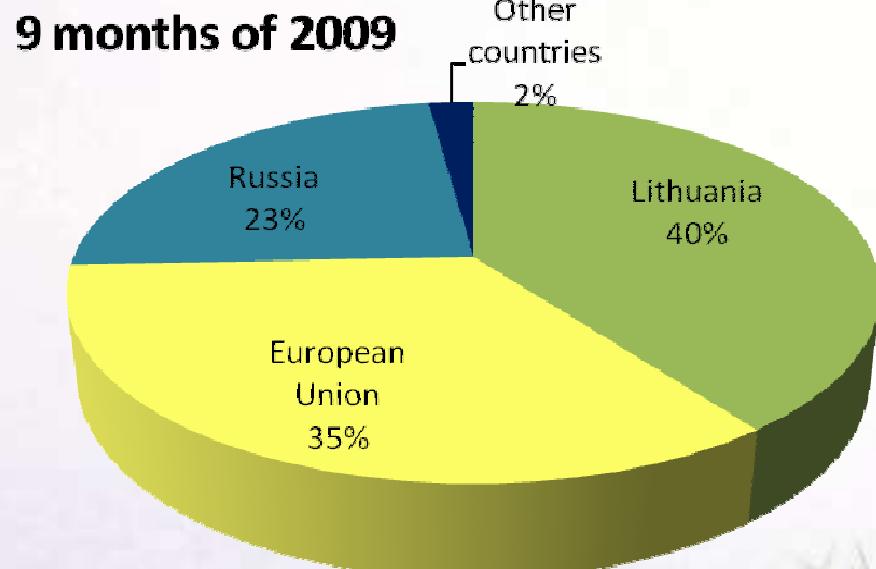


Significant events in 2010

- Dividends, amounting to LTL 1.094 thousand, paid out (LTL 0.10 per 1 share);
- AB Kelmes pienine received Export Licence to Russia;
- Decided to increase in share capital of AB Modest from LTL 0.6 to 5.6 million;
- Marketing and Quality Departments established;
- Main investments include investment in cottage cheese production technologies also freezing and packaging equipment;
- Started the project of stock management system;
- Made the next audit of ISO 9001:2000 and ISO 22000:2000.



Specification of markets per revenue

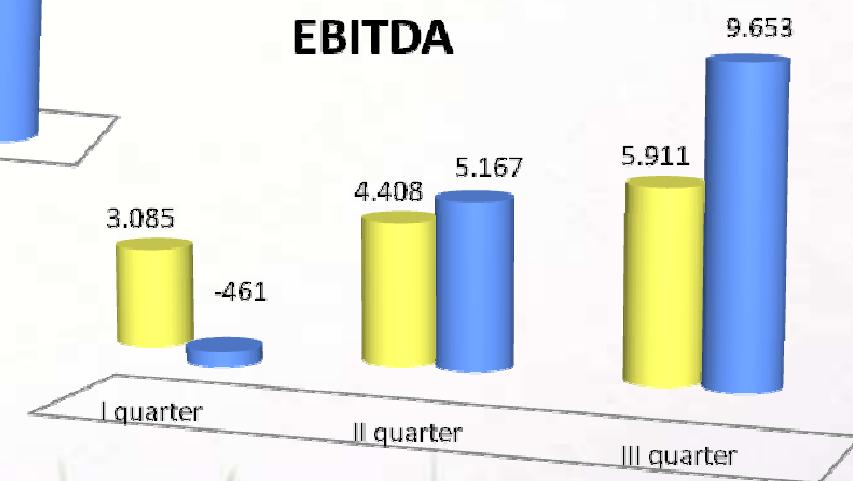


Financial indicators for the last 3 quarters (in LTL thousand)

Revenues



EBITDA



Net profit (loss)



Main financial indicators

(Thousands LTL)	July - September 2010	July - September 2009	Change (percent)	January - September 2010	January - September 2009	Change (percent)
Revenue	71.485	43.983	62,5	179.071	114.686	56,1
EBITDA	9.653	5.911	63,3	14.360	13.404	7,1
EBITDA margin	13,5%	13,4%		8,0%	11,7%	
Amortisation and depreciation	1.498	1.594	-6,0	4.497	4.637	-3,0
Net profit	5.465	3.264	67,4	8.062	6.324	27,5
Profit margin	7,6%	7,4%		4,5%	5,5%	
Basic earnings per share	0,46	0,27	67,4	0,68	0,53	27,5
Quantity of purchased milk	56.431	50.853	11,0	135.348	112.275	20,6
Investments	946	205	361,5	3.206	1.274	151,6
Net financial debt	41.503	58.810	-29,4	41.503	58.810	-29,4



Consolidated sales income during 9 months in 2010, compared with the same period of last year, increased by 56 percent.

The reasons can be disclosed as following:

- increased production volume (we processed 30 percent more raw milk);
- increased quantities of export;
- due to increased demand in dairy products at the beginning of the year, we reduced a part of stock;
- due to increase in sales prices by approximately 30 percent of some exported products.



Nearest plans

Investments into production:

- Installation of new premises for cheese storage and ripening;
- Acquisition of equipment for a more convenient packaging for final consumer;
- Development of energy sector (cold, heat and electricity).

Sales plans:

- Development of markets of fresh dairy products;
- Purposeful creation and strengthening of Company's and certain trade marks, both in Lithuanian and foreign markets;
- Development of assortment by proposing exceptional cheese brands and desert dairy products in the market.



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