



Supervisory Authority of
The Central Bank of the Republic of Lithuania
Žirmūnų str. 151,
LT-09128 Vilnius

31st May 2013
No.165

Pursuing Article 22 of the Law on Securities of the Republic of Lithuania and in accordance with the rules of preparation and submission of periodical and supplementary information approved by the Securities Commission of the Republic of Lithuania, we, the undersigned – the Chief Executive Officer Antanas Trumpa and the Chief Financial Officer Antanas Kavaliauskas – approve that the three month interim consolidated financial statements of „Rokiškio sūris“ for the year 2013, are formed in accordance with the applicable accounting standards, they are true and show fair assets, obligations, financial state, profit (loss) and cash flows of the Company and total consolidated group.

Attached: Three month 2013 interim consolidated financial statements of „Rokiškio sūris“.

Chief Executive Officer

A blue ink signature of Antanas Trumpa, consisting of a series of loops and a long horizontal stroke.

Antanas Trumpa

Chief Financial Officer

A blue ink signature of Antanas Kavaliauskas, featuring a large, stylized initial 'K' followed by a series of loops.

Antanas Kavaliauskas





**A SET OF INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
OF ROKISKIO SURIS AB
FOR THREE MONTH PERIOD
OF THE YEAR 2013**

(Prepared in accordance with the rules of preparation and submission of periodical and supplementary information approved by the Securities Commission of the Republic of Lithuania)

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1. Reporting term of the operational results and a set of interim consolidated financial statements

The set of interim consolidated financial statements is prepared for three month period of the year 2013.

2. Key information of the issuer

Name of the issuer: Joint stock company "Rokiskio suris".

Legal base: Joint Stock Company.

Address – Pramonės str. 3, LT 42150 Rokiskis, Republic of Lithuania.

Telephone: +370 458 55 200, fax +370 458 55 300.

E-mail address: rokiskio.suris@rokiskio.com

Website: www.rokiskio.com

Registered in on 28th February 1992 by the Authorities of Rokiskis region.

Re-registered in on 28th November 1995 by the Ministry of Economy of the Republic of Lithuania.

Company code 173057512.

Manager of registry of legal entities – State company “Registru centras”.

The authorized capital of AB ”Rokiskio suris” equals to LTL 35,867,970.

There are 35,867,970 shares. Nominal value per share equals to LTL 1 (one litas).

3. Information on the issuer's daughter enterprises and subsidiaries

The consolidated group (hereinafter the “Group”) consists of the Parent Company, two branches, four subsidiaries and one joint venture.

Subsidiaries of AB “Rokiškio sūris”:

UAB „Rokiskio pienas“ legal address: Pramonės g. 8, LT - 28216 Utena. Company code: 300561844. AB „Rokiškio sūris“ is its founder and the only shareholder having 100 per cent of shares.

Dairy cooperative „Žalmargė“ legal address: Kalnalaukio g.1, Širvintos. Company code: 178301073.

Latvian company SIA Jekabpils piena kombinats (company code 45402008851, legal address: Akmenu iela 1, Jekabpils, Latvija LV-5201).

Latvian company SIA Kaunata (company code 240300369, legal address Rogs, Kaunata pag., Rezeknes nov., Latvia)

Co-controlled company:

UAB „Pieno upės“, legal address: Sandėlių g. 9, Kaunas. Company code: 135027862.

Branches of AB “Rokiškio sūris“:

AB „Rokiškio sūris“ branch Utenos pienas (Company code: 110856741, Pramonės g. 8, LT-28216 Utena);

AB „Rokiškio sūris“ branch Ukmergės pieninė (Company code: 182848454, Kauno g. 51, LT-20119, Ukmergė).

4. Characterization of the issuer's basic business

Basic business of the group of “Rokiškio sūris“:

- ◆ Dairying and cheese production (EVRK 10.51);

Basic business of AB „Rokiškio sūris“ is production and sales of fermented cheese, whey products, and skim milk powder.

Daughter enterprises:

Basic business of UAB „Rokiškio pienas“ production and sales of fresh dairy products (fluid milk, kefir, sour milk, butter, curds, fresh cheese, sour cream, chocolate coated cheese bars, desserts).

Basic business of KB „Žalmargė“ is purchase of raw milk.

Basic business of SIA Jekabpils piena kombinats –purchase of raw milk.

Basic business of SIA Kaunata – purchase of raw milk.

Co-controlled company:

Basic business of UAB „Pieno upės“ is purchase of raw milk.

Branches of AB “Rokiškio sūris“:

Basic business of AB „Rokiškio sūris“ branches Utenos pienas and Ukmergės pieninė is purchase of raw milk.

5. Contracts with financial brokers

On 24th December 2003, AB „Rokiškio sūris“ made a contract with UAB FMI „Baltijos vertybiniai popieriai“ (Gedimino pr.60, Vilnius) regarding administration of shareholders of AB „Rokiškio sūris“. On 15th January 2007, the financial company changed its name into UAB FMI „Orion securities“ (A.Tumėno str. 4 , LT-01109 Vilnius).

6. Trade on issuer's securities by stock exchange and other organised markets

The 35,867,970 ordinary registered shares of AB “Rokiškio sūris“ are listed on the Official List of NASDAQ OMX Vilnius Stock Exchange. (VVPB symbol RSU1L). Nominal value per share 1 (one) litas.

The Company has not issued any debt securities for the public stock trading.

The Company has not issued nor registered any debt securities for the non-public stock trading.

There are no securities which would not participate as a part of the Authorized Capital and be regulated by the Law on Securities.

The shares were not traded by other stock exchanges or similar institutions. As from 22nd November 2010 the trade on stock markets is performed in euros.

Trade by shares of AB Rokiskio sūris on NASDAQ OMX Vilnius Stock Exchange Vilnius Stock Exchange:

Trade on central market:

from	to	Price (Eur)				Last sessions	Turnover (Eur)			
		max	min	aver.	Date of last trading session		max	min	Last sessions	
2010.01.01	2010.03.31	1.043	0.840	0.987	1.014	2010.03.31	135 646.90	0	14 822.98	
2010.04.01	2010.06.30	1.054	0.970	1.026	0.973	2010.06.30	508 303.30	0	3 932.55	
2010.07.01	2010.09.30	1.437	0.959	1.231	1.381	2010.09.30	368 253.90	0	13 667.75	
2010.10.01	2010.12.31	1.830	1.410	1.735	1.792	2010.12.30	740 490.00	0	0	
2011.01.01	2011.03.31	1.789	1.505	1.696	1.750	2011.03.31	92 633.76	0	0	
2011.04.01	2011.06.30	1.807	1.410	1.574	1.440	2011.06.30	118 496.02	0	118 496.02	
2011.07.01	2011.09.30	1.485	1.370	1.404	1.400	2011.09.30	223.147.30	0	14 035.60	
2011.10.01	2011.12.30	1.478	1.205	1.256	1.298	2011.12.30	644 770.74	0	3 595.46	
2012.01.01	2012.03.30	1.388	1.29	1.360	1.359	2012.03.30	118 945.00	0	0	
2012.04.01	2012.06.30	1.40	1.25	1.36	1.360	2012.06.29	108 953.50	0	4 128.00	
2012.07.01	2012.09.30	1.40	1.30	1.37	1.40	2012.09.28	641 665.74	0	1 158.70	
2012.10.01	2012.12.31	1.47	1.33	1.37	1.40	2012.12.28	390 622.20	0	1 950.00	
2013.01.01	2013.03.31	1.59	1.39	1.46	1.57	2013.03.28	77 386.93	0	4 671.62	

Trade by the shares of AB “Rokiškio sūris” within January-March 2013

Price EUR



Data source – website of AB NASDAQ OMX Vilnius:

http://www.nasdaqomxbaltic.com/market/?instrument=LT0000100372&list=2&pg=details&tab=historical&lang=lt¤cy=0&downloadcsv=0&date=&start_d=1&start_m=1&start_y=2013&end_d=31&end_m=3&end_y=2013

Capitalization of the Securities

Reporting period		Total turnover		Date of last trading session	Capitalisation (Eur)
from	to	(units)	(Eur)		
2010.01.01	2010.03.31	988 352	975 929	2010.03.31	38 983 123
2010.04.01	2010.06.30	1 384 497	1 419 903	2010.06.30	37 406 882
2010.07.01	2010.09.30	829 929	1 022 024	2010.09.30	53 092 399
2010.10.01	2010.12.31	1 564 687	2 715 182	2010.12.30	68 893 250
2011.01.01	2011.03.31	482 039	817 582.95	2011.03.31	62 768 948
2011.04.01	2011.06.30	791 936	1 246 500.83	2011.06.30	51 649 877
2011.07.01	2011.09.30	821 016	1 152 527.70	2011.09.30	50 215 158
2011.10.01	2011.12.30	1 192 435	1 498 010.23	2011.12.30	46 556 625
2012.01.01	2012.03.31	189 564	257 712.33	2012.03.31	48 744 571
2012.04.01	2012.06.30	228 464	310 179.89	2012.06.29	48 780 439
2012.07.01	2012.09.30	835 557	1 142 089.88	2012.09.28	50 215 158
2012.10.01	2012.12.31	525 165	717 997.30	2012.12.28	50 215 158
2013.01.01	2013.03.31	265 841	389 055.13	2013.03.28	56 312 713

7. Authorized capital of the issuer

As at 31st March 2013, the Authorized capital of AB “Rokiškio sūris“ comprised of the following:

Type of shares	Number of shares	Nominal value, LTL	Total nominal value, LTL	Share of authorized capital (%)
1	2	3	4	5
Ordinary registered shares	35 867 970	1	35 867 970	100,00

All shares of AB „Rokiškio sūris“ are paid-up , and they are not subject to any limitations of transference.

8. Shareholders.

Total number of shareholders (as at 31.03.2013)– 5,705 shareholders.

The shareholders having or owning over 5 per cent of the issuer’s authorized capital (as at 31.03.2013):

Name, surname Name of company	Address	Proprietary rights			With associated persons	
		Number of shares	Capital share %	Votes %	Capital share %	Number of shares
UAB "Pieno pramonės investicijų valdymas" Company code 173748857	Pramonės g. 3, Rokiškis Lietuva	14 022 173	39.09	39.99	68.70	70.27
Antanas Trumpa	Sodų 41a, Rokiškis Lietuva	8 240 053	22.97	23.50	68.70	70.27
Skandinaviska Enskilda Banken AB clients Company code 502032-9081	Sergels Torg 2, 10640 Stockholm, Sweden	2 077 884	5.79	5.93	-	-
Swedbank clients Company code 10060701	Liivalaia 8, Tallinn Estonia	2 540 273	7.08	7.24	-	-
AB „Rokiškio sūris“ Company code 173057512	Pramonės g.3, Rokiškis Lietuva	802 094	2.24	-	-	-

9. Shareholders' rights

Shareholders have the following non-economic rights:

- 1) to attend the general meetings of shareholders;
- 2) to make advance inquiries addressed to the company in regards with the items on the agenda of general meeting of shareholders;
- 3) based on the rights provided with the shares to vote on the general meetings of shareholders;
- 4) according with Part 1 of Article 18 of the Law on the Joint Stock Companies to obtain information on the company's operations;
- 5) to address the court requesting to bring an action of damages against the company if the damage was caused by noncompliance or inadequate compliance with duties of the company manager and board of directors as stated by the Law on Joint Stock Companies of the Republic of Lithuania or other laws, as well as the Articles of Association and or in any other cases as stated by the Lithuanian Laws;
- 6) other non-economic rights established by the Lithuanian Laws.

Shareholders have the following property rights:

- 1) to receive a certain portion of the Company's profit (dividend);
- 2) to receive a certain portion of the company's funds when its authorized capital is decreased in order to pay out the fund to shareholders;

- 3) to receive shares without payment if the authorised capital is increased from the funds of the Company;
- 4) to have priority in acquiring the newly issued shares or convertible bonds of the Company unless the General Meeting of the Shareholders resolves to waive such right complying with the applicable Law;
- 5) to lend to the Company as determined by the Laws of the Republic of Lithuania, the company however cannot mortgage its assets when borrowing from shareholders. When the company borrows from shareholders the interest cannot exceed the average interest rate of the local commercial banks on the day of contracting. In this case the company and shareholders must not agree regarding the higher rate of interest;
- 6) to receive a portion of assets of the Company in liquidation;
- 7) other property rights established by the Lithuanian Laws.

The rights identified by points 1, 2, 3 and 4 are provided to the persons who were the company's shareholders at the end of the tenth working day after the corresponding general meeting of shareholders.

10. Information on purchase of issuer's own shares

During the public quotation from 2011.09.07 to 2011.09.20 AB „Rokiškio sūris“ acquired 788,804 own shares which made 2.20 % of the company's authorized capital, and during the period from 2011.12.01 to 2012.12.14 it was acquired 13,290 own shares which made 0.04 % of the company's authorized capital.

As at the end of the reporting period (30th September 2012), AB „Rokiškio sūris“ has in treasure 802,094 ordinary registered shares and it makes 2.24 % of the company's authorized capital.

Treasury shares have no voting right.

11. Operations of the issuer

AB „Rokiškio sūris“ is one of the largest and most modern dairy production companies in Lithuania. The main activity of the company is production and sales of fermented cheese, fresh dairy products, butter, milk powders, whey and other milk products.

The Group's production is developed in the towns of Rokiškis (AB „Rokiškio sūris“), Utena (UAB „Rokiškio pienas“) and Ukmerge (UAB „Rokiškio pienas“ subsidiary „Ukmergės pieninė“).

- Specialization of Rokiskis production plant – fermented cheese, lactose and whey products.
- Specialization of Utena production plant – fresh dairy products for the local market, whey protein concentrate, milk powder and butter production.
- Specialization of Ukmerge production plant – curd and curd cheese production.

Cheese production in Rokiskis includes fresh, semi hard and hard cheeses. The group of fresh cheeses consists of „Cagliata“ (various fat content and weight), and „Mozzarella“. The group of semi hard cheeses consists of the cheeses such as Rokiškio sūris (various fat content and weight)

„Saulės sūris, Lietuviškas, „Gouda“, Edamo cheese, Cheese „Visiems“, „Naminis“, „Žaloji karvutė“ etc. the group of hard cheese consists of Kietasis sūris (various fat and moisture content and weight), cheese „Gojus“, and „Montecampo“.

Aside the main production of fermented cheeses, Rokiskis also produces fluid WPC (whey protein concentrate), which is used for the production of WPC powders, milk sugar (lactose), processed cheese, smoked cheese.

12. Management bodies of the issuer

In accordance with the Articles of Association of AB „Rokiškio sūris“, the managing bodies of the company are as follows: General shareholders’ meeting, the Board of Directors and the Chief Executive Officer.

The competence and procedure of announcement applied to the general shareholders’ meeting complies with the competence and procedure of announcement applied to the general shareholders’ meeting established by the Law on Joint Stock Companies.

The Board of Directors is a collegial management body comprised of 5 (five) members. The Board members are elected and recalled by the general shareholders’ meeting pursuing the procedure set by the Law on Joint Stock Companies.

The Chief Executive Officer is a one-man management body who organizes everyday activities of the company, discusses and solves the company’s long term strategic objectives as well as issues of business plans. Within relationship between the company and other persons, the Chief Executive Officer acts determinatively on behalf of the company.

Members of the Board of Directors:

Dalius Trumpa – Board Chairman (elected on 17th July 2012). Owns 1,002,697 ordinary registered shares. i.e. 2.80% of the Authorized capital and 2.86% of votes of AB „Rokiškio sūris“. Education – university degree. Works for the company since 1991. As from 2002 in the capacity of production director. As from 2007 appointed a deputy director.

Also the director of UAB Rokiskio pienas from 2007.

As from 29th April 2013 a director of UAB „Rokiškio pieno gamyba“.

Participation in the activities of other companies:

Shareholder of UAB „Pieno pramonės investicijų valdymas“, having 3,91 % of the company’s shares and votes;

Chief executive officer of UAB „Rokiškio pienas“, having no shares;

Director of Rokiskio suris AB subsidiary Rokiskio pieno gamyba UAB, having no shares;

Director of UAB „Rokvalda“, having 100% of shares and votes;

Antanas Kavaliauskas - Deputy Chairman (elected on 17th July 2012), the Chief Financial Officer of AB „Rokiškio sūris“, having no ownership of AB „Rokiškio sūris“.

Works for the company since 2002 in the capacity of finance director. Education – university degree. In 1997, obtained a master degree of finance management in Kaunas technology university. As from 2002, a certified member of international accountants association ACCA.

Participation in the activities of other companies:

Shareholder of UAB "Pieno pramonės investicijų valdymas" owning 3,91% of shares of UAB "Pieno pramonės investicijų valdymas".

Board Chairman of Latvian company SIA Jekabpils piena kombinats, having no shares;

Director of Lithuanian dairy association "Pieno centras", having no shares.

Ramūnas Vanagas - Board member (elected on 17th July 2012), Development Director of AB „Rokiškio sūris“, having no ownership of shares of AB „Rokiškio sūris“.

Education – university degree. Works for the company since 2005 in the capacity of business development director.

Participation in the activities of other companies:

No participation in other companies' activities.

Darius Norkus - Board member, (elected on 17th July 2012), Sales and Marketing director of AB „Rokiškio sūris“, having no shares of the company.

Education – university degree. Works for the company since 2001 in the capacity of the sales and marketing director.

Participation in the activities of other companies:

Shareholder of UAB "Pieno pramonės investicijų valdymas", having 3,91 % of the company's shares and votes;

Term of election of the Board of Directors is 4 years. The cadence ends on 17th July 2016.

Manager of the Company:

The Chief Executive Officer is a one-man management body who organizes everyday activities of the company. Within relationship between the company and other persons, the Chief Executive Officer acts determinatively on behalf of the company.

Information on the company's manager (director):

The CEO of the Company:

Antanas Trumpa owning 8,240,053 ordinary registered shares of AB „Rokiškio sūris“, i.e. 22.97% of the authorized capital of AB "Rokiškio sūris" and 23.50% of votes.

Education – university degree. Works for the company as from 1966. In 1979, prepared a dissertation "Organizing the work of vacuum apparatus" in Kaunas Polytechnical Institute, consequently on 12th October 1994 was granted a doctor degree by Lithuanian Science Council.

Participation in the activities of other companies:

Shareholder of UAB "Pieno pramonės investicijų valdymas" with 6,758, i.e. 67.04% of the shares and votes of UAB "Pieno pramonės investicijų valdymas".

Information on the company's finance director:

Chief Financial Officer Antanas Kavaliauskas

For more information about the Chief Financial Officer see point 12 as per information about the management bodies.

**AB „ROKIŠKIO SŪRIS“
CONSOLIDATED AND PARENT COMPANY'S
FINANCIAL STATEMENTS as at 31st March 2013**
Company code 173057512, address: Pramonės g. 3, LT-42150 Rokiškis, Lithuania
(All tabular amounts are in LTL '000 unless otherwise stated)

13. Consolidated Balance sheet

	March 31, 2013	December 31, 2012	March 31, 2012
PROPERTY			
Property, plant and equipment	143 292	145 799	165 781
Intangible assets (with prestige)	1 156	1 122	1 273
Other receivables in a year	42 135	37 726	15 780
	<u>186 583</u>	<u>184 647</u>	<u>182 834</u>
Current assets			
Inventories	104 642	94 871	97 327
Receivables and advance payments	140 864	126 746	101 400
Loans granted	39 025	43 057	56 494
Cash and cash equivalents	3 323	6 029	4 633
	<u>287 854</u>	<u>270 703</u>	<u>259 854</u>
Total assets	<u>474 437</u>	<u>455 350</u>	<u>442 688</u>
EQUITY AND LIABILITIES			
Attributable to owners of the Company			
Share capital	35 868	35 868	35 868
Share premium	41 473	41 473	41 473
Reserve for acquisition of treasury shares	40 287	40 287	40 287
Treasury shares	(3 868)	(3 868)	(3 868)
Other reserves	69 735	71 201	80 159
Retained earnings	132 898	130 176	94 302
	<u>316 393</u>	<u>315 137</u>	<u>288 221</u>
Non-current liabilities			
Borrowings	1 733	1 265	-
Deferred income tax liability	10 783	11 414	12 254
Deferred income	3 481	3 845	4 683
	<u>15 997</u>	<u>16 524</u>	<u>16 937</u>
Current liabilities			
Trade and other payables	63 856	59 245	60 935
Income tax liabilities	7 781	6 964	7 767
Deferred income	2 161	2 387	3 691
Provisions	-	-	824
Borrowings	68 249	55 093	64 313
	<u>142 047</u>	<u>123 689</u>	<u>137 530</u>
Total equity and liabilities	<u>474 437</u>	<u>455 350</u>	<u>442 688</u>

AB „ROKIŠKIO SŪRIS“

CONSOLIDATED AND PARENT COMPANY'S

FINANCIAL STATEMENTS as at 31st March 2013

Company code 173057512, address: Pramonės g. 3, LT-42150 Rokiškis, Lithuania

(All tabular amounts are in LTL '000 unless otherwise stated)

14. Consolidated Statement of comprehensive income

	<u>January-March</u>	<u>January-March</u>
	2013	2012
Sales	189 927	164 241
Cost of sales	(173 308)	(152 344)
Gross profit	16 619	11 897
Selling and marketing expenses	(14 749)	(12 653)
Operating profit (loss)	1 870	(756)
Finance costs	(202)	(385)
Profit before tax	1 668	(1 141)
Income tax (accumulation)	(412)	-
Operating activity income (loss)	1 256	(1 141)
Net profit (loss)	1 256	(1 141)
Other comprehensive income	-	-
Total comprehensive income for the year	1 256	(1 141)

AB „ROKIŠKIO SŪRIS“
CONSOLIDATED AND PARENT COMPANY’S
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 (All tabular amounts are in LTL ‘000 unless otherwise stated)

15. Consolidated cash flow statement

	January-March	
	2013	2012
Operating activities		
Profit before tax and minority interest	1 668	(1 141)
<i>Corrections:</i>		
- depreciation	8 568	5 738
- depreciation (negative prestige not included)	85	86
- written off long-term tangible assets	112	26
- loss in long-term tangible asset sales	5	14
- interest expenses	152	318
- interest income	(544)	(433)
- net unrealized currency exchange profit	(211)	(93)
- depreciation of long-term tangible asset support	(590)	(736)
<i>Circulating capital changes:</i>		
- inventories	(7 315)	(2 359)
- payables	631	2 367
- receivables and advance payments	(9 639)	2 611
Cash flows generated from operating activities	(7 078)	6 398
Interest paid	(152)	(318)
Net cash flows from investing activities	(7 230)	6 080
Investing activities		
Purchase of long-term tangible assets	(4 916)	(1 763)
Purchase of intangible assets	(2)	-
Loans granted to farmers and employees	(5 192)	(605)
Proceeds from long-term tangible asset sales	54	29
Other loans	(11 724)	(6 643)
Repayments of loans granted to farmers and employees	1 597	2 997
Interest received	544	433
Repayments of other loans	10 986	924
Subsidies for long-term tangible assets	-	-
Net cash flows from investing activities	(8 653)	(4 628)
Financing activities		
Acquisition of treasury shares	-	(4)
Loans granted	207 300	100 051
Loan repayments received	(194 123)	(109 896)
Dividends paid	-	-
Net cash flows from financing activities	13 177	(9 849)
Net increase in cash and cash equivalents	(2 706)	(8 397)
Cash and cash equivalents at the beginning of the period	6 029	(1 538)
Cash and cash equivalents at the end of the period	3 323	(9 935)

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 (All tabular amounts are in LTL '000 unless otherwise stated)

16. Consolidated Own Capital Change Statement

	Share capital	Share premium	Reserve for acquisition of treasury shares	Treasury shares	Other reserves	Retained earnings	Total	Minority share
Balance at December 31st 2011	35 868	41 473	40 287	(3 868)	82 598	93 004	289 362	289 362
Profit (loss) of the year						(1 141)	(1 141)	(1 141)
Transfer to retained earnings (transfer of depreciation, net of deferred income tax)					(2 439)	2 439		
Balance at March 31st 2012	35 868	41 473	40 287	(3 868)	80 159	94 302	288 221	288 221
Transactions with owners								
Dividends relating to 2011						(3 563)	(3 563)	(3 563)
Transactions with owners during 2012, total						(3 563)	(3 563)	(3 563)
Comprehensive income								
Profit (loss) of the year						30 479	30 479	30 479
Transfer to retained earnings (transfer of depreciation, net of deferred income tax)					(8 958)	8 958		
Balance at December 31st 2012	35 868	41 473	40 287	(3 868)	71 201	130 176	315 137	315 137
Comprehensive income								
Profit (loss) of the year						1 256	1 256	1 256
Allocation to reserves					2 108	(2 108)		
Transfer to retained earnings (transfer of depreciation, net of deferred income tax)					(3 574)	3 574		
Balance at March 31st 2013	35 868	41 473	40 287	(3 868)	69 735	132 898	316 393	316 393

AB „ROKIŠKIO SŪRIS“

CONSOLIDATED AND PARENT COMPANY'S

FINANCIAL STATEMENTS as at 31st March 2013

Company code 173057512, address: Pramonės g. 3, LT-42150 Rokiškis, Lithuania

(All tabular amounts are in LTL '000 unless otherwise stated)

17. Commentary on the Report

1. General information

The joint stock company “Rokiškio sūris” (hereinafter – the company) is a public listed company incorporated in Rokiskis.

The shares of Rokiškio Sūris AB are traded on the Baltic Main List of the NASDAQ OMX Vilnius (symbol – RSU1L).

The Consolidated Group (hereinafter – the Group) consists of the Company, its two branches, four subsidiaries and one joint venture. (2012: two branches, four subsidiaries and one joint venture). The branches and subsidiaries that comprise consolidated Group are indicated below:

	Operating as at 31 March			Group's share (%) as at 31 March	
	2013	2012		2013	2012
Branches			Subsidiaries		
Utenos Pienas	Yes	Yes	UAB „Rokiškio pienas“	100,00	100,00
Ukmergės Pieninė	Yes	Yes	KB „Žalmargė“	100,00	100,00
			SIA „Jekabpils Piena Kombinats“	100,00	100,00
			SIA „Kaunata“*	60,00	60,00
			Joint venture		
			UAB „Pieno upės“	50,00	50,00

* These subsidiaries were not consolidated due to their insignificance.

All above subsidiaries, the joint venture and branches are incorporated in Lithuania, except for SIA “Jekabpils Piena Kombinats” and SIA “Kaunata” which are incorporated in Latvia.

The Group's main line of business is the production of fermented cheese and a wide range of other dairy products.

As of 31 March 2013, the average number of the Group's employees was equal to 1,571 (compared to 1,489 employees as at 31st March 2012).

2. Accounting Principles

These consolidated financial statements have been prepared according to International Financial Reporting Standards (IFRS) as adopted by the European Union.

The consolidated financial statements have been prepared under the historical cost convention. The principal accounting policies applied in the preparation of these consolidated and parent company's financial statements are set out below. These policies have been consistently applied to all the years present, unless otherwise stated.

The preparation of consolidated and parent company's financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Subsidiaries are the entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Transactions among the Group's enterprises, residual values and retained transaction earnings between the Group's enterprises are eliminated. Unrealised loss is eliminated too; however, it is considered to be the sign of transfer asset value decrease. The accounting principles of daughter enterprises were changed where necessary in order to ensure their consistency with the accounting principles applied by the Group.

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the statement of comprehensive income.

The group's interests in jointly controlled entities are accounted for by proportionate consolidation. The group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the group's financial statements. The group recognises the portion of gains or losses on the sale of assets by the group to the joint venture that is attributable to the other venturers. The group does not recognise its share of profits or losses from the joint venture that result from the group's purchase of assets from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

Items included in the financial statements of the Company and each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (hereinafter "the functional currency"). The financial statements are presented in Litas (LTL), which is the Company's (and each of the Group entity's) functional and presentation currency.

The value of long-term tangible assets is valued at historical cost less accumulated depreciation. Subsequent costs are included into the asset's carrying amount or recognized as separate assets, as appropriate, only when it is likely that in future the Group will receive economic benefits associated with the item and the cost of the item will be measured accordingly. All other repairs and maintenance expenses are charged to the income statement during the financial period in which they have been incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	15 – 55 years
Plant & machinery	5 - 29 years
Motor vehicles	4 - 10 years
Equipment and other property, plant and equipment	3 - 20 years

The asset residual values and useful lives are reviewed, and adjusted, if appropriate, at each balance sheet date.

The Group's software which is expected to bring the Group material benefit in future, is valued at cost price less accumulated depreciation. Depreciation is calculated using the straight-line method for the estimated useful life from 1 to 5 years.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as 'trade and other receivables' in the balance sheet.

Inventories are subsequently carried at the lower of cost and net realisable value. Cost is determined by the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related indirect production overheads, but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Loans granted and amounts receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less the amount of impairment loss. A provision for impairment of amounts receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The impairment amount is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the statement of comprehensive income within 'general and administrative expenses'. Bad debts are written off during the year in which they are identified as irrecoverable.

Cash and cash equivalents are carried at nominal value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and at bank and bank overdrafts. Bank overdrafts are included in borrowings in current liabilities on the balance sheet.

Ordinary shares are stated at their par value. Consideration received for the shares sold in excess over their nominal value is shown as share premium. Incremental external costs directly attributable to the issue of new shares are accounted for as a deduction from share premium.

Where the Company or its subsidiaries purchase the Company's equity share capital, the consideration paid including any attributed incremental external costs is deducted from shareholders' equity as treasury shares until they are sold, reissued, or cancelled. No gain or loss is recognised in the statement of comprehensive income on the sale, issuance, or cancellation of

treasury shares. Where such shares are subsequently sold or reissued, any consideration received is presented in the consolidated financial statements as a change in shareholders' equity.

Other reserves are established upon the decision of annual general meeting of shareholders on profit appropriation.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the amount at initial recognition and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Profit is taxable at a rate of 15 per cent (2010: 15 per cent) in accordance with the Lithuanian regulatory legislation on taxation.

The Group pays social security contributions to the state Social Security Fund (the Fund) on behalf of its employees based on the defined contribution plan in accordance with the local legal requirements. Social security contributions are recognised as expenses on an accrual basis and are included in payroll expenses.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminated sales within the Group. Revenue from sales of goods is recognised only when all significant risks and benefits arising from ownership of goods is transferred to the customer.

Interest income is recognised on a time-proportion basis using the effective interest method.

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

Basic earnings per share are calculated by dividing net profit attributed to the shareholders from average weighted number of ordinary registered shares in issue, excluding ordinary registered shares purchased by the Company and the Group and held as treasury shares.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of directors that make strategic decisions.

The Group's management identified the following operating segments within the Group: hard cheese, semi hard cheese, butter, milk, cream, sour cream, sour milk, yogurt, curds, curd cheese and other. These operating segments were aggregated into two main reportable segments, based on similar nature of products, production process, type of customers and method of distribution.

Government grants are recognised at fair value where there is sufficient evidence that the grant will be received and the Group and the Company will comply with all conditions attached.

Export subsidies paid by the Government for each exported tone of products meeting certain requirements are included in sales revenue.

Government grants received to finance acquisition of property, plant and equipment are included in non-current deferred income in the balance sheet. They are recognised as income on a straight-line basis over the useful life of property, plant and equipment concerned.

Provisions are measured at the present value of expenditures expected to be required to settle the obligation using pre-tax rate that reflects current market assessments of the time value of money and the risks specified to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method.

With effect from 31 December 2011, the Company and the Group account for property, plant and equipment at revalued amount less accumulated depreciation and impairment loss. Under the newly adopted accounting policy, the revaluation is carried out periodically to ensure that the carrying amount of property, plant and equipment will not differ significantly from the value determined with reference to the fair value at the end of the reporting period. In 2011, the valuation of property, plant and equipment was carried out by Vadasa UAB using the comparative market price method. The Company's management believes the values of property, plant and equipment adjusted under these methods as of 31 December 2011 approximated the fair value. No revaluation of property, plant and equipment was conducted in 2012.

3. Information on segments

Business segments and the segments presented by the financial statements

The Group's top management indicated the following business segments of the Group: hard cheese, semi hard cheese, butter, milk, cream, sour cream, sour milk, yogurt, curds, fresh cheese etc. The segments were coupled into two main segments presented by the financial statements based on alike production procedure, customer group and distribution channels.

The Group's main business segments:

- Fresh dairy products
- Cheese and other dairy products.

Other operations of the Group comprise of raw milk collection. Transactions between the business segments are on normal commercial terms and conditions.

Geographic segments

Analysis of the Group's income from sales according to markets is as follows:

	2013 03 31	2012 03 31
Lithuania	61 075	63 218
Countries of EU	77 590	69 329
Other (including USA and Japan)	51 262	31 694
Total	189 927	164 241

Income analysis according to groups:

	2013 03 31	2012 03 31
Product Sales	189 678	163 941
Provided services	249	300
Total	189 927	164 241

4. Long-term tangible assets

In the income statement the depreciation charge of long-term tangible assets is reported in the following entries: selling and marketing expenses, general and administrative expenses and cost of sales, as well as in production in progress and ready production entries.

Software and intangible asset depreciation charge are accounted in the entry of general and administrative expenses.

5. Other receivables

As at 31st March 2013, the Group's receivables were made of:

	2013 03 31	2012 03 31
Long-term loans granted to farmers	1 099	3 772
Long-term loans granted to employees	974	548
Investments	551	550
Loans to other companies	38 345	8 110
Other	1 166	2 800
Total	42 135	15 780

The repayment terms of loans granted to farmers vary from 2 months to 10 years, whereas the annual interest rate varies from 0 to 10 per cent.

The repayment terms of loans granted to employees vary from 1 to 22 years, whereas the interest rate for them is not calculated. The company's managing bodies believe that the balance sheet values of long-term receivables are their fair values.

6. Inventories

As at 31st March 2013, the Group's inventories were made of:

	2013 03 31	2012 03 31
Raw material	6 469	6 635
Production in progress	23 814	18 048
Ready production	70 627	69 553
Other inventories	3 732	3 091
Total	104 642	97 327

7. Selling and Other Receivables

As at 31st March 2013, the Group's selling and other receivables were made of:

	2013 03 31	2012 03 31
Selling receivables	116 474	90 947
VAT receivable	9 109	7 186
Other receivables	753	1 910
Advance payments and future period expenses	14 528	1 357
Total	140 864	101 400

8. Cash and cash equivalents

The money equivalents in Balance sheet and Cash Flow Statement are made of the following:

	2013 03 31	2012 03 31
Money in bank and cash-in-hand (Group)	3 323	4 633
Current deposits	-	-
Total	3 323	4 633

9. Financial ratios

The Group's financial ratios:

	2013 03 31	2012 03 31	2011 03 31
Revenue (LTL thousand)	189 927	164 241	150 358
EBITDA (LTL thousand)	10 973	5 001	7 169
EBITDA margin (%)	5,78	3.04	4.77
Operations profit (LTL thousand)	2 370	(756)	1 067
Margin of operations profit (%)	1.25	(0.46)	0.71
Profit per share (LTL)	0.04	(0.03)	0.02
Number of shares (units)	35 867 970	35 867 970	35 867 970

10. Information on the audit

The audit according to the International Accounting Standards will be made for the full year 2012 by audit company UAB "PricewaterhouseCoopers".

11. Up-to-date information on material events and transactions

On 25 February 2013, amendment to the credit agreement was signed with the bank in relation to the extension of the repayment term of overdraft (LTL 2m) until 31 January 2014, and the extension of the repayment term of credit limit (EUR 18m) until 15 February 2014. The total credit limit is LTL 64,150 thousand, with no repricing of interest rates.

On 28 February 2013, the shareholder adopted Decision No. 18 to initiate the reorganisation of the Comany Rokiškio Pienas UAB by way of unbundling (and approve the drafting of unbundling

terms and conditions), whereby a part will be separated from the Company Rokiškio Pienas UAB, which will continue milk product distribution activities, and on the basis of assets, rights and obligations attributed to that part, a new company with the same legal status will be established – Rokiškio Pieno Gamyba UAB – which will basically be engaged in milk product production activities.