TO: The Lithuanian Securities Commission
Konstitucijos pr.23
Vilnius

28th August 2007

ENDORSEMENT BY THE RESPONSIBLE PERSONS

Pursuing Article 22 of the Law on Securities of the Republic of Lithuania, and the rules prepared by the Lithuanian Securities Commission for preparation and announcement of periodical and supplementary information, we, the undersigned – the Chief Executive Officer Antanas Trumpa and the Chief Financial Officer Antanas Kavaliauskas – approve that the six month consolidated interim report of „Rokiškio sūris" for the year 2007, shows fair review of the business development and performance of the company.

Attached: Six month consolidated interim report of „Rokiškio sūris" for the year 2007.

Chief Executive Officer Antanas Trumpa

Chief Financial Officer Antanas Kavaliauskas

Consolidated interim report of AB “ROKIŠKIO SŪRIS“ for the six month period of the year 2007

(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)

Table of contents

1. Reporting term of the prepared report.

The consolidated interim report is prepared for the first half year 2007.

2. Key information of the issuer.

Joint stock company "Rokiškio sūris".
Registered in on 28th February 2007 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 legal persons registry – State company "Registrų centras".
Address – Pramonės str.3, LT 42150 Rokiškis, Republic of Lithuania.
Telephone: +370 458 55 200, fax +370 458 55 300.
E-mail address: rokiskio.suris@rokiskio.com
Website: www.rokiskio.com
The authorized capital of AB "Rokiškio sūris" equals to LTL 42 716 530 (forty two million seven hundred sixteen thousand five hundred thirty litas).
There are 4 271 653 shares. Nominal value per share equals to LTL 10 (ten).

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

As at 30th June 2007, the group of AB „Rokiškio sūris" consisted of the head company Rokiškio sūris", daughter enterprise UAB „Rokiškio pienas" and subsidiaries: Utenos pienas and Ukmergės pieninė.

Juridical address of UAB „Rokiškio pienas" is Pramonės str. 8, LT- 28216 Utena. The company's code is 300561844. AB „Rokiškio sūris" is its founder and sole one hundred percent shareholder of UAB "Rokiškio pienas". The subsidiary of AB „Rokiškio sūris" Utenos pienas (company code 110856741, Pramonės str. 8, LT-28216 Utena) and the subsidiary of AB „Rokiškio sūris"Ukmergės pieninė (company code 182848454, Kauno str. 51, LT-20119, Ukmergė) do not execute any activities.

4. Characterization of the issuer's basic business.

Basic business of AB „Rokiškio sūris" is production of and trade by fermented cheese, whey products, and skim milk powders.

Basic business of UAB „Rokiškio pienas" is production of and trade by fresh dairy products such as fluid milk, kefir, sour milk, butter, curds, fresh cheese, sour cream, chocolate coated curd desserts, and other desserts.

5. Contracts with financial brokers.

On 24th December 2003, AB „Rokiškio sūris" made a contract with UAB FMĮ „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 FMĮ „Orion securities" (A. Tumėno str. 4 , LT-01109 Vilnius).

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

4 271 653 ordinary registered shares of AB "Rokiškio sūris" (VVPB symbol is RSU1L; ISIN code – LT0000100372) have total nominal value of LTL 42 716 530. The shares are admitted to the Main List of Vilnius Stock Exchange.

7. Authorized capital of the issuer.

As at 30th June 2007, the Authorized capital of AB "Rokiškio sūris":

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	4 271 653	10	42 716 530	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 30.06.2007) – 5.262 shareholders.

The shareholders having or owning over 5 percent of the issuer's authorized capital (as at 30.06.2007):

Name, surname Name of company	Address	Proprietary rights			With associated persons	
		Number of shares	Capital share %	Votes %	Capital share %	Votes %
UAB "Pieno pramonės investicijų valdymas"	Pramonės str. 3, Rokiškis	1.704.890	39,91	39,91	53,70	53,70
Antanas Trumpa	Sodų 41a, Rokiškis	381.837	8,94	8,94	53,70	53,70
Hansabank clients	Liivalaia 8, Tallinn 15040 Estonia	530.781	12,43	12,43	-	-
Skandinaviska Enskilda Banken AB clients	Sergels Torg 2, 10640 Stockholm, Sweden	588.156	13,77	13,77	-	-

9. Treasure shares of the issuer.

During the period from 13th June to 12th July 2007, AB "Rokiškio sūris" launched voluntary tender offer to buy up ordinary registered shares of AB „Rokiškio sūris". Consequently AB „Rokiškio sūris" bought up 78 365 ordinary registered shares. It makes 1,83 % of the authorized capital of AB „Rokiškio sūris". The treasury shares do not have voting right.

10. Future developments and prognoses of the issuer's performance.

In 2007, AB "Rokiškio sūris" group envisage increase its sales up to LTL 610 million, i.e. by 17,8% more than in 2006. Also, the group aims to reach not less than 4,2% net profitability level.
In 2007, the group envisages to allot LTL 22,154 million for investments in order to modernize production.
In 2007, it will be produced over 23,2 thousand tones of fermented cheese, 6,7 thousand tones of lactose, 4,3 thousand tones of whey protein powders. In addition is will be produced 4,4 thousand tones of skimmed milk powder. It is planned to process over 506 thousand tones of raw milk.
The group aims to concentrate strongest product portfolio on the domestic market maintaining around 25% market share.
The group has some other projects under preparation diverted for quality improvement and higher compliance with relevant EU standards. To achieve this, the group would enjoy EU support via structural funds.

11. Change of the issuer's Articles of Association.

Pursuing the Articles of Association of AB „Rokiškio sūris", the Articles may be exclusively changed by the general meeting of shareholders, except the cases provided by the Law on joint stock companies of the Republic of Lithuania. To accept the decision changing the Articles of Association, it is needed 2/3 of votes of total participants in general meeting of shareholders.

12. Managing bodies.

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 by the 28th April 2006 General meeting of shareholders), Deputy director of AB „Rokiškio sūris". Owns 1,78% of the Authorized capital and votes of AB „Rokiškio sūris". He is the chief executive officer of UAB „Rokiškio pienas" which is a daughter enterprise of AB „Rokiškio sūris". He also is a shareholder of UAB "Pieno pramonės investicijų valdymas" owning 3,91% of shares of UAB" Pieno pramonės investicijų valdymas", director of UAB "Rokvalda", having no ownership in the later company.

Antanas Kavaliauskas – Deputy Chairman (elected by the 28th April 2006 General meeting of shareholders), the Chief Financial Officer of AB „Rokiškio sūris", having no ownership of AB „Rokiškio sūris". He is a shareholder of UAB "Pieno pramonės investicijų valdymas" owning 3,91 % of shares of UAB" Pieno pramonės investicijų valdymas".

Andrius Trumpa – Board member (elected by the 28th April 2006 General meeting of shareholders), works in Vilnius Gedimino Technikos University in the capacity of lecturer, owns 0,70% of the Authorized capital and votes of AB „Rokiškio sūris". He does not participate in the performance and capital of any other companies.

Ramūnas Vanagas – Board member (elected by the 28th April 2006 General meeting of shareholders), Development and Internal Audit Director of AB „Rokiškio sūris", having no ownership of shares of AB „Rokiškio sūris". He does not participate in the performance and capital of any other companies.

Alvydas Miliūnas – Board member (elected by the 27th April 2007 General meeting of shareholders), Board Chairman of agricultural company "Kubilių žemės ūkio bendrovė", owning 84% of shares, Board Chairman of ŽŪK „Lietuviškas pienas". He does not have any shares of AB „Rokiškio sūris".

Cadence period of the Board of Directors is 4 years. The cadence ends on 28th April 2010.

Executive manager:

Antanas Trumpa, owns 8,94% of the authorized capital AB "Rokiškio sūris" and 8,94% of votes, a shareholder of UAB "Pieno pramonės investicijų valdymas", owning 74,86% of shares of UAB " Pieno pramonės investicijų valdymas". He does not participate in the performance and capital of any other companies.

Chief Financial Officer:
Antanas Kavaliauskas

13. Employeees.

As at 30th June 2007, the group of AB „Rokiškio sūris" consisted of 1.774 employees (register data).

The table presents average number of the group's employees and their average monthly wages within six month of the year2007:

Average number of employees	**01.01.2007**	**30.06.2007**
Total:	1836	1672
incl. Managers	14	14
Specialists	160	160
Workers	1662	1498
Average monthly wages, Lt	**1544**	**1664**
managers	7895	5756
specialists	2239	2085
workers	1419	1439

Education of the employees of Rokiškio sūris group

Level of education	**01.01.2007**	**30.06.2007**
Graduate education/ University degree	138	142
College education	731	669
High school education	876	798
Non-completed high school	91	63

14. Significant up-to-date developments in the issuer's performance

1. Transfer of AB "Rokiškio sūris" assets

Pursuing business separation procedure when fresh dairy production is separated from cheese production, and following the 28th April 2006 General meeting of shareholders, the 2nd January 2007 Meeting of the Board of Directors of AB "Rokiskio sûris" resolved to transfer to Closed joint stock company "Rokiskio pienas", which is established and owned by AB "Rokiskio sûris" by 100 per cent, non-current assets amounting to LTL 26.848.700 (7 775 921 EUR). The assets were evaluated by outside evaluator according to established order by legal acts regulating assets evaluation.
The assets to be transferred consist of production facilities and premises of subsidiaries Utenos pienas and Ukmergės pieninė, and it will be needed for development of fresh dairy production.
On 2nd January 2007, AB "Rokiskio sûris" as a sole shareholder of Closed joint stock company "Rokiskio pienas", resolved to increase the Authorised capital of Closed joint stock company "Rokiskio pienas" from LTL 10 000 (ten thousand) (EUR 2 896,20) to LTL 26 858 700 (twenty

six million eight hundred fifty eight thousand seven hundred) (EUR 7 778 817,19) by the shareholder's additional non-monetary contribution, and there will be issued 2 684 870 shares of UAB „Rokiškio pienas" at par value of LTL 10. AB "Rokiskio sûris" shall own the shares and votes by 100 per cent.

2. Upon the initiative and decision of the Board of Directors, on 27th April 2007 12.00am it was summoned general meeting of shareholders of AB "Rokiškio sūris", held at AB "Rokiškio sūris" (Pramonės g.3, Rokiškis, company code 173057512).
Accounting date – 20th April 2007.

Agenda:

1. The Annual report of the Company for the year 2006.
2. The Auditor report.
3. The financial accounting for the year 2006.
4. The Profit distribution for the year 2006.
5. Appointment of audit company and determination of payment terms.
6. Amendments of the Articles of Association.
7. Election of the Board member.

The Board proposed to the general shareholders' meeting to allocate LTL 2,36 (0,68 EUR) for the dividends per one ordinary registered share.

3. Resolutions of the General meeting of Shareholders held on 27th April 2007:

1. The Annual report of the Company for the year 2006 approved.
2. The Auditor report approved.
3. The financial accounting for the year 2006 approved.
4. The Profit distribution for the year 2006 approved:

1) Non-distributable profit (loss) at beginning of year	LTL 41 900 thousand	EUR 12 135 thousand
2) Approved by shareholders dividends for the year 2005	LTL (10 276) thousand	EUR 2 976 thousand
3) Transferred to reserves for treasury share acquisition	LTL (20 000) thousand	EUR 5 792 thousand
4) Non-distributable profit (loss) at beginning of year after dividend payout and transfer to reserves	LTL 11 624 thousand	EUR 3 367 thousand
5) Net profit (loss) of fiscal year	LTL 13 021 thousand	EUR 3 771 thousand
6) Transfers from distributable reserves	LTL 65 091 thousand	EUR 18 852 thousand
7) Distributable profit (loss)	LTL 89 736 thousand	EUR 25 989 thousand
8) Profit share for mandatory reserve	LTL 651 thousand	EUR 189 thousand
9) Profit share for acquisition of treasury shares	-	
10) Profit share for other reserves	-	
11) Profit share for dividend payout	LTL 10 081 thousand	EUR 2 920 thousand
12) Profit share fro annual payments (tantiemes) to the Board of Directors, employee bonuses and other	LTL 2 600 thousand	EUR 753 thousand
13) Non-distributaable profit (loss) at end of year	LTL 76 404 thousand	EUR 22 128 thousand

As for dividends it is distributed LTL 2.36 (0.684 EURO) per ordinary registered share LTL 10 per value of JSC Rokiskio suris. In total it is allocated LTL 10.081.101,08 (EUR 2.919.688,68) to dividend payment.

5. UAB "PriceWaterhouseCoopers" appointed as an Auditor of JSC Rokiskio suris. The Board of Directors shall establish the fee for the auditor's work. The Company's Chief Executive Officer shall sign a contract with the auditor.

6. Point 6.5 of the Articles of Association of AB "Rokiškio sūris" shall be read as follows:

„6.5. Competence of the Board of Directors does not differ from the Board competence as described by the Law on Joint Stock Companies ".
Point 6.8 of the Articles of Association of AB "Rokiškio sūris"shall be read as follows:
„6.8. The Board of Directors may accept resolutions and its meeting is considered to be in force when over 2/3 of the members present at the meeting. Decision of the Board is considered to be accepted when voices "for" exceed voices "against".
Point 7.4 of the Articles of Association of AB "Rokiškio sūris" shall be read as follows:
„7.4. Competence of the Chief Executive Officer does not differ from the Director's competence as described by the Law on Joint Stock Companies"
Point 7.5 of the Articles of Association of AB "Rokiškio sūris" has lost its effect.
Point 10.1 of the Articles of Association of AB "Rokiškio sūris" shall be read as follows:
„10.1. The Company's information regulated by Article 28 of the Law on Securities is announced publicly as requested and also it is circulated via Central data base of regulated information. A notification convening General shareholders' meeting is announced in daily newspaper „Lietuvos rytas" and regional paper „Gimtasis Rokiškis". Other announcements for shareholders, creditors etc may be circulated via daily "Lietuvos rytas" as well, given personally under signature or sent by the registered mail as requested by the Lithuanian legacy."

The CEO Antanas Trumpa authorized to sign the amendments to the Articles of Association and to present them for registration by Register of Juridical persons.

7. Election of the Board member:

Chairman of Kubiliu agricultural company Alvydas Miliunas is elected a Board member of AB "Rokiskio sûris".

4. AB „Rokiškio sūris" acquired 50 % block of shares of UAB „Pieno upės", the company acting in the area of raw milk purchasing.

5. AB "Rokiškio sūris" decreased its Authorized capital in the Juridical persons register.

On 11th May 2007, in the Juridical persons register it was registered the decreased Authorized capital of AB „Rokiškio sūris". After registration the Authorized capital of AB „Rokiškio sūris" equals to LTL 42 716 530 (forty two millions seven hundred sixteen thousand five hundred thirty litas) shared into 4 271 653 (four million two hundred seventy one thousand six hundred fifty three) ordinary registered shares with par value of LTL 10 (ten litas).

The Authorized capital was decreased in the way of annulment of 474 617 treasury shares.

6. Transfer of AB "Rokiškio sūris" assets to UAB „Rokiškio pienas"

Pursuing the decision of general meeting of shareholders of AB „Rokiškio sūris", it was transferred the company's long term assets amounting to LTL 26 848 700 to UAB "Rokiškio pienas", and the authorized capital of UAB "Rokiškio pienas" was increased adequately. On 29th June 2007, the increased authorized capital of UAB „Utenos pienas" was registered in the Juridical persons register. AB "Rokiškio sūris" owns 100% of shares and votes of UAB "Rokiškio pienas".

7. Resolution to buy up shares in treasury

Pursuing resolutions of the 22nd December 2006 General Shareholders' Meeting to support and increase the price of AB "Rokiškio sūris" shares, the Board of Directors resolved to acquire up to 333 000 (three hundred thirty three thousand) units of AB "Rokiškio sūris" ordinary registered shares of LTL 10 (ten) par value. The price set for the acquisition of treasury shares would be equal to LTL 60,00 (sixty litas) per ordinary registered share. Period for the purchase of treasury shares – 30 days. Purchase of treasury shares will be commenced as from submission of official tender.

8. During the official voluntary tender offer, AB „Rokiškio sūris" bought up 78 365 own shares. It makes 1,83 % of the Company's Authorised Capital.

All information on the company's material events is presented following Article 28 of the Law on Securities of the Republic of Lithuania.

15. Information on compliance with the Governance Code.

In general AB „Rokiškio sūris" keeps following the recommendatory Governance Code applied to the listed companies and approved by Vilnius Stock Exchange.

TO: The Lithuanian Securities Commission
Konstitucijos pr.23
Vilnius

28th August 2007

ENDORSEMENT BY THE RESPONSIBLE PERSONS

Pursuing Article 22 of the Law on Securities of the Republic of Lithuania, we, the undersigned – the Chief Executive Officer Antanas Trumpa and the Chief Financial Officer Antanas Kavaliauskas – approve that the six month consolidated financial interim report of „Rokiškio sūris" for the year 2007, is formed in accordance with applicable accounting standards, is true and shows fair assets, obligations, financial state and profits of the Company and total consolidated group.

Attached: Six month consolidated financial interim report of „Rokiškio sūris" for the year 2007.

Chief Executive Officer Antanas Trumpa

Chief Financial Officer Antanas Kavaliauskas

LIETUVOS RESPUBLIKA Akcinė bendrovė ROKIŠKIO SŪRIS „ROKIŠKIO SŪRIS" ROKIŠKIS

CONSOLIDATED FINANCIAL INTERIM REPORT OF AB “ROKIŠKIO SŪRIS“ FOR THE SIX MONTH PERIOD FOR THE YEAR 2007

(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)

AB „ROKIŠKIO SŪRIS“
CONSOLIDATED FINANCIAL ACCOUNT as at 30th June 2007
Company code 173057512, address: Pramonės g. 3, LT-42150 Rokiškis, Lithuania
(prepared according to International Accounting Standards)

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

Consolidated Balance sheet

	June 30th 2007		December 31st 2006		June 30th 2006	
PROPERTY						
Non-current assets						
Long-term tangible assets	114,880		122,822		131,020	
Intangible assets (with prestige)	395		547		811	
Other receivables in a year	13,774		13,167		11,935	
		129,049		136,536		143,766
Current assets						
Inventories	63,903		102,703		61,174	
Receivables and advance payments	106,758		81,223		86,770	
Short-term investments	-		1,625		-	
Cash and cash equivalents	3,127		669		806	
		173,788		186,220		148,750
Total assets		**302,837**		**322,756**		**292,516**
EQUITY AND LIABILITIES						
Capital and reserves						
Ordinary shares	42,716		47,462		47,462	
Share premium	41,473		41,473		41,473	
Reserve for acquisition of treasury shares	20,000		30,000		10,000	
Treasury shares			(20,352)		(16,224)	
Other reserves	64,199		69,805		69,805	
Retained earnings	27,765		24,645		36,318	
		196,153		193,033		188,834
Non-current liabilities						
Non-current liabilities					3,204	
Deferred income	10,269		6,703		8,047	
		10,269		6,703		11,251
Current liabilities						
Trade and other payables	38,196		44,303		42,875	
Deferred income	6,132		2,380			
Financial debts	52,087		76,337		49,556	
		96,415		123,020		92,431
Total equity and liabilities		**302,837**		**322,756**		**292,516**

AB „ROKIŠKIO SŪRIS“
CONSOLIDATED FINANCIAL ACCOUNT as at 30th June 2007
Company code 173057512, address: Pramonės g. 3, LT-42150 Rokiškis, Lithuania
(prepared according to International Accounting Standards)

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

Consolidated profit (loss) report

	Year ended June 30th 2007	Year ended June 30th 2006
Sales	313,113	238,355
Cost of sales	(273,359)	(214,374)
Gross profit	39,754	23,981
Selling and marketing expenses	(20,717)	(18,222)
Operating profit	19,037	5,759
Finance costs	(1,335)	(1,063)
Profit before tax	17,702	4,696
Income tax	(4,501)	
Operating activity income	13,201	4,696
Minority interests		
Net profit	13,201	4,696

Antanas Trumpa

CEO

Virginija Navickienė

Chief accountant

AB „ROKIŠKIO SŪRIS“
CONSOLIDATED FINANCIAL ACCOUNT as at 30th June 2007
Company code 173057512, address: Pramonės g. 3, LT-42150 Rokiškis, Lithuania
(prepared according to International Accounting Standards)

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

Consolidated cash flow statement

	6 months ended at June 30th	
Operating activities	**2007**	**2006**
Profit before tax and minority interest	17,702	4,696
Corrections:		
– depreciation	12,598	9,982
– depreciation (negative prestige not included)	241	386
– written off long-term tangible assets	29	1,643
– loss in long-term tangible asset sales	9	2
– interest expenses	1,615	721
– interest income	(148)	(142)
– net unrealized currency exchange profit	321	(177)
– export subsidies received	(12,966)	(530)
– depreciation of long-term tangible asset support	(1,046)	(983)
Circulating capital changes:		
- inventories	38,801	9,941
- payables	25	1,525
- receivables and advance payments	(17,284)	(29,715)
Cash flows generated from operating activities	39,897	(2,651)
Interest paid	(1,615)	(721)
Income tax paid	(2,907)	(3,672)
Cash flows from operating activities	35,375	(7,044)
Investing activities		
Purchase of long-term tangible assets	(7,652)	(10,753)
Purchase of intangible assets	(26)	-
Purchase of investments	-	-
Loans granted to farmers and employees	(2,158)	(162)
Proceeds from long-term tangible asset sales	601	186
Repayments of loans granted to farmers and employees	1,501	1,366
Interest received	148	142
Subsidies for long-term tangible assets	2,232	-
Net cash flows from investing activities	(5,354)	(9,221)
Financing activities		
Acquisition of treasury shares	-	-
Finance lease principal payments	-	(156)
Loans granted	86,032	241,344
Loan repayments received	(103,514)	(217,340)
Dividends paid	(10,081)	(9,961)
Net cash flows from financing activities	(27,563)	13,887
Net increase in cash and cash equivalents	2,458	(2,378)
Cash and cash equivalents at the beginning of the period	669	3,184
Cash and cash equivalents at the end of the period	3,127	806

AB „ROKIŠKIO SŪRIS“
CONSOLIDATED FINANCIAL ACCOUNT as at 30th June 2007
Company code 173057512, address: Pramonės g. 3, LT-42150 Rokiškis, Lithuania
(prepared according to International Accounting Standards)

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

Consolidated Own Capital Change Statement (thousand LTL)

	Share capital	Share premium	Reserve for acquisition of treasury shares	Treasury shares	Other reserves	Retained earnings	Total	Minority interest	Total
Net book amount at 31 st December 2006	47,462	41,473	30,000	(20,352)	69,805	24,645	193,033	-	193,033
Acquisition of treasury shares	(4,746)	-	(10,000)	20,352	(5,606)				
Dividends paid for year 2006	-	-	-			(10,081)	(10,081)		(10,081)
Net profit	-	-	-	-	-	13,201	13,201		13,201
Net book amount at 30th June 2007	42,716	41,473	20,000		64,199	27,765	196,153	-	196,153

AB „ROKIŠKIO SŪRIS“
CONSOLIDATED FINANCIAL ACCOUNT as at 30th June 2007
Company code 173057512, address: Pramonės g. 3, LT-42150 Rokiškis, Lithuania
(prepared according to International Accounting Standards)

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

Commentary on the Report

1. General information

The joint stock company “Rokiškio sūris” (henceforth – the company) is a listed joint stock company located in Rokiskis.

AB “Rokiškio sūris” shares are traded on the Official trade list of Vilnius Stock Exchange.

The Consolidated Group (henceforth – the Group) consists of the company and two of its subsidiary companies: Utenos pienas and Ukmerges pienine, and one daughter enterprise. The subsidiary companies and daughter enterprise are included into the consolidated financial reports.

The Group’s main performance is production of fermented cheese and other dairy products. On 30th June 2007, 1 769 employees were working in the Group (compared to 1 842 employees as on 30th June 2006).

2. Accounting Principles

2.1. Preparation Basis

This consolidated financial account has been prepared according to International Financial Reporting Standards as adopted by the European Union and International Financial Reporting Standards issued by the IASB. All International Financial Reporting Standards issued by the IASB and effective at the time of preparing these consolidated financial statements have been adopted by the EU through the endorsement procedure established by the European Commission.

2.2. The Group’s report

Daughter enterprises

Daughter enterprises are the enterprises where the Group has the right to control their finance and performance policy. Usually this kind of control is possible when the company has more than a half of shares with the right to vote. Complete consolidation of daughter enterprises begins from the day when the Group takes control over these enterprises, and, on the other hand, consolidation is stopped with the loss of such control.

To acquire daughter enterprises the Group applies the method of purchase. Acquisition at cost price is determined by adding fair transfer property value, treasury share value and liability value to direct acquisition costs on the day of purchase. In case of business mergers, identified acquired assets and liabilities, as well as undetermined liabilities, in the beginning are evaluated at fair prices on the day of purchase, regardless of any minority share size. Part of the purchase cost exceeding the fair value of the Group’s purchased daughter enterprise net assets is counted as prestige. In case purchase costs are smaller than the fair value of the Group's purchased daughter enterprise net assets, the difference in price is directly acknowledged in the income statement.

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.

Transactions and Minority Share

The Group considers transactions with minority shareholders to be the transactions with parties not belonging to the Group. The Group receives profit or loss from minority share sale and it is accounted in the income statement.

2.3. Foreign currency exchange

Functional and presentation currency

The financial report articles of any of the Group's enterprises are expressed in the currency of the first economic environment where the company performs its activities (henceforth called - functional currency). The consolidated financial report is presented in Lithuanian litas (LTL), which is the functional and presentation currency of both the company and any of the Group enterprises.

Litas is related to euro with 3,4528 litas/ 1 euro ratio.

Transactions and residual values

Foreign currency transactions are recalculated into functional currency with the help of currency exchange rates on the day of transaction. Currency exchange profit and loss in various transaction payments, as well as in recalculation of cash assets and liability residual values, expressed in foreign currency, are accounted in the income statement.

2.4. Long-term tangible assets

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	25 – 55 years
Plant & machinery	5 - 15 years
Motor vehicles	3 - 5 years
Equipment and other property, plant and equipment	3 - 8 years

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, the carrying amount is immediately reduced to its recoverable amount (Note 2.6).
Interest costs of borrowings to finance long-term tangible asset constructions are capitalised till long-term tangible assets are prepared for their further use. Other borrowing costs are recognised as expenses once experienced.

Construction in progress is transferred into appropriate long-term tangible asset groups when it is completed and the assets are ready to be used as determined.

When long-term tangible assets are written off or otherwise transferred, their costs and related depreciation are no longer deducted in financial accounts. Meanwhile profit or loss, calculated as a difference between the income and the carrying amount of transferred long-term tangible assets, are reported under operating profit.

2.5. Intangible assets

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.

2.6. Intangible asset value decrease

Assets with accumulated depreciation are reviewed in order to determine their lost value when certain events or circumstances testify that their carrying amount might not be recovered. The difference of the carrying amount from the recoverable amount is reported as the asset value decrease. The recoverable amount is the fair asset value less sale costs, or the working value, depending on which of them is higher. To determine the asset value decrease, assets are grouped into the smallest groups that help determine individual cash flows (units creating cash flows).

2.7. Financial assets

The Group classifies its financial assets into the following groups: 1) financial assets at fair value through profit or loss and 2) borrowings and receivables. Classification depends on financial asset destination. The managing bodies determine the classification of financial assets during their first financial statement, and later on they review it at each balance sheet date.

Financial assets are calculated at their fair value through profit or loss.

This group has two subgroups: financial assets for trade and financial assets at fair value through profit or loss once acquired. The financial assets are attributed to the latter subgroup when they are bought in order to be sold shortly after. The managing body seeks not to attribute its financial assets to the financial assets at fair value through profit or loss.

Borrowings and receivables

Borrowings and receivables are non-derivative financial assets which have fixed or determined payments and which are not quoted in the active market. They are reported as current assets when their term is no longer than 12 months from the balance sheet preparation date; otherwise, they are reported as non-current assets. In the balance sheet borrowings and receivables are reported under trade and other receivables.

Investment purchase and sale are acknowledged on the transaction day, namely, when the Group pledges to purchase or sell any property. Financial assets at fair value through profit or loss are first acknowledged at fair value, whereas transaction costs are reported under expenses in the income statement. Investments are no longer reported after the term to receive cash flows from investing activities is ended, or investments have been transferred together with the Group's assets, together with appropriate risks and benefits. Subsequently financial assets at fair value through profit or loss are acknowledged to be at fair value. Borrowings and receivables are counted at depreciation cost using effective interest rate method.

In the income statement profit or loss arising due to the fair value change in financial assets at fair value through loss or profit, including interest and dividend profit, are reported under other income (loss) net value, when necessary.
The fair value of quoted investments is based on actual market prices.

2.8. Inventories

Inventories are reported at their cost price or at their net sale value, depending on which of the values is smaller. The cost price is calculated using the method of FIFO. The cost of ready production or production in progress consists of raw material, direct labour and other direct or indirect production expenses less borrowing costs. Net sale value is a valuated sale price under usual business conditions less production completion and sale expenses.

2.9. Sale and other receivables

In the beginning receivable sums are reported at their fair value and subsequently at their depreciated cost less value decrease sum, using the method of effective interest rate. The value decrease of receivables is determined when there is objective evidence that the Group will fail in getting back all the sums during the terms determined in advance. Value decrease sum is the difference between the carrying amount and the actual value of evaluated future cash flows, discounted using the effective interest rate method. In the income statement the value decrease sum is reported under general and administrative expenses. Bad debts are written off in the year when they are determined as impossible to settle.

2.10. Cash and cash equivalents

Cash and cash equivalents are reported at their nominal value. In the cash flow statement cash and cash equivalents mean bank and cash-register money, as well as bank overdrafts. In the balance sheet bank overdrafts are reported under financial debts as current liabilities.

2.11. Share capital

Ordinary registered shares

Ordinary registered shares are reported at their nominal value. The sum received from sold shares exceeding their nominal value is reported as share premium. Additional expenses directly attributed to new share emission are reported by subtracting them from share premium.

Treasury shares

When the company or its daughter enterprises acquire the company shares, the sum paid for them, including all additional expenses, is subtracted from shareholder property as treasury shares until they are not sold, newly launched for sales or cancelled. When treasury shares are sold, launched for sales or cancelled no profit or loss are reported in the income statement. When such shares are subsequently sold or launched for sales again, the means received are reported as shareholders’ own capital change in the consolidated balance sheet.

2.12. Reserves

Other reserves

Other reserves are formed following the general annual shareholder meeting decision concerning division of retained earnings. These reserves maybe used only for those objectives which are determined by the general annual shareholder meeting.

The reserve determined by law is reported under other reserves. Following the law regulations of the Republic of Lithuania, the latter reserve is obligatory. Annual transfer to the reserve determined by law makes 5 per cent of the net result. The reserve is obligatory until it reaches 10 per cent of the share capital. The reserve determined by law cannot be attributed to dividend payment, however, it maybe used to cover future losses.

Reserve for acquisition of treasury shares

This reserve is reported until the Group performs treasury share acquisition/sale. Following the law regulations of the Republic of Lithuania, the reserve is obligatory and it cannot be lower than the total purchase amount of the acquired treasury shares.

2.13. Liabilities

In the beginning liabilities are reported at their fair value without transaction costs. Subsequently the loans granted are reported at their depreciated cost, whereas the difference amount between the proceeds received (less transaction costs) and the loan repayments is reported in the income statement during the entire loan period using the method of effective interest rate.

2.14. Put off income tax

Income is taxed 15 per cent (in year 2006 - 15 per cent) of income tax rate according to the laws on taxes of the Republic of Lithuania.

Following the newly accepted provisional Social Tax Law of the Republic of Lithuania, social taxes applied for taxable income for years 2006 and 2007 make 4 and 3 per cent accordingly.

Put off income tax is counted using the method of liabilities for temporary differences, resulting between the assets and the taxable liability basis, as well as its balance sheet value in the consolidated financial account. It is not acknowledged in case it is accumulated due to the primary asset or liability acknowledgement in other than business merger types of transactions, where put off income tax has no influence both on the carrying and on the taxable profit or loss. Put off income tax is calculated using the tax rates (and laws) confirmed on the balance sheet preparation day. The latter tax rates are applied on the day when income tax assets are sold or tax liabilities are implemented.

Put off income tax assets are acknowledged in those amounts that are expected to be received in terms of taxable profit, sufficient to cover temporary differences.

Put off income tax is calculated for temporary differences due to investments made into daughter enterprises, except when the Group controls the temporary difference cover period and temporary differences are not likely to be covered shortly.

2.15. Leasing and leased assets, where the Group is a lessee

Leasing

The use of long-term tangible assets, where the Group basically accepts all risks and benefits in relation to proprietary rights, is called leasing. In the beginning leasing is capitalised into the smaller of the two amounts, namely, either the fair value of leased long-term tangible assets or the current value of evaluated minimal lease payments. The lease payment is divided into liabilities and financing costs in order to form a constant interest rate for the remaining lease liability balance. Accordingly, lease payments less future financing costs are reported under long-term payables, except when payments are to be performed in 12 months; this way they are reported under current liabilities. Long-term tangible assets acquired in terms of leasing are depreciated during their functional working period or during the leasing period, depending on which of the two is shorter.

Leasing

Leased assets where a lessee preserves a significant part of risk and leased asset benefit, are called leasing. In the income statement lease payments (less any of the lessee’s received allowances) are acknowledged as expenses in proportion to the entire leasing period.

2.16. Payments to employees

Social insurance payments

For its employees the Group pays social income payments to the State Social Insurance Fund (henceforth – the fund), following a determined payment plan and in accordance to local legal act requirements. The determined payment plan is a plan, according to which the Group makes constant payments to the fund. In case the fund does not have enough property to provide all employees with payment related to their service in the actual or passed period, the Group has no more legal or constructive obligation to continue constant payments. Social insurance payments are considered to be expenses, following accumulation principle. They are reported under salary expenses.

Leave payouts

Leave payouts are paid to employees when they terminate their work relations with the employer before the usual pension leave or when an employee voluntarily takes a decision to leave work in exchange to such payments. The Group agrees to pay leave payouts when it is clearly obliged to terminate its work relations with actual employees, following detailed work relation termination conditions and without any possibility of refuse, or it is obliged to pay them in exchange for a voluntary leave from work. In case leave payouts are paid later than in 12 month period from the balance sheet date, they have to be discounted up to their current value.

Bonuses

The Group acknowledges bonuses as liability and expense when it is obliged by a contract or a constructive obligation following long term experience.

2.17. Income acknowledgement

Income from sale consists of the fair value of proceeds received or receivable for the goods sold and services provided during the Group's operating activities. It is received by subtracting the added value tax, returned goods and price allowances, and by removing the sales inside the Group. The income from production sale is counted only after the purchaser overtakes all the significant risks and benefits related to proprietary rights.

Interest income is acknowledged in proportion using the method of effective interest rate. When the amount of receivable sum is reduced the Group reduces its carrying amount accordingly up to the recoverable amount, consisting of evaluated future cash flows, discounted following the primary interest rate, and subsequently it counts the discount as the interest income. For decreased value loans the income interests are counted using effective primary interest rate.

2.18. Dividends paid

In the Group's financial report payment of dividends to the company's shareholders becomes obligatory only after it is confirmed by the company's shareholders.

2.19. Income per share

The general income per share is counted by dividing the shareholders' net profit by the weighted average of ordinary registered shares launched. The ordinary registered shares bought by the Group are not included since they are valued as treasury shares.

2.20. Information on segments

The Group's only business segment is production of cheese and dairy products; therefore, information on the main segment is not provided. In geographic segments goods or services are provided in special economic environment, where risk and profit differ from other component parts acting in another economic environment.

2.21. Government grants and subsidies

Governmental subsidies are counted at their fair value when there is enough evidence confirming that subsidies are to be received and the Group is in conformity with the conditions raised.

Export subsidies, paid by the Government for every ton of goods in conformity with requirements, are registered under income from sales.

In the balance sheet the government subsidies granted to finance the purchase of long-term tangible assets are reported under long-term future income. They are acknowledged as income using the straight-line method during the relative long-term tangible asset functional working period.

2.22. Putting off

Putting offs to cover restructure expenses and law suits are acknowledged when: 1) the Group has actual legal or constructive obligations related to past events, 2) it is more likely than unlikely that resources will be necessary to implement the obligation; 3) the amount of obligations maybe credibly evaluated. Putting offs are not acknowledged for future operating activity losses.

Putting offs are evaluated as the actual value of expected obligatory expenses, applying the pre-tax tariff which reflects actual market considerations concerning cash time value and appropriate obligation risks. Putting off increase due to period changes is acknowledged as interest costs.

3. Financial risk management

Financial risk factors

The Group’s activities are exposed to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

<u>Market risk: foreign exchange risk</u>

The Group operates internationally, however, its exposure to foreign exchange risk is set at minimum level, since its sales outside Lithuania are performed in euro. The exchange rate of the euro and the litas is fixed by the Lithuanian National Bank.

<u>Credit risk</u>

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history.

<u>Liquidity risk</u>

Prudent liquidity risk management allows to maintain sufficient cash and availability of funding under committed credit facilities.

<u>Interest rate risk</u>

The Group has no significant interest-bearing assets. The Group’s policy is to maintain a diversified debt portfolio. The Group’s income and cash flow from the main activities are not dependent on changes of market interest rate. The split between fixed and floating interest rate depends on the actual situation in the market.

Fair value determination

The nominal value of receivables less the value decrease together with the nominal value of payables correspond to their fair values. To make financial statement objectives more clear, the fair value of financial obligations is determined by discounting future contractual cash flows using actual market interest rate, applied by the Group for similar financial means.

4. Significant accounting evaluations and decisions

Evaluation of the functional working periods of long-term tangible assets

The Group has old buildings and equipment whose functional working periods have been evaluated according to planned product life cycles. However, economic functional working periods may differ from actual evaluations due to technical innovations or competitor actions.

5. Information on segments

Primary segment – business segments

The Group's main business segment is production of cheese and dairy products.

Secondary segment – geographic segments

All the Group's assets are in Lithuania. Analysis of the Group's income from sales according to markets is as follows:

Sales

	30 06 2007	30 06 2006	Change (%)
Lithuania	105,951	98,954	7,07
European Union countries	145,543	82,471	76,48
Commonwealth of Independent States	53,645	54,343	-1,28
Other (including the United States and Japan)	7,974	2,587	208,23
Total	313,113	238,355	31,36

Income from sales attributed to geographic segments according to the customer's location.

Income analysis according to groups:

	30 06 2007	30 06 2006	Change (%)
Product Sales	305,559	227,172	34,51
Export subsidies	6,750	10,277	-34,32
Provided services	804	906	-11,26
	313,113	238,355	31,36

Following the European Commission's Regulation "Concerning covering export costs of milk and dairy products", starting from 1st May 2004 the company has the right to receive subsidies for the cheese exported to the countries determined by the latter Regulation. Export subsidies are paid for every ton of exported production which is in conformity with the Regulation requirements. Payable export subsidies are reported under trade and other payables.

6. 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.

7. Other receivables

	30 06 2007	30 06 2006
Long-term loans granted to farmers	11,814	10,863
Long-term loans granted to employees	445	1,041
Other	1,515	31
	13,774	11,935

The repayment terms of loans granted to farmers vary from 1 to 15 years, whereas the annual interest rate varies from 1 to 10 per cent. The weighted interest rate is 8,35 per cent.

The repayment terms of loans granted to employees vary from 5 to 25 years, whereas the interest rate for them is not calculated. The weighted interest rate is 10,32 per cent.

The company's managing bodies believe that the balance sheet values of long-term receivables are their fair values.

8. Inventories

	30 06 2007	30 06 2006	Change (%)
Raw material	9,718	10,367	-6,26
Production in progress	12,073	14,030	-13,95
Ready production	42,112	36,777	14,51
Total	63,903	61,174	4,46

9. Selling and Other Receivables

	30 06 2007	30 06 2006	Change (%)
Selling receivables	69,152	47,898	44,37
Receivable export subsidies	5,928	17,155	-65,44
Other receivables	26,694	17,948	48,73
Advance payments and future period expenses	4,984	3,769	32,24
Total	106,758	86,770	23,04

10. Cash and cash equivalents

	30 06 2007	30 06 2006	Change (%)
Bank and cash-register money	1,677	806	108,06
Current deposits	1,450		100,00
Total	3,127	806	287,97

11. Share capital

On 31st December 2006, the share capital consisted of 4 746 270 (four million seven hundred forty six thousand two hundred seventy) ordinary registered shares. Nominal value of shares was 10 (ten) litas per share. During the first half year 2007 the share capital decreased by LTL 4.746.170 after 474.617 treasury shares at par value of LTL 10 were annulled.

12. Financial ratios

	30 06 2007	30 06 2006	Change (%)
Revenue (LTL thousand)	313,113	238,355	31,36
Operations profit (LTL thousand)	19,037	5,759	230,56
Margin of operations profit (%)	6,08	2,42	151,23
Profit per share (LTL)	3,09	0,99	212,12
Number of shares (units)	4 271 653	4 746 270	-10

13. Information on the audit

First half year 2007 audit of AB ”Rokiškio sūris” has not been performed.

The audit according to the International Accounting Standards will be made for the full year 2007.