TO: The Lithuanian Securities Commission
Konstitucijos pr. 23
Vilnius

4th March 2010

**ENDORSEMENT BY THE RESPONSIBLE PERSONS**

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 twelve month interim consolidated financial statements of „Rokiškio sūris“ for the year 2009, are formed in accordance with applicable in EU International Accounting Standards, they are true and show fair assets, obligations, financial state and profits (loss) of the Company and total consolidated group of AB “Rokiskio suris”.

*Attached:* Twelve month interim consolidated financial statements of „Rokiškio sūris“ for the year 2009.

Chief Executive Officer Antanas Trumpa

Chief Financial Officer Antanas Kavaliauskas

# INTERIM NON-AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF AB “ROKIŠKIO SŪRIS“ FOR TWELVE MONTH PERIOD OF THE YEAR 2009

*(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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Company code 173057512, address: Pramones str. 3, LT-42150 Rokiškis, Lithuania

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

## Income statement

| The Group | | | The Company | |
|---|---|---|---|---|
| Year ended 31 December | | | Year ended 31 December | |
| **2009** | **2008** | | **2009** | **2008** |
| 560 395 | 681 821 | Sales | 495 688 | 614 828 |
| (483 418) | (631 520) | Cost of sales | (445 211) | (592 449) |
| 76 977 | 50 301 | **Gross profit** | 50 477 | 22 379 |
| (30 602) | (41 027) | Selling and marketing expenses | (17 734) | (19 959) |
| (27 475) | (25 218) | General and administrative expenses | (20 576) | (20 330) |
| 9 340 | 13 257 | Other income | 9 175 | 13 148 |
| (5 875) | (12 216) | Other expenses | (5 991) | (12 231) |
| (7) | (92) | Other operating (losses)/gains - net | (7) | (76) |
| 22 358 | (14 995) | **Operating (loss) / profit** | 15 344 | (17 069) |
| (2 264) | (6 008) | Finance costs | (2 261) | (5 996) |
| 20 094 | (21 003) | **(Loss) / profit before tax** | 13 083 | (23 065) |
| (5 105) | 2 676 | Income tax | (4 733) | 3 148 |
| 14 989 | (18 327) | **Net (loss) / profit** | 8 350 | (19 917) |
| | | **Attributable to:** | | |
| 14 748 | (18 286) | Equity holders of the Company | 8 350 | (19 917) |
| 241 | (41) | Minority interest | | - |
| 14 989 | (18 327) | | 8 350 | (19 917) |
| 0,38 | (0,45) | **Diluted and basics earnings / (loss) per share (LTL per share)** | 0,21 | (0,49) |

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## Income statement

| The Group | | | The Company | |
|---|---|---|---|---|
| 01 September - 31 December | | | 01 September - 31 December | |
| 2009 | 2008 | | 2009 | 2008 |
| 131 563 | 166 621 | Sales | 128 758 | 152 095 |
| (119 006) | (152 174) | Cost of sales | (111 132) | (133 250) |
| 12 557 | 14 447 | **Gross profit** | 17 626 | 18 845 |
| (4 945) | (16 372) | Operating expenses | (8 532) | (6 961) |
| 7 612 | (1 925) | **Operating profit** | 9 094 | 11 884 |
| (341) | (2 643) | Finance costs | (336) | (1 773) |
| 7 271 | (4 568) | **Profit before tax** | 8 758 | 10 111 |
| (1 978) | (995) | Income tax | (4 411) | |
| 5 293 | (5 563) | **Net profit** | 4 347 | 10 111 |
| | | **Attributable to:** | | |
| 5 280 | | Equity holders of the Company | - | - |
| 13 | | Minority interest | | |
| 5 293 | | | - | - |

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## Balance sheet

| The Group | | | The Company | |
|---|---|---|---|---|
| As at 31 December | | | As at 31 December | |
| **2009** | **2008** | | **2009** | **2008** |
| | | **ASSETS** | | |
| | | **Non-current assets** | | |
| 108 577 | 129 206 | Property, plant and equipment | 79 586 | 98 847 |
| 390 | 2 420 | Intangible assets | 400 | 318 |
| 186 | 1 186 | Investments into subsidiaries | 28 304 | 29 773 |
| 374 | 4 272 | Deferred income tax asset | 374 | 4 785 |
| 17 605 | 27 202 | Loans granted | 17 605 | 27 064 |
| | 955 | Other receivables | - | 955 |
| 127 132 | 165 241 | | 126 269 | 161 742 |
| | | **Current assets** | | |
| 30 222 | 87 223 | Inventories | 24 478 | 80 151 |
| 3 664 | 1 723 | Loans granted | 3 391 | 1 713 |
| 83 045 | 97 587 | Trade and other receivables | 70 101 | 91 788 |
| 2 472 | 6 273 | Prepaid Income Tax | 889 | 5 674 |
| 101 187 | 3 242 | Cash and cash equivalents | 100 797 | 2 630 |
| 220 590 | 196 048 | | 199 656 | 181 956 |
| 347 722 | 361 289 | **Total assets** | 325 925 | 343 698 |
| | | **EQUITY** | | |
| | | **Attributable to the equity holders of the Company** | | |
| 38 445 | 42 716 | Share capital | 38 445 | 42 716 |
| 41 473 | 41 473 | Share premium | 41 473 | 41 473 |
| 14 188 | 28 746 | Reserve for acquisition of treasury shares | 14 188 | 28 746 |
| - | (15 492) | Treasury shares | - | (15 492) |
| 7 074 | 7 074 | Other reserves | 7 074 | 7 074 |
| 83 741 | 68 993 | Retained earnings | 72 073 | 63 723 |
| 184 921 | 173 510 | | 173 253 | 168 240 |
| 514 | 273 | **Minority interest** | | |
| 185 435 | 173 783 | **Total equity** | 173 253 | 168 240 |
| | | **LIABILITIES** | | |
| | | **Non-current liabilities** | | |
| 137 | 8 | Borrowings | | |
| 7 296 | 8 445 | Deferred income | 5 241 | 6 383 |
| 7 433 | 8 453 | | 5 241 | 6 383 |
| | | **Current liabilities** | | |
| 965 | - | Income tax liabilities | 323 | |
| 99 463 | 124 632 | Borrowings | 99 462 | 124 446 |
| 2 983 | 2 843 | Deferred income | 2 548 | 2 498 |
| 50 619 | 50 754 | Trade and other payables | 44 274 | 41 307 |
| 824 | 824 | Provisions | 824 | 824 |
| 154 854 | 179 053 | | 147 431 | 169 075 |
| 162 287 | 187 506 | **Total liabilities** | 152 672 | 175 458 |
| 347 722 | 361 289 | **Total equity and liabilities** | 325 925 | 343 698 |

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## The Company's statement of changes in equity

| | Share capital | Share premium | Reserve for acquisition of treasury shares | Treasury shares | Other reserves | Retained earnings | Total |
|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2008** | **42 716** | **41 473** | **14 394** | **(4 702)** | **5 362** | **109 606** | **208 849** |
| Net loss for the period | - | - | - | - | - | (19 917) | (19 917) |
| **Total recognised loss for 2008** | **-** | **-** | **-** | **-** | **-** | **(19 917)** | **(19 917)** |
| Acquisition of own shares | - | - | - | (10 790) | - | - | (10 790) |
| Transfer to reserves | - | - | 14 352 | - | 1 712 | (16 064) | - |
| Dividends relating to 2007. | - | - | - | - | - | (9 902) | (9 902) |
| **Balance at 31 December 2008** | **42 716** | **41 473** | **28 746** | **(15 492)** | **7 074** | **63 723** | **168 240** |
| Net profit for the period | | | | | | 8 350 | 8 350 |
| **Total recognised income for 2009** | | | | | | **8 350** | **8 350** |
| Acquisition of own shares | | | | (3 337) | | | (3 337) |
| Decrease in share capital / cancellation of treasury shares | (4 271) | | (14 558) | 18 829 | | | |
| Reallocation of unutilized distributable reserves | | | | | | | |
| **Balance at 31 December 2009.** | **38 445** | **41 473** | **14 188** | **-** | **7 074** | **72 073** | **173 253** |

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## The Group's statement of changes in equity

| | Attributable to equity holders of the Company | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Share capital** | **Share premium** | **Reserve for acquisition of treasury shares** | **Treasury shares** | **Other reserves** | **Retained earnings** | **Total** | **Minority interest** | **Total** |
| **Balance at 1 January 2008** | **42 716** | **41 473** | **14 394** | **(4 702)** | **5 362** | **113 245** | **212 488** | **-** | **212 488** |
| Acquisition of subsidiaries | | | | | | | | 314 | 314 |
| Net loss for the period | - | - | - | - | - | (18 286) | (18 286) | (41) | (18 327) |
| **Total recognised loss for 2008** | **-** | **-** | **-** | **-** | **-** | **(18 286)** | **(18 286)** | **(41)** | **(18 327)** |
| Acquisition of own shares | - | - | - | (10 790) | - | - | (10 790) | | (10 790) |
| Transfer to reserves | - | - | 14 352 | - | 1 712 | (16 064) | - | - | - |
| Dividends relating to 2007. | - | - | - | - | - | (9 902) | (9 902) | - | (9 902) |
| **Balance at 31 December 2008** | **42 716** | **41 473** | **28 746** | **(15 492)** | **7 074** | **68 993** | **173 510** | **273** | **173 783** |
| Net profit for the period | | | | | | 14 748 | 14 748 | 241 | 14 989 |
| **Total recognised income for 2009** | | | | | | **14 748** | **14 748** | **241** | **14 989** |
| Acquisition of own shares | | | | (3 337) | | | (3 337) | | (3 337) |
| Decrease in share capital / cancellation of treasury shares | (4 271) | | (14 558) | 18 829 | | | | | |
| Reallocation of unutilized distributable reserves | | | | | | | | | |
| **Balance at 31 December 2009.** | **38 445** | **41 473** | **14 188** | **-** | **7 074** | **83 741** | **184 921** | **514** | **185 435** |

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## Cash flow statement

| The Group | | | The Company | |
|---|---|---|---|---|
| Year ended 31 December | | | Year ended 31 December | |
| **2009** | **2008** | | **2009** | **2008** |
| 20 094 | (21 003) | **Net profit (loss) before tax** | 13 083 | (23 065) |
| | | Adjustments for: | | |
| 27 735 | 24 966 | - depreciation | 23 092 | 22 286 |
| 2 182 | 2 813 | - amortisation | 61 | 252 |
| (1 142) | 12 582 | – other adjustments | (1 762) | 17 718 |
| | | Changes in working capital | | |
| 17 437 | (28 476) | – receivables and prepayments | 24 036 | (30 251) |
| 56 601 | 14 758 | – inventories | 55 274 | 16 366 |
| 10 132 | (26 690) | – payables | 5 400 | (27 244) |
| 133 039 | (21 050) | **Cash (used in) / generated from operations** | 119 184 | (23 938) |
| (2 261) | (6 009) | Interest paid | (2 261) | (5 996) |
| (2 010) | (14 692) | Income tax paid | 9 196 | (12 305) |
| 128 768 | (41 751) | Net cash (used in) / generated from operating activities | 126 119 | (42 239) |
| | | **Cash flows from investing activities** | | |
| (8 075) | (40 025) | Purchase of property, plant and equipment | (4 456) | (34 540) |
| (152) | (229) | Purchase of intangible assets | (143) | (229) |
| - | (1 142) | Purchase of investments (for the Group net of cash acquired) | - | (1 509) |
| (1 841) | (945) | Loans granted to farmers and employees | (1 841) | (945) |
| (17 418) | (1 221) | Other loans granted | (17 418) | (1 612) |
| 842 | 492 | Proceeds from sale of property, plant and equipment | 546 | 239 |
| 2 080 | 5 645 | Government Grants received | 1 562 | 4 665 |
| 15 965 | 216 | Other loan repayments received | 15 966 | 215 |
| 4 919 | 9 498 | Loan repayments from farmers and employees | 4 919 | 9 498 |
| 1 233 | 786 | Interest received | 1 233 | 786 |
| (2 447) | (26 925) | Net cash used in investing activities | 368 | (23 432) |
| | | **Cash flows from financing activities** | | |
| - | (9 902) | Dividends paid | - | (9 902) |
| (3 337) | (10 790) | Acquisition of treasury shares | (3 337) | (10 790) |
| 304 761 | 206 780 | Proceeds from borrowings | 304 629 | 206 745 |
| (327 381) | (131 625) | Repayments of borrowings | (327 194) | (131 625) |
| - | - | Finance lease principal payments | | - |
| (25 957) | 54 463 | Net cash generated from / (used in) financing activities | (25 902) | 54 428 |

**Continued**

| | | | | |
|---|---|---|---|---|
| **100 364** | **(14 213)** | **Net (decrease) increase in cash and cash equivalents** | **100 585** | **(11 243)** |
| (18 782) | (4 569) | Cash and cash equivalents at beginning of the year | (19 394) | (8 151) |
| **81 582** | **(18 782)** | **Cash and cash equivalents at end of the year** | **81 191** | **(19 394)** |

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## 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 AB "Rokiškio sūris" are included onto the Baltic Official trade list of "NASDAQ OMX Vilnius" stock exchange (symbol – RSU1L).

The consolidated group (hereinafter the "Group") consists of the Company AB "Rokiskio suris", two branches, five subsidiaries and one joint venture. (In 2008: two branches, eight subsidiaries, and one joint venture). The following tables introduce the subsidiaries and branches:

| | Operating as at December 31st | |
|---|---|---|
| **Branches** | **2009** | **2008** |
| Utenos pienas | Yes | Yes |
| Ukmergės pieninė | Yes | Yes |

| | Group's share (%) as at December 31st | |
|---|---|---|
| **Subsidiaries** | **2009** | **2008** |
| UAB „Rokiškio pienas“ | 100,00 | 100,00 |
| UAB „Skeberdis ir partneriai“ | - | 100,00 |
| UAB „Skirpstas“ | 100,00 | 100,00 |
| KB „Žalmargė“ | 100,00 | 100,00 |
| UAB „Europienas“ | - | 100,00 |
| SIA „Jekabpils Piena Kombinats“ | 50,05 | 50,05 |
| UAB „Batėnai“ * | 100,00 | 100,00 |
| UAB „Pečupė“ * | - | 100,00 |
| **Joint venture** | | |
| UAB „Pieno upės“ | 50,00 | 50,00 |

* The subsidiaries are not consolidated with the Group due to their insignificance.

Four of the above subsidiaries, a joint venture and the branches are located in Lithuania. The company SIA „Jekabpils Piena Kombinats“ is in Latvia.

The main field of operations of the Group is production of fermented cheese and other dairy products.

On 31st December 2009, the average number of the Group's employees was equal to 1 089 (compared to 1 162 employees as at December 31st, 2008).

## 2. Accounting Principles

These consolidated financial statements have been prepared according to International Financial Reporting Standards 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 income statement.

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 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.

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.

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.

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.

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.

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.

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.

Other reserves are formed following the general annual shareholder meeting decision concerning division of retained earnings.

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.

Income is taxed 20 per cent (in 2008 - 15 per cent) of income tax rate according to the laws on taxes of the Republic of Lithuania.

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. Social insurance payments are considered to be expenses, following accumulation principle. They are reported under salary expenses.

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.

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.

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.

The Group is organized on a basis of two main business segments: Fresh milk products and Cheese and other dairy products. Secondary reporting format – geographical. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

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.

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.

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

## 3. Information on segments

*Primary segment – business segments*

The Group's main business segments:
- Fresh dairy products
- Cheese and other dairy products.

Other operations of the Group mainly comprise of milk collecting activity. Transactions between the business segments are on normal commercial terms and conditions.

*Secondary segment – geographic segments*

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

| The Group | | | The Company | |
|---|---|---|---|---|
| **2009** | **2008** | | **2009** | **2008** |
| 243 679 | 258 852 | Lithuania | 191 140 | 209 723 |
| 259 383 | 316 362 | European Union countries | 247 215 | 298 498 |
| 57 333 | 106 607 | Other (including USA and Japan) | 57 333 | 106 607 |
| 560 395 | 681 821 | Total | 495 688 | 614 828 |

Income analysis according to groups:

| The Group | | | The Company | |
|---|---|---|---|---|
| **2009** | **2008** | | **2009** | **2008** |
| 556 856 | 679 745 | Product Sales | 472 320 | 591 745 |
| 2 634 | - | Export subsidies | 2 634 | - |
| 905 | 1 945 | Provided services | 20 734 | 23 083 |
| 560 395 | 681 821 | Total | 495 688 | 614 828 |

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.

## 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. Loans granted

| The Group 2009 | The Group 2008 | | The Company 2009 | The Company 2008 |
|---|---|---|---|---|
| 2 992 | 7 711 | Long-term loans granted to farmers | 2 992 | 7 711 |
| 130 | 255 | Long-term loans granted to employees | 130 | 117 |
| 14 483 | 19 236 | Other long-term loans granted | 14 483 | 19 236 |
| 17 605 | 27 202 | Long-term loans at net value | 17 605 | 27 064 |

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 loans to other companies increased due to short term loans re-classification into long term loans.

In the opinion of the company's managing bodies the balance sheet values of long-term receivables are their fair values.

## 6. Inventories

| The Group 2009 | The Group 2008 | | The Company 2009 | The Company 2008 |
|---|---|---|---|---|
| 6 116 | 7 423 | Raw material | 2 200 | 3 467 |
| 7 048 | 13 484 | Production in progress | 6 895 | 13 283 |
| 14 992 | 66 007 | Ready production | 13 322 | 63 096 |
| 2 467 | 3 170 | Other inventories | 2 462 | 3 166 |
| 30 623 | 90 084 | Total inventories at cost | 24 879 | 83 012 |
| (401) | (2 861) | Less: write-down to net realizable value | (401) | (2 861) |
| 30 222 | 87 223 | Total inventories | 24 478 | 80 151 |

As at 31st December 2009, the inventories amounting to LTL 65 000 thousand (as at 31st 2008 – LTL 89 380 thousand) were pledged in order to guarantee loan repayment to banks.

## 7. Selling and Other Receivables

| The Group 2009 | The Group 2008 | | The Company 2009 | The Company 2008 |
|---|---|---|---|---|
| | | **Non current receivables** | | |
| - | 955 | Prepayments | - | 955 |
| | | **Current receivables** | | |
| 77 939 | 93 587 | Trade receivables | 67 417 | 89 460 |
| 3 666 | 747 | VAT receivable | 1 255 | - |
| 727 | - | Export subsidies receivables | 727 | - |
| 713 | 3 253 | Prepayments and deferred charges | 702 | 2 328 |
| 83 045 | 97 587 | | 70 101 | 91 788 |

## 8. Cash and cash equivalents

| The Group 2009 | The Group 2008 | | The Company 2009 | The Company 2008 |
|---|---|---|---|---|
| 96 754 | - | Current deposits | 96 699 | - |
| 4 433 | 3 242 | Cash in bank and on hand | 4 098 | 2 630 |
| 101 187 | 3 242 | | 100 797 | 2 630 |

The cash and cash equivalents comprise the following:

| The Group 2009 | The Group 2008 | | The Company 2009 | The Company 2008 |
|---|---|---|---|---|
| 96 755 | - | Current deposits | 96 699 | - |
| 4 433 | 3 242 | Cash in bank and on hand | 4 098 | 2 630 |
| (19 606) | (22 024) | Overdraft | (19 606) | (22 024) |
| 81 582 | (18 782) | | 81 191 | (19 394) |

## 9. Share capital

As at December 31st, 2009, the share capital of AB "Rokiskio suris" was comprised of 38,444,894 (thirty eight million four hundred forty four thousand eight hundred ninety four) litas divided into 38,444,894 (thirty eight million four hundred forty four thousand eight hundred ninety four) ordinary registered shares with par value of LTL 1 (one) each.

During the financial year 2009, AB „Rokiškio sūris“ bought 1,516,600 ordinary registered shares of AB "Rokiškio sūris" at par value of LTL 1 (one litas) via Stock Exchange NASDAQ OMX Vilnius, which is affecting the submarket of official tender offer. It made 3,55 per cent of the company's authorized capital. Including the previously acquired shares, AB „Rokiškio sūris“ owns 4,271,636 (four million two hundred seventy one thousand six hundred thirty six) treasury shares with par value LTL 1 each which makes 10 % of the Authorised Capital of AB "Rokiškio sūris". The company purchased its own shares for LTL 18 829 thousand.
The 31st December 2009 General Meeting of Shareholders resolved to decrease the Authorized capital of AB „Rokiskio suris“ by LTL 4,271,636 (four million two hundred seventy one thousand six hundred thirty six litas) in the way of annulment of 4,271,636 (four million two hundred seventy one thousand six hundred thirty six litas) ordinary registered shares at par value of LTL 1 (one) litas.

The company does not have the right to employ property and non-property rights using the own shares as stated by the Law on Joint Stock Companies.

After annulment of treasury shares, the Authorised capital of AB „Rokiskio suris“ makes LTL 38,444,894 (thirty eight million four hundred forty four thousand eight hundred ninety four litas) divided into 38,444,894 (thirty eight million four hundred forty four thousand eight hundred ninety four) ordinary registered shares at par value of LTL 1 (one) litas.
The nominal value and number of the shares owned by the Company's shareholders shall not change.

As at December 31st, 2009, the Authorised capital of AB „Rokiskio suris“ makes LTL 38,444,894 (thirty eight million four hundred forty four thousand eight hundred ninety four litas) divided into 38,444,894 (thirty eight million four hundred forty four thousand eight hundred ninety four) ordinary registered shares at par value of LTL 1 (one) litas.

The decreased Authorized Capital of AB" Rokiškio sūris" was registered in the Registre of Legal Bodies on 18th December 2009.

## 10. Shareholders

Total number of shareholders of AB „Rokiškio sūris" as at December 31st 2009 was 5,640.

**The shareholders having or owning over 5 percent of the issuer's authorized capital (as at 31.12.2009):**

| 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 g. 3, Rokiškis Lietuva | 15 338 900 | 39,90 | 39,90 | 59,78 | 59,78 |
| **Antanas Trumpa** | Sodų 41a, Rokiškis Lietuva | 5 528 370 | 14,38 | 14,38 | 59,78 | 59,78 |
| **Skandinaviska Enskilda Banken AB clients** | Sergels Torg 2, 10640 Stockholm, Sweden | 3 580 751 | 9,31 | 9,31 | - | - |
| **Swedbank clients** | Liivalaia 8, Tallinn 15040 Estonia | 2 661 402 | 6,92 | 6,92 | - | - |

Information on the trade by ordinary registered shares of AB" Rokiškio sūris"(symbol RSU1L) during the period from January to December 2009 in the Stock Exchange NASDAQ OMX Vilnius:


| Opening price (Lt) | Minimal price (Lt) | Maximal price (Lt) | Closing price (Lt) | Last price (Lt) | Turnover (units) | Turnover (m Lt) | Capitalisation (mln. Lt) |
|---|---|---|---|---|---|---|---|
| 1,73 | 1,65 | 3,75 | 3,20 | 3,00 | 4 062 351 | 8,95 | 115,33 |

## 11. Financial ratios

| The Group 2009 | The Group 2008 | | The Company 2009 | The Company 2008 |
|---|---|---|---|---|
| 560 395 | 681 821 | Revenue (thousand litas) | 495 688 | 614 828 |
| 52 272 | 12 785 | EBITDA (thousand litas) | 38 497 | 5 469 |
| 9,33 | 1,88 | EBITDA margin (%) | 7,77 | 0,89 |
| 14 989 | (18 327) | Operations profit (thousand litas) | 8 350 | (19 917) |
| 2 67 | (2,69) | Margin of operations profit (%) | 1,68 | (3 24) |
| 0,38 | (0,45) | Profit per share (litas) | 0,21 | (0,49) |
| 38 444 894 | 42 716 530 | Number of shares (units) | 38 444 894 | 42 716 530 |

## 12. Information on management bodies:

**Board of Directors:**
**Dalius Trumpa –** Board Chairman (elected by the 25th April 2008 General meeting of shareholders). Owns 759 740 ordinary registered shares. i.e. 1,98% of the Authorized capital and votes of AB „Rokiškio sūris“.
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 AB “Rokiskio suris” subsidiary UAB „Rokiškio pienas“, having no shares;
Director of UAB “Rokvalda”, having 100% of shares and votes;
**Antanas Kavaliauskas** – Deputy Chairman (elected by the 25th April 2008 General meeting of shareholders), the Chief Financial Officer of AB „Rokiškio sūris“, having no ownership of AB „Rokiškio sūris“.
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.
**Antanas Trumpa** – Board member (elected by the 25th April 2008 General meeting of shareholders), Chief Executive Officer of AB „Rokiškio sūris“, owning 5 528 370 ordinary registered shares of AB „Rokiškio sūris“, i.e. 14,38 % of the authorized capital and votes of AB “Rokiškio sūris“.
Participation in the activities of other companies:
Shareholder of UAB ”Pieno pramonės investicijų valdymas” with 7 546, i.e. 74,86% of the shares and votes of UAB” Pieno pramonės investicijų valdymas”.
**Ramūnas Vanagas** – Board member (elected by the 25th April 2008 General meeting of shareholders), Development Director of AB „Rokiškio sūris“, having no ownership of shares of AB „Rokiškio sūris“.
Participation in the activities of other companies:
Board member of UAB „Skirpstas“, having no shares.

**Andrius Trumpa –** Board member (elected by the 25th April 2008 General meeting of shareholders), works in Vilnius Gedimino Technikos University in the capacity of lecturer, owns 298 820 shares, i.e. 0,78% of the Authorized capital and votes of AB „Rokiškio sūris“.
He does not participate in the performance and capital of any other companies
**Jonas Kvedaravičius** – Board member, (elected by the 25th April 2008 General meeting of shareholders), Central services director of AB „Rokiškio sūris“, having 24 630 shares of AB „Rokiškio sūris“, i.e. 0,06 % of the company’s authorized capital and votes.
Participation in the activities of other companies:

Shareholder of UAB ”Pieno pramonės investicijų valdymas”, having 3,91 % of the company’s shares and votes;
Director of UAB ”Pieno pramonės investicijų valdymas”.
**Jonas Kubilius** – Board member, (elected by the 25th April 2008 General meeting of shareholders), Logistics director of AB „Rokiškio sūris“, having 19 930 shares of AB „Rokiškio sūris“, i.e. 0,05 % of the company’s authorized capital and votes.
Participation in the activities of other companies:
Shareholder of UAB ”Pieno pramonės investicijų valdymas”, having 3,91 % of the company’s shares and votes;
**Evaldas Dikmonas –** Board member, (elected by the 25th April 2008 General meeting of shareholders), Procurement director of AB „Rokiškio sūris“, having 90 shares of AB „Rokiškio sūris“, i.e. 0,0002 % of the company’s authorized capital and votes.
Participation in the activities of other companies:
Shareholder of UAB ”Pieno pramonės investicijų valdymas”, having 3,91 % of the company’s shares and votes;
Board chairman of UAB „Skirpstas“, having no shares.
Board member of Latvian company SIA Jekabpils piena kombinats, having no shares.
**Darius Norkus–** Board member, (elected by the 25th April 2008 General meeting of shareholders), Sales and Marketing director of AB „Rokiškio sūris“, having no shares of the company.
Participation in the activities of other companies:
Shareholder of UAB ”Pieno pramonės investicijų valdymas”, having 3,91 % of the company’s shares and votes.

## 13. Information on audit

The audit according to the International Accounting Standards will be made for the full year 2009 by audit company UAB “PricewaterhouseCoopers”.

## 14. Key events of the issuer’s activities

1.Resolutions of AB Rokiskio suris approved by the 24th April 2009 General meeting of Shareholders:

1.1. Approved the annual report of AB “Rokiskio suris“ for the year 2008.
1.2. Approved the Audit Report.
1.3. Approved the financial accounting for the year 2008.
1.4. Approved profit (loss) distribution for the year 2008:
1.4.1. Non-distributable profit (loss) at beginning of year LTL 113 245 thou (EUR 32 798 thou)
1.4.2. Approved by shareholders dividends for the year 2007 LTL 9 902 thou (EUR 2 868 thou)
1.4.3. Transfers to reserves provided by law LTL 1 712 thou (EUR 496 thou)
1.4.4. Profit share transferred to reserves for acquisition of own shares LTL 14 352 thou (EUR 4 157 thou)
1.4.5. Non-distributable profit at beginning of year after (loss) dividend payout and transfer to reserves LTL 87 279 thou (EUR 25 278 thou)
1.4.6. Net profit (loss) of fiscal year LTL (18 286) thou ( EUR (5 296) thou)
1.4.7. Distributable profit (loss) LTL 68 993 thou (EUR 19 982 thou)
1.4.8. Profit share for mandatory reserve -
1.4.9. Profit share for acquisition of treasury shares -
1.4.10. Profit share for other reserves -
1.4.11. Profit share for dividend payout -
1.4.12. Profit share for annual payments (tantiemes) to the Board of Directors, employee bonuses and other -

1.4.13. Non-distributable profit (loss) at end of year LTL 68 993 thou (EUR 19 982 thou)
1.5. UAB “PriceWaterhouseCoopers“ appointed as an Auditor of JSC Rokiskio suris.
The Board of Directors will establish the fee for the auditor's work. The Company's Chief Executive Officer is authorized sign a contract with the auditor.
1.6. Approved the regulations for the Audit Committee of AB „Rokiskio suris“ formation and performance.
1.7. Kestutis Kirejevas is elected as an independent member of the Audit Committee. The Board of Directors will establish the fee for the auditor's work. The Company's Chief Executive Officer shall sign a contract with the auditor.

1.8. The following members of the Audit Committee of AB „Rokiskio suris“: Kestutis Kirejevas, Asta Keliuotyte, Rasa Zukauskaite are approved.

2. Regarding purchase of own shares

The 10th July 2009 Board of Directors of AB „Rokiskio suris“ resolved:

1. Pursuing the resolution of the 25th April 2008 general meeting of shareholders of AB ”Rokiskio suris” - to acquire up to 1 516 600 (one million five hundred sixteen thousand six hundred) units of ordinary registered shares of AB ”Rokiskio suris” LTL 1 (one) litas par value. (3,55 per cent of the authorized capital).
2. The price for purchase of own shares is set at LTL 2,20 (two litas 20 ct) per ordinary registered share of AB „Rokiskio suris“.
3. Duration of purchase of own shares - 14 days. The shares will be purchased as from 15th July 2009 until 28th July 2009, via the official tender submarket of Securities Exchange NASDAQ OMX Vilnius.
4. In case the quantity of shares offered for purchase is greater than it is intended to buy, the amount of offered for purchase shares will be proportionally decreased.

3. Increase of block of treasury shares of AB „Rokiskio suris“

AB „Rokiskio suris“ increased its package of treasury shares from 6,45 per cent to 10 per cent resulting from the acquisition of 1 516 600 shares LTL 1 (one) par value for LTL 3 336 520.(EUR 966 323). The pay day of the acquired shares is July 31st, 2009.

4. Resolutions of the Extraordinary General Meeting of Shareholders of JSC Rokiskio suris held on 31st August 2009:

4.1. Regarding decrease of the Authorized Capital of the Company by annulment of treasury shares:
To decrease the Authorised capital of AB „Rokiskio suris“ by LTL 4 271 636 (four million two hundred seventy one thousand six hundred thirty six litas) in the way of annulment of 4 271 636 (four million two hundred seventy one thousand six hundred thirty six litas) ordinary registered shares at par value of LTL 1 (one) litas.
After annulment of treasury shares, the Authorised capital of AB „Rokiskio suris“ shall make LTL 38 444 894 (thirty eight million four hundred forty four thousand eight hundred ninety four litas) ordinary registered shares at par value of LTL 1 (one) litas.

The purpose of the decrease of the Company's Authorised capital is annulment of treasury shares and obtaining the ability to purchase own shares according to the Law on Joint Stock Companies at par value of not more than 1/10 of the Authorized capital.

The Authorised capital shall be decreased solely by the annulled treasury shares. Rokiskio suris AB have purchased 4 271 363 units of own shares (10 per cent of Authorised capital). The nominal value and number of the shares owned by the Company's shareholders shall not change.

4.2. Change of the Company's Articles of Association due to decrease of the Authorized capital:
4.2.1. Due to the change in the company's Authorised Capital after its decrease, to approve the reviewed Articles of Association:
Consequently, point 3.1 shall be read as follows:
„The Authorized capital of the Company consists of LTL 38 444 894 (thirty eight million four hundred forty four thousand eight hundred ninety four litas). The Authorised capital is divided into 38 444 894 (thirty eight million four hundred forty four thousand eight hundred ninety four) ordinary registered shares at par value of LTL 1 (one) litas“
4.2.2. The Chief Executive Officer Antanas Trumpa is authorized to sign the revised Articles of Association and complete all other actions related with the review of the Articles of Association and their incorporation in the Register of juridical entity.

4.3. Regarding purchase of own shares:
4.3.1. To purchase up to 10 per cent of own shares.
4.3.2. Purpose of acquisition of own shares - maintain and increase the price of the company's shares.
4.3.3. Period during which the company may purchase own shares - 18 months from the approval of resolution.
4.3.4. Maximal purchase price per share set as - LTL 12, minimal purchase price per share is set equally to nominal value of share - LTL 1.
4.3.5. Minimal sales price per share of the treasury shares is equal to the price at which the shares were purchased. When selling treasury shares it should be established equal opportunities for all shareholders to acquire the company's shares.
4.3.6. To authorize the Board of Directors to organize purchase and sales of the own shares, establish an order for purchase and sales of the own shares, as well as their price and number, and also complete all other related actions pursuing the resolutions and requirements of the Law on Joint Stock Companies.

4.4. Regarding formation of reserve for purchase of own shares:
To form up a reserve of LTL 10 (ten) million for purchasing of own shares.

5. Registration of new wording of the Articles of Association of AB Rokiskio suris

In course of decrease of the authorized capital of AB “Rokiskio suris” (after annulment of treasury shares), on 18th December 2009 the new wording of the Company's Articles of Association was registered in the Register of Legal Entities of the Republic of Lithuania.
Authorised Capital of the Company is equal to LTL 38,444,894 (thirty eight million four hundred forty four thousand eight hundred ninety four litas). The Authorised Capital is divided into 38,444,894 (thirty eight million four hundred forty four thousand eight hundred ninety four) ordinary registered shares at a par value of LTL 1 (one litas).

6. Regarding purchase of own shares

The 8th January 2010 Board of Directors of AB „Rokiskio suris“ resolved:

1. Pursuing the resolution of the 31st August 2009 general meeting of shareholders of AB ”Rokiskio suris” - to acquire up to 3.844.480 (three million eight hundred forty four thousand four hundred eighty)

units of ordinary registered shares of AB ”Rokiskio suris” LTL 1 (one) litas par value. (10 per cent of the authorized capital).
2. The price for purchase of own shares is set at LTL 2,50 (two litas 50 ct) per ordinary registered share of AB „Rokiskio suris“.
3. Duration of purchase of own shares - 14 days. The shares will be purchased as from 13th January 2010 until 26th January 2010, via the official tender submarket of Securities Exchange NASDAQ OMX Vilnius.
4. In case the quantity of shares offered for purchase is greater than it is intended to buy, the amount of offered for purchase shares will be proportionally decreased.

The Board of Directors of the Company have decided to continue purchase of own shares due to the results of last purchase of the company's shares (15.07.2009 - 28.07.2009), when the amount of offered shares for purchase was four times as much as it was intended to buy, and the price was set as at LTL 2,20 per share. Taking into account the price of last share purchase of LTL 2,20, and the financial results of the Company for 3Q as well as significantly decreased turnover of the Company's shares during the last six months, which made less than LTL 3 million (EUR 869 thousand), the Board of Directors believes that the price for share purchase set as at LTL 2,50 reflects the value of shares.

7. Acquisition of own shares by AB „Rokiskio suris“

In the course of official tender as from 13-01-2010 to 26-01-2010 AB „Rokiskio suris“ purchased 60 units of own shares, and it makes 0,0002 % of the Company's Authorised Capital

8. Regarding establishment of association

The 19th February 2010 Board of Directors of AB „Rokiskio suris“ resolved to establish an association together with other processors of agricultural production. Consequently, the joint stock company Rokiskio suris becomes one of the incorporators of juridical body -Association of Lithuanian Food Industrialists.

All information on the company’s material events is presented following Article 28 of the Law on Securities of the Republic of Lithuania.
The company publishes its information through the base of Central Regulated Information, on the website of Vilnius Securities Exchange NASDAQ OMX http://www.baltic.omxnordicexchange.com and the company’s website www.rokiskio.com