



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

30th November 2012
No.471

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 nine month operational results and a set of interim consolidated financial statements of „Rokiškio sūris“ for the year 2012, are formed in accordance with the applicable accounting standards, they are true and show fair assets, obligations, financial state, profit (loss) and cash flows of the Company and total consolidated group.

Attached: Nine month 2012 operational results and a set of consolidated financial statements of „Rokiškio sūris“.

Chief Executive Officer

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

Antanas Trumpa

Chief Financial Officer

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

Antanas Kavaliauskas





**OPERATIONAL RESULTS AND A SET OF
INTERIM CONSOLIDATED FINANCIAL
STATEMENTS FOR NINE MONTH PERIOD
OF THE YEAR 2012**

(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 consolidated interim report and financial statements	3
2. Key information of the issuer.....	3
3. Information on the issuer's daughter enterprises and subsidiaries.....	3
4. Characterization of the issuer's basic business	4
5. Contracts with financial brokers	4
6. Trade on issuer's securities by stock exchange and other organised markets.....	4
7. Authorized capital of the issuer.....	6
8. Shareholders.....	6
9. Shareholders' rights	7
10. Information on purchase of issuer's own shares	8
11. Operations of the issuer.....	8
12. Management bodies of the issuer	11
13. Consolidated Balance sheet.....	13
14. Consolidated Statement of comprehensive income.....	14
15. Consolidated cash flow statement.....	15
16. Consolidated Own Capital Change Statement	16
17. Commentary on the Report	17

1. Reporting term of the prepared operational results and financial statements

The consolidated financial statements and operational results are prepared for nine month period of the year 2012.

2. Key information of the issuer

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

Legal base: Joint Stock Company.

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

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

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

Website: www.rokiskio.com

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

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

Company code 173057512.

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

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

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

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

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

Subsidiaries of AB “Rokiškio sūris”:

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

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

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

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

Co-controlled company:

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

Branches of AB “Rokiškio sūris”:

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

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

4. Characterization of the issuer's basic business

Basic business of the group of “Rokiškio sūris“:

- ◆ Dairying and cheese production (EVRK 10.51);

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

Daughter enterprises:

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

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

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

Basic business of SIA Kaunata – purchase of raw milk.

Co-controlled company:

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

Branches of AB “Rokiškio sūris“:

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

5. Contracts with financial brokers

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

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

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

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

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

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

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

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

Trade on central market:

Reporting period		Price (Eur)				Turnover (Eur)			
from	to	max.	min.	avver.	Last session	Date of last trade session	max.	min	Last session
2010.01.01	2010.03.31	1,043	0,840	0,987	1,014	2010.03.31	135 646,90	0	14 822,98
2010.04.01	2010.06.30	1,054	0,970	1,026	0,973	2010.06.30	508 303,30	0	3 932,55
2010.07.01	2010.09.30	1,437	0,959	1,231	1,381	2010.09.30	368 253,90	0	13 667,75
2010.10.01	2010.12.31	1,830	1,410	1,735	1,792	2010.12.30	740 490,00	0	0
2011.01.01	2011.03.31	1,789	1,505	1,696	1,750	2011.03.31	92 633,76	0	0
2011.04.01	2011.06.30	1,807	1,410	1,574	1,440	2011.06.30	118 496,02	0	118 496,02
2011.07.01	2011.09.30	1,485	1,370	1,404	1,400	2011.09.30	223.147,30	0	14 035,60
2011.10.01	2011.12.30	1,478	1,205	1,256	1,298	2011.12.30	644 770,74	0	3 595,46
2012.01.01	2012.03.30	1,388	1,29	1,360	1,359	2012.03.30	118 945,00	0	0
2012.04.01	2012.06.30	1,40	1,25	1,36	1,36	2012.06.29	108 953,50	0	4128,00
2012.07.01	2012.09.30	1,30	1,40	1,37	1,40	2012.09.28	641 665,74	0	1158,70

Trade in the shares of AB “Rokiškio sūris” during January-September 2012

Price EUR



Data source – website of AB NASDAQ OMX Vilnius:

http://www.nasdaqomxbaltic.com/market/?instrument=LT0000100372&list=2&pg=details&tab=historical&lang=lt¤cy=0&downloadcsv=0&date=&start_d=1&start_m=1&start_y=2012&end_d=30&end_m=9&end_y=2012

Capitalization of the Securities

Reporting period		Total turnover		Date of last trade session	Capitalization (Eur)
from	to	units	(Eur)		
2009.07.01	2009.09.30	1 123 671	781 760	2009.09.30	39 712 715
2009.10.01	2009.12.31	492 856	440 243	2009.12.30	33 403 233
2010.01.01	2010.03.31	988 352	975 929	2010.03.31	38 983 123
2010.04.01	2010.06.30	1 384 497	1 419 903	2010.06.30	37 406 882
2010.07.01	2010.09.30	829 929	1 022 024	2010.09.30	53 092 399
2010.10.01	2010.12.31	1 564 687	2 715 182	2010.12.30	68 893 250
2011.01.01	2011.03.31	482 039	817 582,95	2011.03.31	62 768 948
2011.04.01	2011.06.30	791 936	1 246 500,83	2011.06.30	51 649 877
2011.07.01	2011.09.30	821 016	1 152 527,70	2011.09.30	50 215 158
2011.10.01	2011.12.30	1 192 435	1 498 010,23	2011.12.30	46 556 625
2012.01.01	2012.03.31	189 564	257 712,33	2012.03.31	48 744 571
2012.04.01	2012.06.30	228 464	310 179,89	2012.06.29	48 780 439
2012.07.01	2012.09.30	835 557	1 142 089,88	2012.09.28	50 215 158

7. Authorized capital of the issuer

As at 30th September 2012, 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	35 867 970	1	35 867 970	100,00

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

8. Shareholders.

Total number of shareholders (as at 28.09.2012)– 5,689 shareholders.

The shareholders having or owning over 5 percent of the issuer’s authorized capital (as at 28.09.2012):

Name, surname Name of company	Address	Proprietary rights			With associated persons	
		Number of shares	Capital share %	Votes %	Capital share %	Number of shares
UAB "Pieno pramonės investicijų valdymas" Company code 173748857	Pramonės str. 3, Rokiškis Lithuania	14 022 173	39,09	39,99	67,91	69,46
Antanas Trumpa	Sodų 41a, Rokiškis Lithuania	7 957 168	22,18	22,69	67,91	69,46
East Capital Baltic Fund Reg.No 556546-8435	Box 364,111 93 Stockholm, Sweden	2 107 415	5,88	6,01	-	-
Swedbank clients Reg. No10060701	Liivalaia 8, Tallinn , Estonia	2 506 617	6,99	7,15	-	-
AB „Rokiškio sūris“ Company code 173057512	Pramones str. 3, Rokiskis, Lithuania	802 094	2,24	-	-	-

9. Shareholders' rights

Shareholders have the following non-economic rights:

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

Shareholders have the following property rights:

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

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

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

10. Information on purchase of issuer's own shares

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

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

Treasury shares have no voting right.

11. Operations of the issuer

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

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

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

Nine month consolidated non-audited net profit of AB „Rokiškio sūris“ Group is equal to LTL 20.174 million, i.e. 2,12 % more than during the same period of the last year. Nine month consolidated non-audited net profit of the Group in 2011 was equal to LTL 19.756 million.

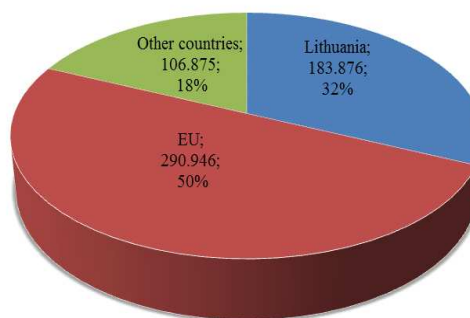
The net profitability of the Group within nine months 2012 made 3.5 per cent.

AB “Rokiškio sūris“ is one of the largest and most modern dairy production companies in Lithuania. The sales are widely spread including the export to East and West markets as well as a range of fresh dairy products sold on the local market and neighbourhood countries.

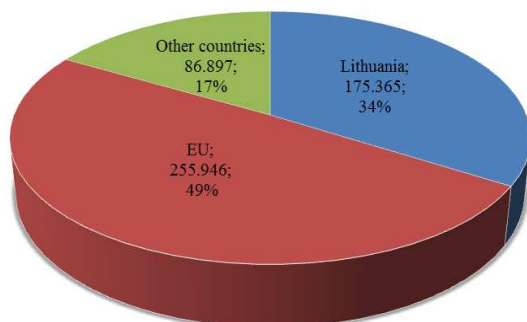
Sales markets during January-September 2011 vs 2012

Countries	Sold			
	January-September 2011		January-September 2012	
	K LTL	%	K LTL	%
Lithuania	175 365	33,84	183 876	31,61
European countries	255 946	49,39	290 946	50,02
Other countries	86 897	16,77	106 875	18,37
Total	518 208	100	581 697	100

Sales markets within Jan-Sep 2012, thousand Lt



Sales markets within Jan-Sept 2011, thousand Lt



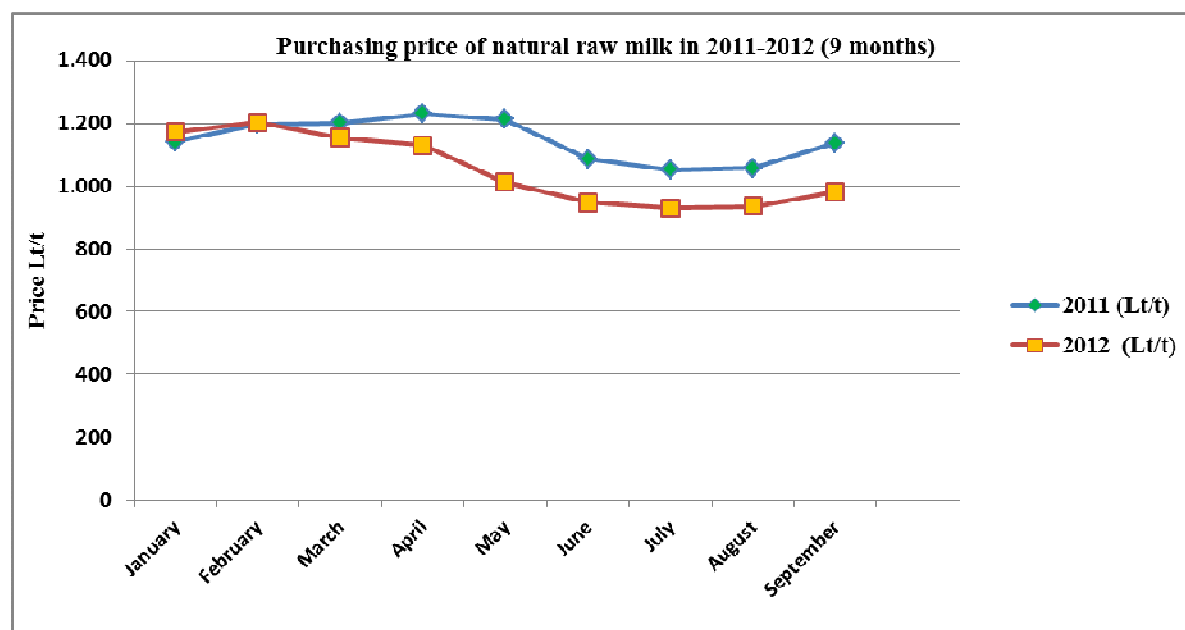
The consolidated non-audited sales of January-September 2012 of AB „Rokiškio sūris“ Group made LTL581.697 million, i.e. 12.25 per cent more than during the same period of last year. The consolidated sales of the same period of 2011 made LTL 518.208 million.

The improved nine month results compared to the same period of last year were caused by the increased quantities of exported production.

The main change in the raw milk purchasing sector was the decrease of raw milk prices and increase of the purchased amount of raw milk.

The table below shows prices of raw milk paid by the Group to large farmers with the farms of European size delivering over 40 tons raw milk per month during the nine month period 2011 and 2012.

Month	Price of natural milk	
	2011 (Lt/t)	2012 (Lt/t)
January	1.142	1.173
February	1.197	1.204
March	1.201	1.155
April	1.230	1.130
May	1.212	1.012
June	1.087	948
July	1.052	931
August	1.057	936
September	1.137	982
Average milk purchasing price for 9 months	1.143	1.047



The price of natural raw milk paid by the Group to large farmers with the farms of European size delivering over 40 tons of raw milk per month during the nine month period in 2012 decreased by 8.4 per cent compared to 2011 (from 1143 Lt/t to 1047 Lt/t).

Within January-September 2012 in Lithuania it was bought 1,047,000 tons of natural milk, i.e. 4.9 per cent more than during the same period last year (998,000 t).

Due to the increased amount of purchased raw milk within 9 months 2012, the production of fermented cheese as well as by products (WPC, lactose, cream etc.) increased also. Consequently, the production costs rose as well. In addition, the increase of key costs was caused by higher prices of power resources, mostly steam and gas, within 9 months 2012. The increase of costs of transportation of raw milk and finished products was caused by higher petrol prices.

12. Management bodies of the issuer

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

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

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

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

Members of the Board of Directors:

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

Participation in the activities of other companies:

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

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

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

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

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

Participation in the activities of other companies:

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

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

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

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

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

Participation in the activities of other companies:

No participation in other companies' activities.

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

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

Participation in the activities of other companies:

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

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

Manager of the Company:

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

Information on the company's manager (director):

The CEO of the Company:

Antanas Trumpa owning 7,957,168 ordinary registered shares of AB „Rokiškio sūris“, i.e. 20.18% of the authorized capital of AB "Rokiškio sūris" and 22.69% of votes.

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

Participation in the activities of other companies:

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

Information on the company's finance director:

Chief Financial Officer Antanas Kavaliauskas

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

AB „ROKIŠKIO SŪRIS“
CONSOLIDATED AND PARENT COMPANY'S
FINANCIAL STATEMENTS as at 30th September 2012

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

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

13. Consolidated Balance sheet

	30 September 2012	31 December 2011	30 September 2011
PROPERTY			
Long-term tangible assets	162 873	169 310	83 257
Intangible assets (with prestige)	1 171	1 330	1 296
Other receivables in a year	14 884	17 303	33 255
	178 928	187 943	117 808
Current assets			
Inventories	100 345	94 968	97 462
Receivables and advance payments	134 472	100 880	121 777
Short-term investments	60 962	53 490	23 410
Cash and cash equivalents	3 336	10 576	15 578
	299 115	259 914	258 227
Total assets	478 043	447 857	376 035
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary shares	35 868	35 868	35 868
Share premium	41 473	41 473	41 473
Reserve for acquisition of treasury shares	40 287	40 287	20 287
Treasury shares	(3 868)	(3 868)	(3 813)
Other reserves	75 195	82 598	7 433
Retained earnings	115 836	93 004	105 208
	304 791	289 362	206 456
Minority share			-
Non-current liabilities			
Deferred income	17 264	18 108	4 550
	17 264	18 108	4 550
Current liabilities			
Trade and other payables	68 615	58 568	77 363
Tax liabilities	5 768	6 030	8 297
Deferred income	3 002	3 258	2 156
Provisions	824	824	1 650
Financial debts	77 779	71 707	75 563
	155 988	140 387	165 029
Total equity and liabilities	478 043	447 857	376 035

AB „ROKIŠKIO SŪRIS“
CONSOLIDATED AND PARENT COMPANY'S
FINANCIAL STATEMENTS as at 30th September 2012

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

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

14. Consolidated Statement of comprehensive income

	January-September		July-September	
	2012	2011	2012	2011
Sales	581 697	518 208	220 815	201 428
Cost of sales	(517 469)	(437 618)	(196 560)	(156 489)
Gross profit	64 228	80 590	24 255	44 939
Selling and marketing expenses	(40 011)	(57 956)	(13 554)	(32 947)
Operating profit (loss)	24 217	22 634	10 701	11 992
Finance costs	(944)	1 384	(276)	714
Profit before tax	23 273	24 018	10 425	12 706
Income tax (accumulation)	(3 099)	(4 346)	(1 209)	(2 625)
Operating activity income (loss)	20 174	19 672	9 216	10 081
Minority interests	-	84	-	-
Net profit (loss)	20 174	19 756	9 216	10 081
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	20 174	19 756	9 216	10 081

AB „ROKIŠKIO SŪRIS“
CONSOLIDATED AND PARENT COMPANY'S
FINANCIAL STATEMENTS as at 30th September 2012

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

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

15. Consolidated cash flow statement

	January-september	
	2012	2011
Operating activities		
Profit before tax and minority interest	23 273	24 018
<i>Corrections:</i>		
- depreciation	16 278	17 913
- depreciation (negative prestige not included)	264	275
- written off long-term tangible assets	30	25
- loss in long-term tangible asset sales	(26)	106
- interest expenses	857	1 027
- interest income	(1 605)	(1 494)
- net unrealized currency exchange profit	(388)	(116)
- export subsidies received	-	-
- depreciation of long-term tangible asset support	(2 152)	(2 347)
<i>Circulating capital changes:</i>		
- inventories	(5 377)	(34 876)
- payables	(5 265)	37 496
- receivables and advance payments	(33 592)	(30 544)
Cash flows generated from operating activities	(7 703)	11 483
Interest paid	(857)	(1 027)
Income tax paid	-	-
Net cash flows from investing activities	(8 560)	10 456
Investing activities		
Purchase of long-term tangible assets	(8 947)	(13 756)
Purchase of intangible assets	-	(68)
Loans granted to farmers and employees	(2 451)	(5 363)
Proceeds from long-term tangible asset sales	119	550
Repayments of loans granted to farmers and employees	8 615	6 598
Interest received	1 605	1 494
Subsidies for long-term tangible assets	1 052	1 219
Net cash flows from investing activities	(7)	(9 326)
Financing activities		
Acquisition of treasury shares	-	(3 813)
Finance lease principal payments	(11)	(11)
Loans granted	434 338	827 671
Loan repayments received	(416 141)	(810 411)
Dividends paid	(4 745)	(3 587)
Net cash flows from financing activities	13 441	9 849
Net increase in cash and cash equivalents	4 874	10 979
Cash and cash equivalents at the beginning of the period	(1 538)	4 599
Cash and cash equivalents at the end of the period	3 336	15 578

AB „ROKIŠKIO SŪRIS“
CONSOLIDATED AND PARENT COMPANY'S
FINANCIAL STATEMENTS as at 30th September 2012

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

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

16. Consolidated Own Capital Change Statement

	Share capital	Share premium	Reserve for acquisition of treasury shares	Treasury shares	Other reserves	Retained earnings	Total	Minority share	Total
Balance at December 31st 2010	38 445	41 473	29 188	(11 478)	7 433	89 123	194 184	450	194 634
Comprehensive income						19 672	19 672	84	19 756
Dividends relating to 2010						(3 587)	(3 587)		(3 587)
Decrease in share capital / cancellation of treasury shares	(2 577)		(8 901)	11 478					
Acquisition of treasury shares				(3 813)			(3 813)		(3 813)
Acquisition of non-controllable share of subsidiary								(534)	(534)
Balance at 30 September 2011	35 868	41 473	20 287	(3 813)	7 433	105 208	206 456	-	206 456
Comprehensive income						7 897	7 897		7 897
Other comprehensive income					75 165		75 165		75 165
Dividends relating to 2010						(101)	(101)		(101)
Acquisition of treasury shares				(55)			(55)		(55)
Allocation to reserves			20 000			(20 000)			
Transactions with owners in total			20 000	(3 868)		(20 101)	(3 969)		(3 969)
Balance at December 31st 2011	35 868	41 473	40 287	(3 868)	82 598	93 004	289 362	-	289 362
Comprehensive income						20 174	20 174		20 174
Other comprehensive income					(7 403)	7 403			
Dividends relating to 2011						(4 745)	(4 745)		(4 745)
Balance at 30 September 2012	35 868	41 473	40 287	(3 868)	75 195	115 836	304 791		304 791

AB „ROKIŠKIO SŪRIS“
CONSOLIDATED AND PARENT COMPANY’S
FINANCIAL STATEMENTS as at 30th September 2012
 Company code 173057512, address: Pramonės g. 3, LT-42150 Rokiškis, Lithuania

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

17. Commentary on the Report

1. General information

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

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

The Consolidated Group (hereinafter – the Group) consists of the Company, its two branches, four subsidiaries and one joint venture. (2011: two branches, four subsidiaries and one joint venture). The branches and subsidiaries that comprise consolidated Group are indicated below:

	Operating as at 30 September	
	2012	2011
Branches		
Utenos pienas	Yes	Yes
Ukmergės pieninė	Yes	Yes

	Group’s share (%) as at 30 September	
	2012	2011
Subsidiaries		
UAB „Rokiškio pienas“	100,00	100,00
KB „Žalmargė“	100,00	100,00
SIA „Jekabpils Piena Kombinats“	100,00	100,00
SIA „Kaunata“*	60,00	60,00

Joint venture		
UAB „Pieno upės“	50,00	50,00

* These subsidiaries were not consolidated due to their insignificance.

On 31st May 2011, the Company acquired 49.95% of the authorized capital of raw milk purchasing company SIA „Jekabpils piena kombinats“.

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

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

As of 30 September 2012, the average number of the Group’s employees was equal to 1 567 (compared to 1 543 employees as at 30th September 2011).

2. Accounting Principles

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Where the Company or its subsidiaries purchase the Company's equity share capital, the consideration paid including any attributed incremental external costs is deducted from shareholders' equity as treasury shares until they are sold, reissued, or cancelled. No gain or loss is

recognised in the statement of comprehensive income on the sale, issuance, or cancellation of treasury shares. Where such shares are subsequently sold or reissued, any consideration received is presented in the consolidated financial statements as a change in shareholders' equity.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. Information on segments

Business segments and the segments presented by the financial statements

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

The Group's main business segments:

- Fresh dairy products
- Cheese and other dairy products.

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

Geographic segments

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

	2012 09 30	2011 09 30
Lithuania	183 876	175 365
EU countries	290 946	255 946
Other (including USA and Japan)	106 875	86 897
Total	581 697	518 208

Income analysis according to groups:

	2012 09 30	2011 09 30
Product Sales	580 784	517 970
Provided services	913	238
Total	581 697	518 208

4. Long-term tangible assets

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

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

5. Other receivables

As at 30th September 2012, the Group's receivables were made of:

	2012 09 30	2011 09 30
Long-term loans granted to farmers	4 159	4 711
Long-term loans granted to employees	639	400
Investments	552	7 034
Loans to other companies	6 918	19 997
Other	2 616	1 113
Total	14 884	33 255

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

The repayment terms of loans granted to employees vary from 1 to 22 years, whereas the interest rate for them is not calculated.

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

6. Inventories

As at 30th September 2012, the Group's inventories were made of:

	2012 09 30	2011 09 30
Raw material	7 150	7 603
Production in progress	16 986	19 910
Ready production	73 138	64 019
Other inventories	3 071	5 930
Total	100 345	97 462

7. Selling and Other Receivables

As at 30th September 2012, the Group's selling and other receivables were made of:

	2012 09 30	2011 09 30
Selling receivables	124 322	105 859
VAT receivable	7 614	13 478
Other receivables	1 635	1 121
Advance payments and future period expenses	901	1 319
Total	134 472	121 777

8. Cash and cash equivalents

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

	2012 09 30	2011 09 30
Money in bank and cash-in-hand (Group)	3 336	9 046
Current deposits	-	6 532
Total	3 336	15 578

9. Financial ratios

The Group's financial ratios:

	2012 09 30	2011 09 30	2010 09 30
Revenue (LTL thousand)	581 697	518 208	390 384
EBITDA (LTL thousand)	40 672	43 233	35 638
EBITDA margin (%)	6,99	8,34	9,13
Operations profit (LTL thousand)	24 217	22 634	12 279
Margin of operations profit (%)	4,16	4,37	3,15
Profit per share (LTL)	0,58	0,55	0,34
Number of shares (units)	35 867 970	35 867 970	38 444 894

10. Information on the audit

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