TO: The Lithuanian Securities Commission
Konstitucijos pr.23
Vilnius

03.12.2008

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 consolidated financial interim report of „Rokiškio sūris" for the year 2008, is formed in accordance with applicable accounting standards, is true and shows fair assets, obligations, financial state and profits (loss) of the Company and total consolidated group.

Attached: Nine month consolidated financial interim report of „Rokiškio sūris" for the year 2008.

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 NINE MONTH PERIOD FOR THE YEAR 2008

(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 September 2008
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

	September 30, 2008		December 31, 2007		September 30, 2007	
PROPERTY						
Non-current assets						
Long-term tangible assets	126 260		113 451		113 769	
Intangible assets (with prestige)	7 169		3 815		323	
Other receivables in a year	11 271		21 952		13 254	
		144 700		139 218		127 346
Current assets						
Inventories	117 859		104 195		76 496	
Receivables and advance payments	120 667		59 923		100 361	
Short-term investments	11 884		25 985		-	
Cash and cash equivalents	6 662		4 623		3 261	
		257 072		194 726		180 118
Total assests		**401 772**		**333 944**		**307 464**
EQUITY AND LIABILITIES						
Capital and reserves						
Ordinary shares	42 716		42 716		42 716	
Share premium	41 473		41 473		41 473	
Reserve for acquisition of treasury shares	28 746		14 394		20 000	
Treasury shares	(15 492)		(4 702)		(4 702)	
Other reserves	7 074		5 362		64 199	
Retained earnings	74 123		113 245		44 606	
		178 640		212 488		208 292
Non-current liabilities						
Non-current liabilities	504		504			
Deferred income	6 464		5 946		7 653	
		6 968		6 450		7 653
Current liabilities						
Trade and other payables	63 813		67 455		66 587	
Income tax liabilities	-		8 413		6 982	
Deferred income	1 544		2 160		7 821	
Povisions	-		824			
Financial debts	150 807		36 154		10 129	
		216 164		115 006		91 519
Total equity and liabilities		**401 772**		**333 944**		**307 464**

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Consolidated profit (loss) report

	January – September		July – September	
	2008	**2007**	**2008**	**2007**
Sales	512 394	513 082	195 552	199 969
Cost of sales	(475 892)	(433 183)	(171 906)	(167 632)
Gross profit	36 502	79 899	23 646	32 337
Selling and marketing expenses	(45 960)	(35 351)	(20 430)	(6 826)
Operating profit	(9 458)	44 548	3 216	25 511
Finance costs	(3 460)	(1 541)	(1 821)	(206)
Profit before tax	(12 918)	43 007	1 395	25 305
Income tax	(238)	(12 965)	999	(8 464)
Operating activity income	(13 156)	30 042	2 394	16 841
Minority interests				
Net profit	(13 156)	30 042	2 394	16 841

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Consolidated cash flow statement

	9 months ended at September 30	
Operating activities	**2008**	**2007**
Profit before tax and minority interest	(12 918)	43 007
Corrections:		
– depreciation	19 245	18 388
– depreciation (negative prestige not included)	349	350
– written off long-term tangible assets	64	33
– loss in long-term tangible asset sales	(3)	3
– interest expenses	4 219	2 045
– interest income	(408)	(228)
– net unrealized currency exchange profit	(74)	(75)
– export subsidies received	-	(16 071)
– depreciation of long-term tangible asset support	(1 643)	(1 483)
Circulating capital changes:		
- inventories	(13 664)	26 206
- payables	(3 642)	44 959
- receivables and advance payments	(43 105)	(14 954)
Cash flows generated from operating activities	(51 580)	102 180
Interest paid	(4 219)	(2 045)
Income tax paid	(11 517)	(4 360)
Cash flows from operating activities	(67 316)	95 775
Investing activities		
Purchase of long-term tangible assets	(29 002)	(16 121)
Purchase of intangible assets	(199)	(31)
Purchase of investments	-	-
Loans granted to farmers and employees	(765)	(3 288)
Proceeds from long-term tangible asset sales	232	1 982
Repayments of loans granted to farmers and employees	5 077	2 811
Interest received	408	228
Subsidies for long-term tangible assets	-	2 232
Net cash flows from investing activities	(24 249)	(12 187)
Financing activities		
Acquisition of treasury shares	(10 790)	(4 702)
Finance lease principal payments	(95)	-
Loans granted	434 540	236 866
Loan repayments received	(320 149)	(303 079)
Dividends paid	(9 902)	(10 081)
Net cash flows from financing activities	93 604	(80 996)
Net increase in cash and cash equivalents	2 039	2 592
Cash and cash equivalents at the beginning of the period	4 623	669
Cash and cash equivalents at the end of the period	6 662	3 261

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Consolidated Own Capital Change Statement (thousand LTL)

	Share capital	Share premium	Reserve for acquisition of treasury shares	Treasury shares	Other reserves	Retained earnings	Total
Balance at 31 st December 2006	47 462	41 473	30 000	(20 352)	69 805	24 645	193 033
Decrease in share capital	(4 746)		(15 606)	20 352			
Acquisition of own shares		-		(4 702)			(4 702)
Dividends relating to 2006	-	-	-			(10 081)	(10 081)
Net profit	-	-	-	-	-	30 042	30 042
Balance at 30th September 2007	42 716	41 473	14 394	(4 702)	69 805	44 606	208 292
Transfer to regulatory reserve					651	(651)	
Re-distribution of unused reserves					(65 094)	65 094	
Net profit						4 196	4 196
Balance at 31st December 2007	42 716	41 473	14 394	(4 702)	5 362	113 245	212 488
Profit distrubution			14 352		1 712	(16 064)	
Acquisition of own shares		-		(10 790)			(10 790)
Dividends relating to 2007	-	-	-			(9 902)	(9 902)
Net profit	-	-	-	-	-	(13 156)	(13 156)
Balance at September 30th 2008	42 716	41 473	28 746	(15 492)	7 074	74 123	178 640

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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 traded on Vilnius Stock Exchange and they and included on the Baltic Official trade list (VVPB symbol – RSU1L).

The Consolidated Group (hereinafter – the Group) consists of the Company, its two branches, seven subsidiaries and one joint venture. (As at 30th September 2007: two branches and one subsidiary). The branches and subsidiaries that comprise the consolidated Group are indicated below:

	Operating as at September 30th	
Branches	**2008**	**2007**
Utenos pienas	Yes	Yes
Ukmergės pieninė	Yes	Yes

	Group's share (%) as at September 30th	
Subsidiaries	**2008**	**2007**
UAB „Rokiškio pienas“	100,00	100,00
UAB „Skeberdis ir partneriai“	100,00	-
UAB „Skirpstas“	100,00	-
KB „Žalmargė“	100,00	-
SIA „Jekabpils Piena Kombinats“	50,05	
*UAB „Batėnai“ **	100,00	-
*UAB „Pečupė“ **	100,00	-

Joint venture		
UAB „Pieno upės“	50,00	-

* These subsidiaries were not consolidated due to their insignificance.

The above-mentioned branches and subsidiaries are incorporated in Lithuania.

The Group's main line of business is the production of fermented cheese and a wide range of other dairy products. On 30th September 2008, 1 974 employees worked in the Group (compared to 1 693 employees as at 30th September 2007).

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.

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. 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.

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.

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.

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 15 per cent (in 2007 - 15 per cent) of income tax rate according to the laws on taxes of the Republic of Lithuania.

Following the adopted Lithuanian Provisional Law on Social Tax, social tax at the rate of 3 per cent for 2007 should be paid on taxable income earned during 2007.

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 Company's single business segment is production of cheese and other dairy products, therefore, information on key business segment is not presented. 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 amortised cost using effective interest method.

3. Information on segments

Primary segment – business segments

The Group's two 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

Income analysis according to groups:

	2008 09 30	2007 09 30	Change (%)
Product Sales	511,012	505,023	1,19
Export subsidies	-	6,750	-100,00
Provided services	1,382	1,309	5,58
Total	512,394	513,082	-0,13

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. Other receivables

As at 30th September, 2008 other receivables comprised of:

	2008 09 30	2007 09 30	Change (%)
Long-term loans granted to farmers	8,294	11,075	-25,11
Long-term loans granted to employees	201	663	-69,68
Investments	1,186	1,516	-21,77
Other	1,590	-	100,00
Total	11,271	13,254	-14,96

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 repayment terms of loans granted to employees vary from 5 to 25 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, 2008 the inventories comprised of:

	2008 09 30	**2007 09 30**	**Change (%)**
Raw material	11,671	10,013	16,56
Production in progress	17,309	15,113	14,53
Ready production	88,879	51,371	73,01
Total	117,859	76,496	54,07

7. Selling and Other Receivables

As at 30th September, 2008 the selling and other receivables comprised of:

	2008 09 30	**2007 09 30**	**Change (%)**
Selling receivables	96,575	64,183	50,47
Receivable export subsidies	-	644	-100,00
VAT receivable	828	3,677	-77,48
Other receivables	17,675	26,358	-32,94
Advance payments and future period expenses	5,589	5,499	1,64
Total	120,667	100,361	20,23

8. Cash and cash equivalents

	2008 09 30	**2007 09 30**	**Change (%)**
Bank and cash-register money	6,612	2,661	148,48
Current deposits	50	600	-91,67
Total	6,662	3,261	104,29

9. Share capital

As at September 30th, 2008 the Authorised Capital of AB „Rokiškio sūris“ comprised of LTL 42 716 530 Lt (forty two million seven hundred sixteen thousand five hundred thirty litas), divided into 42 716 530 (forty two million seven hundred sixteen thousand five hundred thirty) ordinary registered shares with par value of LTL 1 each.

As at 31st December 2007, AB „Rokiškio sūris“ owned 783 650 (seven hundred eighty three thousand six hundred fifty) treasury shares with par value LTL 1 each which makes 1, 83 % of the Authorised Capital of AB ”Rokiškio sūris“.
During the period from 1st January 2008 to 30th September 2008, AB „Rokiškio sūris“ implemented official voluntary non-competitive acquisition of own shares and acquired 1 971 386 (one million

nine hundred seventy one thousand three hundred eighty six) own ordinary registered shares with par value LTL 1 each.
As at 30th September 2008, AB „Rokiškio sūris“ owned 2 755 036 (two million seven hundred fifty five thousand thirty six) with par value of LTL 1 each which makes 6,45 % of the Authorized capital of AB ”Rokiškio sūris“. 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.

As at September 30th, there are 5 570 shareholders of AB „Rokiškio sūris“.

10. Financial ratios

	2008 09 30	2007 09 30	Change (%)
Revenue (LTL thousand)	512,394	513,082	-0,13
EBITDA (LTL thousand)	10,895	63,790	-82,92
EBITDA margin (%)	2,13	12,43	-82,86
Operations profit (LTL thousand)	(9,458)	44,548	-121,23
Margin of operations profit (%)	(1,85)	8,68	-121,31
Profit per share (LTL)	-0,32	7,03	-104,55
Number of shares (units)	42 716 530*	4 271 653**	0,00

* - LTL 1 par value per share
** - LTL 10 par value per share

11. Information on the audit

The audit according to the International Accounting Standards will be made for the full year 2008 by audit company UAB “PricewaterhouseCoopers”.