



**REPORT OF THE OPERATIONAL
PERFORMANCE
AND A SET OF INTERIM CONSOLIDATED
FINANCIAL STATEMENTS FOR NINE
MONTH PERIOD
OF THE YEAR 2013**

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

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1. Reporting term of the prepared report of the operation performance and the interim consolidated financial statements

The review of operational results and consolidated financial statements refer to the nine month period of the year 2013.

2. Key information of the issuer

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

Legal base: Joint Stock Company.

Address – Pramones 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.

UAB „Rokiškio pieno gamyba“ legal address: Pramonės str. 8, LT - 28216 Utena. Company code: 303055649. AB „Rokiškio sūris“ is its founder and the only shareholder having 100 per cent of shares.

Dairy cooperative „Žalmargė“ legal address: Kalnalaukio str.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 str. 9, Kaunas. Company code: 135027862.

Branches of AB "Rokiškio sūris":

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

AB „Rokiškio sūris“ branch Ukmergės pieninė (Company code: 182848454, Kauno g. 65, 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.

Subsidiaries:

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

Basic business of UAB „Rokiškio pieno gamyba“ is production of fresh dairy products (fluid milk, kefir, sour milk, butter, curds, fresh cheese, sour cream, chocolate coated curds dessert, 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.

Joint venture:

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

Branches of AB „Rokiškio sūris“

Basic business of AB „Rokiškio sūris“ subsidiary Utenos pienas and AB „Rokiškio sūris“ subsidiary 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.	aver.	Last session	Date of last trade session	max.	min	Last session
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	4,128.00
2012.07.01	2012.09.30	1.40	1.30	1.37	1.40	2012.09.28	641,665.74	0	1,158.70
2012.10.01	2012.12.31	1.47	1.33	1.37	1.40	2012.12.28	390,622.20	0	1,950.00
2013.01.01	2013.03.30	1.59	1.39	1.46	1.57	2013.03.28	77,386.93	0	4,671.62
2013.04.01	2013.06.30	1.63	1.44	1.49	1.50	2013.06.28	231,098.74	0	5,992.78
2013.07.01	2013.09.30	1.62	1.48	1.57	1.59	2013.09.30	93,753.10	0	93,753.10

Trade in the shares of AB "Rokiškio sūris" during January-September 2013

Price EUR

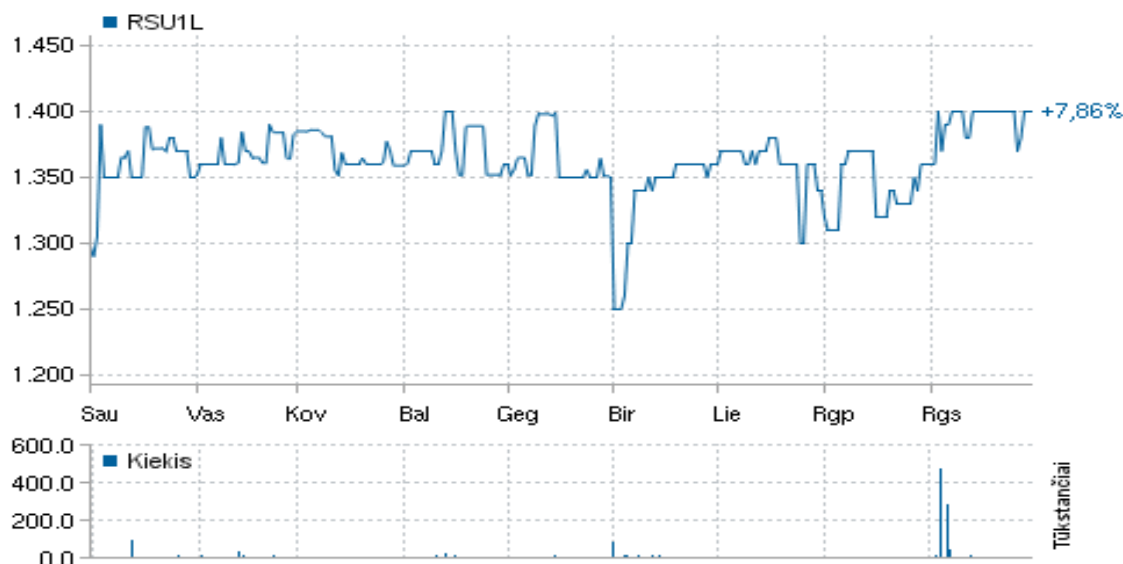


Data source – website of AB NASDAQ OMX Vilnius:

http://www.nasdaqomxbaltic.com/market/?instrument=LT0000100372&list=2&pg=details&tab=historical&lang=en¤cy=0&downloadcsv=0&date=&start_d=1&start_m=1&start_y=2013&end_d=30&end_m=9&end_y=2013

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)		
2010.01.01	2010.03.31	988,352	975,929.00	2010.03.31	38 983 123
2010.04.01	2010.06.30	1,384,497	1,419,903.00	2010.06.30	37 406 882
2010.07.01	2010.09.30	829,929	1,022,024.00	2010.09.30	53 092 399
2010.10.01	2010.12.31	1,564,687	2,715,182.00	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	2011.12.31	1,192,435	1,498,010.23	2011.12.30	46 556 625
2012.01.01	2012.03.31	189,564	257,712.33	2012.03.31	48 744 571
2012.04.01	2012.06.30	228,464	310,179.89	2012.06.29	48 780 439
2012.07.01	2012.09.30	835,557	1,142,089.88	2012.09.28	50 215 158
2012.10.01	2012.12.31	525,165	717,997.30	2012.12.28	50 215 158
2013.01.01	2013.03.31	265,841	389,055.13	2013.03.28	56 312 713
2013.04.01	2013.06.30	675,596	1,005,631.66	2013.06.28	53 801 955
2013.07.01	2013.09.30	358,981	562,423.85	2013.09.30	57 030 072

7. Authorized capital of the issuer

As at 30th September 2013, 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 30.09.2013)– 5,644 shareholders.

The shareholders having or owning over 5 percent of the issuer's authorized capital (as at 30.09.2013):

Name, surname Name of company	Address	Proprietary rights			With associated persons	
		Number of shares	Capital share %			Number of shares
UAB "Pieno pramonės investicijų valdymas" Comp.code 173748857	Pramonės str. 3, Rokiškis Lithuania	10 032 173	27.97	28.61	68.56	70.13
Antanas Trumpa	Sodų 41a, Rokiškis Lithuania	12 245 022	34.14	34.92	68.56	70.13
Skandinaviska Enskilda Banken AB clients Code 502032-9081	Sergels Torg 2, 10640 Stockholm	2 066 884	5.76	5.89	-	-
Swedbank clients Comp.code 10060701	Liivalaia 8, Tallinn Estonia	2 912 669	8.12	8.31	-	-
AB „Rokiškio sūris“ Comp.code 173057512	Pramonės str.3, Rokiškis 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.

On 2nd May 2013, a new subsidiary Rokiskio pieno gamyba UAB was registered in the register of Legal Entities. The subsidiary Rokiskio pieno gamyba UAB was established in order to

optimize the group's performance and to reach better results. A part of Rokiskio pienas UAB, which continues its operations of product distribution, is separated and a new company Rokiskio pieno gamyba UAB with equal legal form is established on the basis of the assets, rights and obligations assigned to this part of the company, and the main business of the new subsidiary is production of dairy products.

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

- ◆ Specialization of Rokiskis production plant – fermented cheese 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.
- ◆ Specialization of Rokiskio pienas UAB – sales of the Group's products in Lithuania, Latvia and Estonia.

In January-September 2013, the Group Rokiskio suris AB followed smooth production cycle maintaining similar production levels to the last year.

The Companies are highly concerned about food safety and quality issues in order to satisfy customer needs and comply with the environmental requirements.

The Company was the first company in Lithuania who was certified in accordance with the Hazard Analysis and Critical Control Point systems (HACCP), and the first of dairy companies who was certified in accordance with the Quality management and Environment management systems complying with the international requirements of ISO standards (ISO 9001:2008, ISO 14001:2004, ISO 22000:2005).

The most important aspect of the companies' performance is food safety. In order to reach higher level of food safety effectiveness the company in Rokiskis improved the food safety system and in 2013 it was certified in accordance with the scheme for certification of food safety systems FSSC 22000. The system covers ISO 22000:2005 and ISO/TS 22002-1:2009 as well as additional requirements. The food safety scheme is recognized by the Global Food Safety Initiative GFSI, and it can replace some other previously recognized food safety standards such as BRCm IFS and SQF.

In 2012, the Utena plant implemented and certified the social responsibility standard SA8000.

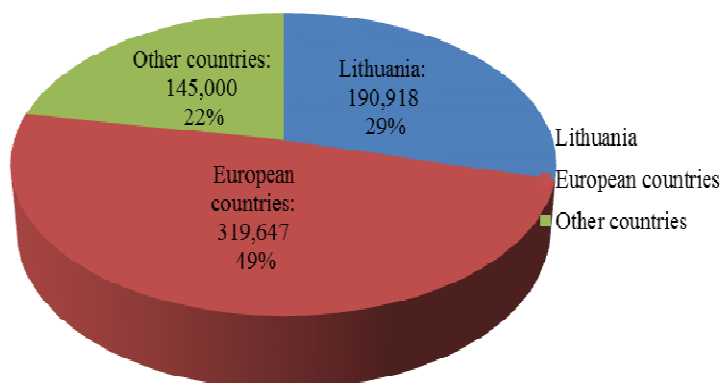
Nine month consolidated non-audited net profit of AB „Rokiškio sūris“ Group is equal to LTL 19.522 million, i.e. 3.23 % less than during the same period of the last year. In 2012, nine month consolidated net profit was equal to LTL 20.174 million. The net profitability of the Group in nine months 2013 made 3.00 per cent.

The profit decrease compared to the last year was caused by higher prices for raw milk. During the nine month period 2013 prices for raw milk in Lithuania increased by 31%. Secondly, the sales on the local market were unprofitable. Prices for dairy products were rising much slower compared to the cost boost due to more expensive raw milk.

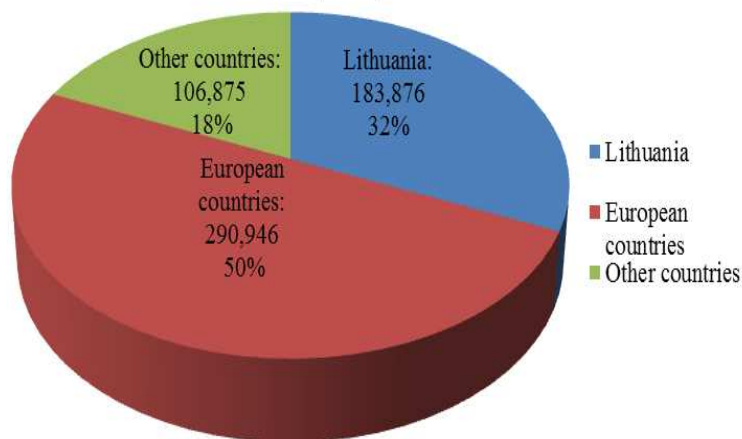
Sales markets during January-September 2012 vs 2013

Countries	Sold			
	Jan-Sept 2013		Jan-Sept 2012	
	thousand Lt	%	thousand Lt	%
Lithuania	190 918	29.12	183 876	31.61
EU	319 647	48.76	290 946	50.02
Other	145 000	22.12	106 875	18.37
Total	655 565	100.00	581 697	100.00

Sales markets
Jan-Sept 2013, kLTL



Sales markets
Jan-Sept 2012, kLTL



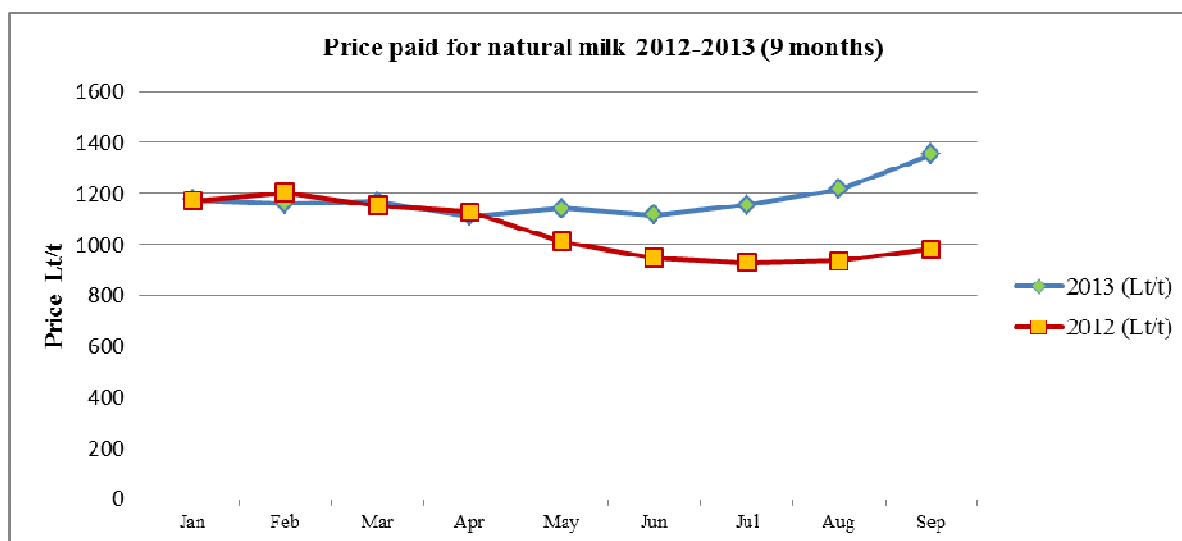
January – September 2013 consolidated non-audited sales of AB „Rokiškio sūris“ Group made LTL 655.565 million, i.e. 12.70 per cent more than during the same period of the last year. The consolidated sales of the same period of 2012 were equal to LTL 581.697 million.

The improved results of the nine months compared to the same period of the last year were caused by higher prices of exported products.

The key changes in the raw milk sector were caused by the increased raw milk prices.

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 2013 and 2012.

Month	Price of natural milk	
	2013 (Lt/t)	2012 (Lt/t)
January	1,178	1,173
February	1,160	1,204
March	1,169	1,155
April	1,114	1,130
May	1,143	1,012
June	1,118	948
July	1,156	931
August	1,219	936
September	1,355	982
Average milk purchasing price for 9 months	1,179	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 2013 increased by 13.7 per cent compared to 2012 (from 1047 Lt/t to 1190 Lt/t).

Within January-September 2013 in Lithuania it was bought 1,017,000 tons of natural milk, i.e. 2.8 per cent more than during the same period last year (1,047,000 t).

Within 9 months 2013, the production of fermented cheese decreased by 3.00 per cent. This was caused by the decrease of raw milk and changes in the assortment of cheeses. (In 2013, it was produced more hard cheese).

Production of by-products was conditioned by the cheese production and external whey. Therefore the lactose production increased by 1 per cent, and the production of whey protein concentrate was enriched by a new value added product of WPC80.

In 2013, the production of butter for export was higher by 16 per cent, cream production however sharply dropped, i.e. by 46 per cent. The main part of the butter production (53 per cent) was sold on the local market.

The product cost increased due to the increase of raw milk prices. In addition, it was also influenced by higher prices and consumption for power resources.

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 a subsidiary UAB „Rokiškio pienas“, having no shares;

Chief executive officer of a subsidiary UAB „Rokiškio pieno gamyba“, 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.

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:

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

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, 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.

Information on the company's manager (director):

The CEO of the Company:

Antanas Trumpa owning 12,245,022 ordinary registered shares of AB „Rokiškio sūris“, i.e. 34.14% of the authorized capital of AB „Rokiškio sūris“ and 34.92% of votes.

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“.

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

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 2013**

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

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

13. Consolidated Balance sheet

	September 30, 2013	December 31, 2012	September 30, 2012
PROPERTY			
Property, plant and equipment	142 946	145 799	162 873
Intangible assets	1 142	1 122	1 171
Other receivables in a year	38 312	37 726	14 884
	182 400	184 647	178 928
Current assets			
Inventories	113 681	94 871	100 345
Receivables and advance payments	143 617	126 746	134 472
Loans granted	40 160	43 057	60 962
Cash and cash equivalents	19 494	6 029	3 336
	316 952	270 703	299 115
Total assets	499 352	455 350	478 043
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	35 868	35 868	35 868
Share premium	41 473	41 473	41 473
Reserve for acquisition of treasury shares	40 287	40 287	40 287
Treasury shares	(3 868)	(3 868)	(3 868)
Other reserves	62 701	71 201	75 195
Retained earnings	154 691	130 176	117 018
	331 152	315 137	305 973
Non-current liabilities			
Borrowings	3 660	1 265	-
Deferred income tax liability	9 451	11 414	-
Deferred income	2 878	3 845	17 264
	15 989	16 524	17 264
Current liabilities			
Trade and other payables	77 370	59 245	67 433
Income tax liabilities	5 593	6 964	5 768
Deferred income	1 764	2 387	3 002
Provisions	-	-	824
Borrowings	67 484	55 093	77 779
	152 211	123 689	154 806
Total equity and liabilities	499 352	455 350	478 043

AB „ROKIŠKIO SŪRIS“
CONSOLIDATED AND PARENT COMPANY'S
FINANCIAL STATEMENTS as at 30th September 2013
Company code 173057512, address: Pramonės g. 3, LT-42150 Rokiškis, Lithuania
(All tabular amounts are in LTL '000 unless otherwise stated)

14. Consolidated Statement of comprehensive income

	January-September		July - September	
	2013	2012	2013	2012
Revenue	655 565	581 697	247 110	220 815
Cost of sales	(587 840)	(517 469)	(222 830)	(196 560)
Gross profit	67 725	64 228	24 280	24 255
Selling and marketing expenses	(43 811)	(40 011)	(13 596)	(13 554)
Operating profit (loss)	23 914	24 217	10 684	10 701
Finance costs	(944)	(944)	(326)	(276)
Profit before income tax	22 970	23 273	10 358	10 425
Income tax (accumulation)	(3 448)	(3 099)	(1 356)	(1 209)
Operating activity income (loss)	19 522	20 174	9 002	9 216
Net profit (loss)	19 522	20 174	9 002	9 216
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	19 522	20 174	9 002	9 216

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15. Consolidated cash flow statement

	January - September	
	2013	2012
Operating activities		
Net profit before income tax and minority interest	22 970	23 273
<i>Corrections:</i>		
– depreciation	26 402	16 278
– amortisation (negative prestige not included)	254	264
– written off of property, plant and equipment and intangible	112	30
– loss on disposal of property, plant and equipment	(817)	(26)
– interest expenses	944	857
– interest income	(1 618)	(1 605)
– net unrealized currency exchange profit	(1 071)	(388)
– amortization of government grants received	(1 589)	(2 152)
<i>Changes in working capital:</i>		
- inventories	(18 810)	(5 377)
- amounts payable	15 778	8 979
- amounts receivable and prepayments	(16 871)	(33 592)
Net cash generated from operations	25 684	6 541
Interest paid	(944)	(857)
Income tax paid	-	-
Net cash generated from operating activities	24 740	5 684
Cash flows from investing activities		
Purchases of property, plant and equipment	(24 539)	(8 947)
Purchases of intangible assets	(95)	-
Loans granted to farmers and employees	(7 203)	(2 451)
Proceeds from sale of property, plant and equipment	4 584	119
Other loans granted	(35 734)	(16 923)
Loan repayments from farmers and employees	6 355	8 615
Interest received	1 618	1 605
Other loan repayments received	34 846	2 679
Government grants received for property, plant and equipment	-	1 052
Net cash generated from investing activities	(20 168)	(14 251)
Cash flows from financing activities		
Lease payment	(11)	(11)
Loans received	496 583	434 338
Repayments of borrowings	(484 172)	(416 141)
Dividends paid	(3 507)	(4 745)
Net cash generated from financing activities	8 893	13 441
Net increase in cash and cash equivalents	13 465	4 874
Cash and cash equivalents at the beginning of the period	6 029	(1 538)
Cash and cash equivalents at the end of the period	19 494	3 336

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16. Consolidated Statement of changes in equity

	Share capital	Share premium	Reserve for acquisition of treasury shares	Treasury shares	Other reserves	Retained earnings	Total
Balance at December 31st 2011	35 868	41 473	40 287	(3 868)	82 598	93 004	289 362
Net (loss)/ profit						20 174	20 174
Transfer to retained earnings (transfer of depreciation, net of deferred income tax)					(7 403)	7 403	
Dividends relating to 2011						(3 563)	(3 563)
Balance at 30 September 2012	35 868	41 473	40 287	(3 868)	75 195	117 018	305 973
Net (loss) profit						9 164	9 164
Transfer to retained earnings (transfer of depreciation, net of deferred income tax)					(3 994)	3 994	
Balance at December 31st 2012	35 868	41 473	40 287	(3 868)	71 201	130 176	315 137
Net (loss) profit						19 522	19 522
Transfer to reserves					2 686	(2 686)	
Transfer to retained earnings (transfer of depreciation, net of deferred income tax)					(11 186)	11 186	
Dividends relating to 2012						(3 507)	(3 507)
Balance at 30 September 2013	35 868	41 473	40 287	(3 868)	62 701	154 691	331 152

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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, five subsidiaries and one joint venture. (2012: two branches, four subsidiaries and one joint venture). The branches and subsidiaries that comprise consolidated Group are indicated below:

	Operating as at September 30th	
Branches	2013	2012
Utenos pienas	Yes	Yes
Ukmergės pieninė	Yes	Yes

	Group's share (%) as at September 30th	
Subsidiaries	2013	2012
UAB „Rokiškio pienas“	100.00	100.00
UAB „Rokiškio pieno gamyba“	100.00	-
KB „Žalmargė“	100.00	100.00
SIA „Jekabpils Piena Kombinats“	100.00	100.00
SIA „Kaunata“*	60.00	60.00

Jungtinės veiklos įmonė		
UAB „Pieno upės“	50.00	50.00

* These subsidiaries were not consolidated due to their insignificance.

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

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

As of 30 September 2013, the average number of the Group's employees was equal to 1,595 (compared to 1,567 employees as at 30 September 2012).

2. Accounting Principles

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. Information on segments

Business segments and the segments presented by the financial statements

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

The Group's main business segments:

- Fresh dairy products
- Cheese and other dairy products.

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

Geographic segments

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

	2013 09 30	2012 09 30
Lithuania	190 918	183 876
Countries of the EU	319 647	290 946
Other (including the USA and Japan)	145 000	106 875
Total	655 565	581 697

Income analysis according to groups:

	2013 09 30	2012 09 30
Product Sales	655 095	580 784
Provided services	470	913
Total	655 565	581 697

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 30 September 2013, the Group's receivables were made of:

	2013 09 30	2012 09 30
Long-term loans granted to farmers	2 240	4 159
Long-term loans granted to employees	989	639
Investments	551	552
Loans to other companies	33 331	6 918
Other	1 201	2 616
Total	38 312	14 884

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 30 September 2013, the Group's inventories were made of:

	2013 09 30	2012 09 30
Raw material	7 903	7 150
Production in progress	26 313	16 986
Ready production	75 715	73 138
Other inventories	3 750	3 071
Total	113 681	100 345

7. Selling and Other Receivables

As at 30 September 2013, the Group's selling and other receivables were made of:

	2013 09 30	2012 09 30
Selling receivables	114 733	124 322
VAT receivable	13 847	7 614
Other receivables	5 284	1 635
Advance payments and future period expenses	9 753	901
Total	143 617	134 472

8. Cash and cash equivalents

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

	2013 09 30	2012 09 30
Money in bank and cash-in-hand (Group)	19 453	3 336
Current deposits	41	-
Total	19 494	3 336

9. Financial ratios

The Group's financial ratios:

	2013 09 30	2012 09 30	2011 09 30
Revenue (LTL thousand)	655 565	581 697	518 208
EBITDA (LTL thousand)	50 570	40 672	43 233
EBITDA margin (%)	7.71	6.99	8.34
Operations profit (LTL thousand)	23 914	24 217	22 634
Margin of operations profit (%)	3.65	4.16	4.37
Profit per share (LTL)	0.56	0.58	0.55
Number of shares (units)	35 867 970	35 867 970	35 867 970

10. Information on the audit

The audit according to the International Accounting Standards will be made for the full year 2013 by audit company UAB „PricewaterhouseCoopers“.

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

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

On 28 February 2013, the shareholder adopted Decision No. 18 to initiate the reorganisation of the Company Rokiškio Pienas UAB by way of unbundling (and approve the drafting of unbundling terms and conditions), whereby a part will be separated from the Company Rokiškio Pienas UAB, which will continue milk product distribution activities, and on the basis of assets, rights and obligations attributed to that part, a new company with the same legal status will be established – Rokiškio Pieno Gamyba UAB – which will basically be engaged in milk product production activities.

As from 8th October 2013, the group of the companies of AB „Rokiškio sūris“ ceased the export of its products to the Russian Federation reacting to the information received from the Customs of the Russian Federation in relation with suspension of the deliveries of Lithuanian dairy products to the Russian Federation.

The sales of the group's products to the Russian Federation made around 20 per cent of total production.