



TO: The Lithuanian Securities Commission  
Konstitucijos pr. 23  
Vilnius

31<sup>st</sup> August 2011

### **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 six month consolidated interim report of „Rokiškio sūris“ for the year 2011, shows fair review of the business development and operations.

*Attached:* Six month consolidated interim report of „Rokiškio sūris“ for the year 2011.

Chief Executive Officer

A blue ink signature of Antanas Trumpa.

Antanas Trumpa

Chief Financial Officer

A blue ink signature of Antanas Kavaliauskas.

Antanas Kavaliauskas





**CONSOLIDATED INTERIM REPORT OF AB  
“ROKIŠKIO SŪRIS“  
FOR THE SIX MONTH PERIOD  
OF THE YEAR 2011**

*(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

The consolidated annual report is prepared for the first half year 2011.

## 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](mailto:rokiskio.suris@rokiskio.com)

Website: [www.rokiskio.com](http://www.rokiskio.com)

Date and place of registration: Registered in on 28<sup>th</sup> February 1992 by the Authorities of Rokiskis region.

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

Company code 173057512.

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

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

Number of shares: 35 867 970. 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 Company AB “Rokiskio suris“, two branches, four subsidiaries and one joint venture (in 2010: two branches, four subsidiaries, and one joint venture). The following tables introduce the subsidiaries and branches which are included in the consolidated report:

	Operating as at June 30th	
Branches	2011	2010
Utenos pienas	Yes	Yes
Ukmergės pieninė	Yes	Yes

	Group's share (%) as at June 30th	
Subsidiaries	2011	2010
UAB „Rokiškio pienas“	100,00	100,00
UAB „Skirpstas“	-	100,00
KB „Žalmargė“	100,00	100,00
SIA „Jekabpils Piena Kombinats“	100,00	50,05
SIA „Kaunata“ *	60,00	-
Joint venture		
UAB „Pieno upės“	50,00	50,00

\* These subsidiaries were not consolidated due to their insignificance.

Within 2010, the company UAB „Batėnai“ was sold. As of March 31<sup>st</sup> 2011, the company UAB „Skirpstas“ was liquidated. On 31<sup>st</sup> May, the company acquired 49,95% of the authorized capital of dairy 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. SIA „Kaunata“ was acquired on May 11<sup>th</sup>, 2010 m. AB „Rokiškio sūris“ acquired 40 per cent shares for LTL 353 000 whilst UAB „Rokiškio pienas“ acquired 20 per cent of the shares for LTL 176 000.

#### **Subsidiaries of AB „Rokiškio sūris“:**

UAB „Rokiskio pienas“ legal address: Pramonės g. 8, LT - 28216 Utena. Company code: 300561844. AB „Rokiškio sūris“ happens to be 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)

#### **Joint venture:**

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

#### **Branches of AB „Rokiskio sūris“**

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

AB „Rokiškio sūris“ subsidiary 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.

Subsidiaries:

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

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

35 867 970 ordinary registered shares of AB „Rokiškio sūris“ whose nominal value per share is LTL 1 (one litas), (symbol RSU1L; ISIN code – LT0000100372) and total nominal value equals to LTL 35 867 970, are admitted to the Main List of NASDAQ OMX Vilnius Baltic Stock Exchange.

## 7. Authorized capital of the issuer

As at 30<sup>th</sup> June 2011, 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 30.06.2011– 5.767 shareholders.

**The shareholders having or owning over 5 percent of the issuer's authorized capital (as at 30.06.2011):**

Name, surname Name of company	Address	Proprietary rights			With associated persons	
		Number of shares	Capital share %	Votes %	Capital share %	Number of shares
<b>UAB "Pieno pramonės investicijų valdymas"</b>	Pramonės g. 3, Rokiškis Lietuva	13 322 647	37,14	37,14	61,43	61,43
<b>Antanas Trumpa</b>	Sodų 41a, Rokiškis Lietuva	6 578 370	18,34	18,34	61,43	61,43
<b>Skandinaviska Enskilda Banken AB clients</b>	Sergels Torg 2, 10640 Stockholm, Sweden	5 133 182	14,31	14,31	-	-
<b>Swedbank clients</b>	Liivalaia 8, Tallinn Estonia	2 599 500	7,25	7,25	-	-

## 9. Information on purchase of issuer's own shares

The company has not got any shares in treasure at the reporting period.

## 10. Operations of the issuer, plans and forecast

The consolidated non-audited net profit of the group of AB „Rokiškio sūris“ within 6 months 2011 was equal to LTL 9,675 million. The net profitability made 3,05 per cent.

The improved results of this year six month period compared to the same period of last year, were caused by the increased sales quantities and prices. Mainly, whole profit is received from the exports.

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.

In 2010, the group's sales reached LTL 554 million, which consisted of LTL 202 million on the local market and LTL 352 million on the export markets.

Also, the group includes other products into its export product portfolio such as butter, cream, milk powders and by-products after cheese production – WPC and lactose.

During the six month period of 2011, the group sold 112,065 thousand tons of fermented cheese, 6,647 thousand tons of lactose, 0,599 thousand tons of milk powders, 2,669 thousand tons of whey protein concentrate, 1,298 thousand tons of butter, and 2,377 thousand tons of cream.

Another important direction of the group's production is fresh dairy production and sales in Lithuania. As from 1<sup>st</sup> January 2007, this activity is carried out by UAB „Rokiškio Pienas“. The Group's sales on the local market makes a quarter of total sales on the market.

The group's activities in the local market has changed tremendously – now the group's politics is to create added value products, the sales are promoted via strong brands and new product development, innovative market actions. The company's marketing function is strengthening every year.

The group's targets in the local market are to concentrate beside the portfolio of strongest products and maintain not less than 25% market share. Up to now the tasks are being implemented successfully. The company's sales on the local market are directed to the sales through supermarket nets whose share in the company's sales is increasing and now it is over 80 % from the total sales in the local market.

### Sales markets in 2010 and six months 2011

Countries	Sold			
	2010		2011 / 01 - 06	
	thousand Lt	%	thousand Lt	%
Lithuania	201 784	36,44	117 032	36,95
EU	259 351	46,83	145 885	46,05
Other countries	92 625	16,73	53 863	17,00
<b>TOTAL</b>	<b>553 760</b>	<b>100</b>	<b>316 780</b>	<b>100</b>

In 2011, the Group expects to invest around 11 million litas.

The investments will be used to complete the modernization of dairy production such as milk product tanks, cleaning station, cheese packaging, labeling machine, ventilation system, sanitary maintenance equipment, internal transport etc. as per contracts of the support programme KPP 2007-2013, as well as completion of other works in progress in order to ensure stabile and uninterrupted use of current machines and creation of new products.

The essential target of the estimated investments is to continue effective use of the acquired equipment, and to modernize and improve the technological procedures. It is provided that firstly the newly acquired equipment should meet the customer demand for finished product. It is aimed that the equipment would ensure safety, quality and variability of production complying with the changing market demand.

The long term targets of the Group are to create a balanced market and to ensure that the market is safe for the company's products in the long term, as well as to maintain the stabile, harmonized wasteless production program, and to retain steady relationships with milk producers.



## 11. Environment protection

The food safety and quality and environment protection politics of AB „Rokiškio sūris“ covers continuous decrease of negative impact on environment, ensuring minimal consumption of resources, and strengthening waste treatment in order to minimize negative impact on air, water and earth.

Within the reporting period, AB „Rokiškio sūris“ implemented successfully the targets and tasks provided by the Environment Protection Program 2010. The company employs four such programs. It was not identified any unwelcome facts.

Within the first quarter 2011, the company processed 6 per cent more of raw material, consequently the use of resources has changed also.

Consumption of energy resources in the first half year 2011 compared to 2010, per 1 ton of raw material:

Thermal power	Electricity	Water	Waste effluent
Decreased by 3,8 %	Increased by 3,7 %	Decreased by 4,7 %	Increased by 10 %

During the first half year 2011 it was consumed the following amount of water 329.620 m<sup>3</sup>, 62% of which was extracted from the company's fresh water bores. 8 % of the underground water amount was used the cleaned whey water.

The whey from production procedure is fully processed. Nanofiltration, ultrafiltration and reverse osmosis are used in the processing technology. The water extracted from whey („cow water“) complies with the environmental requirements. 29 % of the cleaned water is used second time. Effectiveness of cleaning equals to 98 % in terms of BDS<sub>7</sub>.

The discharged amount of pollutants in terms of BDS<sub>7</sub> amounts to 0,01 kg/ ton of raw material, i.e. by 85% less than in the same period of 2009. A small part of waste effluent (1%) is treated by the municipality waste water treatment plant UAB „Rokiškio vandenys“.

The waste is treated by the internal waste water treatment plant with nitrification and dinitrification, as well as chemical discharge of phosphorus. The effectiveness of cleaning amounts to 98-99 % in accordance with the controlled parameters.

The highly polluted waste is used for biogas production (in metantank), and then the biogas is used for the production of power. During the first quarter 2011 it was produced 215.025 m<sup>3</sup> of biogas and 175.762 kWh of the „green“ power. This makes 38,6% less compared to the same period last year. In 2011, the internal waste water treatment plant was renovated and some waste was sent for treatment by the municipality water treatment plant UAB „Rokiškio vandenys“, which made 10,3% of total waste. The amount of discharged waste is 0,52 kg per ton of raw material in accordance with BDS<sub>7</sub>.

AB „Rokiškio sūris“ exploits 304 vehicles. 18% of which complies with the requirements set by Euro 4 or 5, 19% complies with Euro 3, and 14% with Euro 2 and 1. The average age of the used vehicles is 9,7 years. 62% of the vehicles runs on diesel, 4 % on oil gas, and 34% on petrol.

The comprised waste (both hazardous and non-hazardous) is handled by UAB „Rokiškio komunalininkas“. In the first half year 2011, it was 181,5 t of household waste, 0,653 t of hazardous waste, and 2778 t of sludge from waste water treatment plant was used for soil fertilization. It was collected the secondary waste as follows: paper 32 t, plastics 14,9 t, metal 9 t.

On 28<sup>th</sup> December 2009, AB „Rokiškio sūris“ received a Licence for integrated prevention and control of pollution (TIPK), it was corrected on 1<sup>st</sup> July 2011.

## 12. Procedure for amendments of the Articles of association

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

## 13. 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 9 (nine) 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:

(also f 30th June 2011)

**Dalius Trumpa** – Board Chairman (elected by the 25<sup>th</sup> April 2008 General meeting of shareholders). Owns 759 740 ordinary registered shares. i.e. 1,98% of the Authorized capital and 2,12% 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 by the 25<sup>th</sup> April 2008 General meeting of shareholders), 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.

**Antanas Trumpa** - Board member (elected by the 25<sup>th</sup> April 2008 General meeting of shareholders), Chief Executive Officer of AB „Rokiškio sūris“, owning 6 578 370 ordinary registered shares of AB „Rokiškio sūris“, i.e. 17,11% of the authorized capital of AB „Rokiškio sūris“ and 18,34% of votes.

Education – university degree. Works for the company as from 1966. In 1979, prepared a dissertation "Organizing the work of vacuum apparatus" in Riga 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 7 546, i.e. 74,86% of the shares and votes of UAB „Pieno pramonės investicijų valdymas“.

**Ramūnas Vanagas** - Board member (elected by the 25<sup>th</sup> April 2008 General meeting of shareholders), 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:

Board member of UAB „Skirpstas“, having no shares.

**Andrius Trumpa** - Board member (elected by the 25<sup>th</sup> April 2008 General meeting of shareholders). Education – university degree. Works in Vilnius Gedimino Technikos University in the capacity of lecturer, owns 298 820 shares, i.e. 0,78% of the Authorized capital and 0,83% votes of AB „Rokiškio sūris“.

He does not participate in the performance and capital of any other companies.

**Jonas Kvedaravičius** – Board member, (elected by the 25<sup>th</sup> April 2008 General meeting of shareholders), Central services director of AB „Rokiškio sūris“, having 24 630 shares of AB „Rokiškio sūris“, i.e. 0,06 % of the company's authorized capital and 0,07% of votes.

Education – university degree. Works for the company since 1994 in the capacity of the central services 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;

Director of UAB "Pieno pramonės investicijų valdymas".

**Jonas Kubilius** – Board member, (elected by the 25<sup>th</sup> April 2008 General meeting of shareholders), Logistics director of AB „Rokiškio sūris“, having 19 930 shares of AB „Rokiškio sūris“, i.e. 0,05 % of the company's authorized capital and 0,06% of votes.

Education – university degree. Works for the company since 1995 in the capacity of the head of transport department. As from 2002 appointed the logistics 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;

**Evaldas Dikmonas** - Board member, (elected by the 25<sup>th</sup> April 2008 General meeting of shareholders), Procurement director of AB „Rokiškio sūris“, having 2 165 shares of AB „Rokiškio sūris“, i.e. 0,01 % of the company's authorized capital and votes.

Education – university degree. Works for the company since 2001 in the capacity of the procurement 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;

Board member of Latvian company SIA Jekabpils piena kombinats, having no shares.

**Darius Norkus** - Board member, (elected by the 25<sup>th</sup> April 2008 General meeting of shareholders), 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 25<sup>th</sup> April 2012.

### **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):**

#### **Chief Executive Officer Antanas Trumpa**

For more information see point 13 as per information about the management bodies.

## Information on the company's finance director:

### Chief Financial Officer Antanas Kavaliauskas

For more information about the Chief Financial Officer see point 13 as per information about the management bodies.

## 14. Employees

### Group's structure of AB „Rokiškio sūris“

As at 30<sup>th</sup> June 2011, the number of employees working for the group of AB „Rokiškio sūris“ amounted to 1538 (listed number of employees).

*The table shows average number of employees of Rokiškio sūris group and variation of salaries in six months 2011:*

Average number of employees	2010.12.31	2011.06.30
Total:	1607	1538
incl. Managers	10	10
Specialists	310	308
Workers	1406	1220
<b>Average monthly salary, Lt</b>	<b>2082</b>	<b>2009</b>
managers	4648	5276
specialists	1933	2656
workers	2098	1912

### *Education level of the employees working for Rokiskio suris*

Education	2010.12.31	2011.06.30
University degree	139	132
Special education	753	754
High school	670	611
Unfinished high school	45	41

The company has a practice of a corporate contracting with employees, and also there is work trade union of AB „Rokiškio sūris“.

## 15. Up-to-date information on the publicly announced data

Having decreased the authorized capital of AB „Rokiskio suris“ (in the way of annulment of treasury shares), on March 8<sup>th</sup> 2011 a new wording of the Articles of Association of AB „Rokiškio sūris“ was registered in the Register of Legal Entities.

The company was disposed of its treasury shares (2 576 924 shares) when they were withdrawn. Having annulled the treasury shares and decreased the authorized capital of the company, on March 8<sup>th</sup> 2011 a new wording of the Articles of Association of AB „Rokiškio sūris“ was registered in the Register of Legal Entities. After registration of the new Articles of Association, the Authorized capital of AB „Rokiskio suris“ makes LTL 35 867 970 (thirty five million eight hundred sixty seven thousand nine hundred seventy litas) divided into 35 867 970 (thirty five million eight hundred sixty seven thousand nine hundred seventy) ordinary registered shares at par value of LTL 1 (one) litas.

On May 31st, 2011 AB „Rokiškio sūris“ additionally acquired 49,95 per cent of the shares of Latvian company SIA Jekabpils piena kombinats, consequently the share block was increased up to 100 per cent.

The value of the acquired 49,95 per cent shares makes EUR 416 thousand. The acquisition of these shares would not have any influence on the company's operations and financial situation.

The operations of SIA Jekabpils piena kombinats is purchase of raw milk.

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

The company publishes its information through the base of Central Public Information, on the website of Vilnius Securities Exchange <http://www.baltic.omxnordicexchange.com> and the company's website [www.rokiskio.com](http://www.rokiskio.com)

## **16. Information on observance of the Company management codex**

In general, Rokiskio suris AB proceeds with the recommendations provided by the Governance Code approved by NASDAQ OMX Vilnius.