

ROKIŠKIO[®]
SŪRIS

**CONSOLIDATED ANNUAL
REPORT**

2008

ROKIŠKIS MARCH 2009

TABLE OF CONTENTS

1. REPORTING TERM OF THE PREPARED REPORT	51
2. KEY INFORMATION OF THE ISSUER	51
3. INFORMATION ON THE ISSUER'S DAUGHTER ENTERPRISES AND SUBSIDIARIES.....	51
4. CHARACTERIZATION OF THE ISSUER'S BASIC BUSINESS.....	52
5. CONTRACTS WITH FINANCIAL BROKERS	53
6. TRADE ON ISSUER'S SECURITIES BY STOCK EXCHANGE AND OTHER ORGANISED MARKETS....	53
7. AUTHORIZED CAPITAL OF THE ISSUER	53
8. LIMITATION ON TRANSFERENCE OF SECURITIES	53
9. SHAREHOLDERS	53
10. SHAREHOLDERS' RIGHTS.....	54
11. SHAREHOLDERS WITH SPECIAL CONTROL RIGHTS AND DESCRIPTION OF THE RIGHTS	54
12. ALL LIMITATIONS OF VOTING RIGHTS	55
13. ALL AGREEMENTS BETWEEN SHAREHOLDERS.....	55
14. EMPLOYEES.....	55
15. PROCEDURE FOR AMENDMENTS OF THE ARTICLES OF ASSOCIATION	56
16. TRANSACTIONS WITH RELATED PARTIES AND SIGNIFICANT AGREEMENTS	56
17. KEY CHARACTERISTICS OF THE SECURITIES LAUNCHED TO THE PUBLIC TRADING.....	57
18. SECURITIES LISTED ON THE OFFICIAL TRADING LIST	57
19. CAPITALIZATION OF SECURITIES.....	59
20. THE GROUP'S AUDITED CONSOLIDATED FINANCIAL ACCOUNTS FOR THE YEAR 2008	61
21. INFORMATION ON PURCHASE OF ISSUER'S OWN SHARES	61
22. LEGAL GROUNDS OF THE ISSUER'S PERFORMANCE.....	62
23. BELONGING TO THE ASSOCIATED ORGANIZATIONS.....	62
24. BRIEF DESCRIPTION OF THE ISSUER'S HISTORY	62
25. PRODUCTION, DESCRIPTION OF PRODUCTION CAPACITIES, AND IMPLEMENTATION OF NEW PRODUCTS.....	64
26. SALES AND MARKETING	66
27. PURCHASE OF RAW MATERIAL.....	68
28. RISK FACTORS RELATED WITH THE ISSUER'S PERFORMANCE.....	ERROR! BOOKMARK NOT DEFINED.
29. INVESTMENT PROJECTS IMPLEMENTED DURING THE PAST 3 FISCAL YEARS	73
30. FUTURE PLANS, FORECASTS AND INVESTMENTS ENVISAGED IN 2009	74
31. DIVIDENDS PAID	75
32. MANAGEMENT BODIES OF THE ISSUER	75
33. MEMBERS OF COLLEGIAL BODIES	75
34. INFORMATION ON OBSERVANCE OF THE COMPANY MANAGEMENT CODEX.....	79
35. INFORMATION ON THE PUBLICLY ANNOUNCED DATA	80
36. KEY EVENTS HAVING TAKEN PLACE BY THE END OF FINANCIAL YEAR.....	86
37. INFORMATION ON AUDIT	87
38. PERFORMANCE STRATEGY AND EVALUATED CHANGES IN THE NEAREST FISCAL YEAR.....	87

1. Reporting term of the prepared report

The consolidated annual report is prepared for the year 2008.

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 legal persons registry – State company "Registru centras".

The authorized capital of AB "Rokiskio suris" equals to LTL 42 716 530 (forty two million seven hundred sixteen thousand five hundred thirty litas).

There are 42 716 530 shares. Nominal value per share equals to LTL 1 (one litas).

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

As at 31st December 2008, the group of AB „Rokiskio suris“ consisted of the parent company AB “Rokiskio suris“, two branches, eight subsidiaries and one joint venture. Following tables introduce the subsidiaries and branches which are included in the consolidated report:

	Actively performing as at 31st December 2008	
	2008	2007
Branches		
Utenos pienas	Yes	Yes
Ukmerges pienine	Yes	Yes

	Share of the group (%) as at 31st December 2008	
	2008	2007
Subsidiaries		
UAB „Rokiškio pienas“	100,00	100,00
PK „Žalmargė“	100,00	100,00
UAB „Skeberdis ir partneriai“	100,00	100,00
UAB „Skirpstas“	100,00	100,00
UAB „Batėnai“	100,00	100,00
UAB „Pečupė“	100,00	100,00
UAB “Europienas”	100,00	-
SIA Jekabpils piena kombinats	50,05	-
Co-controlled company		-
UAB “Pieno upės”	50,00	50,00

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.

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

UAB „Skeberdis ir partneriai“ legal address: Maironio g.32, Ariogala LT-60001 Raseinių raj. Company code: 172396552.

UAB „Skirpstas“ legal address: Mindaugo g.38, LT-82001 Radviliškis. Company code: 171344353.

UAB „Batėnai“ legal address: Videniškių km. LT-33295 Molėtų raj. Company code: 167543723.

UAB „Pečupė“ legal address: Dubysos g.8, Ariogala LT-60001 Raseinių raj. Company code: 172258722.

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).

Europienas UAB Legal address: Pergalės 10, Lukšių mst. Šakių raj. Company code 174825438.

Co-controlled company:

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

Branches of AB "Rokiškio sūris":

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

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

4. Characterization of the issuer's basic business

Basic business of the group of "Rokiškio sūris":

- ◆ Dairying and cheese production (EVRK 10.51);

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

Daughter enterprises:

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

Basic business of UAB „Skeberdis ir partneriai“ is purchase of raw milk.

Basic business of UAB „Skirpstas“ is purchase of raw milk.

Basic business of UAB „Batėnai“ is purchase of raw milk.

Basic business of UAB „Pečupė“ is purchase of raw milk.

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

Basic business of SIA Jekabpils piena kombinats – production of fermented cheese and sales of raw milk.

Basic business of UAB „Europienas“ is purchase of raw milk.

Co-controlled company:

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

Branches of AB „Rokiškio sūris“:

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

5. Contracts with financial brokers

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

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

42 716 530 ordinary registered shares of AB „Rokiškio sūris“. Nominal value per share is LTL 1 (one litas). (VVPB symbol is RSU1L; ISIN code – LT0000100372). Total nominal value equals to LTL 42 716 530.

AB „Rokiškio sūris“ shares are traded on Vilnius Stock Exchange NASDAQ OMX Vilnius are the shares are listed on the Official Trading List.

7. Authorized capital of the issuer

As at 31st December 2007, 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	42 716 530	1	42 716 530	100,00

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

8. Limitation on transference of securities

There are no limitations to be applied to the block of shares nor any regulations according to which an agreement with the company or other owners of securities is required.

9. Shareholders

Total number of shareholders (as at 31.12.2008) – 5.594 shareholders.

The shareholders having or owning over 5 percent of the issuer's authorized capital (as at 31.12.2008):

Name, surname Name of company	Address	Proprietary rights			With associated persons	
		Number of shares	Capital share %	Votes %	Capital share %	Votes %
UAB "Pieno pramonės investicijų valdymas" Comp.code 173748857	Pramonės g. 3, Rokiškis Lithuania	15 938 900	37,31	39,88	53,81	57,51
Antanas Trumpa	Sodų 41a, Rokiškis Lithuania	4 928 370	11,54	12,33	53,81	57,51
Skandinaviska Enskilda Banken AB clients Code 502032-9081	Sergels Torg 2, 10640 Stockholm, Sweden	5 286 429	12,38	13,23	-	-
AB „Rokiškio sūris“ Comp.code 173057512	Pramonės g. 3, Rokiškis Lithuania	2 755 036	6,45	-	-	-

10. Shareholders' rights

Shareholders have the following non-economic rights:

1. to attend the general meetings of shareholders with voting rights;
2. to obtain information on the company's operations;
3. 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;
4. 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 portion of assets of the Company in liquidation;
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 of the Company unless the General Meeting of the Shareholders resolves to waive such right;
5. to lend to the Company as determined by the Laws of the Republic of Lithuania;
6. to bequeath all or part of the shares to one or several persons;
7. to sell or transfer in any other way all or part of shares to any third party;
8. other property rights established by the Lithuanian Laws.

11. Shareholders with special control rights and description of the rights

There are no shareholders with special control rights.

12. All limitations of voting rights

As at 31st December 2008, AB „Rokiškio sūris“ possessed 2 755 036 units of own shares. The shares are without voting right. It makes 6,45% of the Authorized capital of AB “Rokiškio sūris”. There are no other shares with limited voting rights.

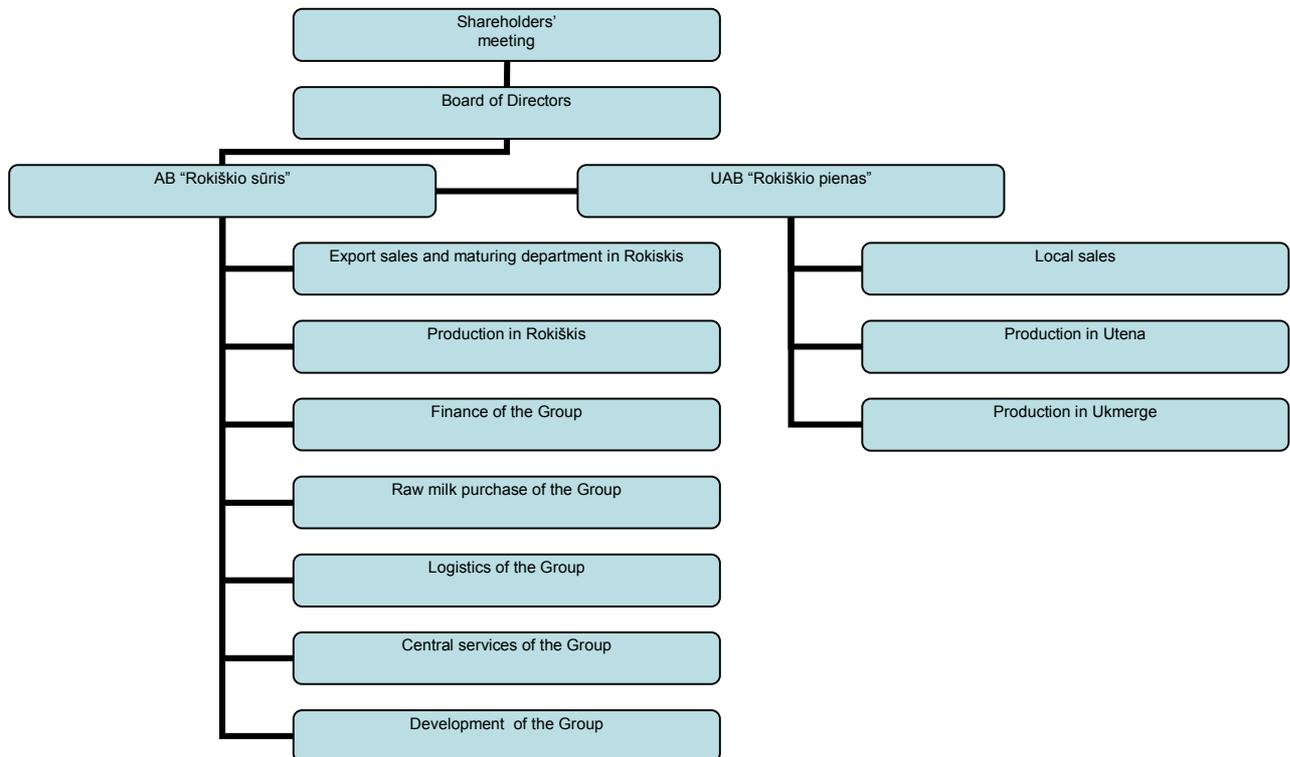
13. All agreements between shareholders

The issuer is not aware of any agreements between shareholders which would restrict transference of securities and (or) voting rights.

14. Employees

Group's structure of AB „Rokiškio sūris“

AB „Rokiškio sūris“ Group's (hereinafter The Group) management structure is formed in line with the key functions such as Sales, Production, Finance management, Milk procurement, Logistics, Central services, and Development. The Functional Directors condition and develop the Group's strategy, tactics and targets in accordance with the functions.



The management of AB „Rokiškio sūris“ is concerned about continuous improvement of employee qualification. The great attention is paid to the studies of foreign languages. There are language lessons at the company as well as lessons organized by external organizations. Rights and responsibilities of the company employees are provided by Job descriptions. There are no special rights and responsibilities provided by job contracts.

There is a Trade-Union Committee established at AB "Rokiškio sūris" which protects the economical and social rights and interests of its members in light of employment, social guarantees, training, professional improvement as well as establishment of professional ethics, and aim to increase income of the food industry employees.

The company has signed a Corporate Contract with Trade-Union Committee of AB Rokiskio sūris. The main purpose of the contract is to harmonize performance of the collective, and to guarantee better rights and conditions of employment, remuneration, safety and health protection, social guarantees and similar, compared to the ones established by the Laws and other legal documents of the Republic of Lithuania.

As at 31st December 2008, the number of employees working for the group of AB „Rokiškio sūris“ amounted to 1692 (average number pf employees).

The table shows average number of employees of Rokiškio sūris group and variation of average salaries in 2008:

Average number of employees	2008.12.31.	2008.01.01.
Total:	1692	1738
incl. Managers	10	10
Specialists	164	168
Workers	1518	1560
Average monthly salary, Lt	2242	1968
managers	7445	9370
specialists	2697	2633
workers	2155	1880

Education of the employees working for Rokiskio suris

Education	2008.12.31	2008.01.01
University degree	129	131
Special education	735	692
High school	750	829
Unfinished high school	78	86

15. 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.

16. Transactions with related parties and significant agreements

1. The Group is controlled by UAB „Pieno pramonės investicijų valdymas“ (established in Lithuania) and Antanas Trumpa (Director of the Company) who alltogether own 48,85 per cent of the Company's Authorized Capital. The Closed Joint \stock Company „Pieno pramonės investicijų

valdymas" is controlled by Antanas Trumpa (as a major shareholder). The rest part of 51,13 per cent of the company's shares belongs to various minor shareholders in Lithuania and foreign countries.

UAB „Pieno pramonės investicijų valdymas”, members of the Board of Directors, executive managers and their family members are considered to be related parties also. The Company „Rokiškio sūris“ has acquired 6,45 per cent of own shares. The major shareholders of AB „Rokiškio sūris“ owning over 5 per cent of the Company's Authorized Capital are presented by point 9 of the Report.

UAB „Pieno pramonės investicijų valdymas”, Board of Directors and the Executive directors and their family members are considered to be related parties.

Some cooperative companies directed to milk production are considered as related parties also, because the Company may have influence on them through close relatives of the directors and some employees.

2. There are no significant agreements whose one party is the issuer and which would get in power, change or terminate upon the changed issuer's control as well as there is no such influence except the cases when the disclosure of certain agreements would make significant damage on the issuer.

3. There are no agreements between the issuer and its members or employees providing any compensation upon their resignation or dismissal from job without reliable reason or in case of job termination due to the change issuer's control.

Transactions with related persons/ parties are disclosed in Remark 33 of Financial accounting.

17. Key characteristics of the securities launched to the public trading

As at 31st December 2008, it was launched to the public trading 42 716 530 (forty two million seven hundred sixteen thousand five hundred thirty) ordinary registered shares. Nominal value equals to LTL 1 (one litas) per share, total nominal value of shares is LTL 42 716 530 (forty two million seven hundred sixteen thousand five hundred thirty litas).

18. Securities listed on the official trading list

The 42 716 530 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.

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

Reporting period		Price (Lt)			Turnover (Lt)			Date of last session	Total turnover	
from	to	max	min	last sess.	max	min	last sess.		(units)	(Lt)
2006.01.01	2006.03.31	75,50*	68,00*	72,50*	2 669 836	0	7 015	2006.03.31	194 218*	14 016 379
2006.04.01	2006.06.30	71,50*	50,00*	50,00*	1 746 560	0	156 447	2006.06.30	90 581*	5 423 753
2006.07.01	2006.09.30	50,00*	44,00*	47,50*	2 222 702	0	76 353	2006.09.29	409 002*	19 177 690
2006.10.01	2006.12.31	56,20*	43,80*	55,00*	5 269 556	0	49 870	2006.12.29	457 987*	20 985 247
2007.01.01	2007.03.31	64,50*	56,00*	60,40*	3 772 364	0	3020	2007.03.30	291 066*	16 644 056
2007.04.01	2007.06.30	61,40*	55,50*	60,01*	2 651 355	0	381 491	2007.06.29	207 654*	12 425 930
2007.07.01	2007.09.30	80,56*	60,00*	77,80*	3 036 573	0	27 000	2007.09.28	224 941*	15 481 420
2007.10.01	2007.12.31	8,31	7,70	7,84	4 856 398	0	314 962	2007.12.28	2 620 619	19 865 395
2008.01.01	2008.03.31	7,95	5,63	5,75	1 552 561	0	10 111,90	2008.03.31	1 731 106	11 741 678,98
2008.04.01	2008.06.30	5,70	4,90	5,15	359 617,80	0	4667,00	2008.06.30	510 793	2 718 881,28
2008.07.01	2008.09.30	5,10	3,88	4,00	536 349,10	0	11 890,20	2008.09.30	403 314	1 807 914,96
2008.10.01	2008.12.31	4,00	1,48	1,73	148 521,40	0	7 504,40	2008.12.30	293 125	658 422,12

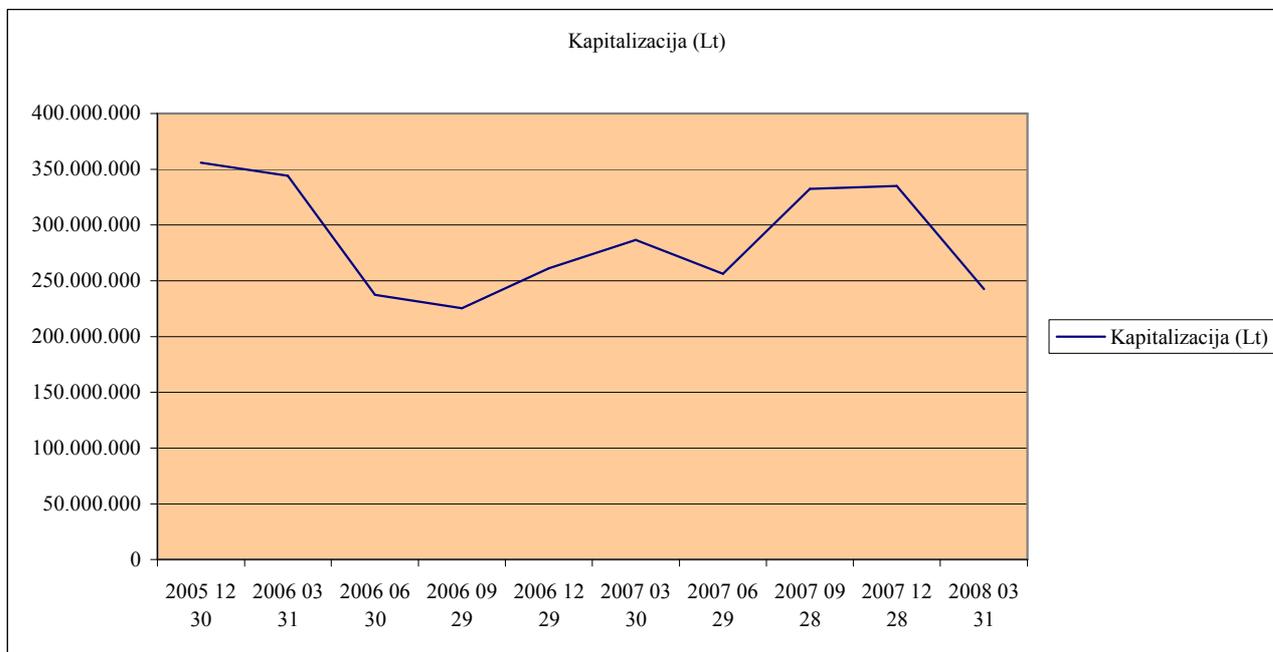
* - nominal value per share 10 (ten) litas.

Diagram of price and turnover of AB „Rokiškio sūris“ skares as per 2008:



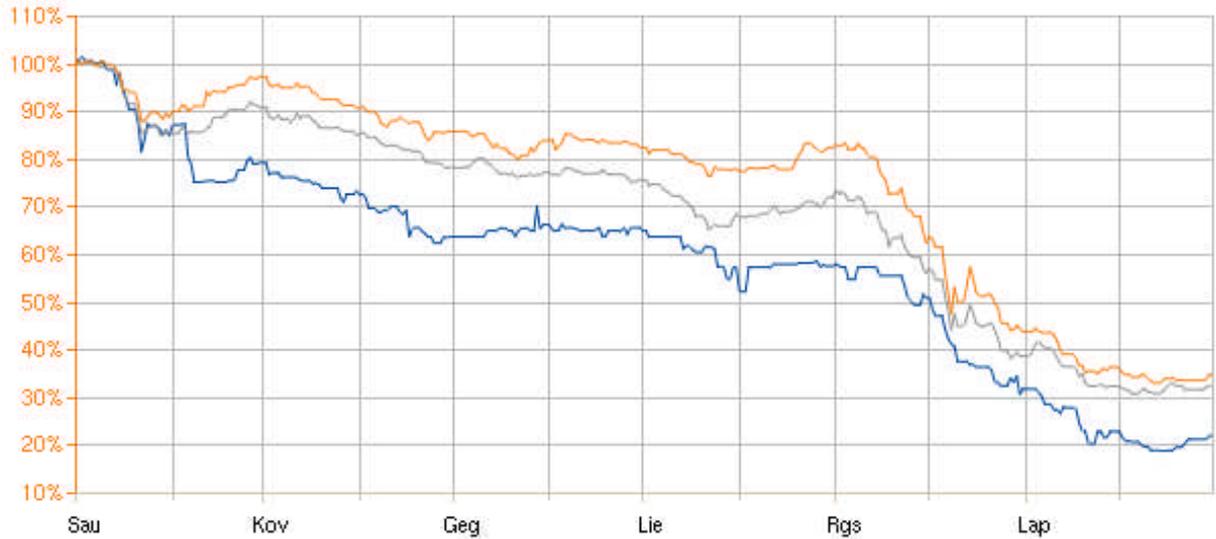
19. Capitalization of securities

Capitalization of the company's shares within 2006-2008, Lt



Date of last session of the trading	Capitalization (Lt)
2005.12.30	355 970 250
2006.03.31	344 104 575
2006.06.30	237 313 500
2006.09.29	225 447 825
2006.12.29	261 044 850
2007.03.30	286 674 708
2007.06.29	256 341 897
2007.09.28	332 334 603
2007.12.28	334 897 595
2008.03.31	242 515 048
2008.06.30	219 990 130
2008.09.30	168 706 120
2008.12.30	73 899 597

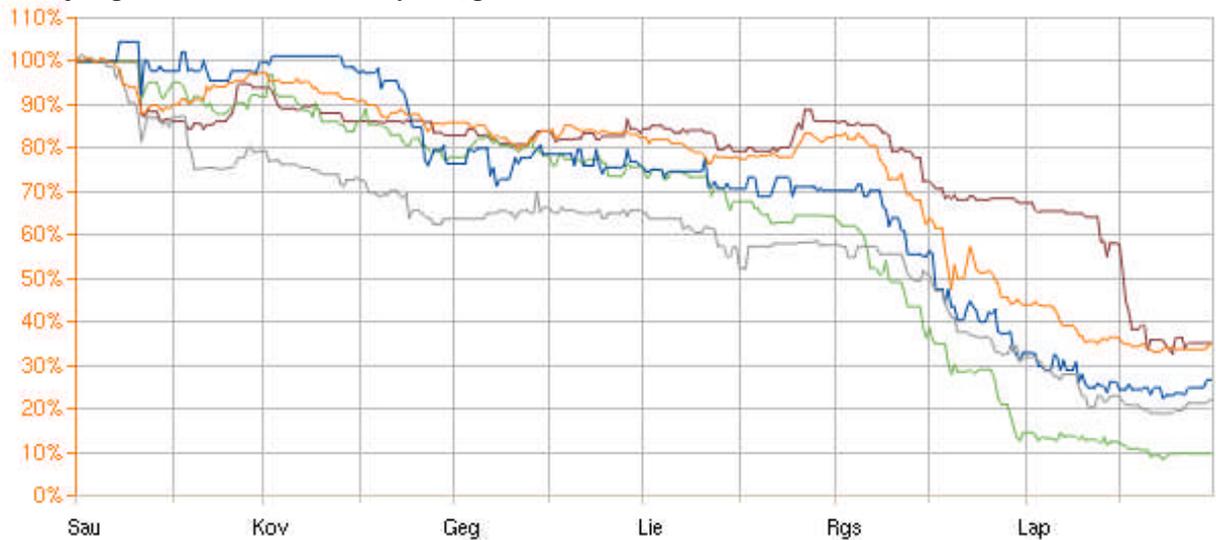
Baltic market indices:



Data of the diagram:

Index / Shares	2008.01.01	2008.12.31	+/- %
— OMX Vilnius	514,23	179,25	-65,14
— OMX Baltic Benchmark PI	556,21	179,98	-67,64
— Rokiškio sūris	7,84 LTL	1,73 LTL	-77,93

Share price DIAGRAM: OMX Vilnius and AB „Rokiškio sūris“, AB „Pieno žvaigždės“, AB „Žemaitijos pienas“ and AB „Vilkyškių pieninė“:



Data of the diagram:

Index / Shares	2008.01.01	2008.12.31	+/- %
— OMX Vilnius	514,23	179,25	-65,14
— Rokiškio sūris	7,84 LTL	1,73 LTL	-77,93
— Žemaitijos pienas	2,25 LTL	0,60 LTL	-73,33
— Vilkyškių pieninė	6,20 LTL	0,60 LTL	-90,32
— Pieno žvaigždės	5,80 LTL	2,04 LTL	-64,83

20. The Group's audited consolidated financial accounts for the year 2008

See attached Annex: The consolidated audited financial accounts of AB „Rokiškio sūris“ group and parental company for the year 2008.

21. Information on purchase of issuer's own shares

As at 31st December 2008, AB „Rokiškio sūris“ owned 2 755 036 ordinary registered shares which made 6,45 % of the authorized capital of AB „Rokiškio sūris“.

The 28th May 2007 Board of Directors of AB „Rokiškio sūris“ resolved:

Pursuing resolutions of the 22nd December 2006 General Shareholders' Meeting to support and increase the price of AB „Rokiškio sūris“ shares, it will be acquired up to 333 000 (three hundred thirty three thousand) units of AB „Rokiškio sūris“ ordinary registered shares of LTL 10 (ten) par value. Minimal quantity of intended purchase – 1 000 (one thousand) ordinary registered shares of AB „Rokiškio sūris“.

The price set for the acquisition of treasury shares is equal to LTL 60,00 (sixty litas) per ordinary registered share. Period for the purchase of treasury shares – 30 days.

In the course of implementation of the official tender offer, AB „Rokiškio sūris“ acquired 78 365 ordinary registered shares, paying LTL 60 per ordinary registered share.

Nominal value equals to LTL 10 per shares. It makes 1,83% of the company's Authorized Capital. The treasury shares are without the voting right.

Upon the resolution adopted by the 19th October 2007 General meeting of shareholders of AB „Rokiškio sūris“ to change the nominal value of ordinary registered shares of AB „Rokiškio sūris“ from 10 (ten) litas par value to 1 (one) litas par value whereas the size of the authorized capital of the company remained unchanged and number of shares was increased proportionally, AB „Rokiškio sūris“ owned 783 650 of treasury shares. Nominal value equaled to LTL 1 per share.

As at 31st December 2007, AB „Rokiškio sūris“ owned 783 650 of treasury shares.

The 11th February 2008 Board of Directors of AB „Rokiškio sūris“ resolved:

„Pursuing the resolution of the 22nd December 2006 General meeting of shareholders of AB „Rokiškio sūris“ – to acquire up to 1 355 000 (one million three hundred fifty five thousand) ordinary registered shares of AB „Rokiškio sūris“ with LTL 1 (one litas) par value. (3,17 per cent of the authorized capital). The price for the acquisition is set as LTL 6 (six litas) per ordinary registered share.“

In the course of voluntary tender offer, AB „Rokiškio sūris“ purchased 674 000 units of treasury shares (paying LTL 6 per ordinary registered share) which makes 1,83 % of the company's authorized capital, therefore summing up with the formerly acquired own shares it makes 5 per cent of the authorized capital.

The 27th May 2008 Board of Directors of AB „Rokiškio sūris“ resolved:

Pursuing the resolution of the 25th April 2008 General meeting of shareholders of AB „Rokiškio sūris“ - to acquire up to 2 810 000 (two million eight hundred ten thousand) ordinary registered shares of AB „Rokiškio sūris“ with LTL 1 (one litas) par value. (6,58 per cent of the authorized capital).

The price for the acquisition is set as LTL 5,20 (five litas, 20 ct.) per ordinary registered share.

In the course of voluntary tender offer as from 2008.06.10 to 2008.06.25, AB „Rokiškio sūris“ purchased 1.297.386 units of treasury shares (paying LTL 5,20 per ordinary registered share) which makes 3,04 % of the authorized capital.

Summing up with the formerly acquired own shares, the company owns 2.755.036 of treasury shares and it makes 6,45 per cent of the authorized capital. The shares are not granted with the voting right.

As at the date of signing this report (10th April 2009) AB „Rokiškio sūris“ owns 2 755 036 treasury shares which makes 6,45 % of the company's authorized capital.

22. Legal grounds of the issuer's performance

The performance of AB "Rokiškio sūris" is guided by the Law on Joint Stock Companies of the Republic of Lithuania, the Law on Securities, the Company's Articles of Association and other legal documents valid in Lithuania and applied to company practice.

23. Belonging to the associated organizations

AB "Rokiškio sūris" is a member of the Lithuanian Dairymen Association "Pieno centras" and the Lithuanian Confederation of Industrialists. Moreover, it participates in the activities of the Chamber of Commerce, Industry and Trade of Panevezys.

The activities of the Lithuanian Dairymen Association are regulated by the Law on Associations of the Republic of Lithuania and by the Confederation Regulations.

24. Brief description of the issuer's history

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.

Specialized "Rokiškio" cheese production was planned and started to build in 1964, whereas at the beginning of 1966 the company started its work. From the very beginning of the company's business fermented cheese became its main product. In 1980 the company started the first reconstruction phase by putting into action a new cheese production department. The second reconstruction phase was in 1988 when the construction of new milk receiving machinery and full cream milk production departments was completed. In 1991 a new Finnish cheese maturation base was put into action.

In 1992, the state-owned enterprise "Rokiškio sūrio gamykla" was privatized and reorganized into a joint stock company "Rokiškio sūris". In 1993 the remaining governmental enterprise shares were sold. Following the decisions of the Government, in 1994 the company indexed its property. During the period from 1993 to 2002 the company's share capital increased 7 times with the help of additional contributions, 2 times thanks to own means and 3 times due to reorganization. In 2000, after affiliation of AB "Utenos pienas", and in 2002, after affiliation of "Eišiškių pieninė" the authorized capital was no longer increased.

In 1997, 150 000 of nominal equity were distributed in the form of international depository notes (GDR).

To secure constant material supply and to strengthen its position in the local market, AB "Rokiškio sūris" affiliated "Zarasų pieninė" in 1995, in 1996 – "Ukmergės pieninė", in 1998

"Šalčininkų pieninė", in 2000 "Utenos pienas" and in 2002 – "Eišiškių pieninė". In all these dairies the company created its subsidiary companies.

In the months of November and December, 2000 AB "Rokiškio sūris" increased the share portfolio of AB "Švenčionių pieninė" up to 90,6%.

In December, 2000 AB "Rokiškio sūris" acquired 49,9% of AB "Eišiškių pieninė" share portfolio, whereas in March, 2002 AB "Rokiškio sūris" increased the share portfolio of AB "Eišiškių pieninė" up to 100% of authorized capital and votes.

In March, 2001 AB "Rokiškio sūris" purchased 49,9% of AB "Varėnos pieninė" share portfolio.

In October, 2001 AB "Rokiškio sūris" purchased 49,9% of AB "Ignalinos pieninė" and 100% UAB "Jonavos pieninė" share portfolio.

On 1st of June, 2005 AB "Rokiškio sūris" sold the share portfolio of AB "Varėnos pieninė" and AB "Ignalinos pieninė".

On 26th of April, 2002 at the general shareholder meeting of AB "Rokiškio sūris" the decision to reorganize the enterprises was made. It was decided to affiliate AB "Eišiškių pieninė" and UAB "Jonavos pieninė"; that is, the enterprises stopped functioning as legal persons.

On 4th of July, 2002 AB "Rokiškio sūris" Board decided to stop the activities of AB "Rokiškio sūris" subsidiary company "Šalčininkų pieninė" and to sign it out from the Enterprises' Register.

On 30th of December, 2002 the subsidiary company of AB "Rokiškio sūris" "Šalčininkų pieninė" was signed out from the Enterprises' Register of the Republic of Lithuania.

On 6th of September, 2002 at the general meeting of AB "Rokiškio sūris" shareholders the following decisions were made: reorganization of AB "Rokiškio sūris", AB "Eišiškių pieninė" and UAB "Jonavos pieninė" was terminated; AB "Eišiškių pieninė" and UAB "Jonavos pieninė" property, rights and responsibilities acceptance and transfer acts were confirmed. AB "Eišiškių pieninė" and UAB "Jonavos pieninė" terminated their activities as legal persons and they were signed out from the Enterprises' Register.

On 14th of November, 2002 AB "Rokiškio sūris" Board decided to establish a subsidiary company "Eišiškių pieninė". On 6th of December, 2002 AB "Rokiškio sūris" subsidiary company "Eišiškių pieninė" was registered into the Enterprises' Register. On 29th October, 2005 AB "Rokiškio sūris" Board decided to terminate the subsidiary company's activities. In April, 2006 the subsidiary company "Eišiškių pieninė" was signed out from the register of legal persons.

On 14th of February, 2003, following the decision of AB "Rokiškio sūris" Board, the activities of AB "Rokiškio sūris" subsidiary company "Zarasų pieninė" were terminated. On 26th of June, 2003 "Zarasų pieninė" was signed out from the Enterprises' Register of the Republic of Lithuania.

On 20th of August, 2003 AB "Rokiškio sūris" bought 12 units of UAB "Kalora" nominal equity, which composed 100% of UAB "Kalora" authorized capital. In October, 2005 AB "Rokiškio sūris" sold these shares.

On 18th of February, 2005 an insolvency case with creditors, without the court process, was raised against AB "Švenčionių pieninė". On 29th of April, 2005, due to its bankruptcy, AB "Švenčionių pieninė" was signed out from the register of legal persons.

On 14th of June, 2005 AB "Rokiškio sūris" sold 410 330 units of AB "Žemaitijos pieno investicija" shares, that is, 11,63% of AB "Žemaitijos pieno investicija" authorized capital.

On 3rd of March 2006, in order to achieve more effective fresh dairy production results, AB "Rokiškio sūris" Board decided to separate export-oriented cheese production business from fresh dairy production business oriented to the local market. For this reason a new subsidiary company was established. On 21st of April, 2006 a subsidiary company UAB "Rokiškio pienas" was registered into the register of legal persons. The subsidiary is totally owned by AB "Rokiškio sūris".

After termination of the activities of subsidiary Eišiškių pieninė on 5th April 2006 the subsidiary of AB „Rokiškio sūris“ Eišiškių pieninė was registered out from Juridical Register of the Republic of Lithuania.

In the year 2007, AB „Rokiškio sūris“ acquired 50 per cent of UAB „Pieno upės“ shares and 100 per cent of each of the following companies: UAB „Skeberdis ir partneriai“, UAB „Skirpstas“, UAB „Batėnai“, UAB „Pečupė“ and PK „Žalmargė“. The main activity of the companies is purchase of raw milk.

In January 2008, AB „Rokiškio sūris“ acquired 50,05 per cent of block of shares of Latvian company SIA Jekabpils piena kombinats. SIA Jekabpils piena kombinats specializes in production of fermented cheese and sales of raw milk.

Also, in July 2008 the company acquired UAB „Europienas“. Business of the company is purchase of raw milk.

25. Production, description of production capacities, and implementation of new products

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

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

All three dairies have implemented Hazard Analysis and Critical Control Point systems (HACCP), ensuring safety of the products from the very first step – raw materials – until their final delivery to store shelves. Certificates for complying with quality management ISO-9001 and environment ISO-14001 standards were received from the International Certification Company “Bureau Veritas Quality International”. Continuous improvement of systems in order to best meet clients' requirements is ensured, and production in the lowest possible environmentally harmful conditions is pursued.

In 2001, AB "Rokiškio sūris" and in 2002, its subsidiary companies were certified on the international scale: Food Security - HACCP, Quality Management - ISO 9001:2000 and Environment Protection Management ISO 14001:1996 systems. The HACCP system was re-certified according to "Food safety management system". Every step of production should comply with the requirements stated by ISO 22000:2005.

The certificates conferred by the international certification organisation BVQI confirm that the above-mentioned systems are in conformity with ISO 9001:2000, ISO 14001:1996 standard requirements. Moreover, it is determined that all work process, production, machinery and technical maintenance management of the company ensure its production to be safe and of high quality. Moreover, efforts to improve the entire environment protection efficiency, without any deviation from the company's executive policy, are acknowledged.

According to food safety system, important production points have to be under constant observation, this way safeguarding from any critical deviation limits. The system determines these critical limits and means allowing managing the process.

The quality management system ISO 9001:2000 determines both safe and high quality production means. The rules of the system ensure receiving stable, equal and qualified production. The quality management system includes the entire process from material purchase to client need satisfaction when selling the final production.

In 2008, in order to expand the market and meet customer demands, the company in Rokiskis was certified according to the UK standard BRC (British Retail Consortium).

The main activity of the Group is processing of milk. The sites of production are specialized in accordance with certain area of production.

AB „Rokiškio sūris“

Throughout the long years of successful production fermented cheese remains the main company product.

The cheese produced by the company is divided into semi-hard and hard cheese. The group of semi-hard cheese includes the following products: "Rokiškio sūris" (varies in fat and height), "Hermis", "Utenos", "Lietuviškas", "Gauda", "Edamas", Rosijskij syr, Pribaltijskij syr, non-matured cheese „Mozzarella“ and Cagliata, whereas "Goya", "Montecampo" and "Gojus" belong to the hard cheese type.

Besides the main production of fermented cheese, AB "Rokiškio sūris" produces melted cheese, whey protein concentrate (WPC) and milk sugar (lactose).

In 2008, „Rokiškio sūris“ produced 32 719 tons of fermented cheese (compared to 2007 when it was produced 10 472 t or 32% more), 780 tons of processed cheese, (incl. 150 tons of smoked cheese), 14 240 tons of cream of 35% fat content, 1 586 tons of whey cream, 10 147 tons of milk sugar, 76 631 tons of whey protein concentrate of 9 per cent.

The company pays great attention to the quality and safety of production, the company continuously decreases its production costs remaining on the top level of production and reducing negative impact on the environment whilst ensuring minimal usage of damaging materials and treatment of waste.

In 2008, the assortment of non-matured cheese "Mozzarella" was expanded with the newly acquired line supported by modernized ultrafiltration.

UAB „Rokiškio pienas“

Specialization of Utena production plant – fresh dairy products for the local market, whey protein concentrate, milk powder and butter production.

In 2008, "Rokiškio pienas" in Utena produced 1032 t of skim milk powder, 6033 t of dry whey protein concentrate, 78 t of buttermilk powder, 4607 t of butter and fat blends, 51969 t of fresh dairy products, 7561 t of cream was exported.

The following new products were launched: "Bifi Active" (yogurt, kefir, sour cream, fluid milk, and butter milk).

A new packaging machine was acquired to pack dry products. The dryer was reconstructed with installed a new filter in order to reduce waste of product.

UAB „Rokiškio pienas“ subsidiary Ukmergės pieninė

Specialization of Ukmerge production plant – curd and curd cheese production.

In 2008, it was produced 22 138 tons of fresh dairy products, incl. 14 443 tons of unskimmed dairy products and 7 695 tons of skimmed dairy products.

26. Sales and marketing

AB „Rokiškio sūris“ group is one of the biggest and strongest dairy producers in Lithuania. The sales are directed into the Eastern and Western markets, and there is big variety of fresh dairy products which are firstly realized on the Lithuanian market.

The year 2008 was a difficult time for dairy sector. Despite it the sales of AB „Rokiškio sūris“ group increased by 2 per cent to LTL 682 million compared to LTL 665 million in 2007. Significant drop in export prices caused slump of export sales by 11 per cent.

More than 2/3 of the production of AB „Rokiškio sūris“ is exported. The mayor part of exports is fermented cheese. The group historically orientates itself into the mass production of fermented cheese, and it is one of the biggest and most famous fermented cheese producers in the Central and Eastern Europe regions. There are two main export directions with equal weight: European Union (mainly Italy, the Netherlands) and Russia. In the EU, the main products are hard fermented cheese and non-matured cheese, meanwhile the main production going to Russia is semi-hard fermented cheese.

As from 2009, the company is going to enjoy EU subsidies for the sales in Russia, which will support competition with cheaper production of local producers whose competitive advantage strengthened with devaluation of Russian rouble. The potential of this market is increasing, and the company sells its products with own brands which are going to be strengthened.

And of course, the cheese of Rokiskio is well known on the local market. The brand is considered to be the guarantee of highest quality. On the local market Rokiskio sūris is a leader in sales of fermented cheese.

As the dollar rate is growing up, the group renewed its sales to the USA. The sales are not high but may be increased in the future.

Also, the group includes other products into its export product portfolio such as butter, cream, milk powders and whey products – WPC and lactose.

The year 2008 was a very successful year in terms of sales on the local market – the market was rapidly growing and the group significantly increased its market share. At this point of time the group's sales on the local market make 38 per cent of total sales (which is the highest level within the last few years).

As from 1st January 2007, this activity is carried out by UAB „Rokiškio Pienas“. During the last year the group became a market leader. 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 brands are getting more and more powerful.

The local sales of the Group in 2008 made LTL 259 million which was over 30% more than in 2007 when the group's growth on the local market was also expressed in double-digit.

The groups targets in the local market are to concentrate beside the portfolio of strongest products and maintain 20 - 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.

In the past two years, the supermarket nets are implementing the system of central storages and seeking to undertake logistics by themselves. Considering the intentions, the company is planning changes of its own logistics system and tends to hire logistics of outside company in the future. This will decrease the cost of logistics.

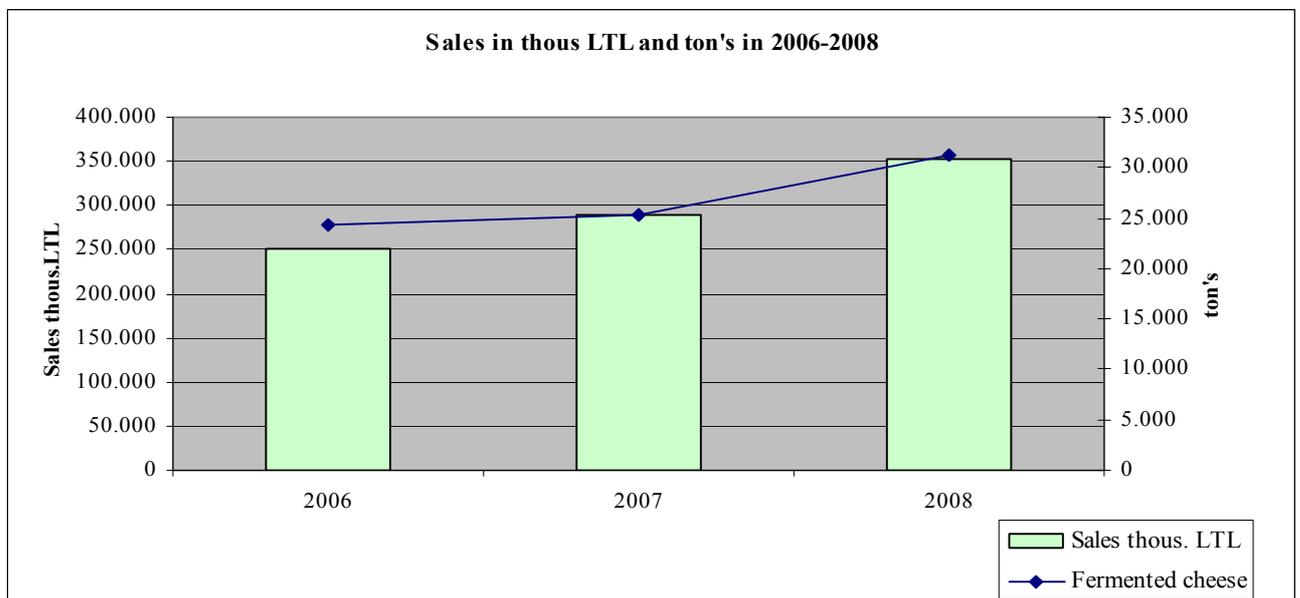
The company has strong brands such as: the economical VISIEMS, massive – ŽALOSIOS KARVUTĖS, Premium – ROKIŠKIO and ROKIŠKIO NAMINIS, dessert - &JOY, Horeca sector - PROF, low fat and healthier – VALGYK LENGVAI, functional – BiFi ACTIVE.

The product quality is also one of the company's underlying tasks and it helps in implementation of marketing strategies.

The group intends to implement various projects related with product quality improvement through the structural funds of the EU.

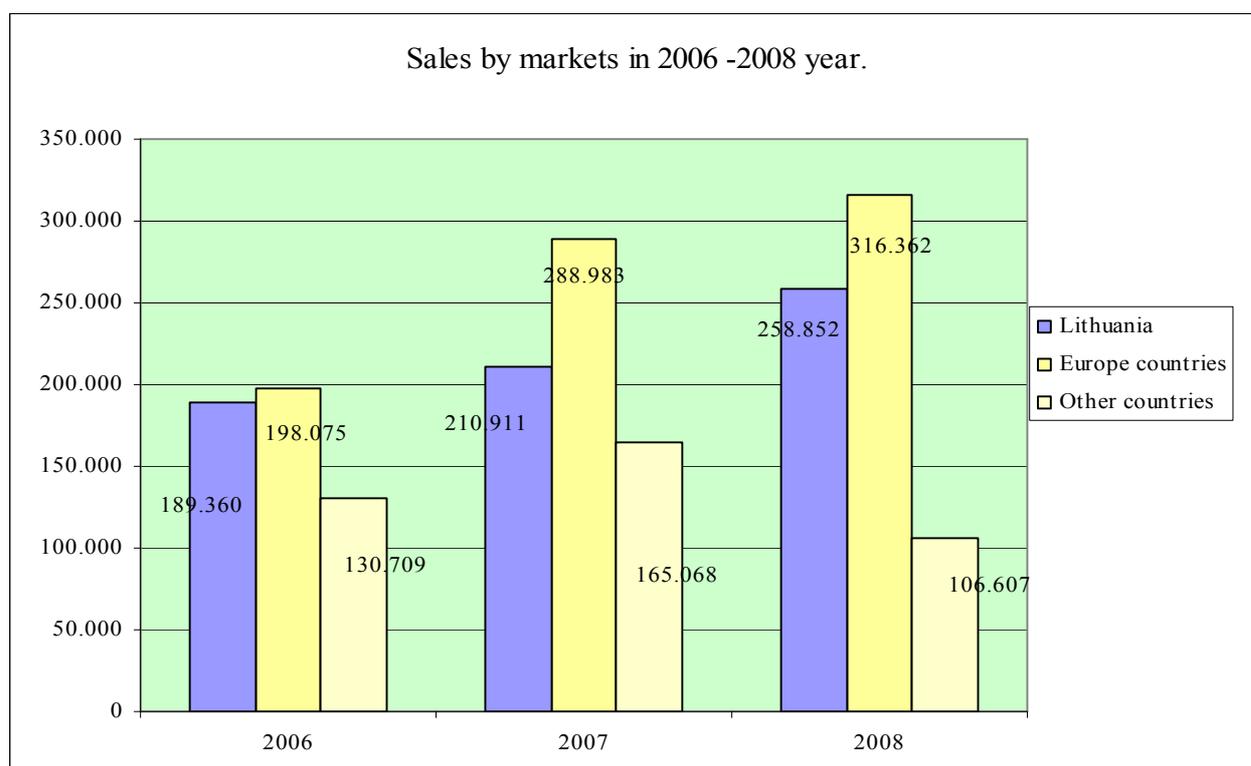
Sales in 2006-2008, in tons and thousand litas

Name of product		Sold		
		2006	2007	2008
Fermented cheese	t	24388	25334	31216
	thou LTL	251351	289435	352781
Fresh dairt products	t	47916	48313	56883
	thou LTL	107433	126511	156665
Butter	t	3907	4291	4755
	thou LTL	32902	45573	45321
Milk sugar	t	6998	5965	10352
	thou LTL	14584	32417	13975
Milk powders	t	1093	3874	2644
	thou LTL	7938	43325	21035
WPC	t	3553	3781	6313
	thou LTL	19664	30838	30725



Sales markets in 2006-2008

Countries	Sold					
	2006		2007		2008	
	thou LTL	%	thou LTL	%	thou LTL	%
Lithuania	189 360	36,54	210 911	31,72	258 852	37,96
EU	198 075	38,23	288 983	43,46	316 362	46,40
Other countries	130 709	25,23	165 068	24,82	106 607	15,64
Total	518 144	100	664 962	100	681 821	100



27. Purchase of raw material

According to the data prepared by the Ministry of Agriculture, in 2008 it was purchased 1381,4 thousand tons of natural milk (on the average 4,36 fat and 3,3 protein content) which is by 2,5 per cent more than in 2007. The average price of natural raw milk was LTL/ t 862, and it was by 3,9 % higher than in 2007.

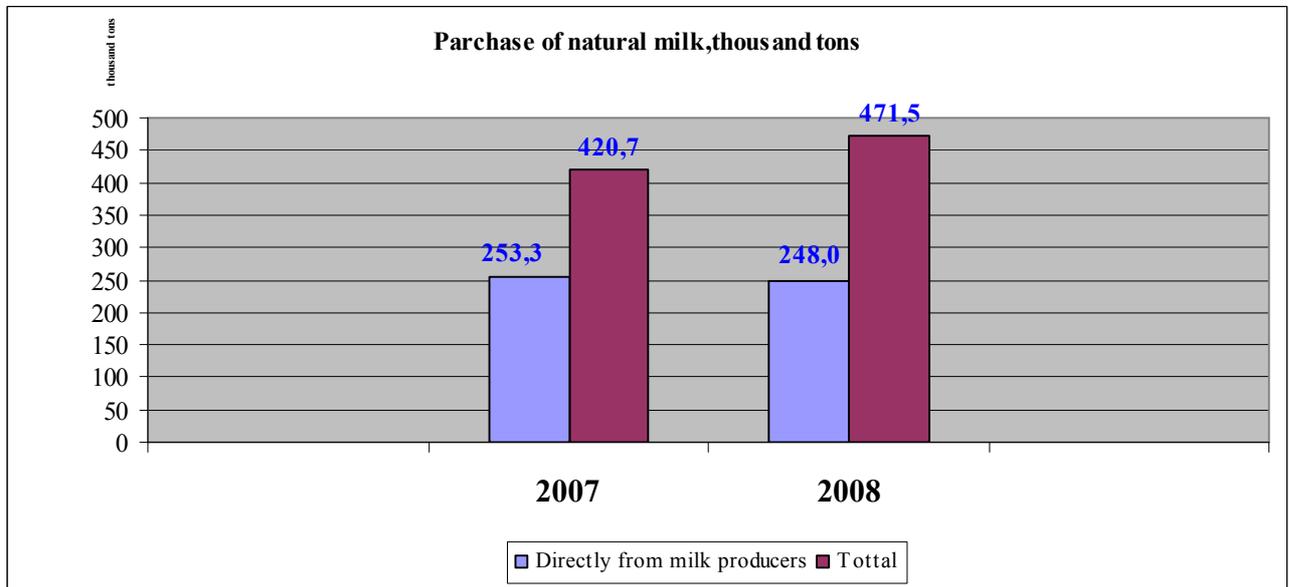
The group purchases make 34,1 per cent of the total milk purchased in Lithuania.

The group of Rokiskio sūris (procurement departments in Rokiskis, Utena and Ukmerge) bought directly from farmers 248,0 thousand tons of natural raw milk (on the average 4,20 fat and 3,29 protein content), which is by 2 per cent less than in 2007 (253,3 thousand t). In total it was purchased 471,5 thousand tons of natural raw milk (on the average 4,16 fat and 3,28 protein content) or 12,1 per cent more than in 2007.

During the period, the zone of purchase of raw milk was expanded in Latvia where in 2008 the company purchased 124,5 thousand tons of natural raw milk, in 2007 it was 63,4 thousand tons.

In February 2008, it was acquired the property of individual company of Jonas Raišys (milk collection points), and the employees were transferred to AB „Rokiškio sūris“. In order to reduce

costs of milk collection, the companies UAB „Pečupė“ and UAB „Skeberdis ir partneriai“ were integrated. The employees were transferred to AB „Rokiškio sūris“. Reconstruction works of milk loading centers in Kretinga and Ariogala were completed.



28. Risk factors related with the issuer's performance

Economic factors:

Unfavourable influences related with raw milk production and sales of finished products:

- a) lowering purchasing power of Lithuanian residents;
- b) unrecognized LT brands on the EU market (due to which it is difficult to trade in the retail market)
- c) high concentration of producers;
- d) substitution of dry milk products with cheaper ingredients for further production;
- e) increase of prices for fuel/power;
- f) abolishment of EU export subsidies to third countries;
- g) lack of raw milk, high competition.
- h) government tax politics is not supportive to business
- i) bureaucratic restrains
- j) drop in export prices due to the world financial and economical crisis;
- k) surplus of dairy production on the EU and world markets.

Lithuania is dominated by small milk farms. Such a high number of raw milk suppliers causes increase of costs for raw milk quality testing and raw milk collection costs. In addition, small farms cannot ensure sufficient and consistent raw milk quality, and impede investment into milk farms. Average dairy farm in Lithuania is the least in EU, moreover it is smaller thirteen times as much compared to the average figure in EU.

Raw milk production in Lithuania is heavily influenced by seasonality: collection of raw milk in August - September is 1,4 as high as in February. It has a negative impact on the effectiveness of milk processors, and utilization of equipment capacities.

Low productivity of milking cows:

Low productivity of cows is caused by insufficient genetic potential of herd and poor feedstuffs. Diminishing small farms. Decrease of population in rural areas.

Unsteady dairy industry regulatory measures implemented by the State. Development of family based milk farms was and still is too slow. Absence of consequent State politics to develop this sector, frequent changes of subsidy requirements and its amounts, concentration into milk prices rather than into investment support have had negative influence on the development of milk farms and improvement of veterinary-sanitary conditions.

Social factors:

During the past few years, emigration of residents of Lithuania increased. Now it is experienced lack of qualified work power. Decrease in reimbursement system. The farming is dominated by older farmers. Community of villages is getting older also. High unemployment. Bankruptcy of companies.

Technical – technological factors:

Technical-technological risk factors of AB „Rokiškio sūris“ are determined by HACCP program.

The main parts of HACCP program are Prerequisites and HACCP programs. They identify hazard points in every production step, as well as their critical control limits and correction actions.

The company has the following Pre-requisites:

1. Raw milk quality;
2. Maintenance of buildings and premises;
3. Sanitary;
4. Training of personnel;
5. Supply of water, steam and electricity. Water control;
6. Supply of water, steam and electricity. Water control;
7. Purchase and storage of additional materials;
8. Maintenance of equipment. Calibration of measurement devices;
9. Maintenance of equipment. Calibration of measurement devices;
10. Product traceability and recall;
11. Monitoring of logistics;
12. Pest control.

To monitor every production process there are prepared procedures, technological instructions, their control procedures (both microbiological and chemical), provided records. Final products are handled according the company's standards which concerns their specifications, chemical content, nourishment, energetic value, packaging, terms of storage, shelf life etc.

Ecological factors:

The most sensitive environmental points of AB "Rokiškio sūris" are processing and treatment of production pollutants: production/ operational waste, whey, and raw milk processing waste. Certificate for complying with environment standards ISO-14001 was received from and is controlled by the International Certification Company "Bureau Veritas Quality International".

During the external and internal audit it has been identified 10 remarks and 3 non-compliances which were corrected.

The Environmental program for 2008 was completed. The following was implemented to improve environmental conditions: odour catchers were installed in waste water treatment plant, the software and hardware systems were renewed, as well as monitoring system, also the dairy waste site in Celkiai was emptied in the course of recultivation, and a new whey filtration equipment was introduced.

The most sophisticated technologies are used in AB "Rokiškio sūris": filtration (ultra-filtration, nano-filtration, RO), separation, graded evaporation, central cleaning stations, recuperation, regeneration, odour moderation, automatization etc. The company continuously invests into modernization of production processes.

On 31st December 2005, AB "Rokiškio sūris" received a Licence for integrated prevention and control of pollution (TIPK). Period of validity unlimited. The evaluation of compatibility with the most available ways of production in Europe was carried out. The company has implemented the most available ways of production, the input and level of emission comply with the requirements applied in the European Union.

There are five environmental programmes designed for observation and analysis of influence on environment: 1) Program for underground and surface water monitoring of dairy waste treatment site of AB "Rokiškio sūris" in Čelkiai turbary, 2) Monitoring program for field fertilization by waste from AB "Rokiškio sūris", 3) Monitoring program for treated waste from AB „Rokiškio sūris“ to Ruopiškis (Alseta) lake in Rokiškis district, 4) Monitoring program for underground water of AB "Rokiškio sūris", 5) Monitoring program for underground water in petrol stations of AB "Rokiškio sūris" in Rokiškis and Obeliai. The monitoring is carried out by the environmental engineering company UAB „HGN Hydrogeologie Baltic“. Certificates are submitted to Panevėžys RAAD. There is no objectionable influence identified.

In 2008, the inventory resources of contamination discharged 9,264 t. of pollutants. The transport park consists of 393 vehicles: 284 trailers, 101 automobiles, 8 other vehicles. The mobile resources of contamination discharged 1418,8 t of pollutants. In 2008, it was acquired 20 new vehicles complying with standards Euro 4 or 5.

The company has constructed its own waste water treatment plant in order to target loads for pollutants as required by the EU standards. The effectiveness of waste treatment is equal to 96-99%. As from 2008.01.01, a company UAB „Rokvesta“ is contracted for the service. The treated dairy waste is processed into bio-gas and electricity. The sludge obtained from waste treatment is used for field fertilizing. In 2009, it was processed 12.274 t. of dairy waste, produced 663.310 kWh of electricity which was used for the internal consumption. 9212 t of sludge and 1515 t of dairy waste (as in summer the level is too high to process it all into the sludge) were used for field fertilizing. In 2009, 20% waste was transferred to the municipality waste water treatment plant.

The dairy waste accumulation site (where the waste has been accumulated for 10 years) of AB „Rokiškio sūris“ in Celkiai, Rokiškis district, was recultivated. In 2008, the waste was treated. The site is considered as dangerous in terms of environment.

In 2008, the whey filtering equipment was modernized. The water extracted from whey during the treatment complies with environmental requirements and is discharged into surroundings. It is planned to use this water for cleaning in order to reduce consumption of underground water and amount of production waste.

Key ratios of environment in 2008:

Quantity of issued waste per ton of raw material – 0,002

Fee for pollution per ton of raw material – 0,07

Quantity of waste pollutants according to BDS₇ in kg per ton of raw material – 0,69

Quantity of waste in tons per ton of raw material – 1,19

Consumption of chemical materials in kg per ton of raw material – 1,64

Power consumption in kWh per ton of raw material – 35,67
 Thermo-power consumption in kWh per ton of raw material – 58,42
 Taxes for environment pollution amounted to LTL 205.356
 Investment into environment protection LTL 2,16 million

The company went through analysis of risk and hazard factors, consequently it was prepared a plan for prevention and liquidation of accidents which was agreed with certain institutions: State Work Inspection, Department of Civil Safety, Fire Protection Authorities, Community Health Centre, Department of Environment Protection, Municipality. Dangerous objects of the company: ammonium compressor room (amount of ammonium 9,2 t), storage of chemical materials for waste treatment (16t. of sodium hydroxide), storage of chemical materials (nitric acid 15t.), storage of chemical materials (15t. of corrosive materials), fuel station (total capacity of reservoirs 700 m³). Prepared plan for prevention and liquidation of emergency .

The company's buildings were evaluated and marked according to the requirements for fire protection as stated by the document approved by Fire Protection Authorities at VRM (2005 02 18) No. 64. In order to ensure protection from fire and decrease of possible losses, fire alarms were installed as well as other means of this nature (fire plugs, hydrants, ponds, fire-extinguishers), evacuation plans. the fire protection measures were agreed with Fire Protection Authorities.

Pursuing the Law on Audit Article 52 part 1, the Company will establish the Audit Committee complying with the 21st August 2008 Resolution No. 1K-18 of the Securities Commission. The Auditing Committee will carry out independent and objective activities analyzing, evaluating and consulting the Company in order to improve the Company's performance and increase its added value. AB „Rokiškio sūris“ Group's management structure is formed in line with the key functions such as Sales, Production, Finance management, Milk procurement, Logistics, Central services, and Development. The Functional Directors condition and develop the Group's strategy, tactics and targets in accordance with the functions.

Key ratios of the company performance, their dynamics

The table shows consolidated figures of the Group..

Eil. Nr.	Rodikliai		2005 m.	2006m.	2007m.	2008m.
1.	Net profit %	$\frac{\text{Net profit}}{\text{Revenues}}$	4	3	5	(3)
2.	Average return on assets	$\frac{\text{Net profit}}{\text{Average assets}}$	0,07	0,04	0,10	(0,05)
3.	Debt ratio	$\frac{\text{Liabilities}}{\text{Assets}}$	0,35	0,40	0,34	0,52
4.	Debt-to-equity ratio	$\frac{\text{Liabilities}}{\text{Equity}}$	0,54	0,67	0,57	1,08
5.	General liquidity ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1,70	1,60	1,70	0,94
6.	Assets turnover ratio	$\frac{\text{Revenues}}{\text{Assets}}$	1,58	1,61	1,99	1,89
7.	Book value per share, Lt	$\frac{\text{Equity}}{\text{Number of ordinary shares}}$	40,96**	40,67**	4,97*	4,07*
8.	Net earnings per share, Lt	$\frac{\text{Net profit}}{\text{Number of shares}}$	4,81**	3,01**	0,81*	(0,45)*

* - Nominal value 1 litas per share.

** - Nominal value 10 litas per share.

29. Investment projects implemented during the past 3 fiscal years

AB „Rokiškio sūris“ management’s key concern is modernization of production procedures, including modern milk-trucks with high isolation and accounting systems. It is endeavoured to maintain high product quality, following requirements for food safety and veterinary, as well as introduction of modern worldwide recognized equipment.

During the last 3 financial years the investments were mainly directed to cheese production modernization and reconstruction.

During 2003-2005, following the first priority sector ‘Milk and Dairy Products’ of the SAPARD rural development programme ‘Development of Agricultural and Fishery Product Processing and Marketing’, AB “Rokiškio sūris” received financial support, equal to 12,5 million litas, for production modernization.

Following the National Payment Agency Director’s order No. 221 of 30th October, 2002 “Concerning SAPARD Support to AB “Rokiškio sūris””, the Support Agreement No. SA 8 – P25020013 was signed on 30th October, 2002. This modernization project was successfully completed in 2004.

In 2005 AB “Rokiškio sūris” invested 17 million litas into such areas as production, logistics and purveyance. Major investments, equal to 8,6 million litas, were made in production development, namely, acquiring evaporators. 2 million litas were used in purchasing milk refrigerators and milk stations.

In 2006, investments of AB “Rokiškio sūris“ reached – 21 512 tūkst. litų.

The main investment of „Rokiškio sūris“ in 2006 – LTL 15,5 million – was provided for whey collection and processing. Therefore the company applied for the support through EU structural funds amounting to LTL 3,4528 million. On 8th December 2006, it was signed an agreement with National paying agency.

According to the program Rokiškis purchased whey filtration system for LTL 4,4 million. UAB “Rokiskio pienas” modernized the permeate evaporator and dryer of powders for LTL 1,2 million.

It was purchased ammoniac and pressed air compressor for whey cooling for LTL 0,4 million. The 8 ton tank for whey products allow higher effectiveness of production capacities. For the investments it was allocated LTL 1,5 million.

Upon implementation of those modern technologies, there will not be any product leftover for discharge into waste treatment plant. Also, during the production season when the capacities are used at maximal levels, all whey will be collected and processed.

LTL 2 million is allocated for cooling of raw milk and production, and the other LTL 2 million – for purchase of modern milk trucks.

In order to solve environmental problems, it was bought waste sludge drying decanter for LTL 0,5 million. The storage of cheese was renewed and modernized for LTL 0,3 million. LTL 0,2 million was allocated to renovate cheese floating canal from production into brining plant. In general it can be said that investments of AB „Rokiškio sūris“ are organized in the way to ensure food safety requirements.

In 2007, AB „Rokiškio sūris“ prepared a business plan according to 2007-2013 KPP measure „Processing of agricultural products and increase of added value“ first section „Marketing of agricultural products“. In 2008, a part of the investment was made from the fund and the other part from own resources.

In 2007, the Group invested LTL 19,6 million. The main of them:

- Cheese production modernization

- Cheese packaging modernization
- Lactose production modernization
- Ventilation system modernization
- Modernization of laboratory
- Internal logistics modernization
- Energy supply modernization
- Cooling system modernization
- Equipping the milk collection points with freezers
- Waste treatment modernization
- Fresh dairy production modernization
- Dry milk production modernization
- Butter production modernization

Also, it was purchased new milk trucks for raw milk transportation, and collection.

All investments were made in Lithuania: Rokiskis and the related sites in Utena and Ukmerge.

30. Future plans, forecasts and investments envisaged in 2009

In 2009, it is planned to reach turnover of around LTL 583 million (~ EUR 168,8 million), i.e. by 14 per cent less than in 2008. The evaluated profitability should be around 1-2 per cent.

The company estimates to have similar amount of production as in 2008, yet the lower export prices cause overall decrease in turnover in 2009.

In 2009, the group of AB „Rokiškio sūris“ will invest LTL 5 million. The investments will be used for modernization of all uncompleted projects of dairy processing.

Key directions for investment:

- Raw milk processing (equipment for cheese production, cheese packaging, weighing and labeling, production of butter, fresh dairy products and dry dairy products);
- Departments servicing production plants (ventilation systems, compressor rooms, automatization equipment, cooling equipment);
- Whey processing into WPC 35% and edible lactose;
- Treatment and handling of dairy waste;
- Modernization of product storage;
- Mounting of equipment for whey preparation.
- Special transportation equipment and vehicles pf raw milk and dairy products;
- Directly related with the company's activities sand whole production procedure.

Targets of AB „Rokiškio sūris“ consist of the following: modernization of raw milk collection and preparation for loading, modernization of transport, production plants and the departments providing services to the production plants. It should be achieved that the equipment in all production and technological plants would comply with the requirements applied to the most modern technology, also it is important to ensure saving of energy resources, environment protection, improvement of work conditions as well as product quality employing the most modern technologies. The up-to-date equipment would secure production at the highest level in terms of sanitary and hygiene, and the main objective in this field is reduction of manual work during production.

The company also endeavours to modernize its outside suppliers of services namely waste treatment, production of freeze and air, ventilation systems, power supply in order to ensure safety, economical using and appropriate hygiene. It should increase the company's competitiveness, as well as improved employment of production facilities by implementing additional equipment and considering environment protection.

31. Dividends paid

Dividends paid according share types and class during the last 6 years:

Type of shares	2002		2003		2004	
	Sum, Lt	Per share	Sum, Lt	Per share	Sum, Lt	Per share
Ordinary registered shares	Dividends were not paid		20.012.006,00	4,45 Lt (44,50 %)	21.771.115,00	5,00 Lt (50,00%)

Continued

Type of shares	2005		2006		2007	
	Sum, Lt	Per share	Sum, Lt	Per share	Sum, Lt	Per share
Ordinary registered shares	10.275.966,28	2,36 Lt (23,60%)	10.081.101,08	2,36 Lt (23,60%)	9.902.131,20	0,24 Lt (24,00%)

32. 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.

33. Members of collegial bodies

Members of managing bodies

Members of the Board of Directors – Dalius Trumpa (Chairman), Antanas Kavaliauskas (Deputy Chairman), Antanas Trumpa, Andrius Trumpa, Ramūnas Vanagas, Jonas Kubilius, Jonas Kvedaravičius, Evaldas Dikmonas and Darius Norkus were elected by the 25th April 2008 general meeting of shareholders AB „Rokiškio sūris“. Cadency of the Board of Directors is 4 years.

Board of Directors:



Dalius Trumpa - valdybos pirmininkas.



Antanas Kavaliauskas – Deputy Board Chairman. CFO of AB „Rokiškio sūris“



Andrius Trumpa - Board member, lecturer of Vilniaus Gedimino technical university



Ramūnas Vanagas - Board member, The Development director of AB „Rokiškio sūris“.



Jonas Kvedaravičius – Board member, Central services director of AB “Rokiškio sūris“.



Jonas Kubilius - Board member, Logistics director of AB "Rokiškio sūris"



Darius Norkus – Board member, Sales and Marketing director of AB "Rokiškio sūris".



Evaldas Dikmonas – Board member, Procurement director of AB "Rokiškio sūris".



Antanas Trumpa - Board member, CEO of AB "Rokiškio sūris".

Members of the Board of Directors :
(Data as at 31st December 2008)

Dalius Trumpa– Board Chairman (elected by the 25th April 2008 General meeting of shareholders). Owns 759 740 ordinary registered shares. i.e. 1,78% of the Authorized capital and 1,90 % votes of AB „Rokiškio sūris“.

Participation in the activities of other companies:

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

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

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

Shareholder of UAB "Minedi", having 100% of shares and votes.

Antanas Kavaliauskas - Deputy Chairman (elected by the 25th April 2008 General meeting of shareholders), the Chief Financial Officer of AB „Rokiškio sūris“, having no ownership of AB „Rokiškio sūris“.

Participation in the activities of other companies:

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

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

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

Antanas Trumpa - Board member (elected by the 25th April 2008 General meeting of shareholders), Chief Executive Officer of AB „Rokiškio sūris“, owning 4 928 370 ordinary registered shares of AB „Rokiškio sūris“, i.e. 11,54 % of the authorized capital of AB "Rokiškio sūris" and 12,33% of votes.

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".

Andrius Trumpa - Board member (elected by the 25th April 2008 General meeting of shareholders), works in Vilnius Gedimino Technikos University in the capacity of lecturer, owns 298 820 shares, i.e. 0,70% of the Authorized capital and 0,75% votes of AB „Rokiškio sūris“. He does not participate in the performance and capital of any other companies.

Ramūnas Vanagas - Board member (elected by the 25th April 2008 General meeting of shareholders), Development Director of AB „Rokiškio sūris“, having no ownership of shares of AB „Rokiškio sūris“.

Participation in the activities of other companies:

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

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

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

Participation in the activities of other companies:

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

Director of UAB "Pieno pramonės investicijų valdymas".

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

Participation in the activities of other companies:

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

Evaldas Dikmonas - Board member, (elected by the 25th April 2008 General meeting of shareholders), Procurement director of AB „Rokiškio sūris“, having 90 shares of AB „Rokiškio sūris“, i.e. 0,0002 % of the company's authorized capital and votes.

Participation in the activities of other companies:

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

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

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

Darius Norkus - Board member, (elected by the 25th April 2008 General meeting of shareholders), Sales and Marketing director of AB „Rokiškio sūris“, having no shares of the company.

Participation in the activities of other companies:

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

Cadence period of the Board of Directors is 4 years. The cadence ends on 25th April 2012.

Manager of the Company:

Antanas Trumpa - owning 4 928 370 ordinary registered shares of AB „Rokiškio sūris“, i.e. 11,54 % of the authorized capital of AB "Rokiškio sūris" and 12,33% of votes.

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".

Chief Financial Officer:

Antanas Kavaliauskas - having no ownership of AB „Rokiškio sūris“.

Participation in the activities of other companies:

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

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

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

34. Information on observance of the Company management codex

Annex to the Consolidated annual report

Rokiskio suris AB disclosure of compliance with the Governance Code of the companies whose securities are traded on a regulated market is provided as an annex to the consolidated report.

35. Information on the publicly announced data

35.1. Turnover of Rokiskio Suris AB group for January 2008

Preliminary sales of Rokiskio Suris AB group in January 2008 reached LTL 46.428 million (EUR 13.446 million), i.e. by 16,6 per cent less than in the same period of last year. In January 2007, the consolidated sales made LTL 55.690 million (EUR 16.129 million).

The reason of reduced turnover is lower sales for export.

The level of exported products lowered as the demand for some dairy Products dropped in the world markets due to high price last year, consequently the price of production is going down which makes the market rather conservative.

35.2. Estimated operations results of AB "Rokiskio suris" group for the year 2008

In 2008, the estimated sales of AB „Rokiskio suris“ group would reach up to LTL 700 million (around EUR 202.7 million) whilst the expected profitability ratio would be around 3 per cent.

35.3. Regarding purchase of treasury shares

The 11th February 2008 Board of Directors of AB „Rokiskio suris“ resolved:

1. Pursuing resolutions of the 22nd December 2006 General Shareholders' Meeting to support and increase the price of AB "Rokiskio suris" shares, it will be acquired up to 1 355 000 (one million three hundred fifty five thousand) units of AB "Rokiskio suris" ordinary registered shares of LTL 1 (one) par value. It would make 3.17% of the Company's Authorised capital.
2. Minimal quantity of intended purchase - 10 000 (ten thousand) ordinary registered share of AB "Rokiskio suris".
3. The price set for the acquisition of treasury shares is equal to LTL 6.00 (six litas) per ordinary registered share.
4. Period for the purchase of treasury shares - 14 days.
5. Purchase of treasury shares will be commenced as from submission of official tender.

35.4. Regarding resolution of the Competition Counsel

On 28th February 2008, the Competition Counsel of the Republic of Lithuania announced its resolution that there was no cartel agreement between dairy processing companies. The Company was fined for exchanging the statistical information via Lithuanian dairy association „Pieno centras“. The fine is equal to LTL 824 800, i.e. 0,12 per cent of the group's sales in 2007.

35.5. Sales of AB "Rokiskio suris" group for January-February 2008

In February 2008, the consolidated non-audited sales made LTL 45.021 million (EUR 13.039 million), i.e. by 10,61 per cent more than in the same period of last year. In February 2007, the consolidated non-audited sales made LTL 40.700 million (EUR 11.788 million).

The preliminary consolidated non-audited sales of AB "Rokiskio suris" group for January-February 2008 reached LTL 91.449 million (EUR 26.485 million), i.e. by 5,13 per cent less than in the same period last year. The two months of 2007 consolidated sales made LTL 96.390 million (EUR 27.916 million).

35.6. AB „Rokiskio suris“ purchased own shares

In the course of voluntary tender offer as from 20th February till 4th March 2008, AB „Rokiskio suris“ purchased 674 000 ordinary registered shares which makes 1,58 % of the Company's authorized capital. Having completed the tender offer, the company owns 1 457 650 shares with one litas par value. It makes 3,41 per cent of the authorized capital. The treasury shares do not have voting right.

35.7. Sales of AB "Rokiskio suris" group for January-March 2008

In March 2008, the consolidated non-audited sales made LTL 47.860 million (EUR 13.861 million), i.e. by 0,85 per cent less than in the same period last year. In March 2007, the consolidated non-audited sales made LTL 48.270 million (EUR 13.980 million).

The preliminary consolidated non-audited sales of AB "Rokiskio suris" group for January-March 2008 made LTL 138.865 million (EUR 40.218 million), i.e. by 3,59 per cent less than in the same period last year. In January-March 2007, the consolidated sales made LTL 144,044 million (EUR 41.718 million).

35.8. Summon of the ordinary general meeting of shareholders of AB Rokiskio suris

The ordinary general meeting of shareholders is convened on 25th April 2008

Pursuing the initiative and decision of the Company's Board of Directors, on 25th April 2008 at 12.00 am it is summoned the ordinary general shareholders' meeting of AB "Rokiskio suris" to be held in the premises of AB "Rokiskio suris" (Pramones str.3, Rokiskis, company code 173057512). Registration starts from 10 am to 11.45 am.

Meeting account day - 18th April 2008.

Meeting agenda:

1. Company's audit report.
2. Company's annual report for the year 2007.
3. Confirmation of the company's financial accounting for the year 2007.
4. Confirmation of profit distribution 2007.
5. Election of audit company and establishment of payment conditions.
6. Regarding purchase of own shares.
7. Regarding compounding the reserve to acquire own shares.
8. Amendments of the Company's Articles of Association.
9. Recall of the Board of Directors
10. Election of the Board of Directors

The general meeting of shareholders will be held at AB "Rokiskio suris", Pramones 3, Rokiskis. AB "Rokiskio suris" company code 173057512. Registration starts at 10 am. Registration ends at 11.45 am.

The general meeting of shareholders may be attended and voted by the persons who were shareholders on the meeting accounting date (18th April 2008) or other persons authorized by actual shareholders.

Participants of the general meeting of shareholders with the voting right should have a document proving their identity. The shareholders who cannot attend the meeting have the right to authorise another person to represent their interests.

35.9. The estimated results of Rokiskio suris AB Group for the Q1 2008

Due to the decreased demand and prices of the dairy products in the export markets, the AB Rokiskio suris group estimates to suffer the loss for the first quarter 2008.

35.10. AB „Rokiskio suris“ appealed to court the resolution of the Competition Council

AB „Rokiskio suris“ appealed to court the resolution of the Competition Council regarding penalty imposed to the company for exchanging the information.

35.11. Resolutions of the 25th April 2008 General Shareholders meeting

Resolutions of the 25th April 2008 General Shareholders meeting of JSC Rokiskio suris:

1. The Auditor report approved.
2. The Annual report of the Company for the year 2007 approved.
3. The financial accounting for the year 2007 approved.
4. The Profit distribution for the year 2007 approved:

- 1) Non-distributable profit (loss) at beginning of year LTL 24.645 thous(EUR 7.138 thous)
- 2) Approved by shareholders dividends for the year 2006 LTL (10.081) thous(EUR(2.920)thous)
- 3) Transfers to reserves provided by law LTL (651) thous (EUR(189) thous)
- 4) Transfers from other reserves LTL 65.094 thous (EUR 18.853 thous)
- 5) Non-distributable profit (loss) at beginning of year after dividend payout and transfer to reserves LTL 79.007 thous (EUR 22.882 thous)
- 6) Net profit (loss) of fiscal year LTL 34.238 thous (EUR 9.916 thous)
- 7) Distributable profit (loss) LTL 113.245 thous (EUR 32.798 thous)
- 8) Profit share for mandatory reserve LTL 1.712 thous (EUR 496 thous)
- 9) Profit share for acquisition of treasury shares LTL 14.352 thous (EUR 4.157 thous)
- 10) Profit share for other reserves -
- 11) Profit share for dividend payout LTL 9.902 thous (EUR 2.868 thous)
- 12) Profit share for annual payments (tantiemes) to the Board of Directors, employee bonuses and other LTL 6.847 thous (EUR 1.983 thous)
- 13) Non-distributable profit (loss) at end of year LTL 87.279 thous (EUR 25.278 thous)

As for dividends it is distributed LTL 0.24 (0.070 EUR) per ordinary registered share LTL 1 per value of JSC Rokiskio suris. In total it is allocated LTL 9.902.131,20 (2.867.855,42 EUR) to dividend payment.

5.UAB "PriceWaterhouseCoopers" appointed as an Auditor of JSC Rokiskio suris. The Board of Directors shall establish the fee for the auditor's work. The Company's Chief Executive Officer shall sign a contract with the auditor.

6.Regarding purchase of own shares:

- 6.1. To purchase up to 10 per cent of own shares.
- 6.2. Purpose of acquisition of own shares - maintain and increase the price of the company's shares.
- 6.3. Period during which the company may purchase own shares - 18 months from approval of resolution.
- 6.4. Maximal purchase price per share set as - LTL 12, minimal purchase price per share is set equally to nominal value of share - LTL 1.
- 6.5. Minimal sales price per share of the treasury shares is equal to the price at which the shares were purchased.

When selling treasury shares it should be established equal opportunities for all shareholders to acquire the company's shares. The shares acquired by the company shall be sold through Vilnius Stock Exchange.

6.6. To authorize the Board of Directors to organize purchase and sales of the own shares, establish an order for purchase and sales of the own shares, as well as their price and number, and also complete all other related actions pursuing the resolutions and requirements of the Law on Joint Stock Companies.

7.Regarding formation of reserve for purchase of own shares:

A reserve of LTL 28.746 thousand (twenty eight million seven hundred forty six thousand) is formed for purchasing of own shares.

8.Point 6.1 of the Articles of Association of AB "Rokiskio suris" amended as follows:

„6.1. The Board of Directors is a collegial management body of the company which is formed of 9 (nine) members. Members of the Board are elected and recalled by the general meeting of shareholders as required by the Law on Joint Stock Companies”.

Point 10.2 of the Articles of Association of AB "Rokiskio suris" is considered to be invalid.

To authorize the CEO Antanas Trumpa to sign the amendments to the Articles of Association and to present them for registration by Register of Juridical persons.

9. All the Board members were recalled.

10. The following members of the Board of Directors were elected: Evaldas Dikmonas, Antanas Kavaliauskas, Jonas Kubilius, Jonas Kvedaravičius, Darius Norkus, Andrius Trumpa, Antanas Trumpa, Dalius Trumpa, Ramūnas Vanagas.

Dalius Trumpa elected the Board Chairman, Antanas Kavaliauskas - the Deputy Board Chairman.

35.12. Financial results for the 1st quarter 2008

The preliminary consolidated non-audited sales of AB "Rokiskio suris" group for 1st quarter 2008 made LTL 138.865 million (EUR 40.218 million), i.e. by 3,59 per cent less than in the same period last year. In 1st quarter 2007, the consolidated sales made LTL 144.044 million (EUR 41.718 million).

The 1st quarter consolidated non-audited loss of the year 2008 are equal to LTL 9.492 million (EUR 2.749 million).The 1st quarter consolidated net profit of the year 2007 were equal to LTL 3.514 million (EUR 1,018 million).

The negative result was caused by the sharply decreased prices of exportable production and diminished demand, also the price of raw milk compared to last year the same period increase by around 50 per cent. Raw milk is a major component in production cost.

35.13. Sales of AB "Rokiskio suris" group for April 2008 and for 4 months 2008

In April 2008, the consolidated non-audited sales made LTL 49.584 million (EUR 14.361 million), i.e. by 5,76 per cent more than in the same period last year. In April 2007, the consolidated non-audited sales made LTL 46.884 million (EUR 13.579 million).

The preliminary consolidated non-audited sales of AB "Rokiskio suris" group for January-April 2008, made LTL 188.449 million (EUR 54.579 million), i.e. by 1,62 per cent less than in the same period last year. In January-April 2007, the consolidated sales made LTL 191.544 million (EUR 55.475 million).

35.14. Regarding purchase of own shares

The 27th May 2008 Board of Directors of AB „Rokiskio suris“ resolved:

1. Pursuing resolutions of the 25th April 2008 General Shareholders' Meeting to support and increase the price of AB "Rokiskio suris" shares, it will be acquired up to 2 810 000 (two million eight hundred ten thousand) units of AB "Rokiskio suris" ordinary registered shares of LTL 1 (one) par value. It would make 6,58 % of the Company's Authorised capital.
2. The price set for the acquisition of treasury shares is equal to LTL 5,20 (five litas 20 cents) per ordinary registered share.
3. Minimal quantity of intended purchase - 10 000 (ten thousand) ordinary registered share of AB "Rokiskio suris".
4. Period for the purchase of treasury shares - 14 days.
5. Purchase of treasury shares will be commenced as from submission of official tender.

35.15. Sales of AB "Rokiskio suris" group for May 2008 and for 5 months 2008

In May 2008, the consolidated non-audited sales made LTL 59.534 million (EUR 17.242 million), i.e. by 5,07 per cent less than in the same period last year. In May 2007, the consolidated non-audited sales made LTL 62.713 million (EUR 18.163 million).

The preliminary consolidated non-audited sales of AB "Rokiskio suris" group for January-May 2008, made LTL 247.983 million (EUR 71.821 million), i.e. by 2,26 per cent less than in the same period last year. In January-May 2007, the consolidated sales made LTL 253.713 million (EUR 73.480 million).

35.16. AB „Rokiskio suris“ purchased block of own shares

In the course of voluntary tender offer as from 10th June till 25th June 2008, (28th June - pay date) AB „Rokiskio suris“ purchased 1 297 386 ordinary registered shares which makes 3,04 % of the Company's authorized capital.

Having completed the tender offer, with previously purchased own shares, the company owns 2 755 036 shares with one litas par value. It makes 6,45 per cent of the authorized capital. The treasury shares do not have voting right.

35.17. Sales of AB Rokiskio suris group for June 2008 and for 6 months 2008

In June 2008, the consolidated non-audited sales made LTL 70.388 million (EUR 20.386 million), i.e. by 17.35 per cent more than in the same period last year. In June 2007, the consolidated non-audited sales made LTL 59.982 million (EUR 17.372 million).

The preliminary consolidated non-audited sales of AB "Rokiskio suris" group for January-June 2008, made LTL 317.892 million (EUR 92.068 million), i.e. by 1.52 per cent more than in the same period last year. In January-June 2007, the consolidated sales made LTL 313.113 million (EUR 90.684 million).

35.18. Corrected results of AB "Rokiskio suris" group for the first half year 2008

The six month 2008 consolidated non-audited sales of AB "Rokiskio suris" group made LTL 316.842 million (EUR 91.764 million), i.e. 1,2 per cent more than in the same period last year. The six month 2007 consolidated sales made LTL 313.113 million (EUR 90.684 million).

The consolidated non-audited net loss of AB "Rokiskio suris" group for the first half year 2008 made LTL 15.550 million (EUR 4.504 million). The consolidated non-audited net profit for the first half year 2007 made LTL 13.201 million Lt (EUR 3.823 million).

The first half year was loss-making due to several reasons: firstly, significantly increased prices for raw milk and, secondly, due to decreased prices of the exported products.

In September, the Board of Directors of AB „Rokiskio suris“ will consider again the evaluated results for the full year 2008 and announce corrected prognosis.

35.19. Sales of AB "Rokiskio suris" group for July 2008 and for 7 months 2008

In July 2008, the consolidated non-audited sales made LTL 63.519 million (EUR 18.396 million), i.e. by 6.58 per cent more than in the same period last year. In July 2007, the consolidated non-audited sales made LTL 59.600 million (EUR 17.261 million).

The preliminary consolidated non-audited sales of AB "Rokiskio suris" group for January-July 2008, made LTL 380.361 million (EUR 110.160 million), i.e. by 2.05 per cent more than in the same period last year. In January-July 2007, the consolidated sales made LTL 372.713 million (EUR 107.945 million).

35.20. Judicial resolution regarding the penalty imposed by the Competition Counsel

Vilnius district administrative court rejected the complaint of AB „Rokiskio suris“ regarding the Competition Counsel resolution to impose a penalty amounting to LTL 824 800. Following the law AB „Rokiskio suris“ is considering the opportunity to appeal the court's resolution to the Supreme Administrative Court of Lithuania.

35.21. Sales of AB "Rokiskio suris" group for January-August 2008

In August 2008, the consolidated non-audited sales made LTL 66.940 million (EUR 19.387 million), i.e. by 13.53 per cent less than in the same period last year. In August 2007, the consolidated non-audited sales made LTL 77.418 million (EUR 22.422 million).

The preliminary consolidated non-audited sales of AB "Rokiskio suris" group for January-August 2008, made LTL 447.301 million (EUR 129.547 million), i.e. by 0.51 per cent less than in the same period last year. In January-August 2007, the consolidated sales made LTL 449.607 million (EUR 130.215 million).

35.22. Revised estimation of the operations of AB "Rokiskio suris" group for the year 2008

The planned sales of AB "Rokiskio sùris" group for the year 2008 are same as announced before. The Group's estimated sales should be up to LTL 700 million (around EUR 202,7 million), yet the year 2008 will be ended with loss.

The main reasons which caused the estimated loss as follows:

- significantly decreased dairy product prices in export markets;
- lower dairy product prices in the local market compared to 2007;
- more expensive raw milk, which makes highest part in cost structure.

35.23. Sales of AB "Rokiskio suris" group for September 2008 and for 9 months 2008

In September 2008, the consolidated non-audited sales made LTL 61.414 million (EUR 17.787 million), i.e. by 4.40 per cent less than in the same period last year. In September 2007, the consolidated non-audited sales made LTL 64.241 million (EUR 18.606 million).

The preliminary consolidated non-audited sales of AB "Rokiskio suris" group for January-September 2008, made LTL 510.825 million (EUR 147.945 million), i.e. by 0.44 per cent less than in the same

period last year. In January-September 2007, the consolidated sales made LTL 513.082 million (EUR 148.599 million).

35.24. Sales of AB "Rokiskio suris" group for October 2008 and for 10 months 2008

In October 2008, the consolidated non-audited sales made LTL 59.789 million (EUR 17.316 million), i.e. by 2.83 per cent more than in the same period last year. In October 2007, the consolidated non-audited sales made LTL 58.144 million (EUR 16.840 million).

The preliminary consolidated non-audited sales of AB "Rokiskio suris" group for January-October 2008, made LTL 570.614 million (EUR 165.261 million), i.e. by 0.11 per cent less than in the same period last year. In January-October 2007, the consolidated sales made LTL 571.226 million (EUR 165.438 million).

35.25. Sales of AB "Rokiskio suris" group for November 2008 and for 11 months 2008

In November 2008, the consolidated non-audited sales made LTL 52.208 million (EUR 15.141 million), i.e. by 0.57 per cent more than in the same period last year. In November 2007, the consolidated non-audited sales made LTL 51.985 million (EUR 15.056 million).

The preliminary consolidated non-audited sales of AB "Rokiskio suris" group for January-November 2008, made LTL 622.894 million (EUR 180.403 million), i.e. by 0.06 per cent less than in the same period last year. In January-November 2007, the consolidated sales made LTL 623.238 million (EUR 180.502 million).

35.26. Sales of AB "Rokiskio suris" group for December 2008 and for 12 months 2008

In December 2008, the consolidated non-audited sales made LTL 52.917 million (EUR 15.326 million), i.e. by 26.83 per cent more than in the same period last year. In December 2007, the consolidated sales made LTL 41.724 million (EUR 12.084 million).

The preliminary consolidated non-audited sales of AB "Rokiskio suris" group for January-December 2008, made LTL 675.811 million (EUR 195.728 million), i.e. by 1.63 per cent more than in the same period last year. In January- December 2007, the consolidated audited sales made LTL 664.962 million (EUR 192.586 million).

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

The company publishes its information through the base of Central Regulated Information, on the website of Vilnius Securities Exchange NASDAQ OMX <http://www.baltic.omxnordicexchange.com> and the company's website www.rokiskio.com

The announcement on convention of general meeting of shareholders is placed in daily newspaper „Lietuvos rytas“ and regional newspaper „Gimtasis Rokiškis“. Other public announcements to shareholders, creditors or other persons may be published in the daily newspaper „Lietuvos rytas“, or given personally upon signing or by registered mail.

36. Key events having taken place by the end of financial year

The information of the key events having taken place by the end of the financial year is presented with the consolidated financial account under Remark 34.

37. Information on audit

The audit of AB "Rokiškio sūris" (The Group) consolidated balance sheet and associated profit/ loss report as at 31st December 2008, as well as cash flow and changes in equity statements were prepared by UAB "PricewaterhouseCoopers". The auditor's report was signed on 10th April 2009.

38. Performance strategy and evaluated changes in the nearest fiscal year

Mission

Joint stock company Rokiškio sūris is a strong, modern and reliable enterprise which is creating and constantly increasing its value for company participants as well as taking care of the welfare of its staff.

Vision

Joint stock company Rokiškio sūris – the leader in milk processing in Lithuania and the leader in cheese making in the Baltic States.

Essential values:

- Professional approach.
- Impeccable attention to the satisfaction of the needs of our clients and consumers.
- Respect for and trust in employees.
- Constant improvement.

Long-term Objectives

- Creation of a solid and profitable EU market for AB "Rokiškio sūris" products and services
- Consolidation, creation and safeguarding of a safe long-term market for the company's cheese in the EU countries
- Development of cheese assortment with the help of new product creation and effective marketing activities, satisfaction of the EU and the world market needs
- Modernisation and rationalisation of agricultural product processing and marketing, improvement of their competitive ability and the surplus value increase.
- Ensuring of a stable and coordinated waste-free production programme.

The Group's Main Objectives

- *Sales and marketing area* – preservation of the market share and penetration into new profitable markets, development of new products and services;
- *Production area* – preservation of the highest quality, production of new dairy products and assortment renewal, complete use of present production capacities and implementation of the newest technologies;
- *Raw milk purchase* – status preservation of the biggest and most reliable raw milk purchaser in Lithuania and milk acquisition in neighbouring countries;
- *Finance* – securing desirable profitability and liquidity, maximising shareholders' property value;
- *Management* – improving the functional management system by implementing both management and new products.

- *Human resource management:* training of employees at all levels according to the prepared plan and enjoying structural funds. The programme of training should cover not less than 200 employees including managers and specialists, including a cognitive seminar of 7-14 days in a foreign country. Specific attention is paid to learning of foreign languages. Also, attestation of all responsible employees should be carried out.