TO: The Lithuanian Securities Commission
Konstitucijos pr.23
Vilnius

28th August 2008

ENDORSEMENT BY THE RESPONSIBLE PERSONS

Pursuing Article 22 of the Law on Securities of the Republic of Lithuania and in accordance with the rules of preparation and submission of periodical and supplementary information approved by the Securities Commission of the Republic of Lithuania, we, the undersigned – the Chief Executive Officer Antanas Trumpa and the Chief Financial Officer Antanas Kavaliauskas – approve that the six month consolidated financial interim report of „Rokiškio sūris" for the year 2008, is formed in accordance with applicable accounting standards, is true and shows fair assets, obligations, financial state and profits (loss) of the Company and total consolidated group.

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

Chief Executive Officer Antanas Trumpa

Chief Financial Officer Antanas Kavaliauskas

LIETUVOS RESPUBLIKA
Akcinė bendrovė
ROKIŠKIO SŪRIS
„ROKIŠKIO SŪRIS"
ROKIŠKIS

CONSOLIDATED FINANCIAL INTERIM REPORT OF AB "ROKIŠKIO SŪRIS" FOR SIX MONTH PERIOD FOR THE YEAR 2008

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

AB „ROKIŠKIO SŪRIS“
CONSOLIDATED FINANCIAL ACCOUNT as at 30th June 2008
Company code 173057512, address: Pramonės g. 3, LT-42150 Rokiškis, Lithuania
(prepared according to International Accounting Standards)

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

Consolidated Balance sheet

	June 30 2008		December 31 2007		June 30 2007	
PROPERTY						
Non-current assets						
Long-term tangible assets	119 308		113 451		114 880	
Intangible assets (with prestige)	3 756		3 815		395	
Other receivables in a year	14 911		21 952		13 774	
		137 975		139 218		129 049
Current assets						
Inventories	112 422		104 195		63 903	
Receivables and advance payments	108 600		59 923		87 037	
Short-term investments	22 541		25 985		19 721	
Cash and cash equivalents	1 560		4 623		3 127	
		245 123		194 726		173 788
Total assests		**383 098**		**333 944**		**302 837**
EQUITY AND LIABILITIES						
Capital and reserves						
Ordinary shares	42 716		42 716		42 716	
Share premium	41 473		41 473		41 473	
Reserve for acquisition of treasury shares	28 746		14 394		14 394	
Treasury shares	(15 492)		(4 702)		-	
Other reserves	7 074		5 362		69 805	
Retained earnings	71 729		113 245		27 765	
		176 246		212 488		196 153
Non-current liabilities						
Non-current liabilities	504		504			
Deferred income	6 978		5 946		10 269	
		7 482		6 450		10 269
Current liabilities						
Trade and other payables	60 228		67 455		38 196	
Income tax liabilities	7 061		8 413		-	
Deferred income	1 461		2 160		6 132	
Povisions	-		824		-	
Financial debts	130 620		36 154		52 087	
		199 370		115 006		96 415
Total equity and liabilities		**383 098**		**333 944**		**302 837**

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Consolidated profit (loss) report

	For the year ended June 31th	For the year ended June 31th
	2008	**2007**
Sales	316 842	313 113
Cost of sales	(303 986)	(265 551)
Gross profit	12 856	47 562
Selling and marketing expenses	(25 530)	(28 525)
Operating profit	(12 674)	19 037
Finance costs	(1 639)	(1 335)
Profit before tax	(14 313)	17 702
Income tax	(1 237)	(4 501)
Operating activity income	(15 550)	13 201
Minority interests		
Net profit	(15 550)	13 201

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Consolidated cash flow statement

	3 months ended at June 30th	
Operating activities	**2008**	**2007**
Profit before tax and minority interest	(14 313)	17 702
Corrections:		
– depreciation	12 519	12 598
– depreciation (negative prestige not included)	233	241
– written off long-term tangible assets	34	29
– loss in long-term tangible asset sales	13	9
– interest expenses	2 276	1 615
– interest income	(276)	(148)
– net unrealized currency exchange profit	(27)	321
– export subsidies received	-	(12 966)
– depreciation of long-term tangible asset support	(1 128)	(1 046)
Circulating capital changes:		
- inventories	(8 227)	38 801
- payables	(7 227)	25
- receivables and advance payments	(42 608)	(17 284)
Cash flows generated from operating activities	(58 731)	39 897
Interest paid	(2 276)	(1 615)
Income tax paid	(2 589)	(2 907)
Cash flows from operating activities	(63 596)	35 375
Investing activities		
Purchase of long-term tangible assets	(16 997)	(7 652)
Purchase of intangible assets	(112)	(26)
Purchase of investments	-	-
Loans granted to farmers and employees	(765)	(2 158)
Proceeds from long-term tangible asset sales	232	601
Repayments of loans granted to farmers and employees	3 370	1 501
Interest received	276	148
Subsidies for long-term tangible assets	-	2 232
Net cash flows from investing activities	(13 996)	(5 354)
Financing activities		
Acquisition of treasury shares	(10 790)	
Finance lease principal payments	(82)	
Loans granted	286 924	86 032
Loan repayments received	(191 621)	(103 514)
Dividends paid	(9 902)	(10 081)
Net cash flows from financing activities	74 529	(27 563)
Net increase in cash and cash equivalents	(3 063)	2 458
Cash and cash equivalents at the beginning of the period	4 623	669
Cash and cash equivalents at the end of the period	1 560	3 127

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Consolidated Own Capital Change Statement (thousand LTL)

	Share capital	Share premium	Reserve for acquisition of treasury shares	Treasury shares	Other reserves	Retained earnings	Total
Balance at 31 st December 2006	47 462	41 473	30 000	(20 352)	69 805	24 645	193 033
Decrease in share capital	(4 746)	-	(15 606)	20 352			
Acquisition of own shares							
Dividends relating to 2006	-	-	-			(10 081)	(10 081)
Net profit	-	-	-	-	-	13 201	13 201
Balance at 30th June 2007	42 716	41 473	14 394	-	69 805	27 765	196 153
Balance at 31st December 2007	42 716	41 473	14 394	(4 702)	5 362	113 245	212 488
Profit distrubution			14 352		1 712	(16 064)	
Acquisition of own shares		-		(10 790)			(10 790)
Dividends relating to 2007	-	-	-			(9 902)	(9 902)
Net profit	-	-	-	-	-	(15 550)	(15 550)
Balance at 30th June 2008	42 716	41 473	28 746	(15 492)	7 074	71 729	176 246

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Commentary on the Report

1. General information

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

The shares of AB "Rokiškio sūris" are traded on Vilnius Stock Exchange and they and included on the Baltic Official trade list (VVPB symbol – RSU1L).

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

	Operating as at 30th June	
Branches	**2008**	**2007**
Utenos pienas	Yes	Yes
Ukmerges pienine	Yes	Yes

	Group's share (%) as at 30th June	
Subsidiaries	**2008**	**2007**
UAB „Rokiskio pienas“	100,00	100,00
UAB „Skeberdis ir partneriai“	100,00	-
UAB „Skirpstas“	100,00	-
KB „Zalmarge“	100,00	-
UAB „Batenai“ *	100,00	-
UAB „Pecupe“ *	100,00	-

Joint venture		
UAB "Pieno upes"	50,00	-
SIA Jekabpils piena kombinats	50,05	-

* These subsidiaries were not consolidated due to their insignificance.

The above-mentioned branches and subsidiaries are incorporated in Lithuania, and one joint venture – in Latvia.

The Group's main line of business is the production of fermented cheese and a wide range of other dairy products. On 30th June 2008, 1 643 employees worked in the Group (compared to 1 672 employees as at 30th June 2007).

2. Accounting Principles

These consolidated financial statements have been prepared according to International Financial Reporting Standards as adopted by the European Union.
The consolidated financial statements have been prepared under the historical cost convention.

Subsidiaries are the entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.
Transactions among the Group's enterprises, residual values and retained transaction earnings between the Group's enterprises are eliminated. Unrealised loss is eliminated too; however, it is considered to be the sign of transfer asset value decrease. The accounting principles of daughter enterprises were changed where necessary in order to ensure their consistency with the accounting principles applied by the Group.

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

The Group's interests in jointly controlled entities are accounted for by proportionate consolidation. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Group recognises the portion of gains or losses on the sale of assets by the group to the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

The consolidated financial report is presented in Lithuanian litas (LTL), which is the functional and presentation currency of both the company and any of the Group enterprises.

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

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

Buildings	25 – 55 years
Plant & machinery	5 - 15 years
Motor vehicles	3 - 5 years
Equipment and other property, plant and equipment	3 - 8 years

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

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

Borrowings and receivables are non-derivative financial assets which have fixed or determined payments and which are not quoted in the active market. They are reported as current assets when their term is no longer than 12 months from the balance sheet preparation date; otherwise, they are reported as non-current assets. In the balance sheet borrowings and receivables are reported under trade and other receivables.

Inventories are reported at their cost price or at their net sale value, depending on which of the values is smaller. The cost price is calculated using the method of FIFO. The cost of ready production or production in progress consists of raw material, direct labour and other direct or indirect production expenses less borrowing costs. Net sale value is a valuated sale price under usual business conditions less production completion and sale expenses.

In the beginning receivable sums are reported at their fair value and subsequently at their depreciated cost less value decrease sum, using the method of effective interest rate. The value decrease of receivables is determined when there is objective evidence that the Group will fail in getting back all the sums during the terms determined in advance. Value decrease sum is the difference between the carrying amount and the actual value of evaluated future cash flows, discounted using the effective interest rate method. In the income statement the value decrease sum is reported under general and administrative expenses. Bad debts are written off in the year when they are determined as impossible to settle.

Cash and cash equivalents are reported at their nominal value. In the cash flow statement cash and cash equivalents mean bank and cash-register money, as well as bank overdrafts. In the balance sheet bank overdrafts are reported under financial debts as current liabilities.

Ordinary registered shares are reported at their nominal value. The sum received from sold shares exceeding their nominal value is reported as share premium. Additional expenses directly attributed to new share emission are reported by subtracting them from share premium.

When the company or its daughter enterprises acquire the company shares, the sum paid for them, including all additional expenses, is subtracted from shareholder property as treasury shares until they are not sold, newly launched for sales or cancelled. When treasury shares are sold, launched for sales or cancelled no profit or loss are reported in the income statement. When such shares are subsequently sold or launched for sales again, the means received are reported as shareholders’ own capital change in the consolidated balance sheet.

Other reserves are formed following the general annual shareholder meeting decision concerning division of retained earnings.

In the beginning liabilities are reported at their fair value without transaction costs. Subsequently the loans granted are reported at their depreciated cost, whereas the difference amount between the proceeds received (less transaction costs) and the loan repayments is reported in the income statement during the entire loan period using the method of effective interest rate.

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

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

For its employees the Group pays social income payments to the State Social Insurance Fund (henceforth – the fund), following a determined payment plan and in accordance to local legal act requirements. Social insurance payments are considered to be expenses, following accumulation principle. They are reported under salary expenses.

Income from sale consists of the fair value of proceeds received or receivable for the goods sold and services provided during the Group’s operating activities. It is received by subtracting the added value tax, returned goods and price allowances, and by removing the sales inside the Group. The income from production sale is counted only after the purchaser overtakes all the significant risks and benefits related to proprietary rights.

Interest income is acknowledged in proportion using the method of effective interest rate.

In the Group’s financial report payment of dividends to the company’s shareholders becomes obligatory only after it is confirmed by the company’s shareholders.

The general income per share is counted by dividing the shareholders’ net profit by the weighted average of ordinary registered shares launched. The ordinary registered shares bought by the Group are not included since they are valued as treasury shares.

The Company’s single business segment is production of cheese and other dairy products, therefore, information on key business segment is not presented. The Group is organized on a basis of two main business segments: Fresh milk products and Cheese and other dairy products. Secondary reporting format – geographical. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

Governmental subsidies are counted at their fair value when there is enough evidence confirming that subsidies are to be received and the Group is in conformity with the conditions raised.

Export subsidies, paid by the Government for every ton of goods in conformity with requirements, are registered under income from sales.

In the balance sheet the government subsidies granted to finance the purchase of long-term tangible assets are reported under long-term future income. They are acknowledged as income using the straight-line method during the relative long-term tangible asset functional working period.

Putting offs are evaluated as the actual value of expected obligatory expenses, applying the pre-tax tariff which reflects actual market considerations concerning cash time value and appropriate obligation risks. Putting off increase due to period changes is acknowledged as interest costs.

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

3. Information on segments

Primary segment – business segments

The Group’s two main business segments:
- Fresh dairy products;
- Cheese and other dairy products.

Other operations of the Group mainly comprise of milk collecting activity. Transactions between the business segments are on normal commercial terms and conditions.

Secondary segment – geographic segments

All the Group's assets are in Lithuania. Analysis of the Group's income from sales according to markets is as follows:

Sales

	2008 06 30	2007 06 30	Change (%)
Lithuania	125 056	105 951	18,03
European Union countries	130 243	145 543	-10,51
Commonwealth of Independent States	57 333	53 645	6,87
Other (including the United States and Japan)	4 210	7 974	-47,20
Total	316 842	313 113	1,19

Income from sales attributed to geographic segments according to the customer's location.

Income analysis according to groups:

	2008 06 30	2007 06 30	Change (%)
Product Sales	316 061	305 559	3,44
Export subsidies	-	6 750	-100,00
Provided services	781	804	-2,86
	316 842	313 113	1,19

Following the European Commission's Regulation "Concerning covering export costs of milk and dairy products", starting from 1st May 2004 the company has the right to receive subsidies for the cheese exported to the countries determined by the latter Regulation. Export subsidies are paid for every ton of exported production which is in conformity with the Regulation requirements. Payable export subsidies are reported under trade and other payables.

4. Long-term tangible assets

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

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

5. Other receivables

	2008 06 30	2007 06 30	Change (%)
Long-term loans granted to farmers	10 286	11 814	-12,93
Long-term loans granted to employees	340	445	-24,44
Investments	1 590	-	100,00
Other	2 695	1 515	77,89
Total	14 911	13 774	8,25

The repayment terms of loans granted to farmers vary from 1 to 15 years, whereas the annual interest rate varies from 1 to 10 per cent.

The repayment terms of loans granted to employees vary from 5 to 25 years, whereas the interest rate for them is not calculated.

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

6. Inventories

	2008 06 30	2007 06 30	Change (%)
Raw material	11 916	9 718	22,62
Production in progress	15 180	12 073	25,74
Ready production	85 326	42 112	102,62
Total	112 422	63 903	75,93

7. Selling and Other Receivables

	2008 06 30	2007 06 30	Change (%)
Selling receivables	86 282	69 152	24,77
Receivable export subsidies	-	5 928	-100,00
VAT receivable	4 414	3 091	42,80
Other receivables	7 310	3 882	88,30
Advance payments and future period expenses	10 594	4 984	112,56
Total	108 600	106 758	1,73

8. Cash and cash equivalents

	2008 06 30	2007 06 30	Change (%)
Bank and cash-register money	1 560	1 677	-6,98
Current deposits	-	1 450	-100,00
Total	1 560	3 127	-50,11

9. Share capital

As at 31st December 2007, the share capital was comprised of 42 716 530 (forty two million seven hundred sixteen thousand five hundred thirty) ordinary registered shares with par value of LTL 1 each.

As at 31st December 2007, AB „Rokiškio sūris“ owned 783 650 (seven hundred eighty three thousand six hundred fifty) treasury shares with par value LTL 1 each which makes 1, 83 % of the Authorised Capital of AB ”Rokiškio sūris“.
During the period from 1st January 2008 to 30th June 2008, AB „Rokiškio sūris“ implemented official voluntary non-competitive acquisition of own shares and acquired 1 971 386 (one million nine hundred seventy one thousand three hundred eighty six) own ordinary registered shares with par value LTL 1 each.
As at 30th June 2008, AB „Rokiškio sūris“ owned 2 755 036 (two million seven hundred fifty five thousand thirty six) with par value of LTL 1 each which makes 6,45 % of the Authorized capital of AB ”Rokiškio sūris“. The company does not have the right to employ property and non-property rights using the own shares as stated by the Law on Joint Stock Companies.

As at 30th June 2008, the Group had 5 589 shareholders.

10. Financial ratios

	2008 06 30	2007 06 30	Change (%)
Revenue (LTL thousand)	316 842	313 113	1,19
EBITDA (LTL thousand)	715	32 156	-97,78
EBITDA margin (%)	0,23	10,27	-97,76
Operations profit (LTL thousand)	(12 674)	19 037	-166,58
Margin of operations profit (%)	(4,00)	6,08	-165,90
Profit per share (LTL)	-	3,09	
Number of shares (units)	42 716 530*	4 271 653**	-

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

11. Information on the audit

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