



Supervisory Authority of  
The Central Bank of the Republic of Lithuania  
Žirmūnų str. 151,  
LT-09128 Vilnius

30<sup>th</sup> August 2013  
No. 260

### **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 interim consolidated report of „Rokiškio sūris“ for the year 2013, are formed in accordance with the applicable accounting standards, they are true and show fair review of the operations and business development.

*Attached:* Six month 2013 interim consolidated report of „Rokiškio sūris“.

Chief Executive Officer

Antanas Trumpa

Chief Financial Officer

Antanas Kavaliauskas





**CONSOLIDATED INTERIM REPORT OF AB  
"ROKIŠKIO SŪRIS"  
FOR THE SIX MONTH PERIOD  
OF THE YEAR 2013**

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

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## 1. Reporting term of the prepared consolidated financial statements.

The consolidated financial statements are prepared for six month period of the year 2013.

## 2. Key information of the issuer:

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

Legal base: Joint Stock Company.

Address – Pramonės str. 3, LT 42150 Rokiskis, Republic of Lithuania.

Telephone: +370 458 55 200, fax +370 458 55 300.

E-mail address: [rokiskio.suris@rokiskio.com](mailto:rokiskio.suris@rokiskio.com)

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

Registered in on 28<sup>th</sup> February 1992 by the Authorities of Rokiskis region.

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

Company code 173057512.

Manager of registry of legal entities – State company "Registru centras".

The authorized capital of AB "Rokiskio suris" equals to LTL 35,867,970.

There are 35,867,970 shares. Nominal value per share equals to LTL 1 (one litas).

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

The Consolidated Group (hereinafter – the Group) consists of the Company, its two branches, five subsidiaries and one joint venture. (2012: two branches, four subsidiaries and one joint venture). The branches and subsidiaries that comprise consolidated Group are indicated below:

	Operating as at June 30th	
	2013	2012
<b>Branches</b>		
Utenos pienas	Yes	Yes
Ukmergės pieninė	Yes	Yes

	Group's share (%) as at June 30th	
	2013	2012
<b>Subsidiaries</b>		
UAB „Rokiškio pienas“	100,00	100,00
UAB „Rokiškio pieno gamyba“	100,00	-
KB „Žalmargė“	100,00	100,00
SIA „Jekabpils Piena Kombinats“	100,00	100,00
SIA „Kaunata“*	60,00	60,00

<b>Jungtinės veiklos įmonė</b>		
UAB „Pieno upės“	50,00	50,00

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

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

**Subsidiaries of AB "Rokiškio sūris":**

UAB „Rokiskio pienas“ legal address: Pramonės str. 8, LT - 28216 Utena. Company code: 300561844. AB „Rokiškio sūris“ is its founder and the only shareholder having 100 per cent of shares.

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

Dairy cooperative „Žalmargė“ legal address: Kalnalaukio str.1, Širvintos. Company code: 178301073.

Latvian company SIA Jekabpils piena kombinats (company code 45402008851, legal address: Akmenu iela 1, Jekabpils, Latvija LV-5201).

Latvian company SIA Kaunata (company code 240300369, legal address Rogs, Kaunata pag., Rezeknes nov., Latvia).

**Co-controlled company:**

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

**Branches of AB "Rokiškio sūris":**

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

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

## **4. Characterization of the issuer's basic business**

Basic business of the group of "Rokiškio sūris":

- ◆ Dairying and cheese production (EVRK 10.51);

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

Subsidiaries:

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

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

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

Basic business of SIA Jekabpils piena kombinats – purchase of raw milk.

Basic business of SIA Kaunata – purchase of raw milk.

**Joint venture:**

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

**Branches of AB "Rokiskio sūris"**

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

## 5. Contracts with financial brokers

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

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

The 35,867,970 ordinary registered shares of AB "Rokiškio sūris" are listed on the Official List of NASDAQ OMX Vilnius Stock Exchange. (VVPB symbol RSU1L). Nominal value per share 1 (one) litas.

The Company has not issued any debt securities for the public stock trading.

The Company has not issued nor registered any debt securities for the non-public stock trading.

There are no securities which would not participate as a part of the Authorized Capital and be regulated by the Law on Securities.

The shares were not traded by other stock exchanges or similar institutions. As from 22nd November 2010 the trade on stock markets is performed in euros.

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

### Trade on central market:

Reporting period		Price (Eur)				Turnover (Eur)			
from	to	max.	min.	aver.	Last session	Date od last trade session	max.	min	Last session
2011.01.01	2011.03.31	1.789	1.505	1.696	1.750	2011.03.31	92,633.76	0	0
2011.04.01	2011.06.30	1.807	1.410	1.574	1.440	2011.06.30	118,496.02	0	118,496.02
2011.07.01	2011.09.30	1.485	1.370	1.404	1.400	2011.09.30	223,147.30	0	14,035.60
2011.10.01	2011.12.30	1.478	1.205	1.256	1.298	2011.12.30	644,770.74	0	3,595.46
2012.01.01	2012.03.30	1.388	1.29	1.360	1.359	2012.03.30	118,945.00	0	0
2012.04.01	2012.06.30	1.40	1.25	1.36	1.36	2012.06.29	108,953.50	0	4,128.00
2012.07.01	2012.09.30	1.40	1.30	1.37	1.40	2012.09.28	641,665.74	0	1,158.70
2012.10.01	2012.12.31	1.47	1.33	1.37	1.40	2012.12.28	390,622.20	0	1,950.00
2013.01.01	2013.03.30	1.59	1.39	1.46	1.57	2013.03.28	77,386.93	0	4,671.62
2013.04.01	2013.06.30	1.63	1.44	1.49	1.50	2013.06.28	231,098.74	0	5,992.78

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

Price EUR



Data source – website of AB NASDAQ OMX Vilnius:

[http://www.nasdaqomxbaltic.com/market/?instrument=LT0000100372&list=2&pg=details&tab=historical&lang=en&currency=0&downloadcsv=0&date=&start\\_d=1&start\\_m=1&start\\_y=2013&end\\_d=28&end\\_m=6&end\\_y=2013](http://www.nasdaqomxbaltic.com/market/?instrument=LT0000100372&list=2&pg=details&tab=historical&lang=en&currency=0&downloadcsv=0&date=&start_d=1&start_m=1&start_y=2013&end_d=28&end_m=6&end_y=2013)

## Capitalization of the Securities

Reporting period		Total turnover		Date of last trade session	Capitalization (Eur)
from	to	units	(Eur)		
2010.01.01	2010.03.31	988,352	975,929	2010.03.31	38,983,123
2010.04.01	2010.06.30	1,384,497	1,419,903	2010.06.30	37,406,882
2010.07.01	2010.09.30	829,929	1,022,024	2010.09.30	53,092,399
2010.10.01	2010.12.31	1,564,687	2,715,182	2010.12.30	68,893,250
2011.01.01	2011.03.31	482,039	817,582.95	2011.03.31	62,768,948
2011.04.01	2011.06.30	791,936	1,246,500.83	2011.06.30	51,649,877
2011.07.01	2011.09.30	821,016	1,152,527.70	2011.09.30	50,215,158
2011.10.01	2011.12.31	1,192,435	1,498,010.23	2011.12.30	46,556,625
2012.01.01	2012.03.31	189,564	257,712.33	2012.03.31	48,744,571
2012.04.01	2012.06.30	228,464	310,179.89	2012.06.29	48,780,439
2012.07.01	2012.09.30	835,557	1,142,089.88	2012.09.28	50,215,158
2012.10.01	2012.12.31	525,165	717,997.30	2012.12.28	50,215,158
2013.01.01	2013.03.31	265,841	389,055.13	2013.03.28	56,312,713
2013.04.01	2013.06.30	675,596	1,005,631.66	2013.06.28	53,801,955

## 7. Authorized capital of the issuer

As at 30<sup>th</sup> June 2013, the Authorized capital of AB "Rokiškio sūris":

Type of shares	Number of shares	Nominal value, LTL	Total nominal value, LTL	Share of authorized capital (%)
1	2	3	4	5
Ordinary registered shares	35,867,970	1	35,867,970	100.00

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

## 8. Shareholders

Total number of shareholders (as at 30.06.2013) – 5,683 shareholders.

**The shareholders having or owning over 5 percent of the issuer's authorized capital (as at 30.06.2013):**

Name, surname Name of company	Address	Proprietary rights			With associated persons	
		Number of shares	Capital share %	Votes %	Capital share %	Number of shares
<b>UAB "Pieno pramonės investicijų valdymas"</b>	Pramonės g. 3, Rokiškis Lietuva	14,022,173	39.09	39.99	68.70	70.27
<b>Antanas Trumpa</b>	Sodų 41a, Rokiškis Lietuva	8,240,053	22.97	23.50	68.70	70.27
<b>Skandinaviska Enskilda Banken AB clients</b>	Sergels Torg 2, 10640 Stockholm, Sweden	2,077,884	5.79	5.93	-	-
<b>Swedbank clients</b>	Liivalaia 8, Tallinn Estonia	2,909,832	8.11	8.30	-	-

## 9. Shareholders' rights

**Shareholders have the following non-economic rights:**

- 1) to attend the general meetings of shareholders;
- 2) to make advance inquiries addressed to the company in regards with the items on the agenda of general meeting of shareholders;



- 3) based on the rights provided with the shares to vote on the general meetings of shareholders;
- 4) according with Part 1 of Article 18 of the Law on the Joint Stock Companies to obtain information on the company's operations;
- 5) to address the court requesting to bring an action of damages against the company if the damage was caused by noncompliance or inadequate compliance with duties of the company manager and board of directors as stated by the Law on Joint Stock Companies of the Republic of Lithuania or other laws, as well as the Articles of Association and or in any other cases as stated by the Lithuanian Laws;
- 6) other non-economic rights established by the Lithuanian Laws.

**Shareholders have the following property rights:**

- 1) to receive a certain portion of the Company's profit (dividend);
- 2) to receive a certain portion of the company's funds when its authorized capital is decreased in order to pay out the fund to shareholders;
- 3) to receive shares without payment if the authorised capital is increased from the funds of the Company;
- 4) to have priority in acquiring the newly issued shares or convertible bonds of the Company unless the General Meeting of the Shareholders resolves to waive such right complying with the applicable Law;
- 5) to lend to the Company as determined by the Laws of the Republic of Lithuania, the company however cannot mortgage its assets when borrowing from shareholders. When the company borrows from shareholders the interest cannot exceed the average interest rate of the local commercial banks on the day of contracting. In this case the company and shareholders must not agree regarding the higher rate of interest;
- 6) to receive a portion of assets of the Company in liquidation;
- 7) other property rights established by the Lithuanian Laws.

The rights identified by points 1, 2, 3 and 4 are provided to the persons who were the company's shareholders at the end of the tenth working day after the corresponding general meeting of shareholders.

## **10. Information on purchase of issuer's own shares**

During the public quotation from 2011.09.07 to 2011.09.20 AB „Rokiškio sūris“ acquired 788,804 own shares which made 2.20 % of the company's authorized capital, and during the period from 2011.12.01 to 2012.12.14 it was acquired 13,290 own shares which made 0.04 % of the company's authorized capital.

As at the date of the report presentation (30<sup>th</sup> August 2013), AB „Rokiškio sūris“ has in treasure 802,094 ordinary registered shares and it makes 2.24 % of the company's authorized capital.

Treasury shares have no voting right.

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

AB "Rokiškio sūris" is one of the largest and most modern dairy production companies in Lithuania. The main activity of the company is production and sales of fermented cheese, fresh dairy products, butter, milk powders, whey and other milk products.

On 2<sup>nd</sup> May 2013, a new subsidiary Rokiskio pieno gamyba UAB was registered in the register of Legal Entities.

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

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

- ◆ Specialization of Rokiskis production plant – fermented cheese and whey products.
- ◆ Specialization of Utena production plant – fresh dairy products for the local market, whey protein concentrate, milk powder and butter production.
- ◆ Specialization of Ukmergė production plant – curd and curd cheese production.
- ◆ Specialization of Rokiskio pienas UAB – sales of the Group's products in Lithuania, Latvia and Estonia.

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

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

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

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

In 2012, the Utena plant implemented and certified the social responsibility standard ISO 8000.

Six month consolidated non-audited net profit of AB "Rokiškio sūris" Group is equal to LTL 10.520 million, i.e. 4.00 % less than during the same period of the last year. In 2012, six month consolidated net profit was equal to LTL 10.958 million. The net profitability of the Group in six months 2013 made 2.58 per cent.

The profit decrease compared to the last year was caused by higher prices for raw milk. During the six month period 2013 prices for raw milk in Lithuania increased by 33%. Secondly, the sales on the local market were unprofitable. Prices for dairy products were rising much slower compared to the cost boost due to more expensive raw milk.

January – June 2013 consolidated non-audited sales of AB „Rokiškio suris“ Group made LTL 408.455 million, i.e. 13.18 per cent more than during the same period of the last year. The consolidated sales of the same period of 2012 were equal to LTL 360.882 million.

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

AB “Rokiškio sūris“ is one of the largest and most modern dairy production companies in Lithuania. The sales are widely spread including the export to East and West markets as well as a range of fresh dairy products sold on the local market and neighbourhood countries.

### Sales markets in 2011 and six months 2012

Countries	Sold			
	2010		2011 / 01 - 06	
	thousand Lt	%	thousand Lt	%
Lithuania	123,553	34.24	124,090	30.38
EU	166,821	46.22	191,150	46.80
Other countries	70,508	19.54	93,215	22.82
<b>TOTAL</b>	<b>360,882</b>	<b>100.00</b>	<b>408,455</b>	<b>100.00</b>

In 2013, the Group expects to invest around 25.3 million litas.

The main direction for the investment is more effective whey processing. The investments will be made into Rokiskio suris AB and Rokiskio pieno gamyba UAB. Therefore, it is planned to reconstruct current whey processing plant and to buy new equipment for the production of new products.

The most of investment will be used for the implementation of this project. The fluid part of the product will be produced by Rokiskio suris AB, and the drying will be made in a subsidiary Rokiskio pieno gamyba UAB.

A part of the investments will be used as it is provided by the support programme KPP 2007-2013, as well as completion of other works in progress in order to ensure stabile and uninterrupted use of current machines and creation of new products. A part of the investment will be directed to new packaging of the company’s products and production of fresh dairy products. Currently all the investments related with the programme KPP 2007-2013 are almost completed.

The essential target of the estimated investments is to continue effective use of the acquired equipment, and to modernize and improve the technological procedures.

It is provided that firstly the newly acquired equipment should meet the customer demand for finished product. It is aimed that the equipment would ensure safety, quality and variability of production complying with the changing market demand.

Every year AB „Rokiškio sūris“ give great attention to new investment into the production procedures, modernization of existing production facilities and their maintenance:

cooling systems, power supply, waste treatment and utilization, ventilation, monitoring of suitable air conditions in production premises.

Also, to the storage and delivery of ready-to-cook products and finished products within the company's departments. Therefore, some more fork-lifts, and other equipment will be bought.

Computer hardware and software are acquired to modernize the procedure of technological process in the production departments.

The investments of 2013 are targeted to increase the company's competitiveness, as well as improved employment of production facilities by implementing additional equipment and considering environment protection as well as better conditions for the employees.

The long term targets of the Group are:

- ◆ to create a balanced market and to ensure that the market is safe for the company's products in the long term,
- ◆ to maintain the stable, harmonized wasteless production program,
- ◆ to retain steady relationships with milk producers.

## **11. Environment protection**

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

Within the reporting period, AB "Rokiškio sūris" implemented successfully the targets and tasks provided by the Environment Protection Program 2013. The company employs five programs in order to monitor and analyze the impact on environment, the contamination of waste and air is measured in accordance with the schedule agreed with environment authorities. It was not identified any unwelcome facts.

Within the first half year 2013, the company processed 33.51.9 per cent less raw material, consequently the use of resources has changed also.

Consumption of energy resources in the first half year 2013 compared to 2012, per 1 ton of raw material:

Thermal power	Electricity	Water	Waste effluent
Increased by 8.6 %	Increased by 5.5 %	Increased by 23.9 %	Decreased by 0.8 %

During the first half year 2013 it was consumed the following amount of water 425.418m<sup>3</sup>, 37% of which was extracted from the company's fresh water bores. The savings of the underground water made 9% as it was used the cleaned whey water instead.

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

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

A part of waste which increased due to the higher production in 2013, is handled by UAB „Rokiškio vandenys“, it amounts to 21.2% of total waste. The amount of discharged contaminants with the waste in accordance with BDS<sub>7</sub> is equal to 0.62 kg/ ton of raw material.

AB "Rokiškio sūris" exploits 294 vehicles. 29% of which complies with the requirements set by Euro 4 or 5, 19% complies with Euro 3, and 4.4% with Euro 2 and 1. The average age of the used vehicles is 9.9 years. 67% of the vehicles run on diesel, 3% on oil gas, and 30% on petrol.

The comprised waste (both hazardous and non-hazardous) is handled by UAB „Rokiškio komunalininkas“. In the first half year 2013, it was 211.6 t of household waste, 4.39 t of hazardous waste, and 3621 t of sludge from waste water treatment plant was used for soil fertilization. It was collected the secondary waste as follows: paper and carton 16 t, plastics 22 t, metal 5 t, tires 5 t.

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

### **13. 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.

### **14. Management bodies of the issuer**

In accordance with the Articles of Association of AB "Rokiškio sūris", the managing bodies of the company are as follows: General shareholders' meeting, the Board of Directors and the Chief Executive Officer.

The competence and procedure of announcement applied to the general shareholders' meeting complies with the competence and procedure of announcement applied to the general shareholders' meeting established by the Law on Joint Stock Companies.

The Board of Directors is a collegial management body comprised of 5 (five) members. The Board members are elected and recalled by the general shareholders' meeting pursuing the procedure set by the Law on Joint Stock Companies.

The Chief Executive Officer is a one-man management body who organizes everyday activities of the company, discusses and solves the company's long term strategic objectives as well as issues of business plans. Within relationship between the company and other persons, the Chief Executive Officer acts determinatively on behalf of the company.

The 17<sup>th</sup> July 2012 extraordinary general meeting of shareholders of AB „Rokiškio sūris“ elected a new Board of Directors of AB „Rokiškio sūris“. In accordance with the new approved wording of the Articles of Association of AB „Rokiškio sūris“ (the new Articles of Association of AB „Rokiškio sūris“ was registered in the Registry of Legal Entities on 27<sup>th</sup> July 2012) the Board of Directors consists of 5 members.

The 17<sup>th</sup> July 2012 extraordinary general meeting of shareholders of AB „Rokiškio sūris“ elected a new Board of Directors of AB „Rokiškio sūris“ of 4 members.

**Members of the Board of Directors:**

**Dalius Trumpa** – Board Chairman (elected on 17<sup>th</sup> July 2012). Owns 1,002,697 ordinary registered shares. i.e. 2.80% of the Authorized capital and 2.86% of votes of AB „Rokiškio sūris“. Education – university degree. Works for the company since 1991. As from 2002 in the capacity of production director. As from 2007 appointed a deputy director. Also the director of UAB Rokiskio pienas from 2007.

Participation in the activities of other companies:

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

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

Chief executive officer of a subsidiary UAB „Rokiškio pieno gamyba“, having no shares;

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

**Antanas Kavaliauskas** - Deputy Chairman (elected on 17<sup>th</sup> July 2012), the Chief Financial Officer of AB „Rokiškio sūris“, having no ownership of AB „Rokiškio sūris“.

Works for the company since 2002 in the capacity of finance director. Education – university degree. In 1997, obtained a master degree of finance management in Kaunas technology university. As from 2002, a certified member of international accountants association ACCA.

Participation in the activities of other companies:

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

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

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

**Ramūnas Vanagas** - Board member (elected on 17<sup>th</sup> July 2012), Development Director of AB „Rokiškio sūris“, having no ownership of shares of AB „Rokiškio sūris“.

Education – university degree. Works for the company since 2005 in the capacity of business development director.

Participation in the activities of other companies:

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

**Darius Norkus** - Board member, (elected on 17<sup>th</sup> July 2012), Sales and Marketing director of AB „Rokiškio sūris“, having no shares of the company.

Education – university degree. Works for the company since 2001 in the capacity of the sales and marketing director.

Participation in the activities of other companies:

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

Cadence period of the Board of Directors is 4 years. The cadence ends on 17<sup>th</sup> July 2016.

**Manager of the Company:**

The Chief Executive Officer is a one-man management body who organizes everyday activities of the company, discusses and solves the company's long term strategic objectives as

well as issues of business plans. Within relationship between the company and other persons, the Chief Executive Officer acts determinatively on behalf of the company.

#### **Information on the company's manager (director):**

##### **The CEO of the Company:**

**Antanas Trumpa** owning 8,240,053 ordinary registered shares of AB „Rokiškio sūris“, i.e. 22.97% of the authorized capital of AB “Rokiškio sūris“ and 23.50% of votes.

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

Participation in the activities of other companies:

Shareholder of UAB "Pieno pramonės investicijų valdymas" with 6,758, i.e. 67.04% of the shares and votes of UAB "Pieno pramonės investicijų valdymas".

#### **Information on the company's finance director:**

##### **Chief Financial Officer Antanas Kavaliauskas**

For more information about the Chief Financial Officer see point 14 as per information about the management bodies.

## **15. Management structure and Employees**

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.

In accordance with the corporate strategy approved by the Board of Directors the Company's key operational targets cover all functional areas such as finance, marketing, procurement, production and control of human resources and their achievements. In order to reach the set targets the company has established an internal control system as well as the Audit Committee. The main functions include analyzing and evaluation, also providing recommendations for improvement of the Company's operational performance. The findings of Audit Committee are presented to the Company's management, and an action plan is prepared accordingly in order to eliminate identified weaknesses. The Company's accounting and financial reports are made in accordance with the International Accounting Standards applied in the European Union.

The company's Audit Committee is made of 3 members one of which is independent and has at least 5 year experience in accounting. Other members of the Committee also have appropriate experience to perform their duties. The Audit Committee performance includes independent and objective surveillance, review, evaluation and consultation of the company in order to improve procedures and to increase additional value.

The Company's performance is managed and controlled in assistance with the informational technologies. Security of the data on the Company's information system is ensured by document copying.

As of 30<sup>th</sup> June 2013, the average number of the Group's employees was equal to 1,702 (number of employees on the list)

The table shows average number of employees of Rokiškio sūris group and variation of salaries in six months 2013:

Average number of employees	2012.12.31	2013.06.30
Total:	1688	1702
incl. Managers	10	10
Specialists	313	313
Workers	1365	1379
<b>Average monthly salary, Lt</b>	<b>2437</b>	<b>2527</b>
managers	5090	5531
specialists	2200	2613
workers	2440	2489

*Education level of the employees working for Rokiskio suris*

Education	2012.12.31	2013.06.30
University degree	160	160
Special education	780	785
High school	716	727
Unfinished high school	32	30

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

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

- On 25 February 2013, amendment to the credit agreement was signed with the bank in relation to the extension of the repayment term of overdraft (LTL 2m) until 31 January 2014, and the extension of the repayment term of credit limit (EUR 18m) until 15 February 2014. The total credit limit is LTL 64,150 thousand, with no repricing of interest rates.
- On 28 February 2013, the shareholder adopted Decision No. 18 to initiate the reorganisation of the Company Rokiškio Pienas UAB by way of unbundling (and approve the drafting of unbundling terms and conditions), whereby a part will be separated from the Company Rokiškio Pienas UAB, which will continue milk product distribution activities, and on the basis of assets, rights and obligations attributed to that part, a new company with the same legal status will be established – Rokiškio Pieno Gamyba UAB – which will basically be engaged in milk product production activities.
- The 28<sup>th</sup> February 2013 Board of Directors of AB Rokiskio suris resolved to reorganize the daughter company UAB Rokiskio pienas in the manner of segregation of the company's long term assets and establishing a new company which would be 100 per cent owned by AB Rokiskio suris. This kind of segregation will not have any significant influence onto the consolidated financial results of the group of AB Rokiskio suris as well as the ownership of the shareholders.
- On 29<sup>th</sup> April 2013 AB „Rokiskio suris“ adopted a resolution regarding implementation of separation of UAB „Rokiskio pienas“ – approved the separation conditions of UAB „Rokiskio



pienas" and approved the articles of association of UAB „Rokiskio pienas“ who is continuing its operations after separation and a newly established UAB „Rokiskio pieno gamyba“.

5. On 2<sup>nd</sup> May 2013, following the separation procedure of Rokiskio pienas UAB, the Articles of Association of Rokiskio pieno gamyba UAB were registered in the Registry of Legal Entities. Rokiskio suris AB is a holder of 100 per cent of the shares of both companies.

6. On 26<sup>th</sup> April 2013 there was an ordinary general meeting of shareholders of AB Rokiskio suris.

The following resolutions were approved:

Auditor's findings regarding the consolidated financial reports and annual report.

Resolution:

To endorse the auditor's report.

The Audit Committee report.

Resolution:

To endorse the report of the Audit Committee.

The Company's annual report for the year 2012.

Debriefed with the annual report of AB "Rokiškio sūris" for the year 2012 which was reviewed by the auditors and approved by the Board of Directors.

Approval of the company's consolidated financial accounting for the year 2012.

Resolution:

To approve the consolidated financial reports for the year 2012.

Allocation of the Company's profit of 2012.

Resolution:

To approve allocation of the Company's profit (loss) of 2012.

	Title	thou LTL	thou EUR
1.	Non-distributable profit (loss) at beginning of year	74,045	21,445
2.	Approved by shareholders dividends related to the year 2011	(3,507)	(1,016)
3.	Transfers to reserves provided by law	9,940	2,879
4.	Non-distributable profit (loss) at beginning of year after dividend payout and transfer to reserves	80,478	23,308
5.	Net profit (loss) of fiscal year	14,320	4,147
6.	Distributable profit (loss)	94,798	27,455
7.	Profit share for mandatory reserve	-	-
8.	Profit share for other reserves	-	-
9.	Profit share for dividend payout <sup>1</sup>	(3,507)	(1,016)
10.	Profit share for annual payments (tantiemes) to the Board of Directors, employee bonuses and other	1,168	338
11.	Non-distributable profit (loss) at end of year transferred to the next fiscal year	91,291	26,439

<sup>1</sup> Distributed the profit earned until 2009

Allotted for the dividends related to 2012 – LTL 3,506,588 (EUR 1,015,578), i.e. LTL 0.10 (EUR 0.029) per share (before taxes).

The Law on Companies of the Republic of Lithuania provides that dividends shall be paid to the shareholders who at the end of the tenth business day following the Annual General Meeting that adopts a decision on dividend payment (rights accounting day) will be on the Shareholders' List of the Company, i.e. the shareholders of AB Rokiskio suris on 13 May 2013.

Following Lithuanian laws dividends paid to natural persons-residents of the Republic of Lithuania and natural persons-residents of foreign countries are subject to withholding Personal income tax of 20 per cent. Dividends paid to legal entities of the Republic of Lithuania and legal entities-residents of foreign countries are subject to withholding Corporate income tax of 15 per cent, unless otherwise provided for by the laws.

Election of the Company's auditor and establishment of payment conditions.

Resolution:

To appoint UAB “PriceWaterhouseCoopers“ 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.

Regarding purchase of own shares.

Resolution:

- 1) To purchase up to 10 per cent of own shares.
- 2) Purpose of acquisition of own shares – maintain and increase the price of the company's shares.
- 3) Period during which the company may purchase own shares - 18 months from the approval of resolution.
- 4) Maximal purchase price per share set as – EUR 3.475 (LTL 12.00) minimal purchase price per share is set equally to nominal value of share – EUR 0.290 ( LTL 1.00).
- 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. Also, it shall be provided the opportunity to annul treasury shares.

- 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.

Regarding compounding the reserve to acquire own shares.

Resolution:

Reserve for acquisition of own shares accumulated amounts up to LTL 40,287 thousand (EUR 11,668 thousand).

Election of an independent member of the Audit Committee and establishment of payment conditions.

Resolution:

To elect Kęstutis Kirejevas as an independent member of the Audit Committee.

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.

Confirmation of members of the Audit Committee.

Resolution:

To approve the following members of the Audit Committee of AB „Rokiskio suris“: Kęstutis Kirejevas, Rasa Žukauskaite and Asta Keliuotyte.

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

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

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

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