



**OPERATIONAL RESULTS
AND A SET OF INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
OF AB ROKISKIO SURIS FOR TWELVE
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 operational results and a set of interim consolidated financial statements

The overview of operational results and a set of interim consolidated financial statements are prepared for twelve 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

Website: www.rokiskio.com

Registered in on 28th February 1992 by the Authorities of Rokiskis region.

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

Company code 173057512.

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

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

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

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

The Consolidated Group (hereinafter – the Group) consists of the Company, its two branches, five subsidiaries and one joint venture.

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.

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 FMĮ „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 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 sessions	Date of last trading session	max	min	Last sessions
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	1.360	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	2013.03.28	1.59	1.39	1.46	1.57	2013.03.30	77,386.93	0	4,671.62
2013.04.01	2013.06.28	1.63	1.44	1.49	1.50	2013.06.28	335,690.00	0	5,992.78
2013.07.01	2013.09.30	1.64	1.48	1.57	1.64	2013.09.30	93,753.10	0	93,753.10
2013.10.01	2013.12.31	1.62	1.50	1.55	1.59	2013.12.30	265,880.80	0	1,162.22

Trade by the shares of AB “Rokiškio sūris” within January-December 2013

Price EUR

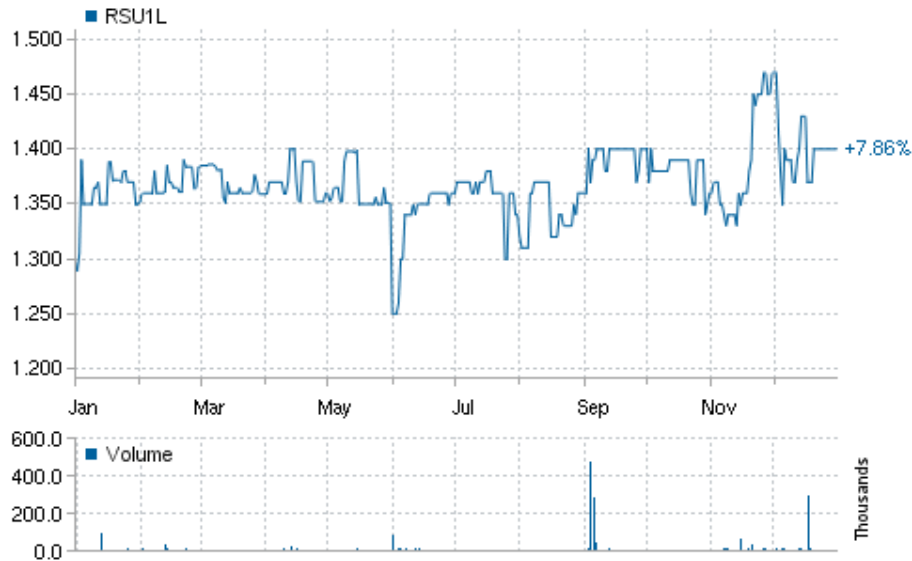


Data source – website of AB NASDAQ OMX Vilnius:

http://www.nasdaqomxbaltic.com/market/?instrument=LT0000100372&list=2&pg=details&tab=historical¤cy=0&downloadcsv=0&date=&start_d=1&start_m=1&start_y=2013&end_d=31&end_m=12&end_y=2013&lang=en

Trade by the shares of AB “Rokiškio sūris” within January-December 2012

Price EUR



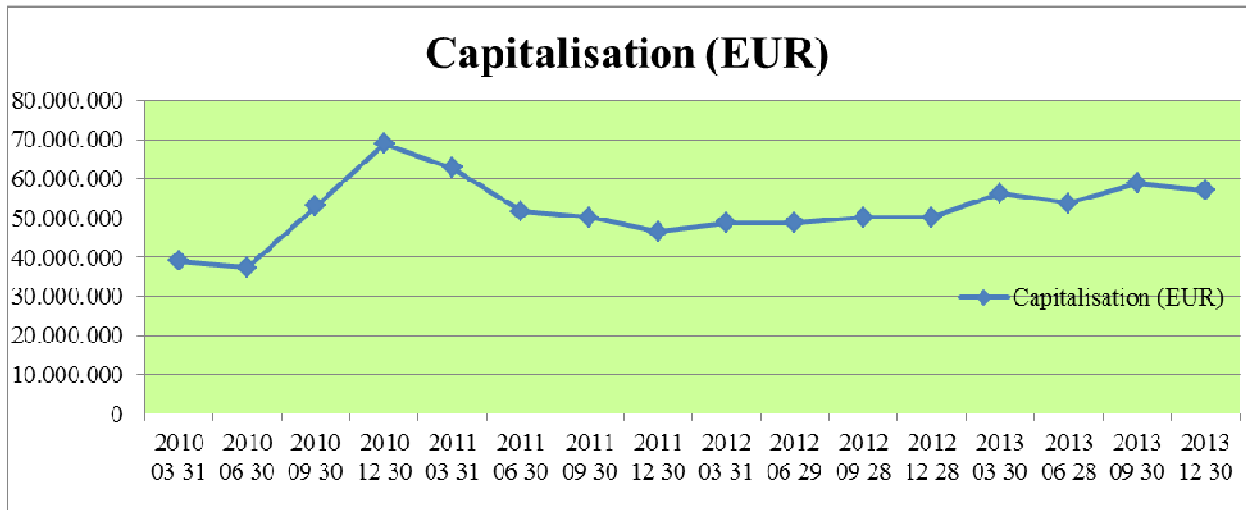
Data source – website of AB NASDAQ OMX Vilnius:

http://www.nasdaqomxbaltic.com/market/?instrument=LT0000100372&list=2&pg=details&tab=historical¤cy=0&downloadcsv=0&date=&lang=en&start_d=1&start_m=1&start_y=2012&end_d=31&end_m=12&end_y=2012

Capitalization of the Securities

Reporting period		Total turnover		Date of last trading session	Capitalisation (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	2011.12.30	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	2013.03.30	56,312,713
2013.04.01	2013.06.30	675,596	1,005,631.66	2013.06.28	53,801,955
2013.07.01	2013.09.30	358,981	562,423.85	2013.09.30	58,823,471
2013.10.01	2013.12.31	743,434	1,154,134.97	2013.12.30	57,030,072

Capitalisation of the company's securities within 2010-2013, Eur



7. Authorized capital of the issuer

As at 31st December 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 31.12.2013) – 5,554 shareholders.

The shareholders having or owning over 5 per cent of the issuer's authorized capital (as at 31.12.2013):

Name, surname Name of company	Address	Proprietary rights			With associated persons	
		Number of shares	Capital share %	Votes %	Capital share %	Number of shares
UAB "Pieno pramonės investicijų valdymas" Company code 173748857	Pramonės str. 3, Rokiškis Lithuania	10,032,173	27.97	28.61	68.24	69.80
SIA "RSU Holding", reg.Nr.40103739795	Sliezu iela 9A-25, Riga	8,909,347	24.84	25.41	68.24	69.80
Antanas Trumpa	Sodų 41a, Rokiškis Lithuania	5,398,659	15.05	14.40	68.24	69.80
Swedbank clients Company code 10060701 EE 40003074764 LV	Liivalaia 8, Tallinn Estonia/ Balasta Dambis 1A Latvia	3,162,411	8.82	9.02	-	-
SEB SA OMNIBUS (funds/inst clients) LUESSE22	Luxemburg	1,778,605	4.96	5.07	-	-
AB „Rokiškio sūris“ Company code 173057512	Pramonės str.3, Rokiškis Lithuania	802,094	2.24	-	-	-

9. Shareholders' rights

Shareholders have the following non-economic rights:

- 1) to attend the general meetings of shareholders;
- 2) to make advance inquiries addressed to the company in regards with the items on the agenda of general meeting of shareholders;
- 3) based on the rights provided with the shares to vote on the general meetings of shareholders;
- 4) according with Part 1 of Article 18 of the Law on the Joint Stock Companies to obtain information on the company's operations;
- 5) to address the court requesting to bring an action of damages against the company if the damage was caused by noncompliance or inadequate compliance with duties of the company manager and board of directors as stated by the Law on Joint Stock Companies of

- the Republic of Lithuania or other laws, as well as the Articles of Association and or in any other cases as stated by the Lithuanian Laws;
- 6) other non-economic rights established by the Lithuanian Laws.

Shareholders have the following property rights:

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

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

10. Information on purchase of issuer's own shares

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

As at the end of the reporting period (31th December 2012), AB „Rokiškio sūris“ has in treasure 802,094 ordinary registered shares and it makes 2.24 % of the company's authorized capital.

Treasury shares have no voting right.

11. Operations of the issuer

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

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

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

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

AB „Rokiškio sūris“ produce fresh, semi-hard and hard cheese. To the group of fresh cheese the following cheeses are assigned: *Cagliata* (various fat and weight), and *Mozzarella*. The group of semi-hard cheeses consist of *Rokiškio sūris* (various fat and weight), *Saulės sūris*, *Lietuviškas*, *Gouda*, *Visiems*, *Naminis*, *Žaloji karvutė* etc. The group of hard cheese consists of *Kietasis sūris* (various fat, moisture content and weight), *Gojus*, *Montecampo*. In the end of 2011, it was launched a new type of hard cheese *Rokiškio Grand*.

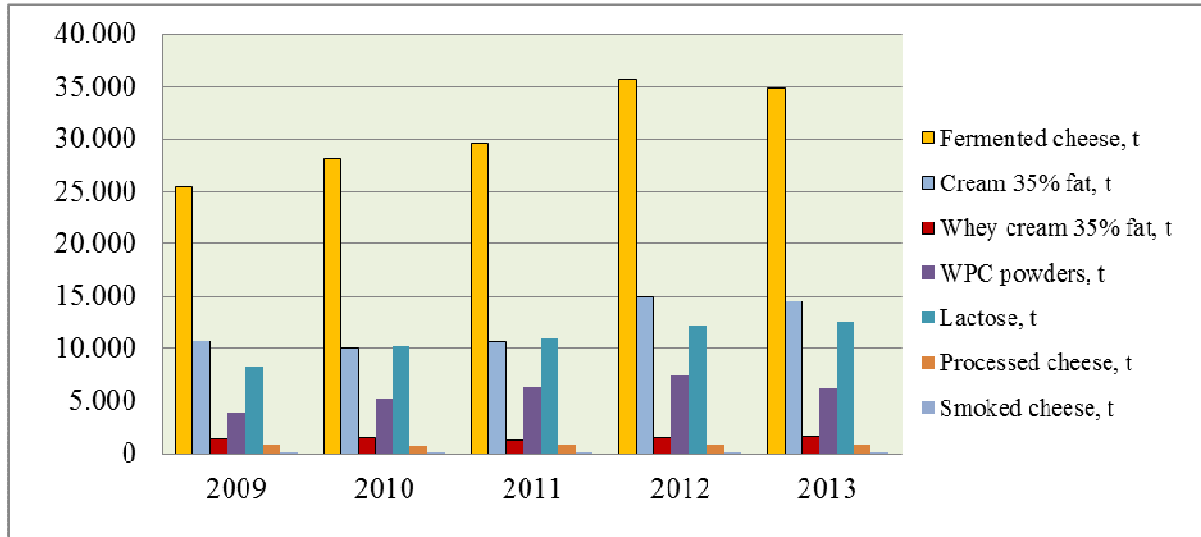
Aside the main production of fermented cheeses, Rokiskis also produces fluid WPC (whey protein concentrate), which is used for the production of WPC powders, milk sugar (lactose), processed cheese, smoked cheese.

The production of fermented cheese in 2013 decreased by 3 per cent when compared to 2012. Considering production of each type of cheese there was a kind of variation, e.g. the production of hard grated cheese increased by 34 per cent, and the production of some other types of cheese decreased which makes the total figure less by 3 per cent.

The production of lactose increased by 3 per cent in 2013, whilst the production of WPC has undergone significant changes resulting into the new type of product of WPC 80.

The following table and chart represent changes in the production of AB „Rokiškio sūris“ within 5 latter years:

Production / Year	2009	2010	2011	2012	2013
Fermented cheese, t	25.392	28.142	29.508	35.751	34.807
Cream 35% fat, t	10.679	10.099	10.642	14.969	14.558
Whey cream 35% fat, t	1.464	1.542	1.347	1.503	1.612
WPC powders, t	3.923	5.339	6.313	7.515	6.224
Lactose, t	8.297	10.190	11.039	12.146	12.510
Processed cheese, t	767	708	749	749	778
Smoked cheese, t	132	81	71	48	37



UAB „Rokiškio pieno gamyba“ specializes in the production fresh dairy products, i.e. fluid milk, sour milk, kefir, cream, curds and fresh cheese, chocolate coated cheese bars, yogurts, butter, for the local market, also the company provide service to AB „Rokiškio sūris“ producing the products for expert such as butter, cream, WPC (whey protein concentrate) 34 and 80, and skim milk powder.

Production according to groups, in tons:

Group of products	2013	2012	2011
Curds and curd products	5353	5228	5094
Fermented cheese	83	-	-
Total production in tons:	5436	5228	5094

In 2013, UAB „Rokiškio pieno gamyba“ launched a new line of yogurt production. This is a new type of yogurt in Lithuania in whose production no sugar is used and the sweetness comes from fruits only.

Heavy investments were made in the production of dry products. A new modern line for the production of WPC 80 was installed, and the technology of this product was successfully mastered.

Production / Year	2013	2012	2011
Fresh dairy products, t	64,606	62,772	61,880
Butter and fat blends, t	5,576	4,101	2,865
Dry milk products, t	6,537	8,442	7,360
Exported cream, t	5,063	9,165	8,212

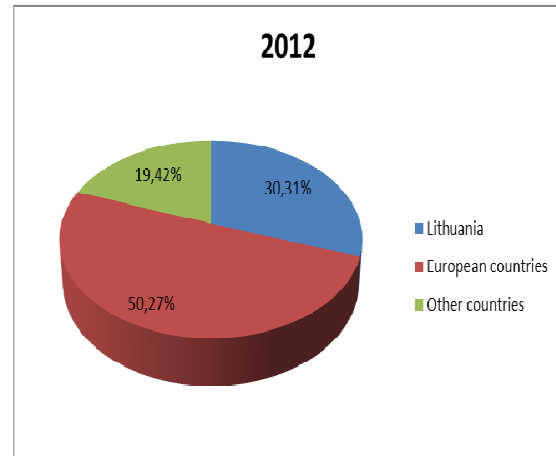
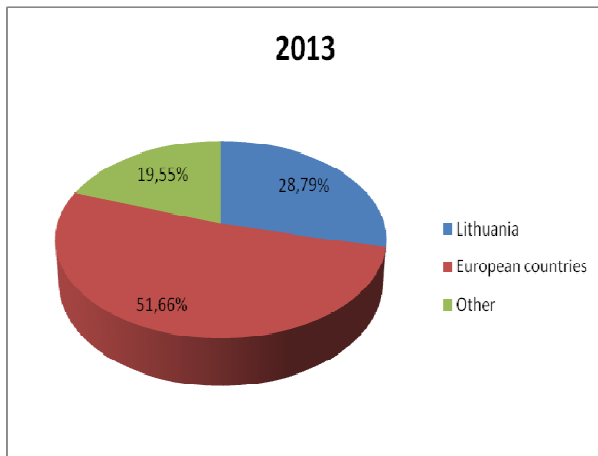
Twelve month consolidated non-audited net profit of AB „Rokiškio sūris“ Group is equal to LTL 32.773 million, i.e. 11.71 % more than during the same period of the last year. Twelve month

consolidated audited net profit of the Group in 2012 was equal to LTL 29.338 million. The net profitability of the Group within 2013 made 3.8 per cent. The net profitability of the Group within 2012 made 3.7 per cent.

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 2013-2012

Countries	Sold			
	2013		2012	
	k LTL	%	k LTL	%
Lithuania	247,947	28.79	241,387	30.31
European countries	445,011	51.66	400,368	50.27
Other	168,397	19.55	154,652	19.42
Total	861,355	100.00	796,407	100.00



The consolidated non-audited sales of 2013 of AB „Rokiškio sūris“ Group made LTL 861.355 million, i.e. 8,16 per cent more than during the same period of last year. The consolidated sales of the same period of 2012 made LTL 796.407 million.

The improved results compared to the same period of last year were caused by the increased prices in the export market.

Purchase of raw milk:

In 2013 in Lithuania it was bought 1,339 thousand tons of natural milk, i.e. more by 1.5 per cent compared to 2012 (1,360 thousand tons). Within nine months of 2013-2014, the national raw milk

quota was consumed by 61.6 per cent. In the same period of last year this figure amounted to 63.1 per cent.

The key changes in the raw milk sector were caused by the significantly increased raw milk prices. The average purchase price of raw milk in 2013 was LTL1,092.6/t, and this is higher by 21.7 per cent compared to 2012 when it was LTL898/t.

The December 2013 price for natural milk paid to the farmers with more than 40 tons of milk per month increased by 23.7 per cent compared to December 2012 (from LTL 1,179/ t to LTL 1,458/ t).

The table below shows prices of raw milk paid by the Group to large farmers with the farms of European size delivering over 40 tons raw milk per month during 2012-2013.

Month	Price of purchased natural milk	
	2012 (Lt/t)	2013 (Lt/t)
January	1,173	1,178
February	1,204	1,160
March	1,155	1,169
April	1,130	1,114
May	1,012	1,143
June	948	1,118
July	931	1,156
August	936	1,219
September	982	1,355
October	1,125	1,460
November	1,139	1,439
December	1,164	1,431
Average milk purchasing price for 12 months	1,072	1,239

The quantity of raw milk purchased in 2013 decreased by 1.5 per cent compared to 2012 which resulted into a slight decrease in the production of cheese. This is also related with the changes in cheese assortment.

The production of by products such as cream, WPC and lactose is closely related with the production of fermented cheese. Quantities of WPC and lactose were also influenced by the whey bought from other companies.

The main factor which caused increase of cost of fermented cheese was the increase of raw milk prices as well as power supply prices.

Cheese packaging costs are increasing due to the increasing variety in packaging.

12. Management bodies of the issuer

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

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

All meetings of shareholders are attended by the Chairman of the Board, the company's executive manager, and chief financial manager. At the general meeting of shareholders, the Board Chairman or the company's executive manager provide information to the shareholders on the key events during the fiscal year, and also respond to the questions raised by shareholders.

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.

In 2013, the Board of Directors held 9 meetings of the Board. All members of the Board attended every meeting of the Board.

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

Members of the Board of Directors:

Dalius Trumpa – Board Chairman (elected on 17th July 2012). Owns 135,550 ordinary registered shares. i.e. 0.34% of the Authorized capital and 0.39% 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.

The director of UAB Rokiskio pienas from 2007.

Chief executive officer of a subsidiary UAB „Rokiškio pieno gamyba“ as from 2013.

Participation in the activities of other companies:

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

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

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

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

Works for the company since 2002 in the capacity of finance director.

Education – university degree. In 1997, obtained a master degree of finance management in Kaunas technology university. 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;

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

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

Participation in the activities of other companies:

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

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

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

Participation in the activities of other companies:

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

Term of election of the Board of Directors is 4 years. The cadence ends on 17th July 2016.

Manager of the Company:

The Chief Executive Officer is a one-man management body who organizes everyday activities of the company. 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.

Owns 5,398,659 ordinary registered shares of AB „Rokiškio sūris“, i.e. 15.05% of the authorized capital of AB "Rokiškio sūris" and 15.40% 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 12 as per information about the management bodies.

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13. Consolidated Balance sheet

	December 31, 2013	December 31, 2012
PROPERTY		
Long-term tangible assets	148 158	145 799
Intangible assets (with prestige)	1 023	1 122
Other receivables in a year	40 137	37 726
	189 318	184 647
Current assets		
Inventories	128 536	94 871
Receivables and advance payments	136 972	126 746
Short-term investments	40 549	43 057
Cash and cash equivalents	21 527	6 029
	327 584	270 703
Total assets	516 902	455 350
EQUITY AND LIABILITIES		
Capital and reserves		
Ordinary shares	35 868	35 868
Share premium	41 473	41 473
Reserve for acquisition of treasury shares	40 287	40 287
Treasury shares	(3 868)	(3 868)
Other reserves	58 313	71 201
Retained earnings	172 330	130 176
	344 403	315 137
Non-current liabilities		
Borrowings	4 056	1 265
Deferred income tax liability	8 809	11 414
Deferred income	3 169	3 845
	16 034	16 524
Current liabilities		
Trade and other payables	69 656	59 245
Tax liabilities	6 735	6 964
Deferred income	1 943	2 387
Borrowings	78 131	55 093
	156 465	123 689
Total equity and liabilities	516 902	455 350

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14. Consolidated Statement of comprehensive income

	January - December		October - December	
	2013	2012	2013	2012
Sales	861 355	796 407	205 790	214 710
Cost of sales	(756 095)	(706 882)	(168 255)	(189 732)
Gross profit	105 260	89 525	37 535	24 978
Selling and marketing expenses	(69 046)	(53 554)	(25 235)	(12 585)
Operating profit (loss)	36 214	35 971	12 300	12 393
Finance costs	(1 156)	(1 590)	(212)	(646)
Profit before tax	35 058	34 381	12 088	11 747
Income tax (accumulation)	(2 285)	(5 043)	1 163	(2 709)
Profit for the year	32 773	29 338	13 251	9 038
Profit for the year	32 773	29 338	13 251	9 038
Gain on revaluation of property, plant and equipment	-	-	-	-
Deferred income tax on revaluation	-	-	-	-
Total comprehensive income for the year	32 773	29 338	13 251	9 038

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15. Consolidated cash flow statement

	January - December	
	2013	2012
Operating activities		
Profit before tax and minority interest	35 058	34 381
<i>Corrections:</i>		
– depreciation	35 532	34 703
– amortisation (negative prestige not included)	206	210
– write-off of property, plant and equipment and intangible assets	112	34
– loss on disposal of property, plant and equipment	361	(83)
– interest expense	1 156	1 589
– interest income	(2 891)	(2 656)
– accrual for vacation reserve and bonus	(3 129)	(2 051)
– amortization of government grants received	(2 009)	(2 761)
<i>Circulating capital changes:</i>		
- inventories	(33 665)	187
- amounts payable	14 955	3 098
- amounts receivable and prepayments	(10 226)	(34 578)
Cash flows from operating activities	35 460	32 073
Interest paid	(1 156)	(1 589)
Income tax paid	(671)	(2 205)
Net cash generated from operating activities	33 633	28 279
Investing activities		
Purchase of property, plant and equipment	(38 800)	(10 945)
Purchase of intangible assets	(110)	(2)
Purchase of investments	-	6 689
Loans granted to farmers and employees	(7 589)	(2 590)
Proceeds from sale of property, plant and equipment	532	283
Other loans granted	(45 830)	(50 080)
Repayments of loans granted to farmers and employees	8 781	11 550
Interest received	2 891	2 656
Other loan repayments received	41 549	28 718
Government grants received	889	1 052
Net cash generated from investing activities	(37 687)	(12 669)
Financing activities		
Loans received	636 333	640 682
Repayments of borrowings	(613 274)	(645 162)
Dividends paid	(3 507)	(3 563)
Net cash generated from financing activities	19 552	(8 043)
Net increase in cash and cash equivalents	15 498	7 567
Cash and cash equivalents at the beginning of the period	6 029	(1 538)
Cash and cash equivalents at the end of the period	21 527	6 029

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16. Consolidated Own Capital Change Statement

	Share capital	Share premium	Reserve for acquisition of treasury shares	Treasury shares	Other reserves	Retained earnings	Total
Balance at December 31st 2011	35 868	41 473	40 287	(3 868)	82 598	93 004	289 362
Comprehensive income							
Profit (loss) for the year						29 338	29 338
Transfer to retained earnings (transfer of depreciation, net of deferred income tax)					(11 397)	11 397	
Total comprehensive income in 2012					(11 397)	40 735	29 338
Transactions with owners							
Dividends related to 2011						(3 563)	(3 563)
Transactions with owners in total						(3 563)	(3 563)
Balance at 31st December 2012	35 868	41 473	40 287	(3 868)	71 201	130 176	315 137
Profit (loss) for the year						32 773	32 773
Transfer to reserves					2 686	(2 686)	
Transfer to retained earnings (transfer of depreciation, net of deferred income tax)					(15 574)	15 574	
Dividends related to 2012						(3 507)	(3 507)
Balance at 31st December 2013	35 868	41 473	40 287	(3 868)	58 313	172 330	344 403

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17. Commentary on the Report

1. General information

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

The shares of Rokiškio Sūris AB are traded on the Baltic Main List of the NASDAQ OMX Vilnius (symbol – RSU1L).

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

	Operating as at December 31th	
	2013	2012
Branches		
Utenos pienas	Yes	Yes
Ukmergės pieninė	Yes	Yes

	Group’s share (%) as at December 31th	
	2013	2012
Subsidiaries		
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

Jodint venture		
UAB „Pieno upės“	50.00	50.00

* These subsidiaries were not consolidated due to their insignificance.

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

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

As of 31 December 2013, the average number of the Group’s employees was equal to 1,720 (compared to 1,564 employees as at 31 December 2012).

2. Accounting Principles

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Profit is taxable at a rate of 15 per cent (2012: 15 per cent) in accordance with the Lithuanian regulatory legislation on taxation.

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

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

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

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

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

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

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

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

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

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

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

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

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

3. Information on segments

Business segments and the segments presented by the financial statements

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

The Group's main business segments:

- Fresh dairy products
- Cheese and other dairy products.

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

Geographic segments

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

	2013 12 31	2012 12 31
Lithuania	247 947	241 387
Countries of EU	445 011	400 368
Other (including USA and Japan)	168 397	154 652
Total	861 355	796 407

Income analysis according to groups:

	2013 12 31	2012 12 31
Product Sales	858 986	794 722
Provided services	2 369	1 685
Total	861 355	796 407

4. Long-term tangible assets

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

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

5. Other receivables

As at 31 December 2013, the Group's receivables were made of:

	2013 12 31	2012 12 31
Long-term loans granted to farmers	2 361	5 602
Long-term loans granted to employees	958	1 122
Investments	552	552
Loans to other companies	33 549	24 756
Other	2 717	5 694
Total	40 137	37 726

The repayment terms of loans granted to farmers vary from 2 months to 10 years, whereas the annual interest rate varies from 0 to 10 per cent.

The repayment terms of loans granted to employees vary from 1 to 22 years, whereas the interest rate for them is not calculated. The company's managing bodies believe that the balance sheet values of long-term receivables are their fair values.

6. Inventories

As at 31 December 2013, the Group's inventories were made of:

	2013 12 31	2012 12 31
Raw material	8 362	7 810
Production in progress	22 079	21 713
Ready production	94 916	62 110
Other inventories	3 179	3 238
Total	128 536	94 871

7. Selling and Other Receivables

As at 31 December 2013, the Group's selling and other receivables were made of:

	2013 12 31	2012 12 31
Selling receivables	120 466	113 192
VAT receivable	7 936	6 198
Other receivables	5 736	5 704
Advance payments and future period expenses	2 834	1 652
Total	136 972	126 746

8. Cash and cash equivalents

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

	2013 12 31	2012 12 31
Money in bank and cash-in-hand (Group)	21 476	5 987
Current deposits	51	42
Total	21 527	6 029

9. Financial ratios

The Group's financial ratios:

	2013 12 31	2012 12 31	2011 12 31
Revenue (LTL thousand)	861 355	796 407	688 025
EBITDA (LTL thousand)	71 952	70 883	58 770
EBITDA margin (%)	8,35	8,90	8,54
Operations profit (LTL thousand)	36 214	35 971	35 141
Margin of operations profit (%)	4,20	4,52	5,11
Profit per share (LTL)	0,93	0,84	0,78
Number of shares (units)	35 867 970	35 867 970	35 867 970

10. Information on the audit

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

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

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

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