



**A SET OF INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
OF ROKISKIO SURIS AB
FOR THREE MONTH PERIOD
OF THE YEAR 2015**

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1. Reporting term of the interim consolidated financial statements

The interim consolidated financial statements are prepared for three month period of the year 2015.

2. Key information of the issuer

Name of the issuer: AB Rokiskio suris.

Legal base: Public Limited Liability 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 EUR10,401,711.30.

There are 35,867,970 shares. Nominal value per share equals to EUR 0,29 (twenty nine euro cents).

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

As of 31st March 2015, the consolidated group (hereinafter the “Group”) consists of the Parent Company Rokiskio suris, two branches and five subsidiaries. (In 2014: two branches, five subsidiaries, and a joint venture). The branches and subsidiaries that comprise consolidated Group are indicated below:

	Operating as at 31 st March 2015			Group's share (%) 31 st March 2015	
	2014	2013		2015	2014
Branches			Subsidiaries		
Utenos pienas	Yes	Yes	UAB Rokiskio pienas	100.00	100.00
Ukmerges pienine	Yes	Yes	UAB Rokiskio pieno gamyba	100.00	100.00
			PK Zalmarge	100.00	100.00
			SIA Jekabpils piena kombinats	100.00	100.00
			SIA Kaunata*	60.00	60.00
			Joint Venture		
			UAB Pieno upes	-	50.00

* These subsidiaries were not consolidated due to their insignificance.

Subsidiaries of AB Rokiskio suris:

Registered address of UAB Rokiskio pienas: Pramonės str. 8, LT-28216 Utena. Company code: 300561844. AB Rokiskio suris is its founder and the only shareholder with 100 per cent of shares.

Registered address of UAB Rokiskio pieno gamyba: Pramonės str. 8, LT-28216 Utena. Company code: 303055649. AB Rokiskio suris is its founder and the only shareholder with 100 per cent of shares.

Registered address of Dairy cooperative PK Žalmarge: Kalnalaukio str.1, Sirvintos. Company code: 178301073.

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

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

Branches of AB Rokiskio suris:

AB Rokiskio suris branch Utenos pienas (Company code: 110856741, Pramonės str. 8, LT-28216 Utena);

AB Rokiskio suris branch Ukmergės pieninė (Company code: 182848454, Kauno str. 51, LT-20119, Ukmerge).

4. Characterization of key business of the issuer and its subsidiaries

Key business of the group of Rokiskio suris:

- ◆ Dairying and cheese production (EVRK 10.51);

AB Rokiskio suris

Key business of AB Rokiskio suris is production and sales of fermented cheese, whey products, and skim milk powder.

Subsidiaries:

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

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

Key business of KB Zalmarge is purchase of raw milk.

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

Key business of SIA Kaunata – purchase of raw milk.

5. Contracts with financial brokers

On 24th December 2003, AB Rokiskio suris made a contract with UAB FMI Baltijos vertybiniai popieriai (Gedimino av. 60, Vilnius) regarding administration of shareholders of AB Rokiskio suris. On 15th January 2007, the financial company changed its name into UAB FMI Orion securities (A.Tumeno 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 Rokiskio suris are listed on the **Official List of NASDAQ OMX Vilnius Stock Exchange**. (VVPB symbol RSU1L). Nominal value per share EUR 0.29 (twenty nine euro cents).

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 suris on NASDAQ OMX Vilnius Stock Exchange:

Trade on central market:

Reported period		Price (EUR)				Turnover (EUR)			
from	to	max	min.	aver.	Last session	Date of last trading session	max	min	Last session
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
2014.01.01	2014.03.31	1.74	1.59	1.68	1.70	2014.03.31	106,298.00	0	0
2014.04.01	2014.06.30	1.70	1.55	1.59	1.65	2014.06.30	813,077.60	0	907.50
2014.07.01	2014.09.30	1.68	1.49	1.53	1.55	2014.09.30	347,029.70	0	0
2014.10.01	2014.12.31	1.57	1.38	1.50	1.38	2014.12.30	69,146.00	0	814.20
2015.01.01	2015.03.31	1.50	1.38	1.42	1.42	2015.03.31	6,946.37	0	303.03

Trade by the shares of AB Rokiskio suris within January-March 2015

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¤cy=0&downloadcsv=0&date=&start=01.01.2015&end=31.03.2015>

Capitalization of the Securities

Reporting period		Total turnover		Date of last trading session	Capitalisation (EUR)
from	to	(units)	(EUR)		
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
2014.01.01	2014.03.31	381,601	640,913.17	2014.03.31	60,975,549
2014.04.01	2014.06.30	708,846	1,124,285.96	2014.06.30	59,182,150
2014.07.01	2014.09.30	410,778	629,526.69	2014.09.30	55,595,354
2014.10.01	2014.12.31	103,884	155,655.60	2014.12.30	49,497,799
2015.01.01	2015.03.31	26,734	37,953.70	2015.03.31	50,932,517

7. Authorized capital of the issuer

As at 31st March 2015, the Authorized capital of AB Rokiskio suris comprised of the following:

Type of shares	Number of shares	Nominal value, EUR	Total nominal value, EUR	Share of authorized capital (%)
1	2	3	4	5
Ordinary registered shares	35,867,970	0.29	10,401,711.30	100.00

All shares of AB Rokiskio suris are paid-up, and they are not subject to any limitations of transference.

8. Shareholders.

Total number of shareholders (as at 31.03.2015)– 5,491 shareholders.

The shareholders having or owning over 5 per cent of the issuer's authorized capital (as at 31.03.2015):

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	Pramones str. 3, Rokiskis Lithuania	10,032,173	27.97	28.61	70.47	72.08
SIA RSU Holding, reg.No.40103739795	Sliezu iela 9A-25, Riga Latvia	8,909,347	24.84	25.41	70.47	72.08
Antanas Trumpa	Sodu 41a, Rokiskis Lithuania	6,199,875	17.28	17.68	70.47	72.08
Swedbank clients Company code 10060701 EE 40003074764 LV	Liivalaia 8, Tallinn Estonia/ Balasta Dambis 1A Latvia	2,492,028	6.95	7.11	-	-
SEB SA OMNIBUS (funds/inst clients) LUESSE22	Luxemburg	1,778,605	4.96	5.07	-	-
AB Rokiskio suris Company code 173057512	Pramones g.3, Rokiskis 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 07/09/2011 to 20/09/2011, AB Rokiskio suris acquired 788,804 own shares which made 2.20% of the company's authorized capital, and during the period from 01/12/2011 to 14/12/2012, it was acquired 13,290 own shares which made 0.04% of the company's authorized capital.

As at the end of period (30th September 2014), AB Rokiskio suris 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 Rokiskio suris is one of the largest and strongest dairy production companies in Lithuania. The sales of commodities are widely spread in both Eastern and Western export markets, as well as sales of short shelf life dairy products on the local market and in neighborhood countries.

The Group's production is developed in the towns of Rokiskis (AB Rokiskio suris), Utena (UAB Rokiskio pieno gamyba) and Ukmerge (UAB Rokiskio pieno gamyba subsidiary Ukmerges pienine).

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

The cheese produced by the company AB Rokiskio suris comprises of fresh, semi-hard and hard cheese. The group of fresh cheese includes Cagliata (various fat content and weight), Mozzarella. The group of semi-hard cheese includes the following products: Rokiskio suris (various fat content and weight), Saules suris, Lietuviskas, Gouda, Suris „Visiems“, „Naminis“, „Zaloji karvute“ etc., whereas Kietasis suris (various fat, moisture content and weight), „Montecampo“ and „Gojus“ belong to the hard cheese type. At the end of 2011, the production of long term maturing hard cheese ROKISKIO GRAND was implemented in assistance.

The key activity of AB Rokiskio suris is production fermented cheese. Production of fermented cheese remained on the same level as last year during the same period.

Besides the main production of fermented cheese, AB Rokiskio suris produces liquid whey protein concentrate (WPC-34 and WPC-45) which is followed by the production of WPC powder, and also milk sugar (lactose), processed cheese, and smoked cheese.

The Group of Rokiskio suris is one of the leaders on the local market with the market share of 20-25 per cent.

UAB Rokiskio 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 Rokiskio suris producing the products for export such as butter, cream, WPC (whey protein concentrate) 34 and 80, and skim milk powder.

The biggest part of production is exported. As before, the main direction of export is European Union (mainly Italy, Germany, Poland).

Sales of whey protein concentrate of 80 per cent was expanded, and now the product reaches the following markets: France, Germany, Denmark, Netherlands, Spain. It was started sales of lactose to New Zealand.

The Group's export sales of traditional products such as butter, cream, milk powder and by-products (Whey protein concentrate and lactose) are increasing. Milk powders are sold to Marocco, Japan.

The biggest part of exported production is fermented cheese. In the EU region, the company mainly sells non-matured and hard cheese, hard cheese is sold to Italy, Netherlands, Spain, and Israel. The sales of hard cheese increased by 12 percent compared to the same period in 2014.

The consolidated non-audited net loss of 3 months 2015 of AB Rokiskio suris Group made EUR 46 thousand, whilst in the same period last year the consolidated non-audited net loss made EUR 597 thousand.

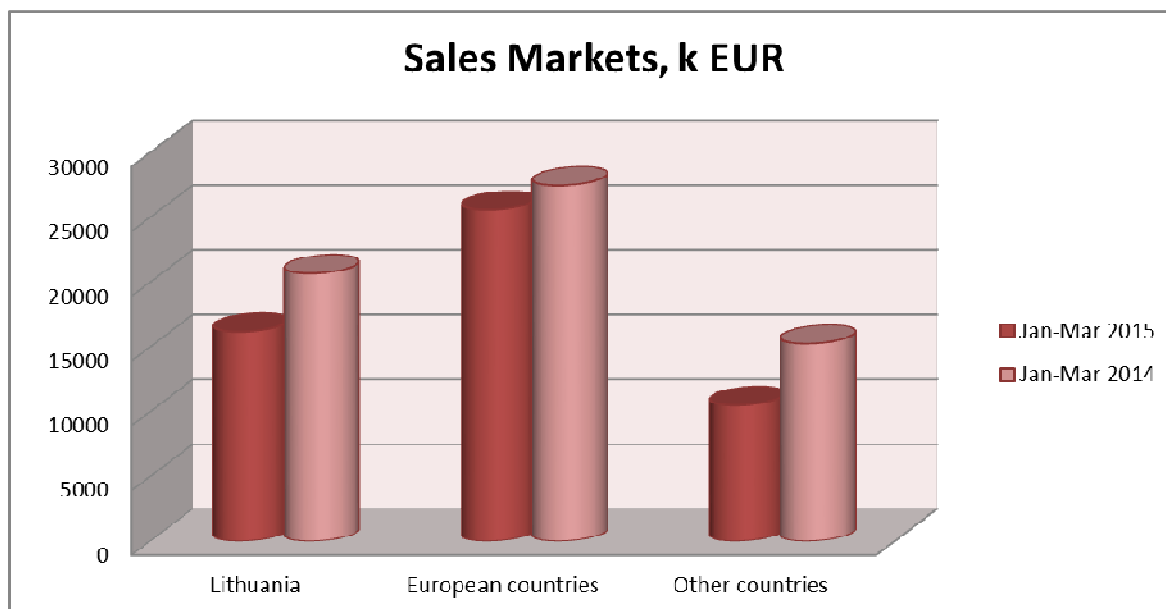
The negative result was caused due to the low prices of finished products and very passive market.

In January-March 2015, the consolidated non-audited sales of the Group of AB Rokiskio suris made EUR 52.251 million, i.e. less by 17.57 per cent compared to the same period of last year. In 2014, the consolidated three month sales made EUR 63.387 million.

Decrease of sales was caused by the drop of product prices down to 48 per cent compared to the same period of last year.

Sales markets 3 months 2015 and 3 months 2014

Name of countries	Sold			
	Jan-Mar 2015		Jan-Mar 2014	
	k EUR	%	k EUR	%
Lithuania	16 171	30.95	20 672	32.61
European countries	25 576	48.95	27 458	43.32
Other countries	10 504	20.10	15 257	24.07
Total	52 251	100	63 387	100



12. Procedure for amendments of the Articles of Association

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

13. Management bodies of the issuer

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

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

The Board of Directors is a collegial management body comprised of 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 17th July 2012 extraordinary general meeting of shareholders of AB Rokiskio suris elected a new Board of Directors of AB Rokiskio suris. In accordance with the new Articles of Association of AB Rokiskio suris (the new wording of Articles of Association of AB Rokiskio

suris was registered in Registry of Legal Bodies on 27/07/2012), the Board of Directors consists of 5 members.

The 17th July 2012 extraordinary general meeting of shareholders of AB Rokiskio suris elected a new Board of Directors consisting of 4 members.

Members of the Board of Directors:

Dalius Trumpa – Board Chairman (elected on 17th July 2012). Owns 83,500 ordinary registered shares, i.e. 0.23% of the Authorized capital and 0.24% of votes of AB „Rokiškio sūris“.

Education – university degree. Works for the company since 1991. As from 2007 appointed a deputy 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;

As from 2007, Chief executive officer of a subsidiary UAB Rokiskio pienas, having no shares;

As from 29th April 2013, Chief executive officer of a subsidiary UAB Rokiskio pieno gamyba, having no shares;

Director of UAB Rokvalda, having 100% of shares and votes.

As from 11th December 2013, director of SIA RSU Holding having 11.26% of shares of SIA RSU Holding.

Shareholder of TEO LT having less than 0.001 % of the company's shares.

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“ owning 3.91% of shares of UAB „Pieno pramonės investicijų valdymas“.

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 owning 6,199,875 ordinary registered shares of AB Rokiskio suris, i.e. 17.28% of the authorized capital of AB Rokiskio suris and 17.68% 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 Polytechnic 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".

Shareholder of SIA RSU Holding having 77.37% of the company's shares.

Information on the company's finance director:

Chief Financial Officer Antanas Kavaliauskas

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

AB „ROKIŠKIO SŪRIS“
CONSOLIDATED AND PARENT COMPANY'S
FINANCIAL STATEMENTS as at 31st March 2015

Company code 173057512, address: Pramonės g. 3, LT-42150 Rokiškis, Lithuania

(All tabular amounts are in EUR '000 unless otherwise stated)

14. Consolidated Balance sheet

	March 31, 2015	December 31, 2014	March 31, 2014
PROPERTY			
Long-term tangible assets	37,899	39,521	42,786
Intangible assets (with prestige)	165	152	310
Other receivables in a year	3,800	4,058	13,881
	41,864	43,731	56,977
Current assets			
Inventories	35,815	44,050	37,912
Receivables and advance payments	37,773	35,121	39,041
Short-term investments	12,197	13,748	15,761
Prepaid income tax	1,283	778	-
Cash and cash equivalents	1,598	3,326	2,386
	88,666	97,024	95,100
Total assets	130,530	140,754	152,077
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary shares	10,412	10,388	10,388
Share premium	12,011	12,011	12,011
Reserve for acquisition of treasury shares	11,668	11,668	11,668
Treasury shares	(1,120)	(1,120)	(1,120)
Other reserves	12,169	12,795	15,212
Retained earnings	53,185	52,605	50,990
	98,325	98,347	99,149
Non-current liabilities			
Borrowings	-		1,247
Deferred income tax liability	1,678	1,787	2,393
Deferred income	750	779	957
	2,428	2,566	4,597
Current liabilities			
Trade and other payables	15,726	23,145	21,988
Tax liabilities	545	491	791
Deferred income	268	325	426
Borrowings	13,238	15,880	25,126
	29,777	39,841	48,331
Total equity and liabilities	130,530	140,754	152,077

AB „ROKIŠKIO SŪRIS“

CONSOLIDATED AND PARENT COMPANY'S

FINANCIAL STATEMENTS as at 31st March 2015

Company code 173057512, address: Pramonės g. 3, LT-42150 Rokiškis, Lithuania

(All tabular amounts are in EUR '000 unless otherwise stated)

15. Consolidated Statement of comprehensive income

	January-March	January-March
	2015	2014
Sales	52,251	63,387
Cost of sales	(48,298)	(59,683)
Gross profit	3,953	3,704
Selling and marketing expenses	(4,069)	(4,275)
Operating profit (loss)	(116)	(571)
Finance costs	(41)	(104)
Profit before tax	(157)	(675)
Income tax (accumulation)	111	78
Operating activity income (loss)	(46)	(597)
Net profit (loss)	(46)	(597)
Other comprehensive income	-	-
Total comprehensive income for the year	(46)	(597)

AB „ROKIŠKIO SŪRIS“
CONSOLIDATED AND PARENT COMPANY'S
FINANCIAL STATEMENTS as at 31st March 2015

Company code 173057512, address: Pramonės g. 3, LT-42150 Rokiškis, Lithuania

(All tabular amounts are in EUR '000 unless otherwise stated)

16. Consolidated cash flow statement

	January-March	
	2015	2014
Operating activities		
Profit before tax and minority interest	(157)	(675)
<i>Corrections:</i>		
– depreciation	1,916	2,077
– amortisation (negative prestige not included)	3	6
– write-off of property, plant and equipment and intangible assets	-	1
– loss on disposal of property, plant and equipment	(12)	(1)
– interest expense	41	72
– interest income	(112)	(164)
– net unrealized currency exchange profit	(46)	28
– amortization of government grants received	(86)	(98)
<i>Circulating capital changes:</i>		
- inventories	8,235	(686)
- amounts payable	(6,258)	1,358
- amounts receivable and prepayments	(2,652)	(1,468)
Cash flows from operating activities	872	450
Interest paid	(41)	(72)
	-	-
Net cash generated from operating activities	831	378
Investing activities		
Purchase of property, plant and equipment	(432)	(1,396)
Purchase of intangible assets	-	(1)
Loans granted to farmers and employees	(515)	(2,854)
Proceeds from sale of property, plant and equipment	48	17
Other loans granted	-	(3,403)
Repayments of loans granted to farmers and employees	30	493
Interest received	131	164
Other loan repayments received	821	256
Government grants received	-	-
	-	-
Net cash generated from investing activities	83	(6,724)
Financing activities		
Loans received	28,457	41,671
Repayments of borrowings	(31,099)	(39,174)
Dividends paid	-	-
	-	-
Net cash generated from financing activities	(2,642)	2,497
Net increase in cash and cash equivalents	(1,728)	(3,849)
Cash and cash equivalents at the beginning of the period	3,326	6,235
Cash and cash equivalents at the end of the period	1,598	2,386

AB „ROKIŠKIO SŪRIS“

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17. 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 2013	10,388	12,011	11,668	(1,120)	16,111	50,688	99,746
Comprehensive income							
Profit (loss) of the year						(597)	(597)
Transfer to retained earnings (transfer of depreciation, net of deferred income tax)					(899)	899	
Balance at March 31st 2014	10,388	12,011	11,668	(1,120)	15,212	50,990	99,149
Transactions with owners							
Dividends relating to 2013						(1,016)	(1,016)
Transactions with owners in total						(1,016)	(1,016)
Comprehensive income							
Profit (loss) of the year						214	214
Transfer to reserves					778	(778)	
Transfer to retained earnings (transfer of depreciation, net of deferred income tax)					(3,195)	3,195	
Balance at December 31st 2014	10,388	12,011	11,668	(1,120)	12,795	52,605	98,347
Comprehensive income							
Profit (loss) of the year						(46)	(46)
Share capital increase due to euro establishment (rounding up)	24						24
Transfer to retained earnings (transfer of depreciation, net of deferred income tax)					(626)	626	
Balance at March 31st 2015	10,412	12,011	11,668	(1,120)	12,169	53,185	98,325

AB „ROKISKIO SŪRIS“
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18. Commentary on the Report

1. General information

The Public Limited Liability Company Rokiskio suris (hereinafter – the company) is a public listed company incorporated in Rokiskis.

The shares of AB Rokiskio Suris 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 and five subsidiaries. (2014: two branches, five subsidiaries and one joint venture). The branches and subsidiaries that comprise consolidated Group are indicated below:

	Operating as at 31 March			Group's share (%) as at 31 March	
	2015	2014		2015	2014
Branches			Subsidiaries		
Utenos Pienas	Yes	Yes	UAB Rokiskio pienas	100.00	100.00
Ukmerges Pienine	Yes	Yes	UAB Rokiskio pieno gamyba	100.00	100.00
			KB Zalmarge	100.00	100.00
			SIA Jekabpils Piena Kombinats	100.00	100.00
			SIA Kaunata*	60.00	60.00
			Joint venture		
			UAB Pieno upes	-	50.00

* These subsidiaries were not consolidated due to their insignificance.

All above subsidiaries 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 March 2015, the average number of the Group's employees was equal to 1,534 (compared to 1,575 employees as at 31st March 2014).

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 (2014: 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.

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 2014.

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:

	2015 03 31	2014 03 31
Lithuania	16,171	20,672
Countries of EU	25,576	27,458
Other	10,504	15,257
Total	52,251	63,387

Income analysis according to groups:

	2015 03 31	2014 03 31
Product Sales	52,070	63,269
Provided services	181	118
Total	52,251	63,387

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. Inventories

As at 31st March 2015, the Group's inventories were made of:

	2015 03 31	2014 03 31
Raw material	2,288	2,591
Production in progress	3,536	7,359
Ready production	29,024	27,090
Other inventories	967	873
Total	35,815	37,913

6. Financial ratios

The Group's financial ratios:

	2015 03 31	2014 03 31	2013 03 31
Revenue (LTL thousand)	52,251	63,387	55,007
EBITDA (LTL thousand)	1,803	1,480	3,178
EBITDA margin (%)	3.45	2.33	5.78
Operations profit (LTL thousand)	(116)	(571)	542
Margin of operations profit (%)	(0.22)	(0.90)	0.98
Profit per share (LTL)	(0.001)	0,02	0,01
Number of shares (units)	35,867,970	35,867,970	35,867,970

7. Information on the audit

The audit according to the International Accounting Standards will be made for the full year 2015 by audit company UAB PricewaterhouseCoopers.

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

On 11 February 2014, the amendment to the credit agreement was signed with the bank on the increase of the overdraft limit to EUR 1,000,000 and the extension of the repayment term until 31 January 2016, the increase of the credit limit to EUR 24,000,000, and the extension of the validity term of the credit limit agreement until 15 February 2016. The total credit limit amounts to EUR 25,000,000. Interest rate established remained unchanged.