



TO: The Lithuanian Securities Commission  
Konstitucijos pr.23  
Vilnius

28<sup>th</sup> August 2007

### ENDORSEMENT BY THE RESPONSIBLE PERSONS

Pursuing Article 22 of the Law on Securities of the Republic of Lithuania, and the rules prepared by the Lithuanian Securities Commission for preparation and announcement of periodical and supplementary information, we, the undersigned – the Chief Executive Officer Antanas Trumpa and the Chief Financial Officer Antanas Kavaliauskas – approve that the six month consolidated interim report of „Rokiškio sūris“ for the year 2007, shows fair review of the business development and performance of the company.

*Attached:* Six month consolidated interim report of „Rokiškio sūris“ for the year 2007.

Chief Executive Officer

A blue ink signature of Antanas Trumpa, written in a cursive style.

Antanas Trumpa

Chief Financial Officer



A blue ink signature of Antanas Kavaliauskas, written in a cursive style.

Antanas Kavaliauskas



**Consolidated interim report of  
AB "ROKIŠKIO SŪRIS"  
for the six month period of the year 2007**

*(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 report.

The consolidated interim report is prepared for the first half year 2007.

## 2. Key information of the issuer.

Joint stock company "Rokiškio sūris".

Registered in on 28<sup>th</sup> February 2007 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 legal persons registry – State company "Registru centras".

Address – Pramonės str.3, LT 42150 Rokiškis, 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)

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

There are 4 271 653 shares. Nominal value per share equals to LTL 10 (ten).

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

As at 30<sup>th</sup> June 2007, the group of AB „Rokiškio sūris“ consisted of the head company Rokiškio sūris“, daughter enterprise UAB „Rokiškio pienas“ and subsidiaries: Utenos pienas and Ukmergės pieninė.

Juridical address of UAB „Rokiškio pienas“ is Pramonės str. 8, LT- 28216 Utena. The company's code is 300561844. AB „Rokiškio sūris“ is its founder and sole one hundred percent shareholder of UAB "Rokiškio pienas". The subsidiary of AB „Rokiškio sūris“ Utenos pienas (company code 110856741, Pramonės str. 8, LT-28216 Utena) and the subsidiary of AB „Rokiškio sūris“ Ukmergės pieninė (company code 182848454, Kauno str. 51, LT-20119, Ukmergė) do not execute any activities.

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

Basic business of AB „Rokiškio sūris“ is production of and trade by fermented cheese, whey products, and skim milk powders.

Basic business of UAB „Rokiškio pienas“ is production of and trade by fresh dairy products such as fluid milk, kefir, sour milk, butter, curds, fresh cheese, sour cream, chocolate coated curd desserts, and other desserts.

## 5. Contracts with financial brokers.

On 24<sup>th</sup> December 2003, AB „Rokiškio sūris“ made a contract with UAB FMI „Baltijos vertybiniai popieriai“ (Gedimino pr.60, Vilnius) regarding administration of shareholders of AB

„Rokiškio sūris“. On 15<sup>th</sup> January 2007, the financial company changed its name into UAB FMI „Orion securities“ (A. Tumėno str. 4, LT-01109 Vilnius).

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

4 271 653 ordinary registered shares of AB „Rokiškio sūris“ (VVPB symbol is RSU1L; ISIN code – LT0000100372) have total nominal value of LTL 42 716 530. The shares are admitted to the Main List of Vilnius Stock Exchange.

## 7. Authorized capital of the issuer.

As at 30<sup>th</sup> June 2007, the Authorized capital of AB „Rokiškio sūris“:

Type of shares	Number of shares	Nominal value, LTL	Total nominal value, LTL	Share of authorized capital (%)
1	2	3	4	5
Ordinary registered shares	4 271 653	10	42 716 530	100,00

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

## 8. Shareholders.

Total number of shareholders (as at 30.06.2007) – 5.262 shareholders.

**The shareholders having or owning over 5 percent of the issuer's authorized capital (as at 30.06.2007):**

Name, surname Name of company	Address	Proprietary rights			With associated persons	
		Number of shares	Capital share %	Votes %	Capital share %	Votes %
<b>UAB „Pieno pramonės investicijų valdymas“</b>	Pramonės str. 3, Rokiškis	1.704.890	39,91	39,91	53,70	53,70
<b>Antanas Trumpa</b>	Sodų 41a, Rokiškis	381.837	8,94	8,94	53,70	53,70
<b>Hansabank clients</b>	Liivalaia 8, Tallinn 15040 Estonia	530.781	12,43	12,43	-	-
<b>Skandinaviska Enskilda Banken AB clients</b>	Sergels Torg 2, 10640 Stockholm, Sweden	588.156	13,77	13,77	-	-

## **9. Treasure shares of the issuer.**

During the period from 13<sup>th</sup> June to 12<sup>th</sup> July 2007, AB "Rokiškio sūris" launched voluntary tender offer to buy up ordinary registered shares of AB „Rokiškio sūris“. Consequently AB „Rokiškio sūris“ bought up 78 365 ordinary registered shares. It makes 1,83 % of the authorized capital of AB „Rokiškio sūris“. The treasury shares do not have voting right.

## **10. Future developments and prognoses of the issuer's performance.**

In 2007, AB "Rokiškio sūris" group envisage increase its sales up to LTL 610 million, i.e. by 17,8% more than in 2006. Also, the group aims to reach not less than 4,2% net profitability level. In 2007, the group envisages to allot LTL 22,154 million for investments in order to modernize production.

In 2007, it will be produced over 23,2 thousand tones of fermented cheese, 6,7 thousand tones of lactose, 4,3 thousand tones of whey protein powders. In addition is will be produced 4,4 thousand tones of skimmed milk powder. It is planned to process over 506 thousand tones of raw milk.

The group aims to concentrate strongest product portfolio on the domestic market maintaining around 25% market share.

The group has some other projects under preparation diverted for quality improvement and higher compliance with relevant EU standards. To achieve this, the group would enjoy EU support via structural funds.

## **11. Change of the issuer's 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.

## **12. Managing bodies.**

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.

### **Members of the Board of Directors:**

**Dalius Trumpa** - Board Chairman (elected by the 28<sup>th</sup> April 2006 General meeting of shareholders), Deputy director of AB „Rokiškio sūris“. Owns 1,78% of the Authorized capital and votes of AB „Rokiškio sūris“. He is the chief executive officer of UAB „Rokiškio pienas“ which is a daughter enterprise of AB „Rokiškio sūris“. He also is a shareholder of UAB "Pieno pramonės investicijų valdymas" owning 3,91% of shares of UAB "Pieno pramonės investicijų valdymas", director of UAB "Rokvalda", having no ownership in the later company.

**Antanas Kavaliauskas** – Deputy Chairman (elected by the 28<sup>th</sup> April 2006 General meeting of shareholders), the Chief Financial Officer of AB „Rokiškio sūris“, having no ownership of AB „Rokiškio sūris“. He is a shareholder of UAB "Pieno pramonės investicijų valdymas" owning 3,91 % of shares of UAB "Pieno pramonės investicijų valdymas".

**Andrius Trumpa** – Board member (elected by the 28<sup>th</sup> April 2006 General meeting of shareholders), works in Vilnius Gedimino Technikos University in the capacity of lecturer, owns 0,70% of the Authorized capital and votes of AB „Rokiškio sūris“. He does not participate in the performance and capital of any other companies.

**Ramūnas Vanagas** – Board member (elected by the 28<sup>th</sup> April 2006 General meeting of shareholders), Development and Internal Audit Director of AB „Rokiškio sūris“, having no ownership of shares of AB „Rokiškio sūris“. He does not participate in the performance and capital of any other companies.

**Alvydas Miliūnas** – Board member (elected by the 27<sup>th</sup> April 2007 General meeting of shareholders), Board Chairman of agricultural company "Kubilių žemės ūkio bendrovė", owning 84% of shares, Board Chairman of ŽŪK „Lietuviškas pienas“. He does not have any shares of AB „Rokiškio sūris“.

Cadence period of the Board of Directors is 4 years. The cadence ends on 28<sup>th</sup> April 2010.

### **Executive manager:**

**Antanas Trumpa**, owns 8,94% of the authorized capital AB "Rokiškio sūris" and 8,94% of votes, a shareholder of UAB "Pieno pramonės investicijų valdymas", owning 74,86% of shares of UAB "Pieno pramonės investicijų valdymas". He does not participate in the performance and capital of any other companies.

### **Chief Financial Officer:**

**Antanas Kavaliauskas**

### 13. Employees.

As at 30<sup>th</sup> June 2007, the group of AB „Rokiškio sūris“ consisted of 1.774 employees (register data).

*The table presents average number of the group's employees and their average monthly wages within six month of the year 2007:*

Average number of employees	01.01.2007	30.06.2007
Total:	1836	1672
incl. Managers	14	14
Specialists	160	160
Workers	1662	1498
<b>Average monthly wages, Lt</b>	<b>1544</b>	<b>1664</b>
managers	7895	5756
specialists	2239	2085
workers	1419	1439

*Education of the employees of Rokiškio sūris group*

Level of education	01.01.2007	30.06.2007
Graduate education/ University degree	138	142
College education	731	669
High school education	876	798
Non-completed high school	91	63

### 14. Significant up-to-date developments in the issuer's performance

#### 1. Transfer of AB "Rokiškio sūris" assets

Pursuing business separation procedure when fresh dairy production is separated from cheese production, and following the 28<sup>th</sup> April 2006 General meeting of shareholders, the 2<sup>nd</sup> January 2007 Meeting of the Board of Directors of AB "Rokiskio sūris" resolved to transfer to Closed joint stock company "Rokiskio pienas", which is established and owned by AB "Rokiskio sūris" by 100 per cent, non-current assets amounting to LTL 26.848.700 (7 775 921 EUR). The assets were evaluated by outside evaluator according to established order by legal acts regulating assets evaluation.

The assets to be transferred consist of production facilities and premises of subsidiaries Utenos pienas and Ukmergės pieninė, and it will be needed for development of fresh dairy production.

On 2<sup>nd</sup> January 2007, AB "Rokiskio sūris" as a sole shareholder of Closed joint stock company "Rokiskio pienas", resolved to increase the Authorised capital of Closed joint stock company "Rokiskio pienas" from LTL 10 000 (ten thousand) (EUR 2 896,20) to LTL 26 858 700 (twenty

six million eight hundred fifty eight thousand seven hundred) (EUR 7 778 817,19) by the shareholder's additional non-monetary contribution, and there will be issued 2 684 870 shares of UAB „Rokiškio pienas“ at par value of LTL 10. AB "Rokiskio sūris" shall own the shares and votes by 100 per cent.

2. Upon the initiative and decision of the Board of Directors, on 27<sup>th</sup> April 2007 12.00am it was summoned general meeting of shareholders of AB "Rokiškio sūris", held at AB "Rokiškio sūris" (Pramonės g.3, Rokiškis, company code 173057512).

Accounting date – 20<sup>th</sup> April 2007.

Agenda:

1. The Annual report of the Company for the year 2006.
2. The Auditor report.
3. The financial accounting for the year 2006.
4. The Profit distribution for the year 2006.
5. Appointment of audit company and determination of payment terms.
6. Amendments of the Articles of Association.
7. Election of the Board member.

The Board proposed to the general shareholders' meeting to allocate LTL 2,36 (0,68 EUR) for the dividends per one ordinary registered share.

3. Resolutions of the General meeting of Shareholders held on 27<sup>th</sup> April 2007:

1. The Annual report of the Company for the year 2006 approved.
2. The Auditor report approved.
3. The financial accounting for the year 2006 approved.
4. The Profit distribution for the year 2006 approved:

1) Non-distributable profit (loss) at beginning of year	LTL 41 900 thousand	EUR 12 135 thousand
2) Approved by shareholders dividends for the year 2005	LTL (10 276) thousand	EUR 2 976 thousand
3) Transferred to reserves for treasury share acquisition	LTL (20 000) thousand	EUR 5 792 thousand
4) Non-distributable profit (loss) at beginning of year after dividend payout and transfer to reserves	LTL 11 624 thousand	EUR 3 367 thousand
5) Net profit (loss) of fiscal year	LTL 13 021 thousand	EUR 3 771 thousand
6) Transfers from distributable reserves	LTL 65 091 thousand	EUR 18 852 thousand
7) Distributable profit (loss)	LTL 89 736 thousand	EUR 25 989 thousand
8) Profit share for mandatory reserve	LTL 651 thousand	EUR 189 thousand
9) Profit share for acquisition of treasury shares	-	-
10) Profit share for other reserves	-	-
11) Profit share for dividend payout	LTL 10 081 thousand	EUR 2 920 thousand
12) Profit share fro annual payments (tantiemes) to the Board of Directors, employee bonuses and other	LTL 2 600 thousand	EUR 753 thousand
13) Non-distributable profit (loss) at end of year	LTL 76 404 thousand	EUR 22 128 thousand

As for dividends it is distributed LTL 2.36 (0.684 EURO) per ordinary registered share LTL 10 per value of JSC Rokiskio suris. In total it is allocated LTL 10.081.101,08 (EUR 2.919.688,68) to dividend payment.

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

6. Point 6.5 of the Articles of Association of AB "Rokiškio sūris" shall be read as follows:

„6.5. Competence of the Board of Directors does not differ from the Board competence as described by the Law on Joint Stock Companies“.

Point 6.8 of the Articles of Association of AB "Rokiškio sūris" shall be read as follows:

„6.8. The Board of Directors may accept resolutions and its meeting is considered to be in force when over 2/3 of the members present at the meeting. Decision of the Board is considered to be accepted when voices "for" exceed voices "against".

Point 7.4 of the Articles of Association of AB "Rokiškio sūris" shall be read as follows:

„7.4. Competence of the Chief Executive Officer does not differ from the Director's competence as described by the Law on Joint Stock Companies“

Point 7.5 of the Articles of Association of AB "Rokiškio sūris" has lost its effect.

Point 10.1 of the Articles of Association of AB "Rokiškio sūris" shall be read as follows:

„10.1. The Company's information regulated by Article 28 of the Law on Securities is announced publicly as requested and also it is circulated via Central data base of regulated information. A notification convening General shareholders' meeting is announced in daily newspaper „Lietuvos rytas“ and regional paper „Gimtas Rokiškis“. Other announcements for shareholders, creditors etc may be circulated via daily "Lietuvos rytas" as well, given personally under signature or sent by the registered mail as requested by the Lithuanian legacy.“

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

7. Election of the Board member:

Chairman of Kubiliu agricultural company Alvydas Miliunas is elected a Board member of AB "Rokiskio sūris".

4. AB "Rokiškio sūris" acquired 50 % block of shares of UAB "Pieno upės", the company acting in the area of raw milk purchasing.

5. AB "Rokiškio sūris" decreased its Authorized capital in the Juridical persons register.

On 11<sup>th</sup> May 2007, in the Juridical persons register it was registered the decreased Authorized capital of AB "Rokiškio sūris". After registration the Authorized capital of AB "Rokiškio sūris" equals to LTL 42 716 530 (forty two millions seven hundred sixteen thousand five hundred thirty litas) shared into 4 271 653 (four million two hundred seventy one thousand six hundred fifty three) ordinary registered shares with par value of LTL 10 (ten litas).

The Authorized capital was decreased in the way of annulment of 474 617 treasury shares.

6. Transfer of AB "Rokiškio sūris" assets to UAB "Rokiškio pienas"

Pursuing the decision of general meeting of shareholders of AB „Rokiškio sūris“, it was transferred the company’s long term assets amounting to LTL 26 848 700 to UAB “Rokiškio pienas”, and the authorized capital of UAB “Rokiškio pienas” was increased adequately. On 29<sup>th</sup> June 2007, the increased authorized capital of UAB „Utenos pienas“ was registered in the Juridical persons register. AB “Rokiškio sūris“ owns 100% of shares and votes of UAB “Rokiškio pienas”.

#### 7. Resolution to buy up shares in treasury

Pursuing resolutions of the 22<sup>nd</sup> December 2006 General Shareholders’ Meeting to support and increase the price of AB ”Rokiškio sūris” shares, the Board of Directors resolved to acquire up to 333 000 (three hundred thirty three thousand) units of AB ”Rokiškio sūris” ordinary registered shares of LTL 10 (ten) par value. The price set for the acquisition of treasury shares would be equal to LTL 60,00 (sixty litas) per ordinary registered share. Period for the purchase of treasury shares – 30 days. Purchase of treasury shares will be commenced as from submission of official tender.

8. During the official voluntary tender offer, AB „Rokiškio sūris“ bought up 78 365 own shares. It makes 1,83 % of the Company’s Authorised Capital.

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

## 15. Information on compliance with the Governance Code.

In general AB „Rokiškio sūris“ keeps following the recommendatory Governance Code applied to the listed companies and approved by Vilnius Stock Exchange.