

Report of the Audit Committee for the year 2011

The Audit Committee of AB „Rokiškio sūris“ was elected by the 24th April 2009 General Meeting of Shareholders. The Audit Committee consists of 3 members, one of which is an independent member. The term of the Committee office is four years.

The Audit Committee performs in accordance with the Law on the Audit of the Republic of Lithuania, the 21st August 2008 Resolution No. 1K-18 adopted by the Securities Commission of the Republic of Lithuania „Regarding requirements applied to the Audit Committees“, the Articles of Association of AB „Rokiškio sūris“, and the approved Regulations of formation and operation of The Audit Committee.

In 2011, the Audit Committee had 4 meetings. The meetings were summoned at the end of every quarter whereas the internal financial reports were discussed and recommendations were provided. The meetings were attended by the Board of Directors. The Audit Committee presented reports in regards with the functions assigned, i.e. recommendations regarding preparation of the financial accounting, management of the Company's internal control risk, internal audit system, as well as observation how the internal auditor and audit company regard principles of independency and impartiality.

In 2011, there were meetings with the internal auditor. Principles of internal auditing were discussed and the information regarding the performed internal audit was obtained. It was prepared the implementation of elimination of identified weaknesses.

The audit of financial reports of AB „Rokiškio sūris“ for the year 2011 was performed by an independent international auditing company UAB „PricewaterhouseCoopers“. The audit company, as well as its members, its manager and members of the board of directors and (or) members of supervisory board are not members of the audited company, in addition they are not related parties in terms of family, close filiation or brother-in-law relations with members of the audited company. The audit company is not influenced by any other significant circumstances which could potentially breach its independence.

Members of the Audit Committee have analyzed information of the board meetings, also they discussed the internal consolidated financial reports and presented their recommendations. Also, it was discussed the issue of accounting principles applied in the Company, their changes, validity of accounting evaluations made by the management, and overall presentation of financial reports.

The Company's management closely cooperates with the Audit Committee, the information related with specific issues of accounting, finance and operations of the Company was supplied timely and appropriately.

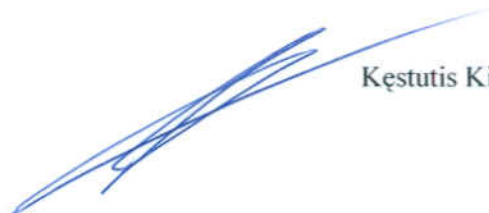
The Company performs in accordance with the operations strategy prepared and approved by the Board of Directors. The strategy highlight key targets covering control of the main areas of management: finance, sales and marketing, raw milk purchasing, production and human resource management. In order to achieve the set targets the Company has implemented internal control system. The main functions are to analyze, evaluate and provide recommendations in regards with the improvement of effectiveness of the Company's operations. The Audit findings are presented to the Company's management, and a plan for correction of identified weaknesses is prepared.

The Company's group handles the accounting and financial reporting in accordance with the International Financial Accounting Standards adopted in the European Union.

The Company's operations procedures are managed and controlled using the information technology systems. The company's information systems are continuously updated and improved by implementation of new modules inspired by the ongoing company needs and performance procedures. Security of all data accumulated in the Company's information system is guaranteed by copying the data.

In the opinion of the Audit Committee, the Company's internal control system works effectively, impartially and independently, consequently giving opportunity to the management to receive information at the required periodicity. Financial reports are prepared timely and in accordance with the International Financial Accounting Standards legalized in the EU, and they represent the fair financial situation.

Chairman of the Audit Committee



Kęstutis Kirejevas