



Utenos trikotažas

INTERIM CONSOLIDATED FINANCIAL
STATEMENTS OF UTENOS TRIKOTAŽAS AB
FOR THE THREE MONTHS OF 2009

Lithuanian Securities Commission
Konstitucijos pr. 23
LT-08105 Vilnius

2009 06 23

CONFIRMATION OF RESPONSIBLE PERSONS

Following Article 21 of the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission, we, Nerijus Vilūnas, General Director of Utenos trikotazas, AB, and Reda Kučinskienė, Cheaf accountant, hereby confirm that, to the best of our knowledge, the attached interim consolidated financial statements of Utenos trikotazas, AB for the three months of 2009, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of Utenos trikotazas, AB and the Group of undertakings.

ENCLOSURE: Interim consolidated financial statements of Utenos trikotazas AB for the three months of 2009.

General Director



Nerijus Vilūnas

Cheaf accountant



Reda Kučinskienė



Consolidated financial statements
Balance sheets under IFRS (LTL thousand)

	Group		Comapny	
	As of 31 March 2009	As of 31 December 2008	As of 31 March 2008	As of 31 December 2008
ASSETS				
A Non-current assets				
I. Non-current intangible assets				
I.1. Goodwill	3.387	3.387		
I.2. Other intangible assets	1.070	1.160	1.031	1.102
I.3. Prepayments for non-current intangible assets	-	-		
Total non-current intangible assets	4.457	4.547	1.031	1.102
II. Non-current tangible assets				
II.1. Land and buildings	8.044	8.072	4.447	4.470
II.2. Structures and equipment	439	449	233	241
II.3. Vehicles and other non-current tangible assets	21.033	22.611	17.493	18.812
II.4. Construction in progress and prepayments	12	12	1	1
Total non-current tangible assets	29.528	31.144	22.174	23.523
III. Investment property	3.420	3.446	3.420	3.446
IV. Non-current financial assets				
V. Non-current receivables	28	26	12.753	12.753
VI. Deferred income tax asset	-	-		
Total non-current assets	37.433	39.163	39.378	40.825
B Current assets				
I. Inventories, prepayments and contracts in progress				
I.1. Inventories	9.816	10.305	8.643	8.913
I.2. Prepayments	178	187	159	177
Total inventories, prepayments and contracts in progress	9.993	10.492	8.802	9.090
II. Accounts receivable within one year				
II.1. Trade receivables	8.350	9.263	19.181	19.212
II.2. Prepaid income tax	1.087	1.087	1.086	1.086
II.3. Other taxes receivable	1.782	1.230	741	287
II.4. Other receivables	3	7		
Total accounts receivable within one year	11.222	11.586	21.009	20.585
III. Non-current asset is up for resell	3.431	3.431		
III. Other current assets	142	111	97	32
IV. Cash and cash equivalents	1.365	1.799	325	117
Total current assets	26.154	27.419	30.233	29.824
Total assets	63.586	66.582	69.611	70.649



	As of 31 March 2009	As of 31 December 2008	As of 31 March 2008	As of 31 December 2008
EQUITIES AND LIABILITIES				
Equity				
Capital	19.834	19.834	19.834	19.834
Reserves				
Foreign currency translation reserve	1.511	1.965	-	-
Other reserves	1.983	1.983	1.983	1.983
Total reserves	3.494	3.948	1.983	1.983
Retained earnings (loss)	(19.360)	(20.656)	(2.030)	(2.266)
Total equity	3.968	3.126	19.787	19.552
Minority interest	678	667	-	-
Accounts payable and liabilities				
Non-current borrowings				
	3.089	3.587	-	-
Leasing (financial lease) liabilities				
	27.666	27.666	27.666	27.666
Grants and subsidies				
Total liabilities and accounts payable in one year	30.755	31.253	22.158	23.431
Liabilities and accounts payable within one year				
Current portion of non-current borrowings	1.770	2.037	-	-
Financial debts to credit institutions	2.700	2.863	-	-
Current portion of non-current leasing (financial lease) liabilities	4.402	4.661	4.387	4.641
Trade payables	11.120	15.591	10.480	14.488
Other taxes payable	457	586	129	219
Accrued expenses and other current liabilities	7.736	5.798	7.162	4.083
Total liabilities and accounts payable within one year	28.185	31.536	49.824	51.097
Total equity and liabilities	63.586	66.582	69.611	70.649

**13. Income (loss) statements according to IFRS (LTL thousand)**

	Group			
	2009-03-31	2008-12-31	2009-03-31	2008-03-31
I. Sales income	20.377	34.501	17.140	30.557
II. Cost of sales	(16.993)	(30.215)	(14.401)	(26.898)
III. Gross profit (loss)	3.384	4.286	2.739	3.659
IV. Operating expenses	(2.682)	(3.896)	(1.980)	(2.707)
V. Profit (loss) from typical operations	702	390	759	952
VI. Other operating income (expenses) – net	104	144	51	140
VII. Income (expenses) from financial and investment activities - net	501	(2.462)	(575)	(806)
VIII. Profit (loss) from ordinary operations	1.307	(1.928)	235	286
IX. Result of subsidiaries	-	-	-	-
X. Profit (loss) before tax	1.307	(1.928)	235	286
XI. Income tax		(1)		
XII. Profit (loss) before minority share	1.307	(1.929)		
XIII. Share of annual result attributable to minority	(11)	115		
XIV. Net profit (loss)	1.296	(1.814)		

**Statements of changes in equity (LTL thousands)**

Group and company	Capital	Foreign currency translation reserve	Other reserves	Retained earnings	Total	Minority share	Total equity
Balance as of 31 Decemberr 2007	19.834	(54)	1.983	(3.766)	17.997	852	18.849
Currency translation differences interest sold		343			343		343
Dividends paid							
Net profit for the year				(1.814)	(1.814)	(115)	(1.929)
Balance as of 31 March 2008	19.834	289	1.983	(5.580)	16.526	737	17.263
Dividends paid							
Currency translation differences interest sold		1.676			1.676		1.676
Contributions by minority interest							
Net profit for the year				(15.076)	(15.076)	(70)	(15.146)
Balance as of 31 December 2008	19.834	1.965	1.983	(20.656)	3.126	667	3.793
Transfer to foreign currency reserve		(454)			(454)		(454)
Net profit for the year				1.296	1.296	11	1.307
Balance as of 31 March 2009	19.834	1.511	1.983	(19.360)	3.968	678	4.646

**Cash flow statements (LTL thousand)**

	Group		Company	
	2009-03-31	2008-03-31	2009-03-31	2008-03-31
I. Cash flows from operating activities				
I.1. Net profit for the year	1.296	(1.929)	235	286
Recovery of non-cash expenses (income):				
I.2. Gain on disposal of subsidiary				
I.3. Depreciation and amortisation	1.834	2.456	1.457	1.547
I.4. Impairment of non-current tangible assets and investment property	-	12		
I.5. (Profit) loss from sales of non-current tangible assets and write-off of non-current tangible assets and inventories	194	(279)	193	(294)
I.6. Impairment and write-off of accounts receivable	102		100	
I.7. Impairment of inventories				
I.8. Interest (income)	(3)	(12)	(51)	(52)
I.9. Interest expenses	573	768	472	657
I.10. Income tax expenses	-	1		
I.11. Foreign currency differences	(1.045)	2.304		
Changes in working capital				
I.13. Decrease in inventories	293	3.799	65	3.411
I.14. Decrease (increase) in trade receivables	811	2.603	(70)	241
I.15. Decrease in other receivables	(552)	(1.750)	(454)	(405)
I.16. (Increase) in receivables from subsidiaries				
I.17. Decrease (increase) in other current assets	(27)	(23)	20	189
I.18. Increase in trade and other accounts payable	(4.471)	(591)	(738)	129
I.19. (Decrease) increase in taxes payable and other current liabilities	1.801	34	(281)	154
I.20. Income tax paid	-	(361)		
Net cash flows from operating activities	806	7.032	948	5.863
II. Cash flows from investing activities				
II.1. Acquisition of non-current tangible assets	-	(531)		(68)
II.2. Prepayments for and (acquisition) of intangible assets	-	(1)		
II.3. Transfer of non-current assets (excl. investments)	31		20	
II.4. (Acquisition) of investments to subsidiaries, net of cash acquired in the Group				
II.5. (Prepayments) for financial assets				
II.6. Collection of loans granted				
II.7. Interest received	3	12	51	52
Net cash flows from investing activities	34	(520)	71	(16)



III. Cash flows to financial activities				
III.1. Cash flows related to company shareholders				
III.1.1. Dividends received			-	
III.1.2. Dividends (paid)			-	
			-	
III.2. Cash flows related to other sources of financing				
III.2.1. Loans received	-	70		70
III.2.2. (Repayment) of loans	(701)	(5.563)	(254)	(4.986)
III.2.3. Interest (paid)	(573)	(768)	(472)	(657)
III.2.4. Contributions by minorities				
	(1.274)	(6.261)	(726)	(5.573)
Cash flows to financial activities	(1.274)	(6.261)	(726)	(5.573)
IV. Net (decrease) in cash flows	(434)	251	293	274
V. Cash and cash equivalents at the beginning of the period	1.799	645	32	101
VI. Exchange losses on cash and cash equivalents				
VII. Cash and cash equivalents at the end of the period	1.365	896	325	375



Explanatory note

General information

AB Utenos Trikotažas (hereinafter „the Company“) is a public limited company registered in the Republic of Lithuania. The address of its registered office is as follows:

Basanavičiaus st. 122,
Utena,
Lithuania

The Company is engaged in production of knitted articles. The Company was registered on 6 December 1994. The Company's shares are traded on the Official List of the National Stock Exchange.

As of 31 March 2009 and 31 December 2008 the shareholders of the Company were:

	As of 31 March 2009	Equity	As of 31 December 2008	Equity
	Number of	(percentage)	Number of	(percentage)
	shares held		shares held	
UAB koncernas SBA	10.140	51,12	10.140	51,12
Investment fund Amber Trust	2.700	13,61	2.700	13,61
Other shareholders	6.994	35,27	6.994	35,27
	<u>19.834</u>	<u>100,00</u>	<u>19.834</u>	<u>100,00</u>

All the shares are registered ordinary shares with a par value of LTL 1 each. As of 31 March 2008 and 31 December 2008 subsidiaries did not hold any shares of the Company. The Company did not hold its own shares within this period.

The Group consists of AB Utenos Trikotažas and the following subsidiaries (hereinafter “the Group”):

	Address of the registered office	Share of the stock held by the Group (percentage)			Operating activities
		31 March 2009	31 December 2008	31 March 2008	
AB Šatrija	Vilniaus st. 5, Raseiniai	89,78	89,78	89,78	Sewing of clothes
UAB Gotija	Laisvės ave. 33, Kaunas	90,50	90,50	90,50	Trading
OAD MTF Mrija	Motroso 13, Mukachov, Ukraine	98,95	98,95	91,85	Sewing of clothes

On 31 March 2008 the average number of employees of the Group was 1.490, while on 31 December 2008 it was 1.605.



1 Form and contents of the financial statements

The present financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

2. Consolidation

Consolidated financial statements are composed of AB Utenos Trikotažas and its subsidiaries' financial statements, which are stated at uniform accounting principles.

Consolidation of financial statements of subsidiaries is started from the moment when effective control is transferred to the Company and consolidation is ceased from the moment when the Company loses the control. All intercompany transactions, balances and unrealised gains and losses on transactions among the Group companies have been eliminated. The equity and net income attributable to minority shareholders' interests are shown separately in the balance sheets and the income (loss) statements.

3. Segment information

The Company's main business segments are production of knitted articles, knitted and other clothes. The Group additionally provides sewing services (subsidiaries AB Šatrija and OAO MTF Mrija) and is engaged in retail and wholesale trade (UAB Gotija). The segment of other activities involves activities, other than those mentioned above.

31 March 2009

	West Europe	Lithuania &Baltic states	Other regions	Elimination	Total
Sales					
External sales of the Group	18.780	1.434	163	-	20.377
Internal sales of the Group	-	1.103	14	(1.117)	-
	<u>18.780</u>	<u>2.537</u>	<u>177</u>	<u>(1.117)</u>	<u>20.377</u>

31 March 2008

	West Europe	Lithuania &Baltic states	Other regions	Elimination	Total
Sales					
External sales of the Group	30.943	3.519	39	-	34.501
Internal sales of the Group	-	3.992	332	(4.324)	-
	<u>30.943</u>	<u>7.511</u>	<u>371</u>	<u>(4.324)</u>	<u>34.501</u>

4. Non-current intangible assets



Amortization expenditure of Intangible assets is involved in Profit (loss) statement in general and administration expenditure item.

Non-current tangible assets

Depreciation of non-current tangible property amounts to LTL 1.835 thousand as of 31 March 2009, LTL 1.641 thousand are included into cost of sales in the Group's income (loss) statements. The rest amounts are included into the operating expenses in the income (loss) statements and into remaining reserve in the balance sheets.

6. Inventories

	Group		Company	
	As of 31 March 2009	As of 31 December 2008	As of 31 March 2009	As of 31 December 2008
Raw materials	3.741	4.485	1.877	2.634
Production in progress	4.652	3.739	4.755	3.567
Finished production	3.224	3.868	2.940	3.567
Goods for resale	123	139		
	11.741	12.231	9.572	9.768
Net realisable value decrease at the beginning of the year	(1.926)	(1.387)	(855)	(774)
Change in net realisable value decrease	1	(539)	(74)	(81)
Net realisable value decrease at the end of the year	(1.925)	(1.926)	(929)	(855)
	9.816	10.305	8.643	8.913

The acquisition cost of the Group's inventories accounted for at net realisable value as of 31 March 2009 amounted to LTL 3.293 thousand. Changes in the value decrease of inventories as of 31 March 2009 and 31 December 2008 have been included into operating expenses in the Group's income (loss) statement.

7. Trade receivables

	Group		Company	
	As of 31 March 2009	As of 31 December 2008	As of 31 March 2009	As of 31 December 2008
Trade receivables, gross	8.838	9.575	7.674	7.705
Doubtful receivables value decrease at the beginning of the year	(388)	(10)	(375)	
Change in doubtful receivables value decrease	(100)	(378)	(100)	(375)
Doubtful receivables value decrease at the end of the year	(488)	(388)	(475)	(375)
	8.350	9.187	7.199	7.330

Changes in decrease of doubtful receivables value as of 31 March 2009 and 31 December 2008 have been included into operating expenses in the Group's income (loss) statements.

**8. Cash and cash equivalents**

	Group		Company	
	As of 31 March 2009	As of 31 December 2008	As of 31 March 2009	As of 31 December 2008
Cash in bank and on hand	915	704	325	117
Deposits with a term of less than three months	450	1.095		
	<u>1.365</u>	<u>1.799</u>	<u>325</u>	<u>117</u>

AB Satrija had a deposit of 450 th.LT.

9. Reserves

Exchange differences are classified as shareholders' equity in the consolidated financial statements until the investment is realised.

Foreign translation differences are classified as shareholders' equity in the consolidated financial statements until the investment is sold.

Upon sale of the corresponding assets the cumulative translation reserve is transferred to retained result in the same period when the gain or loss on realization of the investment is recognized.

Other reserves

The balances of other reserves as of 31 March 2009 and 31 December 2008 were as follows:

	As of 31 March 2009	As of 31 December 2008	As of 31 March 2009	As of 31 December 2008
Legal reserve	1.983	1.983	1.983	1.983
Other reserves	-	-	-	-
	<u>1.983</u>	<u>11.983</u>	<u>1.983</u>	<u>1.983</u>

**10. Borrowings**

Non-current borrowings

In 2008, loans of Company and Group were restructured to liabilities of finance leasing.

	Group		Company	
	As of 31 March 2009	As of 31 December 2008	As of 31 March 2009	As of 31 December 2008
Current				
Short-term bank borrowings	1 770	2 862	-	-
Current portion of long-term bank borrowings	2 700	2 038	-	-
Finance lease liabilities	4 402	4 661	4.387	4.641
	8 872	9 561	4.387	4.641
Non-current				
Long-term bank borrowings	3.089	3 587	-	-
Finance lease liabilities	27 666	27 666	27.666	27.666
	30 755	31 253	27.666	27.666
Total borrowings	39 627	40 814	32.053	32.307

11. Accrued expenses and other short-term amounts payable

	Group		Company	
	As of 31 March 2009	As of 31 December 2008	As of 31 March 2009	As of 31 December 2008
Debts to suppliers for long-term assets	3.130	1.955	3.773	1.552
Salaries and social security payable	2.563	1.746	2.026	1.191
Vacation reserve	1.806	1.806	1.207	1.207



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Bonus payments to employees	102	102	102	102
Other liabilities	135	189	54	31
	<u>7.736</u>	<u>5.798</u>	<u>7.162</u>	<u>4.083</u>

12. Sales revenue

	Group		Company	
	As of 31 March 2009	As of 31 March 2008	As of 31 March 2009	As of 31 March 2008
Revenue from sales of goods and services	20.284	34.356	16.840	30.187
Sales of raw materials	93	145	300	370
	<u>20.377</u>	<u>34.501</u>	<u>17.140</u>	<u>30.557</u>

13. Cost of sales

	Group		Company	
	As of 31 March 2009	As of 31 March 2008	As of 31 March 2009	As of 31 March 2008
Raw materials	6.512	9.020	5.411	9.390
Wages	5.532	9.928	3.920	6.751
Other extra production expenses	4.884	11.127	5.057	10.405
Cost price of materials sold	65	140	13	352
	<u>16.993</u>	<u>30.215</u>	<u>14.401</u>	<u>26.898</u>

14. Operating expenses

	Group		Company	
	As of 31 March 2009	As of 31 March 2008	As of 31 March 2009	As of 31 March 2008
Selling expenses				
Expenses for maintenance of retail trading network	40	18	4	3
Salaries and social security	238	397	179	328
Other selling expenses	297	542	270	478
Total selling expenses	<u>574</u>	<u>957</u>	<u>453</u>	<u>809</u>
General and administrative expenses				
Wages and social security	603	1098	394	773
Communications and consulting services	366	348	251	233
Taxes with the exception of tax on profit	186	500	199	480
Depreciation and amortization	116	86	88	46
Change of decrease in value of stock	296		306	(294)
Business trips	15	48	9	32
Charity and sponsorship	-	39	-	28
Other	525	820	820	600



Total general and administrative expenses	2.107	2.939	1.527	1.898
	2.682	3.896	1.980	2.707

15. Revenue (expenses) from other operations – net result

	Group		Company	
	As of 31 March 2009	As of 31 March 2008	As of 31 March 2009	As of 31 March 2008
Revenue from lease	125	159	78	166
Lease expenses	(35)	(17)	(34)	(54)
Other revenue (expenses)	14	2	7	28
	104	144	51	140

16. Revenue (expenses) from financial and investing activities – net result

	Group		Company	
	As of 31 March 2009	As of 31 March 2008	As of 31 March 2009	As of 31 March 2008
Foreign currency exchange gain(loss), net	1.211	(1.391)	(14)	(19)
Interest expenses			7	4
Interest income	3	12	52	52
Interest (expenses)	(573)	(901)	(472)	(656)
Prompt payment discounts given	(140)	(182)	(148)	(187)
	501	(2.462)	(575)	(806)

17. Profit tax



	As of 31 March 2009	Group As of 31 March 2008	As of 31 March 2009	Company As of 31 March 2008
Profit tax (expenses) of the current year	-	(1)		
Profit tax, related to dividends, returned				
Change of deferred profit tax				
Profit tax and social tax (expenses) included into Profit (Loss) Account	-	(1)		

18. Basic and decreased profit falling on a share

Basic and decreased profit falling on a share reflects the net profit of the Group divided by the number of shares.
Profit falling on a share is calculated as follows:

	Group		Company	
	As of 31 March 2009	As of 31 March 2008	As of 31 March 2009	As of 31 March 2008
Net profit for shareholders' appropriation	1,296	(1,814)	235	286
Assessed number of shares (in thousand pcs.)	19.834	19.834	19.834	19.834
Basic and decreased profit falling on a share (in LTL)	0.07	(0.91)	0.01	0.01