

**Lithuanian Securities Commission  
Konstitucijos pr. 23  
LT-08105 Vilnius**

**2012-02-29**

**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, Gintautas Bareika , General Director of Utenos trikotazas, AB, Finance Director Saulius Rakauskis, and Chief Account Reda Kučinskienė, hereby confirm that, to the best of our knowledge, the unaudited consolidated financial statements of Utenos trikotazas, AB for the 12 months of 2011, 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: Unaudited consolidated financial statements for the 12 months of 2011 of Utenos trikotazas AB.

**General Director**



**Gintautas Bareika**

**Finance Director**



**Saulius Rakauskis**

**Chief Account**



**Reda Kučinskienė**



Utenos trikotažas

**UTENOS TRIKOTAŽAS, AB**  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE 12 MONTHS PERIOD ENDED 31 DECEMBER 2011  
(UNAUDITED)

**Consolidated financial statements****Balance sheets under IFRS (LTL thousand)**

	Notes	Group			Company		
		2011.12.31	2010.12.31 restated	2010.01.01 restated	2011.12.31	2010.12.31 restated	2010.01.01 restated
<b>ASSETS</b>							
<b>Non-current assets</b>							
Intangible assets	4	3,820	4,075	4,084	365	643	827
Property, plant and equipment	5	24,714	25,752	27,733	17,030	19,079	21,037
Investment property		2,969	2,906	3,173	2,969	2,906	3,173
Investments into subsidiaries		-	-	-	5,176	11,396	11,396
Trade and other receivables		79	90	25	-	-	-
Receivables from subsidiaries		-	-	-	13,131	4,178	3,971
Deferred income tax asset		438	145	-	-	55	-
		<b>32,020</b>	<b>32,999</b>	<b>35,015</b>	<b>38,671</b>	<b>38,257</b>	<b>40,404</b>
<b>Current assets</b>							
Inventories	6	8,041	8,819	7,361	7,012	8,252	6,678
Trade receivables	7	4,327	7,438	7,643	3,202	5,792	6,269
Receivables and prepayments from subsidiaries		-	-	-	-	8,999	8,859
Receivables from other related parties		-	3	3	-	-	-
Prepaid income tax		-	-	48	-	-	-
Other receivables		799	1,808	1,479	105	910	528
Cash and cash equivalents	8	2,730	1,727	2,161	512	712	1,492
		<b>15,897</b>	<b>19,795</b>	<b>18,695</b>	<b>10,831</b>	<b>24,665</b>	<b>23,826</b>
Non-current assets held for resale		-	2,956	<b>3,106</b>	-	-	-
		<b>15,897</b>	<b>22,751</b>	<b>21,801</b>	<b>10,831</b>	<b>24,665</b>	<b>23,826</b>
<b>Total assets</b>							
		<b>47,917</b>	<b>55,750</b>	<b>56,816</b>	<b>49,502</b>	<b>62,922</b>	<b>64,230</b>

**Statements of financial position (cont'd)**

	Notes	Group			Company		
		2011.12.31	2010.12.31 restated	2010.01.01 restated	2011.12.31	2010.12.31 restated	2010.01.01 restated
<b>EQUITY</b>							
<b>Equity attributable to the equity holders of the Company</b>							
Share capital		19,834	19,834	19,834	19,834	19,834	19,834
Foreign currency translation reserve		1,542	1,729	2,659	-	-	-
Other reserves	9	1,983	1,983	1,983	1,983	1,983	1,983
Accumulated losses/ retained earnings		(13,737)	(14,693)	(18,052)	(6,807)	900	(41)
		<b>9,622</b>	<b>8,853</b>	<b>6,424</b>	<b>15,010</b>	<b>22,717</b>	<b>21,776</b>
<b>Minority interest</b>		<b>897</b>	<b>741</b>	<b>645</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>10,519</b>	<b>9,594</b>	<b>7,069</b>	<b>15,010</b>	<b>22,717</b>	<b>21,776</b>
<b>LIABILITIES</b>							
<b>Non-current liabilities</b>							
Deferred income tax equity		43	-	-	43	-	-
Payables to subsidiaries		-	-	-	3,134	-	-
Borrowings	10	9,139	18,786	5,316	9,139	14,368	5,316
Convertible bonds issued	10	9,598	8,268	-	9,598	8,268	-
Provisions for employee benefits		526	351	-	491	351	-
		<b>19,306</b>	<b>27,405</b>	<b>5,316</b>	<b>22,405</b>	<b>22,987</b>	<b>5,316</b>
<b>Current liabilities</b>							
Borrowings	10	8,741	6,571	30,628	5,240	5,240	23,712
Trade payables		2,635	4,892	6,356	2,335	4,615	5,935
Payables to subsidiaries		-	-	-	30	2,322	1,830
Accrued charges and other current liabilities	11	6,716	7,288	7,447	4,482	5,041	5,661
		<b>18,092</b>	<b>18,751</b>	<b>44,431</b>	<b>12,087</b>	<b>17,218</b>	<b>37,138</b>
<b>Total liabilities</b>		<b>37,398</b>	<b>46,156</b>	<b>49,747</b>	<b>34,492</b>	<b>40,205</b>	<b>42,454</b>
<b>Total equity and liabilities</b>		<b>47,917</b>	<b>55,750</b>	<b>56,816</b>	<b>49,502</b>	<b>62,922</b>	<b>64,230</b>

**Statements of comprehensive income (LTL thousand)****Group**

	Notes	of 2011	10-12 of 2011	of 2010 restated	10-12 of 2010 restated
Revenue	3,12	61,171	13,107	70,711	17,918
Cost of sales	13	(50,667)	(10,058)	(58,181)	(13,164)
<b>Gross profit</b>		<b>10,504</b>	<b>3,049</b>	<b>12,530</b>	<b>4,754</b>
Selling expenses	14	(2,349)	(619)	(2,276)	(616)
General and administrative expenses	14	(6,201)	(1,657)	(6,790)	(2,290)
Other income	15	308	80	371	77
Other expenses	15	(121)	(30)	(124)	(32)
Other gains/(losses) - net	15	1,104	212	435	174
<b>Operating profit (loss)</b>		<b>3,245</b>	<b>1,035</b>	<b>4,146</b>	<b>2,067</b>
Finance cost, net	16	(2,375)	276	(863)	(259)
<b>Profit (loss) before income tax</b>		<b>869</b>	<b>1,312</b>	<b>3,283</b>	<b>1,808</b>
Income tax expense	17	243	243	172	168
<b>Profit (loss) for the year</b>		<b>1,112</b>	<b>1,555</b>	<b>3,455</b>	<b>1,980</b>
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company	17	956	1,476	3,359	1,940
Minority interest		156	79	96	40
		<b>1,105</b>	<b>1,555</b>	<b>3,455</b>	<b>1,980</b>
<b>Other comprehensive income</b>					
Foreign currency translation income		(187)	(592)	(930)	(214)
<b>Other comprehensive income</b>		<b>(187)</b>	<b>(592)</b>	<b>(930)</b>	<b>(214)</b>
<b>Total comprehensive income (loss)</b>		<b>925</b>	<b>962</b>	<b>2,525</b>	<b>1,766</b>
Basic and diluted profit (loss) per share for profit ( loss) attributable to the equity holders of the Company (in LTL)	17	0.05	0.07	0.17	0.10

**Company**

	Notes	of 2011	10-12 of 2011	of 2010 restated	10-12 of 2010 restated
Revenue	3,12	51,396	10,610	60,443	14,977
Cost of sales	13	(43,242)	(7,841)	(51,300)	(11,446)
<b>Gross profit</b>		<b>8,154</b>	<b>2,769</b>	<b>9,143</b>	<b>3,531</b>
Selling expenses	14	(1,993)	(519)	(1,885)	(517)
General and administrative expenses	14	(11,997)	(8,855)	(4,518)	(1,382)
Other income	15	302	78	304	76
Other expenses	15	(121)	(32)	(124)	(32)
Other gains/(losses) - net	15	202	1	101	96
<b>Operating profit (loss)</b>		<b>(5,454)</b>	<b>(6,558)</b>	<b>3,021</b>	<b>1,772</b>
Finance cost, net	16	(2,155)	(5163)	(2,135)	(559)
<b>Profit (loss) before income tax</b>		<b>(7,609)</b>	<b>(7,121)</b>	<b>886</b>	<b>1,213</b>
Income tax expense	17	(98)	(98)	55	55
<b>Profit (loss) for the year</b>		<b>(7,707)</b>	<b>(7,219)</b>	<b>941</b>	<b>1,268</b>

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

<b>Group and company</b>	<b>Capital</b>	<b>Foreign currency translation reserve</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total</b>	<b>Minority share</b>	<b>Total equity</b>
<b>Balance as of 1 January 2010</b>	<b>19,834</b>	<b>2,659</b>	<b>1,983</b>	<b>(18,052)</b>	<b>6,424</b>	<b>645</b>	<b>7,069</b>
Transfer to foreign currency reserve	-	(930)	-	-	(930)	-	(930)
Net profit for the year	-	-	-	3,362	3,362	93	3,455
		(930)	-	3,362	2,432	93	2,525
<b>Balance as of 31 December 2010</b>	<b>19,834</b>	<b>1,729</b>	<b>1,983</b>	<b>(14,690)</b>	<b>8,856</b>	<b>738</b>	<b>9,594</b>
Transfer to foreign currency reserve	-	(186)	-	-	(186)	-	(186)
Net profit for the year	-	-	-	955	955	156	1,111
		(186)	-	955	769	156	925
<b>Balance as of 31 December 2011</b>	<b>19,834</b>	<b>1,543</b>	<b>1,983</b>	<b>(13,735)</b>	<b>9,625</b>	<b>894</b>	<b>10,519</b>

**Statements of cash flows (LTL thousand)**

	<b>Group</b>		<b>Company</b>	
	<b>31 December 2011</b>	<b>2010 restated</b>	<b>31 December 2011</b>	<b>2010 restated</b>
<b>Cash flows from operating activities</b>				
Profit (loss) for the year	1,112	3,455	(7,707)	941
<b>Adjustments for non-cash items:</b>				
Depreciation and amortization	3,709	3,075	2,528	2,627
Impairment (reversal) of investments	-	-	7,700	-
Gain on disposal of property, plant and equipment and investment property	(196)	(310)	(3)	(58)
Impairment (reversal) of investments	(166)	555	(166)	164
Impairment and write-off (reversal) of inventories	288	(26)	302	(33)
Impairment and write-off (reversal) of accounts receivable and accounts payable	17	375	(18)	329
Interest income	(13)	(3)	(208)	(207)
Interest expenses	2,608	2,666	2,346	2,341
Foreign currency differences	(1,784)	(1,747)	-	-
Income tax expense	(243)	(141)	98	(55)
<b>Changes in working capital:</b>				
Decrease (increase) in inventories	490	(1,432)	939	(1,541)
Decrease (increase) in trade receivables	3,269	180	2,748	498
Decrease (increase) in receivables from subsidiaries	-	-	(1,226)	(139)
Decrease (increase) in other receivables and other current assets	3,715	(331)	806	(381)
Increase (decrease) increase in trade and other accounts payable	(1,154)	(351)	(2,459)	(530)
Increase (decrease) in taxes payable and other current liabilities	(2,892)	399	(1,465)	191
<b>Cash generated from operations</b>	<b>8,760</b>	<b>6,364</b>	<b>4,215</b>	<b>4,147</b>
Income tax paid	-	(22)	-	-
<b>Net cash flows from operating activities</b>	<b>8,760</b>	<b>6,342</b>	<b>4,215</b>	<b>4,147</b>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(159)	(367)	(91)	(298)
Acquisition of intangible assets	(9)	(87)	(9)	(87)
Proceeds from sale of non-current assets	1,059	441	4	59
Interest received	13	3	-	-
<b>Net cash flows generated from investing activities</b>	<b>904</b>	<b>(10)</b>	<b>(96)</b>	<b>(326)</b>



**Statements of cash flows (cont'd) (LTL thousand)**

	<b>Group</b>		<b>Company</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010 restated</b>
<b>Cash flows from financing activities</b>				
Cash flows related to other sources of financing				
Proceeds from borrowings	-	-	1,884	1,071
Repayment of borrowings	(7,426)	(5,227)	(5,230)	(4,475)
Interest paid	(1,235)	(1,547)	(973)	(1,197)
	<u>(8,661)</u>	<u>(6,774)</u>	<u>(4,319)</u>	<u>(4,601)</u>
<b>Net cash flows (used in) generated from financing activities</b>	<b>(8,661)</b>	<b>(6,774)</b>	<b>(4,319)</b>	<b>(5,171)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,003</b>	<b>(442)</b>	<b>(200)</b>	<b>(780)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,727</b>	<b>2,161</b>	<b>712</b>	<b>1,492</b>
<b>Foreign exchange effect on the balance of cash and cash equivalents</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year</b>	<b><u>2,730</u></b>	<b><u>1,727</u></b>	<b><u>512</u></b>	<b><u>712</u></b>

## Notes to the financial statements

### General information

AB Utenos Trikotažas (hereinafter „the Company“) is a public limited company registered in the Republic of Lithuania on 6 December 1994. The address of its registered office is as follows:

Basanavičiaus st. 122,  
Utena,  
Lithuania

The Company is engaged in production of knitted articles.

The shares of Utenos Trikotažas AB are listed on the Official List of the National Stock Exchange.

As of 31 December 2011 and 31 December 2010 the shareholders of the Company were as follows:

	As of 31 December 2011		As of 31 December 2010	
	Number of shares held	Interest held (%)	Number of shares held	Interest held (%)
UAB koncernas SBA	10,140	51.12	10,140	51.12
Investment Fund Amber Trust	2,700	13.61	2,700	13.61
Investment Fund East Capital Asset	2,091	10.54	2,091	10.54
Investment Fund KJK	1,095	5.52	1,095	5.52
Other shareholders	3,808	19.21	3,808	19.21
	<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 December 2011 and 31 December 2010 subsidiaries did not hold any shares of the Company. The Company did not hold its own shares within this period.

The consolidated group (hereinafter “the Group”) consists of the Company and the following subsidiaries:

	Registered address	Group's share (%)		Profile
		31 December 2011	31 December 2010	
AB Šatrija	Vilniaus st. 5, Raseiniai	89,78	89,78	Sewing of clothes
UAB Gotija	Laisvės ave. 33, Kaunas	90,50	90,50	Retail trade
OAD MTF Mrija	Motroso 13, Mukachov, Ukraine	98,95	98,95	Production of knitted articles

On 31 of December 2011 the average number of employees of the Group was 1 177, while on 31 of December 2010 it was 1 269.

## 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 Group has three main business segments: production of knitted articles, production of working clothes and retail in knitted articles.

In assessing operational performance of segments the Group's Board takes into account the items of sales revenue, gross profit, adjusted EBITDA, profit (loss), therefore the report on the Group's segments discloses these items in respect of each segment. As the Board also assesses other items of the statement of comprehensive income by each segment, these items are presented in the report on the Group's segments.

Inter-segment transactions are priced on a 'cost plus' basis. These transactions are eliminated on consolidation.

Below, there is a summary of major indicators for the main business segments of the Group included in the statement of comprehensive income for the years 2010 and 2011:

Segment information (continued)					
of 31 December 2011	Production of knitted articles	Production of working clothes	Retail in knitted articles	Eliminations	Total
External sales	51,963	8,623	585	-	61,171
Internal sales	2,948	18	-	(2,966)	-
<b>Total revenue</b>	<b>54,911</b>	<b>8,641</b>	<b>585</b>	<b>(2,966)</b>	<b>61,171</b>
<b>Gross profit</b>	<b>8,175</b>	<b>1,981</b>	<b>248</b>	<b>100</b>	<b>10,504</b>
<b>EBITDA</b>	<b>5,337</b>	<b>1,432</b>	<b>21</b>	<b>164</b>	<b>6,954</b>
<b>Profit (loss) for the year</b>	<b>(807)</b>	<b>1,576</b>	<b>37</b>	<b>306</b>	<b>1,112</b>

Segment information (continued)					
of 31 December 2010	Production of knitted articles	Production of working clothes	Retail in knitted articles	Eliminations	Total
External sales	61,296	8,829	586	-	70,711
Internal sales	3,243	14	-	(3,257)	-
<b>Total revenue</b>	<b>64,539</b>	<b>8,843</b>	<b>586</b>	<b>(3,257)</b>	<b>70,711</b>
<b>Gross profit</b>	<b>10,469</b>	<b>1,750</b>	<b>224</b>	<b>87</b>	<b>12,530</b>
<b>EBIDTA</b>	<b>6,467</b>	<b>965</b>	<b>2</b>	<b>(213)</b>	<b>7,221</b>
<b>Profit (loss) for the year</b>	<b>2,184</b>	<b>740</b>	<b>24</b>	<b>507</b>	<b>3,455</b>

#### 4. Non-current intangible assets

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

#### 5. Non-current tangible assets

Depreciation of non-current tangible property amounts to LTL 3,709 thousand as of 31 December 2011, LTL 3,052 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		
	2011.12.31	2010.12.31 restated	2010.01.01 restated	2011.12.31	2010.12.31 restated	2010.01.01 restated
Raw materials	3,358	3,463	3,081	2,034	2,180	1,647
Work in progress	2,151	4,091	2,530	2,000	4,025	2,440
Finished goods	4,118	2,742	3,307	3,774	2,541	3,165
Goods for resale	289	123	138	-	-	-
	9,916	10,419	9,056	7,808	8,746	7,252
Write-down to net realisable value:						
Opening balance	(1,600)	(1,695)	(1,926)	(494)	(574)	(855)
Change	(275)	95	231	(302)	80	281
Closing balance	(1,875)	(1,600)	(1,695)	(796)	(494)	(574)
	<b>8,041</b>	<b>8,819</b>	<b>7,361</b>	<b>7,012</b>	<b>8,252</b>	<b>6,678</b>

## 7. Trade receivables

	Group			Company		
	2011.12.31	2010.12.31 restated	2010.01.01 restated	2011.12.31	2010.12.31 restated	2010.01.01 restated
Trade receivables, gross	5,107	8,331	8,502	3,909	6,612	7,101
Impairment allowance for trade receivables:						
Opening balance	(893)	(859)	(866)	(820)	(832)	(853)
Change	113	(34)	7	113	12	21
Closing balance	(780)	(893)	(859)	(707)	(820)	(832)
	<b>4,327</b>	<b>7,438</b>	<b>7,643</b>	<b>3,202</b>	<b>5,792</b>	<b>6,269</b>

Changes in decrease of doubtful receivables value as of 31 December 2011 and 31 December 2010 have been included into operating expenses in the Group's income (loss) statements.

## 8. Cash and cash equivalents

	Group			Company		
	2011.12.31	2010.12.31 restated	2010.01.01 restated	2011.12.31	2010.12.31 restated	2010.01.01 restated
Cash in bank and on hand	884	1,727	2,061	512	712	1,492
Deposits with a term of less than three months	1,846	-	100	-	-	-
	<b>2,730</b>	<b>1,727</b>	<b>2,161</b>	<b>512</b>	<b>712</b>	<b>1,492</b>

## 9. Reserves

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

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 30 September 2011 and 31 December 2010 were as follows:

	Group			Company		
	2011.12.31	2010.12.31 restated	2010.01.01 restated	2011.12.31	2010.12.31 restated	2010.01.01 restated
Legal reserve	1,983	1,983	1,983	1,983	1,983	1,983
Other reserves	-	-	-	-	-	-
	<b>1,983</b>	<b>1,983</b>	<b>1,983</b>	<b>1,983</b>	<b>1,983</b>	<b>1,983</b>

## 10. Borrowings

On 11 January 2010, an agreement on convertible bonds was entered into by the Company and Swedbank AB. Based on the 3 December 2009 decision of the extraordinary general shareholder meeting it was resolved to issue 50 units of convertible bonds with the nominal value in total of LTL 11,850 thousand (equivalent in EUR 3,432 thousand) by restructuring a part of the Company's finance lease liabilities to the finance lease company.

Based on the convertible bond agreement the Company is obliged to redeem bonds or exchange them for the shares of the Company under the terms and conditions established in the agreement. A nominal value of one bond is LTL 237 thousand (equivalent in EUR 69 thousand); a discounted value of one bond issue is LTL 112 thousand (equivalent in EUR 33 thousand); yield of the bond is 15 per cent of annual interest. The maturity term of bonds is 5 years; the maturity date is 12 January 2015.

In addition, an agreement on convertible bonds was entered into by the Company and the ultimate parent company Koncernas SBA UAB on 11 January 2010. Based on the 3 December 2009 decision of the extraordinary general shareholder meeting it was resolved to issue 16 units of convertible bonds with the nominal value in total of LTL 3,166 thousand (equivalent in EUR 917 thousand) by restructuring the Company's financial liabilities to the ultimate parent company.

Based on the convertible bond agreement the Company is obliged to redeem bonds or exchange them for the shares of the Company under the terms and conditions established in the agreement. A nominal value of one bond is LTL 198 thousand (equivalent in EUR 57 thousand); a discounted value of one bond issue is LTL 94 thousand (equivalent in EUR 27 thousand); yield of the bond is 15 per cent of annual interest. The maturity term of bonds is 5 years; the maturity date is 12 January 2015.

On 6 January 2010, the Company and Swedbank Lizingas UAB and Swedbank AB entered into the agreement on the performance of finance lease contracts and convertible bond agreements. The parties agreed to extend the settlement term of finance lease liabilities by 30 September 2014 and amend the payment schedules (based on the agreement, during 2010 the Company is committed to repay finance lease liabilities of LTL 3,930 thousand with the first payment due in April 2010). A new annual interest rate was agreed which was set at 6 month EURIBOR plus 4 per cent margin.

On 23 March 2010, the agreement on the pledge of assets to Swedbank AB was concluded based on which the Company's property, plant and equipment with the net book value of LTL 753 thousand as of 28 February 2010 was placed under a primary pledge and property, plant and equipment with the net book value of LTL 1,191 thousand as of 28 February 2010, inventories amounting to LTL 7,692 thousand, fixed assets owned by the subsidiary Šatrija AB with carrying value to LTL 3,297 thousand as of 31 December 2009 were placed under a secondary pledge.

	Group			Company		
	2011.12.31	2010.12.31 restated	2010.01.01 restated	2011.12.31	2010.12.31 restated	2010.01.01 restated
<b>Current</b>						
Current portion of long-term bank borrowings	3,501	1,331	6,916	-	-	-
Finance lease liabilities	5,240	5,240	23,712	5,240	5,240	23,712
	8,741	6,571	30,628	5,240	5,240	23,712
<b>Non-current</b>						
Long-term bank borrowings	-	4,418	-	-	-	-
Finance lease liabilities	9,139	14,368	5,316	9,139	14,368	5,316
Convertible bonds issued	9,598	8,268	-	9,598	8,268	-
	18,737	27,054	5,316	18,737	22,636	5,316
<b>Total borrowings</b>	<b>27,478</b>	<b>33,625</b>	<b>35,944</b>	<b>23,977</b>	<b>27,876</b>	<b>29,028</b>

**11. Accrued expenses and other current liabilities**

	Group			Company		
	2011.12.31	2010.12.31 restated	2010.01.01 restated	2011.12.31	2010.12.31 restated	2010.01.01 restated
Amounts payable for services and non-current assets	742	1,320	1,329	618	1,182	1,019
Payables to subsidiaries	2,613	1,510	2,073	1,906	1,043	1,855
Payables to other related parties	7	4	-	-	-	-
Prepayments received	90	155	259	34	25	222
Wages, salaries and social security	1,307	1,484	1,344	938	1,052	994
Accrual for vacation reserve	1,613	1,962	1,437	832	1,352	1,031
Bonuses for employees	-	273	350	-	153	300
Taxes payable, except for profit tax	209	330	380	149	117	219
Other liabilities	135	250	275	5	117	21
	<b>6,716</b>	<b>7,288</b>	<b>7,447</b>	<b>4,482</b>	<b>5,041</b>	<b>5,661</b>

**12. Revenue****Group**

	of 2011	10-12 of 2011	of 2010 restated	10-12 of 2010 restated
Revenue from sales of goods and services	60,999	13,060	70,371	17,860
Revenue from sales of materials	172	47	340	58
	<b>61,171</b>	<b>13,107</b>	<b>70,711</b>	<b>17,918</b>

**Company**

	of 2011	10-12 of 2011	of 2010 restated	10-12 of 2010 restated
Revenue from sales of goods and services	51,273	10,578	60,316	14,929
Revenue from sales of materials	123	32	127	48
	<b>51,396</b>	<b>10,610</b>	<b>60,443</b>	<b>14,977</b>

**13. Cost of sales**

	<b>Group</b>			
	<b>of 2011</b>	<b>10-12 of 2011</b>	<b>of 2010 restated</b>	<b>10-12 of 2010 restated</b>
Materials	18,253	3,628	21,531	5,714
Wages, salaries and social security	20,567	4,971	22,527	6,304
Other overhead expenses	8,763	1,827	11,446	2,911
Depreciation and amortization	3,052	763	2,515	629
Effect of I-III Q depreciation and amortization restatement	-	(1,116)	-	(2,421)
Cost of materials sold	32	(15)	162	(4)
	<b>50,667</b>	<b>10,058</b>	<b>58,181</b>	<b>13,133</b>

	<b>Company</b>			
	<b>of 2011</b>	<b>10-12 of 2011</b>	<b>of 2010 restated</b>	<b>10-12 of 2010 restated</b>
Materials	17,689	3,607	20,631	5,610
Wages, salaries and social security	14,530	3,503	16,107	4,302
Other overhead expenses	9,040	1,626	12,380	2,857
Depreciation and amortization	1,959	490	1,959	490
Effect of I-III Q depreciation and amortization restatement	-	(1,388)	-	(1,388)
Cost of materials sold	24	3	46	16
	<b>43,242</b>	<b>7,841</b>	<b>51,300</b>	<b>11,446</b>

**14. Selling, general and administrative expenses**

	<b>Group</b>			
	<b>of 2011</b>	<b>10-12 of 2011</b>	<b>of 2010 restated</b>	<b>10-12 of 2010 restated</b>
<b>Selling expenses</b>				
Wages, salaries and social security	1,016	236	959	260
Other selling expenses	1,333	383	1,317	356
Total selling expenses	2,349	619	2,276	616
<b>General and administrative expenses</b>				
Wages, salaries and social security	2,445	662	2,227	323
Communications and consulting services	1,187	301	1,190	245
Taxes other than income tax	532	114	658	193
Depreciation and amortization	335	47	389	150
Impairments and write-offs	(36)	(167)	162	101
Business trips	93	29	61	5
Charity and sponsorship	9	-	18	0
Other	1,636	671	2,085	1,217
Total general and administrative expenses	6,201	1,657	6,790	2,290
	<b>8,550</b>	<b>2,276</b>	<b>9,066</b>	<b>2,906</b>



	of 2011	Company 10-12 of 2011	of 2010 restated	10-12 of 2010 restated
<b>Selling expenses</b>				
Wages, salaries and social security	804	174	750	203
Other selling expenses	1,189	345	1,135	314
Total selling expenses	1,993	519	1,885	517
<b>General and administrative expenses</b>				
Wages, salaries and social security	1,704	461	1,493	119
Communications and consulting services	904	276	892	207
Taxes other than income tax	494	103	604	180
Depreciation and amortization	305	77	315	83
Impairments and write-offs	7,687	7,542	109	173
Business trips	64	17	37	3
Charity and sponsorship	9	-	18	0
Other	830	379	1,050	617
Total general and administrative expenses	11,997	8,855	4,518	1,382
	<b>13,990</b>	<b>9,374</b>	<b>6,403</b>	<b>1,899</b>

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

	Group			
	of 2011	10-12 of 2011	of 2010 restated	10-12 of 2010 restated
Lease income	308	80	371	77
Lease expenses	(122)	(30)	(124)	(32)
Other revenue (expenses)	1,104	212	435	174
	<b>1,290</b>	<b>262</b>	<b>682</b>	<b>219</b>

	Company			
	of 2011	10-12 of 2011	of 2010 restated	10-12 of 2010 restated
Lease income	302	78	304	76
Lease expenses	(121)	(32)	(124)	(32)
Other revenue (expenses)	202	1	101	96
	<b>383</b>	<b>47</b>	<b>281</b>	<b>140</b>

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

	<b>Group</b>			
	<b>of 2011</b>	<b>10-12 of 2011</b>	<b>of 2010 restated</b>	<b>10-12 of 2010 restated</b>
Net foreign exchange gain (loss)	215	915	1,796	440
Interest income	13	8	3	-
Interest expenses	(2,609)	(647)	(2,666)	(701)
Discounts received on earlier payment	5	-	4	2
	<b>(2,376)</b>	<b>276</b>	<b>(863)</b>	<b>(259)</b>

	<b>Company</b>			
	<b>of 2011</b>	<b>10-12 of 2011</b>	<b>of 2010 restated</b>	<b>10-12 of 2010 restated</b>
Net foreign exchange gain (loss)	(22)	(21)	(5)	(6)
Interest income	208	53	207	52
Interest expenses	(2,346)	(595)	(2,341)	(606)
Discounts received on earlier payment	5	-	4	1
	<b>(2,155)</b>	<b>(563)</b>	<b>(2,135)</b>	<b>(559)</b>

**17. Profit/(loss) per share**

Profit/(loss) per share reflect the Group's net profit/(loss), divided by the outstanding number of shares. Calculation of the profit/(loss) per share is presented below:

	<b>Group</b>			
	<b>of 2011</b>	<b>10-12 of 2011</b>	<b>of 2010 restated</b>	<b>10-12 of 2010 restated</b>
Profit/(loss) attributable to the equity holders of the Company	956	1,476	3,359	1,940
Weighted average number of shares in issue (thousand)	19,834	19,834	19,834	19,834
<b>Basic and diluted profit (loss) per share (in LTL)</b>	<b>0.05</b>	<b>0.07</b>	<b>0.17</b>	<b>0.10</b>

	<b>Company</b>			
	<b>of 2011</b>	<b>10-12 of 2011</b>	<b>of 2010 restated</b>	<b>10-12 of 2010 restated</b>
Profit/(loss) attributable to the equity holders of the Company	(7,707)	(7,219)	941	1,268
Weighted average number of shares in issue (thousand)	19,834	19,834	19,834	19,834
<b>Basic and diluted profit (loss) per share (in LTL)</b>	<b>(0.39)</b>	<b>(0.36)</b>	<b>0.05</b>	<b>0.06</b>

## 18. Reclassifications and prior year restatements

**Property, plant and equipment:** The Company has determined that a large part of equipment being and planned to be used in the main activities is fully depreciated or will depreciate over the next year. The Company's management conducted the analysis of this property and determined, that preparing prior periods' financial statements the property, plant and equipment useful service period has not been regularly reviewed, as required by IFRS. The Management has determined that since the end of 2008, when significantly declined planned company's manufacturing volumes and equipment workload, equipment depreciation rates should had been revised. Because of this reason, Company's financial statements for prior periods have been significantly distorted. The Company's management, taking into account lower manufacturing volumes since January 1, 2009 and estimated equipment useful service period, retrospectively corrected the estimation of equipment useful lives assessment, and recalculated the depreciation of the equipment since January 1, 2009.

### Balance sheets under IFRS (LTL thousand)

	Group			Company		
	2009.12.31	restated	2010.01.01 restated	2009.12.31	restated	2010.01.01 restated
<b>ASSETS</b>						
<b>Non-current assets</b>						
Intangible assets	4,084	-	4,084	827	-	827
Property, plant and equipment	24,381	3,352	27,733	18 338	2 699	21 037
Investment property	3,173	-	3,173	3 173	-	3 173
Investments into subsidiaries	-	-	-	11 396	-	11 396
Trade and other receivables	25	-	25	-	-	-
Receivables from subsidiaries	-	-	-	3 971	-	3 971
Deferred income tax asset	-	-	-	-	-	-
	<b>31,663</b>	<b>3,352</b>	<b>35,015</b>	<b>37 705</b>	<b>2 699</b>	<b>40 404</b>
<b>Current assets</b>						
Inventories	7,575	(214)	7,361	6 879	(201)	6 678
Trade receivables	7,642	-	7,642	6 269	-	6 269
Receivables and prepayments from subsidiaries	-	-	-	8 859	-	8 859
Receivables from other related parties	4	-	3	-	-	-
Prepaid income tax	48	-	48	-	-	-
Other receivables	1,479	-	1,479	528	-	528
Cash and cash equivalents	2,161	-	2,161	1 492	-	1 492
	<b>18,909</b>	<b>(214)</b>	<b>18,695</b>	<b>24,027</b>	<b>(201)</b>	<b>23,826</b>
Non-current assets held for resale	3,106	-	3,106	-	-	-
	<b>22,015</b>	<b>(214)</b>	<b>21,801</b>	<b>24,027</b>	<b>(201)</b>	<b>23,826</b>
<b>Total assets</b>	<b>53,678</b>	<b>3,138</b>	<b>56,816</b>	<b>61,732</b>	<b>2,498</b>	<b>64,230</b>

	Group			Company		
	2009.12.31	restated	2010.01.01 restated	2009.12.31	restated	2010.01.01 restated
<b>EQUITY</b>						
<b>Equity attributable to the equity holders of the Company</b>						
Share capital	19,834	-	19,834	19,834	-	19,834
Foreign currency translation reserve	2,675	(16)	2,659	-	-	-
Other reserves	1,983	-	1,983	1,983	-	1,983
Accumulated losses/ retained earnings	(21,180)	3,128	(18,052)	(2,539)	2 498	(41)
	<b>3,312</b>	<b>3,112</b>	<b>6,424</b>	<b>19,278</b>	<b>2 498</b>	<b>21,776</b>
<b>Minority interest</b>	<b>619</b>	<b>26</b>	<b>645</b>	-	-	-
<b>Total equity</b>	<b>3,931</b>	<b>3,138</b>	<b>7,069</b>	<b>19,278</b>	<b>2 498</b>	<b>21,776</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Deferred income tax equity	-	-	-	-	-	-
Borrowings	5,316	-	5,316	5,316	-	5,316
Convertible bonds issued	-	-	-	-	-	-
Provisions for employee benefits	-	-	-	-	-	-
	<b>5,316</b>	-	<b>5,316</b>	<b>5,316</b>	-	<b>5,316</b>
<b>Current liabilities</b>						
Borrowings	30,628	-	30,628	23,712	-	23,712
Trade payables	6,356	-	6,356	5,935	-	5,935
Payables to subsidiaries	-	-	-	1,830	-	1,830
Accrued charges and other current liabilities	7,447	-	7,447	5,661	-	5,661
	<b>44,431</b>	-	<b>44,431</b>	<b>37,138</b>	-	<b>37,138</b>
<b>Total liabilities</b>	<b>49,747</b>	-	<b>49,747</b>	<b>42,454</b>	-	<b>42,454</b>
<b>Total equity and liabilities</b>	<b>53,678</b>	<b>3,138</b>	<b>56,816</b>	<b>61,732</b>	<b>2,498</b>	<b>64,230</b>

**Balance sheets under IFRS (LTL thousand)**

	Group			Company		
	2010.12.31	restated	2010.12.31 restated	2010.12.31	restated	2010.12.31 restated
<b>ASSETS</b>						
<b>Non-current assets</b>						
Intangible assets	4,075	-	4,075	643	-	643
Property, plant and equipment	19,253	6,499	25,752	13,914	5,165	19,079
Investment property	2,906	-	2,906	2,906	-	2,906
Investments into subsidiaries	-	-	-	11,396	-	11,396
Trade and other receivables	90	-	90	-	-	-
Receivables from subsidiaries	-	-	-	4,178	-	4,178
Deferred income tax asset	978	(802)	176	830	(775)	55
	<b>27,302</b>	<b>5,697</b>	<b>32,999</b>	<b>33,867</b>	<b>4,390</b>	<b>38,257</b>
<b>Current assets</b>						
Inventories	9,023	(204)	8,819	8,432	(180)	8,252
Trade receivables	7,438	-	7,438	5,792	-	5,792
Receivables and prepayments from subsidiaries	-	-	-	8,999	-	8,999
Receivables from other related parties	3	-	3	-	-	-
Prepaid income tax	-	-	-	-	-	-
Other receivables	1,808	-	1,808	910	-	910
Cash and cash equivalents	1,727	-	1,727	712	-	712
	<b>19,999</b>	<b>(204)</b>	<b>19,795</b>	<b>24,845</b>	<b>(180)</b>	<b>24,665</b>
Non-current assets held for resale	2,956	-	2,956	-	-	-
	<b>22,955</b>	<b>(204)</b>	<b>22,751</b>	<b>24,845</b>	<b>(180)</b>	<b>24,665</b>
<b>Total assets</b>	<b>50,257</b>	<b>5,493</b>	<b>55,750</b>	<b>58,712</b>	<b>4,210</b>	<b>62,922</b>

	Group			Company		
	2010.12.31	restated	2010.12.31 restated	2010.12.31	restated	2010.12.31 restated
<b>EQUITY</b>						
<b>Equity attributable to the equity holders of the Company</b>						
Share capital	19,834	-	19,834	19,834	-	19,834
Foreign currency translation reserve	1,729	-	1,729	-	-	-
Other reserves	1,983	-	1,983	1,983	-	1,983
Accumulated losses/ retained earnings	(20,140)	5,447	(14,693)	(3,310)	4,210	900
	<b>3,406</b>	<b>5,447</b>	<b>8,853</b>	<b>18,507</b>	<b>4,210</b>	<b>22,717</b>
<b>Minority interest</b>	<b>695</b>	<b>46</b>	<b>741</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>4,101</b>	<b>5,493</b>	<b>9,594</b>	<b>18,507</b>	<b>4,210</b>	<b>22,717</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Borrowings	18,786	-	18,786	14,368	-	14,368
Convertible bonds issued	8,268	-	8,268	8,268	-	8,268
Provisions for employee benefits	351	-	378	351	-	351
	<b>27,405</b>	<b>-</b>	<b>27,405</b>	<b>22,987</b>	<b>-</b>	<b>22,987</b>
<b>Current liabilities</b>						
Borrowings	6,571	-	6,571	5,240	-	5,240
Trade payables	4,892	-	4,892	4,615	-	4,615
Payables to subsidiaries	-	-	-	2,322	-	2,322
Accrued charges and other current liabilities	7,288	-	7,288	5,041	-	5,041
	<b>18,751</b>	<b>-</b>	<b>18,751</b>	<b>17,218</b>	<b>-</b>	<b>17,218</b>
<b>Total liabilities</b>	<b>46,156</b>	<b>-</b>	<b>46,156</b>	<b>40,205</b>	<b>-</b>	<b>40,205</b>
<b>Total equity and liabilities</b>	<b>50,257</b>	<b>5,493</b>	<b>55,750</b>	<b>58,712</b>	<b>4,210</b>	<b>62,922</b>

**Statements of comprehensive income (LTL thousand)**

	Group			Comapany		
	2010	Restated	2010 Restated	2010	Restated	2010 Restated
Revenue	70,711	-	70,711	60,443	-	60,443
Cost of sales	(61,322)	3,172	(58,150)	(53,787)	2,487	(51,300)
<b>Gross profit</b>	<b>9,389</b>	<b>3 172</b>	<b>12,561</b>	<b>6,656</b>	<b>2,487</b>	<b>9,143</b>
Selling expenses	(2,276)	-	(2,276)	(1,885)	-	(1,885)
General and administrative expenses	(6,790)	-	(6,790)	(4,518)	-	(4,518)
Other income	371	-	371	304	-	304
Other expenses	(124)	-	(124)	(124)	-	(124)
Other gains/(losses) - net	435	-	435	101	-	101
<b>Operating profit (loss)</b>	<b>1,005</b>	<b>3,172</b>	<b>4,146</b>	<b>534</b>	<b>2,487</b>	<b>3,021</b>
Finance cost, net	(863)	-	(863)	(2,135)	-	(2,135)
<b>Profit (loss) before income tax</b>	<b>142</b>	<b>3,172</b>	<b>3,283</b>	<b>(1,601)</b>	<b>2,487</b>	<b>886</b>
Income tax expense	974	(802)	172	830	(775)	55
<b>Profit (loss) for the year</b>	<b>1,116</b>	<b>2,370</b>	<b>3,455</b>	<b>(771)</b>	<b>1,712</b>	<b>941</b>
<b>Profit (loss) attributable to:</b>						
Equity holders of the Company	1,040	2,319	3,359			
Minority interest	76	20	96			
	<b>1,116</b>	<b>2,337</b>	<b>3,455</b>			

## 19. Events after the statement of financial position date

On 4 January 2012, the Company and Swedbank Lizingas UAB entered into the new agreements concerning the lease contracts. The parties revised the instalment schedules to five year term and a new annual interest rate was agreed which was set at 6 month EURIBOR plus 3.24 per cent margin. The final settlement term of finance lease liabilities was not changed -30 September 2014.

Moreover the financial ratios, to which the Company committed to comply with during the entire validity period of the contracts, were changed:

*1) Group's financial ratios:*

- a) DSCR (debt service coverage ratio) not lower than 1.2;
- b) debt (excluding convertible bonds) to EBITDA ratio not higher than 4;

*2) Company's financial ratios:*

- a) equity (excluding revaluation reserve) to total assets ratio not lower than 0.3;
- b) debt (excluding convertible bonds) to EBITDA ratio not higher than 3.5;