



Utenos trikotazas

CONFIRMATION OF RESPONSIBLE PERSONS

2012-08-31

Following Article 22 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 6 months of 2012, 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 6 months of 2012 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 6 MONTHS PERIOD ENDED 30 JUNE 2012
(UNAUDITED)

Statements of financial position

	Notes	Group		Company	
		30 June 2012	31 December 2011	30 June 2012	31 December 2011
ASSETS					
Non-current assets					
Intangible assets	4	3 793	3 820	280	365
Property, plant and equipment	5	23 746	24 971	16 097	17 032
Investment property		2 924	2 969	2 924	2 969
Investments into subsidiaries		-	-	5 175	5 175
Trade and other receivables		74	79	-	-
Receivables from subsidiaries		-	-	14 038	13 131
Deferred income tax asset		438	438	-	-
		30 975	32 277	38 514	38 672
Current assets					
Inventories	6	8 173	8 031	7 315	7 011
Trade receivables	7	4 535	4 259	3 734	3 193
Receivables from and prepayments to subsidiaries		-	-	-	-
Receivables from other related parties		7	68	-	9
Prepaid income tax		-	-	-	-
Other receivables		835	799	232	105
Deposits		711	1 646	-	-
Cash and cash equivalents	8	840	1 084	173	512
		15 101	15 887	11 454	10 830
Non-current assets held for resale		-	-	-	-
		15 101	15 887	11 454	10 830
Total assets		46 076	48 164	49 968	49 502

Statements of financial position (cont'd)

	Notes	Group		Company	
		30 June 2012	31 December 2011	30 June 2012	31 December 2011
EQUITY					
Equity attributable to the equity holders of the Company					
Share capital		19 834	19 834	19 834	19 834
Foreign currency translation reserve		1 036	1 548	-	-
Other reserves	9	1 983	1 983	1 983	1 983
Accumulated retained earnings/ (losses)		(15 871)	(13 440)	(9 291)	(6 754)
		6 982	9 925	12 526	15 063
Non-controlling interest		895	895	-	-
Total equity		7 877	10 820	12 526	15 063
LIABILITIES					
Non-current liabilities					
Borrowings	10	10 006	9 138	10 006	9 138
Borrowings from subsidiaries		-	-	3 149	3 134
Convertible bonds issued	10	10 340	9 599	10 340	9 599
Deferred income tax liabilities		152	152	152	152
Provisions for employee benefits		312	312	277	277
		20 810	19 201	23 924	22 300
Current liabilities					
Borrowings	10	5 708	8 741	2 876	5 240
Trade payables		2 866	2 635	3 633	2 335
Payables to subsidiaries		-	-	92	30
Payables to other related parties		3 203	2 613	2 280	1 906
Income tax payable		-	-	-	-
Accrued expenses and other current liabilities	11	5 612	4 154	4 637	2 628
		17 389	18 143	13 518	12 139
Total liabilities		38 199	37 344	37 442	34 439
Total equity and liabilities		46 076	48 164	49 968	49 502

Statements of comprehensive income

Group

	Notes	of 2012		of 2011 Adjusted	
		01-06	04-06	01-06	04-06
Revenue	3,12	24 510	12 368	33 948	16 189
Cost of sales	13	(22 214)	(11 154)	(28 069)	(13 256)
Gross profit		2 296	1 214	5 879	2 933
Selling expenses	14	(1 318)	(599)	(1 176)	(592)
General and administrative expenses	14	(3 069)	(1 493)	(3 018)	(1 620)
Other income	15	444	225	968	516
Other expenses	15	(153)	(64)	(244)	(100)
Operating profit (loss)		(1 800)	(717)	2 409	1 137
Finance income	16	1 218	995	608	598
Finance cost	16	(1 849)	(448)	(3 592)	(1 757)
Profit (loss) before tax		(2 431)	(170)	(575)	(22)
Income tax		-	-	(150)	(75)
Profit (loss) for the year		(2 431)	(170)	(725)	(97)
Profit (loss) attributable to:					
Equity holders of the Company	17	(2 431)	(166)	(768)	(130)
Non-controlling interest		-	(4)	43	33
		(2 431)	(170)	(725)	(97)
Other comprehensive income (loss)					
Foreign currency translation gain (losses)		(512)	(305)	964	1 592
Other comprehensive income (loss)		(512)	(305)	964	1 592
Total comprehensive income (loss) for the period		(2 943)	(475)	239	867
<u>Basic/dilutive earnings per share</u>	17	(0.12)	(0.01)	(0.04)	(0.01)

Statements of comprehensive income

Company

	Notes	of 2012		of 2011 Adjusted	
		01-06	04-06	01-06	04-06
Revenue	3,12	19 985	10 672	29 073	14 074
Cost of sales	13	(18 465)	(9 787)	(24 548)	(11 835)
Gross profit		1 520	885	4 525	2 239
Selling expenses	14	(1 130)	(508)	(998)	(510)
General and administrative expenses	14	(1 998)	(959)	(2 109)	(1 149)
Other income	15	212	118	454	128
Other expenses	15	(84)	(36)	(180)	(79)
Operating profit (loss)		(1 480)	(500)	1 692	629
Finance income	16	110	57	131	72
Finance cost	16	(1 168)	(586)	(1 204)	(611)
Profit (loss) before tax		(2 538)	(1 029)	619	90
Income tax		-	-	(142)	(71)
Profit (loss) for the year		(2 538)	(1 029)	477	19

Statements of changes in equity

Group	Equity attributable to the equity holders of the Company						
	Share capital	Foreign currency translation reserve	Other reserves	Accumulated (losses)	Total	Non-controlling interest	Total equity
Balance as of 31 December 2011	19 834	1 548	1 983	(13 440)	9 925	895	10 820
Total comprehensive income (loss)	-	(512)	-	(2 431)	(2 943)	-	(2 943)
Balance as of 30 June 2012	19 834	1 036	1 983	(15 871)	6 982	895	7 877

Company	Accumulated retained earnings/ (losses)			
	Share capital	Other reserves		Total
Balance as of 31 December 2011	19 834	1 983	(6 754)	15 063
Total comprehensive income (loss)	-	-	(2 537)	(2 537)
Balance as of 30 June 2012	19 834	1 983	(9 291)	12 526

Statements of cash flows

	Group		Company	
	30 June		30 June	
	2012	2011 Adjusted	2012	2011 Adjusted
Cash flows from operating activities				
Profit (loss) for the period	(2 431)	(725)	(2 538)	477
Adjustments for non-cash items:				
Depreciation and amortization	1 535	1 855	1 221	1 414
Impairment of investments into subsidiaries	-	-	-	-
Impairment of accounts receivable from subsidiaries	-	-	-	-
Impairment (reversal) of non-current assets held for sale	-	-	-	-
Impairment (reversal) of investment property	-	-	-	-
Gain on disposal of property, plant and equipment and investment property	(58)	(154)	(48)	-
Impairment and write-off (reversal) of inventories	5	289	2	304
Impairment and write-off (reversal) of accounts receivable	-	(131)	-	(131)
Provisions for employees benefits	-	-	-	-
Interest expense (income)	1 193	1 308	1 057	1 069
Foreign currency differences	-	1 495	-	-
Income tax expense	-	-	-	-
Changes in working capital:				
Decrease (increase) in inventories	(147)	1 178	(306)	1 130
Decrease (increase) in trade receivables	(276)	906	(541)	1 069
Decrease (increase) in receivables from subsidiaries	-	-	(798)	(394)
Decrease (increase) in other receivables and other current assets	31	1 431	(123)	222
Increase (decrease) in trade and other accounts payable	821	(2 658)	1 719	(1 912)
Increase (decrease) in taxes payable and other current liabilities	863	333	1 947	262
Cash generated from operating activities	1 536	5 127	1 592	3 510
Income tax (paid)	-	-	-	-
Net cash flows from operating activities	1 536	5 127	1 592	3 510
Cash flows from investing activities				
Acquisition of property, plant and equipment	(178)	(34)	(75)	(17)
Acquisition of intangible assets	(53)	-	(53)	-
Proceeds from sale of property, plant and equipment	98	1 012	82	-
Investments in term deposits	935	-	-	-
Interest received	13	2	1	-
Net cash flows generated from investing activities	815	980	(45)	(17)

Statements of cash flows (cont'd)

	Group		Company	
	30 June		30 June	
	2012	2011 Adjusted	2012	2011 Adjusted
Cash flows from financing activities				
Proceeds from borrowings from subsidiaries	-	-	15	-
Repayment of borrowings	(2 159)	(4 148)	(1 497)	(2 615)
Interest paid	(436)	(672)	(404)	(529)
Net cash flows to financing activities	(2 595)	(4 820)	(1 886)	(3 144)
Net (decrease) in cash and cash equivalents	(244)	1 287	(339)	349
Cash and cash equivalents at the beginning of the period	1 084	1 727	512	712
Foreign exchange effect on the balance of cash and cash equivalents	-	-	-	-
Cash and cash equivalents at the end of the period	840	3 014	173	1 061

Notes to the financial statements

General information

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

Basanavičiaus str. 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 NASDAQ OMX Vilnius Stock Exchange.

As of 30 June 2012 and 31 December 2011 the shareholders of the Company were as follows:

	As of 30 June 2012		As of 31 December 2011	
	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 30 June 2012 and 31 December 2011 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
		30 June 2012	31 December 2011	
Šatrija AB	Vilniaus str. 5, Raseiniai	89,78	89,78	Sewing of clothes
Gotija UAB	Laisvės Str. 33, Kaunas	90,50	90,50	Retail trade
OAO MTF Mrija	Motroso Str. 13, Mukachov, Ukraine	98,95	98,95	Production of knitted articles

On 30 of June 2012 the average number of employees of the Group was 1 088, while on 30 of June 2011 it was 1 262.

1 Form and contents of the financial statements

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

2. Consolidation

The consolidated financial statements of the Group include AB Utenos trikotažas and its subsidiaries as well as associated companies. The financial statements of the subsidiaries are prepared for the same reporting year, using consistent accounting policies.

Subsidiaries are consolidated from the date from which effective control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Group. 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 non-controlling interests are shown separately in the statement of financial position and the statement of comprehensive income.

3. Segment information

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

In assessing operational performance of segments the Group's Board takes into account the sales revenue, gross profit, EBITDA (earnings before financial activity result, taxes, depreciation and amortization), profit (loss) ratios, 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 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 2012 and 2011:

of 30 June 2012	Production of knitted articles	Production of working clothes	Retail in knitted articles	Eliminations	Total
External sales	20 590	3 648	272	-	24 510
Internal sales	544	4	-	(548)	-
Total revenue	21 134	3 652	272	(548)	24 510
Gross profit	1 558	621	117	-	2 296
EBITDA	(383)	117	1	-	(265)
Profit (loss) for the period	(2 473)	20	22	-	(2 431)

of 30 June 2011	Production of knitted articles	Production of working clothes	Retail in knitted articles	Eliminations	Total
External sales	29 349	4 354	245	-	33 948
Internal sales	1 598	2	-	(1 600)	-
Total revenue	30 947	4 356	245	(1 600)	33 948
Gross profit	4 850	928	101	-	5 879
EBITDA	3 543	724	(3)	-	4 264
Profit (loss) for the period	(1 314)	580	9	-	(725)

4. Non-current intangible assets

Amortization expenses of intangible assets are included within general and administrative expenses in profit and loss.

5. Non-current tangible assets

Depreciation of non-current tangible property amounted to LTL 1 535 thousand as of 30 June 2012, LTL 1 377 thousand are included into cost of sales in the Group's Profit (loss) statement. The remaining amounts were included in general and administrative expenses and inventories in the statement of financial position.

6. Inventories

	Group		Company	
	2012.06.30	2011.12.31	2012.06.30	2011.12.31
Raw materials	4 358	3 376	2 981	2 034
Work in progress	2 685	2 133	2 623	2 000
Finished goods	2 707	4 108	2 507	3 773
Goods for resale	298	289	-	-
	10 048	9 906	8 111	7 807
Write-down to net realisable value:				
Opening balance	(1 875)	(1 600)	(796)	(494)
Change	(0)	(275)	(0)	(302)
Closing balance	(1 875)	(1 875)	(796)	(796)
	8 173	8 031	7 315	7 011

7. Trade receivables

	Group		Company	
	2012.06.30	2011.12.31	2012.06.30	2011.12.31
Trade receivables, gross	5 315	5 039	4 441	3 900
Allowance for trade receivables:				
Opening balance	(780)	(893)	(707)	(820)
Change	-	113	-	113
Closing balance	(780)	(780)	(707)	(707)
	4 535	4 259	3 734	3 193

Changes in impairment allowance for doubtful trade receivables as of 30 June 2012 and 31 December 2011 were recorded within general and administrative expenses in the Group's Profit (loss) statement.

8. Cash and cash equivalents

	Group		Company	
	2012.06.30	2011.12.31	2012.06.30	2011.12.31
Cash at bank and on hand	840	884	173	512
Deposits with maturity term of 3 months or less	-	200	-	-
	840	1 084	173	512

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 31 March 2012 and 31 December 2011 were as follows:

	Group		Company	
	2012.06.30	2011.12.31	2012.06.30	2011.12.31
Legal reserve	1 983	1 983	1 983	1 983
Other reserves	-	-	-	-
	1 983	1 983	1 983	1 983

10. Borrowings and convertible bonds issued

	Group		Company	
	2012.06.30	2011.12.31	2012.06.30	2011.12.31
Current				
Current portion of non-current bank borrowings	2 832	3 501	-	-
Finance lease liabilities	2 876	5 240	2 876	5 240
	5 708	8 741	2 876	5 240
Non-current				
Non-current borrowings	-	-	-	-
Borrowings from subsidiaries	10 006	9 138	10 006	9 138
Finance lease liabilities	10 340	9 599	10 340	9 599
	20 346	18 737	20 346	18 737
Total borrowings	26 054	27 478	23 222	23 977

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 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, however current portion of financial lease decreased by approximately LTL 2.4 million.

In 2012 and 2011, the bank borrowings are secured by property plant and equipment.

	Group		Company	
	2012.06.30	2011.12.31	2012.06.30	2011.12.31
Convertible bonds issued to the bank	8 163	7 578	8 163	7 578
Convertible bonds issued to UAB Koncernas „SBA“	2 177	2 021	2 177	2 021
	10 340	9 599	10 340	9 599

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 issued is LTL 112 thousand (equivalent in EUR 36 thousand); the bond bears interest at 15%. The maturity term of bonds is 5 years; the maturity date is 12 January 2015. If Swedbank AB chooses to convert the bonds into the shares, it has to submit a written request to the Company as from 12 January 2010 till 11 December 2014 inclusive and the convertible bonds shall be exchanged into the shares of the Company on the redemption day. The maximum number of the shares for which the issued convertible bonds might be converted at the end of the conversion period – 11 850 thousand shares with the nominal value LTL 1.

„Swedbank“, AB on 15th of December 2011 disposed all convertible bonds of the Company to company FR&R Invest AB, which is registered in Sweden and is related party to the bank.

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. If Koncernas SBA UAB chooses to convert the bonds into the shares, it has to submit a written request to the Company as from 12 January 2010 till 11 December 2014 inclusive and the convertible bonds shall be exchanged into the shares of the Company on the redemption day. The maximum number of the shares for which the issued convertible bonds might be converted at the end of the conversion period – 3 168 thousand shares with the nominal value LTL 1.

Convertible bonds were issued after the restructuring of finance lease liabilities and amounts payable to SBA Koncernas UAB. The Company measured the liability and equity components of this compound financial instrument. During the measurement it was determined that the equity component is close to zero, therefore the total value of the compound financial instrument was attributed to the liability component.

11. Accrued expenses and other current liabilities

	Group		Company	
	2012.06.30	2011.12.31	2012.06.30	2011.12.31
Amounts payable for services and non-current assets	2 101	822	2 227	644
Wages, salaries and social security	1 470	1 292	1 072	923
Accrual for vacation reserve	1 692	1 613	1 176	832
Bonuses for employees	-	-	-	-
Taxes payable, except for profit tax	208	216	152	149
Other liabilities	141	211	10	80
	5 612	4 154	4 637	2 628

12. Revenue

Group	of 2012		of 2011	
	January-June	April-June	January-June	April-June
Revenue from sales of goods and services	24 450	12 341	33 878	16 155
Revenue from sales of materials	60	27	70	34
	24 510	12 368	33 948	16 189
Company	of 2012		of 2011	
	January-June	April-June	January-June	April-June
Revenue from sales of goods and services	19 946	10 657	29 024	14 051
Revenue from sales of materials	39	15	49	23
	19 985	10 672	29 073	14 074

13. Cost of sales

Group	of 2012		of 2011 Adjusted	
	January- June	April- June	January- June	April- June
Materials	6 804	3 669	10 479	5 140
Wages and salaries and social security	10 231	4 900	10 804	5 077
Other overhead expenses	3 862	1 909	5 173	2 324
Depreciation and amortisation	1 292	664	1 596	706
Cost of materials sold	25	12	17	9
	22 214	11 154	28 069	13 256

Company	of 2012		of 2011 Adjusted	
	January- June	April- June	January- June	April- June
Materials	6 602	3 747	10 119	4 992
Wages and salaries and social security	7 796	3 882	7 750	3 740
Other overhead expenses	3 044	1 628	5 460	2 570
Depreciation and amortisation	1 011	523	1 203	525
Cost of materials sold	12	7	16	8
	18 465	9 787	24 548	11 835

14. Selling general and administrative expenses

Group	of 2012		of 2011 Adjusted	
	January- June	April- June	January- June	April- June
Selling expenses				
Wages salaries and social security	624	318	527	190
Other selling expenses	694	281	649	402
Total selling expenses	1 318	599	1 176	592
General and administrative expenses				
Wages salaries and social security	1 232	574	1 133	630
Communications and consulting services	649	331	588	288
Taxes other than income tax	119	64	285	146
Depreciation and amortization	192	98	194	98
Vehicles exploitation expenses	84	45	84	67
Premises exploitation expenses	73	6	62	7
Security	155	81	105	53
Services of financial institutions	56	30	52	27
Representation expenses	29	20	50	41
Business trips	74	24	38	22
Other	406	220	427	241
Total general and administrative expenses	3 069	1 493	3 018	1 620
	4 387	2 092	4 194	2 212

Company	of 2012		of 2011	
	January-June	April-June	January-June	April-June
Selling expenses				
Wages salaries and social security	516	210	422	228
Other selling expenses	614	298	576	282
Total selling expenses	1 130	508	998	510
General and administrative expenses				
Wages salaries and social security	810	360	768	453
Communications and consulting services	427	200	418	205
Taxes other than income tax	93	52	270	134
Depreciation and amortization	155	79	155	79
Vehicles exploitation expenses	66	36	53	47
Premises exploitation expenses	49	9	41	8
Security	59	33	11	7
Services of financial institutions	44	23	42	22
Representation expenses	18	11	42	38
Business trips	53	16	23	11
Other	224	140	286	145
Total general and administrative expenses	1 998	959	2 109	1 149
	3 128	1 467	3 107	1 659

15. Other income and expenses

Group	of 2012		of 2011	
	January-June	April-June	January-June	April-June
Rent income	142	61	151	74
Other income	245	113	663	292
Gain from disposal of non-current assets	57	51	154	150
Other income	444	225	968	516
Rent costs	(68)	(34)	(60)	(30)
Other expenses	(85)	(30)	(184)	(70)
Other expenses	(153)	(64)	(244)	(100)

Company	of 2012		of 2011	
	January-June	April-June	January-June	April-June
Rent income	141	60	148	72
Other income	23	10	306	56
Gain from disposal of non-current assets	48	48	-	-
Other income	212	118	454	128

Rent costs	(68)	(34)	(60)	(30)
Other expenses	(16)	(2)	(120)	(49)
Other expenses	(84)	(36)	(180)	(79)

16. Finance costs, net

Group	of 2012		of 2011	
	January- June	April- June	January- June	April- June
Net foreign exchange gain (loss)	549	1 131	(1 676)	(500)
Interest expenses	(1 193)	(1 198)	(1 310)	(1 312)
Interest income	13	614	2	653
Interest on late payment received / paid	-	-	-	-
	(631)	547	(2 984)	(1 159)

Company	of 2012		of 2011	
	January- June	April- June	January- June	April- June
Net foreign exchange gain (loss)	-	-	(4)	(2)
Interest expenses	(1 161)	(1 212)	(1 172)	(1 223)
Interest income	103	683	103	686
Interest on late payment received / paid	-	-	-	-
	(1 058)	(529)	(1 073)	(539)

17. Basic/dilutive earnings 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:

Group	of 2012		of 2011 Adjusted	
	January- June	April- June	January- June	April- June
Profit/ (loss) attributable to the equity holders of the Group	(2 431)	(166)	(768)	(130)
Weighted average number of shares in issue (thousand)	19 834	19 834	19 834	19 834
Basic / diluted earnings per share (in LTL)	(0.12)	(0.01)	(0.04)	(0.01)

18. Correction of errors

The Group and 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 life 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 1 January 2009 and estimated equipment useful life period, retrospectively corrected the estimation of equipment useful lives and accordingly recalculated the depreciation of the equipment since 1 January 2009.

Financial statements

	Group			Company		
	30 June 2011	Correction of errors	30 June 2011 Adjusted	30 June 2011	Correction of errors	30 June 2011 Adjusted
Revenue	33 948	-	33 948	29 073	-	29 073
Cost of sales	(28 942)	873	(28 069)	(25 437)	889	(24 548)
Gross profit	5 006	873	5 879	3 636	889	4 525
Selling expenses, general and administrative expenses, other income and expenses	(3 446)	(24)	(3 470)	(2 833)	-	(2 833)
Operating profit (loss)	1 560	849	2 409	803	889	1 692
Finance activity result	(2 984)	-	(2 984)	(1 073)	-	(1 073)
Profit (loss) before income tax	(1 424)	849	(575)	(270)	889	619
Income tax expense	-	(150)	(150)	-	(142)	(142)
Profit (loss) for the period	(1 424)	699	(725)	(270)	747	477
Profit (loss) attributable to:						
Equity holders of the Company	(1 465)	697	(768)	(270)	747	477
Minority interest	41	2	43	-	-	-
	(1 424)	699	(725)	(270)	747	477



Utenos trikotažas

UTENOS TRIKOTAŽAS AB

CONSOLIDATED INTERIM REPORT
For 6 months period
ENDED 30JUNE 2012

1. Reporting period covered by the Annual Report

The Annual Report covers the period from 1 January 2012 to 30 June 2012.

All amounts in the Annual Report presented as at 30 June 2012, unless otherwise stated. Further in this report Utenos Trikotažas AB can be referred to as the Company or the Issuer.

2. Issuer and its contact data

Company name	Utenos Trikotažas AB
Authorised share capital	LTL 19 834 442
Address	J. Basanavičiaus g. 122, Utena
Telephone	(389) 51 445
Fax	(389) 69 358
E-mail	utenos.trikotazas@ut.lt
Website	www.utenostrikotazas.lt
Legal and organisation form	Legal entity, public company
Date and place of incorporation	Registered with the Register of Legal Entities of Utena District on 6 December 1994; reregistered with the Ministry of Economy of the Republic of Lithuania on 18 September 1998.
Registration code	BĮ 98-257
Code of the Register of Legal Entities	183709468

3. Nature of the Issuer's operations

Utenos Trikotažas AB operates in the field of textile industry. The Company's principal activity is production of knit-wear and textile articles.

The Company's profile of activities:

- production of knit-wear and textile articles;
- production of mass-consumption goods which is closely related to principal activities;
- retail and wholesale trade in own production and production of other companies in local and foreign markets;
- other activities.

4. Agreements with intermediaries of securities' public turnover

On 25 September 2005, the Issuer concluded a service agreement with the Department of Safe Custody Services of SEB Vilniaus Bankas AB, address Gedimino pr. 12, LT-01103 Vilnius. Under this agreement the accounting of the Issuer's securities is handled.

On 25 April 2007, the Issuer concluded an agreement with OMX Exchanges Ltd. on the system of service provision, disclosure and communication of information.

5. Key performance indicators of the Group

UT group sales, profit, price per share for the last 5 years.

	For 6 months 2012	2011	2010 adjusted	2009 adjusted	2008
Revenue (LTL'000)	24510	61172	70711	70336	109954
Profit for the year (LTL'000)	-2431	1776	3683	2463	-17553
Price per share	0.656	0.777	1.309	1.140	1.390
Dividend per share	-	-	-	-	-

Financial ratios

	Group			Company		
	For 6 months 2012	2011	2010 adjusted	For 6 months 2012	2011	2010 adjusted
Revenue (LTL'000)	24510	61172	70711	19985	51396	60443
Operating profit (loss) (LTL'000)	-1800	4 006	3974	-1480	-5291	3021
Operating profit (loss) margin (%)	-7.3%	6.5	5.6	-7.4%	-10.3	5.0
Profit (loss) before tax (LTL'000)	-2431	1 631	3111	-2538	-7446	886
Profit (loss) before tax, margin (%)	-9.9%	2.7	4.4	-12.7%	-14.5	1.5
Profit (loss) for the year (LTL'000)	-2431	1776	3683	-2538	-7654	1346
Profit (loss) for the year margin (%)	-9.9%	2.9	5.2	-12.7%	-14.9	2.2
Number of shares, (thousand)	19834	19834	19834	19834	19834	19834

Relative ratios

	Group			Company		
	2012. 06.30	2011. 12.31	2010. 12.31 adjusted	2012. 06.30	2011. 12.31	2010. 12.31 adjusted
Return on capital employed (%)	-12.3	9.0	18.6	-12.8	-38.6	6.8
Return on assets (%)	-5.3	3.7	6.7	-5.1	-15.5	2.1
Return on shareholders' equity (%)	-30.9	16.4	40.0	-20.3	-50.8	5.9
Debt ratio	82.9	77.5	83.4	74.9	69.6	63.9
Debt-to-equity ratio	484.9	345.1	500.8	298.9	228.6	177.0
Liquidity ratio (%)	86.8	87.6	105.6	84.7	89.2	143.3
Equity to assets ratio (%)	17.1	22.5	16.6	25.1	30.4	36.1

Operating figures

	Group			Company		
	2012.06.30	2011	2010	2012.06.30	2011	2010
Manufactured items	1 365	3376	5073	937	1985	3079
Number of employees at the end of period	1 103	1204	1320	698	719	778

Ratios related with the share price

	2012.06.30	2011	2010
P/E	-5,35	9.52	7.23
EPS	-0,12	0.08	0.18
EV/EBITDA	-144,25	5.82	8.06
EV/EBIT	-32,75	9.86	10.01

6. Information about trade in the Issuer's securities in regulated markets

The Company's shares are listed on the Official List of the National Stock Exchange, as well on the Baltic List of the Lithuanian, Latvian and Estonian stock market. 19834442 of ordinary registered shares have been registered for public turnover of securities. A nominal value of one share is LTL 1.

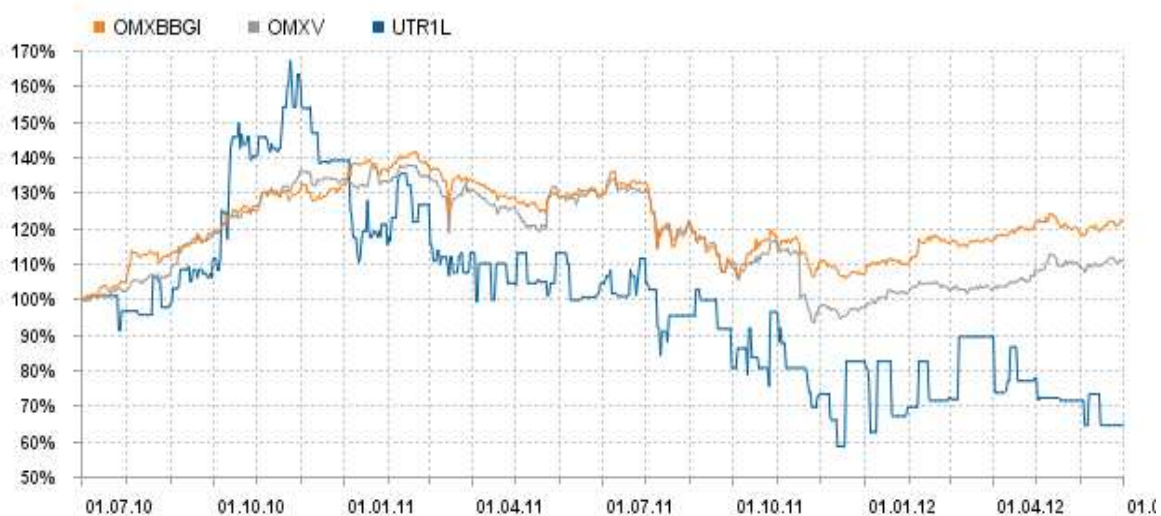
7. Information regarding the price of shares and their dynamics

AB „Utenos trikotažas“ share price dynamics, 2010-2012.06.30(LTL):



Priceratios	For 6 months 2012	2011	2010
Openprice, LTL	0.760	1.309	1.140
Highprice, LTL	0.843	1.274	2.072
Lowprice, LTL	0.590	0.552	0.860
Lastprice, LTL	0.656	0.777	1.309
Tradedvolume	65 127	781 069	837 139
Turnover, million LTL	0.05	0.81	0.98
Capitalisation, million LTL	13.01	15.41	25.96

AB „Utenos trikotažas“, OMX BalticBenchmark GI and OMX Vilnius Indexdynamics, 2010-2012.06.30



Index/ Equity	30.06.2012	01.07.2011	01.07.2010	30.06.2012/ 01.07.2011 Change %
—OMX BalticBenchmark GI	492.43	519.69	404.54	-5.25
—OMX Vilnius	339.89	396.35	305.49	-14.24
—UTR1L	0.18 EUR	0.29 EUR	0.27 EUR	-38.25

8. Objective overview of the Company’s financial position, performance and development, description of its exposure to key risks and contingencies

Revenue (LTL '000)

	For 6 months 2012	For 6 months 2011	Change	2010
AB „Utenos trikotažas“	19 985	29 073	-31.26%	60443
AB „Šatrija“	1 150	1 875	-38.67%	8843
OAO „MTF Mrija“	3 652	4 355	-16.14%	4095
UAB „Gotija“	273	245	11.43%	587
Elimination of intercompany transactions	-550	-1 600		-3257
	24 510	33 948	-27.80%	70711

EBITDA (LTL '000) (are calculated as earnings before financial activity result, taxes, depreciation and amortization)

	For 6 months 2012	For 6 months 2011	Change	2010
AB „Utenos trikotažas“	-259	3 106	-108.34%	5 589
AB „Šatrija“	117	724	-83.84%	963
OAO „MTF Mrija“	-124	437	-128.38%	623
UAB „Gotija“	1	-3	-133.33%	2
	-265	4 264	-106.21%	7 177

Trade

	Group			Company		
	For 6 months 2012	For 6 months 2011	Change	For 6 months 2012	For 6 months 2011	Change
Revenue (LTL '000)						
Western Europe	19 273	30 379	-36.56%	15 898	26 199	-39.32%
Lithuania	3 969	3 057	29.83%	3 658	2 768	32.15%
Other regions	1 268	512	147.66%	429	106	304.72%
	24 510	33 948	-27.80%	19 985	29 073	-31.26%

In the first half of 2012, total sales of goods and services of the Company amounted to LTL 20million. Trade volume decreased by LTL 9.1million or by 31.3per cent as compared to 2011. The Company's exports to Western Europe and other countries accounted for 81.7per cent, whereas sales in Lithuania accounted for 18.3 per cent of total production.

In the first half of 2012, total sales of goods and services of Utenos Trikotažas AB group (hereinafter "the Group") amounted to LTL 24.5million. The Group's exports accounted for 83.8 per cent, whereas sales in Lithuania accounted for 16.2 per cent of total production.

Lithuania

In the first half of 2012, the Company sold 312.3 thousand knit-wear items in Lithuania totalling to LTL 3.7million. The sales in Lithuania increased by LTL 0.9 million or 32.2per cent.

In the first half of 2012, the Group's sales in Lithuania amounted to LTL 4million, which is more by LTL 0.9million as compared to the first half of 2011.

Export

In the first half of 2012, the Company exported 884,2thousand knit-wear items totalling to LTL 16.3million. The Company's exports decreased by LTL 10million or 37.9 per cent comparing to the first half of 2011. Large retail chains from Western Europe remained as the major customers of the Company.

In the first half of 2012, the Group's exports to Western Europe and other regions amounted to LTL 20.5million, which is less by LTL 10.4thousand as compared to the first half of 2011.

Production

In the first half of 2012, the Company produced 0.9million knit-wear items

In the first half of 2012, Šatrija AB produced 0.08million sewn items, OAO MTF Mrija produced 0.3 million items.

Production (LTL '000)	For 6 months 2012	For 6 months 2011	Change
AB „Utenos trikotažas“	937	1 159	-19.16%
AB „Šatrija“	84	60	40.00%
OAO „MTF Mrija“	344	785	-56.18%
UAB „Gotija“	-	-	-
	1 365	2 004	-31.89%

Investments

In the first half of 2012, the Group's investments in new equipment and new technologies amounted to LTL 224thousand including transactions within the Group.

In the first half of 2012, the Company's investments in new equipment and technologies amounted to LTL 120thousand.

In the first half of 2012, Šatrija AB invested LTL78.9thousand.

In the first half of 2012, OAO MTF Mrija invested LTL 25thousand.

In the first half of 2012, Gotija UAB had made no investments.

Risk factors related to the Issuer's operations

Key risk factors related to operations of Utenos Trikotažas AB include:

- Overall economic situation of Lithuania;
- Foreign currency fluctuations;
- Amendments to laws and legal acts of the Republic of Lithuania;
- Changes in accounting and tax regulations.

Economic factors. The Company's operations are dependent on state politics, political and economic developments in Lithuania and in the World (which effect Lithuania). The Company and the Group use instruments ensuring that production is sold to reliable customers. The Company's and the Group's policy focuses on maintaining adequate amount of cash and cash equivalents or maintaining funding by keeping adequate credit lines available with the purpose of implementing commitments provided for in their strategic plans.

For several years in turn operations of Utenos Trikotažas AB have been successful. The Company continues to improve the management system according to EN ISO 9001, EN ISO 14001, SA 8000 and other relevant requirements.

Social risk factors. The Company focuses attention on improvement of working conditions, training of personnel, and qualification development.

Technical and technological risk factors. The condition of the Company's major facilities is good and does not pose any risk to operations. Utenos Trikotažas AB regularly invests in renovation of facilities and introduction of the latest technologies.

Ecological risk factors. The environment management system meeting the requirements of ISO 14001 has been introduced at the Company. Key environmental strategic objectives include:

- Reduction of environmental pollution through efficient and economical use of raw materials and energy resources;
- Reduction in waste volume, improvement of management of waste and chemical materials, reduction of use of dangerous chemical substances in the production process.

9. References to and additional explanations of data presented in the financial statements

All 2012 and 2011 financial data presented in this Annual Report is calculated based on the financial information presented in the Group's financial statements for the year 2012, prepared in accordance with the International Financial Reporting Standards as adopted by the EU. These financial statements were approved by the auditor assigned under established procedure.

10. Main features of the Group's internal control and risk management systems related to the preparation of the consolidated financial statements

The consolidated financial statements of Utenos Trikotažas Group are prepared according to International Financial Reporting Standards (IFRS) as adopted by the EU. The principles of internal control organisation and accounting are consistently applied to all companies of Utenos Trikotažas Group. In preparing the consolidated financial statements all inter-company transactions and balances are eliminated.

Internal controls in Utenos Trikotažas AB includes control procedures over processes related to sales and

manufacturing of production, supply, financial reports preparation.

11. Social responsibility

AB „Utenos trikotažas“ in order to implement the development of corporate social responsibility in partnership with business, social and international partners in 23 May 2006 certified for international social responsibility standard SA 8000 (recertified in 2009).

SA 8000 standard objectives:

- Ensure social welfare of workers and employees;
- Improve social responsibility not only inside the Company, but also encourage subcontractors;
- Demonstrate to the Western partners that AB „Utenos trikotažas“ managers of all levels treat their workers civilized and the Company had implemented core human rights conventions and directives.

AB „Utenos trikotažas“ management ensured that wages paid shall be sufficient to meet the basic needs of personnel and to provide some discretionary income.

12. Information about the Company's own share acquisitions

No own shares were acquired by Company during the current accounting period.

13. Significant events subsequent to the end of the previous financial year

On 19 January 2012, announcement of publishing terms of the interim reports and audited consolidated report in 2012.

On 31 January 2012, announcement of unaudited performance results for fourth quarter of 2011.

On 29 February 2012, announcement of unaudited interim consolidated financial statements of 2011.

On 6 April 2012, the general meeting of shareholders of Utenos Trikotažas AB was convened.

On 27 April 2012, decisions of the General shareholder meeting were approved.

On 27 April 2012, announcement of the sales figures for the first quarter of 2012.

On 31 May 2012, announcement of the performance results for the first quarter of 2012.

On 31 July 2012, announcement of the sales figures for the second quarter of 2012.

14. The Company's operating plans and objectives

In 2012, the Company plans to actively expand sales of ecological products and to develop the co-operation with customers demanding higher quality and sophisticated technology, to maintain close relationship with longstanding business customers.

Note: the Company's operating plan for 2012 was approved at the Board's meeting held on 8 February 2012, Minutes No. 1.

Key objectives for 2012 :

- Development of sales to clients demanding ecological, high quality and value added products.
- Development of Branded product lines sales in Lithuania and East markets (Russia, Ukraine).

15. Structure of the Issuer's authorised share capital

As at 30 June 2012, the Company's authorised share capital was comprised of 19 834 442 ordinary registered shares with a nominal value of LTL 1 each.

Utenos Trikotažas AB authorised share capital according to types of shares:

Type of shares	Nominal value (LTL)		Total nominal value (LTL)	Percentage in the authorised share capital (%)
	Number of shares			
Ordinary registered shares	19 834 442	1	19 834 442	100.00

All shares of Utenos Trikotažas AB are fully paid. All shares of the Company are ordinary registered shares of one class granting equal rights to their holders (shareholders).

16. Restrictions on disposal of securities

There are no restrictions.

17. Shareholders

As at 30 June 2012, the total number of shareholders of Utenos Trikotažas AB was 1 297.

The table below indicates shareholders owning or holding more than 5 per cent of the Issuer's authorised share capital as at 30 June 2012.

Names of shareholders	company codes	Country	registration address	Number of ordinary registered shares held	Share in the authorised capital (%)	Share of votes held (%)
UAB Koncernas „SBA“	132206739	Lithuania	Laisvės pr.3, Vilnius	10 140	51.12	51.12
AmberTrust S.C.A.(SCA) SICAV-SIF	B 87145	Luxembourg	412F, routed'Esch L-1030	2 700	13.61	13.61
EastCapital AssetManagement	556564-5370	Sweden	Kungsgatan 30, Box 1364, Stocholm	2 091	10.54	10.54
KJK FundsICAV-SIF	B 86729	Luxembourg	412F, routed'Esch L-1030	1 095	5.52	5.52
Othershareholders	-	-	-	3 808	19.21	19.21

18. Shareholders holding special control rights and descriptions of these rights

There are no such shareholders.

19. All restrictions regarding voting rights

There are no restrictions.

20. All mutual agreements between shareholders of which the Issuer is aware and due to which restrictions on transfer of securities and/or voting rights may be imposed

There are no such agreements.

21. Personnel

Number of employees of the Group, by companies:

	2012.06.30	2011.12.31	Change, +/-
AB „Utenos trikotažas“	698	719	-21
AB „Šatrija“	204	225	-21
OAO „MTF Mrija“	198	256	-58
UAB „Gotija“	3	4	-1
	1 103	1 204	-101

Employees related costs (thousand LTL) distribution, by companies:

	For 6 months 2012	For 6 months 2011	Change (%)
AB „Utenos trikotažas“	9 122	8 942	2,0%
AB „Šatrija“	2 226	2 436	-8,6%
OAO „MTF Mrija“	666	1 037	-35,8%
UAB „Gotija“	73	49	49,0%
	12 087	12 464	-3,0%

22. Management of the Group companies

Company name	Managers
AB „Utenos trikotažas“	Gintautas Bareika
AB „Šatrija“	Giedrius Grondskis
OAO „MTF Mrija“	Roma Kupinienė
UAB „Gotija“	Zita Davtartinė

23. Management incentives

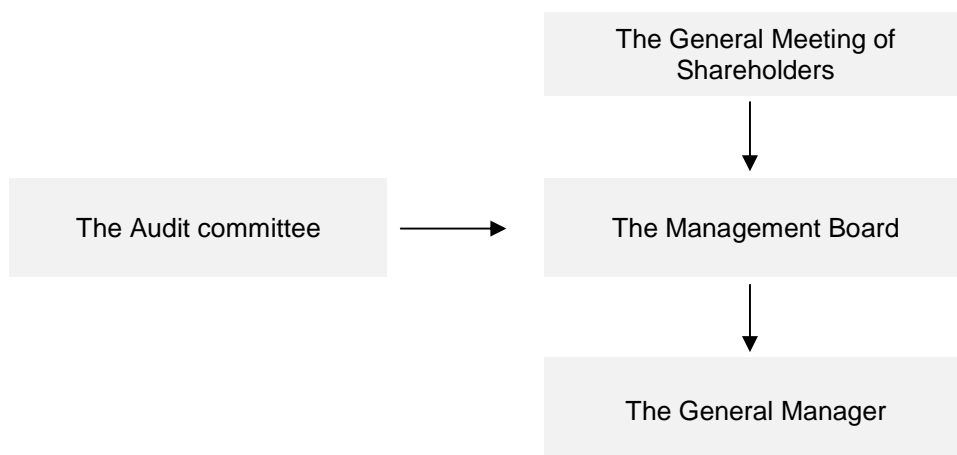
Management incentives are assigned by the decision of the Board taking into account the objectives met.

24. Amendment procedure of the Issuer's Articles of Association

The Articles of Association of the Company shall be amended by the decision of the General Meeting of Shareholders adopted in the manner prescribed by laws, except in cases specified in the Lithuanian Law on Companies. Following the decision by the General Meeting of Shareholders to amend the Company's Articles of Association, the full text of the amended Articles of Association shall be drawn up and signed by the person authorised by the General Meeting of Shareholders. Amendments to the Articles of Association were made on 17 December 2009.

25. Issuer's management bodies

The management bodies of the Company are listed below:



The Articles of Association of Utenos Trikotažas AB stipulate that the Company shall have the following bodies: the General Meeting of Shareholders, the Board and the General Manager. The Supervisory Board shall not be set up at the Company.

The Company's Board shall be granted all powers stipulated in the Company's Articles of Association including powers assigned to it by laws. The Board shall deal with deliberation of collegial issues and decision making.

The Board members of Utenos Trikotažas AB Algirdas Šabūnas, Gintautas Rudis, Robertas Beržinskas and Vytautas Vaškys were elected during the General Meeting of Shareholders on 29 April 2009 for the period until 29 April 2013.

The Audit committee consists of 3 (three) members with at least one independent member. The Audit committee members by the submission of the Board are being appointed and withdrawn by the General Meeting of Shareholders. The members of the Committee are elected for the term of 4 (four) years.

The shareholders meeting held on 29 April 2009 confirmed composition of AB „Utenos trikotažas“ audit committee and operating policies. The shareholders meeting held on 29 April 2009 elected Audit committee members: Jolanta Vaitkuvienė, Giedrius Grondskis, independent auditor Genadijus Makušėvas.

26. Members of the collegial bodies, the Company Manager, the Finance Manager

As at 30 June 2012:

Position	Name, surname	Number of the Issuer's shares held	Beginning of the term of office	End of the term of office
Board				
Chairman of the Board	Algirdas Šabūnas	-	2009.04.29	2013.04.29
Member of the Board	Gintautas Rudis	111	2009.04.29	2013.04.29
Member of the Board	Robertas Beržinskas	-	2009.04.29	2013.04.29
Member of the Board	Vytautas Vaškys	10	2009.04.29	2013.04.29
Head of Administration and the Chief Financial Officer				
General Manager	Nerijus Vilūnas	-	2008.09.17	2011.08.12
General Manager	Gintautas Bareika	-	2011.08.16	-
Finance Director	Saulius Rakauskis	-	2011.03.28	-

The Company has concluded no agreements with members of bodies or employees that would define their compensation in case of their resignation or dismissal without a sound reason or in case of termination of their employment as a result of the change in the control of the Company.

27. Information about significant agreements

The Company has concluded no significant agreements in which the Company is a party to and which would come into effect, change or terminate as a result of the change in the control of the Company.

28. Information about the compliance with the Governance Code

Utenos Trikotažas AB confirms its substantial compliance with the principles of the Governance Code approved by the Vilnius Stock Exchange for the companies listed on the regulated market.

29. Information about transactions with related parties

Results of transactions with related parties performed in 2012 are disclosed in the notes to the financial statements of AB Utenos Trikotažas for the period ended as at 30 June 2012.

30. Data on publicly announced information

The Company announces information on significant events (as well as other information required by laws) through the system of information disclosure and communication GlobeNewswire. Publicly announced information is also available on the Company's website at www.utenostrikotazas.lt and on the website of the Vilnius Stock Exchange at www.baltic.omxgroup.com.

31. Company's auditor

The Ordinary shareholders meeting of the Company on 28 of April 2011 decided:

To elect the audit company UAB "Ernst & Young Baltic" (company code 110878442) as the Company's audit enterprise for the period of two years: 2011 and 2012. To approve the annual remuneration for the audit services LTL 56 200 excl. VAT.

To conclude the agreement with UAB "Ernst & Young Baltic" for the audit services for the years 2011 - 2012, with the provided possibility in the agreement, upon the decision of AB "Utenos trikotažas" general shareholder meeting, to extend the agreement for the year 2013.

32. General information on the Group of companies

32.1. Companies that constitute the Group, their contact data and principle activities

Company name	Šatrija AB
Legal form	Public company
Date and place of incorporation	1955m. Vilniaus 5, 4400 Raseiniai
Company code	172285032
Address	Vilniaus 5, 4400 Raseiniai
Telephone	8 (428) 70611
Fax	8 (428) 70611
E-mail	raseiniai@satrija.lt
Website	www.satrija.lt
Principal activities	Sewing of clothes

Company name	OAO Mukačevska Trikotažnaja Fabrika Mrija
Legal form	Open public company
Date and place of incorporation	1971m. Matrosova 13, 89600 Mukačevo, Ukraine
Company code	00307253
Address	Matrosova 13, 89600 Mukačevo, Ukraine
Telephone	+ 380 (3131) 52780
Fax	+380 (3131) 52780
E-mail	mriya@mk.ukrtel.net
Website	www.mriyamukachevo.com
Principal activities	Production of knit-wear articles

Company name	Gotija UAB
Legal form	Private company
Date and place of incorporation	1994m. Laisvės al. 33, Kaunas
Company code	134181619
Address	Laisvės al. 33, Kaunas
Telephone	8 (37) 205879
Fax	8 (37) 205879
E-mail	None
Website	None
Principal activities	Retail trade in clothes

32.2. Agreements concluded between the Issuer and brokerage firms and/or credit institutions providing investing services and/or conducting investing activity

Subsidiaries Šatrija AB, OAO MTF Mrija, Gotija UAB do not trade in securities in regulated markets.

32.3. Trade in securities of the Group companies in regulated markets

Subsidiaries Šatrija AB, OAO "MTF Mrija", Gotija UAB do not trade in securities in regulated markets.

General Manager Gintautas Bareika



31 August 2012