

CONFIRMATION OF RESPONSIBLE PERSONS

2014-11-26

Following Article 22 of the Law on Securities of the Republic of Lithuania, Periodic and Additional Information of Preparation and Submission rules of Lithuanian Bank Board, we, Gintautas Bareika, General Director of Utenos trikotažas, AB, Finance Director Saulius Rakauskis, and Chief Financier Sonata Šablinskaitė-Braškienė, hereby confirm that, to the best of our knowledge, the unaudited consolidated financial statements of Utenos trikotažas, AB for the 9 months of 2014, 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 trikotažas, AB and the Group of undertakings.

General Director



Gintautas Bareika

Finance Director



Saulius Rakauskis

Chief Financier



Sonata Šablinskaitė-Braškienė



UTENOS TRIKOTAŽAS, AB

CONSOLIDATED AND COMPANY'S INTERIM FINANCIAL STATEMENTS
FOR THE 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2014
(UNAUDITED)

Statements of financial position

	Notes	Group		Company	
		2014.09.30	2013.12.31	2014.09.30	2013.12.31
ASSETS					
Non-current assets					
Intangible assets	6	2 763	3 352	45	71
Property, plant and equipment	7	28 795	33 343	19 459	21 543
Investment property		396	403	396	403
Investments into subsidiaries		-	-	5 175	5 175
Trade and other receivables		9	24	-	-
Receivables from subsidiaries		-	-	10 978	10 360
Deferred income tax asset		150	150	-	-
		32 113	37 272	36 053	37 552
Current assets					
Inventories	8	13 079	12 088	12 224	10 484
Trade receivables	9	5 483	4 282	4 329	2 809
Receivables from and prepayments to subsidiaries		-	-	-	-
Other receivables		862	880	485	387
Cash and cash equivalents	10	3 270	2 347	941	552
		22 694	19 597	17 979	14 232
Non-current assets held for resale		-	1 062	-	1 062
		22 694	20 659	17 979	15 294
Total assets		54 807	57 931	54 032	52 846

Statements of financial position (cont'd)

	Notes	Group		Company	
		2014.09.30	2013.12.31	2014.09.30	2013.12.31
EQUITY AND LIABILITIES					
Equity attributable to the shareholders of the Company					
Share capital		19 834	19 834	19 834	19 834
Revaluation reserve	11	11 523	12 695	6 444	7 509
Legal reserve	11	1 983	1 983	1 983	1 983
Foreign currency translation reserve		5 470	2 141	-	-
Accumulated retained earnings/ (losses)		(21 086)	(18 065)	(13 618)	(15 289)
		17 724	18 588	14 643	14 037
Non-controlling interest		1 440	1 276	-	-
Total equity		19 164	19 864	14 643	14 037
LIABILITIES					
Non-current liabilities					
Non-current financial lease liabilities	12	3 841	-	3 841	-
Borrowings from subsidiaries	12	-	-	-	6 284
Convertible bonds issued	12	-	12 932	-	12 932
Deferred income tax liabilities		1 557	2 031	786	974
Provisions for employee benefits		444	444	403	403
		5 842	15 407	5 030	20 593
Current liabilities					
Current portion of non-current					
Borrowings	12	252	1 214	-	-
Short-term borrowings	12	501	-	501	-
Current portion of non-current finance					
lease	12	1 280	7 392	1 280	7 392
Convertible bonds issued	12	14 462	-	14 462	-
Borrowings from subsidiaries	12	-	-	6 284	-
Trade payables		5 647	3 791	5 108	3 396
Payables to subsidiaries		-	-	928	100
Payables to other related parties		1 309	4 173	1 294	3 197
Income tax payable		10	148	-	-
Accrued expenses and other current					
liabilities	13	6 340	5 942	4 502	4 131
		29 801	22 660	34 359	18 216
Total liabilities		35 643	38 067	39 389	38 809
Total equity and liabilities		54 807	57 931	54 032	52 846

Statements of comprehensive income

Group

	Notes	January - September		July- September	
		of 2014	of 2013	of 2014	of 2013
Revenue	5,14	51 088	52 019	20 414	18 193
Cost of sales	15	(40 426)	(44 024)	(15 398)	(14 130)
Gross profit		10 662	7 995	5 016	4 063
Selling expenses	16	(2 555)	(2 130)	(956)	(734)
General and administrative expenses	16	(4 685)	(5 260)	(1 754)	(1 989)
Other income	17	948	552	699	114
Other expenses	17	(173)	(103)	(31)	408
Operating profit (loss)		4 197	1 054	2 974	1 862
Finance income	18	1 521	1 078	1 242	33
Finance cost	18	(9 989)	(3 596)	(2 060)	(1 429)
Profit (loss) before tax		(4 271)	(1 464)	2 156	466
Income tax		199	-	177	-
Profit (loss) for the year		(4 072)	(1 464)	2 333	466
Profit (loss) attributable to:					
Equity holders of the Company	19	(4 197)	(1 596)	2 266	416
Non-controlling interest		125	132	67	50
		(4 072)	(1 464)	2 333	466
Other comprehensive income (loss)					
Foreign currency translation gain (losses)		3 329	375	110	552
Other comprehensive income (loss)		3 329	375	110	552
Total comprehensive income (loss) for the period		(743)	(1 089)	2 443	1 018
<u>Basic/dilutive earnings per share</u>	19	(0,21)	(0,08)	0,12	0,02

Statements of comprehensive income

Company

	Notes	January - September		July- September	
		of 2014	of 2013	of 2014	of 2013
Revenue	5,14	41 165	43 464	17 515	15 269
Cost of sales	15	(33 936)	(38 237)	(13 866)	(12 194)
Gross profit		7 229	5 227	3 649	3 075
Selling expenses	16	(2 248)	(1 833)	(853)	(630)
General and administrative expenses	16	(3 281)	(3 755)	(1 304)	(1 517)
Other income	17	728	319	627	35
Other expenses	17	(121)	(12)	(17)	439
Operating profit (loss)		2 307	(54)	2 102	1 402
Finance income	18	191	177	72	62
Finance cost	18	(2 081)	(1 938)	(714)	(654)
Profit (loss) before tax		417	(1 815)	1 460	810
Income tax		188	-	174	-
Profit (loss) for the year		605	(1 815)	1 634	810

Statements of changes in equity

Equity attributable to the equity holders of the Company

Group	Equity attributable to the equity holders of the Company							Total equity
	Share capital	Foreign currency translation reserve	Legal reserve	Asset revaluation reserve	Accumulated retained earnings/(losses)	Total	Non-controlling interest	
Balance as of 31 December 2012	19 834	1 852	1 983	-	(17 054)	6 615	952	7 567
Total comprehensive income (loss)	-	375	-	15 686	(1 394)	14 667	132	14 799
Balance as of 30 September 2013	19 834	2 227	1 983	15 686	(18 448)	21 282	1 084	22 366
Total comprehensive income (loss)	-	(86)	-	(2 991)	383	(2 694)	192	(2 502)
Balance as of 31 December 2013	19 834	2 141	1 983	12 695	(18 065)	18 588	1 276	19 864
Total comprehensive income (loss)	-	3 329	-	(1 172)	(3 021)	(864)	164	(700)
Balance as of 30 September 2014	19 834	5 470	1 983	11 523	(21 086)	17 724	1 440	19 164

Statements of cash flows

	Group		Company	
	30 September 2014	2013	30 September 2014	2013
Cash flows from operating activities				
Profit (loss) for the period	(4 072)	(1 464)	605	(1 815)
Adjustments for non-cash items:				
Depreciation and amortization	1 921	2 229	1 557	1 795
Impairment of investments into subsidiaries	-	-	-	-
Impairment of accounts receivable from subsidiaries	-	-	-	-
Impairment (reversal) of non-current assets held for sale	-	444	-	438
Impairment (reversal) of investment property	-	-	-	-
Loss (gain) on disposal of property, plant and equipment and investment property	(483)	(218)	(483)	(218)
Impairment and write-off (reversal) of inventories	256	213	255	212
Impairment and write-off (reversal) of accounts receivable	-	90	-	90
Provisions for employees benefits	-	-	-	-
Interest expense (income)	1 893	1 882	1 889	1 760
Foreign currency differences	6 469	-	-	-
Income tax expense	(199)	-	(188)	-
Changes in working capital:				
Decrease (increase) in inventories	(1 247)	(233)	(1 995)	(773)
Decrease (increase) in trade receivables	(1 201)	363	(1 519)	226
Decrease (increase) in receivables from subsidiaries	-	-	(618)	(777)
Decrease (increase) in other receivables and other current assets	34	24	(98)	(94)
Increase (decrease) in trade and other accounts payable	(1 009)	(396)	637	(231)
Increase (decrease) in taxes payable and other current liabilities	(48)	234	384	868
Cash generated from operating activities	2 314	3 168	426	1 481
Income tax (paid)	-	-	-	-
Net cash flows from operating activities	2 314	3 168	426	1 481
Cash flows from investing activities				
Acquisition of property, plant and equipment	(656)	(196)	(292)	(123)
Acquisition of intangible assets	(47)	(12)	(24)	(12)
Proceeds from sale of property, plant and equipment	2 405	2 017	2 405	2 017
Investments in term deposits	-	-	-	-
Interest received	1	2	155	-
Net cash flows generated from investing activities	1 703	1 811	2 244	1 882

Statements of cash flows (cont'd)

	Group		Company	
	30 September	30 September	30 September	30 September
	2014	2013	2014	2013
Cash flows from financing activities				
Proceeds from borrowings	1 335	-	1 335	-
Repayment of borrowings	(4 067)	(3 645)	(3 105)	(2 592)
Interest paid	(362)	(566)	(511)	(596)
Net cash flows from financing activities	(3 094)	(4 211)	(2 281)	(3 188)
Net (decrease) in cash and cash equivalents	923	768	389	175
Cash and cash equivalents at the beginning of the period	2 347	925	552	187
Cash and cash equivalents at the end of the period	3 270	1 693	941	362

Notes to the financial statements

1. 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 September 2014 and 31 December 2013 the shareholders of the Company were as follows:

	As of 30 September 2014		As of 31 December 2013	
	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
	19 834	100.00	19 834	100.00

All the shares are registered ordinary shares with a par value of LTL 1 each. As of 30 September 2014 and 31 December 2013 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 September 2014	31 December 2013	
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
PAT MTF Mrija	Motroso Str. 13, Mukachov, Ukraine	98,95	98,95	Production of knitted articles

On 30 of September 2014 the average number of employees of the Group was 1 083, while on 31 of December 2013 it was 1 086.

2. 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.

3. Change in the accounting method of the Companies' and the Group's Non-current assets Buildings group

In order to achieve a more accurate accounting of the financial results in March 31, 2013 the Non-current assets Buildings group accounting method was changed to the fair value method, as the book value of the Companies' and the Group's Non-current assets Buildings group, which was carried at historical cost, less subsequent accumulated depreciation, had not corresponded with the buildings market value.

4. 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.

5. 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 and allowance due to change in accounting policy), 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 2014 and 2013:

of 30 September 2014	Production of knitted articles	Production of working clothes	Retail in knitted articles	Eliminations	Total
External sales	41 311	9 312	465	-	51 088
Internal sales	1 354	41	-	(1 395)	-
Total revenue	42 665	9 353	465	(1 395)	51 088
Gross profit	7 960	2 498	204	-	10 662
EBITDA	4 348	1 749	20	-	6 117
Profit (loss) for the period	(5 927)	1 799	56	-	(4 072)

of 30 September 2013	Production of knitted articles	Production of working clothes	Retail in knitted articles	Eliminations	Total
External sales	43 308	8 314	397	-	52 019
Internal sales	2 627	29	-	(2 656)	-
Total revenue	45 935	8 343	397	(2 656)	52 019
Gross profit	5 804	2 013	178	-	7 995
EBITDA	1 986	1 280	16	-	3 282
Profit (loss) for the period	(2 829)	1 303	62	-	(1 464)

6. Non-current intangible assets

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

7. Non-current tangible assets

Depreciation of non-current tangible property amounted to LTL 1 921 thousand as of 31 September 2014, LTL 1 537 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.

In order to achieve a more accurate presentation of the financial results in March 31, 2013 the Non-current assets Buildings group accounting method was changed to the fair value method, as the book value of the Companies' and the Group's Non-current assets Buildings group, which was carried at historical cost, less subsequent accumulated depreciation, had not corresponded with the buildings market value.

In 31 of March 2013 the fair value of the Companies' and the Group Buildings was 25 210 thousand LTL and 15 837 thousand LTL, or 15 364 thousand LTL and 9 030 thousand LTL respectively higher compared to the historical cost method.

8. Inventories

	Group		Company	
	2014.09.30	2013.12.31	2014.09.30	2013.12.31
Raw materials	6 280	5 895	4 816	3 937
Work in progress	4 316	3 602	4 166	3 243
Finished goods	4 911	4 728	4 728	4 535
Goods for resale	195	231	-	-
	15 702	14 456	13 710	11 715
Write-down to net realisable value:				
Opening balance	(2 368)	(1 922)	(1 231)	(839)
Change	(255)	(446)	(255)	(392)
Closing balance	(2 623)	(2 368)	(1 486)	(1 231)
	13 079	12 088	12 224	10 484

9. Trade receivables

	Group		Company	
	2014.09.30	2013.12.31	2014.09.30	2013.12.31
Trade receivables, gross	5 947	4 842	4 720	3 296
Allowance for trade receivables:				
Opening balance	(560)	(780)	(487)	(707)
Change	95	220	96	220
Closing balance	(465)	(560)	(391)	(487)
	5 483	4 282	4 329	2 809

Changes in impairment allowance for doubtful trade receivables as of 30 September 2014 and 31 December 2013 were recorded within general and administrative expenses in the Group's Profit (loss) statement.

10. Cash and cash equivalents

	Group		Company	
	2014.09.30	2013.12.31	2014.09.30	2013.12.31
Cash at bank and on hand	3 270	2 347	941	552
	3 270	2 347	941	552

11. 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 2014 and 31 December 2013 were as follows:

	Group		Company	
	2014.09.30	2013.12.31	2014.09.30	2013.12.31
Legal reserve	1 983	1 983	1 983	1 983
Revaluation reserves	11 523	12 695	6 444	7 509
	13 506	14 678	8 427	9 492

12. Borrowings and convertible bonds issued

	Group		Company	
	2014.09.30	2013.12.31	2014.09.30	2013.12.31
Current				
Current portion of non-current bank borrowings	252	1 214	-	-
Short-term loans	501	-	501	-
Borrowings from subsidiaries	-	-	6 284	-
Finance lease liabilities	1 280	7 392	1 280	7 392
	<u>2 033</u>	<u>8 606</u>	<u>8 065</u>	<u>7 392</u>
Non-current				
Borrowings from subsidiaries	-	-	-	6 284
Finance lease liabilities	3 841	-	3 841	-
	<u>3 841</u>	<u>-</u>	<u>3 841</u>	<u>6 284</u>
Total borrowings	<u>5 874</u>	<u>8 606</u>	<u>11 906</u>	<u>13 676</u>

On 18 of July 2013, the Company and Swedbank Lizingas UAB entered into the new agreements concerning the lease contracts. The parties revised the instalment schedules agreeing on the three-month grace period starting in June 2013. The final settlement term of finance lease liabilities was not changed - 30 September 2014.

On 28 of April 2014, the Company and Swedbank Lizingas UAB entered into the new agreements concerning the lease contracts. The finance lease totalling LTL 6 742 thousand settlement term was changed to 31 December 2016.

On 28 of April 2014, the Company and Swedbank AB entered into the agreement concerning the credit. The Company received LTL 1 335 thousand, which settlement date was 31 December 2014. The agreed fixed interest rate – 5 percent.

On 29 January 2014, the subsidiary Company PAT MTF Mrija and FIDO bank entered into the new agreements concerning the loan. The parties agreed the new final settlement term of the loan – 28 January 2015 and a new annual interest rate was agreed – 15 per cent.

In 2014 and 2013, the bank borrowings are secured by property plant and equipment.

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.

On 26 March 2014 the extraordinary General shareholders meeting decided to make the Amendment to the issue terms and conditions of non-public issue of convertible bonds (ISIN code LT1000450007) adopted in the extraordinary general meeting of the shareholders of the Company as of 3 December 2009 and to determine the order of the Amendment enforcement. A more detailed information concerning decisions of extraordinary general shareholder's meeting might be found on the Companies internet site (www.ut.lt) investors relations-public announcements section.

On 24 April 2014 the Company get information, that a Swedish company FR&R Invest AB sold all it had (50 units) convertible bonds of the Company to the following shareholders of the Company:

- ✓ UAB koncernas „SBA“ (number of acquired bonds: 34 units);
- ✓ AmberTrust S.C.A., SICAF-SIF (number of acquired bonds: 9 units);
- ✓ KJK Fund, SICAF-SIF (number of acquired bonds: 4 units);
- ✓ FIREBIRD REPUBLICS FUND LTD (number of acquired bonds: 2 units);
- ✓ FIREBIRD AVRORA FUND LTD (number of acquired bonds: 1 units).

Convertible bonds obligations:

	Group		Company	
	2014.09.30	2013.12.31	2014.09.30	2013.12.31
FR&R Invest AB	-	10 209	-	10 209
AmberTrust S.C.A., SICAF-SIF	2 055	-	2 055	-
KJK Fund, SICAF-SIF	913	-	913	-
FIREBIRD REPUBLICS FUND LTD	457	-	457	-
FIREBIRD AVRORA FUND LTD	228	-	228	-
UAB Koncernas „SBA“	10 809	2 723	10 809	2 723
Total convertible bonds obligations:	14 462	12 932	14 462	12 932

13. Accrued expenses and other current liabilities

	Group		Company	
	2014.09.30	2013.12.31	2014.09.30	2013.12.31
Amounts payable for services and non-current assets	1 872	1 355	1 747	1 255
Wages, salaries and social security	1 773	1 437	1 286	1 002
Accrual for vacation reserve	2 062	2 222	1 076	1 309
Prepayments received	138	283	102	268
Bonuses for employees	-	150	-	-
Taxes payable, except for profit tax	363	360	291	293
Other liabilities	132	135	-	4
	6 340	5 942	4 502	4 131

14. Revenue

Group	January - September		July- September	
	of 2014	of 2013	of 2014	of 2013
Revenue from sales of goods and services	50 958	51 872	20 382	18 134
Revenue from sales of materials	130	147	32	59
	51 088	52 019	20 414	18 193

Company	January - September		July- September	
	of 2014	of 2013	of 2014	of 2013
Revenue from sales of goods and services	41 111	43 403	17 501	15 255
Revenue from sales of materials	54	61	14	14
	41 165	43 464	17 515	15 269

15. Cost of sales

Group	January - September		July- September	
	of 2014	of 2013	of 2014	of 2013
Materials	15 590	15 995	6 619	5 668
Wages and salaries and social security	16 850	18 076	5 956	5 624
Other overhead expenses	6 378	8 054	2 322	2 253
Depreciation and amortisation	1 537	1 847	487	560
Cost of materials sold	71	52	14	25
	40 426	44 024	15 398	14 130

Company	January - September		July- September	
	of 2014	of 2013	of 2014	of 2013
Materials	13 787	14 700	6 379	5 116
Wages and salaries and social security	12 127	13 138	4 326	3 997
Other overhead expenses	6 682	8 860	2 739	2 620
Depreciation and amortisation	1 325	1 534	418	460
Cost of materials sold	15	5	4	1
	33 936	38 237	13 866	12 194

16. Selling general and administrative expenses

Group	January - September		July- September	
	of 2014	of 2013	of 2014	of 2013
Selling expenses				
Wages and salaries and social security	855	794	295	237
Other selling expenses	1 700	1 336	661	497
Total selling expenses	2 555	2 130	956	734
General and administrative expenses				
Wages and salaries and social security	1 838	1 875	613	610
Communications and consulting services	626	592	188	182
Taxes other than income tax	206	227	79	55
Depreciation and amortization	377	345	117	160
Vehicles exploitation expenses	176	150	63	48
Premises exploitation expenses	82	86	39	14
Security	238	253	78	85
Services of financial institutions	149	142	60	52
Representation expenses	83	80	28	27
Business trips	83	84	42	22
Impairment and write-off (reversal) of inventories	256	213	251	200
Other	571	1 213	196	534
Total general and administrative expenses	4 685	5 260	1 754	1 989
	7 240	7 390	2 710	2 723

Company	January - September		July- September	
	of 2014	of 2013	of 2014	of 2013
Selling expenses				
Wages and salaries and social security	664	627	233	180
Other selling expenses	1 584	1 206	620	450
Total selling expenses	2 248	1 833	853	630
General and administrative expenses				

Wages and salaries and social security				
Communications and consulting services	1 256	1 273	429	415
Taxes other than income tax	518	452	157	158
Depreciation and amortization	163	183	60	39
Vehicles exploitation expenses	224	209	74	99
Premises exploitation expenses	138	110	49	36
Security	49	61	12	12
Services of financial institutions	108	109	36	36
Representation expenses	116	112	53	42
Business trips	70	62	26	21
Impairment and write-off (reversal) of inventories	69	66	29	21
Other	255	212	250	200
Total general and administrative expenses	315	906	129	438
	3 281	3 755	1 304	1 517
	5 529	5 588	2 157	2 147

17. Other income and expenses

Group	January - September		July- September	
	of 2014	of 2013	of 2014	of 2013
Rent income	248	49	80	18
Other income	147	284	76	96
Gain from disposal of non-current assets	553	219	543	-
Other income	948	552	699	114
Loss from disposal of non-current assets	(70)	(1)	-	-
Rent costs	(13)	(23)	(5)	(5)
Other expenses	(90)	(79)	(26)	413
Other expenses	(173)	(103)	(31)	408

Company	January - September		July- September	
	of 2014	of 2013	of 2014	of 2013
Rent income	47	48	13	17
Other income	128	53	71	18
Gain from disposal of non-current assets	553	218	543	-
Other income	728	319	627	35
Loss from disposal of non-current assets	(70)	-	-	-
Rent costs	(13)	(23)	(5)	(4)
Other expenses	(38)	11	(12)	443
Other expenses	(121)	(12)	(17)	439

18. Finance costs, net

Group	January - September		July- September	
	of 2014	of 2013	of 2014	of 2013
Net foreign exchange gain (loss)	(6 577)	(636)	(185)	(766)
Interest expenses	(1 892)	(1 884)	(634)	(630)
Interest income	1	2	1	-
	(8 468)	(2 518)	(818)	(1 396)

Company	January - September		July- September	
	of 2014	of 2013	of 2014	of 2013
Net foreign exchange gain (loss)	(1)	(1)	3	(1)
Interest expenses	(2 041)	(1 915)	(695)	(643)
Interest income	152	155	50	52
	(1 890)	(1 761)	(642)	(592)

19. 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	January - September		July- September	
	of 2014	of 2013	of 2014	of 2013
Profit/ (loss) attributable to the equity holders of the Group	(4 197)	(1 596)	2 266	416
Weighted average number of shares in issue (thousand)	19 834	19 834	19 834	19 834
Basic / diluted earnings per share (in LTL)	(0,21)	(0,08)	0,11	0,02

20. Post balance sheet events

The authorized capital of the Company was reduced by implementing the Decision of the Extraordinary General Meeting of Shareholders which had been held on 12th of September, 2014. The purpose of reduction of the Company's authorised capital is - to eliminate the losses recorded in the balance sheet of the Company.

AB „Utenos trikotažas“ (hereinafter – the Company) hereby informs that:

1. On 8th of October 2014, the Register of Legal Entities of the Republic of Lithuania registered a new edition of the Company's Articles of Association with regard to reduced Company's authorized capital. The authorized capital of the Company was reduced from LTL 19.834.442 (nineteen million eight hundred thirty four thousand four hundred forty two litas) to LTL 5.000.000 (five million litas).

2. On 20th of October 2014, the procedure of the reduction of Company's authorized capital was completed and Company's ordinary registered shares' (ISIN code LT0000109324) issue registration account was amended: issue was reduced to 5.000.000 (five million) ordinary registered shares of LTL 1 (one litas) par value each by cancelling 14.834.442 (fourteen million eight hundred thirty four thousand four hundred forty two) ordinary registered shares. After the cancelling of part of Company's shares the share issue of the Company consist of 5.000.000 (five million) ordinary registered shares of LTL 1 (one litas) par value each.

Please be informed that the securities' ISIN code of the Company remains unchanged - LT0000109324.