



Utenos trikotažas

INTERIM CONSOLIDATED REPORT FOR THE SIX MONTHS OF 2008 OF UTENOS TRIKOTAŽAS AB

1. Reporting period covered by the Annual Report

The Annual Report covers the period from 1 January 2008 to 30 June 2008. All amounts in the Annual Report present situation as at 30 June 2008, unless otherwise stated. Further in this report Utenos Trikotazas AB can be referred to as the Company or the Issuer.

2. Issuer and its contact data

Company name	Utenos Trikotazas 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	BJ 98-257
Code of the Register of Legal Entities	183709468

3. Nature of the Issuer's operations

Utenos Trikotazas AB operates in the field of light 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;
- purchase-sale transactions of foreign trade;
- rendering of services to natural and legal persons.

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. 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.

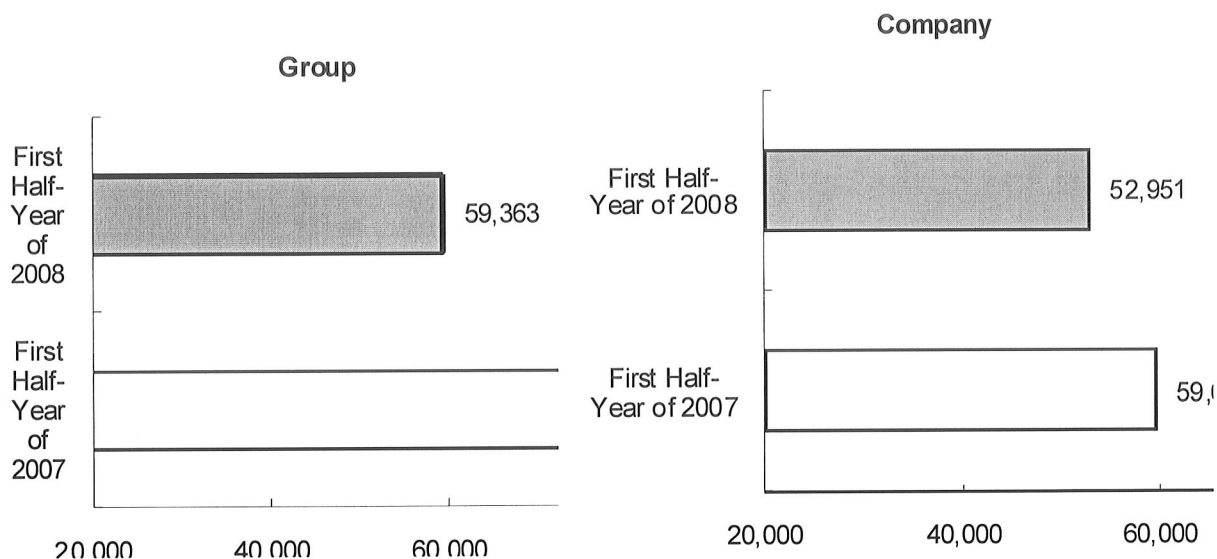
19,834,442 of ordinary registered shares have been registered for public turnover of securities. A nominal value of one share is LTL 1.

6. Information about results of the Issuer's activities

Trade

Total sales of goods and services of the Company within six months of 2008 amounted to LTL 52,9 million. Trade volume decreased by LTL 6,6 million or by 11,2 per cent as compared to six months of 2007. The Company's exports to Western Europe and other countries accounted for 89 per cent, whereas sales in Lithuania accounted for 11 per cent of total production.

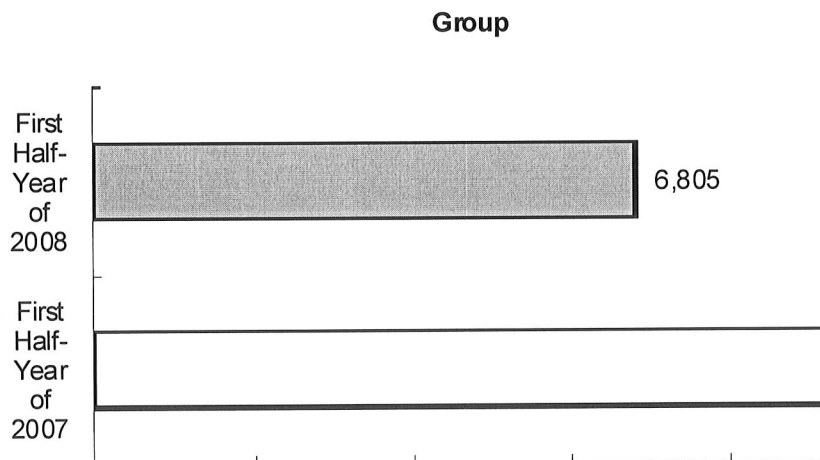
Within six months of 2008, total sales of goods and services of Utenos Trikotažas AB group (hereinafter "the Group") amounted to LTL 59,4 million. The Group's exports accounted for 89 per cent, whereas sales in Lithuania accounted for 11 per cent of total production.



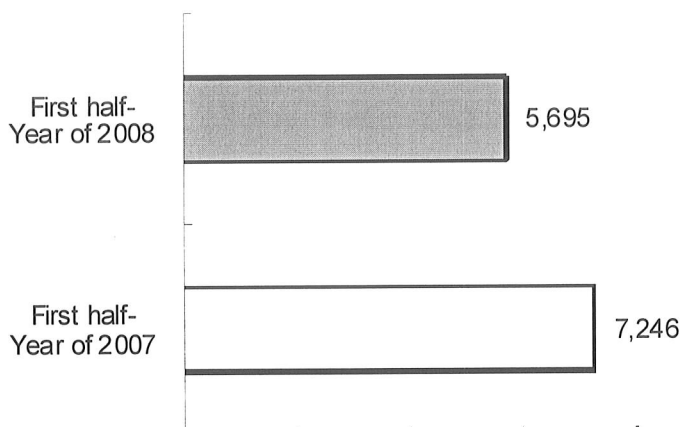
Lithuania

During the period of 6 months of 2008, the Company sold 0.5 million knit-wear items in Lithuania totalling to LTL 5,7 million. The sales in Lithuania decreased by LTL 1.5 million or 22 per cent.

During the period of 6 months of 2008, the Group's sales in Lithuania and other Baltic countries amounted to LTL 6,8 million, which is less by LTL 2,9 million as compared to six months of 2007.



Company

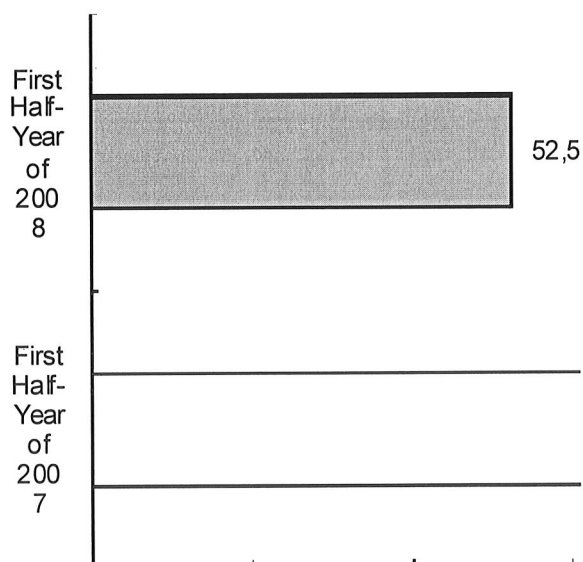


Export

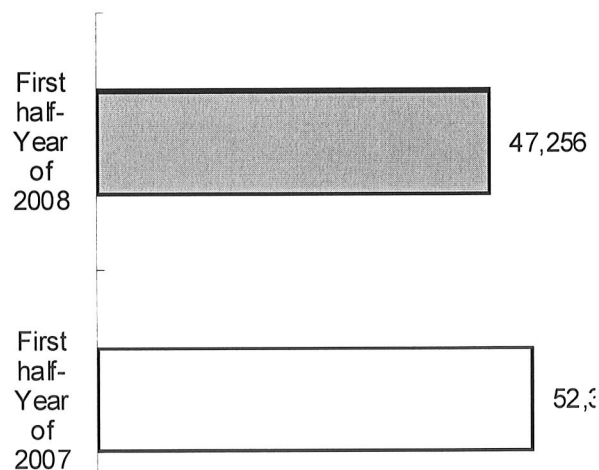
During the period of 6 months of 2008, the Company exported 4,3 million knit-wear items totalling to LTL 47,3 million. The Company's exports decreased by LTL 5,1 million or 10 per cent. Large retail chains from Western Europe remained as the major customers of the Company.

During the period of 6 months of 2008, the Group's exports to Western Europe and other regions amounted to LTL 52,6 million, which is less by LTL 10,4 million as compared to six months of 2007.

Group



Company

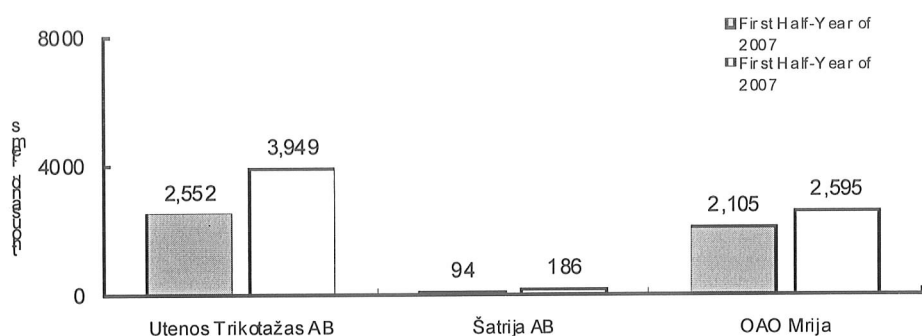


Production

During the period of 6 months of 2008, the Company produced 4,7 million knit-wear items. The Company's subcontractors (including the company in Ukraine) produced 3,3 million knit-wear items or 70 per cent of total production volume.

During the period of 6 months of 2008, Šatrija AB produced 0.094 million sewn items. Šatrija AB subcontractors produced 0.045 million sewn items or 48 per cent of total production volume.

During the period of 6 months of 2008, OAO MTF Mrija produced 2,1 million items, 887 thousand items whereof represent the items produced during full manufacturing cycle. OAO MTF Mrija subcontractors in Ukraine produced 0,9 million items.



7. Analysis of financial and non-financial performance

Key performance indicators of Utenos Trikotažas AB:

Indicators	COMPANY	
	6 months of 2008	6 months of 2007
Ratio of general short-term solvency	1,35	1,34
Return on assets	(0,04)	0,01
Net profitability	(0,07)	0,02
Assets turnover	0,64	0,60
Debt-to-equity ratio	2,70	2,50
Book value per share	1,12	1,43
General liquidity ratio	0,86	0,89
Debt ratio	0,73	0,71
Net earnings (deficit) per share	(0,18)	0,05

During the period of 6 months of 2008, the Company's sales per employee amounted to LTL 60 thousand.

During the period of 6 months of 2008, the Group's sales per employee amounted to LTL 35 thousand.

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

All financial data presented in this Report is calculated in accordance with the International Financial Reporting Standards, endorsed for the application in the EU and approved by the assigned auditor under established procedure.

9. Information about own shares owned and acquired by the Company

During a reporting period the Company did not acquire own shares.

10. Material events of the reporting period

2008-01-16 Calendar 2008

2008-01-29 Resolution of General Meeting of shareholders of Utenos Trikotazas AB.

2008-02-28 Unaudited profit of "Utenos trikotazas" AB in the year 2007.

2008-02-28 AB, „Utenos trikotazas“ unaudited Interim Consolidated Financial Statements for the year

2008-03-27 Convocation of Utenos trikotazas AB Ordinary General Shareholders Meeting

2008-04-04 JSC Utenos trikotažas sales for 1 quarter 2008
 2008-04-15 Change of „Utenos trikotažas” AB group investor's calendar
 2008-04-18 Draft resolutions of General meeting of Shareholders to be held on 30 th April
 2008-04-18 Audited financial accounts and annual report for the year 2007.
 2008-04-30 Draft resolutions prepared by the Board of Directors of Utenos trikotažas, AB
 2008-05-30 Unaudited Financial Statements and the work results for the first quarter of 2008
 2008-07-18 AB „Utenos trikotažas” results of activity for 2008 m. II quarter and I-st half-year

11. The Company's operating plans and prospects

The Company does not amend its plans.

12. Structure of the Issuer's authorised share capital

As at 30 June 2008, 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	Number of shares	Nominal value (LTL)	Total nominal value (LTL)	Percentage in the authorised share capital (%)
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).

An ordinary registered share grants the following property rights to its holder (shareholder):

1. to receive a part of the Company's profit (dividend);
2. to receive a part of assets of the Company in liquidation;
3. to receive shares without payment if the authorised capital is increased out of the Company's funds, except in cases specified in the Law on Companies of the Republic of Lithuania;
4. to have the pre-emption right in acquiring shares or convertible debentures issued by the Company, except in cases when the General Meeting of Shareholders decides to withdraw the pre-emption right in the manner prescribed by the Lithuanian Law on Companies in acquiring the Company's newly issued shares or convertible debentures for all the shareholders;
5. to lend to the Company in the manner prescribed by law; however, when borrowing from its shareholders, the Company may not pledge its assets to the shareholders. When the Company borrows from a shareholder, the interest may not be higher than the average interest rate offered by commercial banks of the locality where the lender has his place of residence or business, which was in effect on the day of conclusion of the loan agreement. In such a case the Company and shareholders shall be prohibited from negotiating a higher interest rate;
6. to transfer all or part of the shares into the ownership of other persons;
7. to force other shareholder to sell their shares to them or to force other shareholders to buy their shares from them in cases and manner prescribed by the Law on the Law on Securities Market;
8. other property rights established by laws.

An ordinary registered share grants the following non-property rights to its holder (shareholder):

1. to attend the General Meetings of Shareholders;
2. to vote at General Meetings of Shareholders according to voting rights carried by their shares; One ordinary registered share carries one vote;
3. to receive information on the Company specified by laws;
4. to file a claim with the court for reparation of damage resulting from nonfeasance or malfeasance by the company manager and Board members of their obligations prescribed by laws or these Articles of Association as well as in other cases laid down by laws;
5. other non-property rights established by laws.

13. Restrictions on disposal of securities

There are no restrictions.

14. Shareholders

As at 30 June 2008, the total number of shareholders of Utenos Trikotažas AB was 1,185.

The table below indicates shareholders owning or holding more than 5 per cent of the Issuer's authorised share capital as at 29 December 2007.

Names of shareholders, types, registered addresses, company codes	Number of ordinary registered shares held	Share in the authorised capital (%)	Share of votes held (%)
Koncernas SBA UAB Laisvės pr.3, Vilnius company code 3220673	10 140	51,12	51,12
Amber Trust S.C.A.(SCA) Commandite par Actions 52route d'Esch 1-2965, Luxembourg	2 700	13,61	13,61
East Capital Asset Management, Kungsgatan 30,Box 1364, Stockholm, Sweden Code 556564-5370	2 109	10,63	10,63
Employees of the Company	325	1,64	1,64
Other shareholders	4 560	23	23

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

There are no such shareholders.

16. All restrictions regarding voting rights

There are no restrictions.

17. 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.

18. Personnel

During the period of 6 months of 2008, the average number of employees was 883: workers comprised 85 per cent, whereas managers and specialists comprised 15 per cent of all Company's employees.

During the period of 6 months of 2008, one employee of the Company earned on average LTL 2,071 or EUR 600 per month, wherein an average worker earned LTL 1 707 or EUR 494, and an average specialist earned LTL 3 557 or EUR 1 030.

	6 months of 2008	6 months of 2007
Average number of employees	883	958

Payroll expenses, excluding social security contributions, thousand LTL	11 722	11 677
Average monthly salary of employees, LTL	2,071	2,029
Average monthly salary of specialists, LTL	3,557	3,614
Average monthly salary of workers, LTL	1,707	1,652

Number of employees of Utenos Trikotažas AB by separate groups:

Group of employees	Average recorded number	
	6 months of 2008	6 months of 2007
Managers and specialists	132	136
Managers whereof	5	5
Workers	710	840
Total	842	976

The groups of employees by education:

Group of employees	Groups of employees by education:					
	Higher education	Non-higher professional education	Vocational education	Secondary	Basic	Higher non-university
Managers	5	-	-	-	-	-
Specialists	94	22	2	-	-	9
Workers	12	219	160	238	66	15
Total	111	241	162	238	66	24

19. 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. No amendments to the Articles of Association were made in 2007.

20. Issuer's bodies

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 shall deliberate and approve the Company's operating strategy, management structure and job descriptions of employees. The Board shall elect and remove from office the Company Manager, fix his salary and set other terms of the employment contract. The Board shall specify information classified as the Company's commercial secret. The Board shall analyse and assess the Company's draft annual and consolidated financial statements and proposed profit (loss) appropriation and shall submit them to the General Meeting of Shareholders. The Board shall pass other decisions assigned within its powers by legal acts, by the Company's Articles of Association and by the decisions of the General Meeting of Shareholders. The Board shall have a responsibility of convening and arranging the General Meetings of Shareholders in

due time.

The Board of Utenos Trikotažas AB shall be composed of 4 members elected for the period of 4 years.

The Board of Utenos Trikotažas AB was elected during the Meeting of Shareholders on 30 March 2005 for the period of 4 years (until 30 March 2009). According to the Articles of Association of Utenos Trikotažas AB the Company's Board shall be composed of 4 members. On 30 March 2005, the following members of the Board were elected: Arūnas Martinkevičius, Regina Sajienė, Martynas Česnavičius and Antanas Vainauskas. Following the resignation of Antanas Vainauskas from the position of a member of the Company's Board, Algirdas Šabūnas was elected a member of the Board during the Meeting of Shareholders on 26 April 2007.

On 29 May 2007, members of the Board of Utenos Trikotažas AB Regina Sajienė and Martynas Česnavičius resigned from the position of members of the Board pursuant to paragraph 10 of Article 33 of the Law on Companies.

Asta Jaloveckienė and Robertas Beržinskas were elected members of the Board during the extraordinary Meeting of Shareholders of Utenos Trikotažas AB held on 13 July 2007.

Upon the death of a member of the Company's Board Asta Jaloveckienė and the decision passed by the Meeting of Shareholders on 29 January 2008 regarding the resignation of Arūnas Martinkevičius from the position of the Chairman of the Board of Utenos Trikotažas AB, the Meeting of Shareholders elected Ingrida Osinaitė and Gintautas Rudis members of the Board for the remaining period of the Board's term of office, i.e. until 30 March 2009.

21. Members of the collegial bodies, the Company Manager, the Chief Financial Officer

As at 30 June 2008:

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	-	2007.04.26	2009.03.30
Member of the Board	Gintautas Rudis	-	2008.01.29	2009.03.30
Member of the Board	Robertas Beržinskas	-	2007.07.13	2009.03.30
Member of the Board	Ingrida Osinaitė	-	2008.01.29	2009.03.30
Head of Administration and the Chief Financial Officer				
General Manager	Gintaras Pileičikas	-	01/09/2007	-
Chief Financial Officer	Darius Varnas	-	21/11/2005	-

22. 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.

23. 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.

24. Information about transactions with related parties

Results of transactions with related parties performed during the period of 6 months of 2008 are disclosed in the notes to the financial statements of AB Utenos Trikotažas for the period ended as at 30 June 2008.

25. 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 OMX Company News Service. 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.

26. General information on the Group of companies

26.1. 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	OAD 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	none
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

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

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

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

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