



Utenos trikotažas

**UTENOS TRIKOTAŽAS, AB**

CONSOLIDATED AND COMPANY'S INTERIM FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2014  
(UNAUDITED)

## Statements of financial position

	Notes	Group		Company	
		2014.06.30	2013.12.31	2014.06.30	2013.12.31
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible assets	6	2 759	3 352	44	71
Property, plant and equipment	7	29 291	33 343	20 293	21 543
Investment property		399	403	399	403
Investments into subsidiaries		-	-	5 175	5 175
Trade and other receivables		13	24	-	-
Receivables from subsidiaries		-	-	10 959	10 360
Deferred income tax asset		150	150	-	-
		<b>32 612</b>	<b>37 272</b>	<b>36 870</b>	<b>37 552</b>
<b>Current assets</b>					
Inventories	8	13 517	12 088	12 753	10 484
Trade receivables	9	5 453	4 282	3 447	2 809
Receivables from and prepayments to subsidiaries		-	-	-	-
Other receivables		699	880	468	387
Cash and cash equivalents	10	1 899	2 347	304	552
		<b>21 568</b>	<b>19 597</b>	<b>16 972</b>	<b>14 232</b>
Non-current assets held for resale		1 062	1 062	1 062	1 062
		<b>22 630</b>	<b>20 659</b>	<b>18 034</b>	<b>15 294</b>
<b>Total assets</b>		<b>55 242</b>	<b>57 931</b>	<b>54 904</b>	<b>52 846</b>

## Statements of financial position (cont'd)

	Notes	Group		Company	
		2014.06.30	2013.12.31	2014.06.30	2013.12.31
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to the shareholders of the Company</b>					
Share capital		19 834	19 834	19 834	19 834
Revaluation reserve	11	12 541	12 695	7 429	7 509
Legal reserve	11	1 983	1 983	1 983	1 983
Foreign currency translation reserve		5 361	2 141	-	-
Accumulated retained earnings/ (losses)		(24 368)	(18 065)	(16 239)	(15 289)
		<b>15 351</b>	<b>18 588</b>	<b>13 007</b>	<b>14 037</b>
<b>Non-controlling interest</b>		<b>1 370</b>	<b>1 276</b>	-	-
<b>Total equity</b>		<b>16 721</b>	<b>19 864</b>	<b>13 007</b>	<b>14 037</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Non-current financial lease liabilities	12	5 122	-	5 122	-
Borrowings from subsidiaries	12	-	-	6 284	6 284
Convertible bonds issued	12	-	12 932	-	12 932
Deferred income tax liabilities		1 746	2 031	960	974
Provisions for employee benefits		444	444	403	403
		<b>7 312</b>	<b>15 407</b>	<b>12 769</b>	<b>20 593</b>
<b>Current liabilities</b>					
Current portion of non-current Borrowings	12	580	1 214	-	-
Short-term borrowings	12	1 001	-	1 001	-
Current portion of non-current finance lease	12	-	7 392	-	7 392
Convertible bonds issued	12	13 933	-	13 933	-
Trade payables		5 820	3 791	5 752	3 396
Payables to subsidiaries		-	-	218	100
Payables to other related parties		2 025	4 173	2 002	3 197
Income tax payable		6	148	-	-
Accrued expenses and other current liabilities	13	7 844	5 942	6 222	4 131
		<b>31 209</b>	<b>22 660</b>	<b>29 128</b>	<b>18 216</b>
<b>Total liabilities</b>		<b>38 521</b>	<b>38 067</b>	<b>41 897</b>	<b>38 809</b>
<b>Total equity and liabilities</b>		<b>55 242</b>	<b>57 931</b>	<b>54 904</b>	<b>52 846</b>

**Group**

	Notes	January - June		April - June	
		of 2014	of 2013	of 2014	of 2013
Revenue	5,14	30 674	33 826	15 614	16 299
Cost of sales	15	(25 028)	(29 894)	(12 872)	(14 182)
<b>Gross profit</b>		<b>5 646</b>	<b>3 932</b>	<b>2 742</b>	<b>2 117</b>
Selling expenses	16	(1 599)	(1 396)	(815)	(477)
General and administrative expenses	16	(2 931)	(3 271)	(1 364)	(1 512)
Other income	17	249	438	137	327
Other expenses	17	(142)	(511)	(105)	(473)
<b>Operating profit (loss)</b>		<b>1 223</b>	<b>(808)</b>	<b>595</b>	<b>(18)</b>
Finance income	18	279	1 045	19	206
Finance cost	18	(7 929)	(2 167)	(1 396)	(1 111)
<b>Profit (loss) before tax</b>		<b>(6 427)</b>	<b>(1 930)</b>	<b>(782)</b>	<b>(923)</b>
Income tax		22	-	7	-
<b>Profit (loss) for the year</b>		<b>(6 405)</b>	<b>(1 930)</b>	<b>(775)</b>	<b>(923)</b>
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company	19	(6 463)	(2 012)	(826)	(955)
Non-controlling interest		58	82	51	32
		<b>(6 405)</b>	<b>(1 930)</b>	<b>(775)</b>	<b>(923)</b>
<b>Other comprehensive income (loss)</b>					
Foreign currency translation gain (losses)		3 220	(176)	370	28
<b>Other comprehensive income (loss)</b>		<b>3 220</b>	<b>(176)</b>	<b>370</b>	<b>28</b>
<b>Total comprehensive income (loss) for the period</b>					
		<b>(3 185)</b>	<b>(2 106)</b>	<b>(405)</b>	<b>(895)</b>
<u>Basic/dilutive earnings per share</u>	19	(0,33)	(0, 10)	(0,04)	(0,05)

## Statements of comprehensive income

### Company

	Notes	January - June		April - June	
		of 2014	of 2013	of 2014	of 2013
Revenue	5,14	23 650	28 195	11 907	13 553
Cost of sales	15	(20 070)	(26 043)	(10 222)	(12 251)
<b>Gross profit</b>		<b>3 580</b>	<b>2 152</b>	<b>1 685</b>	<b>1 302</b>
Selling expenses	16	(1 395)	(1 203)	(716)	(390)
General and administrative expenses	16	(1 977)	(2 238)	(956)	(960)
Other income	17	101	284	66	250
Other expenses	17	(104)	(451)	(92)	(442)
<b>Operating profit (loss)</b>		<b>205</b>	<b>(1 456)</b>	<b>(13)</b>	<b>(240)</b>
Finance income	18	119	115	67	63
Finance cost	18	(1 367)	(1 284)	(705)	(650)
<b>Profit (loss) before tax</b>		<b>(1 043)</b>	<b>(2 625)</b>	<b>(651)</b>	<b>(827)</b>
Income tax		14	-	7	-
<b>Profit (loss) for the year</b>		<b>(1 029)</b>	<b>(2 625)</b>	<b>(644)</b>	<b>(827)</b>

## 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	
<b>Balance as of 31 December 2012</b>	<b>19 834</b>	<b>1 852</b>	<b>1 983</b>	-	<b>(17 054)</b>	<b>6 615</b>	<b>952</b>	<b>7 567</b>
Total comprehensive income (loss)	-	(176)	-	15 889	(2 012)	13 701	82	13 783
<b>Balance as of 30 June 2013</b>	<b>19 834</b>	<b>1 676</b>	<b>1 983</b>	<b>15 889</b>	<b>(19 066)</b>	<b>20 316</b>	<b>1 034</b>	<b>21 350</b>
Total comprehensive income (loss)	-	465	-	(3 194)	1 001	(1 728)	242	(1 486)
<b>Balance as of 31 December 2013</b>	<b>19 834</b>	<b>2 141</b>	<b>1 983</b>	<b>12 695</b>	<b>(18 065)</b>	<b>18 588</b>	<b>1 276</b>	<b>19 864</b>
Total comprehensive income (loss)	-	3 220	-	(154)	(6 303)	(3 237)	94	(3 143)
<b>Balance as of 30 June 2014</b>	<b>19 834</b>	<b>5 361</b>	<b>1 983</b>	<b>12 541</b>	<b>(24 368)</b>	<b>15 351</b>	<b>1 370</b>	<b>16 721</b>

## Statements of cash flows

	Group		Company	
	30 June		30 June	
	2014	2013	2014	2013
<b>Cash flows from operating activities</b>				
Profit (loss) for the period	(6 405)	(1 930)	(1 029)	(2 625)
<b>Adjustments for non-cash items:</b>				
Depreciation and amortization	1 315	1 471	1 062	1 212
Impairment of investments into subsidiaries	-	-	-	-
Impairment of accounts receivable from subsidiaries	-	-	-	-
Impairment (reversal) of non-current assets held for sale	-	438	-	438
Impairment (reversal) of investment property	-	-	-	-
Loss (gain) on disposal of property, plant and equipment and investment property	60	(219)	60	(218)
Impairment and write-off (reversal) of inventories	5	13	5	12
Impairment and write-off (reversal) of accounts receivable	-	-	-	-
Provisions for employees benefits	-	-	-	-
Interest expense (income)	1 259	1 252	1 244	1 169
Foreign currency differences	6 455	-	-	-
Income tax expense	(22)	-	(14)	-
<b>Changes in working capital:</b>				
Decrease (increase) in inventories	(1 435)	(1 105)	(2 274)	(611)
Decrease (increase) in trade receivables	(1 171)	569	(638)	263
Decrease (increase) in receivables from subsidiaries	-	-	(599)	(262)
Decrease (increase) in other receivables and other current assets	193	(77)	(82)	(49)
Increase (decrease) in trade and other accounts payable	(119)	(95)	1 279	(4)
Increase (decrease) in taxes payable and other current liabilities	1 501	1 069	2 090	1 546
<b>Cash generated from operating activities</b>	<b>1 636</b>	<b>1 386</b>	<b>1 104</b>	<b>871</b>
Income tax (paid)	-	-	-	-
<b>Net cash flows from operating activities</b>	<b>1 636</b>	<b>1 386</b>	<b>1 104</b>	<b>871</b>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(205)	(79)	(126)	(237)
Acquisition of intangible assets	(1)	(4)	(1)	(4)
Proceeds from sale of property, plant and equipment	285	402	285	402
Investments in term deposits	-	-	-	-
Interest received	-	1	103	1
<b>Net cash flows generated from investing activities</b>	<b>79</b>	<b>320</b>	<b>261</b>	<b>162</b>

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

	<b>Group</b>		<b>Company</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	1 335	-	1 335	-
Repayment of borrowings	(3 239)	(1 097)	(2 604)	(719)
Interest paid	(259)	(392)	(345)	(410)
<b>Net cash flows from financing activities</b>	<b>(2 163)</b>	<b>(1 489)</b>	<b>(1 613)</b>	<b>(1 129)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(448)</b>	<b>217</b>	<b>(248)</b>	<b>(96)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2 347</b>	<b>925</b>	<b>552</b>	<b>187</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1 899</b>	<b>1 142</b>	<b>304</b>	<b>91</b>



## 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 June 2014 and 31 December 2013 the shareholders of the Company were as follows:

	As of 30 June 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
	<b>19 834</b>	<b>100.00</b>	<b>19 834</b>	<b>100.00</b>

All the shares are registered ordinary shares with a par value of LTL 1 each. As of 30 June 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 June 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 June 2014 the average number of employees of the Group was 1 103, 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 June 2014	Production of knitted articles	Production of working clothes	Retail in knitted articles	Eliminations	Total
External sales	23 834	6 536	304	-	30 674
Internal sales	776	31	-	(807)	-
<b>Total revenue</b>	<b>24 610</b>	<b>6 567</b>	<b>304</b>	<b>(807)</b>	<b>30 674</b>
<b>Gross profit</b>	<b>3 916</b>	<b>1 595</b>	<b>135</b>	<b>-</b>	<b>5 646</b>
<b>EBITDA</b>	<b>1 434</b>	<b>1 095</b>	<b>9</b>	<b>-</b>	<b>2 538</b>
<b>Profit (loss) for the period</b>	<b>(7 567)</b>	<b>1 128</b>	<b>34</b>	<b>-</b>	<b>(6 405)</b>

of 30 June 2013	Production of knitted articles	Production of working clothes	Retail in knitted articles	Eliminations	Total
External sales	28 105	5 462	259	-	33 826
Internal sales	1 769	22	-	(1 791)	-
<b>Total revenue</b>	<b>29 874</b>	<b>5 484</b>	<b>259</b>	<b>(1 791)</b>	<b>33 826</b>
<b>Gross profit</b>	<b>2 547</b>	<b>1 269</b>	<b>116</b>	<b>-</b>	<b>3 932</b>
<b>EBITDA</b>	<b>(98)</b>	<b>753</b>	<b>9</b>	<b>-</b>	<b>664</b>
<b>Profit (loss) for the period</b>	<b>(2 737)</b>	<b>767</b>	<b>40</b>	<b>-</b>	<b>(1 930)</b>

## 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 1 315 thousand as of 31 June 2014, LTL 1 050 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	
	2014.06.30	2013.12.31	2014.06.30	2013.12.31
Raw materials	5 747	5 895	4 365	3 937
Work in progress	5 153	3 602	4 968	3 243
Finished goods	4 778	4 728	4 656	4 535
Goods for resale	212	231	-	-
	15 890	14 456	13 989	11 715
Write-down to net realisable value:				
Opening balance	(2 368)	(1 922)	(1 231)	(839)
Change	(5)	(446)	(5)	(392)
Closing balance	(2 373)	(2 368)	(1 236)	(1 231)
	<b>13 517</b>	<b>12 088</b>	<b>12 753</b>	<b>10 484</b>

## 9. Trade receivables

	Group		Company	
	2014.06.30	2013.12.31	2014.06.30	2013.12.31
Trade receivables, gross	6 013	4 842	3 934	3 296
Allowance for trade receivables:				
Opening balance	(560)	(780)	(487)	(707)
Change	-	220	-	220
Closing balance	(560)	(560)	(487)	(487)
	<b>5 453</b>	<b>4 282</b>	<b>3 447</b>	<b>2 809</b>

Changes in impairment allowance for doubtful trade receivables as of 30 June 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	
	2014.06.30	2013.12.31	2014.06.30	2013.12.31
Cash at bank and on hand	1 899	2 347	304	552
	<b>1 899</b>	<b>2 347</b>	<b>304</b>	<b>552</b>

## 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 June 2014 and 31 December 2013 were as follows:

	Group		Company	
	2014.06.30	2013.12.31	2014.06.30	2013.12.31
Legal reserve	1 983	1 983	1 983	1 983
Revaluation reserves	12 541	12 695	7 429	7 509
	<b>14 524</b>	<b>14 678</b>	<b>9 412</b>	<b>9 492</b>

## 12. Borrowings and convertible bonds issued

	Group		Company	
	2014.06.30	2013.12.31	2014.06.30	2013.12.31
<b>Current</b>				
Current portion of non-current bank borrowings	580	1 214	-	-
Short-term loans	1 001	-	1 001	-
Finance lease liabilities	-	7 392	-	7 392
	<b>1 581</b>	<b>8 606</b>	<b>1 001</b>	<b>7 392</b>
<b>Non-current</b>				
Borrowings from subsidiaries	-	-	6 284	6 284
Finance lease liabilities	5 122	-	5 122	-
	<b>5 122</b>	<b>-</b>	<b>11 406</b>	<b>6 284</b>
<b>Total borrowings</b>	<b>6 703</b>	<b>8 606</b>	<b>12 407</b>	<b>13 676</b>

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](http://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	
	2014.06.30	2013.12.31	2014.06.30	2013.12.31
FR&R Invest AB	-	10 209	-	10 209
AmberTrust S.C.A., SICAF-SIF	1 980	-	1 980	-
KJK Fund, SICAF-SIF	880	-	880	-
FIREBIRD REPUBLICS FUND LTD	440	-	440	-
FIREBIRD AVRORA FUND LTD	220	-	220	-
UAB Koncernas „SBA“	10 413	2 723	10 413	2 723
<b>Total convertible bonds obligations:</b>	<b>13 933</b>	<b>12 932</b>	<b>13 933</b>	<b>12 932</b>

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

	<b>Group</b>		<b>Company</b>	
	<b>2014.06.30</b>	<b>2013.12.31</b>	<b>2014.06.30</b>	<b>2013.12.31</b>
Amounts payable for services and non-current assets	1 565	1 355	1 356	1 255
Wages, salaries and social security	1 639	1 437	1 207	1 002
Accrual for vacation reserve	1 945	2 222	1 040	1 309
Prepayments received	2 204	283	2 319	268
Bonuses for employees	-	150	-	-
Taxes payable, except for profit tax	354	360	299	293
Other liabilities	137	135	1	4
	<b>7 844</b>	<b>5 942</b>	<b>6 222</b>	<b>4 131</b>

**14. Revenue**

<b>Group</b>	<b>January - June</b>		<b>April - June</b>	
	<b>of 2014</b>	<b>of 2013</b>	<b>of 2014</b>	<b>of 2013</b>
Revenue from sales of goods and services	30 577	33 738	15 574	16 250
Revenue from sales of materials	97	88	40	49
	<b>30 674</b>	<b>33 826</b>	<b>15 614</b>	<b>16 299</b>

<b>Company</b>	<b>January - June</b>		<b>April - June</b>	
	<b>of 2014</b>	<b>of 2013</b>	<b>of 2014</b>	<b>of 2013</b>
Revenue from sales of goods and services	23 610	28 148	11 886	13 522
Revenue from sales of materials	40	47	21	31
	<b>23 650</b>	<b>28 195</b>	<b>11 907</b>	<b>13 553</b>

**15. Cost of sales**

<b>Group</b>	<b>January - June</b>		<b>April - June</b>	
	<b>of 2014</b>	<b>of 2013</b>	<b>of 2014</b>	<b>of 2013</b>
Materials	8 971	10 327	4 894	5 160
Wages and salaries and social security	10 894	12 452	5 541	5 817
Other overhead expenses	4 056	5 801	1 954	2 597
Depreciation and amortisation	1 050	1 287	463	601
Cost of materials sold	57	27	20	7
	<b>25 028</b>	<b>29 894</b>	<b>12 872</b>	<b>14 182</b>

Company	January - June		April - June	
	of 2014	of 2013	of 2014	of 2013
Materials	7 408	9 584	3 931	4 687
Wages and salaries and social security	7 801	9 141	4 066	4 149
Other overhead expenses	3 943	6 240	1 810	2 925
Depreciation and amortisation	907	1 074	410	489
Cost of materials sold	11	4	5	1
	<b>20 070</b>	<b>26 043</b>	<b>10 222</b>	<b>12 251</b>

## 16. Selling general and administrative expenses

Group	January - June		April - June	
	of 2014	of 2013	of 2014	of 2013
<b>Selling expenses</b>				
Wages and salaries and social security	560	557	288	186
Other selling expenses	1 039	839	527	291
Total selling expenses	<b>1 599</b>	<b>1 396</b>	<b>815</b>	<b>477</b>
<b>General and administrative expenses</b>				
Wages and salaries and social security	1 225	1 265	592	639
Communications and consulting services	438	410	238	186
Taxes other than income tax	127	172	52	67
Depreciation and amortization	260	185	92	121
Vehicles exploitation expenses	113	102	62	53
Premises exploitation expenses	43	72	15	19
Security	160	168	78	85
Services of financial institutions	89	90	38	52
Representation expenses	55	53	30	30
Business trips	41	62	20	33
Impairment and write-off (reversal) of inventories	5	13	(30)	55
Other	375	679	215	172
Total general and administrative expenses	<b>2 931</b>	<b>3 271</b>	<b>1 364</b>	<b>1 512</b>
	<b>4 530</b>	<b>4 667</b>	<b>2 179</b>	<b>1 989</b>

Company	January - June		April - June	
	of 2014	of 2013	of 2014	of 2013
<b>Selling expenses</b>				
Wages and salaries and social security	431	447	225	129
Other selling expenses	964	756	491	261
Total selling expenses	<b>1 395</b>	<b>1 203</b>	<b>716</b>	<b>390</b>
<b>General and administrative expenses</b>				
Wages and salaries and social security	827	858	409	429
Communications and consulting services	361	294	197	133



Taxes other than income tax	103	144	41	54
Depreciation and amortization	150	110	73	64
Vehicles exploitation expenses	89	74	50	39
Premises exploitation expenses	37	49	14	14
Security	72	73	37	36
Services of financial institutions	63	70	31	41
Representation expenses	44	41	24	24
Business trips	40	45	19	19
Impairment and write-off (reversal) of inventories	5	12	(30)	55
Other	186	468	91	52
<b>Total general and administrative expenses</b>	<b>1 977</b>	<b>2 238</b>	<b>956</b>	<b>960</b>
	<b>3 372</b>	<b>3 441</b>	<b>1 672</b>	<b>1 350</b>

## 17. Other income and expenses

Group	January - June		April - June	
	of 2014	of 2013	of 2014	of 2013
Rent income	168	31	82	16
Other income	71	188	45	93
Gain from disposal of non-current assets	10	219	10	218
<b>Other income</b>	<b>249</b>	<b>438</b>	<b>137</b>	<b>327</b>
Loss from disposal of non-current assets	(70)	-	(70)	-
Rent costs	(8)	(18)	(3)	(10)
Other expenses	(64)	(493)	(32)	(463)
<b>Other expenses</b>	<b>(142)</b>	<b>(511)</b>	<b>(105)</b>	<b>(473)</b>

Company	January - June		April - June	
	of 2014	of 2013	of 2014	of 2013
Rent income	34	31	15	17
Other income	57	35	41	15
Gain from disposal of non-current assets	10	218	10	218
<b>Other income</b>	<b>101</b>	<b>284</b>	<b>66</b>	<b>250</b>
Loss from disposal of non-current assets	(70)	-	(70)	-
Rent costs	(8)	(19)	(3)	(12)
Other expenses	(26)	(432)	(19)	(430)
<b>Other expenses</b>	<b>(104)</b>	<b>(451)</b>	<b>(92)</b>	<b>(442)</b>

**18. Finance costs, net**

Group	January - June		April - June	
	of 2014	of 2013	of 2014	of 2013
Net foreign exchange gain (loss)	(6 391)	130	(6 651)	(278)
Interest expenses	(1 259)	(1 254)	5 274	(627)
Interest income	-	-	-	-
	<b>(7 650)</b>	<b>(1 122)</b>	<b>(1 377)</b>	<b>(905)</b>

Company	January - June		April - June	
	of 2014	of 2013	of 2014	of 2013
Net foreign exchange gain (loss)	(4)	-	(4)	-
Interest expenses	(1 346)	(1 272)	(685)	(638)
Interest income	102	103	51	51
	<b>(1 248)</b>	<b>(1 169)</b>	<b>(638)</b>	<b>(587)</b>

**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 - June		April - June	
	of 2014	of 2013	of 2014	of 2013
Profit/ (loss) attributable to the equity holders of the Group	(6 463)	(2 012)	(826)	(955)
Weighted average number of shares in issue (thousand)	19 834	19 834	19 834	19 834
<b>Basic / diluted earnings per share (in LTL)</b>	<b>(0,33)</b>	<b>(0,10)</b>	<b>(0,04)</b>	<b>(0,05)</b>

**20. Post balance sheet events**

In July, 2014 the Company sold not used in the main activity real estate for LTL 2,1 million. The residual value LTL 1.6 million, other activity profit earned LTL 0,5 million.

In July, 2014 at the request of the Company Swedbank AB provided LTL 0,9 million guarantee for the Company.

By the initiative and decision of the Company Board Nr. 14, 21-08-2014 an extraordinary general meeting of AB „Utenos trikotažas“, on 12<sup>th</sup> of September 2014. Proposed Agenda:

1. Reduction of the Company's authorized capital (the purpose of reduction: to eliminate the losses recorded in the balance sheet of the Company; the way of reduction: cancellation of the Company's shares);
2. The approval of the new edition of the Company's Articles of Association with regard to reduced Company's authorized capital;
3. Authorisation.