



Utenos trikotažas

**INTERIM CONSOLIDATED REPORT
FINANCIAL STATEMENTS
OF 2009
OF UTENOS TRIKOTAŽAS AB**

Lithuanian Securities Commission
Konstitucijos pr. 23
LT-08105 Vilnius

2010 02 26

CONFIRMATION OF RESPONSIBLE PERSONS

Following Article 21 of the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission, we, Nerijus Vilūnas, General Director of Utenos trikotazas, AB, and Chief Accountant Reda Kučinskienė, hereby confirm that, to the best of our knowledge, the unaudited consolidated financial statements of Utenos trikotazas, AB for the 12 months of 2009, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of Utenos trikotazas, AB and the Group of undertakings.

ENCLOSURE: Unaudited consolidated financial statements for the 12 months of 2009 of Utenos trikotazas AB.

General Director



Nerijus Vilūnas

Chief Accountant



Reda Kučinskienė

Consolidated financial statements

Balance sheets under IFRS (LTL thousand)

| | Group | | Company | |
|--|---------------------------|--|---------------------------|--|
| | As of 31 December 2009 | As of 31 December 2008 corrected | As of 31 December 2009 | As of 31 December 2008 corrected |
| ASSETS | | | | |
| A Non-current assets | | | | |
| I. Non-current intangible assets | | | | |
| I.1. Goodwill | 3.243 | 3.387 | - | - |
| I.2. Other intangible assets | 841 | 1.160 | 827 | 1.102 |
| I.3. Prepayments for non-current intangible assets | - | - | - | - |
| Total non-current intangible assets | 4.084 | 4.547 | 827 | 1.102 |
| II. Non-current tangible assets | | | | |
| II.1. Land and buildings | 7.733 | 8.072 | 4.380 | 4.470 |
| II.2. Structures and equipment | 395 | 449 | 209 | 241 |
| II.3. Vehicles and other non-current tangible assets | 16.218 | 22.611 | 13.722 | 18.812 |
| II.4. Construction in progress and prepayments | 35 | 12 | 26 | 1 |
| Total non-current tangible assets | 24.381 | 31.144 | 18.337 | 23.524 |
| III. Investment property | 3.173 | 3.446 | 3.173 | 3.446 |
| IV. Non-current financial assets | - | - | 10.720 | 9.740 |
| V. Non-current receivables | 25 | 26 | 3.453 | - |
| VI. Deferred income tax asset | - | - | - | - |
| Total non-current assets | 31.663 | 39.163 | 36.510 | 37.812 |
| B Current assets | | | | |
| I. Inventories, prepayments and contracts in progress | | | | |
| I.1. Inventories | 7.575 | 10.305 | 6.879 | 8.913 |
| I.2. Prepayments | 82 | 187 | 77 | 177 |
| Total inventories, prepayments and contracts in progress | 7.657 | 10.492 | 6.956 | 9.090 |
| II. Accounts receivable within one year | | | | |
| II.1. Trade receivables | 7.645 | 8.785 | 6.269 | 6.852 |
| Receivables from subsidiaries | - | - | - | - |
| II.2. Prepaid income tax | - | - | 10.053 | 11.882 |
| II.3. Other taxes receivable | 48 | 1.086 | - | 1.086 |
| II.4. Other receivables | 1.316 | 1.230 | 387 | 287 |
| II.5. Other receivables | - | 7 | - | - |
| Total accounts receivable within one year | 9.009 | 11.108 | 16.709 | 20.107 |
| III. Non-current assets for sale | 3.106 | 3.431 | - | - |
| IV. Other current assets | 82 | 111 | 64 | 31 |
| IV. Cash and cash equivalents | 2.161 | 1.799 | 1.492 | 117 |
| Total current assets | 22.015 | 26.941 | 25.221 | 29.345 |
| Total assets | 53.678 | 66.104 | 61.731 | 67.157 |

| | Group | | Company | |
|--|------------------------|----------------------------------|------------------------|----------------------------------|
| | As of 31 December 2009 | As of 31 December 2008 corrected | As of 30 December 2009 | As of 31 December 2008 corrected |
| EQUITIES AND LIABILITIES | | | | |
| Equity | | | | |
| Capital | 19.834 | 19.834 | 19.834 | 19.834 |
| Reserves | - | - | - | - |
| Foreign currency translation reserve | 2.675 | 1.965 | - | - |
| Other reserves | 1.983 | 1.983 | 1.983 | 1.983 |
| Total reserves | 4.658 | 3.948 | 1.983 | 1.983 |
| Retained earnings (loss) | (21.180) | (21.134) | (2.538) | (5.757) |
| Total equity | 3.312 | 2.648 | 19.279 | 16.060 |
| | | | | |
| Minority interest | 619 | 667 | - | - |
| | | | | |
| Accounts payable and liabilities | - | - | - | - |
| | | | | |
| Liabilities and accounts payable in one year | - | - | - | - |
| | | | | |
| Non-current borrowings | - | - | - | - |
| Leasing (financial lease) liabilities | 5.651 | 7.186 | 5.651 | 7.186 |
| Grants and subsidies | - | - | - | - |
| Total liabilities and accounts payable in one year | 5.651 | 7.186 | 5.651 | 7.186 |
| | | | | |
| Liabilities and accounts payable within one year | | | | |
| Current portion of non-current borrowings | 6.916 | 5.624 | - | - |
| Financial debts to credit institutions | - | 2.863 | - | - |
| Current portion of non-current leasing (financial lease) liabilities | 23.377 | 25.141 | 23.377 | 25.121 |
| Trade payables | 8.429 | 15.591 | 9.616 | 14.488 |
| Other taxes payable | 380 | 586 | 104 | 219 |
| Accrued expenses and other current liabilities | 4.994 | 5.798 | 3.704 | 4.083 |
| Total liabilities and accounts payable within one year | 44.096 | 55.603 | 36.801 | 43.911 |
| | | | | |
| Total liabilities | 49.747 | 62.789 | 42.452 | 51.097 |
| | | | | |
| Total equity and liabilities | 53.678 | 66.104 | 61.731 | 67.157 |

13. Income (loss) statements according to IFRS (LTL thousand)**GROUP**

| | 2009 | 10-12 of 2009 | 2008 corrected | 10-12 of 2008 corrected |
|--|---------------|------------------|-------------------|-------------------------------|
| I. Sales income | 70.336 | 15.815 | 110.745 | 28.112 |
| II. Cost of sales | (59.393) | (13.575) | (102.326) | (25.610) |
| III. Gross profit (loss) | 10.943 | 2.240 | 8.419 | 2.502 |
| IV. Operating expenses | (8.696) | (1.086) | (16.978) | (5.155) |
| V. Profit (loss) from typical operations | 2.247 | 1.154 | (8.559) | (2.653) |
| VI. Other operating income (expenses) – net | 727 | 74 | 3.084 | 1.006 |
| VII Income (expenses) from financial and investment activities - net | (3.068) | 398 | (11.726) | (9.930) |
| VII Profit (loss) from ordinary operations | | | | |
| I. | (94) | 1.626 | (17.201) | (11.577) |
| IX. Result of subsidiaries | - | - | - | - |
| X. Profit (loss) before tax | (94) | 1.626 | (17.201) | (11.577) |
| XI. Income tax | - | - | (352) | (187) |
| XII Profit (loss) before minority share | | | | |
| I. | (94) | 1.626 | (17.553) | (11.764) |
| XII Share of annual result attributable to minority | | | | |
| I. | 48 | 30 | 185 | 105 |
| XI Net profit (loss) | | | | |
| V. | (46) | 1.656 | (17.368) | (11.659) |

COMPANY

| | 2009 | 10-12 of 2009 | 2008 corrected | 10-12 of 2008 corrected |
|--|--------------|------------------|-------------------|-------------------------------|
| Sales income | 60.085 | 13.232 | 94.040 | 21.979 |
| Cost of sales | (50.976) | (11.383) | (86.798) | (20.153) |
| Gross profit (loss) | 9.109 | 1.849 | 7.242 | 1.826 |
| Operating expenses | (5.240) | 600 | (14.774) | (6.313) |
| Profit (loss) from typical operations | 3.869 | 2.449 | (7.532) | (4.487) |
| Other operating income (expenses) – net | 554 | 57 | 1.249 | 764 |
| Income (expenses) from financial and investment activities - net | (1.204) | 140 | (3.195) | (991) |
| Profit (loss) from ordinary operations | 3.219 | 2.646 | (9.478) | (4.714) |
| Income tax | - | - | (248) | (248) |
| Profit (loss) before minority share | 3.219 | 2.646 | (9.726) | (4.962) |
| Share of annual result attributable to minority | | | | |
| Net profit (loss) | 3.219 | 2.646 | (9.726) | (4.962) |

Statements of changes in equity (LTL thousands)

| Group and company | Capital | Foreign currency translation reserve | Other reserves | Retained earnings | Total | Minority share | Total equity |
|--|----------------|---|---------------------------|------------------------------|---------------|---------------------------|---------------------|
| Balance as of 31 December 2007 | 19.834 | (54) | 1.983 | (3.766) | 17.997 | 852 | 18.849 |
| Currency translation differences interest sold | | 2.019 | | | 2.019 | | 2.019 |
| Dividends paid | | | | | | | |
| Net profit for the year | | | | (17.368) | (17.368) | (185) | (17.553) |
| Balance as of 31 December 2008 | 19.834 | 1.965 | 1.983 | (21.134) | 2.648 | 667 | 3.315 |
| Dividends paid | | | | | | | |
| Currency translation differences interest sold | | 710 | | | 710 | | 710 |
| Contributions by minority interest | | | | | | | |
| Net profit for the year | | | | (46) | (46) | (48) | (94) |
| Balance as of 31 December 2009 | 19.834 | 2.675 | 1.983 | (21.180) | 3.312 | 619 | 3.931 |

Cash flow statements (LTL thousand)

| | Group | | Company | |
|---|--------------|-------------------------|--------------|-------------------------|
| | 31-12-2009 | 31-12-2008 corrected | 31-12-2009 | 31-12-2008 corrected |
| I. Cash flows from operating activities | | | | |
| I.1. Net profit for the year | (94) | (17.553) | 3.218 | (6.713) |
| Recovery of non-cash expenses (income): | | | | |
| I.2. Gain on disposal of subsidiary | | | | |
| I.3. Depreciation and amortisation | 6.926 | 8.662 | 5.589 | 6.123 |
| I.4. Impairment of non-current tangible assets and investment property | (48) | - | - | - |
| I.5. (Profit) loss from sales of non-current tangible assets and write-off of non-current tangible assets and inventories | (447) | (832) | (671) | (141) |
| I.6. Impairment and write-off of accounts receivable | (53) | 915 | (21) | 601 |
| I.7. Impairment of financial assets | | | (981) | 3.013 |
| I.8. Interest (income) | (29) | (18) | (208) | (208) |
| I.9. Interest expenses | 1.794 | 3.407 | 1.374 | 2.537 |
| I.10. Income tax expenses | - | 352 | - | 248 |
| I.11. Foreign exchange loss on borrowings | 929 | 6.886 | - | - |
| Changes in working capital | | | | |
| I.13. Decrease in inventories | 2.710 | 8.181 | 2.316 | 6.817 |
| I.14. Decrease (increase) in trade receivables | 1.120 | 5.265 | 1.487 | 3.825 |
| I.15. Decrease in other receivables | 72 | - | 1.829 | (1.095) |
| I.16. (Increase) in receivables from subsidiaries | | | | |
| I.17. Decrease (increase) in other current assets | 1.419 | 5.215 | (3.282) | 3.948 |
| I.18. Increase in trade and other accounts payable | (7.161) | (71) | (5.371) | (245) |
| I.19. (Decrease) increase in taxes payable and other current liabilities | (1.058) | (3.202) | (496) | (3.058) |
| I.20. Income tax paid | - | (165) | - | (150) |
| Net cash flows from operating activities | 6.080 | 17.042 | 4.783 | 12.489 |
| II. Cash flows from investing activities | | | | |
| II.1. Acquisition of non-current tangible assets | (47) | (474) | (41) | (192) |
| II.2. Prepayments for and (acquisition) of intangible assets | (17) | (4) | (17) | - |
| II.3. Transfer of non-current assets (excl. investments) | 753 | 4.675 | 594 | 2.831 |
| II.4. Interest received | 29 | 18 | 208 | 208 |
| Net cash flows from investing activities | 718 | 4.215 | 744 | 2.847 |
| III. Cash flows to financial activities | | | | |
| III.1. Loans received | - | 4.160 | 500 | 1.479 |
| III.2. (Repayment) of loans | (4.627) | (20.846) | (3.279) | (14.262) |
| III.3. Interest (paid) | (1.794) | (3.407) | (1.374) | (2.537) |
| III.4. Contributions by minorities | | | | |
| | (6.421) | (20.093) | (4.153) | (15.320) |
| <i>Cash flows to financial activities</i> | | | | |
| IV. Net (decrease) in cash flows | 377 | 1.164 | 1.374 | 16 |
| V. Cash and cash equivalents at the beginning of the period | 1.799 | 645 | 117 | 101 |
| Exchange losses on cash and cash equivalents | (16) | (10) | - | - |
| VI. Cash and cash equivalents at the end of the period | 2.160 | 1.799 | 1.491 | 117 |

Explanatory note

General information

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

Basanavičiaus st. 122,
Utena,
Lithuania

The Company is engaged in production of knitted articles. The Company was registered on 6 December 1994. The Company's shares are traded on the Official List of the National Stock Exchange.

As of 31 December 2009 and 31 December 2008 the shareholders of the Company were:

| | As of 31 December 2009 | | As of 31 December 2008 | |
|-----------------------------|------------------------|---------------------|------------------------|---------------------|
| | Number of shares held | Equity (percentage) | Number of shares held | Equity (percentage) |
| UAB koncernas SBA | 10.140 | 51,12 | 10.140 | 51,12 |
| Investment fund Amber Trust | 2.700 | 13,61 | 2.700 | 13,61 |
| Other shareholders | 6.994 | 35,27 | 6.994 | 35,27 |
| | 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 31 December 2009 and 31 December 2008 subsidiaries did not hold any shares of the Company. The Company did not hold its own shares within this period.

The Group consists of AB Utenos Trikotažas and the following subsidiaries (hereinafter “the Group”):

| | Address of the registered office | Share of the stock held by the Group (percentage) | | | Operating activities |
|---------------|----------------------------------|---|------------------|------------------|----------------------|
| | | 31 December 2009 | 31 December 2008 | 31 December 2007 | |
| AB Šatrija | Vilniaus st. 5, Raseiniai | 89,78 | 89,78 | 89,78 | Sewing of clothes |
| UAB Gotija | Laisvės ave. 33, Kaunas | 90,50 | 90,50 | 90,50 | Trading |
| OAO MTF Mrija | Motroso 13, Ukraine | 98,95 | 98,95 | 98,95 | Sewing of clothes |

On 31 December 2009 the average number of employees of the Group was 1 337, while on 31 December 2008 it was 1 605 (2007 – 1 916).

1 Form and contents of the financial statements

The present financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The group consolidated financial statements and the company financial statements for the year 2008 have been corrected retrospectively according to the comments of the Securities Commission of the Republic of Lithuania:

1. The group consolidated and the company long term liabilities have been decreased by 24 027 thousand LTL and 20 480 thousand LTL respectively, the short term liabilities have been increased by 24 027 thousand LTL and 20 480 thousand LTL respectively.

2. The allowances for trade and other receivables amounting to 478 thousand LTL have been formed in the group consolidated and the company financial statements. The formed allowances decreased the value of the group and the company current assets (trade and other receivables) by 478 thousand LTL and increased the net loss by 478 thousand LTL.
3. The allowances for investments into subsidiaries amounting to 3 013 thousand LTL have been formed in the company financial statements. The formed allowances decreased the value of the company non-current financial assets (investments into subsidiaries) by 3 013 thousand LTL and increased the company net loss by 3 013 thousand LTL.

2. Consolidation

Consolidated financial statements are composed of AB Utenos Trikotažas and its subsidiaries' financial statements, which are stated at uniform accounting principles.

Consolidation of financial statements of subsidiaries is started from the moment when effective control is transferred to the Company and consolidation is ceased from the moment when the Company loses the control. All intercompany transactions, balances and unrealised gains and losses on transactions among the Group companies have been eliminated. The equity and net income attributable to minority shareholders' interests are shown separately in the balance sheets and the income (loss) statements.

3. Segment information

The Company's main business segments are production of knitted articles, knitted and other clothes. The Group additionally provides sewing services (subsidiaries AB Šatrija and OAO MTF Mrija) and is engaged in retail and wholesale trade (UAB Gotija). The segment of other activities involves activities, other than those mentioned above.

Group

| 31 December 2009 | West Europe | Lithuania and other Baltic states | Other regions | Elimination | Total |
|-----------------------------|----------------|---|---------------|----------------|---------------|
| Sales | | | | | |
| External sales of the Group | 62.019 | 7.307 | 1.010 | - | 70.336 |
| Internal sales of the Group | - | 2.958 | 69 | (3.027) | - |
| | 62.019 | 10.265 | 1.079 | (3.027) | 70.336 |

| 31 December 2008 | West Europe | Lithuania and other Baltic states | Other regions | Elimination | Total |
|-----------------------------|----------------|---|---------------|-----------------|----------------|
| Sales | | | | | |
| External sales of the Group | 95.396 | 14.984 | 365 | - | 110.745 |
| Internal sales of the Group | - | 11.252 | 899 | (12.151) | - |
| | 95.396 | 26.236 | 1.264 | (12.151) | 110.745 |

4. Non-current intangible assets

The Company and the Group have no internally generated intangible assets. Amortization expenses of intangible assets are included within general and administrative expenses in the income statement.

5. Non-current tangible assets

Depreciation of non-current tangible property amounts to LTL 6.926 thousand as of 31 December 2009, LTL 5.588 thousand are included into cost of sales in the Group's income (loss) statements. The rest amounts are included into the operating expenses in the income (loss) statements and into remaining reserve in the balance sheets.

6. Inventories

| | Group | | Company | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | As of 31 December 2009 | As of 31 December 2008 | As of 31 December 2009 | As of 31 December 2008 |
| Raw materials | 3.081 | 4.485 | 1.647 | 2.634 |
| Production in progress | 2.554 | 3.739 | 2.464 | 3.567 |
| Finished production | 3.497 | 3.868 | 3.342 | 3.567 |
| Goods for resale | 138 | 139 | - | - |
| | 9.270 | 12.231 | 7.453 | 9.768 |
| Net realisable value decrease at the beginning of the year | (1.926) | (1.387) | (855) | (774) |
| Change in net realisable value decrease | 231 | (539) | (281) | (81) |
| Net realisable value decrease at the end of the year | (1.695) | (1.926) | (574) | (855) |
| | 7.575 | 10.305 | 6.879 | 8.913 |

The acquisition cost of the Group's and the Company's inventories accounted for at net realisable value as of 31 December 2009 amounted to LTL 2.776 thousand and LTL 1.655 thousand respectively (2008: LTL 3.587 thousand and LTL 2.516 thousand, respectively). Changes in the value decrease of inventories as of 31 December 2009 and 31 December 2008 have been included into operating expenses in the Group's income (loss) statement.

7. Trade receivables

| | Group | | Company | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | As of 31 December 2009 | As of 31 December 2008 | As of 31 December 2009 | As of 31 December 2008 |
| Trade receivables, gross | 8.501 | 9.575 | 7.100 | 7.705 |
| Doubtful receivables value decrease at the beginning of the year | (866) | (10) | (375) | - |
| Change in doubtful receivables value decrease | 7 | (856) | (456) | (853) |
| Doubtful receivables value decrease at the end of the year | (859) | (866) | (831) | (853) |
| | 7.642 | 8.709 | 6.269 | 6.852 |

Adjustments made for the year 2008 are commented in the first clause of explanatory note.

Changes in decrease of doubtful receivables value as of 31 December 2009 and 31 December 2008 have been included into operating expenses in the Group's income (loss) statements.

8. Cash and cash equivalents

| | Group | | Company | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | As of 31 December 2009 | As of 31 December 2008 | As of 31 December 2009 | As of 31 December 2008 |
| Cash in bank and on hand | 2.061 | 704 | 1.492 | 117 |
| Deposits with a term of less than three months | 100 | 1.095 | - | - |
| | 2.161 | 1.799 | 1.492 | 117 |

9. Reserves

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

Foreign translation differences are classified as shareholders' equity in the consolidated financial statements until the investment is sold.

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 December 2009 and 31 December 2008 were as follows:

| | As of 31 December 2009 | As of 31 December 2008 | As of 31 December 2009 | As of 31 December 2008 |
|----------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Legal reserve | 1.983 | 1.983 | 1.983 | 1.983 |
| Other reserves | - | - | - | - |
| | 1.983 | 1.983 | 1.983 | 1.983 |

10. Borrowings

Non-current borrowings

In 2008, loans of Company and Group were restructured to liabilities of finance leasing.

| | Group | | Company | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | As of 31 December 2009 | As of 31 December 2008 | As of 31 December 2009 | As of 31 December 2008 |
| <i>Current</i> | | | | |
| Short-term bank borrowings | - | 2.863 | - | - |
| Current portion of long-term bank borrowings | 6.916 | 5.624 | - | - |
| Finance lease liabilities | 23.377 | 25.141 | 23.377 | 25.121 |
| | <u>30.293</u> | <u>33.628</u> | <u>23.377</u> | <u>25.121</u> |
| <i>Non-current</i> | | | | |
| Long-term bank borrowings | - | - | - | - |
| Finance lease liabilities | 5.651 | 7.186 | 5.651 | 7.186 |
| | <u>5.651</u> | <u>7.186</u> | <u>5.651</u> | <u>7.186</u> |
| Total borrowings | <u>35.944</u> | <u>40.814</u> | <u>29.028</u> | <u>32.307</u> |

Adjustments made for the year 2008 are commented in the first clause of explanatory note.

The Company repurchased the shop located in Basanavicius str.2/ Pylimo str.15, Vilnius from Swedbank leasing company on September of 2009. In July the shop was sold for LTL 518 thousand.

11. Accrued expenses and other short-term amounts payable

| | Group | | Company | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| | As of 31 December 2009 | As of 31 December 2008 | As of 31 December 2009 | As of 31 December 2008 |
| Debts to suppliers for long-term assets | 1.588 | 1.955 | 1.242 | 1.552 |
| Salaries and social security payable | 1.344 | 1.746 | 994 | 1.191 |
| Vacation reserve | 1.437 | 1.806 | 1.031 | 1.207 |
| Bonus payments to employees | 350 | 102 | 300 | 102 |
| Other liabilities | 275 | 189 | 137 | 31 |
| | <u>4.994</u> | <u>5.798</u> | <u>3.704</u> | <u>4.083</u> |

12. Sales revenue

| | Group | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | 01-12 of 2009 | 10-12 of 2009 | 01-12 of 2008 | 10-12 of 2008 |
| Revenue from sales of goods and services | 70.024 | 15.719 | 110.151 | 28.043 |
| Sales of raw materials | 313 | 97 | 594 | 69 |
| | 70.336 | 15.816 | 110.745 | 28.112 |

| | Company | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | 01-12 of 2009 | 10-12 of 2009 | 01-12 of 2008 | 10-12 of 2008 |
| Revenue from sales of goods and services | 59.899 | 13.186 | 92.954 | 21.944 |
| Sales of raw materials | 186 | 46 | 1.086 | 35 |
| | 60.085 | 13.232 | 94.040 | 21.979 |

13. Cost of sales

| | Group | | | |
|---------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 01-12 of 2009 | 10-12 of 2009 | 01-12 of 2008 | 10-12 of 2008 |
| Raw materials | 21.650 | 4.771 | 39.868 | 10.979 |
| Wages | 21.559 | 4.975 | 33.624 | 7.123 |
| Other extra production expenses | 15.909 | 3.756 | 28.191 | 7.299 |
| Cost price of materials sold | 275 | 73 | 643 | 209 |
| | 59.393 | 13.575 | 102.326 | 25.610 |

| | Company | | | |
|---------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 01-12 of 2009 | 10-12 of 2009 | 01-12 of 2008 | 10-12 of 2008 |
| Raw materials | 18.730 | 4.163 | 32.751 | 9.112 |
| Wages | 16.128 | 3.602 | 23.670 | 5.018 |
| Other extra production expenses | 15.972 | 3.604 | 29.502 | 6.003 |
| Cost price of materials sold | 146 | 14 | 875 | 20 |
| | 50.976 | 11.383 | 86.798 | 20.153 |

14. Operating expenses

| | Group | | | |
|--|------------------|------------------|------------------|------------------|
| | 01-12 of 2009 | 10-12 of 2009 | 01-12 of 2008 | 10-12 of 2008 |
| Selling expenses | | | | |
| Expenses for maintenance of retail trading network | 155 | 42 | 132 | 56 |
| Salaries and social security | 905 | 223 | 1.447 | 321 |
| Other selling expenses | 1.138 | 291 | 1.822 | 304 |
| Total selling expenses | 2.198 | 556 | 3.401 | 681 |
| General and administrative expenses | | | | |
| Wages and social security | 2.067 | 433 | 4.018 | 702 |
| Communications and consulting services | 1.290 | 284 | 1.401 | 402 |
| Taxes with the exception of tax on profit | 575 | 125 | 1.463 | 198 |
| Depreciation and amortisation | 434 | 93 | 503 | 269 |
| Allowances and write-offs | 29 | (769) | 2.257 | 2.128 |
| Business trips | 76 | 27 | 153 | 18 |
| Charity and sponsorship | 11 | 3 | 101 | 1 |
| Other | 2.016 | 334 | 3.681 | 756 |
| Total general and administrative expenses | 6.498 | 530 | 13.577 | 4.474 |
| | 8.696 | 1.086 | 16.978 | 5.155 |
| | | | | |
| | Company | | | |
| | 01-12 of 2009 | 10-12 of 2009 | 01-12 of 2008 | 10-12 of 2008 |
| Selling expenses | | | | |
| Salaries and social security | 672 | 164 | 1.124 | 232 |
| Other selling expenses | 1.057 | 282 | 1.588 | 339 |
| Total selling expenses | 1.729 | 446 | 2.712 | 571 |
| General and administrative expenses | | | | |
| Wages and social security | 1.401 | 294 | 2.729 | 408 |
| Communications and consulting services | 923 | 232 | 867 | 241 |
| Taxes with the exception of tax on profit | 523 | 114 | 1.382 | 183 |
| Depreciation and amortisation | 340 | 80 | 369 | 233 |
| Allowances and write-offs | (1.059) | (1.906) | 4.668 | 4.514 |
| Business trips | 39 | 9 | 99 | 9 |
| Charity and sponsorship | 11 | 3 | 62 | 1 |
| Other | 1.333 | 128 | 1.886 | 153 |
| Total general and administrative expenses | 3.511 | (1.046) | 12.062 | 5.742 |
| | 5.240 | (600) | 14.774 | 6.313 |

Adjustments made for the year 2008 are commented in the first clause of explanatory note.

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

| | Group | | | |
|--------------------------|------------------|------------------|------------------|------------------|
| | 01-12 of 2009 | 10-12 of 2009 | 01-12 of 2008 | 10-12 of 2008 |
| Revenue from lease | 460 | 110 | 857 | 318 |
| Lease expenses | (145) | (40) | (171) | (88) |
| Other revenue (expenses) | 412 | 4 | 2.398 | 776 |
| | 727 | 74 | 3.084 | 1.006 |

| | Company | | | |
|--------------------------|------------------|------------------|------------------|------------------|
| | 01-12 of 2009 | 10-12 of 2009 | 01-12 of 2008 | 10-12 of 2008 |
| Revenue from lease | 290 | 70 | 619 | 123 |
| Lease expenses | (126) | (30) | (189) | (43) |
| Other revenue (expenses) | 390 | 17 | 819 | 684 |
| | 554 | 57 | 1.249 | 764 |

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

| | Group | | | |
|---|------------------|------------------|------------------|------------------|
| | 01-12 of 2009 | 10-12 of 2009 | 01-12 of 2008 | 10-12 of 2008 |
| Foreign currency exchange gain(loss), net | (1.278) | 446 | (7.472) | (8.207) |
| Interest income | 29 | 19 | 18 | (2) |
| Interest (expenses) | (1.794) | (376) | (3.407) | (1.045) |
| Prompt payment discounts given | (26) | 308 | (865) | (676) |
| | (3.069) | 397 | (11.726) | (9.930) |

| | Company | | | |
|---|------------------|------------------|------------------|------------------|
| | 01-12 of 2009 | 10-12 of 2009 | 01-12 of 2008 | 10-12 of 2008 |
| Foreign currency exchange gain(loss), net | (13) | - | (6) | 9 |
| Interest income | 208 | 53 | 208 | 52 |
| Interest (expenses) | (1.374) | (221) | (2.537) | (711) |
| Prompt payment discounts given | (25) | 308 | (860) | (341) |
| | (1.204) | 140 | (3.195) | (991) |

17. Profit tax

| | 01-12 of 2009 | Group 10-12 of 2009 | 01-12 of 2008 | 10-12 of 2008 |
|--|------------------|----------------------------------|------------------|------------------|
| Profit tax (expenses) of the current year | - | - | (167) | (2) |
| Profit tax, related to dividends, returned | | | | |
| Social tax | - | - | (185) | (185) |
| Change of deferred profit tax | | | | |
| Profit tax and social tax (expenses) included into Profit (Loss) Account | - | - | (352) | (187) |

18. Basic and decreased profit falling on a share

Basic and decreased profit falling on a share reflects the net profit of the Group divided by the number of shares. Profit falling on a share is calculated as follows:

| | 01-12 of 2009 | Group 10-12 of 2009 | 01-12 of 2008 | 10-12 of 2008 |
|---|------------------|----------------------------------|------------------|------------------|
| Net profit for shareholders' appropriation | (46) | 1.656 | (17.368) | (11.659) |
| Assessed number of shares (in thousand pcs.) | 19.834 | 19.834 | 19.834 | 19.834 |
| Basic and decreased profit falling on a share (in LTL) | (0,002) | 0,083 | (0,876) | (0,588) |

| | 01-12 of 2009 | Comapany 10-12 of 2009 | 01-12 of 2008 | 10-12 of 2008 |
|---|------------------|-------------------------------------|------------------|------------------|
| Net profit for shareholders' appropriation | 3.219 | 2.646 | (9.726) | (4.962) |
| Assessed number of shares (in thousand pcs.) | 19.834 | 19.834 | 19.834 | 19.834 |
| Basic and decreased profit falling on a share (in LTL) | 0,162 | 0,133 | (0,490) | (0,250) |