

Lithuanian Securities Commission
Konstitucijos pr. 23
LT-08105 Vilnius

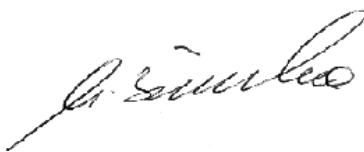
2011-08-31

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, Gintautas Bareika, General Director of Utenos trikotazas, AB, Finance Director Saulius Rakauskis, and Chief Account Reda Kučinskienė hereby confirm that, to the best of our knowledge, the unaudited consolidated financial statements of Utenos trikotazas, AB for the first half of 2011, 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. Also we confirm that by our knowledge Consolidated report for the first half of 2011 gives correct overview of business development and activities of AB Utenos trikotažas Group.

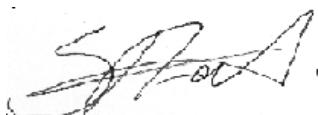
ENCLOSURE: Unaudited consolidated financial statements and internal consolidated report for the first half of 2011 of Utenos trikotazas AB.

General Director



Gintautas Bareika

Finance Director



Saulius Rakauskis

Chief Account



Reda Kučinskienė



Utenos trikotažas

UTENOS TRIKOTAŽAS, AB
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2011
(UNAUDITED)

Consolidated financial statements**Balance sheets under IFRS (LTL thousand)**

	Notes	Group		Company	
		2011.06.30	2010.12.31	2011.06.30	2010.12.31
ASSETS					
Non-current assets					
Intangible assets	4	3,760	4,075	500	643
Property, plant and equipment	5	16,455	19,253	11,812	13,914
Investment property		2,855	2,906	2,855	2,906
Investments into subsidiaries		-	-	11,396	11,396
Trade and other receivables		77	90	-	-
Receivables from subsidiaries		-	-	4,281	4,178
Deferred income tax asset		978	978	830	830
		24,125	27,302	31,674	33,867
Current assets					
Inventories	6	7,556	9,023	6,998	8,432
Trade receivables	7	5,653	7,438	4,763	5,792
Receivables and prepayments from subsidiaries		-	-	9,392	8,999
Receivables from other related parties		27	3	-	-
Other receivables		1,479	1,808	780	910
Cash and cash equivalents	8	3,014	1,727	1,061	712
		17,729	19,999	22,994	24,845
Non-current assets held for resale		1,854	2,956	-	-
		19,583	22,955	22,994	24,845
Total assets		43,708	50,257	54,668	58,712

Statements of financial position (cont'd)

	Notes	Group		Company	
		2011.06.30	2010.12.31	2011.06.30	2010.12.31
EQUITY					
Equity attributable to the equity holders of the Company					
Share capital		19,834	19,834	19,834	19,834
Foreign currency translation reserve		2,662	1,729	-	-
Other reserves	9	1,983	1,983	1,983	1,983
Accumulated losses/ retained earnings		(21,605)	(20,140)	(3,581)	(3,310)
		2,874	3,406	18,236	18,507
Minority interest		736	695	-	-
Total equity		3,610	4,101	18,236	18,507
LIABILITIES					
Non-current liabilities					
Borrowings	10	14,630	18,786	11,753	14,368
Convertible bonds issued	10	8,911	8,268	8,911	8,268
Provisions for employee benefits		351	351	351	351
		23,892	27,405	21,015	22,987
Current liabilities					
Borrowings	10	6,567	6,571	5,240	5,240
Trade payables		1,706	4,892	2,196	4,615
Payables to subsidiaries		-	-	2,658	2,322
Accrued charges and other current liabilities	11	7,933	7,288	5,323	5,041
		16,206	18,751	15,417	17,218
Total liabilities		40,099	46,156	36,432	40,205
Total equity and liabilities		43,708	50,257	54,668	58,712

Statements of comprehensive income (LTL thousand)**Group**

	Notes	01-06 of 2011	04-06 of 2011	01-06 of 2010	04-06 of 2010
Revenue	3,12	33,948	16,189	35,210	18,159
Cost of sales	13	(28,942)	(13,692)	(29,961)	(15,357)
Gross profit		5,006	2,497	5,249	2,802
Selling expenses	14	(1,176)	(592)	(1,087)	(532)
General and administrative expenses	14	(2,994)	(1,596)	(3,110)	(1,518)
Other income	15	151	74	215	97
Other expenses	15	(60)	(30)	(61)	(32)
Other gains/(losses) - net	15	633	371	195	148
Operating profit (loss)		1,560	724	1,401	965
Finance cost, net	16	(2,984)	(1,161)	2,224	1,404
Profit (loss) before income tax		(1,424)	(437)	3,625	2,369
Income tax expense	17	-	-	-	-
Profit (loss) for the year		(1,424)	(437)	3,625	2,369
Profit (loss) attributable to:					
Equity holders of the Company	17	(1,465)	(470)	3,568	2,326
Minority interest		41	33	57	43
		(1,424)	(437)	3,625	2,369
Other comprehensive income					
Foreign currency translation income		933	390	(1,723)	(1,040)
Other comprehensive income		933	390	(1,723)	(1,040)
Total comprehensive income (loss)		(491)	(107)	1,903	1,329
Total comprehensive income (loss) attributable to:					
Equity holders of the Company		(532)	(140)	1,846	1,286
Minority interest		41	33	57	43
		(491)	(107)	1,903	1,329
Basic and diluted profit (loss) per share for profit (loss) attributable to the equity holders of the Company (in LTL)	17	(0.07)	(0.02)	0.18	0.12

Company

	Notes	01-06 of 2011	04-06 of 2011	01-06 of 2010	04-06 of 2010
Revenue	5,19	29,073	14,074	30,094	15,714
Cost of sales	20	(25,437)	(12,279)	(26,267)	(13,765)
Gross profit		3,636	1,795	3,827	1,949
Selling expenses	21	(998)	(510)	(893)	(442)
General and administrative expenses	21	(2,109)	(1,149)	(2,180)	(1,048)
Other income	22	148	72	154	77
Other expenses	23	(60)	(30)	(61)	(32)
Other gains/(losses) - net	24	186	7	-	8
Operating profit (loss)		803	185	847	512
Finance cost, net	25	(1,073)	(539)	(1,046)	(531)
Profit (loss) before income tax		(270)	(354)	(199)	(19)
Income tax expense	27	-	-	-	-
Profit (loss) for the year		(270)	(354)	(199)	(19)

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 2009	19,834	2,675	1,983	(21,180)	3,312	619	3,931
Transfer to foreign currency reserve	-	(1,723)	-	-	(1,723)	-	(1,723)
Net profit for the year	-	-	-	3,568	3,568	57	3,625
	-	(1,723)	-	3,568	1 845	57	1,902
Balance as of 30 June 2010	19,834	952	1,983	(17,612)	5,157	676	5,833
Transfer to foreign currency reserve	-	777	-	-	777	-	777
Net profit for the year	-	-	-	(2,528)	(2,528)	19	(2,509)
		777	-	(2,528)	(1,751)	19	(1,732)
Balance as of 31 December 2010	19,834	1,729	1,983	(20,140)	3,406	695	4,101
Transfer to foreign currency reserve	-	933	-	-	933	-	933
Net profit for the year	-	-	-	(1,465)	(1,465)	41	(1,424)
		933	-	(1,465)	(532)	41	(491)
Balance as of 30 June 2011	19,834	2,662	1,983	(21,605)	2,874	736	3,610

Statements of cash flows (LTL thousand)

	Group		Company	
	30 June 2011	2010	30 June 2011	2010
Cash flows from operating activities				
Profit (loss) for the year	(1,424)	3,625	(270)	(199)
Adjustments for non-cash items:				
Depreciation and amortization	2,743	3,210	2,313	2,580
Gain on disposal of property, plant and equipment and investment property	(154)	(214)	-	(3)
Impairment (reversal) of investments	-	(24)	-	-
Impairment and write-off (reversal) of inventories	289	(55)	304	(58)
Impairment and write-off (reversal) of accounts receivable and accounts payable	(131)	30	(131)	(7)
Interest income	(2)	(3)	(103)	(103)
Interest expenses	1,310	1,298	1,172	1,151
Foreign currency differences	1 495	(3,199)	-	-
Income tax expense	-	-	-	-
Changes in working capital:				
Decrease (increase) in inventories	1,178	(2,188)	1,130	(2,147)
Decrease (increase) in trade receivables	1,906	(15)	1,069	484
Decrease (increase) in receivables from subsidiaries	-	-	(394)	(713)
Decrease (increase) in other receivables and other current assets	1,431	(276)	222	(176)
Increase (decrease) increase in trade and other accounts payable	(2,658)	(193)	(1,912)	(257)
Increase (decrease) in taxes payable and other current liabilities	144	137	110	958
Cash generated from operations	5,127	2,133	3,510	1,510
Income tax paid	-	42	-	-
Net cash flows from operating activities	5,127	2,175	3,510	1,510
Cash flows from investing activities				
Acquisition of property, plant and equipment	(34)	(272)	(17)	(255)
Acquisition of intangible assets	-	(93)	-	(93)
Proceeds from sale of non-current assets	1,012	358	-	3
Interest received	2	3	-	-
Net cash flows generated from investing activities	980	(4)	(17)	(345)

Statements of cash flows (cont'd) (LTL thousand)

	Group		Company	
	30 June		30 June	
	2011	2010	2011	2010
Cash flows from financing activities				
Cash flows related to other sources of financing				
Proceeds from borrowings	-	-	-	-
Repayment of borrowings	(4,148)	(1,891)	(2,615)	(1,311)
Interest paid	(672)	(898)	(529)	(674)
	<u>(4,820)</u>	<u>(2,789)</u>	<u>(3,144)</u>	<u>(1,985)</u>
Net cash flows (used in) generated from financing activities	(4,820)	(2,789)	(3,144)	(1,985)
Net increase (decrease) in cash and cash equivalents	1,287	(618)	349	(820)
Cash and cash equivalents at the beginning of the year	1,727	2,161	712	1,492
Foreign exchange effect on the balance of cash and cash equivalents	-	-	-	-
Cash and cash equivalents at the end of the year	3,014	1,543	1,061	672

Notes to the financial statements

General information

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

Basanavičiaus st. 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 National Stock Exchange.

As of 30 June 2011 and 31 December 2010 the shareholders of the Company were as follows:

	As of 30 June 2011		As of 31 December 2010	
	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
Other shareholders	4,903	24.73	4,903	24.73
	<u>19,834</u>	<u>100.00</u>	<u>19,834</u>	<u>100.00</u>

All the shares are registered ordinary shares with a par value of LTL 1 each. As of 30 June 2011 and 31 December 2010 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 2011	31 December 2010	30 June 2010	
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	Retail trade
OAO MTF Mrija	Motroso 13, Mukachov, Ukraine	98,95	98,95	98,95	Production of knitted articles

On 30 of June 2011 the average number of employees of the Group was 1 262, while on 31 of December 2010 it was 1 269 (on 30 of June 2010 – 1 287).

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.

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

In assessing operational performance of segments the Group's Board takes into account the items of sales revenue, gross profit, adjusted EBIDTA, profit (loss), 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 priced on a 'cost plus' basis. These 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 financial position as of 30 June 2011 and in the statement of comprehensive income for the year then ended:

Segment information (continued)					
of 30 June 2011	Production of knitted articles	Production of working clothes	Retail in knitted articles	Eliminations	Total
External sales	29,350	4,353	245	-	33,948
Internal sales	1,600	2	-	(1,602)	-
Total revenue	30,950	4,355	245	(1,602)	33,948
Gross profit	4,002	870	102	32	5,006
EBIDTA	3,541	747	(3)	-	4,285
Profit (loss) for the year	(2,019)	554	9	32	(1,424)

Segment information (continued)					
of 30 June 2010	Production of knitted articles	Production of working clothes	Retail in knitted articles	Eliminations	Total
External sales	30,525	4,425	260	-	35,210
Internal sales	1,613	-	-	(1,613)	-
Total revenue	32,138	4,425	260	(1,613)	35,210
Gross profit	4,348	792	98	11	5,249
Operating profit (loss)	1,196	217	(12)	-	1,401
Adjusted EBIDTA	4,028	498	(8)	-	4,518
Profit (loss) for the year	3,386	233	6	-	3,625

4. Non-current intangible assets

Amortization expenditure of Intangible assets is involved in general and administration expenditure item in Profit (loss) statement.

5. Non-current tangible assets

Depreciation of non-current tangible property amounts to LTL 2,743 thousand as of 30 June 2011, LTL 2,469 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 30 June 2011	As of 31 December 2010	As of 30 June 2011	As of 31 December 2010
Raw materials	3,408	3,463	2,103	2,180
Work in progress	2,754	4,149	2,712	4,083
Finished goods	3,120	2,888	2,945	2,663
Goods for resale	157	123	-	-
	9,439	10,623	7,760	8,926
Write-down to net realisable value:				
Opening balance	(1,600)	(1,695)	(494)	(574)
Change	(283)	95	(268)	80
Closing balance	(1,883)	(1,600)	(762)	(494)
	7,556	9,023	6,998	8,432

The acquisition cost of the Group's and Company's inventories accounted for at net realisable value as of 30 June 2011 amounted to LTL 4 046 and 2 957 thousand (of 31 December 2010 to LTL 2 739 and 1 633 thousand). Changes in the value decrease of inventories as of 30 June 2011 and 31 December 2010 have been included into operating expenses in the Group's and Company's income (loss) statement.

7. Trade receivables

	Group		Company	
	As of 30 June 2011	As of 31 December 2010	As of 30 June 2011	As of 31 December 2010
Trade receivables, gross	6,493	8,331	5,529	6,612
Impairment allowance for trade receivables:				
Opening balance	(893)	(859)	(820)	(832)
Change	53	(34)	54	12
Closing balance	(840)	(893)	(766)	(820)
	<u>5,653</u>	<u>7,438</u>	<u>4,763</u>	<u>5,792</u>

Changes in decrease of doubtful receivables value as of 30 June 2011 and 31 December 2010 have been included into operating expenses in the Group's income (loss) statements.

8. Cash and cash equivalents

	Group		Company	
	As of 30 June 2011	As of 31 December 2010	As of 30 June 2011	As of 31 December 2010
Cash in bank and on hand	2,164	1,727	1,061	712
Deposits with a term of less than three months	850	-	-	-
	<u>3,014</u>	<u>1,727</u>	<u>1,061</u>	<u>712</u>

9. Reserves

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

Upon sale of the corresponding assets the cumulative translation reserve is transferred to retained result in the same period when the gain or loss on realization of the investment is recognized.

Other reserves

The balances of other reserves as of 30 June 2011 and 31 December 2010 were as follows:

	As of 30 June 2011	As of 31 December 2010	As of 30 June 2011	As of 31 December 2010
Legal reserve	1.983	1.983	1.983	1.983
Other reserves	-	-	-	-
	<u>1.983</u>	<u>1.983</u>	<u>1.983</u>	<u>1.983</u>

10. Borrowings

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 issue is LTL 112 thousand (equivalent in EUR 33 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.

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.

On 6 January 2010, the Company and Swedbank Lizingas UAB and Swedbank AB entered into the agreement on the performance of finance lease contracts and convertible bond agreements. The parties agreed to extend the settlement term of finance lease liabilities by 30 September 2014 and amend the payment schedules (based on the agreement, during 2010 the Company is committed to repay finance lease liabilities of LTL 3,930 thousand with the first payment due in April 2010). A new annual interest rate was agreed which was set at 6 month EURIBOR plus 4 per cent margin.

On 23 March 2010, the agreement on the pledge of assets to Swedbank AB was concluded based on which the Company's property, plant and equipment with the net book value of LTL 753 thousand as of 28 February 2010 was placed under a primary pledge and property, plant and equipment with the net book value of LTL 1,191 thousand as of 28 February 2010, inventories amounting to LTL 7,692 thousand, fixed assets owned by the subsidiary Šatrija AB with carrying value to LTL 3,297 thousand as of 31 December 2009 were placed under a secondary pledge.

	Group		Company	
	As of 30 June 2011	As of 31 December 2010	As of 30 June 2011	As of 31 December 2010
Current				
Current portion of long-term bank borrowings	1,327	1,331	-	-
Finance lease liabilities	5,240	5,240	5,240	5,240
	6,567	6,571	5,240	5,240
Non-current				
Long-term bank borrowings	2,877	4,418	-	-
Finance lease liabilities	11,753	14,368	11,753	14,368
Convertible bonds issued	8,911	8,268	8,911	8,268
	23,541	27,054	20,664	22,636
Total borrowings	30,108	33,625	25,904	27,876

11. Accrued expenses and other current liabilities

	Group		Company	
	As of 30 June 2011	As of 31 December 2010	As of 30 June 2011	As of 31 December 2010
Amounts payable for services and non-current assets	1,977	1,320	1,365	1,182
Payables to subsidiaries	2,038	1,510	1,216	1,043
Payables to other related parties	-	4	-	-
Prepayments received	86	155	72	25
Wages, salaries and social security	1,440	1,484	1,073	1,052
Accrual for vacation reserve	1,995	1,962	1,472	1,352
Bonuses for employees	-	273	-	153
Taxes payable, except for profit tax	352	330	122	117
Other liabilities	45	250	3	117
	7,933	7,288	5,323	5,041

12. Revenue**Group**

	01-06 of 2011	04-06 of 2011	01-06 of 2010	04-06 of 2010
Revenue from sales of goods and services	33,878	16,156	34,984	18,080
Revenue from sales of materials	70	33	226	79
	33,948	16,189	35,210	18,159

Company

	01-06 of 2011	04-06 of 2011	01-06 of 2010	04-06 of 2010
Revenue from sales of goods and services	29,024	14,051	30,047	15,686
Revenue from sales of materials	49	23	47	28
	29,073	14,074	30,094	15,714

13. Cost of sales

	Group			
	01-06 of 2011	04-06 of 2011	01-06 of 2010	04-06 of 2010
Materials	10,478	5,142	10,185	5,662
Wages and salaries and social security	10,804	5,077	10,760	5,468
Other overhead expenses	5,174	2,325	6,019	2,824
Depreciation and amortization	2,469	1,139	2,850	1,365
Cost of materials sold	17	9	147	38
	28,942	13,692	29,961	15,357

	Company			
	01-06 of 2011	04-06 of 2011	01-06 of 2010	04-06 of 2010
Materials	10,120	4,993	9,629	5,429
Wages and salaries and social security	7,750	3,740	7,725	4,664
Other overhead expenses	5,459	2,569	6,594	2,567
Depreciation and amortization	2,092	969	2,303	1,096
Cost of materials sold	16	8	16	9
	25,437	12,279	26,267	13,765

14. Selling, general and administrative expenses

	Group			
	01-06 of 2010	04-06 of 2010	01-06 of 2010	04-06 of 2010
Selling expenses				
Wages, salaries and social security	527	280	463	231
Other selling expenses	649	312	624	301
Total selling expenses	1,176	592	1,087	532
General and administrative expenses				
Wages salaries and social security	1,133	630	1,338	680
Communications and consulting services	588	288	617	311
Taxes other than income tax	280	141	327	206
Depreciation and amortization	194	98	191	95
Impairments and write-offs	158	100	(49)	(41)
Business trips	38	22	34	14
Charity and sponsorship	9	4	9	3
Other	594	313	643	250
Total general and administrative expenses	2,994	1,596	3,110	1,518
	4,170	2,188	4,197	2,050

	01-06 of 2010	Company 04-06 of 2010	01-06 of 2010	04-06 of 2010
Selling expenses				
Wages, salaries and social security	423	343	360	184
Other selling expenses	575	167	533	258
Total selling expenses				
Total selling expenses	998	510	893	442
General and administrative expenses				
Wages salaries and social security	768	453	986	504
Communications and consulting services	418	205	448	259
Taxes other than income tax	266	130	300	163
Depreciation and amortization	152	76	154	77
Impairments and write-offs	173	99	(74)	(93)
Business trips	23	11	20	5
Charity and sponsorship	9	4	9	3
Other	300	171	337	130
Total general and administrative expenses	2,109	1,149	2,180	1,048
	3,107	1,659	3,073	1,490

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

	Group			
	01-06 of 2011	04-06 of 2011	01-06 of 2010	04-06 of 2010
Lease income	151	74	215	97
Lease expenses	(60)	(30)	(61)	(32)
Other revenue (expenses)	633	371	195	148
	724	415	349	213

	Company			
	01-06 of 2011	04-06 of 2011	01-06 of 2010	04-06 of 2010
Lease income	148	72	154	77
Lease expenses	(60)	(30)	(61)	(32)
Other revenue (expenses)	185	7	-	8
	273	49	93	53

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

	Group			
	01-06 of 2011	04-06 of 2011	01-06 of 2010	04-06 of 2010
Net foreign exchange gain (loss)	(1,677)	(503)	3,519	2,071
Interest income	2	-	3	-
Interest expenses	(1,309)	(658)	(1,298)	(667)
Discounts received on earlier payment	-	-	-	-
	(2,984)	(1,161)	2,224	1,404

	Company			
	01-06 of 2011	04-06 of 2011	01-06 of 2010	04-06 of 2010
Net foreign exchange gain (loss)	(4)	(2)	2	-
Interest income	103	52	103	57
Interest expenses	(1,172)	(589)	(1,151)	(588)
Discounts received on earlier payment	-	-	-	-
	(1,073)	(539)	(1,046)	(531)

17. Profit/(loss) 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			
	01-06 of 2011	04-06 of 2011	01-06 of 2010	04-06 of 2010
Profit/(loss) attributable to the equity holders of the Company	(1,465)	(470)	3,568	2,326
Weighted average number of shares in issue (thousand)	19,834	19,834	19,834	19,834
Basic and diluted profit (loss) per share (in LTL)	(0.07)	(0.02)	0.18	0.12

	Company			
	01-06 of 2011	04-06 of 2011	01-06 of 2010	04-06 of 2010
Profit/(loss) attributable to the equity holders of the Company	(270)	(354)	(199)	(19)
Weighted average number of shares in issue (thousand)	19,834	19,834	19,834	19,834
Basic and diluted profit (loss) per share (in LTL)	(0.01)	(0.02)	(0.01)	(0.001)



Utenos trikotažas

UTENOS TRIKOTAŽAS AB
CONSOLIDATED INTERIM REPORT
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2011
(UNAUDITED)

1. Reporting period covered by the Annual Report

The Consolidated Interim Report covers the period from 1 January 2011 to 30 June 2011.

All amounts in the Report present situation as at 30 June 2011, unless otherwise stated. Further in this report Utenos Trikotažas AB can be referred to as the Company or the Issuer.

2. Issuer and its contact data

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

3. Nature of the Issuer's operations

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

The Company's profile of activities:

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

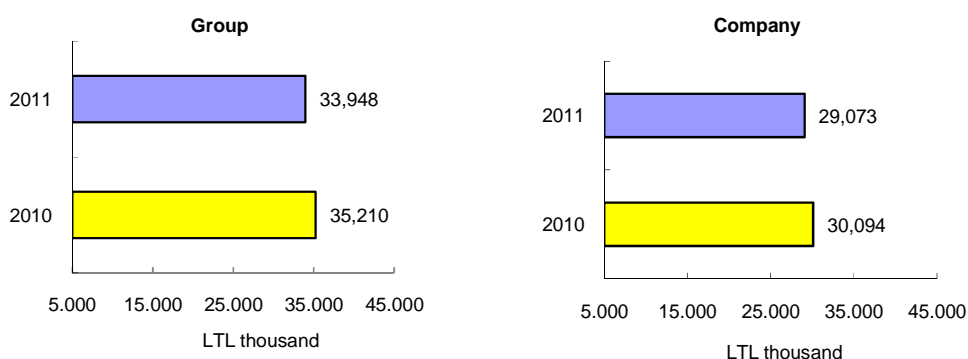
19,834,442 of ordinary registered shares have been registered for public turnover of securities. A nominal value of one share is LTL 1.

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

Trade

In the first half 2011, total sales of goods and services of the Company amounted to LTL 29.1 million. Trade volume decreased by LTL 1 million or by 3.4 per cent as compared to 2010. The Company's exports to Western Europe and other countries accounted for 90.3 per cent, whereas sales in Lithuania accounted for 9.7 per cent of total production.

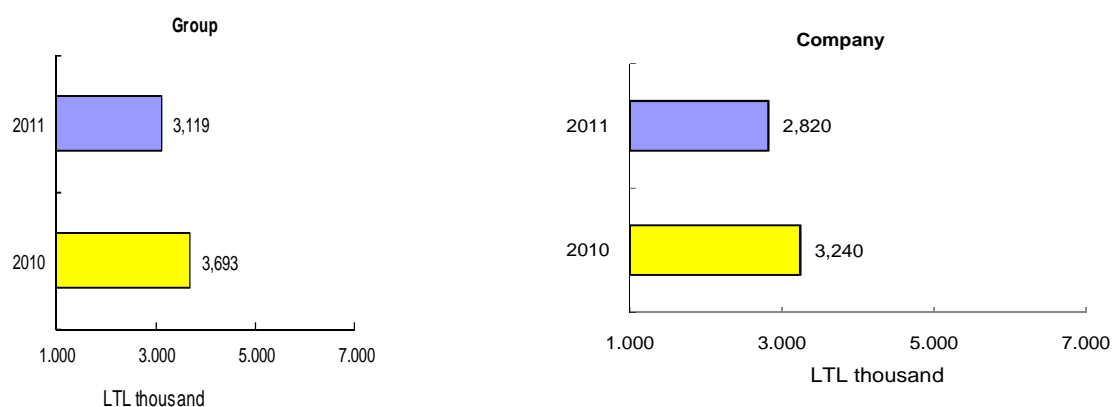
In the first half 2011, total sales of goods and services of Utenos Trikotažas AB group (hereinafter "the Group") amounted to LTL 33.9 million. The Group's exports accounted for 90.8 per cent, whereas sales in Lithuania accounted for 9.2 per cent of total production.



Lithuania

In the first half 2011, the Company sold 262.4 thousand knit-wear items in Lithuania totalling to LTL 2.8 million. The sales in Lithuania decreased by LTL 0.4 million or 13 per cent.

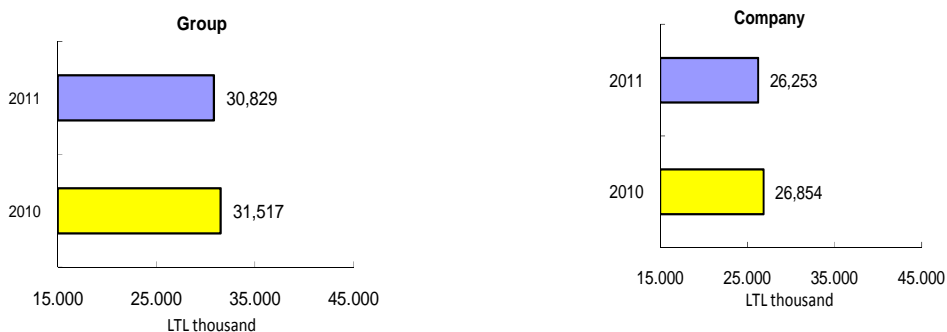
In the first half 2011, the Group's sales in Lithuania and other Baltic countries amounted to LTL 3.1 million, which is less by LTL 0.4 million as compared to 2010.



Export

In the first half 2011, the Company exported 1.6 million knit-wear items totalling to LTL 26.3 million. The Company's exports decreased by LTL 0.6 million or 2.2 per cent comparing to 2010. Large retail chains from Western Europe remained as the major customers of the Company.

In the first half 2011, the Group's exports to Western Europe and other regions amounted to LTL 30.8 million.



Production

In the first half 2011, the Company produced 1.8 million knit-wear items. The Company's subcontractors (including the company in Ukraine) produced 1.1 million knit-wear items of total production volume.

In the first half 2011, Šatrija AB produced 61.4 thousand sewn items.

In the first half 2011, OAO MTF Mrija produced 0.7 million items.

Investments

In the first half 2011, the Group's investments in new equipment and new technologies amounted to LTL 26.1 thousand including transactions within the Group.

In the first half 2011, the Company's investments in new equipment and technologies amounted to LTL 17.4 thousand.

In the first half 2011, OAO MTF Mrija invested LTL 8.7 thousand.

In the first half 2011, Šatrija AB, Gotija UAB had made no investments.

Development

The Company's research activities and decisions are focused on potential development opportunities through the implementation of the Company's strategic goals. This involves improvement of production technologies, development of new materials attractive to the customers, development of own-design collections, certification of production processes, etc.

Risk factors related to the Issuer's operations

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

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

Economic factors. The Company's operations are dependent on state politics, political and economic developments in Lithuania or developments affecting Lithuania, i.e. political and economic developments in Ukraine.

The Company and the Group use instruments ensuring that production is sold to reliable customers. The Company's and the Group's policy focuses on maintaining adequate amount of cash and cash equivalents available with the purpose of implementing commitments provided for in their plans.

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

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

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

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

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

7. Analysis of financial and non-financial performance

Key performance indicators of Utenos Trikotažas AB:

Financial indicators	COMPANY	
	01-06 2011	01-06 2010
Revenue (LTL '000)	29,073	30,094
Operating profit (loss) (LTL'000)	803	847
Operating profit (loss) margin (%)	2.76	2.81
EBITDA (LTL '000)	3,106	3,359
Profit (loss) before tax (LTL '000)	(270)	(199)

Relative indicators	COMPANY	
	2011.06.30	2010.12.31
Short-term solvency ratio	1.49	1.44
Return on assets (%)	(0.5)	(1.3)
Net profitability (loss) (%)	(0.9)	(1.3)
Assets turnover	0.53	1.03
Debt-to-equity ratio	2.00	2.17
Book value per share	0.92	0.93
Critical liquidity ratio	1.0	0.95
Debt ratio	0.67	0.69
Net earnings (deficit) per share	(0.01)	(0.04)

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

All financial data presented in this Interim 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. Main features of the Group's internal control and risk management systems related to the preparation of the consolidated financial statements

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

Internal controls in Utenos Trikotažas AB includes control procedures over business processes related to sale of products and revenue generation (client settlement and accounting management), operation of information systems and the reporting processes.

10. Information about the Company's own shared acquisition

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

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

On 24 January 2011, announcement of unaudited performance results for fourth quarter of 2010.

On 24 January 2011, announcement of publishing terms of the interim reports and audited consolidated report in 2011.

On 28 February 2011, announcement of unaudited interim consolidated financial statements of 2010.

On 6 April 2011, the general meeting of shareholders of Utenos Trikotažas AB was convened.

On 7 April 2011, announcement of the drafts of the decisions of the general shareholder meeting to be convened on 28 April 2011.

On 28 April 2011, decisions of the General shareholder meeting were approved.

On 29 April 2011, announcement of the sales figures for the first quarter of 2011.

On 13 May 2011, announced, that Group sold idle assets for LTL 1 million.

On 31 May 2011, announcement of the performance results for the first quarter of 2011

On 29 July 2011, announcement of the sales figures for the second quarter and the first half-year of 2011.

On 11 August 2011, announcement of the change of managing director of Utenos trikotažas AB.

12. The Company's operating plans and prospects

In the first half 2011, the Company plans to actively develop sales of ecological products and to develop the co-operation with customers demanding higher quality and sophisticated technology and to maintain close relationship with longstanding business customers.

Note: the Company's operating plan for 2011 was approved at the Board's meeting held on 1 February 2011, Minutes No. 1.

13. Structure of the Issuer's authorised share capital

As at 30 June 2011, 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.

14. Restrictions on disposal of securities

There are no restrictions.

15. Shareholders

As at 30 June 2011, the total number of shareholders of Utenos Trikotažas AB was 1,341.

The table below indicates shareholders owning or holding more than 5 per cent of the Issuer's authorised share capital as at 30 June 2011.

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	2,091	10.54	10.54
KJK Fund, SICAV-SIF 412F, route d'Esch L-1030, Liuksemburgas, Nr.B 86729	1,095	5.52	5.52
Other shareholders	3,808	19.21	19.21

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

There are no such shareholders.

17. All restrictions regarding voting rights

There are no restrictions.

18. 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.

19. Personnel

Number of employees of Utenos Trikotažas AB by separate groups:

Group of employees	2011.06.30	2010.06.30
Managers and specialists	104	106
Managers whereof	4	3
Workers	679	704
Total	783	810

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	4	-	-	-	-	-
Specialists	78	14	1	-	-	8
Workers	12	210	153	223	56	25
Total	94	224	153	223	56	33

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

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

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

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

As at 30 June 2011:

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

In the first half 2011, no loans, guarantees, sponsorships were issued and no assets were disposed to members of the Company's Board and Administration. In the first half 2011, the aggregate remuneration of the Company General Managers and the Finance Director amounted to LTL 149 thousand.

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

23. 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.

24. 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.

25. Information about transactions with related parties

Results of transactions with related parties performed in the first half 2011 are disclosed in the notes to the financial statements of AB Utenos Trikotažas for the period ended as at 30 June 2011.

26. Data on publicly announced information

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

27. General information on the Group of companies

27.1. 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@mriya.ut.lt
Website	www.mriyamukachevo.com
Principal activities	Production of knit-wear articles

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

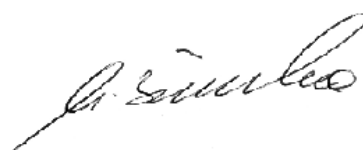
27.2. Agreements concluded between the Issuer and brokerage firms and/or credit institutions providing investing services and/or conducting investing activity

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

27.3. 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.

General Manager Gintautas Bareika



31 August 2011