



Utenos trikotazas

CONFIRMATION OF RESPONSIBLE PERSONS

2012-11-30

Following Article 22 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 9 months of 2012, 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 9 months of 2012 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 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2012
(UNAUDITED)

Statements of financial position

	Notes	Group		Company	
		30 September 2012	31 December 2011	30 September 2012	31 December 2011
ASSETS					
Non-current assets					
Intangible assets	4	3 637	3 820	205	365
Property, plant and equipment	5	22 629	24 971	15 523	17 032
Investment property		2 901	2 969	2 901	2 969
Investments into subsidiaries		-	-	5 175	5 175
Trade and other receivables		66	79	-	-
Receivables from subsidiaries		-	-	14 734	13 131
Deferred income tax asset		438	438	-	-
		29 671	32 277	38 538	38 672
Current assets					
Inventories	6	8 930	8 031	7 824	7 011
Trade receivables	7	4 542	4 259	3 508	3 193
Receivables from and prepayments to subsidiaries		-	-	7	-
Receivables from other related parties		7	68	-	9
Prepaid income tax		-	-	-	-
Other receivables		656	799	98	105
Deposits		500	1 646	-	-
Cash and cash equivalents	8	826	1 084	83	512
		15 461	15 887	11 520	10 830
Non-current assets held for resale		-	-	-	-
		15 461	15 887	11 520	10 830
Total assets		45 132	48 164	50 058	49 502

Statements of financial position (cont'd)

	Notes	Group		Company	
		30 September 2012	31 December 2011	30 September 2012	31 December 2011
EQUITY					
Equity attributable to the equity holders of the Company					
Share capital		19 834	19 834	19 834	19 834
Foreign currency translation reserve		1 305	1 548	-	-
Other reserves	9	1 983	1 983	1 983	1 983
Accumulated retained earnings/ (losses)		(16 826)	(13 440)	(9 533)	(6 754)
		6 296	9 925	12 284	15 063
Non-controlling interest		903	895	-	-
Total equity		7 199	10 820	12 284	15 063
LIABILITIES					
Non-current liabilities					
Borrowings	10	8 022	9 138	8 022	9 138
Borrowings from subsidiaries	10	-	-	3 149	3 134
Convertible bonds issued	10	10 733	9 599	10 733	9 599
Deferred income tax liabilities		152	152	152	152
Provisions for employee benefits		312	312	277	277
		19 219	19 201	22 333	22 300
Current liabilities					
Borrowings	10	5 355	8 741	2 876	5 240
Trade payables		3 464	2 635	3 297	2 335
Payables to subsidiaries		-	-	1 672	30
Payables to other related parties		3 418	2 613	2 452	1 906
Income tax payable		-	-	-	-
Accrued expenses and other current liabilities	11	6 477	4 154	5 144	2 628
		18 713	18 143	15 441	12 139
Total liabilities		37 933	37 344	37 774	34 439
Total equity and liabilities		45 132	48 164	50 058	49 502

Statements of comprehensive income

Group

	Notes	of 2012		of 2011 Adjusted	
		01-09	07-09	01-09	07-09
Revenue	3,12	37 743	13 233	48 064	14 116
Cost of sales	13	(32 991)	(10 777)	(39 300)	(11 231)
Gross profit		4 752	2 456	8 764	2 885
Selling expenses	14	(2 113)	(795)	(1 730)	(553)
General and administrative expenses	14	(4 544)	(1 477)	(4 579)	(1 562)
Other income	15	602	158	1 347	379
Other expenses	15	(226)	(73)	(319)	(75)
Operating profit (loss)		(1 529)	269	3 483	1 074
Finance income	16	1 519	301	1 705	1 098
Finance cost	16	(3 366)	(1 517)	(4 357)	(765)
Profit (loss) before tax		(3 376)	(947)	831	1 407
Income tax		-	-	(225)	(75)
Profit (loss) for the year		(3 376)	(947)	606	1 332
Profit (loss) attributable to:					
Equity holders of the Company	17	(3 384)	(955)	524	1 293
Non-controlling interest		8	8	82	39
		(3 376)	(947)	606	1 332
Other comprehensive income (loss)					
Foreign currency translation gain (losses)		(243)	271	417	(547)
Other comprehensive income (loss)		(243)	271	417	(547)
Total comprehensive income (loss) for the period		(3 619)	(676)	1 023	785
<u>Basic/dilutive earnings per share</u>	17	(0.17)	(0.05)	0.03	0.07

Statements of comprehensive income

Company

	Notes	of 2012		of 2011 Adjusted	
		01-09	07-09	01-09	07-09
Revenue	3,12	31 139	11 154	40 786	11 713
Cost of sales	13	(27 696)	(9 231)	(34 068)	(9 520)
Gross profit		3 443	1 923	6 718	2 193
Selling expenses	14	(1 819)	(689)	(1 474)	(476)
General and administrative expenses	14	(2 977)	(980)	(3 142)	(1 033)
Other income	15	283	71	568	114
Other expenses	15	(117)	(33)	(233)	(52)
Operating profit (loss)		(1 187)	292	2 437	746
Finance income	16	175	65	200	69
Finance cost	16	(1 768)	(599)	(1 792)	(589)
Profit (loss) before tax		(2 780)	(242)	845	226
Income tax		-	-	(212)	(70)
Profit (loss) for the year		(2 780)	(242)	633	156

Statements of changes in equity

Group	Equity attributable to the equity holders of the Company						
	Share capital	Foreign currency translation reserve	Other reserves	Accumulated (losses)	Total	Non-controlling interest	Total equity
Balance as of 31 December 2011	19 834	1 548	1 983	(13 440)	9 925	895	10 820
Total comprehensive income (loss)	-	(243)	-	(3 386)	(3 629)	8	(3 621)
Balance as of 30 September 2012	19 834	1 305	1 983	(16 826)	6 296	903	7 199

Company	Accumulated retained earnings/ (losses)			
	Share capital	Other reserves		Total
Balance as of 31 December 2011	19 834	1 983	(6 754)	15 063
Total comprehensive income (loss)	-	-	(2 779)	(2 779)
Balance as of 30 September 2012	19 834	1 983	(9 533)	12 284

Statements of cash flows

	Group		Company	
	30 September		30 September	
	2012	2011 Adjusted	2012	2011 Adjusted
Cash flows from operating activities				
Profit (loss) for the period	(3 376)	606	(2 780)	633
Adjustments for non-cash items:				
Depreciation and amortization	2 262	2 479	1 784	1 840
Impairment of investments into subsidiaries	-	-	-	-
Impairment of accounts receivable from subsidiaries	-	-	-	-
Impairment (reversal) of non-current assets held for sale	-	-	-	-
Impairment (reversal) of investment property	-	-	-	-
Gain on disposal of property, plant and equipment and investment property	(50)	(186)	(48)	(3)
Impairment and write-off (reversal) of inventories	5	290	2	304
Impairment and write-off (reversal) of accounts receivable	-	(159)	-	(159)
Provisions for employees benefits	-	-	-	-
Interest expense (income)	1 760	1 957	1 584	1 597
Foreign currency differences	-	522	-	-
Income tax expense	-	-	-	-
Changes in working capital:				
Decrease (increase) in inventories	(712)	960	(622)	924
Decrease (increase) in trade receivables	(209)	3 005	(297)	2 296
Decrease (increase) in receivables from subsidiaries	-	-	(1 446)	(650)
Decrease (increase) in other receivables and other current assets	143	1 288	(11)	289
Increase (decrease) in trade and other accounts payable	1 633	(1 756)	3 150	(525)
Increase (decrease) in taxes payable and other current liabilities	2 795	(2 023)	2 305	(2 065)
Cash generated from operating activities	4 251	6 983	3 621	4 481
Income tax (paid)	-	-	-	-
Net cash flows from operating activities	4 251	6 983	3 621	4 481
Cash flows from investing activities				
Acquisition of property, plant and equipment	(225)	(141)	(112)	(100)
Acquisition of intangible assets	(53)	(9)	(53)	(9)
Proceeds from sale of property, plant and equipment	207	1 047	37	4
Investments in term deposits	1 146	-	-	-
Interest received	18	5	1	-
Net cash flows generated from investing activities	1 093	902	(127)	(105)

Statements of cash flows (cont'd)

	Group		Company	
	30 September		30 September	
	2012	2011 Adjusted	2012	2011 Adjusted
Cash flows from financing activities				
Proceeds from borrowings from subsidiaries	-	-	15	-
Repayment of borrowings	(4 502)	(5 782)	(3 481)	(3 923)
Interest paid	(600)	(953)	(457)	(724)
Net cash flows from financing activities	(5 102)	(6 735)	(3 923)	(4 647)
Net (decrease) in cash and cash equivalents	242	1 150	(429)	(271)
Cash and cash equivalents at the beginning of the period	1 084	1 727	512	712
Foreign exchange effect on the balance of cash and cash equivalents	-	-	-	-
Cash and cash equivalents at the end of the period	1 326	2 877	83	441

Notes to the financial statements

General information

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

Basanavičiaus str. 122,
Utena,
Lithuania

The Company is engaged in production of knitted articles.

The shares of Utenos Trikotažas AB are listed on the Official List of the NASDAQ OMX Vilnius Stock Exchange.

As of 30 September 2012 and 31 December 2011 the shareholders of the Company were as follows:

	As of 30 September 2012		As of 31 December 2011	
	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
	<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 September 2012 and 31 December 2011 subsidiaries did not hold any shares of the Company. The Company did not hold its own shares within this period.

The consolidated group (hereinafter “the Group”) consists of the Company and the following subsidiaries:

	Registered address	Group's share (%)		Profile
		30 September 2012	31 December 2011	
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
OAD MTF Mrija	Motroso Str. 13, Mukachov, Ukraine	98,95	98,95	Production of knitted articles

On 30 of September 2012 the average number of employees of the Group was 1 078, while on 30 of September 2011 it was 1 245 (31 of December 2011 it was 1 177).

1 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.

2. 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.

3. 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), 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 2012 and 2011:

of 30 September 2012	Production of knitted articles	Production of working clothes	Retail in knitted articles	Eliminations	Total
External sales	31 714	5 605	424	-	37 743
Internal sales	1 402	17	-	(1 419)	-
Total revenue	33 116	5 622	424	(1 419)	37 743
Gross profit	3 503	1 047	185	17	4 752
EBITDA	419	314	-	-	733
Profit (loss) for the period	(3 615)	190	32	17	(3 376)

of 30 September 2011	Production of knitted articles	Production of working clothes	Retail in knitted articles	Eliminations	Total
External sales	41 275	6 404	385	-	48 064
Internal sales	2 272	16	-	(2 288)	-
Total revenue	43 547	6 420	385	(2 288)	48 064
Gross profit	7 123	1 432	161	48	8 764
EBITDA	4 871	1 085	6	-	5 962
Profit (loss) for the period	(341)	881	18	48	606

4. Non-current intangible assets

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

5. Non-current tangible assets

Depreciation of non-current tangible property amounted to LTL 2 262 thousand as of 30 September 2012, LTL 1 784 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.

6. Inventories

	Group		Company	
	2012.09.30	2011.12.31	2012.09.30	2011.12.31
Raw materials	4 269	3 376	2 929	2 034
Work in progress	2 807	2 133	2 722	2 000
Finished goods	3 266	4 108	2 969	3 773
Goods for resale	463	289	-	-
	10 805	9 906	8 620	7 807
Write-down to net realisable value:				
Opening balance	(1 875)	(1 600)	(796)	(494)
Change	(0)	(275)	(0)	(302)
Closing balance	(1 875)	(1 875)	(796)	(796)
	8 930	8 031	7 824	7 011

7. Trade receivables

	Group		Company	
	2012.09.30	2011.12.31	2012.09.30	2011.12.31
Trade receivables, gross	5 322	5 039	4 215	3 900
Allowance for trade receivables:				
Opening balance	(780)	(893)	(707)	(820)
Change	-	113	-	113
Closing balance	(780)	(780)	(707)	(707)
	4 542	4 259	3 508	3 193

Changes in impairment allowance for doubtful trade receivables as of 30 September 2012 and 31 December 2011 were recorded within general and administrative expenses in the Group's Profit (loss) statement.

8. Cash and cash equivalents

	Group		Company	
	2012.09.30	2011.12.31	2012.09.30	2011.12.31
Cash at bank and on hand	826	884	83	512
Deposits with maturity term of 3 months or less	-	200	-	-
	826	1 084	83	512

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 September 2012 and 31 December 2011 were as follows:

	Group		Company	
	2012.09.30	2011.12.31	2012.09.30	2011.12.31
Legal reserve	1 983	1 983	1 983	1 983
Other reserves	-	-	-	-
	1 983	1 983	1 983	1 983

10. Borrowings and convertible bonds issued

	Group		Company	
	2012.09.30	2011.12.31	2012.09.30	2011.12.31
Current				
Current portion of non-current bank borrowings	2 479	3 501	-	-
Finance lease liabilities	2 876	5 240	2 876	5 240
	5 355	8 741	2 876	5 240
Non-current				
Non-current borrowings	-	-	-	-
Borrowings from subsidiaries	-	-	3 149	3 134
Finance lease liabilities	8 022	9 138	8 022	9 138
	8 022	9 138	11 171	12 272
Total borrowings	13 377	17 879	14 047	17 512

On 4 January 2012, the Company and Swedbank Lizingas UAB entered into the new agreements concerning the lease contracts. The parties revised the instalment schedules and a new annual interest rate was agreed which was set at 6 month EURIBOR plus 3.24 per cent margin. The final settlement term of finance lease liabilities was not changed - 30 September 2014, however current portion of financial lease decreased by approximately LTL 2.4 million.

In 2012 and 2011, the bank borrowings are secured by property plant and equipment.

	Group		Company	
	2012.09.30	2011.12.31	2012.09.30	2011.12.31
Convertible bonds to company FR&R Invest AB	8 473	7 578	8 473	7 578
Convertible bonds issued to UAB Koncernas „SBA“	2 260	2 021	2 260	2 021
	10 733	9 599	10 733	9 599

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.

11. Accrued expenses and other current liabilities

	Group		Company	
	2012.09.30	2011.12.31	2012.09.30	2011.12.31
Amounts payable for services and non-current assets	1 252	822	1 149	644
Wages, salaries and social security	1 441	1 292	1 045	923
Accrual for vacation reserve	1 733	1 613	1 099	832
Prepayments received	1 651	90	1 651	34
Bonuses for employees	-	-	-	-
Taxes payable, except for profit tax	266	216	198	149
Other liabilities	134	121	2	46
	6 477	4 154	5 144	2 628

12. Revenue

Group	of 2012		of 2011	
	01-09	07-09	01-09	07-09
Revenue from sales of goods and services	37 625	13 175	47 939	14 061
Revenue from sales of materials	118	58	125	55
	37 743	13 233	48 064	14 116
Company	of 2012		of 2011	
	01-09	07-09	01-09	07-09
Revenue from sales of goods and services	31 076	11 130	40 695	11 671
Revenue from sales of materials	63	24	91	42
	31 139	11 154	40 786	11 713

13. Cost of sales

Group	of 2012		of 2011 Adjusted	
	01-09	07-09	01-09	07-09
Materials	10 671	3 867	14 625	4 147
Wages and salaries and social security	14 784	4 553	15 596	4 792
Other overhead expenses	5 581	1 719	6 936	1 762
Depreciation and amortisation	1 908	616	2 096	500
Cost of materials sold	47	22	47	30
	32 991	10 777	39 300	11 231

Company	of 2012		of 2011 Adjusted	
	01-09	07-09	01-09	07-09
Materials	10 406	3 804	14 082	3 962
Wages and salaries and social security	11 193	3 397	11 027	3 277
Other overhead expenses	4 619	1 575	7 414	1 955
Depreciation and amortisation	1 464	453	1 524	321
Cost of materials sold	14	2	21	5
	27 696	9 231	34 068	9 520

14. Selling general and administrative expenses

Group	of 2012		of 2011 Adjusted	
	01-09	07-09	01-09	07-09
Selling expenses				
Wages and salaries and social security	920	296	780	346
Other selling expenses	1 193	499	950	207
Total selling expenses	2 113	795	1 730	553
General and administrative expenses				
Wages and salaries and social security	1 887	655	1 783	650
Communications and consulting services	876	227	886	298
Taxes other than income tax	207	88	418	138
Depreciation and amortization	294	102	288	94
Vehicles exploitation expenses	120	36	122	38
Premises exploitation expenses	87	14	77	15
Security	236	81	163	58
Services of financial institutions	93	37	77	25
Representation expenses	43	14	50	-
Business trips	115	41	64	9
Other	586	182	651	237
Total general and administrative expenses	4 544	1 477	4 579	1 562
	6 657	2 272	6 309	2 115

Company	of 2012		of 2011	
	01-09	07-09	01-09	07-09
Selling expenses				
Wages and salaries and social security	752	236	630	207
Other selling expenses	1 067	453	844	269
Total selling expenses	1 819	689	1 474	476
General and administrative expenses				
Wages and salaries and social security	1 237	427	1 243	475
Communications and consulting services	598	171	628	210
Taxes other than income tax	167	74	391	125
Depreciation and amortization	235	80	228	76
Vehicles exploitation expenses	90	24	77	37
Premises exploitation expenses	60	11	54	8
Security	90	31	23	11
Services of financial institutions	74	30	62	10
Representation expenses	27	9	50	-
Business trips	83	30	47	9
Other	316	93	339	72
Total general and administrative expenses	2 977	980	3 142	1 033
	4 796	1 669	4 616	1 509

15. Other income and expenses

Group	of 2012		of 2011	
	01-09	07-09	01-09	07-09
Rent income	200	58	227	76
Other income	345	100	934	271
Gain from disposal of non-current assets	57	-	186	32
Other income	602	158	1 347	379
Rent costs	(109)	(41)	(90)	(30)
Other expenses	(117)	(32)	(229)	(45)
Other expenses	(226)	(73)	(319)	(75)
Company				
Rent income	200	59	225	77
Other income	34	12	340	34
Gain from disposal of non-current assets	49	-	3	3
Other income	283	71	568	114
Rent costs	(109)	(41)	(90)	(30)
Other expenses	(8)	8	(143)	(22)
Other expenses	(117)	(33)	(233)	(52)

16. Finance costs, net

Group	of 2012		of 2011	
	01-09	07-09	01-09	07-09
Net foreign exchange gain (loss)	(87)	(636)	(695)	982
Interest expenses	(1 778)	(585)	(1 962)	(652)
Interest income	18	5	5	3
Interest on late payment received / paid	-	-	-	-
	(1 847)	(1 216)	(2 652)	333

Company	of 2012		of 2011	
	01-09	07-09	01-09	07-09
Net foreign exchange gain (loss)	(7)	(7)	4	7
Interest expenses	(1 742)	(579)	(1 751)	(579)
Interest income	156	52	155	52
Interest on late payment received / paid	-	-	-	-
	(1 593)	(534)	(1 592)	(520)

17. 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	of 2012		of 2011 Adjusted	
	01-09	07-09	01-09	07-09
Profit/ (loss) attributable to the equity holders of the Group	(3 384)	(955)	524	1 293
Weighted average number of shares in issue (thousand)	19 834	19 834	19 834	19 834
Basic / diluted earnings per share (in LTL)	(0.17)	(0.05)	0.03	0.07

18. Correction of errors

The Group and the Company has determined that a large part of equipment being and planned to be used in the main activities is fully depreciated or will depreciate over the next year. The Company's management conducted the analysis of this property and determined, that preparing prior periods' financial statements the property, plant and equipment useful life period has not been regularly reviewed, as required by IFRS. The management has determined that since the end of 2008, when significantly declined planned company's manufacturing volumes and equipment workload, equipment depreciation rates should had been revised. Because of this reason, Company's financial statements for prior periods have been significantly distorted. The Company's management, taking into account lower manufacturing volumes since 1 January 2009 and estimated equipment useful life period, retrospectively corrected the estimation of equipment useful lives and accordingly recalculated the depreciation of the equipment since 1 January 2009.

Financial statements

	2011					
	Group			Company		
	30 September	Correction of errors	30 September Adjusted	30 September	Correction of errors	30 September Adjusted
Revenue	48 064	-	48 064	40 786	-	40 786
Cost of sales	(40 609)	1 309	(39 300)	(35 401)	1 333	(34 068)
Gross profit	7 455	1 309	8 764	5 385	1 333	6 718
Selling expenses, general and administrative expenses, other income and expenses	(5 245)	(36)	(5 281)	(4 281)	-	(4 281)
Operating profit (loss)	2 210	1 273	3 483	1 104	1 333	2 437
Finance activity result	(2 652)	-	(2 652)	(1 592)	-	(1 592)
Profit (loss) before income tax	(442)	1 273	831	(488)	1 333	845
Income tax expense	-	(225)	(225)	-	(212)	(212)
Profit (loss) for the period	(442)	1 048	606	(488)	1 121	633
Profit (loss) attributable to:						
Equity holders of the Company	(520)	1 044	524	(488)	1 121	633
Minority interest	78	4	82	-	-	-
	(442)	1 048	606	(488)	1 121	633

19. Post balance sheet events

On the 18 of October, 2012 AB "Utenos trikotažas" sold not used in the main activity real estate for 1,52 mln.Lt (EUR 0,44 million). Positive sale result of LTL 1,25 million (EUR 0,36 million) will be reported in the other gains in the company and the group Profit (Loss) Statement for the IV quarter of 2012.