



Utenos trikotazas

## CONFIRMATION OF RESPONSIBLE PERSONS

2013-11-29

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 2013, 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 2013 of Utenos trikotazas AB.

**General Director**

**Gintautas Bareika**

**Finance Director**

**Saulius Rakauskis**

**Chief Account**

**Reda Kučinskienė**



Utenos trikotažas

**UTENOS TRIKOTAŽAS, AB**

CONSOLIDATED AND COMPANY'S INTERIM FINANCIAL STATEMENTS  
FOR THE 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2013  
(UNAUDITED)

## Statements of financial position

	Notes	Group		Company	
		30 September 2013	31 December 2012	30 September 2013	31 December 2012
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible assets	6	3 393	3 530	64	135
Property, plant and equipment	7	34 449	22 247	21 559	14 996
Investment property		2 042	756	2 042	756
Investments into subsidiaries		-	-	5 175	5 175
Trade and other receivables		24	38	-	-
Receivables from subsidiaries		-	-	11 529	11 143
Deferred income tax asset		309	309	-	-
		<b>40 217</b>	<b>26 880</b>	<b>40 369</b>	<b>32 205</b>
<b>Current assets</b>					
Inventories	8	11 840	11 199	10 589	10 106
Trade receivables	9	4 957	5 410	3 811	4 127
Receivables from and prepayments to subsidiaries		-	-	395	4
Receivables from other related parties		-	-	-	-
Prepaid income tax		-	-	-	-
Other receivables		672	682	227	132
Deposits		-	-	-	-
Cash and cash equivalents	10	1 693	925	362	187
		<b>19 162</b>	<b>18 216</b>	<b>15 384</b>	<b>14 556</b>
Non-current assets held for resale		-	1 976	-	1 976
		<b>19 162</b>	<b>20 192</b>	<b>15 384</b>	<b>16 532</b>
<b>Total assets</b>		<b>59 379</b>	<b>47 072</b>	<b>55 753</b>	<b>48 737</b>

## Statements of financial position (cont'd)

	Notes	Group		Company	
		30 September 2013	31 December 2012	30 September 2013	31 December 2012
<b>EQUITY</b>					
<b>Equity attributable to the equity holders of the Company</b>					
Share capital		19 834	19 834	19 834	19 834
Foreign currency translation reserve		2 227	1 852	-	-
Other reserves	11	17 669	1 983	11 344	1 983
Accumulated retained earnings/ (losses)		(18 448)	(17 054)	(14 791)	(13 084)
		<b>21 282</b>	<b>6 615</b>	<b>16 387</b>	<b>8 733</b>
<b>Non-controlling interest</b>		<b>1 084</b>	<b>952</b>	-	-
<b>Total equity</b>		<b>22 366</b>	<b>7 567</b>	<b>16 387</b>	<b>8 733</b>
<b>LIABILITIES</b>					
Non-current liabilities					
Borrowings	12	3 334	5 926	3 334	5 926
Borrowings from subsidiaries	12	-	-	5 450	5 450
Convertible bonds issued	12	12 458	11 141	12 458	11 141
Deferred income tax liabilities		-	-	-	-
Provisions for employee benefits		421	421	387	387
		<b>16 213</b>	<b>17 488</b>	<b>21 629</b>	<b>22 904</b>
<b>Current liabilities</b>					
Borrowings	12	5 927	6 981	4 708	4 708
Trade payables		4 730	5 662	4 613	5 284
Payables to subsidiaries		-	-	910	88
Payables to other related parties		4 040	3 504	3 048	2 608
Income tax payable		-	-	-	-
Accrued expenses and other current liabilities	13	6 103	5 870	4 458	4 412
		<b>20 800</b>	<b>22 017</b>	<b>17 737</b>	<b>17 100</b>
<b>Total liabilities</b>		<b>37 013</b>	<b>39 505</b>	<b>39 366</b>	<b>40 004</b>
<b>Total equity and liabilities</b>		<b>59 379</b>	<b>47 072</b>	<b>55 753</b>	<b>48 737</b>

## Statements of comprehensive income

### Group

	Notes	of 2013		of 2012	
		01-09	07-09	01-09	07-09
Revenue	5,14	52 019	18 193	37 743	13 233
Cost of sales	15	(44 024)	(14 130)	(32 991)	(10 777)
<b>Gross profit</b>		<b>7 995</b>	<b>4 063</b>	<b>4 752</b>	<b>2 456</b>
Selling expenses	16	(2 130)	(734)	(2 113)	(795)
General and administrative expenses	16	(5 260)	(1 989)	(4 544)	(1 477)
Other income	17	552	114	602	158
Other expenses	17	(103)	408	(226)	(73)
<b>Operating profit (loss)</b>		<b>1 054</b>	<b>1 862</b>	<b>(1 529)</b>	<b>269</b>
Finance income	18	1 078	33	1 519	301
Finance cost	18	(3 596)	(1 429)	(3 366)	(1 517)
<b>Profit (loss) before tax</b>		<b>(1 464)</b>	<b>466</b>	<b>(3 376)</b>	<b>(947)</b>
Income tax		-	-	-	-
<b>Profit (loss) for the year</b>		<b>(1 464)</b>	<b>466</b>	<b>(3 376)</b>	<b>(947)</b>
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company	19	(1 596)	416	(3 384)	(955)
Non-controlling interest		132	50	8	8
		<b>(1 464)</b>	<b>466</b>	<b>(3 376)</b>	<b>(947)</b>
<b>Other comprehensive income (loss)</b>					
Foreign currency translation gain (losses)		375	552	(243)	271
<b>Other comprehensive income (loss)</b>		<b>375</b>	<b>552</b>	<b>(243)</b>	<b>271</b>
<b>Total comprehensive income (loss) for the period</b>		<b>(1 089)</b>	<b>1 018</b>	<b>(3 619)</b>	<b>(676)</b>
<u>Basic/dilutive earnings per share</u>	19	(0,08)	0,02	(0, 17)	(0,05)

## Statements of comprehensive income

### Company

	Notes	of 2013		of 2012	
		01-09	07-09	01-09	07-09
Revenue	3,12	43 464	15 269	31 139	11 154
Cost of sales	13	(38 237)	(12 194)	(27 696)	(9 231)
<b>Gross profit</b>		<b>5 227</b>	<b>3 075</b>	<b>3 443</b>	<b>1 923</b>
Selling expenses	14	(1 833)	(630)	(1 819)	(689)
General and administrative expenses	14	(3 755)	(1 517)	(2 977)	(980)
Other income	15	319	35	283	71
Other expenses	15	(12)	439	(117)	(33)
<b>Operating profit (loss)</b>		<b>(54)</b>	<b>1 402</b>	<b>(1 187)</b>	<b>292</b>
Finance income	16	177	62	175	65
Finance cost	16	(1 938)	(654)	(1 768)	(599)
<b>Profit (loss) before tax</b>		<b>(1 815)</b>	<b>810</b>	<b>(2 780)</b>	<b>(242)</b>
Income tax		-	-	-	-
<b>Profit (loss) for the year</b>		<b>(1 815)</b>	<b>810</b>	<b>(2 780)</b>	<b>(242)</b>

## 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
<b>Balance as of 31 December 2011</b>	<b>19 834</b>	<b>1 548</b>	<b>1 983</b>	<b>(13 440)</b>	<b>9 925</b>	<b>895</b>	<b>10 820</b>
Total comprehensive income (loss)	-	(243)	-	(3 386)	(3 629)	8	(3 621)
<b>Balance as of 30 September 2012</b>	<b>19 834</b>	<b>1 305</b>	<b>1 983</b>	<b>(16 826)</b>	<b>6 296</b>	<b>903</b>	<b>7 199</b>
Total comprehensive income (loss)	-	547	-	(228)	319	49	368
<b>Balance as of 31 December 2012</b>	<b>19 834</b>	<b>1 852</b>	<b>1 983</b>	<b>(17 054)</b>	<b>6 615</b>	<b>952</b>	<b>7 567</b>
Total comprehensive income (loss)	-	375	-	(1 596)	(1 221)	132	(1 089)
Revaluation reserves	-	-	15 888	-	15 888	-	15 888
Reversal of revaluation reserve	-	-	(202)	202	-	-	-
<b>Balance as of 30 September 2013</b>	<b>19 834</b>	<b>2 227</b>	<b>17 669</b>	<b>(18 448)</b>	<b>21 282</b>	<b>1 084</b>	<b>22 366</b>

## Statements of cash flows

	Group		Company	
	30 September		30 September	
	2013	2012	2013	2012
<b>Cash flows from operating activities</b>				
Profit (loss) for the period	(1 464)	(3 376)	(1 815)	(2 780)
<b>Adjustments for non-cash items:</b>				
Depreciation and amortization	2 229	2 262	1 795	1 784
Impairment of investments into subsidiaries	-	-	-	-
Impairment of accounts receivable from subsidiaries	-	-	-	-
Impairment (reversal) of non-current assets held for sale	444	-	438	-
Impairment (reversal) of investment property	-	-	-	-
Gain on disposal of property, plant and equipment and investment property	(218)	(50)	(218)	(48)
Impairment and write-off (reversal) of inventories	213	5	212	2
Impairment and write-off (reversal) of accounts receivable	90	-	90	-
Provisions for employees benefits	-	-	-	-
Interest expense (income)	1 882	1 760	1 760	1 584
Foreign currency differences	-	-	-	-
Income tax expense	-	-	-	-
<b>Changes in working capital:</b>				
Decrease (increase) in inventories	(233)	(712)	(773)	(622)
Decrease (increase) in trade receivables	363	(209)	226	(297)
Decrease (increase) in receivables from subsidiaries	-	-	(777)	(1 446)
Decrease (increase) in other receivables and other current assets	24	143	(94)	(11)
Increase (decrease) in trade and other accounts payable	(396)	1 633	(231)	3 150
Increase (decrease) in taxes payable and other current liabilities	234	2 795	868	2 305
<b>Cash generated from operating activities</b>	<b>3 168</b>	<b>4 251</b>	<b>1 481</b>	<b>3 621</b>
Income tax (paid)	-	-	-	-
<b>Net cash flows from operating activities</b>	<b>3 168</b>	<b>4 251</b>	<b>1 481</b>	<b>3 621</b>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(196)	(225)	(123)	(112)
Acquisition of intangible assets	(12)	(53)	(12)	(53)
Proceeds from sale of property, plant and equipment	2 017	207	2 017	37
Investments in term deposits	-	1 146	-	-
Interest received	2	18	-	1
<b>Net cash flows generated from investing activities</b>	<b>1 811</b>	<b>1 093</b>	<b>1 882</b>	<b>(127)</b>



## Statements of cash flows (cont'd)

	Group		Company	
	30 September		30 September	
	2013	2012	2013	2012
<b>Cash flows from financing activities</b>				
Proceeds from borrowings from subsidiaries	-	-	-	15
Repayment of borrowings	(3 645)	(4 502)	(2 592)	(3 481)
Interest paid	(566)	(600)	(596)	(457)
<b>Net cash flows from financing activities</b>	<b>(4 211)</b>	<b>(5 102)</b>	<b>(3 188)</b>	<b>(3 923)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>768</b>	<b>242</b>	<b>175</b>	<b>(429)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>925</b>	<b>1 084</b>	<b>187</b>	<b>512</b>
<b>Foreign exchange effect on the balance of cash and cash equivalents</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1 693</b>	<b>1 326</b>	<b>362</b>	<b>83</b>

## Notes to the financial statements

### 1. General information

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

Basanavičiaus str. 122,  
Utena,  
Lithuania

The Company is engaged in production of knitted articles.

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

As of 30 September 2013 and 31 December 2012 the shareholders of the Company were as follows:

	As of 30 September 2013		As of 31 December 2012	
	Number of shares held	Interest held (%)	Number of shares held	Interest held (%)
UAB Koncernas SBA	10 140	51.12	10 140	51.12
Investment Fund Amber Trust	2 700	13.61	2 700	13.61
Investment Fund East Capital Asset	2 091	10.54	2 091	10.54
Investment Fund KJK	1 095	5.52	1 095	5.52
Other shareholders	3 808	19.21	3 808	19.21
	<b>19 834</b>	<b>100.00</b>	<b>19 834</b>	<b>100.00</b>

All the shares are registered ordinary shares with a par value of LTL 1 each. As of 30 September 2013 and 31 December 2012 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 2013	31 December 2012	
Šatrija AB	Vilniaus str. 5, Raseiniai	89,78	89,78	Sewing of clothes
Gotija UAB	Laisvės Str. 33, Kaunas	90,50	90,50	Retail trade
PAT MTF Mrija	Motroso Str. 13, Mukachov, Ukraine	98,95	98,95	Production of knitted articles

On 30 of September 2013 the average number of employees of the Group was 1 158, while on 31 of December 2012 it was 1063.

## 2. Form and contents of the financial statements

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

## 3. Change in the accounting method of the Companies' and the Group's Non-current assets Buildings group

In order to achieve a more accurate accounting of the financial results in March 31, 2013 the Non-current assets Buildings group accounting method was changed to the fair value method, as the book value of the Companies' and the Group's Non-current assets Buildings group, which was carried at historical cost, less subsequent accumulated depreciation, had not corresponded with the buildings market value.

## 4. Consolidation

The consolidated financial statements of the Group include AB Utenos trikotažas and its subsidiaries as well as associated companies. The financial statements of the subsidiaries are prepared for the same reporting year, using consistent accounting policies.

Subsidiaries are consolidated from the date from which effective control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Group. All intercompany transactions, balances and unrealised gains and losses on transactions among the Group companies have been eliminated. The equity and net income attributable to non-controlling interests are shown separately in the statement of financial position and the statement of comprehensive income.

## 5. Segment information

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

In assessing operational performance of segments the Group's Board takes into account the sales revenue, gross profit, EBITDA (earnings before financial activity result, taxes, depreciation and amortization), 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 2013 and 2012:

of 30 Sep[tember 2013	Production of knitted articles	Production of working clothes	Retail in knitted articles	Eliminations	Total
External sales	43 308	8 314	397	-	52 019
Internal sales	2 627	29	-	(2 656)	-
<b>Total revenue</b>	<b>45 935</b>	<b>8 343</b>	<b>397</b>	<b>(2 656)</b>	<b>52 019</b>
<b>Gross profit</b>	<b>5 804</b>	<b>2 013</b>	<b>178</b>	<b>-</b>	<b>7 995</b>
<b>EBITDA</b>	<b>1 986</b>	<b>1 280</b>	<b>16</b>	<b>-</b>	<b>3 282</b>
<b>Profit (loss) for the period</b>	<b>(2 829)</b>	<b>1 303</b>	<b>62</b>	<b>-</b>	<b>(1 464)</b>

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)	-
<b>Total revenue</b>	<b>33 116</b>	<b>5 622</b>	<b>424</b>	<b>(1 419)</b>	<b>37 743</b>
<b>Gross profit</b>	<b>3 503</b>	<b>1 047</b>	<b>185</b>	<b>17</b>	<b>4 752</b>
<b>EBITDA</b>	<b>419</b>	<b>314</b>	<b>-</b>	<b>-</b>	<b>733</b>
<b>Profit (loss) for the period</b>	<b>(3 615)</b>	<b>190</b>	<b>32</b>	<b>17</b>	<b>(3 376)</b>

## 6. Non-current intangible assets

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

## 7. Non-current tangible assets

Depreciation of non-current tangible property amounted to LTL 1 472 thousand as of 30 June 2013, LTL 1 212 thousand are included into cost of sales in the Group's Profit (loss) statement. The remaining amounts were included in general and administrative expenses and inventories in the statement of financial position.

In order to achieve a more accurate presentation of the financial results in March 31, 2013 the Non-current assets Buildings group accounting method was changed to the fair value method, as the book value of the Companies' and the Group's Non-current assets Buildings group, which was carried at historical cost, less subsequent accumulated depreciation, had not corresponded with the buildings market value.

In 31 of March 2013 the fair value of the Companies' and the Group Buildings was 25 210 thousand LTL and 15 837 thousand LTL, or 15 364 thousand LTL and 9 030 thousand LTL respectively higher compared to the historical cost method.

## 8. Inventories

	Group		Company	
	2013.09.30	2012.12.31	2013.09.30	2012.12.31
Raw materials	5 217	4 919	3 799	3 398
Work in progress	3 973	4 069	3 589	3 879
Finished goods	4 553	3 866	4 252	3 667
Goods for resale	231	267	-	-
	13 974	13 121	11 640	10 944
Write-down to net realisable value:				
Opening balance	(1 922)	(1 875)	(839)	(796)
Change	(212)	(47)	(212)	(43)
Closing balance	(2 134)	(1 922)	(1 051)	(839)
	<b>11 840</b>	<b>11 199</b>	<b>10 589</b>	<b>10 105</b>

## 9. Trade receivables

	Group		Company	
	2013.09.30	2012.12.31	2013.09.30	2012.12.31
Trade receivables, gross	5 827	6 190	4 608	4 834
Allowance for trade receivables:				
Opening balance	(780)	(780)	(707)	(707)
Change	(90)	-	(90)	-
Closing balance	(870)	(780)	(797)	(707)
	<b>4 957</b>	<b>5 410</b>	<b>3 811</b>	<b>4 127</b>

Changes in impairment allowance for doubtful trade receivables as of 30 September 2013 and 31 December 2012 were recorded within general and administrative expenses in the Group's Profit (loss) statement.

## 10. Cash and cash equivalents

	Group		Company	
	2013.09.30	2012.12.31	2013.09.30	2012.12.31
Cash at bank and on hand	1 693	925	362	187
Deposits with maturity term of 3 months or less	-	-	-	-
	<b>1 693</b>	<b>925</b>	<b>362</b>	<b>187</b>

## 11. Reserves

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

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

### Other reserves

The balances of other reserves as of 30 September 2013 and 31 December 2012 were as follows:

	Group		Company	
	2013.09.30	2012.12.31	2013.09.30	2012.12.31
Legal reserve	1 983	1 983	1 983	1 983
Revaluation reserves	15 686	-	9 361	-
Other reserves	-	-	-	-
	<b>17 669</b>	<b>1 983</b>	<b>11 344</b>	<b>1 983</b>

## 12. Borrowings and convertible bonds issued

	Group		Company	
	2013.09.30	2012.12.31	2013.09.30	2012.12.31
<b>Current</b>				
Current portion of non-current bank borrowings	1 219	2 273	-	-
Finance lease liabilities	4 708	4 708	4 708	4 708
	<u>5 927</u>	<u>6 981</u>	<u>4 708</u>	<u>4 708</u>
<b>Non-current</b>				
Non-current borrowings	-	-	-	-
Borrowings from subsidiaries	-	-	5 450	5 450
Finance lease liabilities	3 334	5 926	3 334	5 926
	<u>3 334</u>	<u>5 926</u>	<u>8 784</u>	<u>11 376</u>
<b>Total borrowings</b>	<b><u>9 261</u></b>	<b><u>12 907</u></b>	<b><u>13 492</u></b>	<b><u>16 084</u></b>

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 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.

On 21 December 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 4.43 per cent margin. The final settlement term of finance lease liabilities was not changed - 30 September 2014.

On 18 of July 2013, the Company and Swedbank Lizingas UAB entered into the new agreements concerning the lease contracts. The parties revised the instalment schedules agreeing on the three-month grace period starting in June 2013. The final settlement term of finance lease liabilities was not changed - 30 September 2014.

On 26 December 2012, the subsidiary Company PAT MTF Mrija and FIDO bank entered into the new agreements concerning the loan. The parties agreed the new final settlement term of the loan - 25 December 2013 and a new annual interest rate was agreed - 11 per cent.

In 2013 and 2012, the bank borrowings are secured by property plant and equipment.

	Group		Company	
	2013.09.30	2012.12.31	2013.09.30	2012.12.31
Convertible bonds to company				
FR&R Invest AB	9 835	8 795	9 835	8 795
Convertible bonds issued to UAB				
Koncernas „SBA“	2 623	2 346	2 623	2 346
	<u>12 458</u>	<u>11 141</u>	<u>12 458</u>	<u>11 141</u>

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.

### 13. Accrued expenses and other current liabilities

	Group		Company	
	2013.09.30	2012.12.31	2013.09.30	2012.12.31
Amounts payable for services and non-current assets	1 458	1 298	420	1 127
Wages, salaries and social security	1 668	1 743	1 208	1 398
Accrual for vacation reserve	2 229	1 975	1 383	1 266
Prepayments received	210	187	1 116	250
Bonuses for employees	-	70	-	-
Taxes payable, except for profit tax	365	275	291	207
Other liabilities	173	322	40	164
	<b>6 103</b>	<b>5 870</b>	<b>4 458</b>	<b>4 412</b>

### 14. Revenue

Group	of 2013		of 2012	
	01-09	07-09	01-09	07-09
	Revenue from sales of goods and services	51 872	18 134	37 625
Revenue from sales of materials	147	59	118	58
	<b>52 019</b>	<b>18 193</b>	<b>37 743</b>	<b>13 233</b>

Company	of 2013		of 2012	
	01-09	07-09	01-09	07-09
Revenue from sales of goods and services	43 403	15 255	31 076	11 130
Revenue from sales of materials	61	14	63	24
	<b>43 464</b>	<b>15 269</b>	<b>31 139</b>	<b>11 154</b>

### 15. Cost of sales

Group	of 2013		of 2012	
	01-09	07-09	01-09	07-09
Materials	15 995	5 668	10 671	3 867
Wages and salaries and social security	18 076	5 624	14 784	4 553
Other overhead expenses	8 054	2 253	5 581	1 719
Depreciation and amortisation	1 847	560	1 908	616
Cost of materials sold	52	25	47	22
	<b>44 024</b>	<b>14 130</b>	<b>32 991</b>	<b>10 777</b>

Company	of 2013		of 2012	
	01-09	07-09	01-09	07-09
Materials	14 700	5 116	10 406	3 804
Wages and salaries and social security	13 138	3 997	11 193	3 397
Other overhead expenses	8 860	2 620	4 619	1 575
Depreciation and amortisation	1 534	460	1 464	453
Cost of materials sold	5	1	14	2
	<b>38 237</b>	<b>12 194</b>	<b>27 696</b>	<b>9 231</b>



## 16. Selling general and administrative expenses

Group	of 2013		of 2012	
	01-09	07-09	01-09	07-09
<b>Selling expenses</b>				
Wages and salaries and social security	794	237	920	296
Other selling expenses	1 336	497	1 193	499
<b>Total selling expenses</b>	<b>2 130</b>	<b>734</b>	<b>2 113</b>	<b>795</b>
<b>General and administrative expenses</b>				
Wages and salaries and social security	1 875	610	1 887	655
Communications and consulting services	592	182	876	227
Taxes other than income tax	227	55	207	88
Depreciation and amortization	345	160	294	102
Vehicles exploitation expenses	150	48	120	36
Premises exploitation expenses	86	14	87	14
Security	253	85	236	81
Services of financial institutions	142	52	93	37
Representation expenses	80	27	43	14
Business trips	84	22	115	41
Other	1 426	734	586	182
	<b>5 260</b>	<b>1 989</b>	<b>4 544</b>	<b>1 477</b>
	<b>7 390</b>	<b>2 723</b>	<b>6 657</b>	<b>2 272</b>

Company	of 2013		of 2012	
	01-09	07-09	01-09	07-09
<b>Selling expenses</b>				
Wages and salaries and social security	627	180	752	236
Other selling expenses	1 206	450	1 067	453
<b>Total selling expenses</b>	<b>1 833</b>	<b>630</b>	<b>1 819</b>	<b>689</b>
<b>General and administrative expenses</b>				
Wages and salaries and social security	1 273	415	1 237	427
Communications and consulting services	452	158	598	171
Taxes other than income tax	183	39	167	74
Depreciation and amortization	209	99	235	80
Vehicles exploitation expenses	110	36	90	24
Premises exploitation expenses	61	12	60	11
Security	109	36	90	31
Services of financial institutions	112	42	74	30
Representation expenses	62	21	27	9
Business trips	66	21	83	30
Other	1 118	638	316	93
<b>Total general and administrative expenses</b>	<b>3 755</b>	<b>1 517</b>	<b>2 977</b>	<b>980</b>
	<b>5 588</b>	<b>2 147</b>	<b>4 796</b>	<b>1 669</b>

## 17. Other income and expenses

Group	of 2013		of 2012	
	01-09	07-09	01-09	07-09
Rent income	49	18	200	58
Other income	284	96	345	100
Gain from disposal of non-current assets	219	-	57	-
<b>Other income</b>	<b>552</b>	<b>114</b>	<b>602</b>	<b>158</b>
Rent costs	(23)	(5)	(109)	(41)
Other expenses	(80)	413	(117)	(32)
<b>Other expenses</b>	<b>(103)</b>	<b>408</b>	<b>(226)</b>	<b>(73)</b>

Company	of 2013		of 2012	
	01-09	07-09	01-09	07-09
Rent income	48	17	200	59
Other income	53	18	34	12
Gain from disposal of non-current assets	218	-	49	-
<b>Other income</b>	<b>319</b>	<b>35</b>	<b>283</b>	<b>71</b>
Rent costs	(23)	(4)	(109)	(41)
Other expenses	11	443	(8)	8
<b>Other expenses</b>	<b>(12)</b>	<b>439</b>	<b>(117)</b>	<b>(33)</b>

## 18. Finance costs, net

Group	of 2013		of 2012	
	01-09	07-09	01-09	07-09
Net foreign exchange gain (loss)	(636)	(766)	(87)	(636)
Interest expenses	(1 884)	(630)	(1 778)	(585)
Interest income	2	-	18	5
Interest on late payment received / paid	-	-	-	-
	<b>(2 518)</b>	<b>(1 396)</b>	<b>(1 847)</b>	<b>(1 216)</b>

Company	of 2013		of 2012	
	01-09	07-09	01-09	07-09
Net foreign exchange gain (loss)	(1)	(1)	(7)	(7)
Interest expenses	(1 915)	(643)	(1 742)	(579)
Interest income	155	52	156	52
Interest on late payment received / paid	-	-	-	-
	<b>(1 761)</b>	<b>(592)</b>	<b>(1 593)</b>	<b>(534)</b>

### 19. Basic/dilutive earnings per share

Profit (loss) per share reflect the Group's net profit/(loss), divided by the outstanding number of shares. Calculation of the profit/(loss) per share is presented below:

Group	of 2013		of 2012	
	01-09	07-09	01-09	07-09
Profit/ (loss) attributable to the equity holders of the Group	(1 596)	416	(3 384)	(955)
Weighted average number of shares in issue (thousand)	19 834	19 834	19 834	19 834
<b>Basic / diluted earnings per share (in LTL)</b>	<b>(0,08)</b>	<b>0,02</b>	<b>(0,17)</b>	<b>(0,05)</b>