



Utenos trikotazas

CONFIRMATION OF RESPONSIBLE PERSONS

2014-08-29

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 Accountant Reda Kučinskienė, hereby confirm that, to the best of our knowledge, the unaudited consolidated financial statements of Utenos trikotazas, AB for the 6 months of 2014, 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 6 months of 2014 of Utenos trikotazas AB.

General Director

Gintautas Bareika

Finance Director

Saulius Rakauskis

Chief Accountant

Reda Kučinskienė



Utenos trikotažas

UTENOS TRIKOTAŽAS, AB

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

Statements of financial position

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

Statements of financial position (cont'd)

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

Group

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

Statements of comprehensive income

Company

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

Statements of changes in equity

Equity attributable to the equity holders of the Company

Group	Equity attributable to the equity holders of the Company							Total equity
	Share capital	Foreign currency translation reserve	Legal reserve	Asset revaluation reserve	Accumulated retained earnings/ (losses)	Total	Non-controlling interest	
Balance as of 31 December 2012	19 834	1 852	1 983	-	(17 054)	6 615	952	7 567
Total comprehensive income (loss)	-	(176)	-	15 889	(2 012)	13 701	82	13 783
Balance as of 30 June 2013	19 834	1 676	1 983	15 889	(19 066)	20 316	1 034	21 350
Total comprehensive income (loss)	-	465	-	(3 194)	1 001	(1 728)	242	(1 486)
Balance as of 31 December 2013	19 834	2 141	1 983	12 695	(18 065)	18 588	1 276	19 864
Total comprehensive income (loss)	-	3 220	-	(154)	(6 303)	(3 237)	94	(3 143)
Balance as of 30 June 2014	19 834	5 361	1 983	12 541	(24 368)	15 351	1 370	16 721

Statements of cash flows

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

Statements of cash flows (cont'd)

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

Notes to the financial statements

1. General information

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

Basanavičiaus str. 122,
Utena,
Lithuania

The Company is engaged in production of knitted articles.

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

As of 30 June 2014 and 31 December 2013 the shareholders of the Company were as follows:

	As of 30 June 2014		As of 31 December 2013	
	Number of shares held	Interest held (%)	Number of shares held	Interest held (%)
UAB Koncernas SBA	10 140	51.12	10 140	51.12
Investment Fund Amber Trust	2 700	13.61	2 700	13.61
Investment Fund East Capital Asset	2 091	10.54	2 091	10.54
Investment Fund KJK	1 095	5.52	1 095	5.52
Other shareholders	3 808	19.21	3 808	19.21
	19 834	100.00	19 834	100.00

All the shares are registered ordinary shares with a par value of LTL 1 each. As of 30 June 2014 and 31 December 2013 subsidiaries did not hold any shares of the Company. The Company did not hold its own shares within this period.

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

	Registered address	Group's share (%)		Profile
		30 June 2014	31 December 2013	
Šatrija AB	Vilniaus str. 5, Raseiniai	89,78	89,78	Sewing of clothes
Gotija UAB	Laisvės Str. 33, Kaunas	90,50	90,50	Retail trade
PAT MTF Mrija	Motroso Str. 13, Mukachov, Ukraine	98,95	98,95	Production of knitted articles

On 30 of June 2014 the average number of employees of the Group was 1 103, while on 31 of December 2013 it was 1 086.

2. Form and contents of the financial statements

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

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

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

4. Consolidation

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

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

5. Segment information

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

In assessing operational performance of segments the Group's Board takes into account the sales revenue, gross profit, EBITDA (earnings before financial activity result, taxes, depreciation and amortization and allowance due to change in accounting policy), profit (loss) ratios, therefore the report on the Group's segments discloses these items in respect of each segment. As the Board also assesses other items of the statement of comprehensive income by each segment, these items are presented in the report on the Group's segments. Inter-segment transactions are eliminated on consolidation.

Below, there is a summary of major indicators for the main business segments of the Group included in the statement of comprehensive income for the years 2014 and 2013:

of 30 June 2014	Production of knitted articles	Production of working clothes	Retail in knitted articles	Eliminations	Total
External sales	23 834	6 536	304	-	30 674
Internal sales	776	31	-	(807)	-
Total revenue	24 610	6 567	304	(807)	30 674
Gross profit	3 916	1 595	135	-	5 646
EBITDA	1 434	1 095	9	-	2 538
Profit (loss) for the period	(7 567)	1 128	34	-	(6 405)

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

6. Non-current intangible assets

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

7. Non-current tangible assets

Depreciation of non-current tangible property amounted to LTL 1 315 thousand as of 31 June 2014, LTL 1 050 thousand are included into cost of sales in the Group's Profit (loss) statement. The remaining amounts were included in general and administrative expenses and inventories in the statement of financial position.

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

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

8. Inventories

	Group		Company	
	2014.06.30	2013.12.31	2014.06.30	2013.12.31
Raw materials	5 747	5 895	4 365	3 937
Work in progress	5 153	3 602	4 968	3 243
Finished goods	4 778	4 728	4 656	4 535
Goods for resale	212	231	-	-
	15 890	14 456	13 989	11 715
Write-down to net realisable value:				
Opening balance	(2 368)	(1 922)	(1 231)	(839)
Change	(5)	(446)	(5)	(392)
Closing balance	(2 373)	(2 368)	(1 236)	(1 231)
	13 517	12 088	12 753	10 484

9. Trade receivables

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

Changes in impairment allowance for doubtful trade receivables as of 30 June 2014 and 31 December 2013 were recorded within general and administrative expenses in the Group's Profit (loss) statement.

10. Cash and cash equivalents

	Group		Company	
	2014.06.30	2013.12.31	2014.06.30	2013.12.31
Cash at bank and on hand	1 899	2 347	304	552
	1 899	2 347	304	552

11. Reserves

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

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

Other reserves

The balances of other reserves as of 30 June 2014 and 31 December 2013 were as follows:

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

12. Borrowings and convertible bonds issued

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

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

On 28 of April 2014, the Company and Swedbank Lizingas UAB entered into the new agreements concerning the lease contracts. The finance lease totalling LTL 6 742 thousand settlement term was changed to 31 December 2016.

On 28 of April 2014, the Company and Swedbank AB entered into the agreement concerning the credit. The Company received LTL 1 335 thousand, which settlement date was 31 December 2014. The agreed fixed interest rate – 5 percent.

On 29 January 2014, the subsidiary Company PAT MTF Mrija and FIDO bank entered into the new agreements concerning the loan. The parties agreed the new final settlement term of the loan – 28 January 2015 and a new annual interest rate was agreed – 15 per cent.

In 2014 and 2013, the bank borrowings are secured by property plant and equipment.

On 11 January 2010, an agreement on convertible bonds was entered into by the Company and Swedbank AB. Based on the 3 December 2009 decision of the extraordinary general shareholder meeting it was resolved to issue 50 units of convertible bonds with the nominal value in total of LTL 11 850 thousand (equivalent in EUR 3 432 thousand) by restructuring a part of the Company's finance lease liabilities to the finance lease company.

Based on the convertible bond agreement the Company is obliged to redeem bonds or exchange them for the shares of the Company under the terms and conditions established in the agreement. A nominal value of one bond is LTL 237 thousand (equivalent in EUR 69 thousand); a discounted value of one bond issued is LTL 112 thousand (equivalent in EUR 36 thousand); the bond bears interest at 15%. The maturity term of bonds is 5 years; the maturity date is 12 January 2015. If Swedbank AB chooses to convert the bonds into the shares, it has to submit a written request to the Company as from 12 January 2010 till 11 December 2014 inclusive and the convertible bonds shall be exchanged into the shares of the Company on the redemption day. The maximum number of the shares for which the issued convertible bonds might be converted at the end of the conversion period – 11 850 thousand shares with the nominal value LTL 1.

„Swedbank“, AB on 15th of December 2011 disposed all convertible bonds of the Company to company FR&R Invest AB, which is registered in Sweden and is related party to the bank.

In addition, an agreement on convertible bonds was entered into by the Company and the ultimate parent company Koncernas SBA UAB on 11 January 2010. Based on the 3 December 2009 decision of the extraordinary general shareholder meeting it was resolved to issue 16 units of convertible bonds with the nominal value in total of LTL 3

166 thousand (equivalent in EUR 917 thousand) by restructuring the Company's financial liabilities to the ultimate parent company.

Based on the convertible bond agreement the Company is obliged to redeem bonds or exchange them for the shares of the Company under the terms and conditions established in the agreement. A nominal value of one bond is LTL 198 thousand (equivalent in EUR 57 thousand); a discounted value of one bond issue is LTL 94 thousand (equivalent in EUR 27 thousand); yield of the bond is 15 per cent of annual interest. The maturity term of bonds is 5 years; the maturity date is 12 January 2015. If Koncernas SBA UAB chooses to convert the bonds into the shares, it has to submit a written request to the Company as from 12 January 2010 till 11 December 2014 inclusive and the convertible bonds shall be exchanged into the shares of the Company on the redemption day. The maximum number of the shares for which the issued convertible bonds might be converted at the end of the conversion period – 3 168 thousand shares with the nominal value LTL 1.

Convertible bonds were issued after the restructuring of finance lease liabilities and amounts payable to SBA Koncernas UAB. The Company measured the liability and equity components of this compound financial instrument. During the measurement it was determined that the equity component is close to zero, therefore the total value of the compound financial instrument was attributed to the liability component.

On 26 March 2014 the extraordinary General shareholders meeting decided to make the Amendment to the issue terms and conditions of non-public issue of convertible bonds (ISIN code LT1000450007) adopted in the extraordinary general meeting of the shareholders of the Company as of 3 December 2009 and to determine the order of the Amendment enforcement. A more detailed information concerning decisions of extraordinary general shareholder's meeting might be found on the Companies internet site (www.ut.lt) investors relations-public announcements section.

On 24 April 2014 the Company get information, that a Swedish company FR&R Invest AB sold all it had (50 units) convertible bonds of the Company to the following shareholders of the Company:

- ✓ UAB koncernas „SBA“ (number of acquired bonds: 34 units);
- ✓ AmberTrust S.C.A., SICAF-SIF (number of acquired bonds: 9 units);
- ✓ KJK Fund, SICAF-SIF (number of acquired bonds: 4 units);
- ✓ FIREBIRD REPUBLICS FUND LTD (number of acquired bonds: 2 units);
- ✓ FIREBIRD AVRORA FUND LTD (number of acquired bonds: 1 units).

Convertible bonds obligations:

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

13. Accrued expenses and other current liabilities

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

14. Revenue

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

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

15. Cost of sales

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

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

16. Selling general and administrative expenses

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

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

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

17. Other income and expenses

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

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

18. Finance costs, net

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

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

19. Basic/dilutive earnings per share

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

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

20. Post balance sheet events

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

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

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

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



Utenos trikotažas

UTENOS TRIKOTAŽAS AB
CONSOLIDATED INTERIM REPORT
For 6 months period
ENDED 30 June 2014

1. Reporting period covered by the Interim Report

The Interim Report covers the period from 1 January 2014 to 30 June 2014.

All amounts in the Interim Report presented as at 30 June 2014, 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.ut.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;
- 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. Key performance indicators of the Group

UT group sales, profit, price per share for the last 5 years:

	2014 January – June	2013	2012	2011	2010 adjusted
Revenue (LTL'000)	30 674	69 548	51 462	61 172	70 711
Profit for the year(LTL'000)	(6 405)	(1 145)	(3 557)	1 776	3 683
Price per share	0.963	0.912	0.687	0.777	1.309
Dividend per share	-	-	-	-	-

Financial ratios

	Group			Company		
	2014 January- June	2013	2012	2014 January- June	2013	2012.
Revenue (LTL'000)	30 674	69 548	51 462	23 650	57 389	41 751
Operating profit (loss) (LTL'000)	1 223	2 330	(654)	205	(357)	(4 373)
Operating profit (loss) margin(%)	4.0	3.4	(1.3)	0.9	(0.6)	(10.5)
Profit (loss) before tax (LTL'000)	(6 427)	(1 237)	(3 580)	(1 043)	710	(6 482)
Profit (loss) before tax, margin (%)	(21.0)	(1.8)	(7.0)	(4.4)	(4.7)	(15.5)
Profit (loss) for the year (LTL'000)	(6 405)	(1 145)	(3 557)	(1 029)	336	(6 330)
Profit (loss) for the year margin (%)	(20.9)	(1.6)	(6.9)	(4.4)	(4.1)	(15.2)
Number of shares, (thousand)	19 834	19 834	19 834	19 834	19 834	19 834

Relative ratios

	Group			Company		
	2014. 06.30	2013. 12.31	2012. 12.31	2014. 06.30	2013. 12.31	2012. 12.31
Return on capital employed (%)	(32.3)	(5.8)	(17.9)	(5.2)	(11.8)	(31.9)
Return on assets (%)	(11.6)	(2.0)	(7.6)	(1.9)	(4.4)	(13.0)
Return on shareholders' equity(%)	(38.3)	(5.8)	(47.0)	(7.9)	(16.6)	(72.5)
Debt ratio (%)	69.7	65.7	83.9	76.3	73.4	82.1
Debt-to-equity ratio (%)	230.4	191.6	522.1	322.1	276.5	458.1
Liquidity ratio (%)	72.5	91.2	91.7	61.9	84.0	96.7
Equity to assets ratio (%)	30.3	34.3	16.1	23.7	26.6	17.9

Operating figures

	Group			Company		
	2014 January- June	2013	2012	2014 January- June	2013	2012
Manufactured items	1 332	3 192	2 730	900	2 060	1 787
Average number of employees	1 103	1 086	1 031	719	691	643

Ratios related with the share price

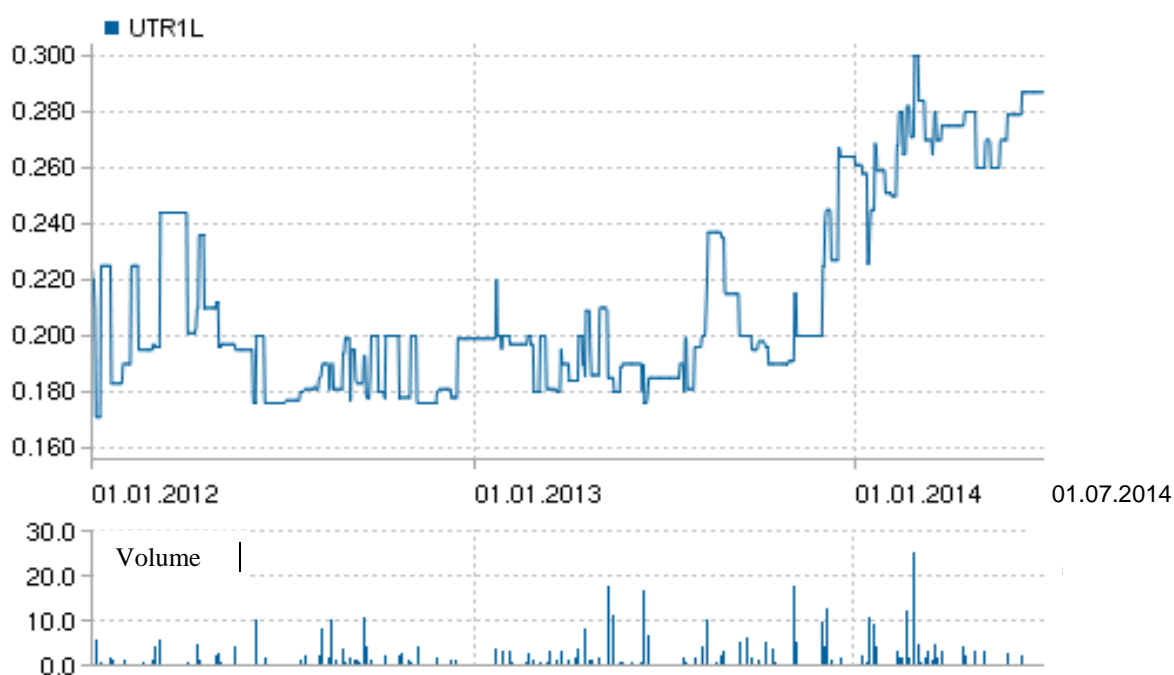
	2014.06.30	2013.06.30	2012.06.30
P/E	(2.96)	(6.81)	(5.35)
EPS	(0.33)	(0.10)	(0.12)
EV/EBITDA	14.91	54.76	(144.25)
EV/EBIT	(7.32)	(53.71)	(32.75)

6. 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.

7. Information regarding the price of shares and their dynamics

AB „Utenos trikotažas“ share price dynamics, 2012 - 2014 I Half (LTL):



Price ratios	2014.06.30	2013.06.30	2012.06.30
Open price, LTL	0.901	0.687	0.760
High price, LTL	1.036	0.760	0.843
Low price, LTL	0.780	0.608	0.590
Last price, LTL	0.963	0.691	0.656
Traded volume	113 440	107 758	65 127
Turnover, million LTL	0.11	0.07	0.05
Capitalisation, million LTL	19.11	13.70	13.01

AB „Utenos trikotažas“, OMX Baltic Benchmark GI and OMX Vilnius Index dynamics, 2012 - 2014 I Half



Index/ Equity	31.12.2013	31.12.2012	31.01.2011	30.07.2014/ 31.12.2013 change, %
OMX Baltic Benchmark GI	612.55	613.50	546.98	-0.15↓
OMX Vilnius	471.9	421.6	355.08	11.92↑
UTR1L	0.29 EUR	0.26 EUR	0.20 EUR	8.71↑

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

The increase of profitability is one of the major tasks for the Company. By changing strategy, we purposely rejected part of the orders as to turn ourselves to manufacturing of higher value added production. The fact that the group earned more operating profit during the first half of the current year compared to the first six months of previous year shows we have chosen the right path.

Revenue (LTL '000)

	2014 January- June	2013 January- June	Change %	2012 January- June
AB „Utenos trikotažas“	23 650	28 195	(16,1)	19 985
AB „Šatrija“	6 567	5 484	19,7	3 652
PAT „MTF Mrija“	960	1 679	(42,8)	1 150
UAB „Gotija“	304	259	17,4	273
Elimination of intercompany transactions	(807)	(1 791)	(54,9)	(550)
	30 674	33 826	(9,3)	24 510

EBITDA (LTL '000)

	2014 January- June	2013 January- June	Change %	2012 January- June
AB „Utenos trikotažas“	1 266	(243)	(621,0)	(259)
AB „Šatrija“	1 095	753	45,4	117
PAT „MTF Mrija“	(6)	243	(102,5)	(124)
UAB „Gotija“	9	9	-	1
Elimination of intercompany transactions	174	(98)	(277,6)	-
	2 538	664	282,2%	(265)

Trade

	Group			Company		
	2014 January- June	2013 January- June	Change %	2014 January- June	2013 January- June	Change %
Revenue (LTL '000)						
Western Europe	25 444	27 878	(8.7)	19 034	22 687	(16.1)
Lithuania	2 713	3 106	(12.7)	2 556	2 794	(8.5)
Other regions	2 517	2 842	(11.4)	2 060	2 714	(24.1)
	30 674	33 826	(9.3)	23 650	28 195	(16.1)

In the first half of 2014, total sales of goods and services of the Company amounted to LTL 23.7 million. Trade volume decreased by LTL 4.5 million or by 16.1 per cent as compared to 2013. The Company's exports to Western Europe and other countries accounted for 89.2 per cent, whereas sales in Lithuania accounted for 10.8 per cent of total production.

In the first half of 2014, total sales of goods and services of Utenos Trikotažas AB group (hereinafter “the Group”) amounted to LTL 30.7 million. The Group's exports accounted for 91.2 per cent, whereas sales in Lithuania accounted for 8.8 per cent of total production.

Lithuania

In the first half of 2014, the Company sold 158 thousand knit-wear items in Lithuania totalling to LTL 2.6 million. The sales in Lithuania decreased by LTL 0.2 million or 8.5 per cent.

In the first half of 2014, the Group's sales in Lithuania amounted to LTL 2.7 million, which is less by LTL 0.4 million as compared to 2013.

Export

In the first half of 2014, the Company exported 1 million knit-wear items totalling to LTL 21.1 million. The Company's exports decreased by LTL 4.3 million or 17 per cent comparing to 2013. Large retail chains from Western Europe remained as the major customers of the Company.

In the first half of 2014, the Group's exports to Western Europe and other regions amounted to LTL 28 million, which is less by LTL 2.8 million compared to 2013.

Production

In the first half of 2014, the Company produced 0.9 million knit-wear items. The Company's subcontractors (including the subsidiary in Ukraine) produced 0.5 million knit-wear items or 37.1 per cent of total production volume. In the first half of 2014, Šatrija AB produced 0.06 million sewn items. In the first half of 2014, PAT „MTF Mrija“ produced 0.4 million items.

Production (units '000)

	2014 January-June	2013 January-June	Change %
AB „Utenos trikotažas“	900	1.037	(13,2)
AB „Šatrija“	62	73	(15,8)
PAT „MTF Mrija“	370	495	(25,2)
UAB „Gotija“	-	-	-
	1.332	1.605	(17,0)

Investments

In the first half of 2014, the Group's investments in new equipment and new technologies amounted to LTL 206 thousand;

In the first half of 2014, the Company's investments in new equipment and technologies amounted to LTL 126.8 thousand, including transactions within the Group.

In the first half of 2014, Šatrija AB invested LTL 78.6 thousand.

In the first half of 2014, PAT MTF Mrija invested LTL 0.9 thousand.

In the first half of 2014, Gotija UAB had made no investments.

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 and in the World (which effect Lithuania). 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 or maintaining funding by keeping adequate credit lines available with the purpose of implementing commitments provided for in their strategic plans.

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 of 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.

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

All 2014 I H and 2013 financial data presented in this Annual Report is calculated based on the financial

information presented in the Group's financial statements for the first half 2014, prepared in accordance with the International Financial Reporting Standards as adopted by the EU. 2013 financial statements were audited by the auditor assigned under established procedure.

10. 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 (IFRS) 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 processes related to sales and manufacturing of production, supply, financial reports preparation.

11. Social responsibility

AB „Utenos trikotažas“ in order to implement the development of corporate social responsibility in partnership with business, social and international partners in 23 May 2006 certified for international social responsibility standard SA 8000 (recertified in 2009).

SA 8000 standard objectives:

- Ensure social welfare of workers and employees;
- Improve social responsibility not only inside the Company, but also encourage subcontractors;
- Demonstrate to the Western partners that AB „Utenos trikotažas“ managers of all levels treat their workers civilized and the Company had implemented core human rights conventions and directives.

AB „Utenos trikotažas“ management ensured that wages paid shall be sufficient to meet the basic needs of personnel and to provide some discretionary income.

Social responsibility (SA 8000) standard demands:

- The work for children under 16 years must not be practiced;
- Forced labor, verbal abuse or physical punishment must be avoided; working conditions must be healthy and safe;
- Discrimination based on nationality, race, religion, sex, sexual orientation, membership in organizations or political affiliation, age or disability must be prevented; employing, dismissing or retiring must not become a cause to work successfully, feel happy and needed.
- Equal pay for equal work and same opportunities for learning and promotions for men and women;
- People should work under well-defined working time schedules (work start, work end, lunch break and rest breaks); overtime work or work on rest days or holidays must be provided in the collective agreement or harmonized with workers' representatives – Council of Trade Unions.
- Payment and additions for work done must be clear to employees and all this must be harmonized in the collective agreement or with workers' representatives – Council of Trade Unions.

12. Information about the Company's own share acquisitions

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

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

On 31 January 2014, announcement of the sales figures for the fourth quarter of 2013.
On 28 February 2014, announcement of unaudited interim consolidated financial statements of 2013.
On 4 March 2014, the extraordinary general meeting of shareholders of the Company was convened.
On 26 March 2014, decisions of the extraordinary general shareholders meeting of the Company were announced.
On 31 March 2014, announcement about the possibility to acquire convertible bonds of „Utenos trikotažas“ AB by a pre-emptive right.
On 8 April 2014, the general meeting of shareholders of Utenos Trikotažas AB was convened.

On 8 April 2014, draft decisions of the Annual General Meeting of Shareholders and explanation concerning the corrections made in financial statements for 2013 were announced.

On 25 April 2014, announcement about the disposal of convertible bonds of AB „Utenos trikotažas”.

On 30 April 2014, decisions of the general shareholder meeting were announced.

On 30 April 2014, announcement of the sales figures for the first quarter of 2014.

On 30 May 2014, announcement of the performance results for the first quarter of 2014.

On 31 July 2014, announcement of the sales figures for the second quarter of 2014.

On 21 August 2014, the extraordinary general meeting of shareholders of the Company was convened.

On 29 August 2014, announcement of the consolidated interim report and the financial statements for a six-month period of 2014.

14. The Company's operating plans and objectives

In 2014, the Company plans to actively expand sales of ecological products and to develop the co-operation with customers demanding higher quality and sophisticated technology, to maintain close relationship with longstanding business customers.

Note: the Company's operating plan for 2014 was approved at the Board's meeting held on 5 February 2014, Minutes No. 1.

Key objectives for 2014:

- Development of sales to clients demanding ecological, high quality and value added products.
- Development of Branded product lines sales in East markets (Russia), Western Europe, Lithuania and per internet.
- Development of fabric sales.
- Focused and systematic approach to the development of innovative fabrics.
- Manufacturing efficiency improvement.

15. Structure of the Issuer's authorised share capital

As at 30 June 2014, 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	1 9834 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 shareholders 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.

16. Restrictions on disposal of securities

There are no restrictions.

17. Shareholders

As at 30 June 2014, the total number of shareholders of Utenos Trikotažas AB was 1 060.

The table below indicates shareholders owning or holding more than 5 per cent of the Issuer's authorised share capital as at 30 June 2014.

Names of shareholders	Company codes	Country	Registration address	Number of ordinary registered shares held	Share in the authorised capital (%)	Share of votes held (%)
UAB Koncernas „SBA”	132206739	Lithuania	Laisvės pr.3, Vilnius	10 140	51.12	51.12
AmberTrust S.C.A.(SCA) SICAV-SIF	B 87145	Luxembourg	412F, routed'Esch L-1030	2 700	13.61	13.61
EastCapital AssetManagement	556564-5370	Sweden	Kungsgatan 30, Box 1364, Stockholm	2 091	10.54	10.54
KJK Fund SICAV-SIF	B 86729	Luxembourg	412F, routed'Esch L-1030	1 095	5.52	5.52
Other shareholders	-	-	-	3 808	19.21	19.21

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

	Registered address	Group's share (%)		Activity
		2014.06.30	2013.12.31	
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, Mukačiov, Ukraine	98.95	98.95	Production of knitted articles

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

There are no such shareholders.

19. All restrictions regarding voting rights

There are no restrictions.

20. 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.

21. Personnel

Average number of employees of the Group, by companies:

	2014.06.30	2013.06.30	Change, +/-
AB „Utenos trikotažas“	719	753	(34)
AB „Šatrija“	196	217	(21)
PAT „MTF Mrija“	184	189	(5)
UAB „Gotija“	4	4	-
	1 103	1 163	(60)

Employees related costs (thousand LTL) distribution, by companies:

	2014 January-June	2013 January-June	Change (%)
AB „Utenos trikotažas“	9 059	10 447	(13.3)
AB „Šatrija“	2 910	2 839	2.5
PAT „MTF Mrija“	644	945	(31.9)
UAB „Gotija“	66	43	53.5
	12 679	14 274	(11.2)

The average monthly wages of employees before taxes:

Workers group	Group			Company		
	2014 January- June	2013	Change (%)	2014 January -June	2013	Change (%)
Managers	4 210	4 376	(3.8)	3 883	4 173	(6.9)
Specialists	2 202	2 217	(0.7)	2 430	2 363	2.8%
The workers	1 330	1 367	(2.7)	1 512	1 566	(3.5)
	1 577	1 588	(0.7)	1 799	1 823	(1.3)

The employee distribution by education (according to 30 June, 2014):

Group of employees	Employee distribution by education						
	Total	Higher education	Non-higher professional education	Vocational education	Secondary	Basic	Higher non-university
Managers	39	23	11	1	-	-	4
Specialists	105	60	19	1	1	2	22
Workers	582	8	169	140	193	44	28
	726	91	199	142	194	46	54

22. Management of the Group companies

Company name	Managers
AB „Utenos trikotažas“	Gintautas Bareika
AB „Šatrija“	Giedrius Grondskis
PAT „MTF Mrija“	Tatjana Roshchina
UAB „Gotija“	Zita Davtartienė

23. Management incentives

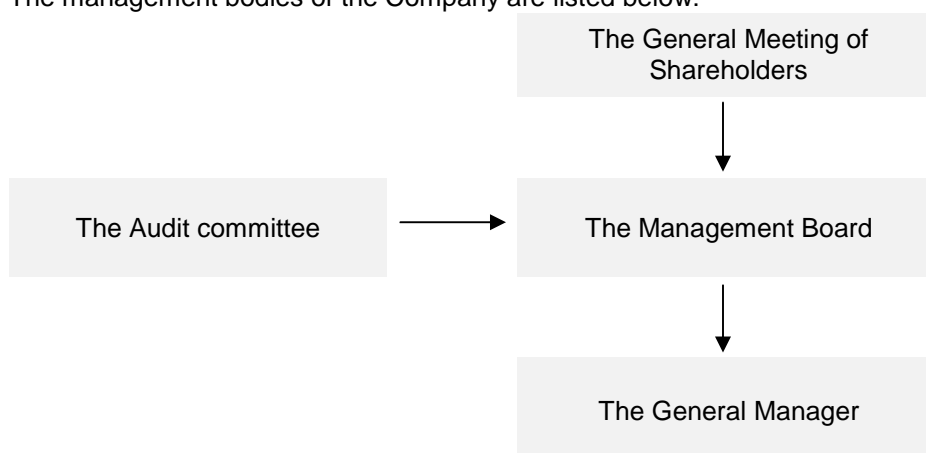
Management incentives are assigned by the decision of the Board taking into account the objectives met.

24. 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.

25. Issuer's management bodies

The management bodies of the Company are listed below:



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 General Meeting of Shareholders on 30 April 2013 for the period until 30 April 2017.

The Audit committee consists of 3 (three) members with at least one independent member. The Audit committee members by the submission of the Board are being appointed and withdrawn by the General Meeting of Shareholders. The members of the Committee are elected for the term of 4 (four) years.

The shareholders meeting held on 29 April 2009 confirmed composition of AB „Utenos trikotažas“ audit committee and operating policies. The shareholders meeting held on 30 April 2013 elected Audit committee members: Jolanta Grašienė, Giedrius Grondskis, independent auditor Genadijus Makuševas.

The Duties of the Audit Committee:

1. To observe the process of preparation of the Company's financial reports;
2. To review the systems of internal control, risk management and internal audit, if it exists in the Company;
3. To observe the process of external audit;
4. To observe how the external auditor or audit company follows the principles of independence and objectivity;
5. To provide the Board of the Company with written recommendations regarding the selection, appointment and recall of an external audit company.
6. To immediately inform the Managing Director of the company about information provided by the audit company to audit committee about audit related problematic issues especially when significant control defects related to financial statements occur.

Audit committee rights:

- To get complete information and (or) documents (their copies) needed for the audit committee to perform their duties. On the audit committee request Administration of the Company must provide the information and (or) documents (their copies) to the Audit committee per 3 working days.
- To get complete information on details of accounting, financial and other operations of the company. On the audit committee request Administration of the Company as well as on its own initiative must inform the audit committee of the methods used to account for significant and (or) unusual transactions where the accounting treatment may be open to different approaches. In such case a special consideration should be given to company's operations in offshores and (or) activities carried out through special purpose vehicles (organizations), for the purpose to clarify the justification of such operations.

Audit committee members may be remunerated for their operations. Remunerations and the payment terms are determined by the submission of the board by the General shareholders meeting.

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

As at 30 June 2014:

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	-	2013.04.30	2017.04.30
Member of the Board	Gintautas Rudis	111	2013.04.30	2017.04.30
Member of the Board	Robertas Beržinskas	-	2013.04.30	2017.04.30
Member of the Board	Vytautas Vaškys	10	2013.04.30	2017.04.30
Head of Administration and the Chief Financial Officer				
General Manager	Gintautas Bareika	-	2011.08.16	-
Finance Director	Saulius Rakauskis	-	2011.03.28	-
The Audit committee				
The independent auditor	Genadijus Makušėvas	-	2013.04.30	2017.04.30
Of the audit committee	Jolanta Grašienė	12	2013.04.30	2017.04.30
Of the audit committee	Giedrius Grondskis	-	2013.04.30	2017.04.30

Company did not have information of any significant indirect share holdings during the reporting period.

Information about board members:

Algirdas Šabūnas (b. 1974)

AB „Utenos trikotažas“ chairman of the Board from 26 April 2007, re-elected for four years term on 30 April 2013. As the chairman of the Board was re-elected on 8 May 2013.

Education: University of Vytautas Magnus University, Master degree in Finance and Banking, Doctoral degree in Social Sciences.

Workingplace: UAB Koncernas „SBA“, vice-president.

Participation in the management of other companies:

- UAB „Klaipėdos baldų prekyba“, the chairman of the board
- AB „Šatrija“, the chairman of the board
- UAB Koncernas „SBA“, the board member
- UAB „PIĮ Grupė“, the board member
- AB „Kauno baldai“ the chairman of the board

Gintautas Rudis (b. 1963)

AB „Utenos trikotažas“ board member from 29 January 2008, re-elected for four years term on 30 April 2013.

Education: Kaunas University of Technology, Master degree in Management.

Workingplace: UAB „EntecoBaltic“, CEO.

Participation in the management of other companies:

- UAB Koncernas „SBA“, the board member
- UAB „PIĮ Grupė“, the board member
- AB „Šatrija“, the board member
- AB „Kauno baldai“, the chairman of the supervisory board
- AB „Šilutės baldai“, the supervisory board.

Robertas Beržinskas (b.1970)

AB „Utenos trikotažas“ board member from 13 July 2007 re-elected for four years term on 30 April 2013.

Education: Vilnius University of technology, Master degree in Business Management.

Working place: private capital Amber Trust and Amber Trust II advisor.

Participation in the management of other companies:

UAB Amber pasta the board member
Rigas Dzirnavnieks the chairman of the board

Vytautas Vaškys (b. 1967)

AB „Utenos trikotažas“ board member from 29 April 2009, re-elected for four years term on 30 April 2013.

Education: Kaunas University of technology, Master degree in International Management and Business Administration (EMBA).

Working place: UAB Koncernas „SBA“, business risks director.

Participation in the management of other companies:

UAB „Enteco Baltic“, the chairman of the board
UAB „PIĮ Grupė“, the board member
UAB „SBA BalduKompanija“, the board member
UAB „Klaipėdos baldų prekyba“, the board member
AB „Šatrija“, the board member
PAT „Mrija“, the supervisory board member

In the first half of 2014, no loans, guarantees, sponsorships were issued and no assets were disposed to members of the Company's Board and Administration.

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.

27. 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.

28. 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.

29. Information about transactions with related parties

Results of transactions with related parties performed in the first half of 2014 are disclosed in the notes to the financial statements of AB Utenos Trikotažas for the period ended as at the first half of 2014.

30. 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.ut.lt and on the website of the Vilnius Stock Exchange at www.baltic.omxgroup.com.

31. Company's auditor

The Ordinary shareholders meeting of the Company on 30 of April 2014 decided:

To elect the audit company UAB “Ernst & Young Baltic“ (company code 110878442) as the Company's audit enterprise for 2014. To approve the annual remuneration for the audit services LTL 54 600 excl. VAT.

To conclude the agreement with UAB “Ernst & Young Baltic“ for the audit services for the years 2014, with

the provided possibility in the agreement, upon the decision of AB „Utenos trikotažas” general shareholder meeting.

32. General information on the Group of companies

32.1. Companies that constitute the Group, their contact data and principle activities

Company name	Šatrija AB
Legal form	Public company
Date and place of incorporation	1955 m. 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	PAT 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@mk.ukrtel.net
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	gotija@ut.lt
Website	None
Principal activities	Retail trade in clothes

32.2. Trade in securities of the Group companies in regulated markets

Subsidiaries Šatrija AB, PAT MTF Mrija, Gotija UAB do not trade in securities in regulated markets.

33. Information on harmful transactions in which the issuer is a party.

There were no harmful transactions (those that are not in line with issuer's goals, not under usual market terms, harmful to the shareholders' or stakeholders' interests, etc.) made in the name of the issuer that had or potentially could have negative effects in the future on the issuer's activities or business results. There were also no transactions where a conflict of interest was present between issuer's management's, controlling shareholders 'or other related parties' obligations to the issuer and their private interests.

General Manager Gintautas Bareika



29 August 2014