

CONFIRMATION OF RESPONSIBLE PERSONS

Following Article 22 of the Law on Securities of the Republic of Lithuania, Periodic and Additional Information of Preparation and Submission rules of Lithuanian Bank Board, we, Eimundas Mačiulis, Managing Director of Utenos trikotazas, AB, Finance Director Andrej Grobov, 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 2016, 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 2016 of Utenos trikotazas AB.

Managing Director



Eimundas Mačiulis

Finance Director



Andrej Grobov

Chief Accountant



Reda Kučinskienė

Utena, 29 July 2016



UTENOS TRIKOTAŽAS, AB

CONSOLIDATED AND COMPANY'S INTERIM FINANCIAL STATEMENTS
for the 6 months period ended 30 June 2016
(UNAUDITED)

Statements of financial position

		Group		Company	
		2016.06.30	2015.12.31	2016.06.30	2015.12.31
ASSETS					
Non-current assets					
Intangible assets	7	714	752	22	29
Property, plant and equipment	8	7 196	7 460	5 520	5 659
Investment property		110	111	110	111
Investments into subsidiaries		-	-	1 499	1 499
Receivables from subsidiaries		-	-	2 210	2 356
Deferred income tax asset		50	51	-	-
		8 070	8 374	9 361	9 654
Current assets					
Inventories	9	4 834	3 687	4 646	3 592
Trade receivables	10	1 294	1 109	953	827
Other receivables		186	305	112	129
Cash and cash equivalents	11	657	1 079	99	265
		6 971	6 180	5 810	4 813
Total assets		15 041	14 554	15 171	14 467
EQUITY AND LIABILITIES					
Equity attributable to the shareholders of the Company					
Share capital		2 756	2 756	2 756	2 756
Revaluation surplus	12	3 206	3 241	1 773	1 793
Legal reserve	12	574	574	574	574
Reserve for acquisition of own shares	12	269	269	-	-
Foreign currency translation reserve	12	116	113	-	-
Cash flow hedge reserve	12	(42)	(42)	(42)	(42)
Accumulated retained earnings/ (losses)	12	(750)	(938)	(131)	(70)
		6 129	5 973	4 930	5 011
Non-controlling interest		447	427	-	-
Total equity		6 576	6 400	4 930	5 011
LIABILITIES					
Non-current liabilities					
Borrowings	13	3 446	3 617	3 446	3 617
Borrowings from subsidiaries	13	-	-	2 422	1 922
Deferred income tax liabilities		332	351	189	193
Non-current portion of derivative financial instruments		28	28	28	28
Provisions for employee benefits		226	226	205	205
		4 032	4 222	6 290	5 965
Current liabilities					
Current portion of non-current borrowings	13	708	691	708	691
Current portion of derivative financial instruments		23	23	23	23
Trade payables		1 688	1 051	1 641	1 008
Payables to other related parties and subsidiaries		96	518	194	524
Income tax payable		1	10	-	4
Accrued expenses and other current liabilities	14	1 917	1 639	1 385	1 241
		4 433	3 932	3 951	3 491
Total liabilities		8 465	8 154	10 241	9 456
Total equity and liabilities		15 041	14 554	15 171	14 467

Statements of comprehensive income

Group

		January-June		April-June	
	Notes	2016	2015	2016	2015
Sales	6,15	9 735	8 458	4 772	4 118
Cost of sales	16	(7 982)	(7 327)	(3 964)	(3 609)
Gross profit		1 753	1 131	808	509
Selling expenses	17	(683)	(629)	(267)	(287)
General and administrative expenses	17	(872)	(846)	(401)	(416)
Other operating income	18	102	155	58	48
Other operating expenses	18	(15)	(16)	(7)	(9)
Operating profit (losses)		285	(205)	191	(155)
Finance income	19	34	667	18	542
Finance costs	19	(151)	(999)	8	(438)
Profit (losses) before tax		168	(537)	217	(51)
Income tax		5	8	3	2
Net profit (losses)		173	(529)	220	(49)
Net profit (losses) attributable to:					
Equity shareholders of the Company	20	153	(535)	206	(71)
Non-controlling interest		20	6	14	22
		173	(529)	220	(49)
Other comprehensive income (loss)					
Foreign currency translation gain (loss)		3	(46)	(5)	(163)
Other comprehensive income (loss)		3	(46)	(5)	(163)
Total comprehensive income (loss) for the period		176	(575)	215	(212)
<u>Basic/dilutive earnings per share</u>	20	<u>0,02</u>	<u>(0,06)</u>	<u>0,02</u>	<u>(0,01)</u>

Statements of comprehensive income (cont'd)

Company

	Notes	January-June		April-June	
		2016	2015	2016	2015
Sales	6,15	8 150	6 988	3 963	3 381
Cost of sales	16	(7 011)	(6 246)	(3 501)	(3 096)
Gross profit		1 139	742	462	285
Selling expenses	17	(671)	(578)	(277)	(262)
General and administrative expenses	17	(551)	(589)	(222)	(287)
Other operating income	18	60	40	41	22
Other operating expenses	18	(9)	(8)	(5)	(5)
Operating profit (losses)		(32)	(393)	(1)	(247)
Finance income	19	39	64	20	5
Finance costs	19	(92)	(107)	(50)	(19)
Profit (losses) before tax		(85)	(436)	(31)	(261)
Income tax		4	7	2	2
Net profit (losses)		(81)	(429)	(29)	(259)

Statements of changes in equity

Group	Share capital	Foreign currency translation reserve	Reserve for acquisition of own shares	Other reserve	Legal reserve	Revaluation surplus	Accumulated retained earnings/ (losses)	Total	Non-controlling interest	Total equity
Balance as of 30 June 2015	2 753	130	269	-	574	3 273	(1 338)	5 661	425	6 086
Net profit (loss)	-	-	-	-	-	-	267	267	1	268
Other comprehensive income	-	(17)	-	(42)	-	-	104	45	1	46
Total comprehensive income (loss)	-	(17)	-	(42)	-	-	371	312	2	314
Transfer of revaluation surplus to retained earnings	-	-	-	-	-	(32)	32	-	-	-
Effect of share capital conversion to euro	3	-	-	-	-	-	(3)	-	-	-
Balance as of 31 December 2015	2 756	113	269	(42)	574	3 241	(938)	5 973	427	6 400
Net profit (loss)	-	-	-	-	-	-	153	153	20	173
Other comprehensive income	-	3	-	-	-	-	-	3	-	3
Total comprehensive income (loss)	-	3	-	-	-	-	153	156	20	173
Transfer of revaluation surplus to retained earnings	-	-	-	-	-	(35)	35	-	-	-
Balance as of 30 June 2016	2 756	116	269	(42)	574	3 206	(750)	6 129	447	6 576

Company	Share capital	Legal reserve	Revaluation surplus	Other reserve	Accumulated retained earnings/ (losses)	Total
Balance as of 30 June 2015	2 753	574	1 814	-	(463)	4 678
Net profit (loss)	-	-	-	-	271	271
Other comprehensive income (loss)	-	-	-	(42)	104	62
Transfer of revaluation surplus to retained earnings	-	-	(21)	-	21	-
Effect of share capital conversion to euro	3	-	-	-	(3)	-
Balance as of 31 December 2015	2 756	574	1 793	(42)	(70)	5 011
Net profit (loss)	-	-	-	-	(81)	(81)
Other comprehensive income (loss)	-	-	-	-	-	-
Transfer of revaluation surplus to retained earnings	-	-	(20)	-	20	-
Balance as of 30 June 2016	2 756	574	1 773	(42)	(131)	4 930

Statements of cash flows

	Group 30 June		Company 30 June	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit (loss) for the period	173	(529)	(81)	(429)
Adjustments for non-cash items:				
Depreciation and amortization	392	405	297	312
(Gain) on disposal of property, plant and equipment and investment property	(22)	(80)	(22)	(8)
Interest expense, net of interest income	64	52	53	42
Income tax (income) expense	(5)	8	(4)	7
Changes in working capital:	(1 079)	(318)	(1 032)	(372)
(Increase) decrease in inventories	(185)	(385)	(127)	(335)
Decrease (increase) in trade receivables	-	-	146	259
Decrease (increase) in receivables from subsidiaries	117	(19)	17	(21)
(Increase) decrease in other receivables and other current assets	215	959	302	602
(Increase) decrease in trade and other accounts payable	286	(185)	150	(21)
Increase (decrease) in taxes payable and other current liabilities	(10)	-	(10)	-
Income tax (paid)	(54)	(92)	(311)	36
Net cash generated from operating activities				
Cash flows from investing activities	(175)	(63)	(171)	(17)
Acquisition of property, plant and equipment	-	(9)	-	(9)
Proceeds from sale of property, plant and equipment	25	192	22	7
Interest received	-	-	30	30
Net cash flows generated from (to) investing activities	(150)	120	(119)	11
Cash flows from financing activities				
Proceeds from borrowings	201	3 044	701	3 044
Repayment of borrowings and financial lease payments	(355)	(3 207)	(355)	(3 207)
Interest paid	(64)	(52)	(82)	(72)
Net cash flows from financing activities	(218)	(215)	264	(235)
Net increase in cash and cash equivalents	(422)	(187)	(166)	(188)
Cash and cash equivalents at the beginning of the period	1 079	955	265	218
Cash and cash equivalents at the end of the period	657	768	99	30

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 knit-wear and textile articles.

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

As of 30 June 2016 and 31 December 2015 the shareholders of the Company were as follows:

	As of 30 June 2016		As of 31 December 2015	
	Number of shares held	Interest held (%)	Number of shares held	Interest held (%)
UAB Koncernas SBA	8 245	86.76	5 874	61.81
Investment Fund „Amber Trust“	-	-	1 347	14.18
Investment Fund „East Capital Asset“	527	5.55	527	5.55
Investment Fund „KJK Fund“	-	-	572	6.02
Other shareholders	731	7.69	1 183	12.44
	9 503	100.00	9 503	100.00

Of 9 June 2016, SBA Concern and investment funds Amber Trust, KJK Fund, Firebird Republic Fund and Firebird Avora Fund concluded a transaction regarding acquisition of shares of AB „Utenos trikotažas“, after which a portfolio AB „Utenos trikotažas“ shares owned by SBA Concern increased to 86.76%. The total transaction value amounts to almost 1.3 million euro.

All the shares are registered ordinary shares with a par value of EUR 0.29 each. As of 30 June 2016 and 31 December 2015 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:

		Group's share (%)		
	Registered address	30 June 2016	31 December 2015	Profile
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 2016 the average number of employees of the Group was 1 082, while on 30 of June 2015 it was 1 113 (on 31 of December 2015 - 1 148).

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. Financial risk factors

Due to the geo-political situation in Ukraine and significant drop in the value of UAH against EUR, the Management of the Group and the Company re-designated loan granted, related interests and other long term receivables as a part of net investment in Mrija PAT MTF. Accordingly gains (losses) arising from foreign exchange related to the monetary items considered to be part of net investment into foreign operation is accounted in Group's consolidated financial statements through other comprehensive income (loss).

Amount of monetary items attributed to net investment amounts to EUR 3.5 million and foreign currency exchange difference related to this amount for the 6 months of 2016 comprises EUR 0.187 million, which is accounted in the Group's consolidated financial statements through other comprehensive income.

Other comprehensive income (loss) from foreign currency translation included in the consolidated statements of changes in equity in other comprehensive income attributable to the equity holders of the Company:

Foreign currency exchange difference on monetary items attributed to net investments	187
Foreign currency translation reserve on other items	(184)
Other comprehensive income, net	3

6. 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 2016 and 2015:

of 30 June 2016	Production of knitted articles	Production of working clothes	Retail in knitted articles	Eliminations	Total
External sales	8 129	1 508	98	-	9 735
Internal sales	188	-	-	(188)	-
Total revenue	8 317	1 508	98	(188)	9 735
Gross profit	1 348	363	42	-	1 753
EBITDA	432	237	8	-	677
Profit (loss)	(14)	177	10	-	173

of 30 June 2015	Production of knitted articles	Production of working clothes	Retail in knitted articles	Eliminations	Total
External sales	7 059	1 296	103	-	8 458
Internal sales	127	2	-	(129)	-
Total revenue	7 186	1 298	103	(129)	8 458
Gross profit	854	233	44	-	1 131
EBITDA	74	119	9	-	202
Profit (loss)	(600)	60	11	-	(529)

7. Non-current intangible assets

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

8. Non-current tangible assets

Depreciation of non-current tangible property amounted to EUR 392 thousand as of 30 June 2016, EUR 312 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.

As of 30 June 2016 and 31 December 2015 the Companies' and the Group's Non-current assets Buildings group is recognized at fair value.

9. Inventories

	Group		Company	
	2016.06.30	2015.12.31	2016.06.30	2015.12.31
Raw materials	1 760	1 638	1 375	1 262
Work in progress	1 918	1 140	1 885	1 139
Finished goods	1 721	1 584	1 657	1 572
Goods for resale	49	49	-	-
	5 448	4 411	4 917	3 973
Write-down to net realisable value:				
Opening balance	(724)	(731)	(381)	(402)
Change	110	7	110	21
Closing balance	(614)	(724)	(271)	(381)
	4 834	3 687	4 646	3 592

10. Trade receivables

	Group		Company	
	2016.06.30	2015.12.31	2016.06.30	2015.12.31
Trade receivables, gross	1 409	1 224	1 047	921
Allowance for trade receivables:				
Opening balance	(115)	(134)	(94)	(113)
Change	-	19	-	19
Closing balance	(115)	(115)	(94)	(94)
	1 294	1 109	953	827

Changes in impairment allowance for doubtful trade receivables as of 30 June 2016 and 31 December 2015 were recorded within the Group's and Company's general and administrative expenses.

11. Cash and cash equivalents

	Group		Company	
	2016.06.30	2015.12.31	2016.06.30	2015.12.31
Cash at bank and on hand	657	1 079	99	265
	657	1 079	99	265

12. Other reserves and retained earnings (deficit)

Revaluation surplus

Revaluation surplus reflects the result of the revaluation (net of deferred tax) of the property, plant and equipment.

Legal reserve

A legal reserve is a compulsory reserve under the Lithuanian legislation. Annual transfers of not less than 5 % of net profit of the Company calculated according to the Lithuanian Company's law, are compulsory until the reserve reaches 10 % of the share capital. As at 31 December 2015 and 2014 the legal reserve is fully formed by the Company. The legal reserve cannot be distributed as dividends but can be used to cover cumulated losses.

Foreign currency translation reserve

The foreign currency translation reserve represents translation differences arising on consolidation of financial statements of foreign subsidiaries.

Reserve for acquisition of own shares

In 2015 according to the decision of the shareholders of Šatrija AB the reserve for acquisition of own shares of EUR 300 thousand was formed.

Cash flow hedge reserve

The Company's loan with DNB Bank is with floating interest rate that is linked to EURIBOR. On 26 November 2014 the Company signed interest rate swap contract with DNB Bank in order to avoid the interest rate fluctuations. The agreement is valid until 25 November 2019. The fair value of interest rate swap contract used for interest rate risk hedging was EUR 51 thousand as of 31 December 2015 and was accounted for under current (amounting EUR 28 thousand) and non-current liabilities (amounting EUR 23 thousand).

Accumulated retained earnings (losses)

Pursuant to the provisions of the Law on Limited Liability Companies of the Republic of Lithuania, if the total of retained earnings at the beginning of the financial year and net profit (loss) for the year is negative, the General Shareholders' Meeting has to make a decision to cover these losses. Transfers to distributable results should be made in the following sequence:

transfer from reserves not used in the reporting financial year;
transfer from the compulsory legal reserve;
transfer from the share premium.

At the date of these financial statements the Company was not informed about any actions of the shareholders of the Co. regarding retained deficit.

The balances of other reserves as of 30 June 2016 and 31 December 2015 were as follows:

	Group		Company	
	2016.06.30	2015.12.31	2016.06.30	2015.12.31
Revaluation surplus	3 206	3 241	1 773	1 793
Legal reserve	574	574	574	574
Reserve for acquisition of own shares	269	269	-	-
Foreign currency translation reserve	116	113	-	-
Cash flow hedge reserve	(42)	(42)	(42)	(42)
Accumulated retained earnings/ (losses)	(750)	(938)	(131)	(70)
	3 373	3 217	2 174	2 255

13. Borrowings

	Group		Company	
	2016.06.30	2015.12.31	2016.06.30	2015.12.31
Current				
Current portion of non-current bank borrowings	708	691	708	691
	708	691	708	691
Non-current				
Borrowings from subsidiaries	-	-	2 422	1 922
Long-term bank borrowings	3 446	3 617	3 446	3 617
	3 446	3 617	5 868	5 539
Total borrowings	4 154	4 308	6 576	6 230

The Company's borrowings from subsidiaries consist of the loan granted by subsidiary Starija AB, amounting EUR 2 060 thousand with maturity as at 26 November 2019 and variable interest rate 12 month Euribor + 1.9 % and loan granted by subsidiary Gotija UAB, amounting EUR 362 thousand with maturity as at 26 November 2019 and variable interest rate 12 month Euribor + 1.9 %.

On 22 June 2015 Utenos trikotāžas AB and DNB Bankas AB entered into agreement according to which the amount of credit granted increased by EUR 630 thousand. The credit amount increase was designed for an investment in equipment.

On 22 March 2016 the Company has signed the amendment with DNB bank AB, based on which the additionally granted amount of the loan was decreased to EUR 423 thousand and the interest rate determination principle was changed.

As at 31 December 2015 the bank borrowings were secured by property plant and equipment.

The interest rate for the borrowings is based on variable interest rate, therefore, in the opinion of management, the carrying amount of borrowings approximates their fair value.

14. Accrued expenses and other current liabilities

	Group		Company	
	2016.06.30	2015.12.31	2016.06.30	2015.12.31
Accrual for vacation reserve	797	631	488	373
Wages, salaries and social security	568	487	433	387
Amounts payable for services and non-current assets	231	196	233	239
Prepayments received	94	92	92	96
Taxes payable, except for income tax	61	121	39	97
Other liabilities	166	112	100	49
	1 917	1 639	1 385	1 241

15. Revenue

Group

	January- June		April-June	
	2016	2015	2016	2015
Revenue from sales of goods and services	9 577	8 450	4 624	4 115
Revenue from sales of materials	158	8	148	3
	9 735	8 458	4 772	4 118

Company

	January- June		April-June	
	2016	2015	2016	2015
Revenue from sales of goods and services	7 999	6 982	3 816	3 379
Revenue from sales of materials	151	6	147	2
	8 150	6 988	3 963	3 381

16. Cost of sales

Group

	January- June		April-June	
	2016	2015	2016	2015
Wages and salaries and social security	3 594	3 409	1 716	1 688
Materials	2 882	2 321	1 308	1 216
Other overhead expenses	1 194	1 256	785	555
Depreciation and amortisation	312	341	155	150
	7 982	7 327	3 964	3 609

Company

	January- June		April-June	
	2016	2015	2016	2015
Wages and salaries and social security	2 691	2 602	1 272	1 292
Materials	2 678	2 169	1 255	1 102
Other overhead expenses	1 399	1 199	852	585
Depreciation and amortisation	243	276	122	117
	7 011	6 246	3 501	3 096

17. Selling general and administrative expenses
Group

	January- June		April-June	
	2016	2015	2016	2015
Selling expenses				
Wages and salaries and social security	272	202	138	99
Advertising and marketing costs	114	135	42	54
Other selling expenses	297	292	87	134
	683	629	267	287
General and administrative expenses				
Wages and salaries and social security	404	384	212	187
Communications and consulting services	137	100	70	44
Depreciation and amortization	54	45	27	22
Security	51	44	26	23
Taxes other than income tax	44	31	19	17
Vehicles exploitation expenses	30	34	20	17
Services of financial institutions	27	22	11	13
Premises exploitation expenses	20	19	8	8
Travel expenses	10	22	3	9
Representation expenses	6	22	3	13
Impairment and write-off (reversal) of inventories	(74)	-	(92)	-
Other	163	123	94	63
	872	846	401	416
	1 555	1 475	668	703

Company

	January- June		April-June	
	2016	2015	2016	2015
Selling expenses				
Wages and salaries and social security	239	166	120	80
Advertising and marketing costs	113	135	41	54
Other selling expenses	319	277	116	128
	671	578	277	262
General and administrative expenses				
Wages and salaries and social security	301	279	161	135
Communications and consulting services	110	76	58	32
Depreciation and amortization	28	18	14	10
Security	26	22	13	11
Services of financial institutions	24	19	9	11
Vehicles exploitation expenses	23	29	13	15
Taxes other than income tax	21	21	11	11
Premises exploitation expenses	18	15	7	6
Travel expenses	9	18	3	5
Representation expenses	5	21	2	13
Impairment and write-off (reversal) of inventories	(78)	-	(101)	-
Other	64	71	32	38
	551	589	222	287
	1 222	1 167	499	549

18. Other income and expenses
Group

	January- June		April-June	
	2016	2015	2016	2015
Gain from disposal of non-current assets	22	80	18	6
Rent income	11	11	6	7
Other income	69	64	34	35
Other income	102	155	58	48
Rent costs	(9)	(4)	(6)	5
Other expenses	(6)	(12)	(1)	(14)
Other expenses	(15)	(16)	(7)	(9)

Company

	January- June		April-June	
	2016	2015	2016	2015
Gain from disposal of non-current assets	22	8	22	-
Rent income	9	11	4	7
Other income	29	21	15	15
Other income	60	40	41	22
Rent costs	(8)	(4)	(5)	5
Other expenses	(1)	(4)	-	(10)
Other expenses	(9)	(8)	(5)	(5)

19. Finance costs, net
Group

	January- June		April-June	
	2016	2015	2016	2015
Foreign exchange gain (loss)	(53)	(280)	62	131
Interest expenses	(64)	(52)	(36)	(27)
Interest income	-	-	-	-
	(117)	(332)	26	104

Company

	January- June		April-June	
	2016	2015	2016	2015
Foreign exchange gain (loss)	(1)	(1)	(1)	8
Interest expenses	(82)	(72)	(44)	(37)
Interest income	30	30	15	15
	(53)	(43)	(30)	(14)

20. 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	
	2016	2015	2016	2015
Profit/ (loss) attributable to the equity holders of the Group	153	(535)	206	(71)
Weighted average number of shares in issue (thousand)	9 503	9 503	9 503	9 503
Basic / diluted earnings per share (in EUR)	0.02	(0.06)	0.02	(0.01)

Company

	January- June		April-June	
	2016	2015	2016	2015
Profit/ (loss) attributable to the equity holders of the Group	(81)	(429)	(29)	(259)
Weighted average number of shares in issue (thousand)	9 503	9 503	9 503	9 503
Basic / diluted earnings per share (in EUR)	(0.01)	(0.05)	(0.00)	(0.03)

21. Post balance sheet events

There were no other post balance sheet events.



UTENOS TRIKOTAŽAS AB
CONSOLIDATED INTERIM REPORT
For 6 months period
endet 30 June 2016

1. Reporting period covered by the Annual Report

The Interim Report covers the period from 1 January 2016 to 30 June 2016.

All amounts in the Annual Report presented as at 30 June 2016, 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	EUR 2 755 870
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	BJ 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:

	2016 m. January-June	2015 m.	2014 m.	2013 m.	2012 m.
Revenue (EUR'000)	9 735	18 922	19 766	20 142	14 904
Profit for the year (EUR'000)	173	(261)	51	(332)	(1 030)
Price per share	0.506	0.400	0.609	0.264	0.199
Dividend per share	-	-	-	-	-

Financial ratios

	Group			Company		
	2016 January- June	2015	2014	2016 January- June	2015	2014
Revenue (EUR'000)	9 735	18 922	19 766	8 150	16 014	16 040
Operating profit (loss) (EUR'000)	285	266	1 628	(32)	(88)	519
Operating profit (loss) margin (%)	2.9	1.4	8.2	(0.4)	(0.5)	3.2
Profit (loss) before tax (EUR'000)	168	(258)	105	(85)	(179)	(268)
Profit (loss) before tax, margin (%)	1.7	(1.4)	0.5	(1.0)	(1.1)	(1.7)
Net profit (loss) for the year (EUR'000)	173	(261)	51	(81)	(158)	(245)
Net profit (loss) for the year margin (%)	1.8	(1.4)	0.3	(1.0)	(1.0)	(1.6)
Number of shares, (thousand)	9 503	9 503	5 000	9 503	9 503	5 000

Relative ratios

	Group			Company		
	2016. 06.30	2015. 12.31	2014. 12.31	2016. 06.30	2015. 12.31	2014. 12.31
Return on capital employed (%)	16.0	(9.5)	3.5	6.9	(5.7)	(16.6)
Return on assets (%)	2.9	(1.8)	0.3	1.3	(1.1)	(1.6)
Return on shareholders' equity (%)	6.7	(4.1)	1.0	3.9	(3.2)	(6.3)
Debt ratio (%)	56.3	56.0	64.5	67.5	65.4	73.9
Debt-to-equity ratio (%)	128.7	127.4	181.6	207.7	188.7	283.5
Liquidity ratio (%)	157.3	157.2	120.2	147.1	137.9	102.5
Equity to assets ratio (%)	43.7	44.0	35.5	32.5	34.6	26.1

Operating figures

	Group			Company		
	January-June			January-June		
	2016	2015	2014	2016	2015	2014
Manufactured items units	1 287	1 217	1 332	811	892	900
Average number of employees	1 082	1 113	1 103	743	740	719

Ratios related with the share price

	2016.06.30	2015.12.31	2014.12.31
P/E	11.45	(14.18)	159.32
EPS	0.04	(0.03)	0.004
EV/EBITDA	5.52	6.82	3.33
EV/EBIT	14.74	(50.38)	9.02

Data to calculate the indicators are from past 12 months.

6. Information about trade in the Issuer's securities in regulated markets

The Company's shares are listed on the Official List of the Nasdaq Vilnius Stock Exchange. 9 503 000 of ordinary registered shares have been registered for public turnover of securities. A nominal value of one share is EUR 0.29.

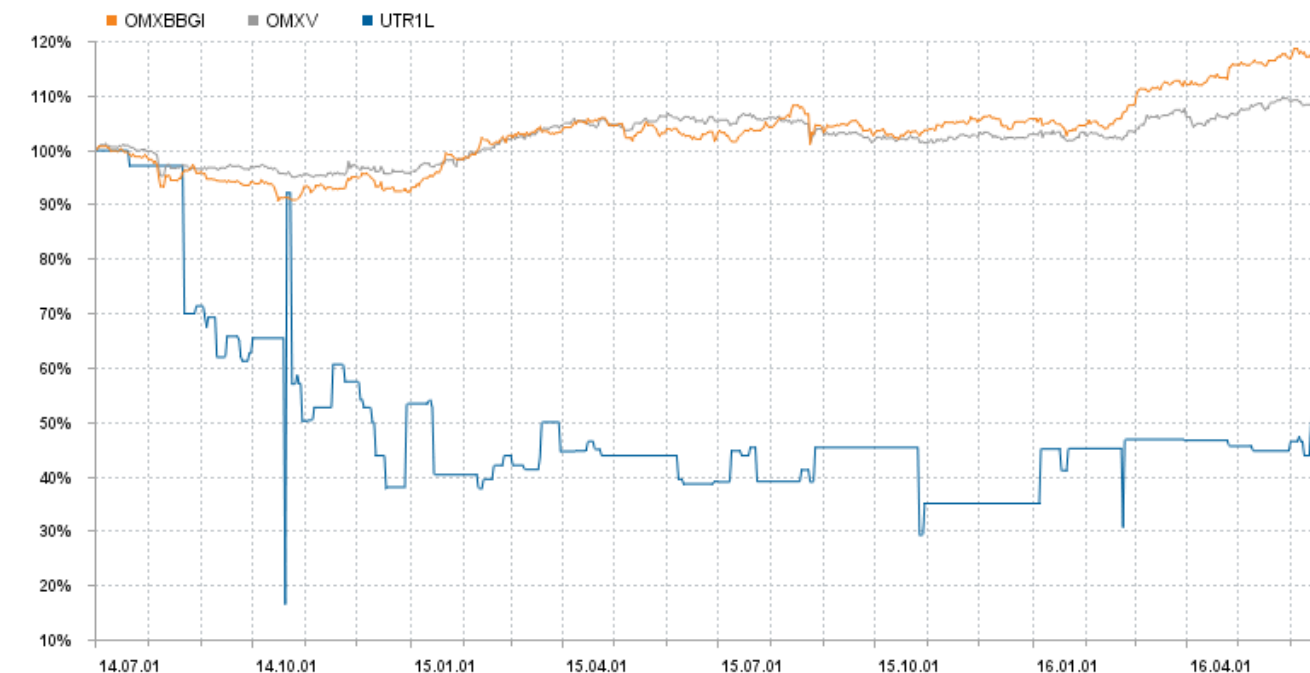
7. Information regarding the price of shares and their dynamics

Utenos Trikotažas AB share price dynamics, 2014.01.01-2016.06.30 (EUR):



Price ratios	2016 January-June	2015	2014
Open price, EUR	0.400	0.609	0.261
High price, EUR	0.600	0.616	1.050
Low price, EUR	0.351	0.334	0.176
Last price, EUR	0.506	0.400	0.609
Traded volume	36 505	56 966	190 822
Turnover, million EUR	0.02	0.03	0.06
Capitalisation, million EUR	4.85	3.80	3.05

**Utenos Trikotažas AB, OMX Baltic Benchmark GI and OMX Vilnius
Index dynamics, 2014.07.01-2016.06.30**



Index/ Equity	2016.06.30	2015.12.31	2014.12.31	2016/2015, change, %
OMX Baltic Benchmark GI	711.29	648.32	566.56	62.97↑
OMX Vilnius	510.69	485.99	452.42	24.70↑
UTR1L	0.506 EUR	0.400 EUR	0.609 EUR	0.106↑

8. Dividend policy

Dividends are not been planned for the year 2015.

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

The continuously increasing operating results of the company show that AB "Utenos trikotažas" chose an effective strategy for the development of higher value-added products and investment into innovations and modern technologies. Results of the first half of the year were mostly influenced by the new customers of the company. Participation in international exhibitions and constant search for new customers started to give results: over the past two years, the company's customer list increased by more than a third, and "Utenos trikotažas" products currently reach not only most of the Western European countries, but also Japan as well.

By following the company's operational strategy, it was decided not to undertake large but less profitable orders within the past several years, and now it is focusing on the manufacture of higher value-added products. AB "Utenos Trikotažas" is one of the few European textile companies that has a complete vertically integrated production process and is able to offer its customers a full range of services – from the production of preferred fabrics to the final product. Today, clothing collections in the retail trade are changed much more often than before, clients order smaller batches and are searching for uniqueness much more often now. The fact that "Utenos trikotažas" is able to promptly carry out a wide variety of orders and adapt to the unique needs of its customers is currently a very important competitive advantage.

Investments into the modernization of production and the standards of environmentally-friendly production processes and raw materials enabled "Utenos trikotažas" to not only offset market contraction due to slower economy in Russia, but to also enter new markets.

The sales of AB "Utenos trikotažas" own brands - ABOUT and "Utenos trikotažas" have increased by almost 50 percent during the first six months of 2016, compared to the same period of 2015.

Stable increase in the sales of own brands is ensured by two significant factors: consumer trust in markets on which we are focusing – firstly in Lithuania and other Baltic and Scandinavian countries, in Germany, Japan, etc., while the second factor is good evaluation of our ecological and comfortable Lithuanian products.

Revenue (EUR '000)

	2015 January-June	2014 January-June	Change	2013 January-June
Utenos Trikotažas AB	8 150	6 988	16.6	6 850
Šatrija AB	1 508	1 297	16.3	1 902
MTF Mrija PAT	167	199	(16.1)	278
Gotija UAB	98	103	(4.9)	88
Elimination of intercompany transactions	(188)	(129)	45.7	(234)
	9 735	8 458	15.1	8 884

EBITDA (EUR '000)

	2015 January-June	2014 January-June	Change	2013 January-June
Utenos Trikotažas AB	266	(81)	428.4	367
Šatrija AB	237	119	99.2	317
MTF Mrija PAT	(26)	76	(134.2)	(2)
Gotija UAB	8	9	(11.1)	3
Elimination of intercompany transactions	192	79	143.0	50
	677	202	235.1	735

Trade

	Group			Company		
Revenue (EUR '000)	2016 January-June	2015 January-June	Change	2016 January-June	2015 January-June	Change
Western Europe, other regions	7 493	7 309	2.5%	6 413	5 969	7.4%
Lithuania	2 242	1 149	95.1%	1 737	1 019	70.5%
	9 735	8 458	15.1%	8 150	6 988	16.6%

In the first half 2016, total sales of goods and services of the Company amounted to EUR 8.2 million. Trade volume increased by EUR 1.2 million or by 16.6 per cent as compared to 2015. The Company's exports to Western Europe and other countries accounted for 78.7 per cent, whereas sales in Lithuania accounted for 21.3 per cent of total production.

In the first half 2016, total sales of goods and services of Utenos Trikotažas AB group (hereinafter "the Group") amounted to EUR 9.7 million. The Group's exports accounted for 77 per cent, whereas sales in Lithuania accounted for 23 per cent of total production.

Lithuania

In the first half 2016, the Company sold in Lithuania totalling to EUR 1.7 million. The sales in Lithuania increased by EUR 0.7 million or 70.5 per cent.

In the first half 2016, the Group's sales in Lithuania amounted to EUR 2.2 million, which is more by EUR 1.1 million as compared to 2015.

Export

In the first half 2016, the Company exported totalling to EUR 6.4 million. The Company's exports increased by EUR 0.4 million or 7.4 per cent comparing to 2015. Large retail chains from Western Europe remained as the major customers of the Company.

In the first half 2016, the Group's exports to Western Europe and other regions amounted to EUR 7.5 million, which is more by EUR 0.2 million compared to 2015.

Production

In the first half 2016, the Company produced 0.8 million knit-wear items. The Company's subcontractors (including the subsidiary in Ukraine) produced 0.45 million knit-wear items or 36.7 per cent of total production volume. In the first half 2016, Šatrija AB produced 57 thousand sewn items. In the first half 2016, MTF Mrija PAT produced 0.4 million items.

Production (units '000)

	2016 January-June	2015 January-June	Change
Utenos Trikotažas AB	811	892	(9.1%)
Šatrija AB	57	47	21.3%
MTF Mrija PAT	419	278	50,7%
Gotija UAB	-	-	-
	1 287	1 217	5.7%

Investments

In the first half 2016, the Group's investments in new equipment and new technologies amounted to EUR 171 thousand;

In the first half 2016, the Company's investments in new equipment and technologies amounted to EUR 171 thousand.

In the first half 2016, Šatrija AB had no investments.

In the first half 2016, MTF Mrija PAT invested EUR 3 thousand.

In the first half 2016, Gotija UAB had 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.

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

All 2016 IH and 2015 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 2015, prepared in accordance with the International Financial Reporting Standards as adopted by the EU. 2015 financial statements were audited by the auditor assigned under established procedure.

11. 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.

12. Social responsibility

Utenos Trikotažas AB 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 on 23 May 2015).

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 Utenos Trikotažas AB managers of all levels treat their workers civilized and the Company had implemented core human rights conventions and directives.

Utenos Trikotažas AB 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.

13. Information about the Company's own share acquisitions

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

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

On 29 February 2016, announcement of unaudited interim consolidated financial statements of 2015.

On 7 April 2016, the general meeting of shareholders of Utenos Trikotažas AB was convened. Draft decisions of the Annual General Meeting of Shareholders.

On 29 April 2016, decisions of the general shareholder meeting were announced.

On 29 April 2016, annual information 2015.

On 29 April 2016, announcement of the performance results for the first quarter of 2016.

On 13 June 2016, notification on the acquisition of a block of shares. SBA Concern has acquired 24.94% of shares of AB Utenos Trikotažas.

On 14 June 2016, notification about disposal of voting rights. Investment Funds concluded a transaction regarding sale of 24.94% of shares of AB Utenos Trikotažas.

On 14 June 2016, Robertas Berzinskas officially resigned from the board of Utenos Trikotazas.

15. The Company's operating plans and objectives

In 2016, the Company plans to actively expand sales of ecological products and to develop the co-operation with new customers demanding higher quality and sophisticated technology, to maintain close relationship with longstanding business customers.

Key objectives for 2016:

- Development of sales to clients demanding ecological, high quality and value added products.
- Development of Branded product lines sales in Lithuania, Western Europe, Japan, USA and Canada.
- Development of fabric sales.
- Focused and systematic approach to the development of innovative fabrics.
- Manufacturing efficiency improvement.

16. Structure of the Issuer's authorised share capital

As at 30 June 2016, the Company's authorised share capital was comprised of 9 503 000 ordinary registered shares with a nominal value of EUR 0.29 each.

Utenos Trikotažas AB authorised share capital according to types of shares:

Type of shares	Number of shares	Nominal value (EUR)	Total nominal value (EUR)	Percentage in the authorised share capital (%)
Ordinary registered shares	9 503 000	0.29	2 755 870	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.

17. Restrictions on disposal of securities

There are no restrictions.

18. Shareholders

As at 30 June 2016, the total number of shareholders of Utenos Trikotažas AB was 1 028.

The table below indicates shareholders owning or holding more than 5 per cent of the Issuer's authorised share capital as at 30 June 2016.

Names of shareholders	Company codes	Country	Registration address	Number of ordinary registered shares held	Share in the authorised capital (%)	Share of votes held (%)
Koncernas SBA UAB	132206739	Lithuania	Laisvės pr.3, Vilnius	8 245	86.76	86.76
EastCapital AssetManagement	556564-5370	Sweden	Kungsgatan 30, Box 1364, Stockholm	527	5.55	5.55
Other shareholders	-	-	-	731	7.69	7.69

On 9 June 2016, SBA Concern and investment funds Amber Trust, KJK Fund, Firebird Republic Fund and Firebird Avora Fund concluded a transaction regarding acquisition of shares of AB Utenos trikotažas, after which a portfolio AB Utenos trikotažas shares owned by SBA Concern increased to 86.76%. The total transaction value amounts to almost 1.3 million euro.

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

	Registered address	Group's share (%)	Activity
		of 30 June 2016 and of 31 December 2015	
Šatrija AB	Vilniaus Str. 5, Raseiniai	89.78	Sewing of clothes
Gotija UAB	Laisvės Str. 33, Kaunas	90.50	Retail trade
MTF Mrija PAT	Motroso Str. 13, Mukačiov, Ukraine	98.95	Production of knitted articles

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

There are no such shareholders.

20. All restrictions regarding voting rights

There are no restrictions.

21. 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.

22. Personnel

Average number of employees of the Group, by companies:

	2016.06.30	2015.06.30	Change, +/-
Utenos Trikotažas AB	743	740	0.4%
Šatrija AB	176	195	(9.7%)
MTF Mrija PAT	159	174	(8.6%)
Gotija UAB	4	4	0%
	1 082	1 113	(2.8%)

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

	2016 January-June	2015 January-June	Change (%)
Utenos Trikotažas AB	3 232	3 047	6.1
Šatrija AB	891	796	11.9
MTF Mrija PAT	128	131	(2.3)
Gotija UAB	19	20	(5.0)
	4 270	3 994	6.9

The average monthly wages of employees before taxes:

	Group			Company		
	January-June			January-June		
	2016	2015	Change, %	2016	2015	Change, %
Workers group						
Managers	1 310	1 316	(5.6)	1 195	1 193	0.2
Specialists	685	705	(4.0)	741	730	1.5
Workers	404	423	(2.5)	458	465	(1.5)
	484	502	(0.4)	565	556	1.6

The Company's employee distribution by education (according to 30 June, 2016):

Group of employees	Total	Employee distribution by education					
		Higher education	Non-higher professional education	Vocational education	Secondary	Basic	Higher non-university
Managers	48	27	15	1	-	-	5
Specialists	126	60	25	5	4	2	30
Workers	569	10	150	155	173	47	34
	743	97	190	161	177	49	69

23. Management of the Group companies

Company name	Managers
Utenos Trikotažas AB	Eimundas Mačiulis
Šatrija AB	Giedrius Grondskis
MTF Mrija PAT	Tatjana Roshchina
Gotija UAB	Zita Davtartienė

24. Management incentives

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

25. 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.

On 12 January 2015, the Register of Legal Entities of the Republic of Lithuania registered a new wording of the Company's Articles of Association with regard to the increased Company's authorized capital. The authorized capital of the Company was increased by implementing the decisions of the Company's General Shareholders Meetings held on 03-12-2009, 26-03-2014 and pursuant to the convertible bonds holders written requests to convert 19 units of these convertible bonds into 4 503 000 ordinary registered shares of the Company. The authorized capital of the Company indicated in the new wording of the Company's Articles of Association is equal to EUR 2 755.9 thousand and is divided into 9 503 000 ordinary registered shares with a nominal value of EUR 0.29 each.

The remaining part of convertible bonds (47 units) were fully redeemed for the total amount of EUR 3 045 thousand on 12 January 2015.

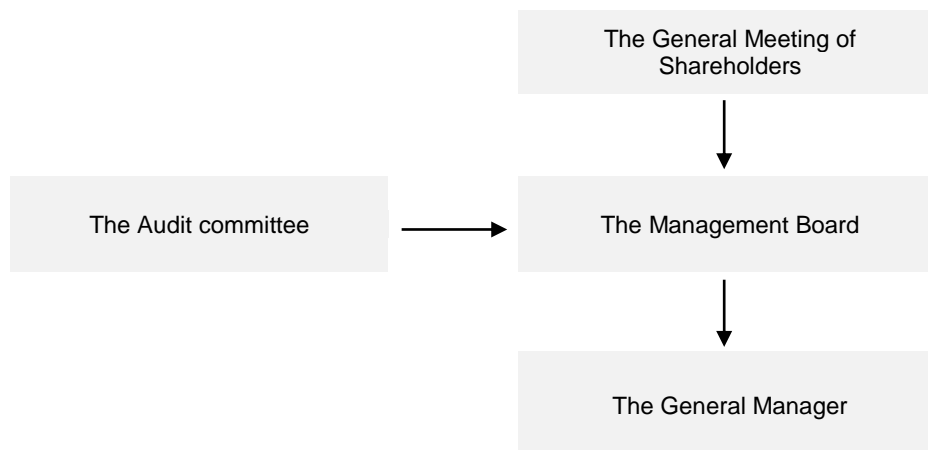
Hereby announces that on 14 January 2015, the procedure of the increase of Company's authorized capital was completed and Company's ordinary registered shares' issue registration account was amended: issue was increased to 9 503 000 ordinary registered shares of EUR 0.29 par value each (the previously registered issue of ordinary registered shares which amounted to 5 000 000 ordinary registered shares was merged with a new issue of 4 503 000 ordinary registered shares).

Since January 14, 2015, the shares issue of the Company consist of 9 503 000 ordinary registered shares of EUR 0.29 par value each. The total nominal value of the shares amounts to EUR 2 756 thousand.

The authorized capital of the Company was increased by implementing the decisions of the Company's General Shareholders Meetings held on 03-12-2009, 26-03-2014 and pursuant to the convertible bonds holders written requests to convert 19 units of convertible bonds into 4 503 000 ordinary registered shares of the Company.

26. 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.

On June 9, after the investment fund has transferred registered shares of Utenos trikotazas Ltd. to SBA Group, Robertas Berzinskas, member of Utenos trikotazas Ltd. board, on June 9, 2016 has officially resigned. As a board member he represented the shareholders and the investment funds of Amber Trust S.C.A., SICAF-SIF, Firebird Aurora Fund, Ltd., Firebird Republics Fund, Ltd., and KJK Fund SICAV-SIF.

A new board member will be elected during the next Utenos trikotazas shareholder meeting. At present, the remaining three members of the board shall constitute a quorum and ensure smooth operation of the company.

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.

In 2015 the Audit committee held 1 meeting (on 23 April 2015) and 1 meeting after the end of 2015 financial year (on 23 March 2016). During the meetings The Audit Committee considered the questions which fall under it's competency.

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

Genadijus Makušėvas (b. 1959)

Utenos Trikotažas AB independent auditor from 26 April 2007, re-elected for four years term 30 April 2013.

Education: Vilnius University, Financial Accounting (1980).

Workingplace: Grant Thornton Baltic UAB General Manager, auditor.

Participation in the management of other companies: Chairman of the Board of Grant Thornton Baltic UAB; Member of the Board of Association of Lithuanian accounting companies, Member of the Presidium of Lithuanian Chamber of Auditors.

Jolanta Grašienė (b. 1976)

Utenos Trikotažas AB audit committee member from 26 April 2007, re-elected for four years term 30 April 2013.

Education: Kaunas University of Technology, Bachelor degree in Business Administration (1997); Baltic Management Institute, International Executive MBA (2009).

Working place: Koncernas SBA UAB, Finance Director.

Participation in the management of other companies: Member of the Board in SBA Baldų kompanija UAB, Novomebel ZAO, PIĮ Grupė UAB, Kempingas slėnyje UAB, Capitalica asset management the chairman of the board.

Giedrius Grondskis (b. 1973)

Utenos Trikotažas AB audit committee member from 26 April 2007, re-elected for four years term 30 April 2013.

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

Working place: General Manager of Šatrija AB.

Do not participate in management of other companies.

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 off shores 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.

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

As at 30 June 2016:

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	28	2013.04.30	2017.04.30
Member of the Board	Robertas Beržinskas	-	2013.04.30	2016.06.09
Member of the Board	Vytautas Vaškys	3	2013.04.30	2017.04.30
Head of Administration and the Chief Financial Officer				
General Manager	Eimundas Mačiulis	-	2015.09.10	-
Finance Director	Andrej Grobov	-	2015.02.03	-
The Audit committee				
The independent auditor	Genadijus Makuševs	-	2013.04.30	2017.04.30
Member of the audit committee	Jolanta Grašienė	3	2013.04.30	2017.04.30
Member 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.

During the whole practice of the Company no remunerations to the members of a collegial body (Members of the Board, Members of the audit committee) for their work and participation in the meetings of the collegial body were paid.

Information about board members:

Algirdas Šabūnas (b. 1974)

Utenos Trikotažas AB 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 Didysis, Master degree in Finance and Banking, doctoral degree in Social Sciences.
Working place: Koncernas SBA UAB, vice-president.

Participation in the management of other companies:

Klaipėdos baldų prekyba UAB, the chairman of the board
Šatrija AB, the chairman of the board
Koncernas SBA UAB, the board member
Kauno baldai AB the chairman of the board

Gintautas Rudis (b. 1963)

Utenos trikotažas AB 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.

Working place: Euromodus UAB, Enteco Baltic UAB, CEO.

Participation in the management of other companies:

Koncernas SBA UAB, the board member
PIJ Grupė UAB, the board member
Šatrija AB, the board member
Kauno baldai AB, the chairman of the supervisory board
Šilutės baldai AB, the supervisory board
Euromodus UAB the chairman of the board
Kempingas slėnyje UAB, the board member

Vytautas Vaškys (b. 1967)

Utenos Trikotažas AB 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: Koncernas SBA UAB, business risks director.

Participation in the management of other companies:

Enteco Baltic UAB, the chairman of the board
PIJ Grupė UAB, the board member
SBA Baldų Kompanija UAB, the board member
Mrija PAT, the supervisory board member
BEI Capital UAB, director
Euromodus UAB, the board member
Novo mebel ZAO, the board member
Kempingas slėnyje UAB, the board member

In the first half 2016, no loans, guarantees, sponsorships were issued and no assets were disposed to members of the Company's Board and Administration. In the first half 2016, the aggregate remuneration of the Company General Manager and the Finance Director amounted to EUR 58.5 thousand.

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

28. 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.

29. 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.

30. Information about transactions with related parties

Results of transactions with related parties performed in the first half 2016 are disclosed in the notes to the financial statements of AB Utenos Trikotažas for the period ended as at 30 June 2016.

31. 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 Globe Newswire. 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.

32. Company's auditor

The Company concluded a contract for audit of the financial statements for 2015 and 2016 with ERNST & YOUNG BALTIC UAB (identification code 110878442, the registered address: Subačiaus str. 7, Vilnius), with the possibility to extend this agreement for one - 2017 year. The annual remuneration for the audit services EUR is 15.300 (fifteen thousand three hundred euros) plus VAT.

33. General information on the Group of companies

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

Company name	Satrija AB
Legal form	Public company
Date and place of incorporation	1955m. Vilniaus 5, 4400 Raseiniai
Company code	172285032
Address	Vilniaus 5, 4400 Raseiniai
Telephone	8 (428) 70611
Fax	8 (428) 70611
E-mail	raseiniai@satrija.lt
Website	www.satrija.lt
Principal activities	Sewing of clothes

Company name	Mukačevska Trikotažnaja Fabrika Mrija PAT
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

33.2. 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.

34. 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 Eimundas Mačiulis

29 July 2016