

**UTENOS TRIKOTAŽAS AB**  
CONSOLIDATED INTERIM REPORT  
For 6 months period  
ENDED 30 June 2015



## 1. Reporting period covered by the Interim Report

The Interim Report covers the period from 1 January 2015 to 30 June 2015.

All amounts in the Interim Report presented as at 30 June 2015, 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	<b>Utenos Trikotažas AB</b>
Authorised share capital	EUR 2 755 870
Address	J. Basanavičiaus g. 122, Utena
Telephone	(389) 51 445
Fax	(389) 69 358
E-mail	<a href="mailto:utenos.trikotazas@ut.lt">utenos.trikotazas@ut.lt</a>
Website	<a href="http://www.ut.lt">www.ut.lt</a>
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:

	2015 January – June	2014	2013	2012	2011
Revenue (EUR'000)	8 458	19 766	20 142	14 904	17 717
Profit for the year(EUR'000)	(529)	51	(332)	(1 030)	514
Price per share	0.446	0.609	0.264	0.199	0.225
Dividend per share	-	-	-	-	-

**Financial ratios**

	Group			Company		
	2015 January- June	2014	2013	2015 January- June	2014	2013
Revenue (EUR'000)	8 458	19 766	20 142	6 988	16 041	16 621
Operating profit (loss) (EUR'000)	(205)	1 628	675	(393)	524	(103)
Operating profit (loss) margin (%)	(2.4)	8.2	3.4	(5.6)	3.3	(0.6)
Profit (loss) before tax (EUR'000)	(537)	105	(358)	(436)	(263)	(785)
Profit (loss) before tax, margin (%)	(6.3)	0.5	(1.8)	(6.2)	(1.6)	(4.7)
Profit (loss) for the year (EUR'000)	(529)	51	(332)	(429)	(240)	(677)
Profit (loss) for the year margin (%)	(6.3)	0.3	(1.6)	(6.1)	(1.5)	(4.1)
Number of shares, (thousand)	9 503	5 000	19 834	9 503	5 000	19 834

**Relative ratios**

	Group			Company		
	2015. 06.30	2014. 12.31	2013. 12.31	2015. 06.30	2014. 12.31	2013. 12.31
Return on capital employed (%)	(19.2)	3.5	(5.8)	(4.5)	(16.6)	(11.8)
Return on assets (%)	(3.6)	0.3	(2.0)	(0.9)	(1.6)	(4.4)
Return on shareholders' equity (%)	(8.7)	1.0	(5.8)	(2.7)	(6.3)	(16.6)
Debt ratio (%)	58.4	64.6	65.7	67.9	73.9	73.4
Debt-to-equity ratio (%)	140.2	181.6	191.6	211.1	280.0	276.5
Liquidity ratio (%)	152.1	120.2	91.2	130.7	102.5	84.0
Equity to assets ratio (%)	41.6	35.5	34.3	32.1	26.1	26.6

**Operating figures**

	Group			Company		
	2015 January- June	2014	2013	2015 January- June	2014	2013
Manufactured items	1 217	1 332	1 605	892	900	1 037
Average number of employees	1 113	1 103	1 163	740	719	753

**Ratios related with the share price**

	2015.06.30	2014.06.30	2013.06.30
P/E	(8.10)	(2.96)	(6.81)
EPS	(0.06)	(0.33)	(0.10)
EV/EBITDA	45.44	14.91	54.76
EV/EBIT	(18.93)	(7.32)	(53.71)

## 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. 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.

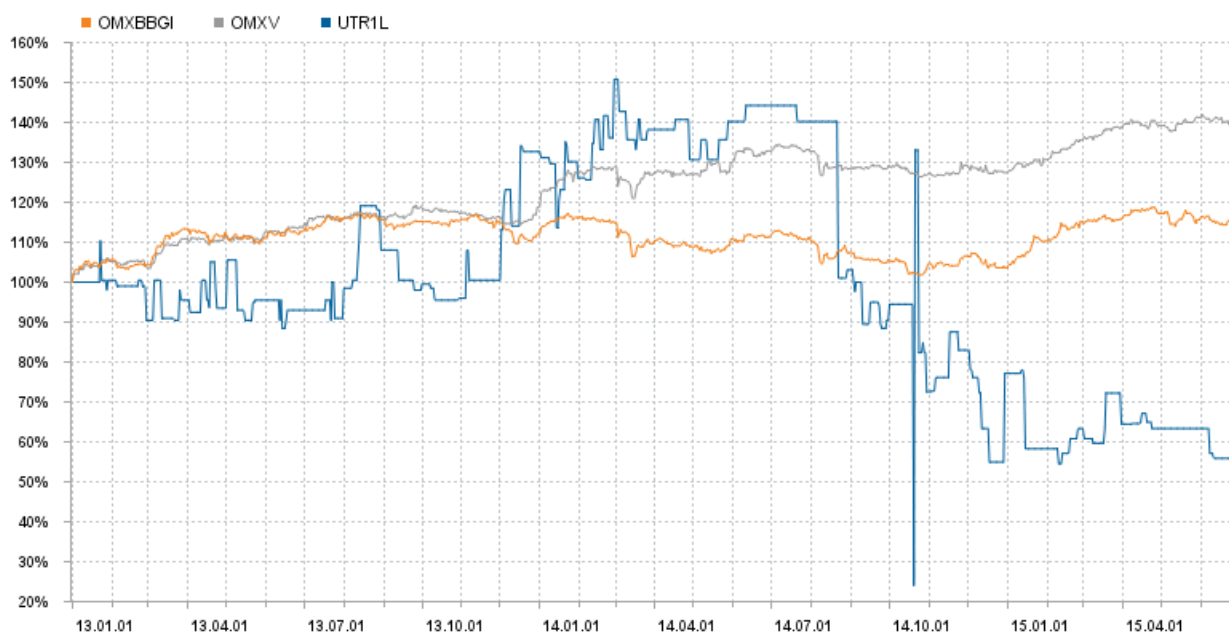
## 7. Information regarding the price of shares and their dynamics

AB „Utenos trikotažas“ share price dynamics, 2012.12.31 – 2015.06.30 (EUR):



Price ratios	2015 m	2014 m	2013 m
Open price, EUR	0.609	0.261	0.199
High price, EUR	0.616	1.050	0.267
Low price, EUR	0.431	0.176	0.176
Last price, EUR	0.517	0.609	0.261
Traded volume	42 256	190 822	206 885
Turnover, million EUR	0.02 EUR	0.06 EUR	0.04 EUR
Capitalisation, million EUR	4.91 EUR	3.05 EUR	5.24 EUR

### AB „Utenos trikotažas“, OMX Baltic Benchmark GI and OMX Vilnius Index dynamics, 2012.12.31 – 2015.06.30



Index/ Equity	31.12.2013	31.12.2014	31.12.2013	30.07.2015/ 31.12.2014 change, %
OMX Baltic Benchmark GI	632.63	566.56	613.50	+11.66↑
OMX Vilnius	496.13	452.42	421.6	+9.66↑
UTR1L	0.446 EUR	0.609 EUR	0.264 EUR	(26.77)↓

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

“After the shrinkage of the Russian retail market, a lot of our partners, European distributors of clothes, completely withdrew from the market, and the remaining European customers significantly decreased the orders of fashion and special clothing for the Russian market,” says Gintautas Bareika, Director General of AB Utenos Trikotažas. “However, even in such market situation Utenos Trikotažas managed to increase sales by focusing on more expensive production with a higher added value. We are implementing a long-term strategy with the most important aspects on implementation and creation of innovations, manufacture of products with a higher added value and development of our brands. This strategy allows an earlier reaction to change in different markets and at the same time demands investments both in production capacities and in a long-term marketing”.

The developed brands of AB Utenos Trikotažas have rapidly increased their sales during the 1st half year of 2015. The half-year sales of brands ABOUT and Utenos Trikotažas increased by almost 30% amounting to 0.9 million EUR, compared to the 1st half year of 2014.

Reacting to the changing customer demands and the market situation, Utenos Trikotažas began a modernisation programme, dedicated to the increase of production capacities and assortment of innovative materials.

It is expected that, after the implementation of this programme, in the second half year of 2015 the company will be able to offer materials with new digital decoration printing and materials enriched with additional functions with linen and elastane.

The value of the purchase of new equipment signed in June reaches 620,000 EUR. These investments will be funded with both company money and the money from an additionally granted long-term funding of the DNB Bank.

### Revenue (EUR '000)

	2015 January- June	2014 January- June	Change %	2013 January- June
AB „Utenos trikotažas“	6 988	6 850	2.0	8 166
AB „Šatrija“	1 297	1 902	(31.8)	1 588
PAT „MTF Mrija“	199	278	(28.4)	486
UAB „Gotija“	103	88	17.0	75
Elimination of intercompany transactions	(129)	(234)	(44.8)	(518)
	<b>8 458</b>	<b>8 884</b>	<b>(4.8)</b>	<b>9 797</b>

### EBITDA (EUR '000)

	2015 January- June	2014 January- June	Change %	2013 January- June
AB „Utenos trikotažas“	(81)	367	(122.1)	(70)
AB „Šatrija“	119	317	(62.5)	218
PAT „MTF Mrija“	76	(2)	(4473.5)	70
UAB „Gotija“	9	3	245.3	3
Elimination of intercompany transactions	79	50	56.8	(29)
	<b>202</b>	<b>735</b>	<b>(72.5)</b>	<b>192</b>

### Trade

	Group			Company		
	2015 January- June	2014 January- June	Change %	2014 January- June	2014 January- June	Change %
Revenue (EUR '000)						
Western Europe, other regions	7 309	8 098	(9.7)	5 969	6 110	(2.3)
Lithuania	1 149	786	46.2	1 019	740	37.7
	<b>8 458</b>	<b>8 884</b>	<b>(4.8)</b>	<b>6 988</b>	<b>6 850</b>	<b>(2.0)</b>

In the first half of 2015, total sales of goods and services of the Company amounted to EUR 7 million. Trade volume increased by EUR 138 million or by 2.0 per cent as compared to 2014. The Company's exports to Western Europe and other countries accounted for 85.4 per cent, whereas sales in Lithuania accounted for 14.6 per cent of total production.

In the first half of 2015, total sales of goods and services of Utenos Trikotažas AB group (hereinafter “the Group”) amounted to EUR 8.5 million. The Group's exports accounted for 86.4 per cent, whereas sales in Lithuania accounted for 13.6 per cent of total production.

### Lithuania

In the first half of 2015, the Company sold 155 thousand knit-wear items in Lithuania totalling to EUR 1 million. The sales in Lithuania increased by EUR 0.3 million or 37.7 per cent.

In the first half of 2015, the Group's sales in Lithuania amounted to EUR 1.1 million, which is more by EUR 0.4 million as compared to 2014.

## Export

In the first half of 2015, the Company exported 933 thousand knit-wear items totalling to EUR 6 million. The Company's exports decreased by EUR 0.1 million or 2.3 per cent comparing to 2014. Large retail chains from Western Europe remained as the major customers of the Company.

In the first half of 2015, the Group's exports to Western Europe and other regions amounted to EUR 7.3 million, which is less by EUR 0.8 million compared to 2014.

## Production

In the first half of 2015, the Company produced 892 thousand knit-wear items. The Company's subcontractors (including the subsidiary in Ukraine) produced 305 thousand knit-wear items or 25.1 per cent of total production volume. In the first half of 2015, Šatrija AB produced 47 million sewn items. In the first half of 2015, PAT „MTF Mrija“ produced 278 thousand items.

Production (units '000)

	2015 January-June	2014 January-June	Change %
AB „Utenos trikotažas“	892	900	(0.9)
AB „Šatrija“	47	62	(24.2)
PAT „MTF Mrija“	278	370	(24.8)
UAB „Gotija“	-	-	-
	<b>1 217</b>	<b>1 332</b>	<b>(8.6)</b>

## Investments

In the first half of 2015, the Group's investments in new equipment and new technologies amounted to EUR 72 thousand;

In the first half of 2015, the Company's investments in new equipment and technologies amounted to EUR 26 thousand, including transactions within the Group.

In the first half of 2015, Šatrija AB invested EUR 44 thousand.

In the first half of 2015, PAT MTF Mrija invested EUR 2 thousand.

In the first half of 2015, 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 2015 I H and 2014 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. 2014 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 13 January 2015, announcement regarding registration of increased share capital and redemption of convertible bonds.

On 15 January 2015, announcement regarding processing of accounting records of AB „Utenos trikotažas“.

On 26 January 2015, notification about disposal of voting rights.

On 30 January 2015, announcement of the sales figures for the fourth quarter of 2014.

On 30 January 2015, amount of voting rights in AB „Utenos trikotažas“.

On 27 February 2015, announcement of unaudited interim consolidated financial statements of 2014.

On 9 April 2015, the general meeting of shareholders of Utenos trikotažas AB was convened.

On 9 April 2015, draft decisions of the Annual General Meeting of Shareholders.

On 18 April 2015, supplemented agenda of the Shareholders Meeting of Utenos trikotažas that is to be held on 30 April 2015.



On 30 April 2015, decisions of the general shareholder meeting were announced.

On 30 April 2015, annual information of 2014.

On 30 April 2015, announcement of the performance results for the first quarter of 2015.

#### 14. The Company's operating plans and objectives

In 2015, 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.

Key objectives for 2015:

- 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 2015, 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.

#### 16. Restrictions on disposal of securities

There are no restrictions.

#### 17. Shareholders

As at 30 June 2015, the total number of shareholders of Utenos Trikotažas AB was 1 038.

The table below indicates shareholders owning or holding more than 5 per cent of the Issuer's authorised share capital as at 30 June 2015.

Names of shareholders	Company codes	Registration address, country	Number of ordinary registered shares held	Share in the authorised capital (%)	Share of votes held (%)
UAB Koncernas „SBA”	132206739	Laisvės pr.3, Vilnius, Lithuania	5 874	61.81	61.81
AmberTrust S.C.A.(SCA) SICAV-SIF	B 87145	412F, routed'Esch L-1030, Luxembourg	1 347	14.18	14.18
KJK Fund SICAV-SIF	B 86729	412F, routed'Esch L-1030, Luxembourg	572	6.02	6.02
EastCapital AssetManagement	556564-5370	Kungsgatan 30, Box 1364, Stocholm, Sweden	527	5.55	5.55
Other shareholders	-	-	1 183	12.44	12.44

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

Registered address	Group's share (%)		Activity
	2015.06.30	2014.12.31	
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:

	2015.06.30	2014.06.30	Change, +/-
AB „Utenos trikotažas“	740	719	2.9
AB „Šatrija“	195	196	(0.5)
PAT „MTF Mrija“	174	184	(5.4)
UAB „Gotija“	4	4	-
	<b>1 113</b>	<b>1 103</b>	<b>0.9</b>

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

	2015 January-June	2014 January-June	Change %
AB „Utenos trikotažas“	3 047	2 624	16.2
AB „Šatrija“	796	843	(5.6)
PAT „MTF Mrija“	131	187	(29.9)
UAB „Gotija“	20	19	5.3
	<b>3 994</b>	<b>3 672</b>	<b>8.8</b>

The average monthly wages of employees before taxes (thousand EUR) :

Workers group	Group			Company		
	2015 January- June	2014 January- June	Change (%)	2015 January- June	2014 January- June	Change (%)
Managers	1 316	1 219	8.0	1 193	1 125	6.1
Specialists	705	638	10.5	730	704	3.7
The workers	423	385	9.8	465	438	6.2
	<b>502</b>	<b>457</b>	<b>10.0</b>	<b>556</b>	<b>521</b>	<b>6.7</b>

The employee distribution by education (according to 30 June, 2015):

Group of employees	Total	Employee distribution by education					
		Higher education	Non-higher professional education	Vocational education	Secondary	Basic	Higher non-university
Managers	<b>46</b>	24	15	1	-	-	5
Specialists	<b>107</b>	62	18	1	2	2	24
Workers	<b>610</b>	8	169	159	191	48	34
	<b>763</b>	94	202	161	193	50	63

## 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 Davtarienė

### 23. Management incentives

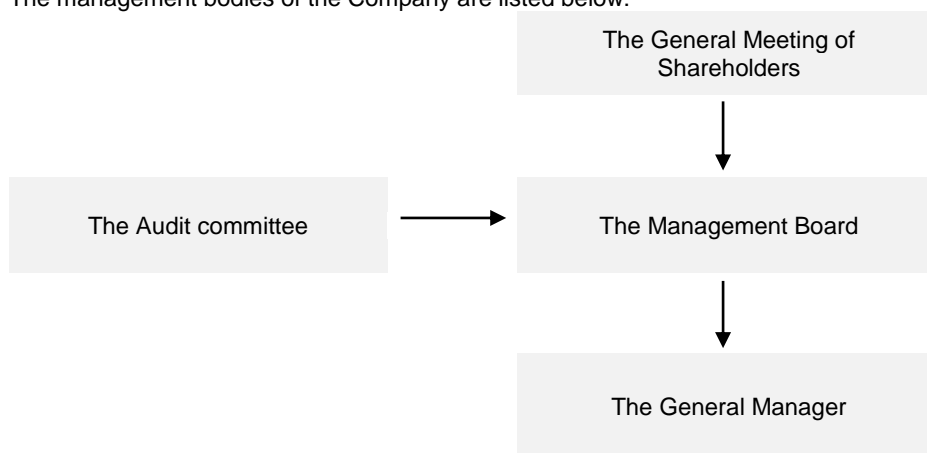
Management incentives are assigned by the decision of the Board taking into account the objectives met.

### 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 Makušėvas.

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 2015:

Position	Name, surname	Number of the Issuer's shares held	Beginning of the term of office	End of the term of office
<b>Board</b>				
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	2017.04.30
Member of the Board	Vytautas Vaškys	3	2013.04.30	2017.04.30
<b>Head of Administration and the Chief Financial Officer</b>				
General Manager	Gintautas Bareika	-	2011.08.16	-
Finance Director	Andrej Grobov	-	2015.02.03	-
Finance Director	Saulius Rakauskis	-	2011.03.28	2015.01.29
<b>The Audit committee</b>				
The independent auditor	Genadijus Makušėvas	-	2013.04.30	2017.04.30
Of the audit committee	Jolanta Grašienė	3	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.  
UAB "Euromodus" CEO.  
UAB "Evenmor" 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  
UAB „Euromodus“ the chairman of the 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 Dzirnavniesks 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 Baldų Kompanija“, the board member  
UAB „Klaipėdos baldų prekyba“, the board member  
AB „Šatrija“, the board member  
PAT „Mrija“, the supervisory board member  
UAB" BEI Capital", director  
UAB" Euromodus", the board member  
AB "Kauno baldai", the board member  
ZAO" Novo mebel", the board member.

In the first half of 2015, no loans, guarantees, sponsorships were issued and no assets were disposed to members of the Company's Board and Administration. In the first half of 2015, the aggregate remuneration of the Company General Manager and the Finance Director to EUR 57.2 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.

## **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. 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](http://www.ut.lt) and on the website of the Vilnius Stock Exchange at [www.baltic.omxgroup.com](http://www.baltic.omxgroup.com).

## 30. Company's auditor

The Ordinary shareholders meeting of the Company on 30 of April 2015 decided:

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

## 31. General information on the Group of companies

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

Company name	<b>Šatrija AB</b>
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	<a href="mailto:raseiniai@satrija.lt">raseiniai@satrija.lt</a>
Website	<a href="http://www.satrija.lt">www.satrija.lt</a>
Principal activities	Sewing of clothes
Company name	<b>PAT Mukačevska Trikotažnaja Fabrika Mrija</b>
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	<a href="mailto:mriya@mk.ukrtel.net">mriya@mk.ukrtel.net</a>
Website	<a href="http://www.mriyamukachevo.com">www.mriyamukachevo.com</a>
Principal activities	Production of knit-wear articles
Company name	<b>Gotija UAB</b>
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	<a href="mailto:gotija@ut.lt">gotija@ut.lt</a>
Website	None
Principal activities	Retail trade in clothes

### 31.2. 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.

### 32. 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



31 July 2015