

30th November, 2015 No. 907
Vilnius

Supervision service of Bank of Lithuania
Zirmunu str. 151
LT-09128 Vilnius
LITHUANIA

CONFIRMATION OF RESPONSIBLE PERSONS

In behalf DVARČIONIŲ KERAMIKA, AB General manager Liudmila Suboč and Chief accountant Elona Suveizdienė hereby confirm that to the best of our knowledge the unaudited Financial Statements for the nine months of 2015 prepared in accordance to International Financial Reporting Standards give a true and fair view of the assets liabilities financial position profit or loss and cash flow.

Enclosure: DVARČIONIŲ KERAMIKA, AB Interim Report for the nine months of 2015.

General manager



Liudmila Suboč

Chief accountant



Elona Suveizdienė



DVARČIONIŲ KERAMIKA AB
INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS OF 2015

NOVEMBER, 2015, Vilnius

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DVARČIONIŲ KERAMIKA, AB financial statements were prepared in accordance to International Financial Reporting Standards.

The Company's interim financial statements for the period January – September, 2015 were not audited. Financial statements for the year ended 31 December 2014 were audited accordingly.

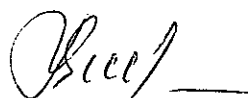
STATEMENT OF FINANCIAL POSITION (EURO THOUSAND)

ASSETS	2015 09 30	2014 12 31
NON CURRENT ASSETS	14 419	6 593
INTANGIBLE ASSETS	1 850	-
TANGIBLE ASSETS	12 482	6 505
Land	-	-
Buildings	10 994	5 060
Other tangible assets	1 488	1 445
INVESTMENTS PROPERTY	-	1
NON CURRENT FINANCIAL ASSETS	87	87
LONG TERM RECEIVABLES	-	-
DEFERRED TAXES	-	-
CURRENT ASSETS	883	1 057
INVENTORIES	361	428
STOCK	354	421
PREPAYMENTS	4	7
NOT COMPLETED WORKS	3	-
CURRENT RECEIVABLES	85	173
INVESTMENTS AND TERM DEPOSITS	-	-
CASH	437	456
TOTAL ASSETS	15 302	7 650

STATEMENT OF FINANCIAL POSITION (EURO THOUSAND) (continued)

EQUITY AND LIABILITIES	2015 09 30	2014 12 31
CAPITAL AND RESERVES	7 120	(589)
SHARE CAPITAL	5 745	5 738
Authorized	5 745	5 738
Subscribed uncalled share capital	-	-
SHARE PREMIUM	-	-
REVALUATION RESERVE	10 902	2 623
OTHER RESERVES	36	36
RETAINED EARNINGS	(9 563)	(8 986)
Previous years	(8 986)	(2 028)
Current year	(577)	(6 958)
GRANTS AND SUBSIDIES		
DEFERRED TAX & ACCRUED LIABILITIES		
Accrued expenses	-	-
Deferred tax liability	-	-
LIABILITIES	8 182	8 239
NON CURRENT LIABILITIES		
Financial liabilities	782	782
Trade payables	-	-
Advances received	-	-
Other non current payables	-	-
CURRENT LIABILITIES	7 400	7 457
Current part of long term financial liabilities	-	-
Other financial liabilities	5 848	5 848
Trade payables	1 473	1 461
Advances received	7	8
Taxes and salaries payable	8	119
Other payables	64	21
TOTAL EQUITY AND LIABILITIES	15 302	7 650

General manager



Liudmila Suboč

Chief accountant



Elona Suveizdienē

STATEMENT OF COMPREHENSIVE INCOME (EUR THOUSAND)

	2015.07.01- 2015.09.30	2014.07.01- 2014.09.30	2015.01.01- 2015.09.30	2014.01.01- 2014.09.30
SALES INCOME	38	480	111	2 213
COST OF SALES	-33	-324	-95	-1 728
GROSS PROFIT	5	156	16	485
Operating expenses	-315	-1 358	-964	-4 820
OPERATING PROFIT (LOSS)	-310	-1 202	-948	-4 335
OTHER ACTIVITIES	30	131	380	511
Income	30	131	380	511
Expenses	-	-	-	-
FINANCIAL AND INVESTING ACTIVITIES	-1	-2 015	-9	-2 022
Income	2	1	2	2
Expenses	-3	-2 016	-11	-2 024
PROFIT (LOSS) BEFORE PROFIT TAX	-281	-3 086	-577	-5 846
Profit tax	-	-	-	-
NET PROFIT (LOSS)	-281	-3 086	-577	-5 846

General manager



Liudmila Suboč

Chief accountant



Elona Suveizdienē

CASH FLOW STATEMENT (EURO THOUSAND)

2015.09.30 2014.09.30

Cash flows from operating activities		
Net profit	-577	-1 694
Adjustments for:		
Income tax benefit	-	-
Depreciation and amortization	454	538
(Gain)/ losses on foreign exchange	-	-
(Gain)/ losses on investment activity	-	-
(Gain)/ losses on disposals (sales) of fixed assets	-	-
Net interest	-	-
Change in deferred taxes	-	-
Increase/(decrease) in inventory valuation allowance	-7	-10
Other	-	-
Operating profit before working capital changes	-130	-1 166
(Increase)/decrease in trade and other receivables excluding		
receivables connected with selling fixed assets	88	513
(Increase)/decrease in inventories	67	397
Increase/(decrease) in payables excluding borrowings and loans and		
payables connected with purchasing fixed assets	-50	106
Cash generated from operations	-25	-361
Interest paid	-	-
Profit tax paid	-	-
Interest received	-	-
Net cash from operating activities	-25	-361
 Cash flows from investing activities		
Purchases of property, plant and equipment	-	-
Sales of property, plant and equipment	-	-
Other items	-8 280	-
Net cash from investing activities	-	-
 Cash flows from financing activities	-8 305	577
Repayment/receipt of loans		
Financial lease payments	-	-
(Decrease)increase in factoring financing	8 286	577
Net cash from financing activities	-	-
 Net change in cash and cash equivalents	-19	216
Cash and cash equivalents at the beginning of period	456	327
Cash and cash equivalents at the end of period	437	543

General manager



Liudmila Suboč

Chief accountant

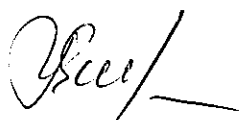


Elona Suveizdienė

STATEMENT OF CHANGES IN EQUITY (EURO THOUSAND)

	Share capital	Revaluation reserve	Legal reserve	Retained earnings	Total equity
Balance at 31 December 2013	5 738	2 775	36	-6 958	1 591
Profit (loss)				-799	-799
	-	-			-
Balance at 30 September 2014	5 738	2 775	36	-7 757	792
Profit (loss)				-1 229	-1 229
Decrease in revaluation reserve due to depreciation or write-off of revalued assets	-	-152	-	-	-152
Balance at 31 December 2014	5 738	2 623	36	-8 986	-589
Profit (loss)				-577	577
Conversion difference	7				7
A revaluation increase	-	8 279	-	-	8 279
Balance at 30 September 2014	5 745	10 902	36	-9 563	7 120

General manager



Liudmila Suboč

Chief accountant



Elona Suveizdienė

NOTES TO FINANCIAL STATEMENTS

Dvarčionių Keramika, AB shares are listed on Vilnius stock exchange secondary list (ticker: DKR1L).

Major Financial Indicators of the Company

Sales income and EBITDA

Company revenue for the nine month of 2015 was 111 thousand Eur.

The main reason of the fall in revenue – the production line stopped from August 2013. It has not been updated for a prolonged judicial restructuring process.

The gross profit for the reporting period reached 16 thousand Eur.

Operating expenses till 30 of September 2015 was 964 thousand Eur.
Operating profit margin during the reporting period was negative.

During the nine month of this year Company has earned 380 thousand Eur. of profit from other activities. The profit was earned renting premises 97 thousand Euros and Emission rights allowances – 283 thousand Euros.

During the reporting period, EBITDA was – 149 thousand Euros.

Company Loans (Euro thousand)

The grantor	Balance at 30-09-2015
AB Swedbank	5 039
UAB Misota	133
Juozas Raišelis	285
UAB Raico Group	359