



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	BĮ 98-257
Code of the Register of Legal Entities	183709468

3. Nature of the Issuer's operations

Utenos Trikotažas AB operates in the field of textile industry. The Company's principal activity is production of knit-wear and textile articles.

The Company's profile of activities:

- production of knit-wear and textile articles;
- production of mass-consumption goods which is closely related to principal activities;
- retail and wholesale trade in own production and production of other companies in local and foreign markets;
- rendering of services to natural and legal persons.

4. Agreements with intermediaries of securities' public turnover

On 25 September 2005, the Issuer concluded a service agreement with the Department of Safe Custody Services of SEB Vilniaus Bankas AB, address Gedimino pr. 12, LT-01103 Vilnius. Under this agreement the accounting of the Issuer's securities is handled.

On 25 April 2007, the Issuer concluded an agreement with OMX Exchanges Ltd. on the system of service provision, disclosure and communication of information.

5. Key performance indicators of the Group

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

	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			2016		
	January- June	2015	2014	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.	2015.	2014.	2016.	2015.	2014.
	06.30	12.31	12.31	06.30	12.31	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.

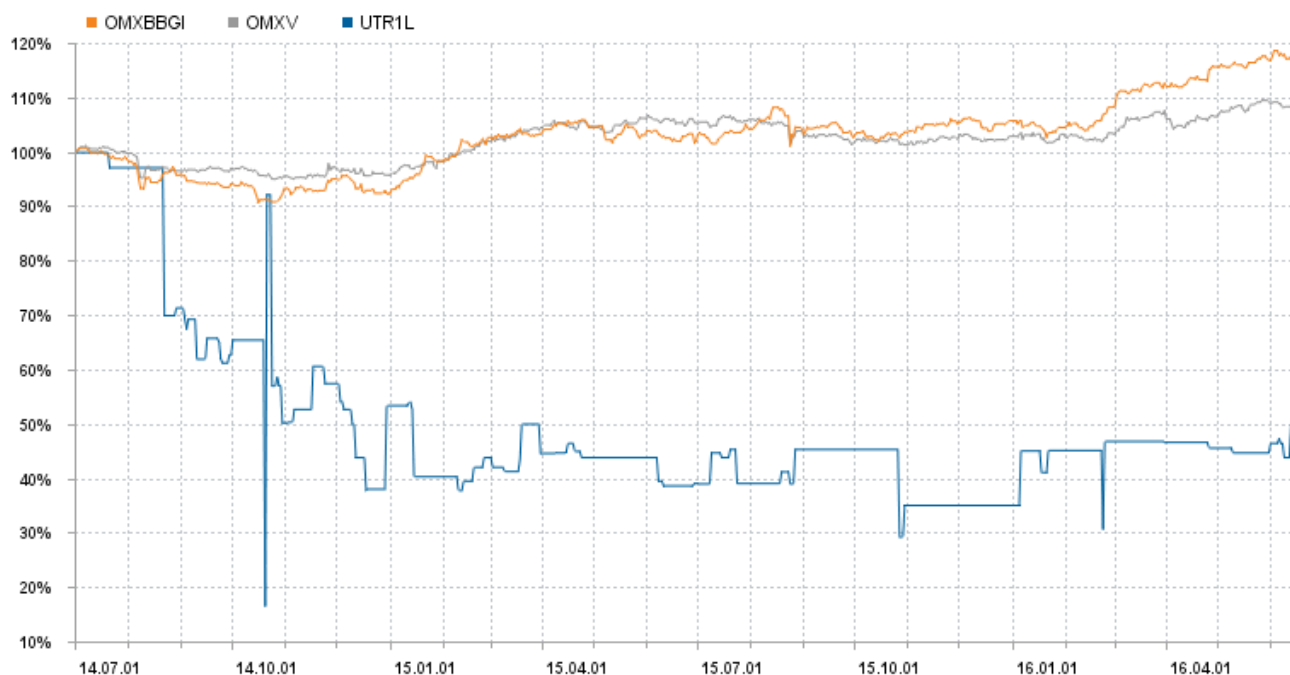
7. Information regarding the price of shares and their dynamics

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		
	2016 January- June	2015 January- June	Change	2016 January- June	2015 January- June	Change
Revenue (EUR '000)						
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, Stocholm	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 non-university
		Higher education	Non-higher professional education	Vocational education	Secondary	Basic	
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.

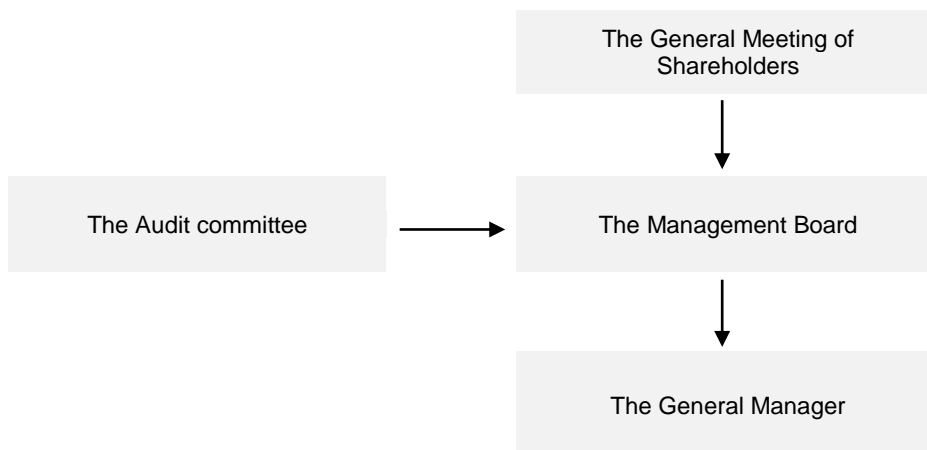
Hereby announces that on 14 January 2015, the procedure of the increase of Company's authorized capital was completed and Company's ordinary registered shares' issue registration account was amended: issue was increased to 9 503 000 ordinary registered shares of EUR 0.29 par value each (the previously 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 Avrora 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	Šatrija 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