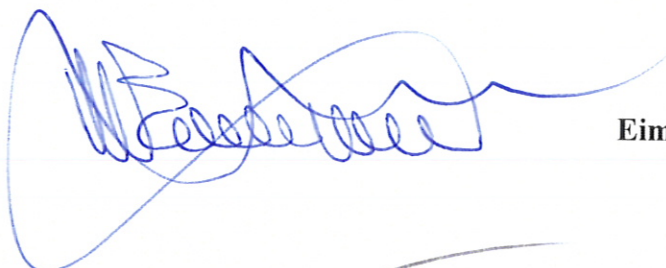


CONFIRMATION OF RESPONSIBLE PERSONS

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, General 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 12 months of 2015, 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 12 months of 2015 of Utenos trikotazas AB.

General Director



Eimundas Mačiulis

Finance Director



Andrej Grobov

Chief Accountant



Reda Kučinskienė

Utena, 29 February 2016



UTENOS TRIKOTAŽAS, AB

CONSOLIDATED AND COMPANY'S INTERIM FINANCIAL STATEMENTS
FOR THE 12 MONTHS PERIOD ENDED 31 December 2015
(UNAUDITED)

Statements of financial position

| | Notes | Group | | Company | |
|-------------------------------|-------|---------------|---------------|---------------|---------------|
| | | 2015.12.31 | 2014.12.31 | 2015.12.31 | 2014.12.31 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Intangible assets | 7 | 752 | 866 | 29 | 17 |
| Property, plant and equipment | 8 | 7 460 | 7 925 | 5 659 | 5 597 |
| Investment property | | 111 | 114 | 111 | 114 |
| Investments into subsidiaries | | - | - | 1 499 | 1 499 |
| Trade and other receivables | | - | 2 | - | - |
| Receivables from subsidiaries | | - | - | 2 356 | 2 749 |
| Deferred income tax asset | | 51 | 61 | - | - |
| | | 8 374 | 8 968 | 9 654 | 9 976 |
| Current assets | | | | | |
| Inventories | 9 | 3 687 | 3 439 | 3 592 | 3 224 |
| Trade receivables | 10 | 1 109 | 1 306 | 819 | 1 017 |
| Other receivables | | 305 | 216 | 136 | 146 |
| Cash and cash equivalents | 11 | 1 079 | 955 | 265 | 218 |
| | | 6 180 | 5 916 | 4 812 | 4 605 |
| Total assets | | 14 554 | 14 884 | 14 466 | 14 581 |

Statements of financial position (cont'd)

| | Notes | Group | | Company | |
|---|-------|---------------|---------------|---------------|---------------|
| | | 2015.12.31 | 2014.12.31 | 2015.12.31 | 2014.12.31 |
| EQUITY AND LIABILITIES | | | | | |
| Equity attributable to the shareholders of the Company | | | | | |
| Share capital | | 2 756 | 1 448 | 2 756 | 1 448 |
| Revaluation reserve | 12 | 3 241 | 3 318 | 1 793 | 1 855 |
| Legal reserve | 12 | 574 | 574 | 574 | 574 |
| Foreign currency translation reserve | 12 | 111 | 175 | - | - |
| Reserve for acquisition of own shares | 12 | 269 | - | - | - |
| Other reserve | 12 | (43) | - | (43) | - |
| Accumulated retained earnings/ (losses) | | (931) | (581) | (69) | (75) |
| | | 5 977 | 4 934 | 5 011 | 3 802 |
| Non-controlling interest | | 427 | 352 | - | - |
| Total equity | | 6 404 | 5 286 | 5 011 | 3 802 |
| LIABILITIES | | | | | |
| Non-current liabilities | | | | | |
| Borrowings | 13 | 3 648 | 1 036 | 3 648 | 1 036 |
| Borrowings from subsidiaries | 13 | - | - | 1 922 | 1 820 |
| Convertible bonds issued | 13 | - | 3 045 | - | 3 045 |
| Deferred income tax liabilities | | 345 | 424 | 191 | 227 |
| Provisions for employee benefits | | 226 | 170 | 205 | 158 |
| Other non-current financial liabilities | | 28 | - | 28 | - |
| | | 4 247 | 4 675 | 5 994 | 6 286 |
| Current liabilities | | | | | |
| Current portion of non-current | | | | | |
| Borrowings | 13 | 660 | 496 | 660 | 496 |
| Current financial liabilities | | 23 | - | 23 | - |
| Convertible bonds issued | 13 | - | 1 305 | - | 1 305 |
| Trade payables | | 1 041 | 1 018 | 998 | 999 |
| Payables to subsidiaries and to other related parties | | 519 | 312 | 516 | 452 |
| Income tax payable | | 11 | 124 | 5 | 32 |
| Accrued expenses and other current liabilities | 14 | 1 649 | 1 668 | 1 259 | 1 209 |
| | | 3 903 | 4 923 | 3 461 | 4 493 |
| Total liabilities | | 8 147 | 9 598 | 9 452 | 10 779 |
| Total equity and liabilities | | 14 554 | 14 884 | 14 466 | 14 581 |

Statements of comprehensive income

Group

| | Notes | January-December | | October-December | |
|---|-------|------------------|--------------|------------------|----------------|
| | | 2015 | 2014 | 2015 | 2014 |
| Revenue | 6,15 | 18 922 | 19 766 | 4 847 | 4 970 |
| Cost of sales | 16 | (15 528) | (15 629) | (3 934) | (3 921) |
| Gross profit | | 3 394 | 4 137 | 913 | 1 049 |
| Selling expenses | 17 | (1 341) | (962) | (333) | (222) |
| General and administrative expenses | 17 | (2 010) | (1 861) | (664) | (504) |
| Other income | 18 | 266 | 376 | 35 | 101 |
| Other expenses | 18 | (42) | (62) | (14) | (12) |
| Operating profit (loss) | | 267 | 1 628 | (63) | 412 |
| Finance income | 19 | 583 | 88 | 9 | (353) |
| Finance cost | 19 | (1 102) | (1 611) | (123) | 1 283 |
| Profit (loss) before tax | | (252) | 105 | (177) | 1 342 |
| Income tax | | (1) | (54) | (11) | (112) |
| Net profit (loss) | | (253) | 51 | (188) | 1 230 |
| Net profit (loss) attributable to: | | | | | |
| Equity holders of the Company | 20 | (260) | 19 | (192) | 1 234 |
| Non-controlling interest | | 7 | 32 | 4 | (4) |
| | | (253) | 51 | (188) | 1 230 |
| Other comprehensive income (loss) | | | | | |
| Foreign currency translation gain (losses) | | (63) | (430) | (85) | (1 394) |
| Other comprehensive income (loss) | | (63) | (430) | (85) | (1 394) |
| Total comprehensive income (loss) for the period | | (316) | (379) | (273) | (164) |
| <u>Basic/dilutive earnings per share</u> | 20 | <u>(0,027)</u> | <u>0,004</u> | <u>(0,020)</u> | <u>0,247</u> |

Statements of comprehensive income

Company

| | Notes | January-December | | October-December | |
|-------------------------------------|-------|------------------|--------------|------------------|--------------|
| | | 2015 | 2014 | 2015 | 2014 |
| Revenue | 15 | 16 014 | 16 040 | 3 985 | 4 118 |
| Cost of sales | 16 | (13 459) | (13 193) | (3 323) | (3 364) |
| Gross profit | | 2 555 | 2 847 | 662 | 754 |
| Selling expenses | 17 | (1 238) | (845) | (308) | (194) |
| General and administrative expenses | 17 | (1 447) | (1 674) | (510) | (724) |
| Other income | 18 | 70 | 238 | 14 | 27 |
| Other expenses | 18 | (28) | (42) | (10) | (7) |
| Operating profit (loss) | | (88) | 524 | (152) | (144) |
| Finance income | 19 | 49 | 79 | (37) | 24 |
| Finance cost | 19 | (140) | (866) | 3 | (264) |
| Profit (loss) before tax | | (179) | (263) | (186) | (384) |
| Income tax | | 22 | 23 | 13 | (31) |
| Net profit (loss) | | (157) | (240) | (173) | (415) |

Statements of changes in equity

| Group | Share capital | Foreign currency translation reserve | Reserve for acquisition of own shares | Other reserve | Legal reserve | Asset revaluation reserve | Accumulated retained earnings/(losses) | Total | Non-controlling interest | Total equity |
|--|---------------|--------------------------------------|---------------------------------------|---------------|---------------|---------------------------|--|--------------|--------------------------|--------------|
| Balance as of 31 December 2013 | 5 743 | 620 | - | - | 574 | 3 677 | (5 231) | 5 384 | 370 | 5 754 |
| Net profit (loss) | - | - | - | - | - | - | 19 | 19 | 32 | 51 |
| Other comprehensive income | - | (445) | - | - | - | - | (23) | (468) | 15 | (453) |
| Total comprehensive income (loss) | - | (445) | - | - | - | - | (4) | (449) | 47 | (402) |
| Transfer of revaluation and other surplus to retained earnings | - | - | - | - | - | (359) | 358 | (1) | 1 | - |
| Decrease in share capital | (4 295) | - | - | - | - | - | 4 296 | - | (66) | (66) |
| Balance as of 31 December 2014 | 1 448 | 175 | - | - | 574 | 3 318 | (581) | 4 934 | 352 | 5 286 |
| Net profit (loss) | - | - | - | - | - | - | (260) | (260) | 7 | (253) |
| Other comprehensive income | - | (64) | - | - | - | - | 103 | 39 | 1 | 40 |
| Total comprehensive income (loss) | - | (64) | - | - | - | - | (157) | (221) | 8 | (213) |
| Interest Maintenance Reserve | - | - | - | (43) | - | - | - | (43) | - | (43) |
| Transfer of revaluation and other surplus to retained earnings | - | - | - | - | - | (77) | 107 | 30 | (30) | - |
| Reserve for acquisition of own shares | - | - | 269 | - | - | - | (300) | (31) | 31 | - |
| Decrease in subsidiaries share capital | - | - | - | - | - | - | - | - | 66 | 66 |
| Increase in share capital | 1 308 | - | - | - | - | - | - | 1 308 | - | 1 308 |
| Balance as of 31 December 2015 | 2 756 | 111 | 269 | (43) | 574 | 3 241 | (931) | 5 977 | 427 | 6 404 |

Statements of changes in equity

| Company | Share capital | Legal reserve | Revaluation surplus | Other reserve | Accumulated retained earnings/ (losses) | Total |
|--|---------------|---------------|---------------------|---------------|---|--------------|
| Balance as of 31 December 2013 | 5 744 | 574 | 2 174 | - | (4 428) | 4 064 |
| Net profit (loss) | - | - | - | - | (240) | (240) |
| Total comprehensive income (loss) | - | - | - | - | (22) | (22) |
| Transfer of revaluation and other surplus to retained earnings | - | - | (319) | - | 319 | - |
| Decrease in share capital | (4 296) | - | - | - | 4 296 | - |
| Balance as of 31 December 2014 | 1 448 | 574 | 1 855 | - | (75) | 3 802 |
| Net profit (loss) | - | - | - | - | (157) | (157) |
| Total comprehensive income (loss) | - | - | - | - | 101 | 101 |
| Interest Maintenance Reserve | - | - | - | (43) | - | (43) |
| Transfer of revaluation and other surplus to retained earnings | - | - | (62) | - | 62 | - |
| Increase in share capital | 1 308 | - | - | - | - | 1 308 |
| Balance as of 31 December 2015 | 2 756 | 574 | 1 793 | (43) | (69) | 5 011 |

Statements of cash flows

| | Group | | Company | |
|---|---------------------|----------------|---------------------|--------------|
| | 31 December 2015 | 2014 | 31 December 2015 | 2014 |
| Cash flows from operating activities | | | | |
| Profit (loss) for the period | (253) | 51 | (157) | (240) |
| Adjustments for non-cash items: | | | | |
| Depreciation and amortization | 767 | 765 | 586 | 591 |
| Impairment of accounts receivable from subsidiaries | - | - | - | 370 |
| Impairment of non-current assets | - | (17) | - | - |
| Gain on disposal of property, plant and equipment and investment property | (119) | (197) | (9) | (144) |
| Impairment and write-off (reversal) of inventories | (24) | 45 | (26) | 45 |
| Impairment and write-off of accounts receivable | - | (3) | - | - |
| Provisions for employees benefits | 166 | 36 | 155 | 35 |
| Interest expense (income) | 118 | 779 | 99 | 783 |
| Income tax expense | 1 | 54 | (22) | (22) |
| Changes in working capital: | | | | |
| Decrease (increase) in inventories | (206) | 17 | (333) | (233) |
| Decrease (increase) in trade receivables | 198 | (63) | 198 | (573) |
| Decrease (increase) in receivables from subsidiaries | - | - | 386 | 251 |
| Decrease (increase) in other receivables and other current assets | (76) | 17 | 18 | (28) |
| Increase (decrease) in trade and other accounts payable | 592 | (215) | (97) | (466) |
| Increase (decrease) in taxes payable and other current liabilities | (83) | (119) | 174 | (17) |
| Income tax (paid) | (11) | (49) | (8) | - |
| Net cash flows from operating activities | 1 070 | 1 101 | 964 | 352 |
| Cash flows from investing activities | | | | |
| Acquisition of property, plant and equipment | (800) | (330) | (670) | (204) |
| Acquisition of intangible assets | (23) | (134) | (23) | - |
| Proceeds from sale of property, plant and equipment | 255 | 783 | 32 | 699 |
| Interest received | - | - | 60 | 60 |
| Net cash flows generated from investing activities | (568) | 319 | (601) | 555 |
| Cash flows from financing activities | | | | |
| Proceeds from borrowings from subsidiaries | 3 266 | 1 918 | 3 368 | 1 918 |
| Repayment of borrowings | (3 534) | (2 888) | (3 534) | (2 527) |
| Interest Rate Swap | 9 | - | 9 | - |
| Interest paid | (119) | (175) | (159) | (240) |
| Net cash flows from financing activities | (378) | (1 145) | (316) | (849) |
| Net (decrease) in cash and cash equivalents | 124 | 275 | 47 | 58 |
| Cash and cash equivalents at the beginning of the period | 955 | 680 | 218 | 160 |
| Cash and cash equivalents at the end of the period | 1 079 | 955 | 265 | 218 |

Notes to the financial statements

1. General information

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

Basanavičiaus str. 122,
Utena,
Lithuania

The Company is engaged in production of knitted articles.

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

As of 31 December 2015 and 31 December 2014 the shareholders of the Company were as follows:

| | As of 31 December 2015 | | As of 31 December 2014 | |
|--------------------------------------|------------------------|-------------------|------------------------|-------------------|
| | Number of shares held | Interest held (%) | Number of shares held | Interest held (%) |
| UAB Koncernas SBA | 5 874 | 61.81 | 2 556 | 51.12 |
| Investment Fund “Amber Trust” | 1 347 | 14.18 | 681 | 13.61 |
| Investment Fund “East Capital Asset” | 527 | 5.55 | 527 | 10.54 |
| Investment Fund „KJK Fund“ | 572 | 6.02 | 276 | 5.52 |
| Other shareholders | 1 183 | 12.44 | 960 | 19.21 |
| | 9 503 | 100.00 | 5 000 | 100.00 |

All the shares are registered ordinary shares with a par value of EUR 0.29 each. As of 31 December 2015 and 31 December 2014 subsidiaries did not hold any shares of the Company. The Company did not hold its own shares within this period.

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

| | Registered address | Group's share (%) | | Profile |
|---------------|---------------------------------------|-------------------|------------------|--------------------------------|
| | | 31 December 2015 | 31 December 2014 | |
| 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 31 of December 2015 the average number of employees of the Group was 1 117, while on 31 of December 2014 it was 1 143.

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 12 months of 2015 comprises EUR 1.74 million, which is accounted in the Group's consolidated financial statements through other comprehensive (losses).

Other comprehensive income (loss) from foreign currency translation disclosed in the consolidated Statements of comprehensive income:

| | |
|--|-------------|
| Foreign currency exchange difference on monetary items attributed to net investments | 1 740 |
| Foreign currency translation reserve on other items | (1 804) |
| Other comprehensive income, net | (64) |

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 and allowance due to change in accounting policy), profit (loss) ratios, therefore the report on the Group's segments discloses these items in respect of each segment. As the Board also assesses other items of the statement of comprehensive income by each segment, these items are presented in the report on the Group's segments. Inter-segment transactions are eliminated on consolidation.

Below, there is a summary of major indicators for the main business segments of the Group included in the statement of comprehensive income for the years 2015 and 2014:

| of 31 December 2015 | Production of knitted articles | Production of working clothes | Retail in knitted articles | Eliminations | Total |
|-------------------------------------|---------------------------------------|--------------------------------------|-----------------------------------|---------------------|---------------|
| External sales | 16 089 | 2 609 | 224 | - | 18 922 |
| Internal sales | 323 | 6 | - | (329) | - |
| Total revenue | 16 412 | 2 615 | 224 | (329) | 18 922 |
| Gross profit | 2 842 | 454 | 98 | - | 3 394 |
| EBITDA | 818 | 187 | 29 | - | 1 034 |
| Profit (loss) for the period | (346) | 61 | 32 | - | (253) |

| of 31 December 2014 | Production of knitted articles | Production of working clothes | Retail in knitted articles | Eliminations | Total |
|-------------------------------------|---------------------------------------|--------------------------------------|-----------------------------------|---------------------|---------------|
| External sales | 16 079 | 3 476 | 211 | - | 19 766 |
| Internal sales | 537 | 15 | - | (552) | - |
| Total revenue | 16 616 | 3 491 | 211 | (552) | 19 766 |
| Gross profit | 3 130 | 915 | 92 | - | 4 137 |
| EBITDA | 1 736 | 637 | 20 | - | 2 393 |
| Profit (loss) for the period | (507) | 526 | 32 | - | 51 |

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 767 thousand as of 31 December 2015, EUR 631 thousand are included into cost of sales in the Group's Profit (loss) statement. The remaining amounts were included in general and administrative expenses and inventories in the statement of financial position.

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

9. Inventories

| | Group | | Company | |
|-------------------------------------|--------------|--------------|--------------|--------------|
| | 2015.12.31 | 2014.12.31 | 2015.12.31 | 2014.12.31 |
| Raw materials | 1 638 | 1 608 | 1 262 | 1 203 |
| Work in progress | 1 140 | 1 021 | 1 139 | 987 |
| Finished goods | 1 584 | 1 490 | 1 572 | 1 436 |
| Goods for resale | 49 | 51 | - | - |
| | 4 411 | 4 170 | 3 973 | 3 626 |
| Write-down to net realisable value: | | | | |
| Opening balance | (731) | (686) | (402) | (357) |
| Change | 7 | (45) | 21 | (45) |
| Closing balance | (724) | (731) | (381) | (402) |
| | 3 687 | 3 439 | 3 592 | 3 224 |

10. Trade receivables

| | Group | | Company | |
|----------------------------------|--------------|--------------|------------|--------------|
| | 2015.12.31 | 2014.12.31 | 2015.12.31 | 2014.12.31 |
| Trade receivables, gross | 1 224 | 1 440 | 913 | 1 130 |
| Allowance for trade receivables: | | | | |
| Opening balance | (134) | (162) | (113) | (141) |
| Change | 19 | 28 | 19 | 28 |
| Closing balance | (115) | (134) | (94) | (113) |
| | 1 109 | 1 306 | 819 | 1 017 |

Changes in impairment allowance for doubtful trade receivables as of 31 December 2015 and 31 December 2014 were recorded within general and administrative expenses in the Group's Profit (loss) statement.

11. Cash and cash equivalents

| | Group | | Company | |
|--------------------------|--------------|------------|------------|------------|
| | 2015.12.31 | 2014.12.31 | 2015.12.31 | 2014.12.31 |
| Cash at bank and on hand | 1 079 | 955 | 265 | 218 |
| | 1 079 | 955 | 265 | 218 |

12. Reserves

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

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

Other reserves

On 29 April 2015 The Ordinary General Meeting of Shareholders of subsidiary company Šatrija AB adopted a decision to form EUR 300 000 reserve for acquisition of own shares.

The balances of other reserves as of 31 December 2015 and 31 December 2014 were as follows:

| | Group | | Company | |
|---------------------------------------|--------------|--------------|--------------|--------------|
| | 2015.12.31 | 2014.12.31 | 2015.12.31 | 2014.12.31 |
| Revaluation surplus | 3 241 | 3 318 | 1 793 | 1 855 |
| Legal reserve | 574 | 574 | 574 | 574 |
| Reserve for acquisition of own shares | 269 | - | - | - |
| Foreign currency translation reserve | 111 | 175 | - | - |
| Other reserve | (43) | - | (43) | - |
| | 4 152 | 4 067 | 2 324 | 2 429 |

13. Borrowings and convertible bonds issued

| | Group | | Company | |
|--|--------------|--------------|--------------|--------------|
| | 2015.12.31 | 2014.12.31 | 2015.12.31 | 2014.12.31 |
| Current | | | | |
| Current portion of non-current bank borrowings | 660 | 496 | 660 | 496 |
| | 660 | 496 | 660 | 496 |
| Non-current | | | | |
| Borrowings from subsidiaries | - | - | 1 922 | 1 820 |
| Long-term bank borrowings | 3 648 | 1 036 | 3 648 | 1 036 |
| | 3 648 | 1 036 | 5 570 | 2 856 |
| Total borrowings | 4 308 | 1 532 | 6 230 | 3 352 |

The Company's borrowings from subsidiaries consist of the loan granted by subsidiary Starija AB, amounting EUR 1 560 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 %.

As at 26 November 2014 the Company and AB DNB signed a long-term loan agreement according to which the Company were granted a loan of EUR 4 634 thousand. The loan term – 5 years. The funds were used to refinance the Company's financial liabilities amount of EUR 1 532 in respect of UAB "Swedbank lizingas" and to fulfil the Company's settlement obligations in respect of the convertible bonds holders (i.e. to pay the redemption price of the convertible bonds to be redeemed).

On 22 June 2015 Utenos trikotažas AB and DNB Bankas AB entered into agreement according to which the amount of credit granted increased by EUR 630 000. The credit amount increase was designed for an investment in equipment.

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

As at 31 December 2014 the bank borrowings were not 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.

Convertible bonds issued (cont'd)

Information about convertible bonds:

Date of issue of Bonds – 11 January 2010;
 Bonds' ISIN code – LT1000450007;
 Par value of one Bond – EUR 68 640;
 Total par value of Bonds – EUR 3 432 000;
 Discounted issue price of one Bond on the date of issue – EUR 32 574.32;
 Total discounted issue price of Bonds on the date of issue – EUR 1 628 716;
 Average profitability of a Bond before redemption – 15 percent interest per annum, calculated on the basis of the discounted issue price of the Bonds. For this purpose, the interest shall be calculated on a monthly basis;
 Bonds currency – Euro;
 Starting date of validity of Bonds – 12 January 2010;
 Term of validity of Bonds – 5 years;
 Redemption date (term) of Bonds – 12 January 2015;
 Term for notifying the intended conversion of Bonds into the shares – from 12 January 2010 till 11 December 2014 (including).

Convertible bonds obligations:

| | Group | | Company | |
|--------------------------------------|------------------|------------------|------------------|------------------|
| | 31 December 2015 | 31 December 2014 | 31 December 2015 | 31 December 2014 |
| FR&R Invest AB | - | - | - | - |
| AmberTrust S.C.A., SICAF-SIF | - | 618 | - | 618 |
| KJK Fund, SICAF-SIF | - | 275 | - | 275 |
| FIREBIRD REPUBLICS FUND LTD | - | 137 | - | 137 |
| FIREBIRD AVRORA FUND LTD | - | 69 | - | 69 |
| UAB Koncernas „SBA“ | - | 3 251 | - | 3 251 |
| Total convertible bonds obligations: | - | 4 350 | - | 4 350 |

On 12 January 2015, the Company has fully redeemed 31 (thirty one) units of convertible bonds (ISIN code LT1000450007) for the total redemption price of the bonds equal to EUR 2 127 840 and 16 units of convertible bonds (ISIN code LT1000450015) for the total redemption price of the bonds equal to EUR 917 520.

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 share capital. The share 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 (ISIN code LT1000450007) holders written requests to convert 19 units of these convertible bonds into 4 503 000 ordinary registered shares of the Company. The share capital of the Company indicated in the new wording of the Company's Articles of Association is equal to EUR 2 756 thousand and is divided into 9 503 000 ordinary registered shares with a nominal value of EUR 0.29 each.

14. Accrued expenses and other current liabilities

| | Group | | Company | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2015.12.31 | 2014.12.31 | 2015.12.31 | 2014.12.31 |
| Accrual for vacation reserve | 631 | 592 | 373 | 291 |
| Wages, salaries and social security | 487 | 365 | 387 | 306 |
| Amounts payable for services and non-current assets | 206 | 280 | 258 | 13 |
| Prepayments received | 92 | 147 | 96 | 256 |
| Taxes payable, except for income tax | 121 | 89 | 97 | 78 |
| Other liabilities | 112 | 195 | 48 | 265 |
| | 1 649 | 1 668 | 1 259 | 1 209 |

15. Revenue**Group**

| | January-December | | October-December | |
|--|-------------------------|---------------|-------------------------|--------------|
| | 2015 | 2014 | 2015 | 2014 |
| Revenue from sales of goods and services | 18 717 | 19 710 | 4 789 | 4 952 |
| Revenue from sales of materials | 205 | 56 | 58 | 18 |
| | 18 922 | 19 766 | 4 847 | 4 970 |

Company

| | January-December | | October-December | |
|--|-------------------------|---------------|-------------------------|--------------|
| | 2015 | 2014 | 2015 | 2014 |
| Revenue from sales of goods and services | 15 819 | 15 999 | 3 931 | 4 093 |
| Revenue from sales of materials | 195 | 41 | 54 | 25 |
| | 16 014 | 16 040 | 3 985 | 4 118 |

16. Cost of sales**Group**

| | of 30 September | | July-September | |
|--|------------------------|---------------|-----------------------|--------------|
| | 2015 | 2014 | 2015 | 2014 |
| Materials | 5 935 | 5 759 | 1 772 | 1 244 |
| Wages and salaries and social security | 7 043 | 6 519 | 1 775 | 1 639 |
| Depreciation and amortisation | 631 | 614 | 154 | 169 |
| Other overhead expenses | 1 919 | 2 737 | 233 | 869 |
| | 15 528 | 15 629 | 3 934 | 3 921 |

Company

| | January-December | | October-December | |
|--|------------------|---------------|------------------|--------------|
| | 2015 | 2014 | 2015 | 2014 |
| Materials | 5 496 | 5 159 | 1 516 | 1 166 |
| Wages and salaries and social security | 5 355 | 4 694 | 1 324 | 1 182 |
| Depreciation and amortisation | 503 | 499 | 122 | 116 |
| Other overhead expenses | 2 105 | 2 841 | 361 | 900 |
| | 13 459 | 13 193 | 3 323 | 3 364 |

17. Selling general and administrative expenses**Group**

| | January-December | | October-December | |
|--|------------------|--------------|------------------|------------|
| | 2015 | 2014 | 2015 | 2014 |
| Selling expenses | | | | |
| Wages and salaries and social security | 430 | 342 | 115 | 94 |
| Marketing costs | 282 | 305 | 63 | 53 |
| Other selling expenses | 629 | 315 | 155 | 75 |
| | 1 341 | 962 | 333 | 222 |
| General and administrative expenses | | | | |
| Wages and salaries and social security | 844 | 726 | 239 | 193 |
| Communications and consulting services | 288 | 277 | 116 | 96 |
| Taxes other than income tax | 54 | 91 | 6 | 10 |
| Depreciation and amortization | 96 | 145 | 27 | 36 |
| Vehicles exploitation expenses | 74 | 70 | 19 | 19 |
| Premises exploitation expenses | 37 | 39 | 12 | 15 |
| Security | 94 | 92 | 25 | 23 |
| Services of financial institutions | 49 | 64 | 15 | 21 |
| Representation expenses | 26 | 56 | 4 | 32 |
| Business trips | 35 | 27 | 9 | 3 |
| Impairment and write-off (reversal) | 147 | 45 | 147 | -29 |
| Other | 266 | 229 | 45 | 85 |
| | 2 010 | 1 861 | 664 | 504 |
| | 3 351 | 2 823 | 997 | 726 |

| Company | January-December | | October-December | |
|--|------------------|--------------|------------------|------------|
| | 2015 | 2014 | 2015 | 2014 |
| Selling expenses | | | | |
| Wages and salaries and social security | 362 | 270 | 99 | 78 |
| Marketing costs | 280 | 279 | 63 | 53 |
| Other selling expenses | 596 | 282 | 146 | 63 |
| | 1 238 | 845 | 308 | 194 |
| General and administrative expenses | | | | |
| Wages and salaries and social security | 620 | 492 | 169 | 128 |
| Communications and consulting services | 225 | 230 | 85 | 80 |
| Taxes other than income tax | 38 | 75 | 4 | 28 |
| Depreciation and amortization | 42 | 86 | 14 | 21 |
| Vehicles exploitation expenses | 58 | 56 | 15 | 16 |
| Premises exploitation expenses | 34 | 30 | 9 | 16 |
| Security | 47 | 42 | 10 | 11 |
| Services of financial institutions | 44 | 51 | 13 | 17 |
| Representation expenses | 21 | 52 | 3 | 3 |
| Business trips | 28 | 23 | 6 | 8 |
| Impairment and write-off (reversal) | 134 | 415 | 134 | 341 |
| Other | 156 | 122 | 48 | 55 |
| | 1 447 | 1 674 | 510 | 724 |
| | 2 685 | 2 519 | 818 | 918 |

18. Other income and expenses

| Group | January-December | | October-December | |
|--|------------------|-------------|------------------|-------------|
| | 2015 | 2014 | 2015 | 2014 |
| Rent income | 19 | 18 | 4 | (54) |
| Other income | 127 | 141 | 31 | 98 |
| Gain from disposal of non-current assets | 120 | 217 | - | 57 |
| Other income | 266 | 376 | 35 | 101 |
| Loss from disposal of non-current | - | (20) | - | - |
| Rent costs | (11) | (9) | (9) | (6) |
| Other expenses | (31) | (33) | (5) | (6) |
| Other expenses | (42) | (62) | (14) | (12) |

| Company | January-December | | October-December | |
|--|------------------|-------------|------------------|------------|
| | 2015 | 2014 | 2015 | 2014 |
| Rent income | 19 | 18 | 4 | 4 |
| Other income | 42 | 56 | 9 | 19 |
| Gain from disposal of non-current assets | 9 | 164 | 1 | 4 |
| Other income | 70 | 238 | 14 | 27 |
| Loss from disposal of non-current | - | (20) | - | - |
| Rent costs | (11) | (9) | (4) | (6) |
| Other expenses | (17) | (13) | (6) | (1) |
| Other expenses | (28) | (42) | (10) | (7) |

19. Finance costs, net

| Group | January-December | | October-December | |
|----------------------------------|------------------|----------------|------------------|------------|
| | 2015 | 2014 | 2015 | 2014 |
| Net foreign exchange gain (loss) | (400) | (744) | (77) | 1 161 |
| Interest expenses | (119) | (779) | (67) | (231) |
| Interest income | - | - | - | - |
| Other | - | - | - | - |
| | (519) | (1 523) | (114) | 930 |

| Company | January-December | | October-December | |
|----------------------------------|------------------|--------------|------------------|--------------|
| | 2015 | 2014 | 2015 | 2014 |
| Net foreign exchange gain (loss) | 8 | (4) | (5) | (3) |
| Interest expenses | (159) | (843) | (48) | (253) |
| Interest income | 60 | 60 | 19 | 16 |
| Other | - | - | - | - |
| | (91) | (787) | (34) | (240) |

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-December | | October-December | |
|--|------------------|--------------|------------------|--------------|
| | 2015 | 2014 | 2015 | 2014 |
| Profit/ (loss) attributable to the equity holders of the Group | (260) | 19 | (192) | 1 234 |
| Weighted average number of shares in issue (thousand) | 9 503 | 5 000 | 9 503 | 5 000 |
| Basic / diluted earnings per share (in EUR) | (0,027) | 0,004 | (0,020) | 0,247 |

21. Post balance sheet events

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