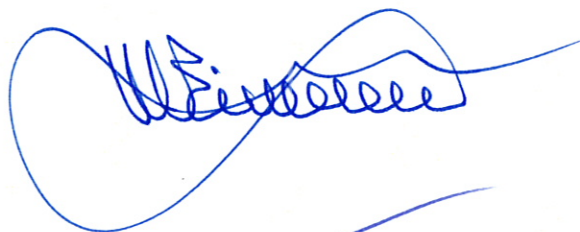


CONFIRMATION OF RESPONSIBLE PERSONS

Following Article 22 of the Law on Securities of the Republic of Lithuania, Periodic and Additional Information of Preparation and Submission rules of Lithuanian Bank Board, we, Eimundas Mačiulis, Managing Director of Utenos trikotazas, AB, Finance Director Andrej Grobov, and Chief Accountant Reda Kučinskienė, hereby confirm that, to the best of our knowledge, the unaudited consolidated financial statements of Utenos trikotazas, AB for the 3 months of 2016, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of Utenos trikotazas, AB and the Group of undertakings.

ENCLOSURE: Unaudited consolidated financial statements for the 3 months of 2016 of Utenos trikotazas AB.

Managing Director



Eimundas Mačiulis

Finance Director



Andrej Grobov

Chief Accountant



Reda Kučinskienė

Utena, 29 April 2016



UTENOS TRIKOTAŽAS, AB

**CONSOLIDATED AND COMPANY'S INTERIM FINANCIAL STATEMENTS
for the 3 months period ended 31 March 2016
(UNAUDITED)**

Statements of financial position

		Group		Company	
		2016.03.31	2015.12.31	2016.03.31	2015.12.31
ASSETS					
Non-current assets					
Intangible assets	7	711	752	26	29
Property, plant and equipment	8	7 267	7 460	5 608	5 659
Investment property		111	111	111	111
Investments into subsidiaries		-	-	1 499	1 499
Receivables from subsidiaries		-	-	2 265	2 356
Deferred income tax asset		49	51	-	-
		8 138	8 374	9 509	9 654
Current assets					
Inventories	9	3 907	3 687	3 720	3 592
Trade receivables	10	1 238	1 109	832	827
Other receivables		214	305	146	129
Cash and cash equivalents	11	1 393	1 079	603	265
		6 752	6 180	5 301	4 813
Total assets		14 890	14 554	14 810	14 467
EQUITY AND LIABILITIES					
Equity attributable to the shareholders of the Company					
Share capital		2 756	2 756	2 756	2 756
Revaluation surplus	12	3 223	3 241	1 783	1 793
Legal reserve	12	574	574	574	574
Reserve for acquisition of own shares	12	269	269	-	-
Foreign currency translation reserve	12	120	113	-	-
Cash flow hedge reserve	12	(42)	(42)	(42)	(42)
Accumulated retained earnings/ (losses)	12	(974)	(938)	(112)	(70)
		5 926	5 973	4 959	5 011
Non-controlling interest		434	427	-	-
Total equity		6 360	6 400	4 959	5 011
LIABILITIES					
Non-current liabilities					
Borrowings	13	3 631	3 617	3 631	3 617
Borrowings from subsidiaries	13	-	-	1 922	1 922
Deferred income tax liabilities		329	351	191	193
Non-current portion of derivative financial instruments		28	28	28	28
Provisions for employee benefits		226	226	205	205
		4 214	4 222	5 977	5 965
Current liabilities					
Current portion of non-current borrowings	13	708	691	708	691
Current portion of derivative financial instruments		23	23	23	23
Trade payables		1 151	1 051	1 114	1 008
Payables to other related parties and subsidiaries		565	518	668	524
Income tax payable		7	10	4	4
Accrued expenses and other current liabilities	14	1 862	1 639	1 357	1 241
		4 316	3 932	3 874	3 491
Total liabilities		8 530	8 154	9 851	9 456
Total equity and liabilities		14 890	14 554	14 810	14 467

Statements of comprehensive income

	Notes	Group		Company	
		January-March		January-March	
		2016	2015	2016	2015
Sales	6,15	4 963	4 340	4 187	3 607
Cost of sales	16	(4 018)	(3 718)	(3 510)	(3 150)
Gross profit		945	622	677	457
Selling expenses	17	(416)	(342)	(394)	(316)
General and administrative expenses	17	(471)	(430)	(329)	(302)
Other operating income	18	44	107	19	18
Other operating expenses	18	(8)	(7)	(4)	(3)
Operating profit (losses)		94	(50)	(31)	(146)
Finance income	19	15	125	19	59
Finance costs	19	(159)	(561)	(42)	(88)
Profit (losses) before tax		(50)	(486)	(54)	(175)
Income tax		2	6	2	5
Net profit (losses)		(48)	(480)	(52)	(170)
Net profit (losses) attributable to:					
Equity shareholders of the Company	20	(54)	(464)	-	-
Non-controlling interest		6	(16)	-	-
		(48)	(480)	-	-
Other comprehensive income (loss)					
Foreign currency translation gain (loss)		8	117	-	-
Other comprehensive income (loss)		8	117	-	-
Total comprehensive income (loss) for the period		(40)	(363)	-	-
<u>Basic/dilutive earnings per share</u>	20	<u>(0,006)</u>	<u>(0,049)</u>	<u>(0,005)</u>	<u>(0,018)</u>

Statements of changes in equity

Group	Share capital	Foreign currency translation reserve	Reserve for acquisition of own shares	Other reserve	Legal reserve	Revaluation surplus	Accumulated retained earnings/ (losses)	Total	Non-controlling interest	Total equity
Balance as of 31 March 2015	2 756	293	-	-	574	3 282	(1 112)	5 893	417	6 210
Net profit (loss)	-	-	-	-	-	-	196	196	23	219
Other comprehensive income	-	(180)	-	(42)	-	-	222	-	1	1
Total comprehensive income (loss)	-	(180)	-	(42)	-	-	418	196	24	220
Transfer of revaluation surplus to retained earnings	-	-	-	-	-	(41)	25	(16)	(14)	(30)
Reserve for acquisition of own shares	-	-	269	-	-	-	(269)	-	-	-
Balance as of 31 December 2015	2 756	113	269	(42)	574	3 241	(938)	5 973	427	6 400
Net profit (loss)	-	-	-	-	-	-	(54)	(54)	6	(48)
Other comprehensive income	-	7	-	-	-	-	-	7	1	8
Total comprehensive income (loss)	-	7	-	-	-	-	(54)	(47)	7	(40)
Transfer of revaluation surplus to retained earnings	-	-	-	-	-	(18)	18	-	-	-
Balance as of 31 March 2016	2 756	120	269	(42)	574	3 223	(974)	5 926	434	6 360

Company	Share capital	Legal reserve	Revaluation surplus	Other reserve	Accumulated retained earnings/ (losses)	Total
Balance as of 31 March 2015	2 756	574	1 824	-	(215)	4 939
Net profit (loss)	-	-	-	-	12	12
Other comprehensive income (loss)	-	-	-	(42)	102	60
Transfer of revaluation surplus to retained earnings	-	-	(31)	-	31	-
Balance as of 31 December 2015	2 756	574	1 793	(42)	(70)	5 011
Net profit (loss)	-	-	-	-	(52)	(52)
Other comprehensive income (loss)	-	-	-	-	-	-
Transfer of revaluation surplus to retained earnings	-	-	(10)	-	10	-
Balance as of 31 March 2016	2 756	574	1 783	(42)	(112)	4 959

Statements of cash flows

	Group		Company	
	31 March	31 March	31 March	31 March
	2016	2015	2016	2015
Cash flows from operating activities				
Profit (loss) for the period	(48)	(480)	(52)	(170)
Adjustments for non-cash items:				
Depreciation and amortization	195	224	147	176
(Gain) on disposal of property, plant and equipment and investment property	(4)	(74)	-	(8)
Interest expense, net of interest income	28	24	22	19
Income tax (income) expense	(2)	6	(2)	5
Changes in working capital:				
(Increase) decrease in inventories	(220)	172	(128)	179
Decrease (increase) in trade receivables	(129)	166	(5)	272
Decrease (increase) in receivables from subsidiaries	-	-	90	156
(Increase) decrease in other receivables and other current assets	93	48	(17)	35
(Increase) decrease in trade and other accounts payable	406	509	353	(49)
Increase (decrease) in taxes payable and other current liabilities	91	(39)	24	(5)
Income tax (paid)	(8)	-	(8)	-
Net cash generated from operating activities	402	556	424	610
Cash flows from investing activities				
Acquisition of property, plant and equipment	(94)	(61)	(94)	(16)
Proceeds from sale of property, plant and equipment	4	138	-	8
Interest received	-	-	15	15
Net cash flows generated from (to) investing activities	(90)	77	(79)	7
Cash flows from financing activities				
Proceeds from borrowings	200	3 044	200	3 044
Repayment of borrowings and financial lease payments	(170)	(3 044)	(170)	(3 044)
Interest paid	(28)	(24)	(37)	(34)
Net cash flows from financing activities	2	(24)	(7)	(34)
Net increase in cash and cash equivalents	314	609	338	583
Cash and cash equivalents at the beginning of the period	1 079	955	265	218
Cash and cash equivalents at the end of the period	1 393	1 564	603	801

Notes to the financial statements

1. General information

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

Basanavičiaus str. 122,
Utena,
Lithuania

The Company is engaged in production of knit-wear and textile articles.

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

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

	As of 31 March 2016		As of 31 December 2015	
	Number of shares held	Interest held (%)	Number of shares held	Interest held (%)
UAB Koncernas SBA	5 874	61.81	5 874	61.81
Investment Fund “Amber Trust”	1 347	14.18	1 347	14.18
Investment Fund “East Capital Asset”	527	5.55	527	5.55
Investment Fund „KJK Fund”	572	6.02	572	6.02
Other shareholders	1 183	12,44	1 183	12,44
	9 503	100.00	9 503	100.00

All the shares are registered ordinary shares with a par value of EUR 0.29 each. As of 31 March 2016 and 31 December 2015 subsidiaries did not hold any shares of the Company. The Company did not hold its own shares within this period.

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

	Registered address	Group's share (%)		Profile
		31 March 2016	31 December 2015	
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 March 2016 the average number of employees of the Group was 1 122, while on 31 of March 2015 it was 1 183 (on 31 of December 2015- 1 148).

2. Form and contents of the financial statements

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

3. Change in the accounting method of the Companies' and the Group's Non-current assets Buildings group

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

4. Consolidation

The consolidated financial statements of the Group include AB Utenos trikotažas and its subsidiaries as well as associated companies. The financial statements of the subsidiaries are prepared for the same reporting year, using consistent accounting policies.

Subsidiaries are consolidated from the date from which effective control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Group. All intercompany transactions, balances and unrealised gains and losses on transactions among the Group companies have been eliminated. The equity and net income attributable to non-controlling interests are shown separately in the statement of financial position and the statement of comprehensive income.

5. Financial risk factors

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

Amount of monetary items attributed to net investment amounts to EUR 3.5 million and foreign currency exchange difference related to this amount for the 3 months of 2016 comprises EUR 0.44 million, which is accounted in the Group's consolidated financial statements through other comprehensive income.

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

Foreign currency exchange difference on monetary items attributed to net investments	440
Foreign currency translation reserve on other items	(433)
Other comprehensive income, net	7

6. Segment information

The Group has three main business segments: production of knitted articles, production of working clothes and retail of knitted articles.

In assessing operational performance of segments the Group's Board takes into account the sales revenue, gross profit, EBITDA (earnings before financial activity result, taxes, depreciation and amortization), profit (loss) ratios, therefore the report on the Group's segments discloses these items in respect of each segment. As the Board also assesses other items of the statement of comprehensive income by each segment, these items are presented in the report on the Group's segments. Inter-segment transactions are eliminated on consolidation.

Below, there is a summary of major indicators for the main business segments of the Group included in the statement of comprehensive income for the years 2016 and 2015:

of 31 March 2016	Production of knitted articles	Production of working clothes	Retail in knitted articles	Eliminations	Total
External sales	4 177	738	48	-	4 963
Internal sales	90	-	-	(90)	-
Total revenue	4 267	738	48	(90)	4 963
Gross profit	772	153	20	-	945
EBITDA	192	92	5	-	289
Profit (loss)	(115)	62	5	-	(48)

of 31 March 2015	Production of knitted articles	Production of working clothes	Retail in knitted articles	Eliminations	Total
External sales	3 633	657	50	-	4 340
Internal sales	65	-	-	(65)	-
Total revenue	3 698	657	50	(65)	4 340
Gross profit	498	102	22	-	622
EBITDA	122	46	6	-	174
Profit (loss)	(502)	15	7	-	(480)

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 195 thousand as of 31 March 2016, EUR 157 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	
	2016.03.31	2015.12.31	2016.03.31	2015.12.31
Raw materials	1 685	1 638	1 305	1 262
Work in progress	1 053	1 140	1 037	1 139
Finished goods	1 840	1 584	1 759	1 572
Goods for resale	53	49	-	-
	4 631	4 411	4 101	3 973
Write-down to net realisable value:				
Opening balance	(724)	(731)	(381)	(402)
Change	-	7	-	21
Closing balance	(724)	(724)	(381)	(381)
	3 907	3 687	3 720	3 592

10. Trade receivables

	Group		Company	
	2016.03.31	2015.12.31	2016.03.31	2015.12.31
Trade receivables, gross	1 353	1 224	926	921
Allowance for trade receivables:				
Opening balance	(115)	(134)	(94)	(113)
Change	-	19	-	19
Closing balance	(115)	(115)	(94)	(94)
	1 238	1 109	832	827

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

11. Cash and cash equivalents

	Group		Company	
	2016.03.31	2015.12.31	2016.03.31	2015.12.31
Cash at bank and on hand	1 393	1 079	603	265
	1 393	1 079	603	265

12. Other reserves and retained earnings (deficit)
Revaluation surplus

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

Legal reserve

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

Foreign currency translation reserve

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

Reserve for acquisition of own shares

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

Cash flow hedge reserve

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

Accumulated retained earnings (losses)

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

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

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

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

	Group		Company	
	2016.03.31	2015.12.31	2016.03.31	2015.12.31
Revaluation surplus	3 223	3 241	1 783	1 793
Legal reserve	574	574	574	574
Reserve for acquisition of own shares	269	269	-	-
Foreign currency translation reserve	120	113	-	-
Cash flow hedge reserve	(42)	(42)	(42)	(42)
Accumulated retained earnings/ (losses)	(974)	(938)	(112)	(70)
	3 170	3 217	2 203	2 255

13. Borrowings

	Group		Company	
	2016.03.31	2015.12.31	2016.03.31	2015.12.31
Current				
Current portion of non-current bank borrowings	708	691	708	691
	708	691	708	691
Non-current				
Borrowings from subsidiaries	-	-	1 922	1 922
Long-term bank borrowings	3 631	3 617	3 631	3 617
	3 631	3 617	5 553	5 539
Total borrowings	4 339	4 308	6 261	6 230

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 %.

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 thousand. The credit amount increase was designed for an investment in equipment.

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

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

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

14. Accrued expenses and other current liabilities

	Group		Company	
	2016.03.31	2015.12.31	2016.03.31	2015.12.31
Accrual for vacation reserve	741	631	445	373
Wages, salaries and social security	552	487	424	387
Amounts payable for services and non-current assets	163	196	128	239
Prepayments received	122	92	168	96
Taxes payable, except for income tax	82	121	62	97
Other liabilities	202	112	130	49
	1 862	1 639	1 357	1 241

15. Revenue

	Group		Company	
	January- March	January- March	January- March	January- March
	2016	2015	2016	2015
Revenue from sales of goods and services	4 953	4 335	4 183	3 603
Revenue from sales of materials	10	5	4	4
	4 963	4 340	4 187	3 607

16. Cost of sales

	Group		Company	
	January- March		January-March	
	2016	2015	2016	2015
Wages and salaries and social security	1 878	1 721	1 419	1 310
Materials	1 574	1 105	1 423	1 067
Other overhead expenses	409	701	546	614
Depreciation and amortisation	157	191	122	159
	4 018	3 718	3 510	3 150

17. Selling general and administrative expenses

	Group		Company	
	January- March		January-March	
	2016	2015	2016	2015
Selling expenses				
Wages and salaries and social security	134	103	119	86
Advertising and marketing costs	72	81	72	81
Other selling expenses	210	158	203	149
	416	342	394	316
General and administrative expenses				
Wages and salaries and social security	192	197	140	144
Communications and consulting services	67	56	52	44
Depreciation and amortization	27	23	14	8
Taxes other than income tax	25	14	10	10
Security	25	21	13	11
Impairment and write-off (reversal) of inventories	18	-	23	-
Services of financial institutions	16	9	15	8
Premises exploitation expenses	12	11	11	9
Vehicles exploitation expenses	10	17	10	14
Travel expenses	7	13	6	13
Representation expenses	3	9	3	8
Other	69	60	32	33
	471	430	329	302
	887	772	723	618

18. Other income and expenses

	Group January- March		Company January-March	
	2016	2015	2016	2015
Gain from disposal of non-current assets	4	74	-	8
Rent income	5	4	5	4
Other income	35	29	14	6
Other income	44	107	19	18
Rent costs	(3)	(9)	(3)	(9)
Other expenses	(5)	2	(1)	6
Other expenses	(8)	(7)	(4)	(3)

19. Finance costs, net

	Group January- March		Company January-March	
	2016	2015	2016	2015
Foreign exchange gain (loss)	(116)	(411)	-	(10)
Interest expenses	(28)	(25)	(38)	(34)
Interest income	-	-	15	15
	(144)	(436)	(23)	(29)

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- March		Company January-March	
	2016	2015	2016	2015
Profit/ (loss) attributable to the equity holders of the Group	(54)	(464)	(52)	(170)
Weighted average number of shares in issue (thousand)	9 503	9 503	9 503	9 503
Basic / diluted earnings per share (in EUR)	(0,006)	(0,049)	(0,005)	(0,018)

21. Post balance sheet events

There were no other post balance sheet events.