

linas

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Joint Stock company "Linās"
Company code 147689083
S.Kerbedžio 23, Panevėžys

OFFICE STATEMENT

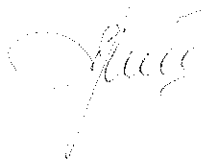
"Linās" AB members of Board and office confirm that "Linās" AB Group of companies conducts accounting and prepares financial accountability according to Lithuanian Republic bookkeeping accounting and according to the requirements of law acts which regulate the formation of financial accounting, also according to the requirements of other law acts, International accounting standards, International financial accountability standards.

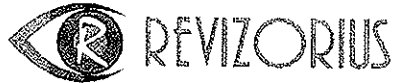
Annual consolidated financial accountability corresponds to the reality and correctly indicates the consolidated property, liabilities, financial status, losses of patronizing company and Group of companies. In the annual report of "Linās" AB Group of companies it is correctly indicated the review of business development and activity, the status of the company and general status of consolidated companies together with the record of main risks and indeterminations which company meets. Annual consolidated financial accountability is presented together with annual financial accountability of patronizing company. Annual consolidated financial accountability and annual financial accountability of patronizing company are audited.

Recommend that consolidated financial accountability of the year 2006 will be approved by General Shareholders Meeting.

Panevėžys
16 April, 2007

Lilijana Pūrienė
Director





UAB REVIZORIUS

Company number 122894931, Gerosios Vilties 1, Vilnius, tel. +370 5 213 14 07

AB LINAS

INDEPENDENT AUDITOR'S CONCLUSION

**12 April 2007
Vilnius**

We have audited the Financial Statements presented below, consisting of the Balance-sheet for 31 December 2006, and related Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year 2006 as well as Explanatory Notes and the Annual Report, which is added to the Financial Statements of AB Linas group of companies.

Responsibility for the preparation and correct submission of these Financial Statements, drawn up according to the International Reporting Standards, adopted for the application in the EU, is vested in the Company's management. This responsibility covers the development, implementation and maintenance of the internal control system intended for the preparation and correct submission of the Financial Statements in case of the absence of significant inaccuracies through fraud or mistake; selection and application of proper accounting principles; and selection of proper and rational evaluation according to circumstances.

Our duty is, based on the performed audit, to present our opinion about these Financial Statements. We have conducted the audit following the International Standards on Auditing that are set by the International Federation of Accountants. According to these standards we have to observe the professional ethics requirements and plan and conduct the audit so that we could properly ascertain that the Financial Statements are free from any significant inaccuracies.

The audit covers the figures of the Financial Statements as well as the procedures of collecting the evidence necessary to substantiate explanations. The procedures selected depend on the auditor's professional decision and the evaluation of risk of significant inaccuracies made by fraud or mistake in the Financial Statements. When evaluating risk the auditor takes

into consideration the internal controls of preparation and submission of the Company's Financial Statements and seeks to select proper audit procedures but has no aim to present his opinion on the efficiency of the Company's internal controls. The audit also covers the evaluation of applied accounting principles and significant assumptions made by the management as well as the general submission of the Financial Statements.

We believe that the evidence of our audit is sufficient and grant a proper basis for our opinion.

In our opinion, the Financial Statements presented below in all material aspects correctly reflect the AB Linas group of companies also AB Linas financial position on 31 December 2006 as well as its activity results for the year 2006 and cash flows according to the International Reporting Standards adopted for the application in the EU.

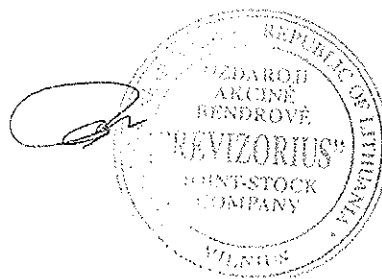
We have not observed any significant inadequacies in the 2006 Annual Report of AB Linas group of companies compared to the audited Financial Statements.

UAB Revizorius

Audit company's Certificate No.001293

Director and auditor

Auditor's certificate No.000088



Galina Ivanova

Linas, LLC

Company Code 147689083

S. Kerbedzio 23, Panevėžys

BALANCE
31/21/2006

Formulated according to TFAS

Reporting cycle 01 01 2006 - 31 12 2006

LTL

No.	ASSETS	GROUP		COMPANY	
		Financial year	Previous financial year	Financial year	Previous financial year
A.	Long-term assets	10.735.243	7.202.715	23.353.157	7.509.313
I.	Intangible assets	97.133	188.911	0	0
I.1.	Developmental works	0	0	0	0
I.2.	Prestige	0	0	0	0
I.3.	Patents, licenses	430	21.261	0	0
I.4.	Software	96.703	167.650	0	0
I.5.	Other intangible assets	0	0	0	0
II.	Tangible assets	4.931.070	5.755.344	8.146	12.395
II.1.	Land	0	0	0	0
II.2.	Buildings	0	0	0	0
II.3.	Structures	0	0	0	0
II.4.	Machinery and equipment	3.529.984	4.032.088	0	0
II.5.	Means of transport	266.124	293.596	0	0
II.6.	Other equipment, appliances, instruments and gear	986.186	1.114.805	8.146	12.395
II.7.	Unfinished construction	0	0	0	0
II.8.	Other tangible assets	148.776	314.855	0	0
III.	Financial assets	5.061.290	1.141.737	23.315.111	7.451.245
III.1.	Investments to affiliates and associated companies	0	0	6.300.936	6.309.508
III.2.	Loans to affiliates and associated companies	0	0	0	0
III.3.	Amounts received after one year	5.051.290	1.131.737	17.004.175	1.131.737
III.4.	Other financial assets	10.000	10.000	10.000	10.000
IV.	Other long-term assets	645.750	116.723	29.900	45.673
IV.1.	Deferred corporation tax assets	645.750	116.723	29.900	45.673
IV.2.	Other long-term assets	0	0	0	0
B.	Short-term assets	29.616.604	46.856.402	12.177.516	28.259.236
I.	Stocks, prepayments and unaccomplished contracts	14.798.659	15.941.204	767	2
I.1.	Stocks	14.595.499	15.656.293	12	0
I.1.1.	Raw materials and packaging products	2.182.305	3.353.759	12	0
I.1.2.	Unfinished production	7.504.254	7.696.046	0	0
I.1.3.	Ready production	4.908.940	4.606.488	0	0
I.1.4.	Goods, purchased for resell	0	0	0	0
I.1.5.	Other stock	0	0	0	0
I.2.	Prepayments	203.160	284.911	755	2
I.3.	Unaccomplished contracts	0	0	0	0
II.	Amounts, receivable over one year	9.223.199	21.701.335	249.766	14.949.699
II.1.	Customers' debts	8.698.196	20.976.084	354	12.986.422
II.2.	Debts of affiliates and associated companies	0	0	0	0
II.3.	Other receivable amounts	525.003	725.251	249.412	1.963.277
III.	Other short-term assets	5.236.707	8.056.132	11.922.297	12.966.132
III.1.	Short-term investments	0	0	0	0
III.2.	Term deposits	0	0	0	0
III.3.	Other short-term assets	5.236.707	8.056.132	11.922.297	12.966.132
IV.	Currency and its equivalents	358.039	1.157.731	4.686	343.403
	Total assets	40.351.847	54.059.117	35.530.673	35.768.549

No.	PRIVATE ASSETS AND OBLIGATIONS	GROUP		COMPANY	
		Financial year	Previous financial year	Financial year	Previous financial year
C.	Private assets	31.624.028	35.563.607	35.253.645	35.172.389
I.	Capital	24.038.990	24.038.990	24.038.990	24.038.990
I.1.	Capital (authorized)	24.038.990	24.038.990	24.038.990	24.038.990
I.2.	Signed unpaid capital (-)	0	0	0	0
I.3.	Shares premiums	0	0	0	0
I.4.	Private shares(-)	0	0	0	0
II.	Revaluation reserve (results)	0	0	0	0
III.	Reserves	11.469.597	8.378.511	11.069.807	8.378.511
III.1.	Obligatory	2.424.243	2.071.473	2.403.898	2.071.473
III.2.	For purchase of proprietary shares	0	0	0	0
III.3.	Other reserves	9.045.354	6.307.038	8.665.909	6.307.038
IV.	Retained profit (losses)	(3.884.559)	3.146.106	144.848	2.754.888
IV.1.	Profit of reporting year (losses)	(3.948.150)	2.965.892	81.257	2.567.563
IV.1.1.	Profit (loss) acknowledged in profit (loss) report	(3.948.150)	2.721.223	81.257	2.322.894
IV.1.2.	Profit (loss) not acknowledged in profit (loss) report	0	244.669	0	244.669
IV.2.	Profit (loss) of previous year	63.591	180.214	63.591	187.325
D.	Minority part	0	0	0	0
E.	Grants, subsidies	12.529	0	0	0
F.	Payable amounts and obligations	8.715.290	18.495.510	277.028	596.160
I.	Amounts payable after one year and long-term obligations	119.104	203.063	0	0
I.1.	Financial debts	0	0	0	0
I.1.1.	Leasing (financial rents) or similar obligations	0	0	0	0
I.1.2.	To credit organizations	0	0	0	0
I.1.3.	Other financial debts	0	0	0	0
I.2.	Debts to suppliers	0	0	0	0
I.3.	Received prepayments	0	0	0	0
I.4.	Suspensions	0	0	0	0
I.4.1.	Reimbursement of obligation and demands	0	0	0	0
I.4.2.	Pensions and similar obligations	0	0	0	0
I.4.3.	Other suspensions	0	0	0	0
I.5.	Suspended tax obligations	119.104	203.063	0	0
I.6.	Other payable amounts and long-term obligations	0	0	0	0
II.	Amounts payable within one year and short-term obligations	8.596.186	18.292.447	277.028	596.160
II.1.	Current year part of long-term amount	0	9.491.112	0	0
II.2.	Financial debts	0	0	0	0
II.2.1.	To credit organizations	0	0	0	0
II.2.2.	Other financial debts	0	0	0	0
II.3.	Debts to suppliers	4.847.261	4.475.497	29.473	52.170
II.4.	Received prepayments	378.241	540.772	15.108	229.335
II.5.	Profit tax payment obligations	0	524.470	0	272.509
II.6.	Obligations related to work relations	2.432.475	2.704.863	4.252	4.220
II.7.	Suspensions	0	0	0	0
II.8.	Other payable amounts and short-term obligations	938.209	555.733	228.195	37.926
	Total proprietary capital and obligations	40.351.847	54.059.117	35.530.673	35.768.549

Director  Lilijana Puriene

Linus, LLC

Company Code 147689083

S. Kerbedzio 23, Panevėžys

PROFIT (LOSS) REPORT

Formulated according to TFAS

Reporting cycle 01 01 2006 - 31 12 2006

No.	ARTICLES	GROUP		COMPANY	
		Financial year	Previous financial year	Financial year	Previous financial year
I.	SALE INCOME	60.077.511	73.290.024	1.022.222	45.570.106
I.1.	Production of textile products	59.614.834	73.290.024	(1.377)	45.570.106
I.1.1.	Income for sold goods	59.275.566	72.815.655	(1.377)	45.206.216
I.1.2.	Income for sold services	339.268	474.369	0	363.890
I.2.	Management of financial profit	462.677	0	1.023.599	0
II.	SALE COST PRICE	47.792.438	51.424.251	98.760	31.749.866
II.1.	Production of textile products	47.693.678	51.424.251	0	31.749.866
II.1.1.	Cost price of sold production	47.467.594	51.080.928	0	31.480.149
II.1.2.	Cost price of sold services	226.084	343.323	0	269.717
II.2.	Cost price of financial profit management	98.760	0	98.760	0
III.	GROSS PROFIT (LOSS)	12.285.073	21.865.773	923.462	13.820.240
IV.	ACTIVITY EXPENDITURES	16.566.342	18.434.044	704.222	11.381.523
IV.1.	Sale	6.427.524	7.637.411	508	4.653.499
IV.2.	Common and administrative	10.138.818	10.796.633	703.714	6.728.024
V.	PROFIT (LOSS) OF STANDARD ACTIVITY	(4.281.269)	3.431.729	219.240	2.438.717
VI.	OTHER ACTIVITY	119.978	(182.147)	1.709	(222.869)
VI.1.	Income	204.641	381.814	1.709	317.752
VI.2.	Expenditures	84.663	563.961	0	540.621
VII.	FINANCIAL AND INVESTMENT ACTIVITY	(326.400)	410.438	(10.744)	661.869
VII.1.	Income	2.681	1.065.764	432	1.101.952
VII.2.	Expenditures	329.081	655.326	11.176	440.083
VIII.	PROFIT (LOSS) OF ROUTINE ACTIVITY	(4.487.691)	3.660.020	210.205	2.877.717
IX.	EXTRAORDINARY GAIN	0	0	0	0
X.	LOSSES	0	0	0	0
XI.	PROFIT (LOSS) BEFORE TAXATION	(4.487.691)	3.660.020	210.205	2.877.717
XII.	PROFIT TAX	(539.541)	938.797	128.948	554.823
XIII.	PROFIT (LOSS) BEFORE MINORITY PART	(3.948.150)	2.721.223	81.257	2.322.894
XIV.	MINORITY PART	0	0	0	0
XIII.	NET PROFIT (LOSS)	(3.948.150)	2.721.223	81.257	2.322.894

Director  Lilijana Puriene

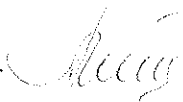
REPORT OF LINAS, LLC ENTERPRISE GROUP PROPRIETARY CAPITAL ALTERATIONS

31 December, 2006

Report period 01 01 2006 - 31 12 2006

LTL

	Paid-up Authorized capital	Additions to shares	Private shares (-)	Revaluation reserve (results)		Law covered reserves		Other reserves		Unappropriated profit (loss)	Total
				Long-term tangible assets	Financial assets	Obligatory	Private shares procurement	Support reserves and other payouts according to collective agreement	Other reserves		
	1	2	3	4	5	6	7	8	9	11	12
Remainder on 31 December 2004	24.038.990	0	0	0	0	1.571.472	0	351.707	8.439.908	(1.702.180)	32.699.897
Result of report policy alteration											0
Correction result of major errors										142.486	142.486
Recalculated remainder on 31 December, 2004	24.038.990	0	0	0	0	1.571.472	0	351.707	8.439.908	(1.559.694)	32.842.383
Profit/loss not acknowledged in profit (loss) report										244.669	244.669
Result of report policy alteration											0
Net profit / loss of report period										2.721.223	2.721.223
Dividends											0
Other payouts											0
Formed reserves						500.000		200.000	6.000.000	(6.700.000)	0
Utilized reserves								(244.669)			(244.669)
Liquidates reserves									(8.439.908)	8.439.908	0
Increase/reduction of authorized capital											0
Remainder 31 on December 2005	24.038.990	0	0	0	0	2.071.472	0	307.038	6.000.000	3.146.106	35.563.606
Net profit / loss of report period										(3.939.578)	(3.939.578)
Formed reserves						352.771			9.045.354	(9.398.125)	0
Utilized reserves											0
Liquidates reserves								(307.038)	(6.000.000)	6.307.038	0
Remainder 31 on December 2006	24.038.990	0	0	0	0	2.424.243	0	0	9.045.354	(3.884.559)	31.624.028

Director  Lilijana Puriene

Linax, LLC

Company Code 147689083

S. Kerbedzio 23, Panevezys

REPORT OF OWN CAPITAL CHANGES

31 December, 2006

Report period 01 01 2006 - 31 12 2006

LTL

	Paid-up authorized capital	Additions to shares	Private shares (-)	Revaluation reserve (results)		Law covered reserves		Other reserves		Unappropriated profit (loss)	Total
				Long-term tangible assets	Financial assets	Obligatory	Private shares procurement	Support reserves and other payouts according to collective	Other reserves		
1	2	3	4	5	6	7	8	9	11	12	
Remainder on 31 December, 2004	24.038.990	0	0	0	0	1.571.472	0	351.707	8.439.908	(1.695.069)	32.707.008
Result of report policy alteration											0
Correction result of major errors										142.486	142.486
Recalculated remainder on 31 December, 2004	24.038.990	0	0	0	0	1.571.472	0	351.707	8.439.908	(1.552.583)	32.849.494
Profit/loss not acknowledged in profit (loss) report										244.669	244.669
Net profit / loss of report period										2.322.894	2.322.894
Formed reserves						500.000		200.000	6.000.000	(6.700.000)	0
Utilized reserves								(244.669)			(244.669)
Liquidated reserves									(8.439.908)	8.439.908	0
Remainder on 31 December, 2005	24.038.990	0	0	0	0	2.071.472	0	307.038	6.000.000	2.754.888	35.172.388
Profit/loss not acknowledged in profit (loss) report											0
Net profit / loss of report period										81.257	81.257
Formed reserves						332.426			8.665.909	(8.998.335)	0
Utilized reserves											0
Liquidated reserves								(307.038)	(6.000.000)	6.307.038	0
Remainder on 31 December, 2006	24.038.990	0	0	0	0	2.403.898	0	0	8.665.909	144.848	35.253.645

Director

Lilijana Puriene

CURRENCY CIRCULATION REPORT
31 December, 2006


Report period 01 01 2006 - 31 12 2006

LTL

No.	Articles	GROUP		ENTERPRISE	
		Financial year	Previous financial year	Financial year	Previous financial year
I.	Primary activity currency circulation				
I.1.	Earnings of report period of activity of textile items production (with VAT)	61.327.249	70.680.424	2.406.611	54.437.125
I.1.1.	Earnings from clients	58.649.162	69.248.763	173.667	50.154.931
I.1.2.	Other earnings	2.678.087	1.431.661	2.232.944	4.282.194
I.2.	Earnings of financial property management activity	50.859	0	546.179	0
I.2.1.	Received interest for granted loans (from 2006, after typical activity of "Linax AB was changed, received interest of granted loans are attributed to incomes of typical activity)	50.859	0	546.179	0
I.3.	Report period payouts of textile items production activity	(63.223.128)	(64.182.626)	(2.505.963)	(48.171.870)
I.3.1.	Payouts to suppliers of raw materials, products and services (including VAT)	(37.334.794)	(40.784.224)	(228.208)	(25.826.117)
I.3.2.	Monetary payouts related to work relations	(21.620.926)	(22.022.734)	(20.400)	(17.983.615)
I.3.3.	Taxes paid to budget	(1.345.640)	(1.304.514)	(462.253)	(1.130.106)
I.3.4.	Other payouts	(2.921.768)	(71.154)	(1.795.102)	(3.232.032)
	Cash circulation of primary activity	(1.845.020)	6.497.798	446.827	6.265.255
II.	Currency circulation of investment activity				
II.1.	Procurement of long-term assets (excluding investments)	(883.579)	(1.311.246)	0	(945.912)
II.2.	Transfer of long-term assets (excluding investments)	2.900	522.650	0	519.200
II.3.	Procurement of long-term investments	0	0	0	0
II.4.	Procurement of short-term investments	0	0	0	0
II.5.	Transfer of short-term investments	0	0	0	0
II.6.	Transfer of long-term investments	11.871.000	2.600.000	11.871.000	2.600.000
II.7.	Provision of loans	(1.272.670)	(5.843.046)	(13.732.885)	(11.138.256)
II.8.	Return of loans	863.200	332.416	1.063.000	734.416
II.9.	Received dividends	0	0	0	0
II.10.	Received interest for granted loans (from 2006, after typical activity of "Linax AB was changed, received interest of granted loans are attributed to incomes of typical activity)	0	153.787	0	153.787
II.11.	Other currency circulation increases of investment activities	0	0	0	0
II.12.	Other currency circulation decreases of investment activities	0	(13.651)	0	(13.651)
	Cash circulation of investment activity	10.580.851	(3.559.090)	(798.885)	(8.090.416)
III.	Currency circulation of financial activity				
III.1.	Currency circulation related to company owners	(522)	(750)	(522)	(750)
III.1.1.	Emission of shares	0	0	0	0
III.1.2.	Owners' contributions to loss reimbursements	0	0	0	0
III.1.3.	Procurement of own shares	0	0	0	0
III.1.4.	Payout of dividends	(522)	(750)	(522)	(750)
III.2.	Currency circulation related to other financial sources	(9.516.047)	(3.780.182)	190	164.884
III.2.1.	Increase of financial debts	11.671.592	4.887.664	0	3.137.916
III.2.1.1.	Receipt of loans from credit institutions	11.671.592	4.887.664	0	3.137.916

No.	Articles	GROUP		ENTERPRISE	
		Financial year	Previous financial year	Financial year	Previous financial year
III.2.1.2.	Receipt of loans from associated and third parties	0	0	0	0
III.2.1.2.	Emission of bonds	0	0	0	0
III.2.2.	Reduction of financial debts	(21.188.632)	(8.557.403)	0	(2.862.331)
III.2.2.1.	Return of loans to credit institutions	(21.187.564)	(8.004.793)	0	(2.483.972)
III.2.2.2.	Return of loans to associated and third parties	0	0	0	0
III.2.2.3.	Procurement of own bonds	0	0	0	0
III.2.2.4.	Interests paid for credit institutions	(1.068)	(552.610)	0	(378.359)
III.2.2.5.	Leasing (financial rent) payments	0	0	0	0
III.2.3.	Interests received for bank accounts	993	2.544	190	2.286
III.2.4.	Increase of company's other obligations	0	40.000	0	40.000
III.2.5.	Reduction of company's other obligations	0	(152.987)	0	(152.987)
III.3.	Other increases of currency circulation of financial activity	16.290	169.201	14.892	168.239
III.4.	Other reductions of currency circulation of financial activity	(26.919)	(197.939)	(234)	(182.891)
	Cash circulation of financial activity	(9.527.198)	(3.809.670)	14.326	149.482
IV.	Currency circulation of special articles	0	0	0	0
IV.1.	Increase of currency circulations of special articles	0	0	0	0
IV.2.	Reduction of currency circulations of special articles	0	0	0	0
V.	Impact of currency exchange rates to cash and equivalent currency remainder	(8.326)	6.285	(985)	(43)
VI.	Net currency circulation increase (reduction)	(799.693)	(864.677)	(338.717)	(1.675.722)
VII.	Currency and currency equivalents at the beginning of the period	1.157.731	2.022.408	343.403	2.019.125
VIII.	Currency and currency equivalents at the end of the period	358.038	1.157.731	4.686	343.403

Director



Lilijana Puriene

Public Limited Company Linas
Corporate identification 147689083
S. Kerbedžio Street 23, Panevėžys

EXPLANATORY MEMORANDUM
TO THE YEAR 2006 FINANCIAL ACCOUNTS

31 December, 2005

I. GENERAL

1. The Linas company was launched in 1957. A public limited company Linas (further called the Company) was registered on 8 March, 1993. As part of the shares was acquired by international shareholders, the Company was re-registered on 5 March, 1996, as an entity holding foreign capital investments. Company is registered in Juridical body register, the number of registration is 003429, registration code 147689083. The Company carries on its activity in accordance with the Law on Limited Companies of Lithuania, and other relevant legislation active in the Republic of Lithuania.

As of 1 January, 2005, the group of companies consisted of AB Linas and its three daughter companies, i.e. UAB Lino gamybinė grupė, UAB Lino investicinis fondas, and UAB Domus Palanga. The group of companies underwent several rearrangements in 2005. As of 31 December, 2005, the group consisted of AB Linas and its daughter company UAB Linas Nordic (further called the Group). UAB Linas Nordic has a corporate identification number 1485 32327 and its registered address at S. Kerbedžio Street 23, Panevėžys. During 2006 the consist of companies of the group has not changed and on 31 December, 2006 the group of companies consisted of AB "Linas" and its subsidiary company UAB "Linas Nordic".

2. The Group's financial year starts on January 1st, and ends on December 31st.

3. Neither the mother, nor the daughter company has any subsidiary or representative offices.

4. No changes in the share capital of the Company occurred during the reporting year.

5. AB Linas, being the sole shareholder of UAB Linas Nordic, passed a decision of 31 August, 2005, to increase the authorised capital of UAB Linas Nordic from 10,000 Litass to 5,999,000 Litass with a non-monetary contribution by the shareholder, i.e. the textile goods manufacturing business. As of 1 September, 2005, the rights and liabilities of AB Linas related to the textile goods manufacturing passed to UAB Linas Nordic.

UAB "Linas Nordic" produces linen, half linen, white, dyed, printed, jacquard, striped and checked fabrics for home textile and garments. 51% of produced production is sold in sewn items. Besides various fabrics weaving and finishing types, subsidiary company

produces fabrics with special finishing types. During September – December of 2005, it was produced 5 mln meters of linen and half linen fabrics. During 2006 it was produced 4.87 mln meters of linen and half linen fabrics.

UAB “Linat Nordic” is reliable partner and produces production of good quality which is oriented to the average level prices. The main competitors are Russian, Byelorussian, Chinese, Czech and Polish linen companies. Italian, French and Irish textile producers at the moment produce higher quality products, but in the nearest future UAB “Linat Nordic” hopes to start compete directly in market niches which are occupied by mentioned competitors.

UAB “Linat Nordic” is selling more than 92.6% of textile items to foreign countries. The breakdown of the sales by country is as follows: Sweden – 37.9%; USA – 8.0%; Lithuania – 7.4%; Italy – 5.1%; Estonia – 5.0%; Denmark – 4.5%; France – 3.5%; Great Britain – 3.2%; Belgium – 3.1%; other countries – 22.3%.

During 2006 AB “Linat” subsidiary company incurred 4029 thousand Litas loss when the result of 2005 of the same period was 407 thousand Litas net profit. At the end of financial year equity capital of UAB “Linat Nordic” was 2671 thousand Litas and on 31 12 2005 – 6701 thousand Litas.

Decisive impact on the results of textile items production and sales had competition of Asian producers, decrease of linen item prices and demand in the market, the lack of qualified employees and increased costs of production. In 2006, trade of linen products and all linen industry further was influenced, directly or indirectly, of supply increase of cheap products from China and increase of Russian supply.

The main strong point of East countries competitors is quite low production cost price. Their weak points are narrow assortment, the lack of experience and technological possibilities for the production of finished products. The main strong points of China are the low price of the work force and conditionally modern factories. The weak points are the distance to European markets, large lots, conditionally low quality and the image of Chinese item.

The main points of West and EU competitors are high quality, traditionally formed markets, reliability and the name of producer. The main minus is conditionally high prices, but this problem is solved when transferring part of production to the East or buying semimanufactures in the East.

UAB “Linat Nordic”, trying to stay in the market, to stabilize current situation and to increase competition profitability, will try to adjust produced products for individual customers orders, to shorten reaction period to market changes, to change logistic and distribution system, to use advantages of export possibilities offering the customers small supply lots and quicker delivery. For this we have strengthen our marketing service, we are expanding the chain of agents and agencies in Germany, France, Norway. Besides, other measures are foreseen to create reliable and constant incomes base. Also new projects are prepared to create new assortment, to increase the quality and decrease costs.

6. The data provided in the annual financial accounts is based on the listing of the assets held by the Group, and the Group’s liabilities inventory.

7. After the transform of activity AB “Linat” manages financial property (investment to the Funds and provided loans), predicts to execute financial and other projects.

II. ACCOUNTING POLICY

1. Regulations the financial accounts have been based upon

The Group executes accounting and prepares financial reporting in accordance with the legal provisions of bookkeeping and accounting, and financial reporting of the Republic of

Lithuania, as well as other relevant provisions, including International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS).

2. Accounting policy

2.1. Group's accounting

2.1.1. For the purpose of financial reporting, a daughter company is an enterprise in which the Group, either directly, or indirectly has a control, in a form of private ownership or otherwise, of a block of shares representing more than a half of the total votes in that enterprise.

2.1.2. The daughter companies are included in the consolidated financial reporting since the date the Group acquires control over the daughter company, while consolidation in respect of a daughter company ceases since it is no longer controlled by the Group. Any deals between the Group's companies, outstanding balances and any outstanding profit (loss) resulting from the deals between the Group's companies, is to be eliminated. Financial accounts of a daughter company may be omitted from the consolidated reporting in case the daughter company is not significant in terms of the Group's business, i.e. the assets of the daughter company, at the end of the current financial year, do not exceed 5 per cent of the assets of AB Linas, and the daughter company has generated no net income from the sales during the reporting year.

2.2. Long-term intangible assets accounting

2.2.1. Any non-tangible asset which is employed in the activity of the Group's enterprises for longer than a year, shall be recorded as intangible property in the financial accounts provided it meets the following recognition criteria: a) the Group's enterprises are reasonably expected to generate future economic benefits on the basis of the said asset; b) the acquisition (production) cost of the asset is readily identifiable and separable from the value of the remaining assets; c) the Group's enterprises have control of the asset or are in a position to restrict other persons' access to disposal of the asset.

2.2.2. The Group has set across its companies a threshold of minimum acquisition (production) cost for intangible assets, upon surpassing of which the asset is to be classified as long-term intangible property.

2.2.3. Long-term intangible assets are shown on the balance sheet at their balance value to be estimated by subtracting accrued depreciation from the acquisition value.

2.2.4. Depreciation of long-term intangible assets is performed by applying a depreciation rate set by the Group. The linear depreciation technique is applied. Depreciation of intangible assets starts counting since the first day of the next calendar month since the commencement of the use of the asset in the company's business. Depreciation ceases counting since the first day of the next month since the writing-off of the asset, or since the date of the sale, as the case may be.

2.2.5. The liquidation value of long-term intangible assets is set at 1 Litas.

2.2.6. The cost of operation of long-term intangible assets is attributed to the cost falling within the reporting period during which the cost was incurred.

2.2.7. No changes in the policy of accounting of long-term intangible assets or valuations of long-term intangible assets for accounting purpose have taken place over the reporting period.

2.2.8. The Group's companies have no long-term intangible assets subject to depreciation over a more than 20 years period, or any intangible assets subject to legal or contractual restrictions for its disposal.

2.2.9. The Group has no mortgages of long-term intangible assets to secure its liabilities.

2.2.10. All the advance payments for long-term intangible assets have been recorded on a single intangible assets account, irrespective of the kind of the asset paid for.

2.2.11. Additional information concerning long-term intangible assets of the Group and the Company has been disclosed in notes 4.3. and 4.5. of the Memorandum.

2.3. Long-term tangibles accounting

2.3.1. Tangible assets purchased by the Group's companies are classified as long-term assets subject to meeting all the following criteria: a) the asset is to be used for more than one year; b) the asset is reasonably expected to serve as a basis for generating economic benefits over future accounting periods; c) it is possible to reliably identify the cost of acquisition (production) of the asset; d) the cost of acquisition (production) of the asset is at least equal to the minimum acquisition cost for long-term assets, i.e. of 500 Litass, applied across the company; e) the company has taken all the risks related to the subject tangible asset.

2.3.2. Long-term tangible assets are recorded for accounting purposes at their actual acquisition (production) cost.

2.3.3. Advance payments for long-term tangible assets shall be recorded on a single tangible assets account, irrespective of the kind of the asset.

2.3.4. The Group's companies apply acquisition cost technique for accounting of all the long-term tangible assets. In accordance with the acquisition cost technique, the assets, either acquired or produced, are recorded in the accounting at the cost of acquisition, and shown in the financial reporting at balance value, to be estimated by subtracting from the acquisition cost the accrued depreciation and any reduction in value due to discounting in price.

2.3.5. Depreciation of long-term tangible assets is calculated on a yearly basis by applying a depreciation rate, which are indicated acting according to normative of Lithuanian Republic Profit tax law of addendum No.1 and paying attention to the useful time of property's servicing, to the planned intensity of property's usage, to the surrounding of it's usage, foreseen property's liquidity value and other factors. It is indicated the liquidity (retain) value of long-term tangible asset 1 Litass.

2.3.6. Depreciation of long-term tangible assets is calculated in the Group using linear depreciation technique. Depreciation of tangible assets starts counting since the first day of the next calendar month since the commencement of the use of the asset in the business. Depreciation ceases counting since the first day of the next month since the writing-off of the asset, or it's disposal, when the property is not used any more or since the entire value of the asset (minus liquidation value) is assigned to the cost.

2.3.7. Any disposal of long-term tangible assets by the Group's companies shall be registered showing the profit or loss occurring from such transaction. The outcome is obtained by subtracting from the sale revenues of the asset it's liquidation value and the cost related to the transaction. Transfer profit or loss of long-term asset, except financial, is attributed to not typical, i.e. other activity incomes or costs.

2.3.8. Mortgages of long-term tangible assets and long-term tangible assets rented from third parties are accounted using class 0 bookkeeping accounts.

2.3.9. No changes in the long-term tangible assets accounting policy have occurred in the Group, and the Company, over the reporting period. Accounting revaluations of tangible assets in 2006 have been insignificant and disclosed prospectively in the financial reporting.

2.3.10. More information on long-term tangible assets has been disclosed in notes 4.4.; 4.5. to the Memorandum.

2.4. Accounting of financial assets and other long-term property

2.4.1. The Group classifies it's financial assets as long-term and short-term assets.

2.4.2. Long-term financial assets comprise investments in daughter and associated companies, investments in other companies' shares, long-term loans issued by the Group to its employees, long-term loans issued to third parties, and any other amounts due to be received after one year. Short-term financial assets comprise short-term investments in other companies' shares, investments in other securities, and short-term loans.

2.4.3. Financial assets are valued on the basis of cost of acquisition and are shown in financial reporting in accordance with the cost approach.

2.4.4. More information related to financial assets is disclosed in notes 4.6.; 4.7. of the Memorandum.

2.4.5. The category of miscellaneous financial assets comprises the deferred tax-on-profit financial asset. The information on the deferred tax-on-profit financial asset is provided in note 4.26. to the Memorandum.

2.5. Stocks accounting

2.5.1 Stocks comprise short-term assets, such as raw materials, supplies, production in progress, finished products, and purchased commodities intended for resale, which are consumed by the Company for earning revenues over one year. Any tangible assets, used in the activities of the Group's companies, with a unit value under the minimum threshold value set by the Group for long-term tangible assets is classified as a short-term stocks asset.

2.5.2. The Group performs valuation of stocks in accordance with FIFO technique, i.e. those stocks that were acquired earliest are assumed to be the ones sold or consumed first (first in first out).

2.5.3. The stocks of the Group (except of production in progress) are accounted in accordance with continued stocks accounting method, each occasion of acquisition (production) and sale (consumption) of stocks being recorded in the accounting. Unfinished production is accounted on monthly basis.

2.5.4. Stocks are recorded in the accounting on the basis of valuation at acquisition cost, while in financial reporting stocks are reported at the lower of acquisition (production) cost and net potential sale value.

2.5.5. The stocks are discounted to the potential net sale value by individually valuing each item of the stocks or each group of similar stocks. Assessing the net potential sale value takes account of the purpose for which the subject stock is being stored. Raw materials and other supplies stored for the purpose of product manufacturing shall not be discounted below their cost of acquisition, provided the products to be produced using the subject stocks are expected to sell at the cost of manufacturing at least, or a higher price, except when there is surplus of raw materials or other supplies in the Group. The loss incurred by discounting all the stocks to net potential sale value as well as any other loss of stock shall be recognised as an item of operational cost incurred during the period such loss occurred. Any reversion to the discounting of the stocks, undertaken due to the growth in the net potential sale value shall be accounted by making a relevant reduction of the operational cost of the period.

2.5.6. The information on the stocks of the Group and the Company is disclosed in note 4.8. of the Memorandum.

2.5.7. The information on the advance payments made by the Group and the Company for short-term assets and services is disclosed in note 4.9. of the Memorandum.

2. 6. Accounting of receivable amounts

2.6.1. One year receivables comprise the entitlements to receive amounts of moneys or equivalent financial assets from third parties. Specifically, this is due amounts for products sold or services rendered, loans due for repayment, advance payments for financial assets due, as well as other kinds of debt contracted to the Company.

2.6.2. Advance payments for non-financial assets (such as intangible assets, long-term tangible assets, inventories, etc.) are not considered receivable amounts.

2.6.3. One year receivables are recorded for accounting purpose at the acquisition cost representing the value of the remuneration due.

2.6.4. Receivable amounts are shown at net value in the annual financial accounts, i.e. by subtracting the share of bad debt. The cost of bad debt is registered as an item operational cost and is included in the profit and loss statement of the reporting period.

2.6.5. The Group applies direct assessment technique for evaluation of bad debt costs. Any debt due those debts which repayment becomes doubted is moved to the bookkeeping account of supervised debt. Any receivable amount becomes a bad debt on the basis of receipt of reliable information concerning its repayment insecurity.

2.6.6. Notes 4.10.; 4.11. of the Memorandum reveal the information on the one year receivables and bad debts of the Group and the Company.

2.7. Accounting of other short-term and monetary assets

2.7.1. Financial assets of the Group comprise moneys in Litas and foreign currency in cash desk and on current bank accounts, and financial assets equivalent to moneys, i.e. short term investments, bonds, termed deposits, etc. whose maturity is shorter than 3 months. The Group had no moneys-equivalent financial assets as of the end of the financial year.

2.7.2. Miscellaneous short term assets comprise short term investments in shares and other securities, short-termed deposits (over 3 months), short-term loans issued.

2.7.3. Note 4.12. of the Memorandum provides information on long-term and short-term loans issued by the Group and the Company, indicating the type of currency, rate of interest and maturity term.

2.8. Accounting of own capital stock

2.8.1. Own capital stock comprises the share of the authorised capital which has been subscribed, the mandatory reserve stock, and undistributed profit (loss).

2.8.2. The authorised capital of AB Linas has been divided into registered ordinary shares. The number of shares is 24,038,990, with a par value of 1 Litas per share. The number of shares issued and paid for is 24,038,990. The Group has no unsubscribed shares. The shares of the Company are not material. The shareholding is recorded by making relevant entries in the personal securities' accounts of the shareholders. The information on the authorised capital of the Company is disclosed in note 4.13.

2.8.3. Neither daughter companies of AB Linas nor associated companies have any shares of the Company.

2.8.4. The Company has no its own shares purchased by itself.

2.8.5. The information on the reserves is provided in note 4.14. of the Memorandum.

2.8.6. Pursuant to the accounting policy adopted by the Group, long term tangible assets and financial assets are recorded for accounting purpose and shown in financial reporting at the value of acquisition, therefore no revaluation account is used.

2.8.7. Draft profit (losses) distribution prepared by the AB Linas management is provided in note 4.15. of the Memorandum.

2.8.8. The profit distribution approved by the shareholders meeting is included in the financial reporting of the period during which the shareholders' approving decision was passed concerning the profit distribution, irrespective of the time when the profit was actually earned.

2.9. Subsidy accounting

2.9.1. The subsidy (grant) or its part is recognised as having been spent in the accounting period during which the costs related to the subsidy (grant) are incurred. The balance of the amount of the subsidy (grant) is shown on the balance sheet.

2.9.2. Note 4.16. of the Memorandum to the financial accounts provides information on the subsidies (grants) received by the Group / the Company.

2.10. Liabilities accounting

2.10.1. Financial accounting of the Group records current liabilities, i.e. those liabilities acquired by the Group's companies, subject to fulfilment by the Group.

2.10.2. The liabilities are classified on the basis of their fulfilment requirements, i.e. long-term liabilities representing such liabilities which are due to be fulfilled by the Group's companies within a period exceeding one year, and short-term liabilities, representing those liabilities to be fulfilled within an ordinary cycle of business activity, i.e. twelve months.

2.10.3. The liabilities are assessed on the basis of their cost of acquisition, representing an amount of moneys, or an equivalent asset, to be paid at usual business circumstances.

2.10.4. Liabilities shall accrue on account of the paid leave earned by the employees of the Group's companies. The cost of paid leave shall accrue on a monthly basis. At the end of the current fiscal year, the amount of accrued leave payments shall be adjusted, by precisely calculating the amount of leave payments (including social insurance) earned by each employee over the financial year and not exhausted so far, as well as the balance of duration of leave not yet exhausted by each employee. The information on the amounts of paid leave payments, accrued as liabilities to the Group and its companies, is provided in note 4.19. to the Memorandum.

2.10.5 The information on short-term and long-term liabilities of the Group and the Company is provided in note 4.17. to the Memorandum.

2.10.6 The information on the status of the debt of the Group and the Company in respect of credit institutions is disclosed in note 4.18. to the Memorandum.

2.11. Income accounting

2.11.1. Incomes are recognised in line with the accruals principle, i.e. an income is recorded in the accounting at the moment it is earned, irrespective of when the money is actually received. Upfront or similar advance payments are not recognised as income. Any revenues which are received over the reporting period, and are not recognised as income, are shown on the balance sheet as liabilities. Income is assessed at its true value.

2.11.2. Usual business income of the Group comprises the revenues generated by the sale of the products, i.e. fabrics, sewn items, yarn, combed-away remnants of yarn; by provision of production manufacturing services and the revenues of interests from provided loans and other revenues related with financial property management.

2.11.3. Income from usual business is recognised as earned income, is recorded in the accounting and shown in the financial reporting at the moment the sales when production or production related services occurs, subject to availability of a reliable assessment of the amount of income. Note 4.20. to the Memorandum provides information on the income and expenditure of the Group and the Company related to usual business, on the basis of division by geographical areas and branches of business.

2.11.4. Unusual income represents income generated by miscellaneous activities, i.e. income from sale of goods intended for resale, income from sale of surplus inventories, income from sale of unusual products or provision of unusual services, the profit from disposal of long-term assets (except of financial assets), as well as income from other kinds

of atypical business activity and / or singular business transactions. Note 4.22. to the Memorandum provides information on the income and cost of unusual business undertakings.

2.11.5. Financial and investment business income comprises the interest on the moneys deposited with banks, any profits resulting from a change in foreign exchange rate, recognised forfeiture for delay of payments and other fines and other. Note 4.23. to the Memorandum provides the information on the income and cost of financial and investment undertakings of the Group and the Company.

2.11.6. Extraordinary business income, i.e. incidental income, comprises any income resulting from incidental business events, not assignable to usual business.

2.12. Costs accounting

2.12.1 Costs are defined as any decrease in economic benefits manifesting as a reduction in value of assets, or liabilities assumed during the reporting period. For the purpose of financial accounting, only that part of expenditure which is incurred in earning the income of the reporting period, or alternatively that part of expenditure which might not be related to earning of income of any of the forthcoming reporting periods, is recognised as the costs. Any expenditures falling within different accounting periods, are distributed to such accounting periods during which they generate economic benefits to the enterprise.

2.12.2. For the purpose of recording cost in the accounting, costs are recognised in line with accruals and comparison principles, within the reporting period during which the income, related to the subject expenditure, is earned, irrespective of the time when the moneys were actually expended.

2.12.3. Sales cost comprises the cost of products sold, the cost of commodities resold and the costs of provided production and financial services.

2.12.4. Operational costs in the Group are classified as general costs and management costs. In the note No.4.21. of Explanatory Memorandum of financial accounting there is presented information about activity's costs.

2.12.5. Unusual business cost comprises losses due to disposal of long-term assets, the cost of sale of products / services which are not attributed to usual business, the cost of lease of premises or provision of accounting / consulting services, as well as other miscellaneous atypical business costs, and the costs of incidental or singular business transactions.

2.12.6. Financial and investment business costs comprise costs of bank interest, any fines and forfeitures due to delay in payment, the cost resulting from a negative change in foreign currency rate and other costs of financial and investment undertakings.

2.12.7. Atypical loss comprises any loss resulting from incidental events that are not attributable to usual business.

2.13. Profit taxation accounting

2.13.1. The tax of profit and social tax due as a result of the reporting year are shown in the financial accounting at the moment the profit of the reporting year is calculated upon the end of the accounting period, not at the moment a liability is incurred on the basis of the outstanding tax on profit amount. The profit, in accordance with the provisions of calculation of the tax on profit, is adjusted with any cost which incurs no reduction to the tax on profit, and any income which is not taxable or is taxable in addition to regular taxation procedure. The loss related to profit taxation may be carried forward five years. The rate of the tax on profit is 15 per cent. The tariff of social tax – 3%.

2.13.2. Advance profit tax is calculated in the company according to the foreseen sum of profit tax of current fiscal year; in the subsidiary company "Linas Nordic" – according to the activity results of last year. Advance profit tax is declared according to the confirmed order

of National Taxing Inspection by Finance Ministry and is paid according to the order indicated in the law of Profit tax.

2.13.3. The cost of the profit tax of the reporting year is calculated by adjusting the profit tax of the reporting year with the amount of any deferred profit taxes. Deferred profit taxes are calculated in accordance with the approach applied in respect of balance sheet liabilities. Deferred tax on profit reflects the net taxation effect due to provisional differences between the value of assets and liabilities in the financial accounting and the taxation accounting. Deferred taxes, as an asset or a liability, are valued applying the taxation rate, which is expected to apply in respect of the period during which the subject property would be disposed of, or the liability discharged. The deferred profit tax, as an asset, is recognised on the balance sheet to the extent it is expected to be discharged in the near future, based on the forecast of taxable profit. In case there is a part of deferred profit tax which is not going to be discharged, it is then not recognised in the financial accounting.

2.13.4. The Company's profit tax costs and deferred profit taxes are shown in detail in note 4.25. to the Memorandum.

2.13.5. The information on the Group's deferred profit taxes is provided in note 4.26. to the Memorandum.

2.14. Foreign exchange

Any transactions executed in a foreign currency are converted into Litas at the official exchange rate set by the Bank of Lithuania at the transaction date, which is roughly equal to market rate of exchange. Monetary assets and liabilities are converted into Litas at the exchange rate of the date of the balance sheet. The balance sheet as of 31 December, 2006, and 2005, is based on the following currency exchange rates:

2006	2005
1 EUR = 3.4528 Lt	1 EUR = 3.4528 Lt
1 USD = 2.6304 Lt	1 USD = 2.9102 Lt

Any profit / loss related to monetary transactions is recognised in the profit and loss statement covering the period during which the subject profit / loss occurred. Any profit / loss subject to converting, is accounted on the basis of the conversion rate valid at the end of the reporting period.

3. Revisions to the accounting policy and corrections of essential mistakes

3.1. Preparing the financial accounting in 2005 in accordance with the International Financial Reporting Standards did not incur any material changes of the accounting policy related to application of IFRS.

3.2. Mistake is meant as essential, if: 1)it's sum is larger than 10% of appropriate balance part or the clause of profit (loss) report and 2)if it makes 0.25% of all property balance value or 0.5% of sales revenues sum indicated in financial accounting. If mistake is not reaching these indicators, then it is meant nonessential.

3.3. The errors of the accounting of 2005 as well as earlier periods, disclosed while preparing the accounting in 2006, were reflected both retroactively and foreactively. Non-essential errors producing no material impact have been corrected in respect of the future accounting, while any essential errors with material impact have been reflected also retroactively. The costs of profit tax in the Company miscalculated in the previous years have been revised retroactively. Correction of the errors is shown in notes 4.1.; 4.2. and 4.27. to the Memorandum.

4. Notes of Explanatory Memorandum

4.1. Recalculation of the 2005 balance sheet data due to correction of material errors.

4.2. Recalculation of the 2005 profit and loss account data due to correction of material errors.

4.3. The status of the long-term intangible assets of the Group, and their change over the reporting period (4.3. 'AB Linas Group of companies long-term intangible assets change). AB „Linās“ is not having long-term intangible assets.

4.4. The status of the long-term tangible assets of the Group and the Company, and their change over the reporting period (Tables 4.4.1 'AB Linas long-term tangible assets change', and 4.4.2 'AB Linas Group of companies long-term tangible assets change).

4.5. Additional information on the long-term tangible and intangible assets of the Group and the Company, i.e. adopted average rates of depreciation and amortisation of long-term assets according to the class of assets (Table 4.5.1 'Long-term assets average economic life), the cost of acquisition (production) of depreciated or worn-down assets still in use in the company (Table 4.5.2 'Depreciated or worn-down assets still in use), information on the mortgages of long-term assets (Table 4.5.3 'Long-term tangible assets mortgages'); information about rented long-term tangible asset (table 4.5.4. "The rent of long-term tangible asset).

4.6. Long-term financial assets and their change over the reporting period (Tables 4.6.1 'AB Linas Group of companies long-term financial assets change', and 4.6.2 'AB Linas long-term financial assets change').

4.7. Short-term financial assets and their change over the reporting period (Tables 4.7.1 'AB Linas Group of companies short-term financial assets change', and 4.7.2 'AB Linas short-term financial assets change').

4.8. Gross balance sheet value of the Group's and the Company's stocks, their balance value by type of stock, the balance sheet value of the stocks recorded in the accounting at their net potential sale value, the amount of discounting to the net potential sale value, the amount of reversion of the discounting, the balance value of mortgaged stocks, and the stocks held with third parties (Tables 4.8.1 'AB Linas Group of companies stocks' and 4.8.2 'AB Linas stocks').

4.9. Advance payments by the Group and the Company to suppliers for short term assets and services (Table 'Advance payments for short term assets and services').

4.10. The Group's and the Company's one year receivable amounts by major groups of receivable amounts, their change compared to the previous financial year (Table 'One year receivable amounts').

4.11. The Group's and the Company's one year receivable amounts recognised as bad debt in the accounting, the cost of bad debt over the financial year, and recovered bad debt (Table 'Bad debt').

4.12. Long-term and short-term loans issued by the Group and the Company, including balance sheet values, maturity terms, accrued interest (Table 'Loans issued').

4.13. The structure of the authorised capital stock of the Company, the number of shares and their par value, the numbers of shares held by the state, the municipality, the company (redeemed shares), and the number of company shares and sums which belongs to subsidiary company, also company's shareholders who have more than 5% shares. (Table 'AB Linas authorised capital structure and the main shareholders').

Average price of sale per share of the Company on the market in 2006 was 0.51 Litas, and in 2005 average market sale price per share was 1.26 Litas.

4.14. The information on the reserves of the Company (Table 'AB Linas reserves').

4.15. Draft distribution of the Company's profit (losses) (Table 'AB Linas draft profit (losses) distribution').

4.16. The subsidies (grants) received (or receivable) by the Group and the Company (Table 'Subsidies and grants').

4.17. Short-term and long-term liabilities of the Group and the Company in accordance with the term of maturity, showing specifically those debt liabilities which are secured with company's assets (Table 'Short-term and long-term liabilities').

4.18. The status of the debt of the Group and the Company to credit institutions (Table 'Status of debt to credit institutions').

On June, 2006 the company provided 12 mln Litass loan to the subsidiary company UAB „Linass Nordic“ and subsidiary company, because of this reason, was able to cover 11.7 mln Litass loan sum for the bank. On 31 12 2006 the Group of companies didn't have debts for the bank.

4.19. The Group's and the Company's accruals for employee vacations (Table 'Vacation accruals').

4.20. Typical business of the Group and Company.

The typical activity of AB „Linass“ has been changed after the activity of the Group of companies was transformed at the end of 2005. Since 2006 the typical activity of the company is the management of financial property – investment to the Funds and the management of provided loans. During 2006 the company earned 1.023.599 Litass of interest incomes. The interest sum of provided loans to subsidiary company made 560.922 Litass. The cost price of provided financial services was 98.760 Litass.

The largest part the activity of the Group of companies makes the activity of textile items production. Information about the sales of textile items, i.e. the segment of textile items production business and geographical segment, is indicated in tables 4.20.1. „Information about the segments of textile items production business“ and 4.20.2 „Information about geographical segments of textile items production business“.

4.21. The information on the operational costs of the Group and the Company (Table 'Operational costs').

4.22. The information on the cost and revenues of miscellaneous ('atypical') activities of the Group and the Company (Table 'Miscellaneous ('atypical') activities').

4.23. Financial and investment undertakings of the Group and the Company, revenues and costs shown by material items (Table 'Financial and investment undertakings').

4.24. The amounts of moneys accrued to the executives of the Group and the Company, and other persons, as well as other disposed assets and guarantees provided (Table 'Financial relations to corporate executives and other related persons').

4.25. The tax on profit due to be paid by the Company and the cost (income) of deferred profit tax, including a detailed outlay (Tables 4.25.1 'Profit tax costs breakdown', 4.25.2 'Recalculation of profit tax costs taking account of permanent and provisional differences of accounting and taxable profit').

4.26. Deferred profit taxes of the Group and the Company (Table 4.28 'Deferred profit taxes').

4.27. Non-essential errors of 2006 have been corrected in respect of future accounting. Retroactively, in 2006, the Company corrected miscalculations of profit tax cost of the previous years (Table 'The information on error correction in AB Linass').

4.28. Material out-of-balance-sheet amounts, i.e. mortgages, guarantees, securities (Table 'Out-of-the-balance-sheet entitlements and liabilities').

4.29. Significant post-balance sheet events.

AB „Linass“ – the only one shareholder of UAB „Linass Nordic“ – on 14 02 2007 took a decision to cover UAB „Linass Nordic“ loss of 2006 with the shareholder contribution, i.e. to decrease in a sum of 2.8 mln Litass the sum of loan provided to the company. The Board of UAB „Linass Nordic“ has cancelled general director Žibutė Gaivenienė from the post since 08 03 2007, by the agreement of both parties. Since 09 03 2007 temporary appointed general director of UAB „Linass Nordic“ is Lilijana Pūrienė.

**4.1. REVISION OF DATA OF BALANCE SHEET OF LINAS LLC
OF 2005 CONCERNING MAJOR ERRORS CORRECTION**

LTL

Run. No.	ASSETS	Remark No.	Linac LLC 31/12/2005	Revision	Linac LLC 31/12/2005, after revision
A.	Long-term assets		7.509.313	0	7.509.313
I.	Intangible assets		0	0	0
I.1.	Development works				
I.2.	Prestige				
I.3.	Patents, licences				
I.4.	Software				
I.5.	Other intangible assets				
II.	Tangible assets		12.395	0	12.395
II.1.	Land				
II.2.	Buildings				
II.3.	Constructions				
II.4.	Machinery and equipment				
II.5.	Means of transport				
II.6.	Other mechanisms, gear, tools and equipment		12.395		12.395
II.7.	Construction in progress				
II.8.	Other tangible assets				
II.9.	Investment assets				
III.	Financial assets		7.451.245	0	7.451.245
III.1.	Investment into branch and associated enterprises		6.309.508		6.309.508
III.2.	Loans for associated and branch enterprises				
III.3.	Amounts receivable after one year		1.131.737		1.131.737
III.4.	Other financial assets		10.000		10.000
IV.	Other long-term assets		45.673	0	45.673
IV.1.	Deferred corporation tax assets		45.673		45.673
IV.2.	Other long-term assets				
B.	Current assets		28.195.645	63.591	28.259.236
I.	Stocks, prepayments and contracts in progress		2	0	2
I.1.	Stocks		0		0
I.1.1.	Raw material and assembly products				
I.1.2.	Production in progress				
I.1.3.	Production produced				
I.1.4.	Goods acquired for reselling purposes				
I.1.5.	Other stocks				
I.2.	Advance payments		2		2
I.3.	Contracts in progress				
II.	Amounts receivable within one year		14.949.699	0	14.949.699
II.1.	Customers' debt		12.986.422		12.986.422
II.2.	Debts of subsidiaries and associated enterprises				
II.3.	Other receivable amounts		1.963.277		1.963.277
III.	Other current assets		12.902.541	63.591	12.966.132
III.1.	Current investments				
III.2.	Fixed-term deposits				
III.3.	Other current assets	4.26.	12.902.541	63.591	12.966.132
IV.	Cash and cash equivalents		343.403		343.403
	Total assets:		35.704.958	63.591	35.768.549

Run. No.	EQUITY AND LIABILITIES	Remark No.	Linac LLC 31/12/2005	Revision	Linac LLC 31/12/2005, after revision
C.	Equity capital		35.108.798	63.591	35.172.389
I.	Capital		24.038.990	0	24.038.990
I.1.	Share capital (subscribed)		24.038.990		24.038.990
I.2.	Subscribed unpaid capital (-)				
I.3.	Appendices to shares				
I.4.	Own shares (-)				
II.	Revaluation reserve (results)				
III.	Reserves		8.378.511	0	8.378.511
III.1.	Obligatory		2.071.473		2.071.473
III.2.	For acquirement of own shares				
III.3.	Other reserves		6.307.038		6.307.038
IV.	Retained profit (loss)		2.691.297	63.591	2.754.888
IV.1.	Earnings (losses) of the reporting year		2.646.458	(78.895)	2.567.563
IV.1.1.	Profit (loss) of the reporting year from profit (loss) report	4.26.	2.401.789	(78.895)	2.322.894
IV.1.2.	Unacknowledged profit (loss) in profit (loss) report		244.669		244.669
IV.2.	Profit (loss) of the last year	4.26.	44.839	142.486	187.325
D.	Minority part				
E.	Grants, subsidies				
F.	Amounts payable and liabilities		596.160	0	596.160
I.	Amounts payable after one year and long-term liabilities		0	0	0
I.1.	Financial debts				
I.1.1.	Leasing (financial lease) or similar liabilities				
I.1.2.	For credit institutions				
I.1.3.	Other financial debts				
I.2.	Debts for suppliers				
I.3.	Advance payments perceived				
I.4.	Suspensions				
I.4.1.	Of reimbursement of liabilities and demands				
I.4.2.	Pensions and similar liabilities				
I.4.3.	Other suspensions				
I.5.	Taxes suspended				
I.6.	Other amounts payable and long-term liabilities				
II.	Amounts payable within one year and short-term liabilities		596.160	0	596.160
II.1.	The part of the current year of long-term debts				
II.2.	Financial debts		0		0
II.2.1.	For credit institutions				
II.2.2.	Other financial debts				
II.3.	Debts for suppliers		52.170		52.170
II.4.	Advance payments perceived		229.335		229.335
II.5.	Liabilities of income tax		272.509		272.509
II.6.	Liabilities related to industrial relations		4.220		4.220
II.7.	Suspensions				
II.8.	Other amounts payable and short-term liabilities		37.926		37.926
	Total equity and liabilities:		35.704.958	63.591	35.768.549

**4.2. DATA REVISION DUE TO THE CORRECTION OF MAJOR ERRORS
OF EARNINGS (LOSSES) REPORT OF LINAS LLC 2005**

LTL

Run No.	ARTICLES	Remark Nr.	Year 2005	Revision	2005 after revision
I.	SALES INCOME		45.570.106	0	45.570.106
I.1.	Production of textile products		45.570.106	0	45.570.106
I.1.1.	Income for sold goods		45.206.216		45.206.216
I.1.2.	Income for services provided		363.890		363.890
I.2.	Financial assets management		0		0
II.	COST OF SALES		31.749.866	0	31.749.866
II.1.	Production of textile products		31.749.866	0	31.749.866
II.1.1.	Cost of production sold		31.480.149		31.480.149
II.1.2.	Cost of services provided		269.717		269.717
II.2.	Cost price of financial assets management		0		
III.	GROSS PROFIT (LOSSES)		13.820.240	0	13.820.240
IV.	OPERATING EXPENSES		11.381.523	0	11.381.523
IV.1	Sales		4.653.499		4.653.499
IV.2	Total and administrative		6.728.024		6.728.024
V.	OPERATING PROFIT (LOSS)		2.438.717	0	2.438.717
VI.	OTHER ACTIVITY		(222.869)	0	(222.869)
VI.1.	Income		317.752		317.752
VI.2.	Expenses		540.621		540.621
VII.	FINANCIAL AND INVESTING ACTIVITY		661.869	0	661.869
VII.1	Income		1.101.952		1.101.952
VII.2	Expenses		440.083		440.083
VIII.	ORDINARY PROFIT (LOSS)		2.877.717	0	2.877.717
IX.	EXTRAORDINARY GAIN				
X.	EXTRAORDINARY LOSS				
XI.	PROFIT (LOSS) BEFORE TAXATION		2.877.717	0	2.877.717
XII.	CORPORATE INCOME TAX	4.26.	475.928	78.895	554.823
XIII.	NET PROFIT (LOSS)		2.401.789	(78.895)	2.322.894

4.3. LONG-TERM INTANGIBLE ASSETS

4.3.1. Changes of Linas, LLC enterprise group long-term intangible assets

LTL

Indicators	Developm ental works	Prestige	Patents, licenses	Software	Other intangible assets	Total
Residual value at the end of previous financial year			21.261	167.650	0	188.911
a) Procurement cost price of long-term intangible assets						
At the end of previous financial year			95.553	948.222	0	1.043.775
Changes of financial year			(20.250)	30.685	0	10.435
· Procurement of assets			0	37.212	0	37.212
· Assets, transferred to other individuals and discarded (-)			(20.250)	(6.527)	0	(26.777)
· Transcription from one article to another +/-(-)			0	0	0	0
At the end of financial year			75.303	978.907	0	1.054.210
b) Amortization						
At the end of previous financial year			74.292	780.572	0	854.864
Changes of financial year			581	101.632	0	102.213
· Financial year amortization			20.829	108.153	0	128.982
· Restorational records (-)			0	0	0	0
· Assets, transferred to other individuals and discarded (-)			(20.248)	(6.521)	0	(26.769)
· Transcription from one article to another +/-(-)			0	0	0	0
At the end of financial year			74.873	882.204	0	957.077
e) Residual value at the end of financial year (a) - (b)			430	96.703	0	97.133

4.4. LONG-TERM TANGIBLE ASSETS

4.4.1. CHANGES OF LINAS, LLC LONG-TERM TANGIBLE ASSETS

LTL

Indicators	Land	Buildings and structures	Machinery and equipment	Means of transport	Other equipment, appliances, instruments	Other tangible assets	Current construction	Total
Residual value at the end of previous financial year	0	0	0	0	12.395	0	0	12.395
a) Procurement of cost price long-term tangible assets								
At the end of previous financial year	0	0	0	0	12.749	0	0	12.749
Changes of financial year	0	0	0	0	0	0	0	0
· Procurement of assets	0	0	0	0	0	0	0	0
· Assets, transferred to other individuals and discarded (-)	0	0	0	0	0	0	0	0
· Transcription from one article to another +/-(-)	0	0	0	0	0	0	0	0
At the end of financial year	0	0	0	0	12.749	0	0	12.749
b) Revaluation								
At the end of previous financial year	0	0	0	0	0	0	0	0
Changes of financial year	0	0	0	0	0	0	0	0
· Increase (decrease) of value +/-(-)	0	0	0	0	0	0	0	0
· Assets, transferred to other individuals and discarded (-)	0	0	0	0	0	0	0	0
· Transcription from one article to another +/-(-)	0	0	0	0	0	0	0	0
At the end of financial year	0	0	0	0	0	0	0	0
c) Depreciation (-)								
At the end of previous financial year	0	0	0	0	354	0	0	354
Changes of financial year	0	0	0	0	4.249	0	0	4.249
· Financial year depreciation	0	0	0	0	4.249	0	0	4.249
· Restorational records (-)	0	0	0	0	0	0	0	0
· Assets, transferred to other individuals and discarded (-)	0	0	0	0	0	0	0	0
· Transcription from one article to another +/-(-)	0	0	0	0	0	0	0	0
At the end of financial year	0	0	0	0	4.603	0	0	4.603
d) Decrease of value								
At the end of previous financial year	0	0	0	0	0	0	0	0
Changes of financial year	0	0	0	0	0	0	0	0
· Decrease of value of financial year	0	0	0	0	0	0	0	0
· Restorational records (-)	0	0	0	0	0	0	0	0
· Assets, transferred to other individuals and discarded (-)	0	0	0	0	0	0	0	0
· Transcription from one article to another +/-(-)	0	0	0	0	0	0	0	0
At the end of financial year	0	0	0	0	0	0	0	0
e) Residual value at the end of financial year (a) + (b) - (c) - (d)	0	0	0	0	8.146	0	0	8.146

4.4.2. Changes of Linas, LLC enterprise group long-term tangible assets

LTL

Indicators	Land	Buildings and structures	Machinery and equipment	Means of transport	Other equipment, appliances, instruments	Other tangible assets	Current construction	Total
Residual value at the end of previous financial year	0	0	4.032.088	293.596	1.114.805	314.855	0	5.755.344
a) Procurement of cost price long-term tangible assets								
At the end of previous financial year	0	0	21.159.165	1.514.607	3.241.169	314.855	0	26.229.796
Changes of financial year	0	0	613.228	30.564	(103.126)	(166.079)	0	374.587
· Procurement of assets	0	0	427.607	28.361	217.604	136.444	0	810.016
· Assets, transferred to other individuals and discarded (-)	0	0	(69.626)	(24.200)	(325.676)	0	0	(419.502)
· Transcription to short-time assets +/-(-)	0	0	0	0	0	(15.927)	0	(15.927)
· Transcription from one article to another +/-(-)	0	0	255.247	26.403	4.946	(286.596)	0	0
At the end of financial year	0	0	21.772.393	1.545.171	3.138.043	148.776	0	26.604.383
b) Revaluation								
At the end of previous financial year	0	0	0	0	0	0	0	0
Changes of financial year	0	0	0	0	0	0	0	0
· Increase (decrease) of value +/-(-)	0	0	0	0	0	0	0	0
· Assets, transferred to other individuals and discarded (-)	0	0	0	0	0	0	0	0
· Transcription from one article to another +/-(-)	0	0	0	0	0	0	0	0
At the end of financial year	0	0	0	0	0	0	0	0
c) Depreciation (-)								
At the end of previous financial year	0	0	17.127.077	1.221.011	2.126.364	0	0	20.474.452
Changes of financial year	0	0	1.115.332	58.036	25.493	0	0	1.198.861
· Depreciation of financial year	0	0	1.184.918	82.235	346.923	0	0	1.614.076
· Restorational records (-)	0	0	0	0	0	0	0	0
· Assets, transferred to other individuals and discarded (-)	0	0	(69.586)	(24.199)	(321.430)	0	0	(415.215)
· Transcription from one article to another +/-(-)	0	0	0	0	0	0	0	0
At the end of financial year	0	0	18.242.409	1.279.047	2.151.857	0	0	21.673.313
d) Decrease of value								
At the end of previous financial year	0	0	0	0	0	0	0	0
Changes of financial year	0	0	0	0	0	0	0	0
· Decrease of value of financial year	0	0	0	0	0	0	0	0
· Restoration records (-)	0	0	0	0	0	0	0	0
· Assets, transferred to other individuals and discarded (-)	0	0	0	0	0	0	0	0
· Transcription from one article to another +/-(-)	0	0	0	0	0	0	0	0
At the end of financial year	0	0	0	0	0	0	0	0
e) Residual value at the end of financial year (a) + (b) - (c) - (d)	0	0	3.529.984	266.124	986.186	148.776	0	4.931.070

4.5. OTHER INFORMATION ON LONG-TERM INTANGIBLE AND TANGIBLE ASSETS

4.5.1. Average useful service period of long-term assets

No.	Long-term asset groups	GROUP	COMPANY
1.	Long-term intangible asset groups		
1.1.	Patents, licenses etc.	4	
1.2.	Software	3	
2.	Long-term tangible asset groups		
2.1.	Machines and equipment	11	
2.2.	Means of transport	7	
2.3.	Other equipment, appliances, instruments, gear, inventory	7	3

4.5.2. Utilized totally amortized or depreciated long-term assets depreciated long-term assets

No.	Title of asset group	GROUP		COMPANY	
		Number of exploited inventory units	Purchase cost price (Lt)	Number of exploited inventory units	Purchase cost price (LTL)
1.	Long-term intangible asset groups				
1.1.	Patents, licenses etc.	1	74.725	0	0
1.2.	Software	258	757.647	0	0
	Total	259	832.372	0	0
2.	Long-term tangible asset groups				
2.1.	Machines and equipment	1.530	13.078.479	0	0
2.2.	Means of transport	509	1.062.383	0	0
2.3.	Other equipment, appliances, instruments, gear, inventory	1.622	1.158.880	0	0
	Total	3.661	15.299.742	0	0

4.5.3. Mortgages of long-term tangible assets

No.	Title of mortgaged assets	GROUP		COMPANY		
		Mortgage termination date	Base value* (Lt)	Market value according to mortgage sheets (Lt)	Balance value* (Lt)	Market value according to mortgage sheets (LTL)
1	Machines, equipment and appliances*	2007-06-30	2.867.520	7.176.000	0	0
2	Other long-term tangible assets		0	0	0	0
	Total mortgaged long-term tangible assets		2.867.520	7.176.000	0	0

* assets mortgaged to AB SEB Vilnius bank, for granted credit line and account credit overusage limit

4.6. LONG-TERM FINANCIAL ASSETS

4.6.1. Changes of long-term financial assets of Linas, LLC enterprise group (LTL)

Run. No.	Indicators	Other amounts receivable after one year					Other financial assets	Total
		Other long-term loans	Loans for employees of the enterprise to be returned in 1 year	Amounts receivable after one year	Uncertain debts (-)	Total other amounts receivable after one year		
1.	Remainder in the beginning of financial year	1.108.902	4.000	80.835	(62.000)	1.131.737	10.000	1.141.737
2.	Changes of financial year	3.488.491	(3.000)	434.062	0	3.919.553	0	3.919.553
2.1.	Acquisitions, granting of loans, appearance of receivable amounts	4.597.394		479.316		5.076.710		5.076.710
2.2.	Sales, return of loans and other receivable amounts (-)			(898)		(898)		(898)
2.3.	Transfer to current financial assets (-)	(1.108.903)	(3.000)	(44.356)		(1.156.259)		(1.156.259)
2.4.	Decrease of value (-)					0		0
3.	Remainder in the end of financial year (1 + 2)	4.597.393	1.000	514.897	(62.000)	5.051.290	10.000	5.061.290

4.6.2. Changes of long-term financial assets of Linas, LLC

(LTL)

Run. No.	Indicators	Subsidiary and associated enterprises	Loans for branch enterprises	Other amounts receivable after one year					Other financial assets	Total
				Other long-term loans	Loans for employees of the enterprise to be returned in 1 year	Amounts receivable after one year	Uncertain debts (-)	All other amounts receivable after one year		
1.	Remainder in the beginning of financial year	6.309.508	0	1.108.902	4.000	80.835	(62.000)	1.131.737	10.000	7.451.245
2.	Changes of financial year	(8.572)	11.952.885	3.488.491	(3.000)	434.062	0	3.919.553	0	15.863.866
2.1.	Acquisitions, granting of loans, appearance of receivable amounts	(8.572)	11.952.885	4.597.394		479.316		5.076.710		17.021.023
2.2.	Sales, return of loans and other receivable amounts (-)					(898)		(898)		(898)
2.3.	Transfer to current financial assets (-)			(1.108.903)	(3.000)	(44.356)		(1.156.259)		(1.156.259)
2.4.	Decrease of value (-)							0		0
3.	Remainder in the end of financial year (1 + 2)	6.300.936	11.952.885	4.597.393	1.000	514.897	(62.000)	5.051.290	10.000	23.315.111

4.7. CURRENT FINANCIAL ASSETS

4.7.1. Changes of current financial assets of Linas, LLC enterprise group

(LTL)

Run. No.	Indicators	Current investment			Current loans			Total
		Shares of other enterprises	Other securities	Total	Loans for employees of the enterprise to be returned in 1 year	Other current loans	Total	
1.	Remainder in the beginning of financial year	0	0	0	29.420	7.977.649	8.007.069	8.007.069
2.	Changes of financial year	0	0	0	(6.264)	(3.016.626)	(3.022.890)	(3.022.890)
2.1.	Acquisitions, granting of loans			0	82.670	3.337.120	3.419.790	3.419.790
2.2.	Transfer of long-term financial assets			0	3.000	1.108.903	1.111.903	1.111.903
2.3.	Transfer from current assets to long-term financial assets			0		(4.597.394)	(4.597.394)	(4.597.394)
2.4.	Sales, return of loans (-)			0	(91.934)	(2.865.255)	(2.957.189)	(2.957.189)
2.5.	Decrease of value (-)			0			0	0
3.	Remainder in the end of financial year (1 + 2)	0	0	0	23.156	4.961.023	4.984.179	4.984.179

4.7.2. Changes of current financial assets of Linas, LLC

(LTL)

Run. No.	Indicators	Current investment			Current loans			Total	Total
		Shares of other enterprises	Other securities	Total	Loans for branch enterprises	Loans for employees of the enterprise to be returned in 1 year	Other current loans		
1.	Remainder in the beginning of financial year	0	0	0	4.910.000	14.083	7.977.649	12.901.732	12.901.732
2.	Changes of financial year	0	0	0	1.890.000	(10.000)	(3.016.626)	(1.136.626)	(1.136.626)
2.1.	Acquisitions, granting of loans			0	2.090.000		3.337.120	5.427.120	5.427.120
2.2.	Transfer of long-term financial assets			0		3.000	1.108.903	1.111.903	1.111.903
2.3.	Transfer from current assets to long-term financial assets			0			(4.597.394)	(4.597.394)	(4.597.394)
2.4.	Sales, return of loans (-)			0	(200.000)	(13.000)	(2.865.255)	(3.078.255)	(3.078.255)
2.5.	Decrease of value (-)			0				0	0
3.	Remainder in the end of financial year (1 + 2)	0	0	0	6.800.000	4.083	4.961.023	11.765.106	11.765.106

4.8. STOCKS

4.8.1. Stocks of enterprise group of Linas, LLC

(LTL)

Run. No.	Indicators	Raw material and assembly products	Current construction	Production produced	Goods purchased for reselling purposes	Total
1.	Cost price of purchased stocks					
1.1.	At the end of last financial year	3.421.751	7.696.046	4.606.488	0	15.724.285
1.2.	At the end of financial year (incl. stocks en route and by the third parties)	2.249.013	7.504.254	4.908.940	0	14.662.207
2.	Depreciation until net possible selling value (restitution)					
2.1.	At the end of last financial year	67.992	0	0	0	67.992
2.2.	At the end of financial year	66.708	0	0	0	66.708
3.	Net value possible sales at the end of financial year (1-2)					
3.1.	At the end of last financial year (1.1.-2.1.)	3.353.759	7.696.046	4.606.488	0	15.656.293
3.2.	At the end of financial year (incl. stocks en route and by the third parties) (1.2-2.2)	2.182.305	7.504.254	4.908.940	0	14.595.499
4.	Balance value of mortgage stocks at the end of financial year (12/31/2006)	1.580.771	6.984.381	4.664.772	0	13.229.924
5.	Value of mortgage stocks according to mortgage papers (12/31/2006)	2.000.000	4.000.000	4.000.000	0	10.000.000
6.	Balance value of mortgage stocks at the end of financial year (12/31/2005)	1.053.528	6.057.308	4.074.298	0	11.185.134
7.	Value of mortgage stocks according to mortgage papers (12/31/2005)	1.000.000	7.000.000	4.000.000	0	12.000.000

4.8.2. Stocks of Linas, LLC

(LTL)

Run. No.	Indicators	Raw material and assembly products	Current construction	Production produced	Goods purchased for reselling purposes	Total
1.	Cost price of purchased stocks					
1.1.	At the end of last financial year	0	0	0	0	0
1.2.	At the end of financial year (incl. stocks en route and by the third parties)	12	0	0	0	12
2.	Depreciation until net possible selling value (restitution)					
2.1.	At the end of last financial year	0	0	0	0	0
2.2.	At the end of financial year	0	0	0	0	0
3.	Net value possible sales at the end of financial year (1-2)					
3.1.	At the end of last financial year (1.1.-2.1.)	0	0	0	0	0
3.2.	At the end of financial year (incl. stocks en route and by the third parties) (1.2-2.2)	12	0	0	0	12

**4.9. ADVANCE PAYMENT FOR CURRENT ASSETS
AND SERVICES**

Run. No.	Biggest advance payment groups	GROUP		COMPANY	
		Financial year	Last financial year	Financial year	Last financial year
1	Advance payment to the reserve providers	15.158	53.752	755	0
2	Advance payment to the service providers	65.681	66.140	0	2
3	Balance value of uncertain advance payment	0	0	0	0
3.1.	Uncertain advance payment	91.790	75.811	0	0
3.2.	Part of uncertain advance payment written-off to the expenses (-)	(91.790)	(75.811)	0	0
4.	Expenses of coming period acknowledged as uncounted within one year	122.321	165.019	0	0
5.	Advance payment	203.160	284.911	755	2

4.10. AMOUNTS RECEIVABLE WITHIN ONE YEAR

Run. No.	Biggest advance payment groups	GROUP		COMPANY	
		Financial year	Last financial year	Financial year	Last financial year
1.	Debts of customers	8.698.196	20.976.084	354	12.986.422
incl. 1.1.	debts of branch enterprise			0	88.442
1.2.	debts of other consumers	8.698.196	9.105.084	354	1.026.980
1.3.	Debt for the sold financial asset - shares of branch enterprise	0	11.871.000	0	11.871.000
2.	Other amount receivable within one year	525.003	725.251	249.412	1.963.277
incl. 2.1.	Receivable VAT	291.553	347.882	2	22.603
2.2.	Budget debt to the enterprise	3.835	27.288	3.835	27.288
2.3.	Debt of social insurance to the enterprise				
2.4.	Amounts receivable from accountable persons	3.840	16.824		
2.5.	interest receivable from branch enterprises for loans provided	0	0	64.882	37.413
2.6.	Other interest accumulated receivable for loans provided	139.326	256.920	139.326	256.920
2.7.	Amounts receivable from employees for loans provided	23.156	29.420	4.083	14.083
2.8.	Amounts receivable from branch enterprises	0	0	1.839	1.588.714
2.9.	Advance payment for employees	2.934	8.857		
2.10.	Other amounts receivable (amounts receivable from var. debtors, except for the debt of branch enterprise)	60.359	38.060	35.445	16.256
	Amount receivable within one year, total	9.223.199	21.701.335	249.766	14.949.699

4.11. UNCERTAIN DEBTS

(LTL)

Run. No.	Uncertain debts by groups	GROUP				COMPANY			
		Financial year		Last financial year		Financial year		Last financial year	
		Uncertain debts	Expenses of uncertain debts	Uncertain debts	Expenses of uncertain debts	Uncertain debts	Expenses of uncertain debts	Uncertain debts	Expenses of uncertain debts
1.	Uncertain debts at the beginning of the financial year	2.933.422		2.802.867		2.857.611		2.802.867	
2.	Part of uncertain debts written-off to the expenses at the beginning of the financial year (-)	(2.933.422)		(2.802.867)		(2.857.611)		(2.802.867)	
3.	Balance value of uncertain debts at the beginning of the financial year	0		0		0		0	
4.	Property contribution- along with textile products production business from transfered uncertain debt of Linas, LLC	0		0		0		(29.107)	
5.	Property contribution- along with textile products production business written-off to expenses from transfered uncertain debt of Linas, LLC	0		0		0		29.107	
6.	Debts acknowledge as uncertain within financial year	458.510		63.418	0	407.188		17.192	0
7.	Part of uncertain debt written-off to expenses within financial year	(458.510)		(63.418)		(407.188)		(17.192)	
8.	Uncertain debts acknowledge as expenses within financial year		458.510		63.418		407.188		17.192
9.	Written-off to expenses without transferring debt into uncertain debts of foreign consumer account		191.962		0		191.962		0
10.	Uncertain debts recovered within financial year (restoring of written-off debts (-))		0		(1.375)		0		(1.375)
11.	Impact of currency exchange rates to advance payment	(5.355)	(5.355)	483	483	0	0	0	0
12.	Impact of currency exchange rates to debts of foreign consumer	(213.941)	(213.941)	287.350	287.350	(213.941)	(213.941)	287.350	287.350
13.	Uncertain debts written-off from financial accounting (-)	(1.702)		(219.321)		(1.702)		(219.316)	
14.	Uncertain debt at the end of financial year	3.170.934		2.933.422		3.049.156		2.857.611	
15.	Part of uncertain debt written-off to expenses at the end of financial year (-)	(3.170.934)		(2.933.422)		(3.049.156)		(2.857.611)	
16.	Balance value of uncertain debts at the end of the financial year	0		0		0		0	

4.12. LOANS PROVIDED

4.12.1. AB "LINAS" ENTERPRISE'S GROUP PROVIDED LOANS

Run. No.	Loans provided	Currency of loan	Financial year			Last financial year		
			Balance value 12 31 2006, LTL	Term of recovery	Interest payable for loan provided 12 31 2006 LTL	Balance value 12 31 2005, LTL	Term of recovery	Interest payable for loan provided 12 31 2005 LTL
1.	Long-term loans provided		4.598.394		443.388	1.112.902		8.428
1.1	Long-term loans provided for employees of enterprise	LTL	1.000		0	4.000		0
1.2	Long-term loans provided for shareholders	LTL	4.597.394	until 2013.07.01	443.388	0		0
1.3	Long-term loans provided for branch of enterprise	LTL		until 2009.06.30				
1.4	Long-term loans provided for other third parties					1.108.902	until 2007.11.04	8.428
2.	Short-term loans provided		4.984.179		139.326	8.007.069		256.920
2.1	Short-term loans provided for employees of enterprise and part of long-term for current year	LTL	23.156	various terms	0	29.420	until 2006.12.31	0
2.2	Provided for shareholders part of long-term for current year	LTL				2.300.000	until 2006.06.14	98.829
2.3	Short-term loans provided for shareholders	LTL	1.000.000	terms since 2007.10.30 until 2007.12.31	6.094	2.297.394	until 2006.12.31	106.924
2.4	Provided for other third parties part of long-term for current year	LTL				515.000	until 2006.12.31	11.260
2.5	Short-term loans provided for other third parties	LTL	3.961.023	various terms since 2007.04.30 until	133.232	2.865.255	until 2006.03.10	39.907
3.	Total (1+2)		9.582.573		582.714	9.119.971		265.348

4.12.2. AB "LINAS" PROVIDED LOANS

Run. No.	Loans provided	Currency of loan	Financial year			Last financial year		
			Balance value 12 31 2006, LTL	Term of recovery	Interest payable for loan provided 12 31 2006 LTL	Balance value 12 31 2005, LTL	Term of recovery	Interest payable for loan provided 12 31 2005 LTL
1.	Long-term loans provided		16.551.279		443.388	1.112.903		8.428
1.1	Long-term loans provided for employees of enterprise	LTL	1.000	termless	0	4.000	termless	0
1.2	Long-term loans provided for shareholders	LTL	4.597.394	until 2013.07.01	443.388	0		0
1.3	Long-term loans provided for branch of enterprise	LTL	11.952.885	until 2009.06.30	0	0		0
1.4	Long-term loans provided for other third parties					1.108.903	until 2007.11.04	8.428
2.	Short-term loans provided		11.765.106		204.208	12.901.732		294.333
2.1	Short-term loans provided for employees of enterprise and part of long-term for current year	LTL	4.083	until 2006.12.31	0	14.083	until 2006.12.31	0
2.2	Provided for shareholders part of long-term for current year	LTL				2.300.000	until 2006.06.14	98.829
2.3	Short-term loans provided for shareholders	LTL	1.000.000		6.094	2.297.394	until 2006.12.31	106.924
2.4	Provided for other third parties part of long-term for current year	LTL				515.000	until 2006.12.31	11.260
2.5	Short-term loans provided for other third parties	LTL	3.961.023		133.232	2.865.255	until 2006.03.10	39.907
2.6	Short-term loans provided for branch of enterprise	LTL	6.800.000	until 2007.12.31	64.882	4.910.000	until 2006.08.31	37.413
3.	Total (1+2)		28.316.385		647.596	14.014.635		302.761

**4.13. STRUCTURE OF STATUTORY CAPITAL OF LINAS, LLC
AND MAIN SHAREHOLDERS**

Run. No.	Indicators	Number of shares	%
1	Joint-stock capital structure at the end of financial year		
	According to type of shares		
	1.1. Ordinary shares	24.038.990	
	1.2. Preference shares	0	
	1.3. Shares of employees	0	
	1.4. Special shares	0	
	1.5. Other shares	0	
	TOTAL:	24.038.990	100%
2	State or municipal capital	0	
3	Own shares, owned by the enterprise itself	0	
4	Shares, owned by branch enterprises	0	
5	Shareholders who have more than 5% of enterprises shares		
	5.1. Lionė Lenčiauskienė	9.612.042	39,99%
	5.2. UAB "Nordic investicija"	4.156.585	17,29%

4.14. RESERVES OF LINAS, LLC

Run. No.	Indicators	At the end of financial year	At the end of last financial year
1	Compulsory reserve	2.403.898	2.071.473
2	Other reserves	8.665.909	6.307.038
	2.1. Unappropriated reserve for investment		
	2.2. Other reserves		
	2.3. Reserve for support and benefits in line with collective agreement		307.038
	2.4. Reserve for investment of textile business		2.000.000
	2.5. Rezerve for improvement of textile business management		1.000.000
	2.6. Reserve for development of real estate business		3.000.000
	2.7. Reserve for development of business projects	8.665.909	
3	Total reserves	11.069.807	8.378.511

Linus, LLC
 Company Code 147689083
 S. Kerbedzio 23, Panevėžys

**4.15. PROFIT (LOSS) ASSIGNMENT
 PROJECT**

(LTL)

Run. No.	Articles	Amount
1.	Retained earnings (loss) of the previous financial year at the end of the current year	63.591
2.	Net profit (loss) for the current year	81.257
3.	Unadmitted profit (loss) of accounting financial year in profit (loss) report	0
4.	Transfers from reserves, total	8.665.909
4.1.	- from reserve for business projects development	8.665.909
5.	Contributions by shareholders to cover losses	0
6.	Appropriated profit (loss), total	8.810.757
7.	Appropriation of profit	8.810.757
7.1.	part of profit admitted to compulsory reserve	0
7.2.	part of profit admitted to reserve to obtain own shares	0
7.3.	part of profit admitted to other reserves:	0
7.3.1.	to reserve for support	30.757
7.3.2.	to reserve for project of business development	8.780.000
7.4.	part of profit admitted to pay the dividends	0
7.5.	part of profit admitted for annual payoffs (bonuses) to member of Board, employees bonuses and other aims;	0
8.	Retained earnings (loss) at the end of the current year to be carried forward to the following financial year	0

4.16. GRANTS AND SUBVENTIONS

(LTL)

Run. NO.	Type of grants (subventions)	Remainder at the beginning of period	Received amounts of grants (subventions)	Receivable amounts of grants (subventions)	Used amounts of grants (subventions)	Returned amounts of grants (subventions)	Remainder at the end of period
1.	GROUP						
1.1.	Grants related to income (compensation of expenses)	0	10.000	12.529	10.000	0	12.529
1.2.	Grants related to assets						
1.3.	Subventions						
2.	COMPANY						
2.1.	Grants related to income (compensation of expenses)	0	0	0	0	0	0
2.2.	Grants related to assets						
2.3.	Subventions						

4.17. LONG-TERM AND SHORT-TERM OBLIGATIONS

(LTL)

Run. No.	Indicators	GROUP				COMPANY			
		Debts payable or parts thereof		Total debts at the end of financial year	Total debts at the end of last financial year	Debts payable or parts thereof		Total debts at the end of financial year	Total debts at the end of last financial year
		within one financial year	after one year			within one financial year	after one year		
	Splitting of amounts payable by types								
1.	Financial debts:	0	0	0	9.491.112	0	0	0	0
1.1.	For leasing (financial lease) or similar obligations	0	0	0	0	0	0	0	0
1.2.	For credit institution	0	0	0	9.491.112	0	0	0	0
1.3.	Other financial debts	0	0	0	0	0	0	0	0
2.	Other debts	8.653.549	61.741	8.715.290	9.004.398	277.028	0	277.028	596.160
2.1.	Debts for suppliers	4.847.261	0	4.847.261	4.475.496	29.473	0	29.473	52.170
2.2.	Received advance payment	378.241	0	378.241	326.547	15.108	0	15.108	15.109
2.3.	Other amounts received in advance	0	0	0	214.226	0	0	0	214.226
2.4.	Obligations related to industrial relations	2.432.475	0	2.432.475	2.704.863	4.252	0	4.252	4.220
2.4.1	wage payable	621.622	0	621.622	803.594	2.982	0	2.982	2.898
2.4.2	social insurance payable	531.854	0	531.854	562.925	476	0	476	476
2.4.3	payable RIT from wage	244.724	0	244.724	298.231	378	0	378	430
2.4.4	leave accumulation	1.031.145	0	1.031.145	1.037.228	413	0	413	413
2.4.5	payable contributions to the Guarantee Foundation	3.130	0	3.130	2.885	3	0	3	3
2.5.	Other taxes payable	11.743	0	11.743	6.799	4	0	4	0
2.6.	Extended profit tax	57.363	61.741	119.104	203.063	0	0	0	0
2.7.	Obligations of profit tax	0	0	0	524.470	0	0	0	272.509
2.8.	Payable dividends	36.057	0	36.057	36.661	36.057	0	36.057	36.661
2.9.	Payable amounts for sales services	563.683	0	563.683	462.671	0	0	0	1.112
2.10.	Various other payable amounts	326.726	0	326.726	49.602	192.134	0	192.134	153
	Total	8.653.549	61.741	8.715.290	18.495.510	277.028	0	277.028	596.160

Guarantee debts of Linas, LLC enterprise group

Run. No.		Financial year debts guaranteed by		Last year financial debts guaranteed	
		Government	Group of enterprises by mortgaged assets	Government	Group of enterprises by mortgaged assets
1.	Financial debts:	0	0	0	9.491.112
1.1.	Leasing (financial lease) or similar obligations		0		0
1.2.	For credit institution		0		9.491.112
1.3.	Other financial debts		0		0
2.	Other debts	0	0	0	0

4.19. ACCUMULATIONS OF LEAVES

(LTL)

Run. No.	Indicators	GROUP		COMPANY	
		Financial year	Last financial year	Financial year	Last financial year
1.	Remainder of accumulative leaves at the beginning of the year	1.037.228	1.027.035	413	1.027.036
1.1.	Accumulative leaves at the beginning of the year	791.777	783.996	315	783.996
1.2.	Social insurance of accumulative leaves at the beginning of the year	245.451	243.039	98	243.040
2.	Accumulative leaves amounts transfered from Linas, LLC to subsidiaries (textil products production business amd real estate business constituents)	0	(332.338)	0	(332.338)
2.1.	Accumulative leaves amount transfered from Linas, LLC	0	(253.693)	0	(253.693)
2.2.	Social insurance of accumulative leaves amount transfered from Linas, LLC	0	(78.645)	0	(78.645)
3.	Accumulated leaves transfered to Linas Nordic, LLC from Linas LLC (textile products production business constituent)	0	327.855		
3.1.	Accumulated leaves amount transfered to Linas Nordic, LLC	0	250.271		
3.2.	Social insurance from accumulated leaves amount transfered to Linas Nordic, LLC	0	77.584		
4.	Accumulated leaves within a year (leaves with social insurance directed to expenses)	2.558.597	2.475.361	565	1.611.318
3.1.	Accumulated leaves	1.953.546	1.889.589	431	1.230.014
3.2.	Accumulated leaves from social insurance	605.051	585.772	134	381.304
5.	Accumulated leaves amount covered by accumulated leavess (within a financial year for employees practically counted leaves with social insurance)	(2.564.680)	(2.460.686)	(565)	(2.305.603)
5.1.	Leaves expenses covered by accumulated leaves	(1.958.069)	(1.878.386)	(431)	(1.760.002)
5.2.	Leaves with social insurance expenses covered by accumulated leaves	(606.611)	(582.300)	(134)	(545.601)
6.	Remainder of accumulative leaves at the end of the year	1.031.145	1.037.228	413	413
6.1.	Accumulated leaves at the end of the year	787.254	791.777	315	315
6.2.	Social insurance from accumulated leaves at the end of the year	243.891	245.451	98	98
7.	Change of accumulated leave remainder swithin a year (6 - 1)	(6.083)	10.192	0	(1.026.623)
7.1.	Change of accumulated leave remainder	(4.523)	7.781	0	(783.681)
7.2.	Change of social insurance from accumulated leave remainder	(1.560)	2.411	0	(242.942)

4.20. PRODUCTION OF TEXTILE PRODUCTS

4.20.1. Information about segments of textile products production business

(textile products production activity: Linas, LLC - until 08.31.2005; Linas Nordic, LLC - since 09.01.2005)

(LTL)

Indicators	Book Acc. No.	Segments (production, goods, types of activity)										All enterprises	
		Fabric		Sewn products		Yarns		Noils		Production services		2006 y.	2005 y.
		2006 y.	2005 y.	2006 y.	2005 y.	2006 y.	2005 y.	2006 y.	2005 y.	2006 y.	2005 y.		
Income	50	34.845.681	35.643.818	24.190.340	36.591.390	238.676	524.823	869	55.624	339.268	474.369	59.614.834	73.290.024
Expenses	60	30.602.515	29.164.240	16.677.683	21.482.034	186.794	377.394	602	57.260	226.084	343.323	47.693.678	51.424.251
Gross profit (losses)	50-60	4.243.166	6.479.578	7.512.657	15.109.356	51.882	147.429	267	(1.636)	113.184	131.046	11.921.156	21.865.773
Expenditure on activity	61											15.866.257	18.434.044
Profit (losses) of typical activity	50-60-61	4.243.166	6.479.578	7.512.657	15.109.356	51.882	147.429	267	(1.636)	113.184	131.046	(3.945.101)	3.431.729

4.20.2. Information about segments of textile products of geographical production business

(LTL)

Indicators	Book Acc. No.	Segments (regions)										All enterprises	
		Skandinavian countries		European countries		USA		Lithuania		Other countries		2006 y.	2005 y.
		2006 y.	2005 y.	2006 y.	2005 y.	2006 y.	2005 y.	2006 y.	2005 y.	2006 y.	2005 y.		
Income	50	25.441.277	36.635.939	20.969.739	24.828.092	4.768.553	2.423.232	4.421.374	4.544.479	4.013.891	4.858.282	59.614.834	73.290.024
Expenses	60	17.458.714	22.502.330	18.072.262	18.569.532	4.412.189	1.865.203	4.218.198	4.393.934	3.532.315	4.093.252	47.693.678	51.424.251
Gross profit (losses)	50-60	7.982.563	14.133.609	2.897.477	6.258.560	356.364	558.029	203.176	150.545	481.576	765.030	11.921.156	21.865.773
Expenditure on activity	61											15.866.257	18.434.044
Profit (losses) of typical activity	50-60-61	7.982.563	14.133.609	2.897.477	6.258.560	356.364	558.029	203.176	150.545	481.576	765.030	(3.945.101)	3.431.729

4.21. EXPENSES OF ACTIVITY

(LTL)

Run. No.	Indicators	GROUP		COMPANY	
		Financial year	Last financial year	Financial year	Last financial year
1	Expenses of sales	6.427.524	7.637.411	508	4.653.499
1.1	Expenses of commissions	2.455.805	3.528.094		2.165.479
1.2	Expenses of transporting of sold production	916.612	950.574		553.695
1.3	Expenses of production advertising and fair	675.246	407.712	(23)	182.710
1.4	Expenses of sales number employees wage and other with employees related expenses	857.297	902.858		575.478
1.5	Expenses of production packing materials	950.790	1.289.861		821.261
1.6	Expenses of production storage premises rent	163.577	61.676		0
1.7	Other sales expenses	408.197	496.636	531	354.876
2	General and administration expenses	10.138.818	10.796.633	703.714	6.728.024
2.1	Expenses related with employees wage and other with employees related	5.194.296	5.747.768	25.035	3.299.860
2.2	Rent, exploitation and repairing expenses	2.125.651	1.718.903	5.322	990.337
2.3	Expenses of security services	323.766	325.566	0	217.044
2.4	Expenses of deterioration and amortization of non-current asset	327.750	491.641	4.249	384.455
2.5	Expenses of info technologies	290.777	308.046	0	205.345
2.6	Connection expenses	198.210	207.716	771	134.452
2.7	Expenses of bank services	128.812	148.228	2.075	115.680
2.8	Legal services expenses	89.719	207.368	19.861	180.820
2.9	Expenses of support provided	27.168	161.763	0	159.541
2.10	Expenses of social guarantees, stated in collective agreement	117.122	122.372	0	86.808
2.11	Representation expenses	93.228	126.844	727	89.166
2.12	Various other general and administration expenses	504.136	736.091	66.081	448.196
2.13	Expenses of activity tax	67.710	430.909	(19.558)	399.128
2.14	Uncertain debts expenses	650.473	63.418	599.151	17.192
3	TOTAL EXPENSES OF ACTIVITY	16.566.342	18.434.044	704.222	11.381.523

4.22. OTHER (NON TYPICAL) ACTIVITY

(LTL)

Run. No.	Indicators	GROUP		COMPANY	
		Financial year	Last financial year	Financial year	Last financial year
1.	INCOME OF OTHER ACTIVITY - TOTAL	204.641	381.814	1.709	317.752
	Specification of significant amount:				
1.1.	Profit of non-current asset transferring	2.466	20.282		17.650
1.2.	Income of various storages selling	143.195	274.560		223.964
1.3.	Income of rent	39.955	79.008		72.202
1.4.	Income of accounting and personnel hire services	12.493	3.231		
1.5.	Various other non-typical activity income	6.532	4.733	1.709	3.936
2.	EXPENSES OF OTHER ACTIVITY - TOTAL	84.663	563.961	0	540.621
	Specification of significant amount:				
2.1.	Loss of non-current asset transferring	0	229.452		229.137
2.2.	Net cost of sold various storages	30.841	122.499		112.162
2.3.	Net cost of rent	47.784	204.468		191.780
2.4.	Various other non-typical activity expenses	6.038	7.542		7.542
3.	RESULT OF OTHER ACTIVITY (1-2)	119.978	(182.147)	1.709	(222.869)

4.23. FINANCIAL AND INVESTMENT ACTIVITY

(LTL)

Run. No.	Indicators	GROUP		COMPANY	
		Financial year	Last financial year	Financial year	Last financial year
1.	FINANCIAL AND INVESTMENT ACTIVITY INCOME - TOTAL	2.681	1.042.860	432	1.104.986
	Specification of significant amount:				
1.1.	Positive result of changes of currency exchange		16.940		42.878
1.2.	Income of bank interests	994	1.276	191	1.018
1.3.	Income of other interests*	0	403.902	0	441.315
1.4.	Profit of investment transferring	0	238.100		238.100
1.5.	Income of other financial-investment activity	1.687	382.642	241	381.675
2.	FINANCIAL AND INVESTMENT ACTIVITY EXPENSES - TOTAL	329.081	632.422	11.175	443.117
	Specification of significant amount:				
2.1.	Expenses of interests	258.081	563.691		389.440
2.2.	Fines and delay fees	10.130	840	10.004	840
2.3.	Negative result of changes of currency exchange	33.869	0	936	0
2.4.	Loss of investment transferring	0	34.258		34.258
2.5.	Expenses of investment value decrease	0	0		0
2.6.	Expenses of other financial-investment activity	27.001	33.633	235	18.579
3.	FINANCIAL AND INVESTMENT ACTIVITY RESULT (1-2)	(326.400)	410.438	(10.743)	661.869

* Since 2006, when typical activity of "Linias" AB has changed, received interest for provided loans are admitted to the incomes of typical activity

4.24. FINANCIAL CONNECTIONS WITH MANAGERS AND OTHER RELATED PERSONS

(LTL)

Run. No.	Indicators	GROUP				COMPANY			
		Financial year	Remainder at the end of financial year	Last financial year	Remainder at the end of last financial year	Financial year	Remainder at the end of financial year	Last financial year	Remainder at the end of last financial year
A.	Amount, related with industrial relations, calculated within a year:	914.442	101.164	1.034.882	199.632	9.733	1.715	745.354	1.715
1.	For managers	872.273	101.164	1.007.065	191.330	9.733	1.715	734.269	1.715
2.	For other related persons	42.169	0	27.817	8.302	0	0	11.085	0
B.	Loans granted by Group (Company):	3.307.120	9.528.417	6.935.159	9.097.385	17.350.005	28.281.302	12.247.159	14.007.385
1.	For managers	0	0	310.000	10.833	0	0	310.000	10.833
2.	For other related persons	3.307.120	9.528.417	6.625.159	9.086.552	17.350.005	28.281.302	11.937.159	13.996.552
C.	Receivable loans:	0	0	40.000	0	0	0	40.000	0
1.	From managers	0	0	40.000	0	0	0	40.000	0
2.	From other related persons	0	0	0	0	0	0	0	0
D.	Gratuitously transferred asset and gifts:	0	0	0	0	0	0	0	0
1.	For managers	0	0	0	0	0	0	0	0
2.	For other related persons	0	0	0	0	0	0	0	0
E.	Various guarantees provided by name of Group (Company):	0	2.500.000	0	634.186	0	2.500.000	0	634.186
1.	For managers	0	0	0	634.186	0	0	0	634.186
2.	For other related persons	0	2.500.000	0	0	0	2.500.000	0	0
F.	Received various guarantees:	14.615.000	14.615.000	0	0	3.561.000	3.561.000	0	0
1.	From managers	0	0	0	0	0	0	0	0
2.	From other related persons	14.615.000	14.615.000	0	0	3.561.000	3.561.000	0	0
G.	Other significant amounts, calculated within a year (obligations of Group (Company) to related persons):	2.533.030	29.474	1.390.136	650.484	38.224	19.725	501.976	322
1.	For managers	100.855	9.749	215.387	0	0	0	215.387	0
2.	For other related persons	2.432.175	19.725	1.174.749	650.484	38.224	19.725	286.589	322
H.	Other significant obligations for Group (Company):	3.339.094	608.161	2.152.571	288.764	4.087.523	669.196	4.619.496	1.992.423
1.	Of managers	0	0	0	10.910	0	0	0	0
2.	Of other related persons	3.339.094	608.161	2.152.571	277.854	4.087.523	669.196	4.619.496	1.992.423
I.	Sold asset:	6.169	1.296	14.971.000	11.871.000	2.947	0	15.046.438	11.871.000
1.	For managers	0	0	0	0	0	0	0	0
2.	For other related persons	6.169	1.296	14.971.000	11.871.000	2.947	0	15.046.438	11.871.000
	Average number of managers within a year	9	X	9	X	1	X	8	X

4.25. PROFIT TAX

4.25.1. Specification of expenses of profit tax

(LTL)

Run. No.	Expenses of profit tax	Financial year	Last financial year
1.	Expenses of profit tax	87.588	521.601
1.1.	Reporting year profit taxes according to Profit tax declaration	95.952	525.250
1.2.	Corrections of profit tax of last year in perspective way	(8.364)	(3.649)
2.	Expenses (incomes) of delayed taxes	15.773	(45.673)
2.1.	Expenses (incomes) of delayed taxes, determined by appearance and (or) disappearance of temporary differences	15.773	(45.673)
2.2.	Expenses of delayed taxes, determined by change of rate of profit tax	0	0
3.	Expenses of profit tax, stated in profit (loss) report	103.361	475.928
4.	Social tax expenses indicated in profit (loss) report	25.587	0
5.	Profit tax and social tax expenses indicated in profit (loss) report	128.948	475.928

4.25.2. Recalculation of expenses of profit taxes, according to regular and temporary difference of accounting and taxable profit

(LTL)

Run. No.	Expenses of profit tax	Financial year	Last financial year
1.	Accountable profit (loss) before taxing (according to profit (loss) report)	210.205	2.877.717
2.	Profit tax before correction cause of regular and temporary differences	31.531	431.658
3.	Correction of expenses of profit tax	71.830	44.270
3.1.	Correction of profit tax expenses cause of regular differences	93.508	105.050
3.2.	Correction of profit tax expenses cause of temporary differences (from profit (loss) declaration)	(29.087)	(11.458)
3.3.	Correction of profit tax expenses regarding temporal differences (profit tax property (obligations) decrease (increase))	15.773	(45.673)
3.4.	Correction of profit tax of last period in perspective way	(8.364)	(3.649)
4.	Expenses of profit tax, stated in profit (loss) report	103.361	475.928
5.	Correction of profit tax of last financial year in retrospective way		78.895
6.	Expenses of profit tax		554.823

4.26. EXTENDED PROFIT TAX

(LTL)

Run. No.	Reasons of originated extended tax	GROUP				COMPANY			
		Financial year		Last financial year		Financial year		Last financial year	
		Balance	Profit (loss) report	Balance	Profit (loss) report	Balance	Profit (loss) report	Balance	Profit (loss) report
1.	Obligation of extended tax at the beginning of financial year	203.063		0		0		0	
2.	Asset of extended tax at the beginning of financial year	116.723		0		45.673		0	
	Changes of obligations of extended tax (increase +, decrease -)								
3.1.	Profit tax from long-term asset transferred from "Linās" AB textile business, to which II investment way was applied, residual value			236.672					
3.2.	Profit tax from long-term asset, to which II investment way is applied, accounted deterioration (-)	(82.839)		(33.609)					
3.3.	Profit tax from long-term asset, to which II investment way is applied, value increase (privilege was not applied for value increase) (-)	(1.120)							
3.	Changes of obligations of extended tax, total	(83.959)		203.063		0		0	
	Changes of asset of extended tax (increase +, decrease -)								
4.1.	Profit tax from social insurance sums, calculated from accumulative holiday pays, which are accounted in financial accounting, but not paid to the employees.	90.758		25.180		20		15	
4.2.	Profit tax from social insurance sums, calculated from accumulative holiday pays, which are accounted in financial accounting and actually paid to the employees.	(79.354)				(20)			
4.3.	Profit tax from alternate salary pay part (motivation) and social insurance sums, calculated from accounted in 2005 financial accounting, but not paid to the employees.			45.885					
4.4.	Profit tax from social insurance sums, calculated alternate part of salary pay (motivation), which is actually paid to the employees.	(10.858)							
4.5.	Profit tax from incorrectly attributed alternate salary pay part (motivation) sum for 2005 temporal differences, because motivation sum calculated on 31 12 2005 is attributed to allowed deductions of 2005.	(35.027)							
4.6.	Profit tax from the loss of 2004 is shown in Profit tax property (the change of profit tax accounting policy is accounted in perspective way)			1.067					
4.7.	Profit tax from loss of previous years (taxable profit of 2005 is decreased by these loss)			(1.067)					
4.8.	Profit tax from calculated taxing loss of 2006. Believable, that it would be earned taxable profit till the end of period of transfer of not used taxing loss.	579.281							
4.9.	Profit tax from the sums of uncertain debts written-off to expenses in the financial accounting, which in future, in taxing accounting, we hope to admit as allowed deductions.	13.314		57.131		13.314		57.131	
4.10.	Profit tax from uncertain debts which are admitted as allowed deductions in taxing accounting.	(29.087)		(11.473)		(29.087)		(11.473)	
4.	Changes of asset of extended tax, total	529.027		116.723		(15.773)		45.673	
5.	Expenses (incomes) of extended tax		(612.986)		86.340		15.773		(45.673)
6.	Obligation of extended tax at the end of financial year	119.104		203.063		0		0	
7.	Asset of extended tax at the end of financial year	645.750		116.723		29.900		45.673	

4.27. INFORMATION CONCERNING ERROR CORRECTION ON LINAS LLC

(LTL)

Run. No.	Name of the corrected article of financial accountability and error description	Error amount	Amount before correction	Amount after correction
1.	Overpay of profit tax	63.591		
1.1.	Revision of declaration of profit tax of 2002 and recalculation of payable income tax	118.608		
1.2.	Revision of declaration of profit tax of 2003 and recalculation of payable income tax	(118.608)		
1.3.	Revision of declaration of profit tax of 2004 and recalculation of payable income tax	142.486		
1.4.	Revision of declaration of profit tax of 2005 and recalculation of payable income tax	(78.895)		
2.	Expenditures of income tax	(63.591)		
2.1.	Previous than comparative period year's profit tax	(142.486)		
2.2.	Comparative period - year 2005 - profit tax	78.895	475.928	554.823
3.	Retained profit (loss) 31 12 2005	63.591	2.691.297	2.754.888
3.1.	Previous than comparative period profit (loss)	142.486	44.839	187.325
3.2.	Comparative period - year 2005 - profit (loss)	(78.895)	2.401.789	2.322.894

4.28. RIGHTS AND OBLIGATIONS, NOT STATED IN THE BALANCE SHEET

(LTL)

Run. No.	Indicators	GROUP		COMPANY	
		Financial year	Previous financial year	Financial year	Previous financial year
1	The value of deposit for the loans granted by bank	17.176.000	20.090.000	0	0
2	Mortgaged assets of third parties for the loans received by the enterprise	11.054.000	12.660.000	0	0
3	Received guarantess, sponsions	2.899.040	0	0	0
4	Tangible valuables of enterprise trusted to the third parties	511.367	1.383.273	479.035	1.383.273
5	Sponsions for the third parties	2.500.000	3.134.186	5.399.040	3.134.186
6	Confirmed notes in circulation	0	0	0	0
7	The asset of the third parties in the enterprise	868.361	958.792	0	0
8	Assets of the third parties, deposited for the enterprise by the third parties (value as agreed by the parties)	3.563.500	0	3.563.500	0