

linas

To: Lithuanian Securities Commission
Konstitucijos ave. 23
LT-08105 Vilnius, Lithuania

CONFIRMATION OF RESPONSIBLE PERSONS

Following the Article No. 22 of the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission, we, Martynas Jasinskas, Director of AB "Linus", and Daiva Vaičiurgienė, assistant of chief accountant of AB "Linus", hereby confirm that, to the best of our knowledge, the attached AB "Linus" Interim Consolidated Report for the six months of 2008 includes a fair review of the performance of the business.

ENCLOSURE: AB "Linus" Interim Consolidated Report of for the six months of 2008 (12 page)

Director of AB „Linus“

15-09-2008

A.V.

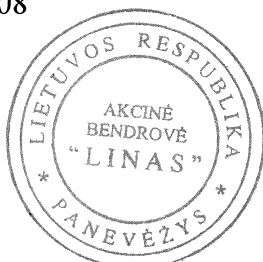


Martynas Jasinskas

Assistant of chief accountant of AB „Linus“

15-09-2008

A.V.



Daiva Vaičiurgienė

linas

AB „Linás“
Interim Consolidated Report
of for the six months of 2008

2008 06 30

SUMMARY

<i>1. Accounting period for which the report is prepared.</i>	3
<i>2. Companies comprising the Company Group and their contact data.</i>	3
<i>3. Principal nature of activities.</i>	4
<i>4. Contracts with intermediaries of public trading securities.</i>	4
<i>5. Data on trading in securities of the Issuer in regulated markets.</i>	4
<i>6. Fair review of entity's position and performance of the entity's business, description of the principal risks and uncertainties that it faces.</i>	4
<i>7. Main events which occurred during first six months of financial year and their influence on intermediate financial accountability, also information about main risks and contingencies during coming six months of financial year.</i>	5
<i>8. References and additional explanatory notes regarding the date provided in the interim financial statements.</i>	6
<i>9. Information about branches and representative offices of the Company.</i>	6
<i>10. Issuer's authorised capital.</i>	6
<i>11. Information about the own shares of the Issuer.</i>	7
<i>12. Shareholders.</i>	7
<i>13. Employees.</i>	7
<i>14. Procedure for amendment of the Articles of association of the Issuer.</i>	8
<i>15. Management bodies of the Issuer.</i>	8
<i>16. Data about the Board members and administration of the Company.</i>	10
<i>17. All material agreements to which the Issuer is a party and which would come into effect, be amended or terminated in case of change in the Issuer's control, also their impact except the cases where the disclosure of the nature of the agreements would cause significant damage to the Issuer.</i>	11
<i>18. All agreements of the Issuer and the members of its management bodies or the employee agreements providing for a compensation in case of the resignation or in case they are dismissed without due reason or their employment is terminated in view of the change of control of the Issuer.</i>	11
<i>19. Information about pursuance of management code of companies.</i>	11
<i>20. Data about publicly announced information.</i>	11

1. Accounting period for which the report is prepared.

January – June of year 2008

2. Companies comprising the Company Group and their contact data.**Main data about the Issuer:**

Name of the issuer	AB “Linās” (further called as “Company”)
Authorized (joint-stock) capital	24 038 990 Litas
Address of the company	S.Kerbedzio str.23, LT-35114, Panevezys
Telephone	+370 45 506100
Fax	+370 45 506345
E-mail	linas@linas.lt
Web site	www.linas.lt
Legal – organizational form	Public Limited Liability Company
Registration data and place	1993 03 08 at the Company Register of Panevezys city
Re-registration date and place	September 9, 2004 at the Juridical Person register, registration certificate No.003429
Code of juridical person	47689083
Registration number of the company	AB 9329

Main data about daughter enterprises:

Name of the enterprise	UAB “Lino audiniai”
Authorized (joint-stock) capital	5 999 000 Litas
Address of the company	S.Kerbedzio str.23, LT-35114, Panevezys
Telephone	+370 45 506100
Fax	+370 45 506346
E-mail	linas@linasnordic.lt
Web site	www.linasnordic.lt
Legal – organizational form	Joint stock company
Registration date and place	May 17, 2005 at the Register of Legal Persons, registration certificate No.054596
Code of juridical person	148532327
Registration number of the VAT payer	LT100001371219
Name of the enterprise	UAB “Lino aptarnavimas”
Authorized (joint-stock) capital	10 000 Litas
Address of the company	S.Kerbedzio str.23, LT-35114, Panevezys
Telephone	+370 45 506111
Fax	+370 45 506346
Legal – organizational form	Joint stock company
Registration data and place	May 23, 2008 at the State Enterprise Register Center, Panevezys city
Code of juridical person	301733535
Registration number of the VAT payer	LT100004113013

Name of the enterprise	UAB “Lino apdaila”
Authorized (joint-stock) capital	10 000 Litass
Address of the company	S.Kerbėdzio str.23, LT-35114, Panevezys
Telephone	+370 45 506111
Fax	+370 45 506346
Legal – organizational form	Joint stock company
Registration data and place	May 23, 2008 at the State Enterprise Register Center, Panevezys city
Code of juridical person	301733421
Registration number of the VAT payer	LT100004113316

3. Principal nature of activities.

The main Group activity – production of textile items.

As at 30 June, 2008, the AB “Linas” group of companies consisted of mother company AB “Linas” and it’s daughter companies UAB “Lino audiniai” (on June 13, 2008 the name of UAB “Linas Nordic” was changed into UAB “Lino audiniai”), UAB “Lino aptarnavimas” and UAB “Lino apdaila”.

Since June, 2008 AB “Linas” started to execute the activity of sales of linen textile items; other activity of the company – management of financial asset (shares and lend loans). During 1st half of 2008 the activity of linen textile items production was executed in UAB “Lino apdaila”. Till June 30, 2008 UAB “Lino apdaila” and UAB “Lino aptarnavimas” haven’t executed any activity.

4. Contracts with intermediaries of public trading securities.

On December 4, 2003 the Issuer’s service contract was signed with AB SEB Vilnius bank (company code 112021238, Gedimino avenue 12, Vilnius), represented by the department of Finance markets.

5. Data on trading in securities of the Issuer in regulated markets.

The total of 24 038 990 ordinary registered shares (ISIN code LT0000100661) the total nominal value of which is 24 038 990 Litass have been on the Baltic trading secondary list of the Vilnius Securities Exchange (VVPB symbol – LNS1)

6. Fair review of entity’s position and performance of the entity’s business, description of the principal risks and uncertainties that it faces.

The main incomes of Group of companies was received from the activity of textile goods production during the 1st half of 2008. AB “Linas” group of companies sold linen textile goods and services for 25.183 thousand Litass during the 1st half of 2008. Comparing to the 1st half of 2007 the volume of sales increased by 6.833 thousand Litass or 21,34 per cent.

During 01-06 months of 2008 Group had 5,556 thousand Litass loss and the result of the same period of 2007 was 580 thousand Litass profit before taxation.

UAB „Lino audiniai“ had 5.738 thousand Litass loss during the 1st half of 2008.

More information about the Group six months results is in AB „Linas“ Interim Consolidated Financial Statments of for six montuos of 2008.

Risk factors related to the activities of the Issuer:

Economic and political:

- Increase in supply of Asian and Russian textile products and dumping.
- Cyclicity of demand for linen products.
- Seasonality: less demand in summer and winter.
- Rise of prices for energy resources.
- Shortage of qualified staff.
- Increase of labour costs, increase of minimum wage fixed by the state.
- Sustainable tax burden.
- Migration of labour force.
- Passive policy of the Lithuanian state in regard of foreign investment and local exporters.

Technical-technological:

- Quite significant part of the technological equipment are old and wear-tear, requiring huge investment in to their repair and maintenance;
- Lack of modern technological equipment of modern and progressive processing/finishing of fabrics.

Environmental:

In 2004 the AB “Linās” was issued the TIPK (integrated pollution prevention and control) licence No. 1-1/002. The GPGB (best available manufacturing methods) requirements are implemented. The license issued on December 25, 2005, renewed for the UAB “Linās Nordic”, subsidiary of the AB “Linās”, came into effect on January 1, 2006. The TIPK licence has been reviewed on 20-12-2007 and is valid starting 01-01-2008. On 09-03-2006 the application for license on greenhouse gas emission and CO2 emission monitoring plan for 2006-2007 were reviewed. Operative pollution licence (ATL) quota for 2008 has been acquired.

7. Main events which occurred during first six months of financial year and their influence on intermediate financial accountability, also information about main risks and contingencies during coming six months of financial year.

Since June 21, 2008 Ramunas Lenciauskas started to work as the director of AB “Linās”, the chairman of the Board of AB “Linās”. He displaced Lilijana Puriene who managed AB “Linās” up to this date.

On May, 2008 the Board of AB “Linās” initiated the reorganization of AB “Linās” group of companies. The aim of reorganization was to specialize the business of group of companies and improve management. Business structure reorganization of AB “Linās” group of companies was started to implement in the following way:

1) End May of 2008 part of UAB “Linās Nordic” employees were transferred to AB “Linās” to execute buying-sales and property management functions. Since June, 2008 the activity of linen textile items trade was started to execute in AB “Linās”;

2) On May, 2008 two new companies – UAB “Lino aptarnavimas” and UAB “Lino apdaila” – were established. AB “Linās” invested into authorized capitals of each company 10000 Litās, signing 100% shares of each established company. It was planned to transfer part of UAB “Linās Nordic” employees into UAB “Lino apdaila” and to execute production finishing and sewing services in this company and to transfer part of UAB “Linās Nordic” employees into UAB “Lino aptarnavimas” and to execute technical service, consulting, personnel hire, bookkeeping accounting and other services;

3) after the reorganization of activity it was planned to produce linen yarns and supply yarns dyeing and weaving services in UAB “Lino audiniai”.

But the losing activity of AB “Linās” subsidiary company “Lino audiniai” and deteriorative economical situation in this company forced the Board of AB “Linās” to take radical actions. On June 13, 2008 the Board of AB “Linās” obliged the administration of subsidiary company to initiate the bankruptcy of UAB “Lino audiniai” after the evaluation of outside and inside business possibilities of UAB “Lino audiniai” and trying to avoid much more damage for employees, shareholders and business partners.

Activity reorganization of group of companies was stopped and unto June 30, 2008 UAB “Lino apdaila” and UAB “Lino aptarnavimas” haven’t executed any activity.

On 2008 07 14 the judgement of Panevezys District Court to start bankruptcy proceeding against AB “Linās” subsidiary company UAB “Lino audiniai” came into force.

Since 2008 08 01 UAB “Lino apdaila” started to execute production activity – company supplies linen fabric finishing and sewing services. Part of bankrupted company UAB “Lino audiniai” employees is employed in this company.

Since August 11, 2008 AB “Linās” marketing director Martynas Jasinskas started to work as AB “Linās” director. He displaced Ramunas Lenciauskas who managed AB “Linās” unto that date.

8. References and additional explanatory notes regarding the date provided in the interim financial statements.

All financial data presented in this intermediate report are calculated according to International financial accounting standards and are not audited.

Court judgement regarding the announcement of bankruptcy of AB “Linās” subsidiary company UAB “Lino audiniai” wasn’t taken for the date of intermediate consolidated financial accountability preparation, i.e. 2008 06 30 (the bankruptcy was initiated on 2008 06 13). That is why in the financial reports of this company succession principle was applied. For 2008 06 30 date all property and liabilities were not accounted as short-term and were not evaluated at net value of possible realization and liabilities - at the sums of final settlement.

According 34 IAS “The interim financial statements” 20 article the interim financial statements were filled IInd quarter, Group and Company, profit (loss) reports. Also added report of own capital changes of the Group.

9. Information about branches and representative offices of the Company.

The AB „Linās“ does not have any branches or representative offices.

10. Issuer’s authorised capital.

Authorized capital of AB “Linās” registered at companies register of Lithuanian Republic is 24 038 990 Litās.

The structure of AB “Linus” authorized capital according to the types of shares:

Type of shares	Number of shares	Nominal value (LTL)	Total nominal value	Percentage in the authorised capital
Ordinary registered shares	24 038 990	1	24 038 990	100,00
Total:	24 038 990	-	24 038 990	100,00

All shares of AB “Linus” are paid and no limitations of securities transfer are applied to them.

11. Information about the own shares of the Issuer.

Company has not obtained own shares. Subsidiary company hasn't obtained the shares of the company also. The company and its subsidiary company did not buy and sell own shares during the accounting period.

12. Shareholders.

Total number of shareholders of AB “Linus” on June 30, 2008 was 1298.

Shareholders, according to the data of June 30, 2008, who have or manage as proprietary more than 5% of company's authorized capital:

Name, surname of shareholder) (company name, type, address, code of companies register)	Number of shares own by the shareholder as proprietary (units)	Tenable part of authorized capital	Part of votes presented by proprietary shares	Part of votes dependent for shareholder together with acting persons
Ramūnas Lenčiauskas	4 892 111	20,35%	20,35%	20,35%
Lionė Lenčiauskienė	2 257 331	9,39%	9,39%	9,39%
Virginijus Aršauskas	2 156 585	8,97%	8,97%	17,29%
Regina Aršauskienė	2 000 000	8,32%	8,32%	17,29%
Laima Lenčiauskienė	1 500 000	6,24%	6,24%	12,48%
Eimantas Lenčiauskas	1 500 000	6,24%	6,24%	12,48%

Neither one shareholder of the company has rights of special control. The rights of all shareholders are the same, so the number of AB “Linus” shares which give the votes at General Meeting is 24 038 990.

The company is not informed about any internecine agreements of the shareholders regarding which the transfer of securities and/or voting rights could be limited.

13. Employees.

The average number of employees in the AB “Linus” Company Group as for June 30, 2008 was 1068. during the year the average number of employees decreased by 301 or 21.41 % (in the first half of 2007 – 1359 employees).

Employees	June 30, 2008		June 30, 2007	
	Average number of employees	Average salary/wage, LTL	Average number of employees	Average salary/wage, LTL
Management personnel	34	4574	39	4337
Specialists and clerks	78	1771	127	1597
Workers	956	1025	1193	934
Iš viso	1068	1263	1359	1093

The wages to the employees of the group were paid observing the confirmed labour payment regulations, the Law on labour safety and other laws of the Republic of Lithuania and decisions by the Government. Wages to the employees of the Group were reckoned in 8,1 million Litas in the first half of 2008 and compared to the same period of 2007 decreased by 10 %. Average calculated wage in the first half of 2008 was 1263 Litas and compared to the same time of 2007 increased more than 15,55 % (in the first half of 2007 – 1093 Litas).

It is indicated in the collective agreement of AB “Linās” subsidiary company UAB “Linās Nordic”:

1. To pay bonus to the employees who worked in the company 10, 15, 20, 25, 30, 35 (further each 5 years) if the financial situation is favourable.

2. To allocate additional social support (if the financial situation is favourable) for the employees who have disable child up to 18 years and to pay one-off grant – 3 MLL (minimum living level);

3. To give to the employees additional pay holiday:

-up to 3 calendar days when the nearest relative dies (parents, husband, wife, child, brother, sister);

-one calendar day for the wedding;

-to pay an employee average job salary for the working days.

4. Average job salary is paid for the employees for job time which is detained by health checking when health checking is compulsory. The employer pays all expenses related with health checking.

14. Procedure for amendment of the Articles of association of the Issuer.

The Law on Companies of the republic of Lithuania provides that the right to amend the Articles of Association shall be vested exclusively in the general meeting of the shareholders. Adoption of amendment of the Articles of Association requires 2/3 majority vote of the shareholders attending the meeting.

15. Management bodies of the Issuer.

As determined by the Articles of Association of the AB „Linās“ the management bodies of the Company are:

- General meeting of shareholders;
- The Board of the AB “Linās”;
- Head (Director) of the AB “Linās”

The supervisory Council shall not be formed.

The competence of the Company’s board the procedure of it election and dismissal are not different from the same provided for in the Law on companies of the Republic of Lithuania.

The Board shall consider and confirm:

- the strategy of company’s activity;
- management structure of the company and posts of employees;
- posts where employees are hired according to competition order;
- regulations of company’s branches and subsidiaries.

The Board elects and cancels head of the company, indicates his salary, other terms of the contract, confirms post regulations, motivates him and imposes penalties.

The Board indicates information which is reputed to be commercial (production) secret of the company.

The Board makes:

- decisions to become the company as founder or participant of other juridical persons;
- decisions to establish branches and subsidiaries of the company;
- decisions regarding long-term assets the balance value of which is more than 1/20 of company’s authorized capital; investment, transfer, rent (calculated separately for each type of transaction);
- decisions regarding the long-term assets the balance value of which is more than 1/20 of company’s authorized capital pledging and mortgage (total transactions sum is calculated);
- decisions regarding long-term assets the balance value of which is more than 1/20 of company’s authorized capital, sponson or guarantee fulfillment;
- decisions to obtain long-term assets for the price which is higher than 1/20 of company’s authorized capital;
- in the cases indicated by the law of companies restructure - decision to restructure the company;
- other decisions according to company’s regulations or shareholders meeting, assigned for the Board competence.

The Board has to inform creditors with whom the company hasn’t settled all the matters during the indicated period before making the decision to invest the funds or other property into other juridical person if total debt for those creditors is higher than 1/20 of company’s authorized capital.

The Board analyses and evaluates the materials presented by company’s manager about:

- implementation of the strategy of company’s activity;
- activity organization of the company;
- finance state of the company;

-results of economic activity, estimates of incomes and expenses, accounting data of inventory and other changes of the asset;

-project of annual financial accounting of the company and the project of profit (looses) allocation and renders them to General Meeting of shareholders. The Board indicates calculating methods for deterioration of tangible asset and depreciation of intangible asset which are applied in the company.

16. Data about the Board members and administration of the Company.

RAMŪNAS LENČIAUSKAS – Chairman of the Board. Education – higher, graduated from the Kaunas Technology University were studied machine engineering, economics and management. Qualifications – engineer-economist. Since 16-10-1995 head (president) of the AB “Linus”, since 19-02-1996 – Director General of the AB “Linus”, since 14-03-1997 – President of the AB “Linus”, since 24-04-1998 – AB “Linus” interim expert of the business and finance strategic management, from 04-03-2003 to 01-10-2005 the advisor of the AB “Linus” on business and finance strategic management issues. Since 10-01-2007 the advisor of the AB “Linus” on business and finance strategic management issues. Since 21-04-2008 – the Director of the AB “Linus”. Holds 4 892 111 ordinary registered shares of the AB “Linus”. The total percentage of shares capital and votes in total Issuer is 20.35 %. Chairman of the Board of the UAB “Linus Nordic”. From 01-10-2005 to 09-01-2007 advisor to the UAB “Linus Nordic” on business and finance strategic management issues. Since 17-06-2004 the head of the UAB “Lino investicinis fondas” (Linus Investment Fund) (in 2005 renamed to the UAB “Nordic investicija”). Since 01-10-2006 advisor to the President of the UAB “Nordic investicija” for business and finance strategic management issues. Chairman of the Board and the shareholder of the UAB “Nordic investicija”. The percentage of capital and votes held in the authorized capital is 100 %. The director of the shareholder of the UAB “Tryliktas aukštas” (Thirteenth Floor). The percentage of capital and votes held in the authorized capital is 50 %.

VIKTORAS MAJAUSKAS – member of the Board. Member of the Board of the UAB „Lino audiniai“. Does not participate in the capital of the Issuer. Since 26-02-2007 – the advisor to AB „Linus“ on general issues. President of the UAB „Nordic investicija“. Self-resigned from the member of the Board at 16-07-2008.

VAIDAS ŽARNAUSKAS– Member of the Board of the Company. Does not participate in the capital of the Issuer. Director of the UAB „Ekonomika, etika, estetika“. Does not participate in management or capital of other companies.

All members of the Board were elected on May 24, 2007 by the General meeting of shareholders for four period in Office.

The members of the managements bodies of the AB „Linus“ have never been convicted for property, business or financial offences.

The AB „Linus“ does not employ the chief accountant, accounting services were provided by the UAB „Lino audiniai“.

Information about total amounts and averages per person of the salaries and annual payments from profit paid during the reporting period to the members of the Board and head of administration:

Indicator	Salary for 2008 I st half (LTL)	Payment from profit 2008 I st half (LTL)	Other payments from profit (LTL)	Total (LTL)
Average per member of the Board	14246	-	-	14246
Total for all members of the Board	28492	-	-	28492
Average per head of administration	4086,85	-	-	4086,85
Total for all heads of administration	4086,85	-	-	4086,85

17. All material agreements to which the Issuer is a party and which would come into effect, be amended or terminated in case of change in the Issuer's control, also their impact except the cases where the disclosure of the nature of the agreements would cause significant damage to the Issuer.

None.

18. All agreements of the Issuer and the members of its management bodies or the employee agreements providing for a compensation in case of the resignation or in case they are dismissed without due reason or their employment is terminated in view of the change of control of the Issuer.

None.

19. Information about pursuance of management code of companies.

AB "Linās" essentially is pursuing to recommended attribution of management code of listed companies confirmed by Vilnius Stock Exchange on August, 2006. All information about it is in Linās AB consolidated interim report for the year 2007. Any changes in information about pursuance of management code of companies in Ist half of 2008 years did not happen.

20. Data about publicly announced information.

During January – June of year 2007 the company announced following notices about stock (material) events:

- 2008 01 11 RE court decision
- 2008 01 31 Calendar of investor
- 2008 02 15 Preliminary activity results of AB "Linās" group of companies of year 2007 and prognosis for year 2008
- 2008 02 29 AB "Linās" not audited interim financial accountability of year 2007 and confirmation of responsible persons
- 2008 03 28 General Meeting of shareholders is held on April 29, 2008
- 2008 04 18 Decisions projects of General Meeting of shareholders
- 2008 04 18 Annual information
- 2008 04 18 The change of AB „Linās“ director
- 2008 04 28 Activity result of Ist quarter of year 2008

2008 04 29 Annual general "Linas" AB shareholders meeting did not take place. Notice of "Linas" AB Repeated General Meeting on May 28, 2008.

2008 05 10 Business structure reorganization of AB "Linas" Group of companies

2008 05 22 Notice about shares portfolio deprivation and acquisition

2008 05 28 Shareholders decisions of the repeated General meeting

2008 05 28 The reconstruction of structure of AB "Linas" Group of companies

2008 05 29 Financial accountability of Ist quarter of 2008

2008 06 11 Title change of subsidiary company

2008 06 13 Regarding the initiation of bankruptcy case of AB "Linas" subsidiary company "Lino audiniai"

2008 06 19 Notification about acquisition (disposal) of a block of shares

2008 06 20 Notification about acquisition (disposal) of a block of shares

2008 06 25 Notification about acquisition (disposal) of a block of shares

It is possible to get to know all the information about publicly announced stock (material) events which took place during 1st half of 2008 in the web page of AB "Linas" www.linas.lt

All stock (material) events related with the activity of AB "Linas" and information about time, place of General meeting and all other notices for shareholders and other persons are announced in the daily paper "Lietuvos rytas" according to the order indicated by Lithuanian Republic laws.