



CONFIRMED at  
the meeting of the Board by  
the protocol No. 4  
on 08 April, 2013

**„LINAS“ AB**  
**CONSOLIDATED ANNUAL REPORT FOR THE**  
**YEAR 2012**

## CONFIRMATION BY THE RESPONSIBLE PERSONS

Following Art. 21 of the Law on Securities of the Republic of Lithuania and the Regulations for Drawing-up and Submission of the Periodic and the Additional Information issued by the Securities Commission of the Republic of Lithuania, we, Martynas Jasinskas, Director of Linas AB, and Daiva Minkeviciene, chief accountant – chief of section of accounting and analysis of Linas AB, hereby confirm that to our best knowledge the annual consolidated financial reporting statements of the Linas AB were drawn following the International Financial Reporting Standards adopted for use in the European Union, and present the fair and accurate status of the assets, liabilities, financial condition and profit or loss and money flows of the Linas AB and the Company Group, and that the review of activities and business development and the condition of the Linas AB and Company Group together with the description of the principle risks and uncertainties it faces has been described correctly.

Director Linas AB



Martynas Jasinskas

Chief accountant – chief of section  
of accounting and analysis of Linas, AB



Daiva Minkeviciene

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**1. Accounting period the annual report is covering.**

The AB „Linas“ consolidated annual report has been prepared for the year 2012.

**2. Companies comprising the Company Group and their contact data.****Principal Company data**

Name	AB „Linas“ (hereinafter the Company)
Authorised (share) capital	24 038 990 Lt
Domicile address	S. Kerbedzio g. 23, LT-35114 Panevezys
Telephone	(8-45) 506100
Fax	(8-45) 506345
E-mail address	<a href="mailto:office@linas.lt">office@linas.lt</a>
Webpage	<a href="http://www.linas.lt">www.linas.lt</a>
Legal-organisational form	Public Limited Liability Company
Date and place of registration	08-03-1993, Company Register/ City of Panevezys
Company registration number	003429
Date and place of re-registration	September 9, 2004, Register of Legal Persons, Registration Certificate No. 003429.
Company code	1476 89083
VAT code	LT476890811

**Principal subsidiary data**

Name	UAB „Lino apdaila“
Authorised (share) capital	10 000 Lt
Domicile address	S. Kerbedzio g. 23, LT-35114 Panevezys
Telephone	(8-45) 506111
Fax	(8-45) 506346
E-mail address	<a href="mailto:office@linas.lt">office@linas.lt</a>
Legal –organisational form	Private Limited Liability Company
Date and place of registration	May 23, 2008 Register of Legal Persons, Registration Certificate No. 114552
Company code	3017 33421
VAT code	LT100004113316

**3. Principal nature of activity.**

Principal nature of activity is production of textile products and sales.

On December 31, 2012 the Group of companies was comprised of AB “Linas” and its subsidiary company UAB “Lino apdaila”. AB “Linas” holds 100% shares of the subsidiary company. The activity of AB “Linas” is sales of linen textile items; other activity of AB “Linas” - management of financial asset (shares and granted loans). The activity of the textile products production is carried out at the subsidiary company UAB „Lino apdaila“.

**4. Contracts with intermediaries of public trading securities.**

On December 4, 2003 AB “Linas” has signed the service contract with the AB SEB Bank (company code 112021238, Gedimino avenue. 12, Vilnius) regarding the management of company’s stock accounting.

**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, performance and development of the entity's business, description of the principal risks and uncertainties that it faces.**

Risk factors related to the activities of the issuer:

*Credit:*

- Customers' solvency.

The Group is seeking to control the influence of credit risk insuring the major of its customers at international insurance company, applying safe settlement forms, asking for property guarantees or the sponsorship of third parties.

*Economic and political:*

- Increase in supply of Asian and Russian textile products and dumping.
- Cyclicity of demand for linen products.
- Seasonality: less demand in winter.
- Rise of prices for energy resources.
- Rise of prices for raw materials.
- Passive policy of the Lithuanian state in regard of foreign investment and local exporters.
- World crisis.

The Group is developing and improving marketing and production spheres, reacting to customers needs, searching for new markets, assortment possibilities, taking place in the projects which are supplied by Lithuanian Republic or European Union.

*Technical-technological:*

Quite significant part of the technological equipment is old and wear-tear, requiring huge investment in to their repair and maintenance;

Lack of modern technological equipment for performance of modern and progressive processing/finishing of fabrics.

The Group is investing into the obtaining of progressive equipment, renewing of old equipment and proper maintenance in order to increase production efficiency and productivity.

During 2012 the AB "Linas" Company Group sold products and services for 39,62 million Lit. Compared to the results of 2011 the incomes of sales increased 5,87 million Lit. or by 17,39 %.

Item	Unit	2012	2011
Sales	Thou. Lt	39 620	33 751
Profit before taxes	Thou. Lt	3 012	1 604

The main cause for significant production and sales volumes of the EU textile industry is the import of textile products from developing Eastern Asia countries, which especially has been growing following full liberalisation of trade in textile products and lifting all quantitative restrictions on import of textile products. Large influence had also general and constant price increase for raw materials (linen and cotton).

During year 2012 the volumes of sales and production of the Group were raised because of the usage increase of textile items in foreign markets after the world economic crisis, especially the increase of sewn items has the influence on the activity results of the Group.

The reconstruction of structure of Group of companies and the flexibility allowed the Group to keep current customers and to attract the new ones during year 2012. Further the Group orients to

high value added production acc. to the individual orders of the customers, makes various fabric finishing (bleaching, softening, dyeing, printing, etc.), does sewing services. Also AB “Linās” Group of the companies has the possibility to make technologically innovative fabrics finishing which gives exclusive features for natural fabric (resistance to water, mud, temperature and other) and allows to expand the assortment of produced fabrics.

On year 2011 AB “Linās” has built and started to exploit the new modern and effective boiler-house. It allowed decreasing the costs for technological power and buildings heating during year 2012.

The Group of companies has invested 45 thousand Lt to optimize activity management processes and has obtained terminal servers, with the help of which the business computer and resources management system has been changed essentially.

### 7. Analysis of financial and non-financial performance.

Indicators	Group 2012	Group 2011
Net profitability (net profit/sales * 100)	7,05	4,32
Return on equity ROE (net [profit/equity)	0,10	0,06
Debt ratio (liabilities/assets)	0,27	0,26
Turnability of assets (sales/assets)	1,06	1,01
Book value of shares (equity/number of shares)	1,13	1,02
Indicators	Group 2012	Group 2011
Net profit (loss) (thou. Lt)	2 793	1 459
EBITDA (mln. Lt)	3,85	1,96
Profit per share	0,12	0,06
Lowest share price (Lt)	0,200	0,038
Highest share price (Lt)	0,359	0,387
Closing price (Lt)	0,259	0,273
Capitalisation (mln. Lt)	6,23	6,56

There were produced in subsidiary companies:

Product description	Unit	2012 UAB “Lino apdaila”	2011 UAB “Lino apdaila”	Change ( -/+ decrease/inc rease)
Yarn	t	88	61	+27
Raw fabrics	Thou. m	659	676	-17
Finished fabrics	thou. m	2050	1916	+134

The range pf the pure linen fabrics accounted for 67,6 % of the total products produced in 2012 (in 201 –63,7 %). In 2012 43,28 % of the total fabrics produced were used for sewing articles (in 201 – 34,8 %).

In 2012 the Company Group had 3 012 thou. Lt profit before taxes, and taking into account the taxes the net profit of the Group was 2 793 thou. Lt. On 2011 the net profit of the Group was 1,5 mln. Lt.

Export (out of Lithuania borders) volumes during year 2012 made 86,3 % of all sold production. Geographically the export distribution is as follows: Sweden –22,3 %, Spain – 13,7 %, Belgium – 6,9 %, Switzerland – 6,3 %, Finland – 6,3 %, Japan – 5,5 %, USA – 5,2 %, Denmark – 3,9 %, France – 3,6 %, Estonia – 3,0 %, other countries – 9,6 %. The products were sold in Great

Britain, Holland, Italy, Germany, Poland, Turkey, Latvia, Singapore, Norway, Australia, Canada, Russia and other countries. 13,7 % of all sold production was sold in Lithuania during 2012.

We participated in 4 specialized textile exhibitions: in Germany and in France, and in USA. The participation in some of them was partially financed from the resources of EU fund and the budget of Lithuanian republic.

During 2012 it was bought 47 tons of cotton yarns from the Lithuanian suppliers. During 2012 it was purchased 209 tons on linen yarn, 93 % of which was purchased from the Lithuanian suppliers, 7 % from other suppliers.

1 465 thousand m of raw fabric was bought in 2012, 73 % of it – from Belarus, 17 % - from Lithuania.

The largest part of the chemical materials was purchased from Germany and Switzerland.

As for 31-12-2012 the Group's liabilities acc. to leasing contracts amounted to 0,8 mln. Lt. The debt for banks was 0,2 mln. Lt. On 2012-12-31 the sum of AB "Linās" granted loans with interests made 10,6 mln. Lt.

### ***8. References and additional explanatory notes regarding the date provided in the consolidated financial statements.***

The financial statements have been prepared following the International Financial Accounting Standards. The data provided in the annual financial statements and in the explanatory note are sufficient and comprehensive.

### ***9. Important events after the end of the preceding financial year.***

The financial report of the Company and Consolidate financial statements were audited by the independent auditing company the UAB „Revizorius“ selected via the bidding procedure. The audit was performed by auditor Audronė Vanda Jasaitienė (Auditor certificate No.000435).

### ***10. Operating plans and forecasts of the Company Group.***

In 2013 the Group of Linās, AB plans to produce linen products to customers which put value upon combination of naturalness and modernity. Companies of the Group will vouch for reliable partnership with customers and suppliers; also will vouch for safe environment to employees as before. The main objectives of the Group are: to increase volume of sales, expanding market in foreign countries and Lithuania, and to decrease cost price of production, optimizing expenses of production, buying cheaper raw materials.

It is planned to give about 0,3 mln Lt for the obtaining of technological equipment and renovations during year 2013.

### ***11. Information about research and development activities of the Company Group.***

The Company Group was not carrying out activities related to research and development.

### ***12. Environment control.***

The items, which are produced by AB „Linās“ Group of companies, are ecological, non-waste product which is not making harmful effect for nature and ecologic. The Group is working acc. to internationally acknowledged quality requirements corresponding to OEKO-TEX 100 standard.

AB "Linās" Group of companies executes its activity acc. to TIPK (integrated prevention and control of pollution) license No.1 – 1/002, corrected on 2011-12-06. The GPGB requirements (the best available production methods) are applied in the Group. The Group constantly observes its indicators, planning and implementing investments, which allow decreasing production and activity expenses and energetic costs and improving environmental control of the Group.

Pollution characteristic of year 2012:

1. Atmosphere pollution (stationary resources)	13.1 tons
2. Water pollution (rain outflow)	0.95 tons
3. Wastes (including composite communal)	144,63 tons

4. Outflow (production)	204 thousand m <sup>3</sup>
5. Outflow (rain)	45,6 thousand m <sup>3</sup>

Expenses for environment control during year 2012:

1. Taxes for atmosphere and water pollution (stationary resources)	-3656 Lt
2. Taxes for atmosphere pollution (mobile resources)	-498 Lt
3. Tax for outflow (production) (for production outflow passing to AB "Aukštaitijos vandenys")	-640811 Lt
4. Taxes for natural resources	-17401 Lt

All wastes which form in the company – glass, metal, packages of paper and carton, plastic packages and others – are being sorted and passed to the waste administering companies acc. to the signed contracts.

The possibility to limit company's activity or to stop it regarding the influence on the surrounding is very small.

**13. Information about financial risk management objectives, its measures for hedging major types of forecasted transactions for which hedge accounting is used, and the Company Group's exposure to the cope of price risk, credit risk, liquidity risk and cash flow risk where the Company Group uses financial instruments and where this is of importance for the evaluation of the Group's assets, equity capital, liabilities, financial position and performance results.**

The Company Group was not using the financial instruments which are of importance for the evaluation of the Group's assets, equity capital, financial position and performance results.

**14. Main features of internal control and risk management systems of Group of companies in relation with consolidated financial reports preparation.**

The audit committee is supervising the preparation of consolidated financial reports, management systems of internal control and financial risk, observation law regulations which regulate preparation of consolidated financial reports.

The application of internal control measures of the Group are indicated by separate orders of the manager, other internal documents. The managers of the Group, through the long job experience, know very well the specific of the activity and risk fields. The shareholder of AB "Linas" participates in the management of the company. All this allows to implement sufficient level internal control system in the company.

Financial reports of the Group are prepared acc. to International financial accountability standards (TFAS) confirmed by EU. The same internal control organization and accounting principles are applied for all companies of the Group. When preparing these consolidated financial reports, all inter operation between the Group and balance remainders of the accounts and unrealized profit (losses) from the contracts between the Group of companies are being eliminated.

Responsible accounting employees constantly checking International financial accounting standards (TFAS), analyzing contracts which are significant for the activity of the company and the Group, ensuring timely and correct processing of collected information and its preparation for financial accountability.

**15. Information about branches and representative offices of the Company.**

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

**16. Issuer's structure of authorised capital and encumbrances for transfer/disposal of said securities.**

The authorised capital registered in the company register of the Republic of Lithuania is equal to 24 038 990 Lt.



The structure of the authorised capital of the AB „Linus“ according to types of shares is as below:

Type of shares	Number of shares	Nominal value (Lt)	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 the AB „Linus“ have been paid in full and they are not subject to any encumbrances for transfer/disposal of said securities.

The shares of the Company present the same property and non-property rights and liabilities according to the indications of Joint Stock Company's law.

**17. Information about the own shares acquired and held by the Company and the Group and the same acquired and transferred during the reporting period.**

The Company has not acquired any of its own shares. The subsidiary has also not acquired any of the Company's shares. Neither the Company nor its subsidiary has bought or sold its own shares.

**18. Shareholders.**

The total number of shareholder of the AB „Linus“ as for December 31, 2012 was 1125.

The shareholders holding or in command of more than 5 per cent of the authorised capital of the Company as for December 31, 2012 were:

Shareholder's name, surname, company's name, type, domicile address, code in the Register of Enterprises)	Number of ordinary registered shares held on property ownership right (pcs.)	Percentage of authorised capital held	Percentage of votes granted by the shares held on property ownership right	Percentage of votes held together with the persons acting together
„Rentija“, UAB, domicile address Savanoriu av. 192, Kaunas, code in the Register of Enterprises 300614019	7 833 471	32,59%	32,59%	32,59%
Danelika Services Limited, 3 Michael Koutsofta street, Limassol, Cyprus, code in the Register of Enterprises HE289213	4 156 585	17,29%	17,29%	17,29%
Ramunas Lenciauskas	2 399 442	9,98%	9,98%	9,98%
Nojus Lenciauskas	2 360 000	9,82%	9,82%	9,82%
Stock securities of customers of other account keepers	1 592 004	6,62%	6,62%	6,62%

None of the shareholders of the Company have any special control rights. All shareholders have equal rights, so the number of shares of the AB „Linus“ carrying votes at the general meeting of shareholders is 24 038 990.

The Company has not been notified any agreements between the shareholders due to which the transfer of securities and/or voting rights could be encumbered.

**19. Employees.**

The average listed number of employees in AB „Linus“ Group of companies was 321 employees on year 2012. On 2011 this average was 340. During the year the average number of

employees decreased by 19 or 5,6 %. The number of employees has stabilized during financial year and is changing only regarding the changes of job organizing.

Employees	2012		2011	
	Average conditional number of employees	Average salary/wage, Lt	Average conditional number of employees	Average salary/wage, Lt
Management personnel	13	4847	13	4863
Specialists and clerks	44	2269	43	2125
Workers	243	1487	253	1431
<b>Total</b>	<b>300</b>	<b>1747</b>	<b>309</b>	<b>1672</b>

The wages to the employees of the Group were paid observing the confirmed labour payment regulations, the Law on labour safety and health and other laws of the Republic of Lithuania and decisions by the Government. Average calculated wage in 2012 was 1747 Lt and compared to 2011 increased by 4,5 % (in 2011 - 1672 Lt).

AB "Linās" Group of companies employees acc. to the education on 2012-12-31:

Employees education	Number of employees
Higher education	49
Further education	66
Special secondary education	144
Secondary education	55
Totally:	314

The Collective Agreement in AB "Linās" Group of companies indicates:

1. One-off ir retrievable pay is paid:

-when employee of the company dies and the family of employee grows children (adoptee) till 18 years old, also the oldest if they are studying at secondary schools at day shift, at professional or higher schools at day shift (including the period of academic holidays), but no longer till 24 – 6 base social pays;

-when spouse of company's employee dies and the family of employee grows children (adoptee) till 18 years old, also the oldest if they are studying at secondary schools at day shift, at professional or higher schools at day shift (including the period of academic holidays), but no longer till 24 – 6 base social pays.

2. Additional paid holidays:

up to 3 calendar days in case of death of a family member (parents, husband, wife, child, brother, sister);

-1 calendar day for the marriage.

3. The employees who must undergo compulsory medical examination shall be paid average wage for the time spent for such medical check-up. The employer shall also cover all the costs related to such medical checkups.

## **20. 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 shareholders. Adoption of amendment of the Articles of Association requires 2/3 majority vote of the shareholders attending the meeting.

## **21. 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.

General meeting of the shareholders is the highest body of the company.

Only General meeting of the shareholders has the right to:

-change the regulations of the company, except the exceptions indicated by Joint Stock Company’s law of Lithuanian Republic;

-to elect and to cancel members of the Board, audit company;

-to indicate payment conditions for audit services;

-to confirm annual financial accountability;

-to take the decision to increase the authorized capital;

-to indicate the shares class, number and nominal value of issued company’s shares and the minimal price of the emission;

-to take the decision to cancel the priority right to all shareholders to obtain company’s shares of concrete emission or convertible bonds;

-to take the decision to decrease authorized capital, except the exceptions indicated in Joint Stock Company’s law of Lithuanian Republic;

-to take the decision to issue convertible bonds;

-to take the decision to convert company’s one class shares into the other class, to confirm the order of shares convert;

-to take the decision to obtain own shares for the Company;

-to take the decision to liquidate the company, to cancel the liquidation of the company, except the cases indicated in Joint Stock Company’s law of Lithuanian Republic;

-to elect and to cancel company’s liquidator, except the cases indicated in Joint Stock Company’s law of Lithuanian Republic;

-to take the decision regarding company’s reorganization or separation and to confirm the conditions of reorganization or separation;

-to take the decision to reorganize the company;

-to take the decision to shake-up the company;

-to take the decision regarding the allotment of profit (loss);

-to take the decision regarding the reserves making, using, decreasing or cancelling.

General Meeting of shareholders can also solve other questions, which are not attributed to the competence of other company’s bodies according to Joint Stock Company’s law of Lithuanian Republic, and if they are not the function of other managing bodies.

The call order of General meeting of shareholders of the company doesn’t differ from the order indicated in Joint Stock Company’s law of Lithuanian Republic.

The Board is the collegial management body of the company. The Board is elected by General Meeting of shareholders according to the order indicated in Joint Stock Company’s law of Lithuanian Republic. If single members of the Board are elected, so they are elected only up to the end of existing Board cadence. The Board consists of 4 members for 4 years. The chief of the Board is elected by the Board from its members. The working order of the Board is indicated in the accepted work regulation of the Board.

The Board executes its functions during the period indicated in the regulations or up to time when the new Board will be elected and will start the job, but not longer General Meeting of shareholders which is held at the end of the Board’s cadence.

General Meeting of shareholders can cancel all the Board or its single members if there cadence is still not over. The member of Board can resign from his post even if the cadence is still not over and to inform the company in written not later 14 days.

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:

Activity strategy of the Company;

Activity report of the Company;

Organisation/management structure of the Company and list of positions;

List of positions to which the employees are admitted following selection procedure;

Regulations of branches and representative offices of the Company.

The Board shall elect the head of the Company and fix his salary, other terms and conditions of the employment contract with him, confirm his job description, apply motivation and disciplinary measures.

The Board shall decide on the information to be treated as commercial (production) secret of the Company.

The Board shall adopt:

Decisions on becoming the founder or member of other legal persons;

Decisions on establishing branches and representative offices of the Company;

Decisions regarding the buying of long-term asset, investment, transfer, lease, mortgage and hypothec;

Decisions regarding the sponson or guarantee of liabilities execution of other;

Decision to reorganise the Company in cases provided for in Law on Reorganisation of Companies;

Other decisions attributed to the competence of the Board by the Articles of Association or by resolutions of the General meeting of shareholders;

Before investing the funds or other assets into other legal persons the Board must notify the creditors with who the Company has not settled accounts in the event the total outstanding amount to such creditors is exceeding 1/20 of the authorised capital of the Company.

The Board shall analyse and assess the materials presented by the head of the Company concerning:

Implementation of the strategy of Company's activities;

Organisation of company's activities;

Financial condition of the Company;

Results of business activities, budgets for income and expenses, data of stocktaking and other changes related to assets of the Company;

The draft annual financial statements of the Company and the draft profit (loss) appropriation statement and present them to the General meeting of shareholders.

The competence of company's director, the order of his election or cancelation is not differ from the order indicated in Joint Stock Company's law of Lithuanian Republic.

Director of the company:

-organizes daily activity of the company, hires or fires employees, makes and terminates job contracts with them, motivates employees or signs penalties for them;

-indicates calculation normative of property deterioration of the company;

-acts in the name of the company and has the right to sign contracts autocratically;

-has to secure company's commercial (production) secrets which he knew being at this post;

-presents the questions to discuss to the Board of the company and to General Meeting of shareholders;

-represents the company at the court, in relationships with other juridical and physical persons;

-presents the authorization to other persons to execute ions which are at his competence;

-executes others functions indicated by the laws of Lithuanian Republic and law regulations.

Director of the company is responsible for:

- organization of company's activity and execution of its goals;
- preparation of annual financial accountability;
- signing the contract with audit company;
- presentation of information and documents for General Meeting of shareholders, for the Board, in the cases indicated in Joint Stock Company's law of Lithuanian Republic or according their request;
- presentation of company's documents and data to the manager of juridical persons register;
- presentation of company's documents to the Securities Commission and to Central Security Depository of Lithuania;
- public announcement of information, indicated in Joint Stock Company's law of Lithuanian Republic, in newspaper "Lietuvos rytas";
- presentation of information to shareholders;
- presentation of all necessary documents which are indicated in the contract with audit company for concrete inspection;
- other post execution indicated in Joint Stock Company's law of Lithuanian Republic and other laws and regulations, also in regulations of the company and in job description of company's manager.

According to the decision of General meeting of Shareholders dated May 12, 2009 the Audit committee is formed at AB „Linas“. Company's Audit committee consists of two members, one of which should be independent. General Meeting of shareholders elect or cancel members of Audit committee according to the offer of company's Board. The cadence period of audit committee – four years. Continuous cadence period of the member of Audit committee could not be longer than twelve years.

Main functions of Audit committee:

- to present recommendations to company's Board in relation with selection, nomination, repeated nomination and cancellation of external audit company and to present the contract conditions with audit company;
- to watch the execution process of external audit;
- to watch how external auditor keeps to the principles of objectivity and independence;
- to watch the preparation process of company's financial reports;
- to watch the system effectiveness of Company's internal control, risk management and internal audit, if it is working in the company;
- to execute other functions indicated in Lithuanian Republic laws and to keep to provided recommendations of management codex of companies listed at Vilnius NASDAQ OMX.

## ***22. Data about the Board members and administration of the Company.***

**RAMUNAS LENCIAUSKAS** – Chairman of the Board. University education, graduated from the Kaunas Technology University where studied machine engineering, economics and management. Qualifications – engineer-economist. 1995-2005 AB “Linas” manager (president), general director, president, temporary expert of business and finance strategic management, adviser on business and finance strategic management; 2007-2008 AB “Linas” adviser on business and finance strategic management, director. Holds 2 399 442 ordinary registered shares of the AB „Linas“. The total percentage of shares capital and votes in the total of the issuer is 9,98 %. The owner of R. Lenciauskas individual company.

**MARTYNAS JASINSKAS** – member of the Board and head of administration of the Company – the Director. University education, graduated from engineering industry and management studies in baccalaureate and engineering of technical textile studies in master's degree in the Kaunas Technology University. Since 11-08-2008 - Director of the AB “Linas”. Does not hold shares of the Company.

**DAIVA MINKEVICIENE** – Since 13-10-2008 chief accountant – chief of section of accounting and analysis of the Company. University education, graduated from economics studies in the Vilnius University. Does not hold shares of the Company.

**GINTARE DAMBRAUSKAITE-LENCIAUSKE** – member of the Board. Higher education, finished management and business administration bachelor studies at Management and economic university (ISM) and master studies of human resources management at Mykolo Romeris university. The director of VSI “Verslo guru”. The director of UAB “Linus Sventoji”. The director of UAB “Salduta”. The director of UAB “NI Linasta”. Does not hold shares of the Company.

Members of the Board are elected on May 17, 2011 during General meeting of shareholders for four year cadence.

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

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 2012 (Lt)	Payment from profit for 2012 (Lt)	Other payments from profit (Lt)	Total (Lt)
Average per member of the Board	-	-	-	-
Total for all members of the Board	-	-	-	-
Average per member of administration	107 284	-	-	107 284
Total for all members of administration	214 568	-	-	214 568

Members of Audit committee were elected for four years cadence during General meeting of shareholders on May 12, 2009. Authorizations are granted to the members of Audit committee and their executing functions are according to regulations of Audit committee.

**VILMA POLIKEVICIENE** – member of Audit committee. Deputy of AB “Linus” chief accountant – manager of accounting department for taxing accounting. Does not hold shares of the Company.

**EUGIDIJUS RICARDAS MORDAS** – independent member of Audit committee. Manager, auditor of UAB “E. Mordas ir partneriai”. Does not hold shares of the Company.

**23. 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.

**24. 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.

**25. Information on the significant transactions between related parties.**

Information on the transactions between the related parties is provided in section 4.22 of the explanatory notes to the financial statements.

**26. Information about signed bad contracts (which are not corresponding the goals, present common market conditions, breaking the interest of shareholders or interest of other persons, etc.) of the company in the name of issuer during the accounting period, which had or in future will have negative influence on the activity of issuer and (or) activity results, also the**

***information about the contracts which were signed during the conflicts between issuer managers, controlling shareholders or other related parties obligations for issuer and their private interest and (or) other obligations.***

None.

***27. Information on the compliance with the corporate governance code.***

The information regarding compliance with the corporate governance code is presented in Annex 1.

***28. Data about publicly disclosed information.***

During January – December of year 2012 the Company announced following essential events:

2012-02-28 Preliminary not audited activity results of twelve months of year 2011 of company AB “Linās” and Group of companies;

2012-03-23 AB “Linās” the Ordinary General Meeting of Shareholders convocation;

2012-04-05 Draft Resolutions of the Annual General Meeting of Shareholders;

2012-04-27 AB “Linās” General Meeting of Shareholders didn’t take place. Repeated General Meeting of Shareholders will be held on May 15, 2012;

2012-04-27 Draft Resolutions of the Repeated Annual General Meeting of Shareholders of AB “Linās”;

2012-05-09 Notification about disposal and acquisition of a block of shares;

2012-05-15 Resolutions of Repeated Annual General Meeting of Shareholders;

2012-05-29 Activity results of three months of year 2012 of company AB “Linās” and Group of companies;

2012-08-30 Activity results of six months of year 2012 of company AB “Linās” and Group of companies;

2012-10-31 Notification about disposal and acquisition of a block of shares;

2012-11-06 Specified notification about disposal and acquisition of a block of shares;

2012-11-29 Activity results of nine months of year 2012 of company AB “Linās” and Group of companies.

All information on material events made public during 2012 is available on the AB „Linās“ webpage [www.linās.lt](http://www.linās.lt).

AB “Linās” information about general meeting of shareholders is published in daily paper “Lietuvos rytas”.

Director



Martynas Jasinskas

**Disclosure form concerning the compliance with the Governance Code for the companies listed on the regulated market**

The public company „*Name of Issuer*“, following Article 21 paragraph 3 of the Law on Securities of the Republic of Lithuania and item 20.5 of the Trading Rules of the Vilnius Stock Exchange, discloses its compliance with the Governance Code, approved by the VSE for the companies listed on the regulated market, and its specific provisions. In the event of non-compliance with the Code or with certain provisions thereof, it must be specified which provisions are not complied with and the reasons of non-compliance.

PRINCIPLES/ RECOMMENDATIONS	YES/NO /NOT APPLICABLE	COMMENTARY
<p><b>Principle I: Basic Provisions</b></p>		
<p><b>The overriding objective of a company should be to operate in common interests of all the shareholders by optimizing over time shareholder value.</b></p>		
<p>1.1. A company should adopt and make public the company's development strategy and objectives by clearly declaring how the company intends to meet the interests of its shareholders and optimize shareholder value.</p>	<p>YES</p>	<p>Company presents such kind of information in company's web page <a href="http://www.linus.lt">www.linus.lt</a> and in the reports of NASDAQ OMX Vilnius.</p>
<p>1.2. All management bodies of a company should act in furtherance of the declared strategic objectives in view of the need to optimize shareholder value.</p>	<p>YES</p>	
<p>1.3. A company's supervisory and management bodies should act in close co-operation in order to attain maximum benefit for the company and its shareholders.</p>	<p>YES</p>	<p>The Company bodies (the board and manager of the Company) co-operate when dealing with issues of importance to the activity of the Company. The board and the manager hold joint sessions.</p>
<p>1.4. A company's supervisory and management bodies should ensure that the rights and interests of persons other than the company's shareholders (e.g. employees, creditors, suppliers, clients, local community), participating in or connected with the company's operation, are duly respected.</p>	<p>YES</p>	
<p><b>Principle II: The corporate governance framework</b></p>		
<p><b>The corporate governance framework should ensure the strategic guidance of the company, the effective oversight of the company's management bodies, an appropriate balance and distribution of functions between the company's bodies, protection of the shareholders' interests.</b></p>		
<p>2.1. Besides obligatory bodies provided for in the Law on Companies of the Republic of Lithuania – a general shareholders' meeting and the chief executive officer, it is recommended that a company should set up both a collegial supervisory body and a collegial management body. The setting up of collegial bodies for supervision and management facilitates clear separation of management and supervisory functions in the company, accountability and control on the part of the chief executive officer, which, in its turn, facilitate a more efficient and transparent management process.</p>	<p>NO</p>	<p>Supervisory Board is not formed in the company. Company's Board is executing functions of supervision body in a particular level. The Board of company controls and supervises how the chief executive officer and management execute the strategy of the company.</p>
<p>2.2. A collegial management body is responsible for the strategic management of the company and performs other key functions of corporate governance. A collegial supervisory body is responsible for the effective supervision of the company's management</p>	<p>YES</p>	<p>As the Company has collegial management body, the board, there is no collegial supervision body in the Company.</p>



bodies.		
2.3. Where a company chooses to form only one collegial body, it is recommended that it should be a supervisory body, i.e. the supervisory board. In such a case, the supervisory board is responsible for the effective monitoring of the functions performed by the company's chief executive officer.	NO	Supervisory Board is not formed in the company. Board of company is executing the supervision of prosecuted functions of chief executive of the company.
2.4. The collegial supervisory body to be elected by the general shareholders' meeting should be set up and should act in the manner defined in Principles III and IV. Where a company should decide not to set up a collegial supervisory body but rather a collegial management body, i.e. the board, Principles III and IV should apply to the board as long as that does not contradict the essence and purpose of this body.	YES	
2.5. Company's management and supervisory bodies should comprise such number of board (executive directors) and supervisory (non-executive directors) board members that no individual or small group of individuals can dominate decision-making on the part of these bodies.	YES	Company's Board is made of 4 members.
2.6. Non-executive directors or members of the supervisory board should be appointed for specified terms subject to individual re-election, at maximum intervals provided for in the Lithuanian legislation with a view to ensuring necessary development of professional experience and sufficiently frequent reconfirmation of their status. A possibility to remove them should also be stipulated however this procedure should not be easier than the removal procedure for an executive director or a member of the management board.	YES	The board holds office for four years. The statutes of the company set no restriction on re-election of the same individuals to hold office.
2.7. Chairman of the collegial body elected by the general shareholders' meeting may be a person whose current or past office constitutes no obstacle to conduct independent and impartial supervision. Where a company should decide not to set up a supervisory board but rather the board, it is recommended that the chairman of the board and chief executive officer of the company should be a different person. Former company's chief executive officer should not be immediately nominated as the chairman of the collegial body elected by the general shareholders' meeting. When a company chooses to depart from these recommendations, it should furnish information on the measures it has taken to ensure impartiality of the supervision.	YES	
<p><b>Principle III: The order of the formation of a collegial body to be elected by a general shareholders' meeting</b></p> <p><b>The order of the formation a collegial body to be elected by a general shareholders' meeting should ensure representation of minority shareholders, accountability of this body to the shareholders and objective monitoring of the company's operation and its management bodies.<sup>1</sup></b></p>		
3.1. The mechanism of the formation of a collegial body to be elected by a general shareholders' meeting (hereinafter in this Principle referred to as the 'collegial body') should ensure objective and fair monitoring of the company's management bodies as well as representation of minority shareholders.	YES	The Company shall make information on candidates to the board members publicly available; voting mechanism shall be employed to implement those references. Members of collegial body of the Company are remunerated on the funds of the Company.

<p>3.2. Names and surnames of the candidates to become members of a collegial body, information about their education, qualification, professional background, positions taken and potential conflicts of interest should be disclosed early enough before the general shareholders' meeting so that the shareholders would have sufficient time to make an informed voting decision. All factors affecting the candidate's independence, the sample list of which is set out in Recommendation 3.7, should be also disclosed. The collegial body should also be informed on any subsequent changes in the provided information. The collegial body should, on yearly basis, collect data provided in this item on its members and disclose this in the company's annual report.</p>	<p>YES</p>	<p>The information above shall be provided and updated regularly, in the annual and interim reports of the company.</p>
<p>3.3. Should a person be nominated for members of a collegial body, such nomination should be followed by the disclosure of information on candidate's particular competences relevant to his/her service on the collegial body. In order shareholders and investors are able to ascertain whether member's competence is further relevant, the collegial body should, in its annual report, disclose the information on its composition and particular competences of individual members which are relevant to their service on the collegial body.</p>	<p>NO</p>	<p>The Company shall not make any information publicly available, unless the same is provided by the members of collegial body; the information on the composition of collegial body shall be included in the annual and interim reports of the Company.</p>
<p>3.4. In order to maintain a proper balance in terms of the current qualifications possessed by its members, the collegial body should determine its desired composition with regard to the company's structure and activities, and have this periodically evaluated. The collegial body should ensure that it is composed of members who, as a whole, have the required diversity of knowledge, judgment and experience to complete their tasks properly. The members of the audit committee, collectively, should have a recent knowledge and relevant experience in the fields of finance, accounting and/or audit for the stock exchange listed companies.</p>	<p>YES</p>	
<p>3.5. All new members of the collegial body should be offered a tailored program focused on introducing a member with his/her duties, corporate organization and activities. The collegial body should conduct an annual review to identify fields where its members need to update their skills and knowledge.</p>	<p>YES/NO</p>	<p>Individual program is not foreseen, because it is not required by any laws.</p>
<p>3.6. In order to ensure that all material conflicts of interest related with a member of the collegial body are resolved properly, the collegial body should comprise a sufficient number of independent members.</p>	<p>NO</p>	<p>The Company applies no evaluation on independence of the members of collegial body.</p>

<p>3.7. A member of the collegial body should be considered to be independent only if he is free of any business, family or other relationship with the company, its controlling shareholder or the management of either, that creates a conflict of interest such as to impair his judgment. Since all cases when member of the collegial body is likely to become dependant are impossible to list, moreover, relationships and circumstances associated with the determination of independence may vary amongst companies and the best practices of solving this problem are yet to evolve in the course of time, assessment of independence of a member of the collegial body should be based on the contents of the relationship and circumstances rather than their form. The key criteria for identifying whether a member of the collegial body can be considered to be independent are the following:</p> <p>He/she is not an executive director or member of the board (if a collegial body elected by the general shareholders' meeting is the supervisory board) of the company or any associated company and has not been such during the last five years;</p> <p>He/she is not an employee of the company or some any company and has not been such during the last three years, except for cases when a member of the collegial body does not belong to the senior management and was elected to the collegial body as a representative of the employees;</p> <p>He/she is not receiving or has been not receiving significant additional remuneration from the company or associated company other than remuneration for the office in the collegial body. Such additional remuneration includes participation in share options or some other performance based pay systems; it does not include compensation payments for the previous office in the company (provided that such payment is no way related with later position) as per pension plans (inclusive of deferred compensations);</p> <p>He/she is not a controlling shareholder or representative of such shareholder (control as defined in the Council Directive 83/349/EEC Article 1 Part 1);</p> <p>He/she does not have and did not have any material business relations with the company or associated company within the past year directly or as a partner, shareholder, director or superior employee of the subject having such relationship. A subject is considered to have business relations when it is a major supplier or service provider (inclusive of financial, legal, counseling and consulting services), major client or organization receiving significant payments from the company or its group;</p> <p>He/she is not and has not been, during the last three years, partner or employee of the current or former external audit company of the company or associated company;</p> <p>He/she is not an executive director or member of the board in some other company where executive</p>	<p>NO</p>	<p>The Company does not follow reference given by the management code, as the members of collegial body are related to the key shareholders of the Company.</p>
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<p>director of the company or member of the board (if a collegial body elected by the general shareholders' meeting is the supervisory board) is non-executive director or member of the supervisory board, he/she may not also have any other material relationships with executive directors of the company that arise from their participation in activities of other companies or bodies;</p> <p>He/she has not been in the position of a member of the collegial body for over than 12 years;</p> <p>He/she is not a close relative to an executive director or member of the board (if a collegial body elected by the general shareholders' meeting is the supervisory board) or to any person listed in above items 1 to 8. Close relative is considered to be a spouse (common-law spouse), children and parents.</p>		
<p>3.8. The determination of what constitutes independence is fundamentally an issue for the collegial body itself to determine. The collegial body may decide that, despite a particular member meets all the criteria of independence laid down in this Code, he cannot be considered independent due to special personal or company-related circumstances.</p>	<p>Not applicable</p>	
<p>3.9. Necessary information on conclusions the collegial body has come to in its determination of whether a particular member of the body should be considered to be independent should be disclosed. When a person is nominated to become a member of the collegial body, the company should disclose whether it considers the person to be independent. When a particular member of the collegial body does not meet one or more criteria of independence set out in this Code, the company should disclose its reasons for nevertheless considering the member to be independent. In addition, the company should annually disclose which members of the collegial body it considers to be independent.</p>	<p>NO</p>	<p>The Company applies no evaluation on independence of the members of collegial body.</p>
<p>3.10. When one or more criteria of independence set out in this Code has not been met throughout the year, the company should disclose its reasons for considering a particular member of the collegial body to be independent. To ensure accuracy of the information disclosed in relation with the independence of the members of the collegial body, the company should require independent members to have their independence periodically re-confirmed.</p>	<p>NO</p>	<p>The Company's statements indicate the relation of the board members to the Company, although the same applies no evaluation on independence of the members of collegial body.</p>
<p>3.11. In order to remunerate members of a collegial body for their work and participation in the meetings of the collegial body, they may be remunerated from the company's funds. The general shareholders' meeting should approve the amount of such remuneration.</p>	<p>Not applicable</p>	<p>Company is not remunerates the members of Board.</p>
<p><b>Principle IV: The duties and liabilities of a collegial body elected by the general shareholders' meeting</b></p> <p><b>The corporate governance framework should ensure proper and effective functioning of the collegial body elected by the general shareholders' meeting, and the powers granted to the collegial body should ensure effective monitoring<sup>1</sup> of</b></p>		

<b>the company's management bodies and protection of interests of all the company's shareholders.</b>		
4.1. The collegial body elected by the general shareholders' meeting (hereinafter in this Principle referred to as the 'collegial body') should ensure integrity and transparency of the company's financial statements and the control system. The collegial body should issue recommendations to the company's management bodies and monitor and control the company's management performance.	YES	The Board is doing all supervision functions of management body activity which are attributed to the Board of the company.
4.2. Members of the collegial body should act in good faith, with care and responsibility for the benefit and in the interests of the company and its shareholders with due regard to the interests of employees and public welfare. Independent members of the collegial body should (a) under all circumstances maintain independence of their analysis, decision-making and actions (b) do not seek and accept any unjustified privileges that might compromise their independence, and (c) clearly express their objections should a member consider that decision of the collegial body is against the interests of the company. Should a collegial body have passed decisions independent member has serious doubts about, the member should make adequate conclusions. Should an independent member resign from his office, he should explain the reasons in a letter addressed to the collegial body or audit committee and, if necessary, respective company-not-pertaining body (institution).	YES/NO	Members of Board are acting in behalf of company and shareholders and in behalf of their interest. The independency of members of the Board is not valued.
4.3. Each member should devote sufficient time and attention to perform his duties as a member of the collegial body. Each member of the collegial body should limit other professional obligations of his (in particular any directorships held in other companies) in such a manner they do not interfere with proper performance of duties of a member of the collegial body. In the event a member of the collegial body should be present in less than a half of the meetings of the collegial body throughout the financial year of the company, shareholders of the company should be notified.	YES/NO	Members of Board are participating in the meetings and paying a lot of attention to the execution of their responsibilities. The company is not informing shareholders about the participation of members of Board in the meetings.
4.4. Where decisions of a collegial body may have a different effect on the company's shareholders, the collegial body should treat all shareholders impartially and fairly. It should ensure that shareholders are properly informed on the company's affairs, strategies, risk management and resolution of conflicts of interest. The company should have a clearly established role of members of the collegial body when communicating with and committing to shareholders.	YES	The member of the board of the Company follow legislative principles governing communication to the shareholders and make key information on the activity of the Company available at the Company's website at <a href="http://www.linass.lt">www.linass.lt</a> , as well as in reports of NASDAQ OMX Vilnius.
4.5. It is recommended that transactions (except insignificant ones due to their low value or concluded when carrying out routine operations in the company under usual conditions), concluded between the company and its shareholders, members of the supervisory or managing bodies or other natural or legal persons that exert or may exert influence on the company's management should be subject to approval of the collegial body. The decision concerning approval of such transactions should be deemed adopted only provided the majority of the independent members of the collegial body voted for such a decision.	YES	

<p>4.6. The collegial body should be independent in passing decisions that are significant for the company's operations and strategy. Taken separately, the collegial body should be independent of the company's management bodies. Members of the collegial body should act and pass decisions without an outside influence from the persons who have elected it. Companies should ensure that the collegial body and its committees are provided with sufficient administrative and financial resources to discharge their duties, including the right to obtain, in particular from employees of the company, all the necessary information or to seek independent legal, accounting or any other advice on issues pertaining to the competence of the collegial body and its committees.</p>	<p>YES</p>	
<p>4.7. Activities of the collegial body should be organized in a manner that independent members of the collegial body could have major influence in relevant areas where chances of occurrence of conflicts of interest are very high. Such areas to be considered as highly relevant are issues of nomination of company's directors, determination of directors' remuneration and control and assessment of company's audit. Therefore when the mentioned issues are attributable to the competence of the collegial body, it is recommended that the collegial body should establish nomination, remuneration, and audit committees. Companies should ensure that the functions attributable to the nomination, remuneration, and audit committees are carried out. However they may decide to merge these functions and set up less than three committees. In such case a company should explain in detail reasons behind the selection of alternative approach and how the selected approach complies with the objectives set forth for the three different committees. Should the collegial body of the company comprise small number of members, the functions assigned to the three committees may be performed by the collegial body itself, provided that it meets composition requirements advocated for the committees and that adequate information is provided in this respect. In such case provisions of this Code relating to the committees of the collegial body (in particular with respect to their role, operation, and transparency) should apply, where relevant, to the collegial body as a whole.</p>	<p>YES/NO</p>	<p>The Board is elected from four members, so recommended nominations and salaries functions of committees are transferred to the Board. The board shall appoint director of the Company, ensure regular assessment of his professional skills, take reports, assess the performance of strategic objectives. The board of the Company shall perform its functions, including approval, control and performance of budget. The board of the Company shall select auditor and offer the same for approval by the general meeting of the shareholders. Audit committee is formed from 2 members, the one of who is independent.</p>
<p>4.8. The key objective of the committees is to increase efficiency of the activities of the collegial body by ensuring that decisions are based on due consideration, and to help organize its work with a view to ensuring that the decisions it takes are free of material conflicts of interest. Committees should present the collegial body with recommendations concerning the decisions of the collegial body. Nevertheless the final decision shall be adopted by the collegial body. The recommendation on creation of committees is not intended, in principle, to constrict the competence of the collegial body or to remove the matters considered from the purview of the collegial body itself, which remains fully responsible for the decisions taken in its field of competence.</p>	<p>YES/NO</p>	<p>Nomination and salaries committees are not formed in the company. The execution of the mentioned committees functions are discussed in comment 4.7. The audit committee is formed in the company.</p>
<p>4.9. Committees established by the collegial body should normally be composed of at least three members. In companies with small number of members of the collegial body, they could</p>	<p>YES/NO</p>	<p>Nomination and salaries committees are not formed in the company. The execution of the mentioned committees functions are discussed in comment 4.7. Audit committee is formed from 2 members, the one of</p>

<p>exceptionally be composed of two members. Majority of the members of each committee should be constituted from independent members of the collegial body. In cases when the company chooses not to set up a supervisory board, remuneration and audit committees should be entirely comprised of non-executive directors. Chairmanship and membership of the committees should be decided with due regard to the need to ensure that committee membership is refreshed and that undue reliance is not placed on particular individuals.</p>		<p>who is independent.</p>
<p>4.10. Authority of each of the committees should be determined by the collegial body. Committees should perform their duties in line with authority delegated to them and inform the collegial body on their activities and performance on regular basis. Authority of every committee stipulating the role and rights and duties of the committee should be made public at least once a year (as part of the information disclosed by the company annually on its corporate governance structures and practices). Companies should also make public annually a statement by existing committees on their composition, number of meetings and attendance over the year, and their main activities. Audit committee should confirm that it is satisfied with the independence of the audit process and describe briefly the actions it has taken to reach this conclusion.</p>	<p>YES/NO</p>	<p>Nomination and salaries committees are not formed in the company. The execution of the mentioned committees functions are discussed in comment 4.7. The audit committee is formed in the company.</p>
<p>4.11. In order to ensure independence and impartiality of the committees, members of the collegial body that are not members of the committee should commonly have a right to participate in the meetings of the committee only if invited by the committee. A committee may invite or demand participation in the meeting of particular officers or experts. Chairman of each of the committees should have a possibility to maintain direct communication with the shareholders. Events when such are to be performed should be specified in the regulations for committee activities.</p>	<p>YES/NO</p>	<p>Nomination and salaries committees are not formed in the company. The execution of the mentioned committees functions are discussed in comment 4.7. The audit committee is formed in the company.</p>
<p>4.12. Nomination Committee. 4.12.1. Key functions of the nomination committee should be the following:</p> <ul style="list-style-type: none"> <li>• Identify and recommend, for the approval of the collegial body, candidates to fill board vacancies. The nomination committee should evaluate the balance of skills, knowledge and experience on the management body, prepare a description of the roles and capabilities required to assume a particular office, and assess the time commitment expected. Nomination committee can also consider candidates to members of the collegial body delegated by the shareholders of the company;</li> <li>• Assess on regular basis the structure, size, composition and performance of the supervisory and management bodies, and make recommendations to the collegial body regarding the means of achieving necessary changes;</li> <li>• Assess on regular basis the skills, knowledge and experience of individual directors and report on this to the collegial body;</li> <li>• Properly consider issues related to succession planning;</li> <li>• Review the policy of the management bodies for selection and appointment of senior management.</li> </ul>	<p>NO</p>	<p>Nomination and salaries committees are not formed in the company. The execution of the mentioned committees functions are discussed in comment 4.7.</p>

<p>4.12.2. Nomination committee should consider proposals by other parties, including management and shareholders. When dealing with issues related to executive directors or members of the board (if a collegial body elected by the general shareholders' meeting is the supervisory board) and senior management, chief executive officer of the company should be consulted by, and entitled to submit proposals to the nomination committee.</p>		
<p>4.13. Remuneration Committee. 4.13.1. Key functions of the remuneration committee should be the following:</p> <ul style="list-style-type: none"> <li>• Make proposals, for the approval of the collegial body, on the remuneration policy for members of management bodies and executive directors. Such policy should address all forms of compensation, including the fixed remuneration, performance-based remuneration schemes, pension arrangements, and termination payments. Proposals considering performance-based remuneration schemes should be accompanied with recommendations on the related objectives and evaluation criteria, with a view to properly aligning the pay of executive director and members of the management bodies with the long-term interests of the shareholders and the objectives set by the collegial body;</li> <li>• Make proposals to the collegial body on the individual remuneration for executive directors and member of management bodies in order their remunerations are consistent with company's remuneration policy and the evaluation of the performance of these persons concerned. In doing so, the committee should be properly informed on the total compensation obtained by executive directors and members of the management bodies from the affiliated companies;</li> <li>• Make proposals to the collegial body on suitable forms of contracts for executive directors and members of the management bodies;</li> <li>• Assist the collegial body in overseeing how the company complies with applicable provisions regarding the remuneration-related information disclosure (in particular the remuneration policy applied and individual remuneration of directors);</li> <li>• Make general recommendations to the executive directors and members of the management bodies on the level and structure of remuneration for senior management (as defined by the collegial body) with regard to the respective information provided by the executive directors and members of the management bodies.</li> </ul> <p>4.13.2. With respect to stock options and other share-based incentives which may be granted to directors or other employees, the committee should:</p> <ul style="list-style-type: none"> <li>• Consider general policy regarding the granting of the above mentioned schemes, in particular stock options, and make any related proposals to the collegial body;</li> <li>• Examine the related information that is given in the company's annual report and documents intended for the use during the shareholders meeting;</li> <li>• Make proposals to the collegial body regarding the choice between granting options to subscribe shares or granting options to purchase shares, specifying the reasons for its choice as well as the consequences that</li> </ul>	<p>NO</p>	<p>Nomination and salaries committees are not formed in the company. The execution of the mentioned committees functions are discussed in comment 4.7.</p>



<p>this choice has.</p> <p>4.13.3. Upon resolution of the issues attributable to the competence of the remuneration committee, the committee should at least address the chairman of the collegial body and/or chief executive officer of the company for their opinion on the remuneration of other executive directors or members of the management bodies.</p>		
<p>4.14. Audit Committee.</p> <p>4.14.1. Key functions of the audit committee should be the following:</p> <ul style="list-style-type: none"> <li>• Observe the integrity of the financial information provided by the company, in particular by reviewing the relevance and consistency of the accounting methods used by the company and its group (including the criteria for the consolidation of the accounts of companies in the group);</li> <li>• At least once a year review the systems of internal control and risk management to ensure that the key risks (inclusive of the risks in relation with compliance with existing laws and regulations) are properly identified, managed and reflected in the information provided;</li> <li>• Ensure the efficiency of the internal audit function, among other things, by making recommendations on the selection, appointment, reappointment and removal of the head of the internal audit department and on the budget of the department, and by monitoring the responsiveness of the management to its findings and recommendations. Should there be no internal audit authority in the company, the need for one should be reviewed at least annually;</li> <li>• Make recommendations to the collegial body related with selection, appointment, reappointment and removal of the external auditor (to be done by the general shareholders' meeting) and with the terms and conditions of his engagement. The committee should investigate situations that lead to a resignation of the audit company or auditor and make recommendations on required actions in such situations;</li> <li>• Monitor independence and impartiality of the external auditor, in particular by reviewing the audit company's compliance with applicable guidance relating to the rotation of audit partners, the level of fees paid by the company, and similar issues. In order to prevent occurrence of material conflicts of interest, the committee, based on the auditor's disclosed inter alia data on all remunerations paid by the company to the auditor and network, should at all times monitor nature and extent of the non-audit services. Having regard to the principals and guidelines established in the 16 May 2002 Commission Recommendation 2002/590/EC, the committee should determine and apply a formal policy establishing types of non-audit services that are (a) excluded, (b) permissible only after review by the committee, and (c) permissible without referral to the committee;</li> <li>• Review efficiency of the external audit process and responsiveness of management to recommendations made in the external auditor's management letter.</li> </ul> <p>4.14.2. All members of the committee should be furnished with complete information on particulars of</p>	<p>YES</p>	<p>The audit committee is formed in the company.</p> <p>Main functions of Audit committee are:</p> <ol style="list-style-type: none"> <li>1.To present recommendations to the Board in relation with selection of external audit company, nomination, repeated nomination and redundancy, and with the contracts terms with audit company;</li> <li>2.To observe the process of external audit execution;</li> <li>3.To observe how external auditor keeps to principles of independency and objectivity;</li> <li>4.To observe the process of company's financial reports preparation;</li> <li>5. To observe the efficiency of company's internal control and risk management.</li> </ol>

<p>accounting, financial and other operations of the company. Company's management should inform the audit committee of the methods used to account for significant and unusual transactions where the accounting treatment may be open to different approaches. In such case a special consideration should be given to company's operations in offshore centers and/or activities carried out through special purpose vehicles (organizations) and justification of such operations.</p> <p>4.14.3. The audit committee should decide whether participation of the chairman of the collegial body, chief executive officer of the company, chief financial officer (or superior employees in charge of finances, treasury and accounting), or internal and external auditors in the meetings of the committee is required (if required, when). The committee should be entitled, when needed, to meet with any relevant person without executive directors and members of the management bodies present.</p> <p>4.14.4. Internal and external auditors should be secured with not only effective working relationship with management, but also with free access to the collegial body. For this purpose the audit committee should act as the principal contact person for the internal and external auditors.</p> <p>4.14.5. The audit committee should be informed of the internal auditor's work program, and should be furnished with internal audit's reports or periodic summaries. The audit committee should also be informed of the work program of the external auditor and should be furnished with report disclosing all relationships between the independent auditor and the company and its group. The committee should be timely furnished information on all issues arising from the audit.</p> <p>4.14.6. The audit committee should examine whether the company is following applicable provisions regarding the possibility for employees to report alleged significant irregularities in the company, by way of complaints or through anonymous submissions (normally to an independent member of the collegial body), and should ensure that there is a procedure established for proportionate and independent investigation of these issues and for appropriate follow-up action.</p> <p>4.14.7. The audit committee should report on its activities to the collegial body at least once in every six months, at the time the yearly and half-yearly statements are approved.</p>		
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<p>4.15. Every year the collegial body should conduct the assessment of its activities. The assessment should include evaluation of collegial body’s structure, work organization and ability to act as a group, evaluation of each of the collegial body member’s and committee’s competence and work efficiency and assessment whether the collegial body has achieved its objectives. The collegial body should, at least once a year, make public (as part of the information the company annually discloses on its management structures and practices) respective information on its internal organization and working procedures, and specify what material changes were made as a result of the assessment of the collegial body of its own activities.</p>	<p>NO</p>	<p>There is no Board evaluation practice in the company.</p>
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**Principle V: The working procedure of the company’s collegial bodies**

**The working procedure of supervisory and management bodies established in the company should ensure efficient operation of these bodies and decision-making and encourage active co-operation between the company’s bodies.**

<p>5.1. The company’s supervisory and management bodies (hereinafter in this Principle the concept ‘collegial bodies’ covers both the collegial bodies of supervision and the collegial bodies of management) should be chaired by chairpersons of these bodies. The chairperson of a collegial body is responsible for proper convocation of the collegial body meetings. The chairperson should ensure that information about the meeting being convened and its agenda are communicated to all members of the body. The chairperson of a collegial body should ensure appropriate conducting of the meetings of the collegial body. The chairperson should ensure order and working atmosphere during the meeting.</p>	<p>YES</p>	
<p>5.2. It is recommended that meetings of the company’s collegial bodies should be carried out according to the schedule approved in advance at certain intervals of time. Each company is free to decide how often to convene meetings of the collegial bodies, but it is recommended that these meetings should be convened at such intervals, which would guarantee an interrupted resolution of the essential corporate governance issues. Meetings of the company’s supervisory board should be convened at least once in a quarter, and the company’s board should meet at least once a month.</p>	<p>YES/NO</p>	<p>Meetings of Board are held not rarely than once per quarter.</p>
<p>5.3. Members of a collegial body should be notified about the meeting being convened in advance in order to allow sufficient time for proper preparation for the issues on the agenda of the meeting and to ensure fruitful discussion and adoption of appropriate decisions. Alongside with the notice about the meeting being convened, all the documents relevant to the issues on the agenda of the meeting should be submitted to the members of the collegial body. The agenda of the meeting should not be changed or supplemented during the meeting, unless all members of the collegial body are present or certain issues of great importance to the company require immediate resolution.</p>	<p>YES</p>	

<p>5.4. In order to co-ordinate operation of the company's collegial bodies and ensure effective decision-making process, chairpersons of the company's collegial bodies of supervision and management should closely co-operate by co-coordinating dates of the meetings, their agendas and resolving other issues of corporate governance. Members of the company's board should be free to attend meetings of the company's supervisory board, especially where issues concerning removal of the board members, their liability or remuneration are discussed.</p>	<p>Not applicable</p>	<p>Supervisory Board is not formed in the company.</p>
<p><b>Principle VI: The equitable treatment of shareholders and shareholder rights</b></p> <p><b>The corporate governance framework should ensure the equitable treatment of all shareholders, including minority and foreign shareholders. The corporate governance framework should protect the rights of the shareholders.</b></p>		
<p>6.1. It is recommended that the company's capital should consist only of the shares that grant the same rights to voting, ownership, dividend and other rights to all their holders.</p>	<p>YES</p>	
<p>6.2. It is recommended that investors should have access to the information concerning the rights attached to the shares of the new issue or those issued earlier in advance, i.e. before they purchase shares.</p>	<p>YES</p>	
<p>6.3. Transactions that are important to the company and its shareholders, such as transfer, investment, and pledge of the company's assets or any other type of encumbrance should be subject to approval of the general shareholders' meeting. All shareholders should be furnished with equal opportunity to familiarize with and participate in the decision-making process when significant corporate issues, including approval of transactions referred to above, are discussed.</p>	<p>YES/NO</p>	<p>Shareholders of the company presented the right to the Board to solve regarding company's property transfer, investment, mortgage or other difficulty.</p>
<p>6.4. Procedures of convening and conducting a general shareholders' meeting should ensure equal opportunities for the shareholders to effectively participate at the meetings and should not prejudice the rights and interests of the shareholders. The venue, date, and time of the shareholders' meeting should not hinder wide attendance of the shareholders. Prior to the shareholders' meeting, the company's supervisory and management bodies should enable the shareholders to lodge questions on issues on the agenda of the general shareholders' meeting and receive answers to them.</p>	<p>YES</p>	
<p>6.5. It is recommended that documents on the course of the general shareholders' meeting, including draft resolutions of the meeting, should be placed on the publicly accessible website of the company in advance. It is recommended that the minutes of the general shareholders' meeting after signing them and/or adopted resolutions should be also placed on the publicly accessible website of the company. Seeking to ensure the right of foreigners to familiarize with the information, whenever feasible, documents referred to in this recommendation should be published in English and/or other foreign languages. Documents referred to in this recommendation may be published on the publicly accessible website of the company to the extent that publishing of these documents is not detrimental to the company or the company's commercial secrets are not revealed.</p>	<p>YES</p>	<p>All information for the shareholders is announced acting acc. to AB Law and company's regulations.</p>

6.6. Shareholders should be furnished with the opportunity to vote in the general shareholders' meeting in person and in absentia. Shareholders should not be prevented from voting in writing in advance by completing the general voting ballot.	YES	
6.7. With a view to increasing the shareholders' opportunities to participate effectively at shareholders' meetings, the companies are recommended to expand use of modern technologies in voting processes by allowing the shareholders to vote in general meetings via terminal equipment of telecommunications. In such cases security of telecommunication equipment, text protection and a possibility to identify the signature of the voting person should be guaranteed. Moreover, companies could furnish its shareholders, especially foreigners, with the opportunity to watch shareholder meetings by means of modern technologies.	NO	Shareholders did not present the requests to use modern technologies during the voting.
<p><b>Principle VII: The avoidance of conflicts of interest and their disclosure</b></p> <p><b>The corporate governance framework should encourage members of the corporate bodies to avoid conflicts of interest and assure transparent and effective mechanism of disclosure of conflicts of interest regarding members of the corporate bodies.</b></p>		
7.1. Any member of the company's supervisory and management body should avoid a situation, in which his/her personal interests are in conflict or may be in conflict with the company's interests. In case such a situation did occur, a member of the company's supervisory and management body should, within reasonable time, inform other members of the same collegial body or the company's body that has elected him/her, or to the company's shareholders about a situation of a conflict of interest, indicate the nature of the conflict and value, where possible.	YES	
7.2. Any member of the company's supervisory and management body may not mix the company's assets, the use of which has not been mutually agreed upon, with his/her personal assets or use them or the information which he/she learns by virtue of his/her position as a member of a corporate body for his/her personal benefit or for the benefit of any third person without a prior agreement of the general shareholders' meeting or any other corporate body authorized by the meeting.	YES	
7.3. Any member of the company's supervisory and management body may conclude a transaction with the company, a member of a corporate body of which he/she is. Such a transaction (except insignificant ones due to their low value or concluded when carrying out routine operations in the company under usual conditions) must be immediately reported in writing or orally, by recording this in the minutes of the meeting, to other members of the same corporate body or to the corporate body that has elected him/her or to the company's shareholders. Transactions specified in this recommendation are also subject to recommendation 4.5.	YES	
7.4. Any member of the company's supervisory and management body should abstain from voting when decisions concerning transactions or other issues of personal or business interest are voted on.	YES	
<p><b>Principle VIII: Company's remuneration policy</b></p>		

<b>Remuneration policy and procedure for approval, revision and disclosure of directors' remuneration established in the company should prevent potential conflicts of interest and abuse in determining remuneration of directors, in addition it should ensure publicity and transparency both of company's remuneration policy and remuneration of directors.</b>		
8.1. A company should make a public statement of the company's remuneration policy (hereinafter the remuneration statement). This statement should be part of the company's annual accounts. Remuneration statement should also be posted on the company's website.	NO	The company, acc. to the order indicated by the law, announces in the periodical statements only the total salary sum of the company's head and board. The company keeps to the principle that payments related to job is not public announced and confidential information.
8.2. Remuneration statement should mainly focus on directors' remuneration policy for the following year and, if appropriate, the subsequent years. The statement should contain a summary of the implementation of the remuneration policy in the previous financial year. Special attention should be given to any significant changes in company's remuneration policy as compared to the previous financial year.	Not applicable	See comment 8.1.
8.3. Remuneration statement should leastwise include the following information: <ul style="list-style-type: none"> <li>• Explanation of the relative importance of the variable and non-variable components of directors' remuneration;</li> <li>• Sufficient information on performance criteria that entitles directors to share options, shares or variable components of remuneration;</li> <li>• Sufficient information on the linkage between the remuneration and performance;</li> <li>• The main parameters and rationale for any annual bonus scheme and any other non-cash benefits;</li> <li>• A description of the main characteristics of supplementary pension or early retirement schemes for directors.</li> </ul>	Not applicable	See comment 8.1.
8.4. Remuneration statement should also summarize and explain company's policy regarding the terms of the contracts executed with executive directors and members of the management bodies. It should include, inter alia, information on the duration of contracts with executive directors and members of the management bodies, the applicable notice periods and details of provisions for termination payments linked to early termination under contracts for executive directors and members of the management bodies.	Not applicable	See comment 8.1.
8.5. The information on preparatory and decision-making processes, during which a policy of remuneration of directors is being established, should also be disclosed. Information should include data, if applicable, on authorities and composition of the remuneration committee, names and surnames of external consultants whose services have been used in determination of the remuneration policy as well as the role of shareholders' annual general meeting.	Not applicable	See comment 8.1.
8.6. Without prejudice to the role and organization of the relevant bodies responsible for setting directors' remunerations, the remuneration policy or any other significant change in remuneration policy should be included into the agenda of the shareholders' annual general meeting. Remuneration statement should be put for voting in shareholders' annual general meeting. The vote may be either mandatory or advisory.	Not applicable	See comment 8.1.

<p>8.7. Remuneration statement should also contain detailed information on the entire amount of remuneration, inclusive of other benefits, that was paid to individual directors over the relevant financial year. This document should list at least the information set out in items 8.7.1 to 8.7.4 for each person who has served as a director of the company at any time during the relevant financial year.</p> <p>8.7.1. The following remuneration and/or emoluments-related information should be disclosed:</p> <ul style="list-style-type: none"> <li>• The total amount of remuneration paid or due to the director for services performed during the relevant financial year, inclusive of, where relevant, attendance fees fixed by the annual general shareholders meeting;</li> <li>• The remuneration and advantages received from any undertaking belonging to the same group;</li> <li>• The remuneration paid in the form of profit sharing and/or bonus payments and the reasons why such bonus payments and/or profit sharing were granted;</li> <li>• If permissible by the law, any significant additional remuneration paid to directors for special services outside the scope of the usual functions of a director;</li> <li>• Compensation receivable or paid to each former executive director or member of the management body as a result of his resignation from the office during the previous financial year;</li> <li>• Total estimated value of non-cash benefits considered as remuneration, other than the items covered in the above points.</li> </ul> <p>8.7.2. As regards shares and/or rights to acquire share options and/or all other share-incentive schemes, the following information should be disclosed:</p> <ul style="list-style-type: none"> <li>• The number of share options offered or shares granted by the company during the relevant financial year and their conditions of application;</li> <li>• The number of shares options exercised during the relevant financial year and, for each of them, the number of shares involved and the exercise price or the value of the interest in the share incentive scheme at the end of the financial year;</li> <li>• The number of share options unexercised at the end of the financial year; their exercise price, the exercise date and the main conditions for the exercise of the rights;</li> <li>• All changes in the terms and conditions of existing share options occurring during the financial year.</li> </ul> <p>8.7.3. The following supplementary pension schemes-related information should be disclosed:</p> <ul style="list-style-type: none"> <li>• When the pension scheme is a defined-benefit scheme, changes in the directors' accrued benefits under that scheme during the relevant financial year;</li> <li>• When the pension scheme is defined-contribution scheme, detailed information on contributions paid or payable by the company in respect of that director during the relevant financial year.</li> </ul> <p>8.7.4. The statement should also state amounts that the company or any subsidiary company or entity included in the consolidated annual financial statements of the company has paid to each person who has served as a director in the company at any time during the relevant financial year in the form of loans, advance payments or guarantees, including the amount outstanding and the interest rate.</p>	<p>Not applicable</p>	<p>See comment 8.1.</p>
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<p>8.8. Schemes anticipating remuneration of directors in shares, share options or any other right to purchase shares or be remunerated on the basis of share price movements should be subject to the prior approval of shareholders' annual general meeting by way of a resolution prior to their adoption. The approval of scheme should be related with the scheme itself and not to the grant of such share-based benefits under that scheme to individual directors. All significant changes in scheme provisions should also be subject to shareholders' approval prior to their adoption; the approval decision should be made in shareholders' annual general meeting. In such case shareholders should be notified on all terms of suggested changes and get an explanation on the impact of the suggested changes.</p>	<p>Not applicable</p>	<p>Such schemes are not applied in the company.</p>
<p>8.9. The following issues should be subject to approval by the shareholders' annual general meeting:</p> <ul style="list-style-type: none"> <li>• Grant of share-based schemes, including share options, to directors;</li> <li>• Determination of maximum number of shares and main conditions of share granting;</li> <li>• The term within which options can be exercised;</li> <li>• The conditions for any subsequent change in the exercise of the options, if permissible by law;</li> <li>• All other long-term incentive schemes for which directors are eligible and which are not available to other employees of the company under similar terms.</li> </ul> <p>Annual general meeting should also set the deadline within which the body responsible for remuneration of directors may award compensations listed in this article to individual directors.</p>	<p>Not applicable</p>	<p>Such forms for pays for the job are not applied in the company.</p>
<p>8.10. Should national law or company's Articles of Association allow, any discounted option arrangement under which any rights are granted to subscribe to shares at a price lower than the market value of the share prevailing on the day of the price determination, or the average of the market values over a number of days preceding the date when the exercise price is determined, should also be subject to the shareholders' approval.</p>	<p>Not applicable</p>	<p>Such forms for pays for the job are not applied in the company.</p>
<p>8.11. Provisions of Articles 8.8 and 8.9 should not be applicable to schemes allowing for participation under similar conditions to company's employees or employees of any subsidiary company whose employees are eligible to participate in the scheme and which has been approved in the shareholders' annual general meeting.</p>	<p>Not applicable</p>	<p>Such forms for pays for the job are not applied in the company.</p>



<p>8.12. Prior to the annual general meeting that is intended to consider decision stipulated in Article 8.8, the shareholders must be provided an opportunity to familiarize with draft resolution and project-related notice (the documents should be posted on the company’s website). The notice should contain the full text of the share-based remuneration schemes or a description of their key terms, as well as full names of the participants in the schemes. Notice should also specify the relationship of the schemes and the overall remuneration policy of the directors. Draft resolution must have a clear reference to the scheme itself or to the summary of its key terms. Shareholders must also be presented with information on how the company intends to provide for the shares required to meet its obligations under incentive schemes. It should be clearly stated whether the company intends to buy shares in the market, hold the shares in reserve or issue new ones. There should also be a summary on scheme-related expenses the company will suffer due to the anticipated application of the scheme. All information given in this article must be posted on the company’s website.</p>	<p>Not applicable</p>	<p>Such forms for pays for the job are not applied in the company.</p>
<p><b>Principle IX: The role of stakeholders in corporate governance</b></p> <p><b>The corporate governance framework should recognize the rights of stakeholders as established by law and encourage active co-operation between companies and stakeholders in creating the company value, jobs and financial sustainability. For the purposes of this Principle, the concept “stakeholders” includes investors, employees, creditors, suppliers, clients, local community and other persons having certain interest in the company concerned.</b></p>		
<p>9.1. The corporate governance framework should assure that the rights of stakeholders that are protected by law are respected.</p>	<p>YES</p>	
<p>9.2. The corporate governance framework should create conditions for the stakeholders to participate in corporate governance in the manner prescribed by law. Examples of mechanisms of stakeholder participation in corporate governance include: employee participation in adoption of certain key decisions for the company; consulting the employees on corporate governance and other important issues; employee participation in the company’s share capital; creditor involvement in governance in the context of the company’s insolvency, etc.</p>	<p>YES</p>	
<p>9.3. Where stakeholders participate in the corporate governance process, they should have access to relevant information.</p>	<p>YES</p>	<p>It is requested to sign confidential contract in order to be able to get acquainted with proper information.</p>
<p><b>Principle X: Information disclosure and transparency</b></p> <p><b>The corporate governance framework should ensure that timely and accurate disclosure is made on all material information regarding the company, including the financial situation, performance and governance of the company.</b></p>		
<p>10.1. The company should disclose information on:</p> <ul style="list-style-type: none"> <li>• The financial and operating results of the company;</li> <li>• Company objectives;</li> <li>• Persons holding by the right of ownership or in control of a block of shares in the company;</li> <li>• Members of the company’s supervisory and management bodies, chief executive officer of the company and their remuneration;</li> <li>• Material foreseeable risk factors;</li> <li>• Transactions between the company and connected persons, as well as transactions concluded outside the course of the company’s regular operations;</li> </ul>	<p>YES/NO</p>	<p>Company discloses the information which is not confidential. Company keeps to the principle that the payments related to job are not public announced and confidential information and it is impossible to announce some information without the allowance of persons.</p>

<ul style="list-style-type: none"> <li>• Material issues regarding employees and other stakeholders;</li> <li>• Governance structures and strategy.</li> </ul> <p>This list should be deemed as a minimum recommendation, while the companies are encouraged not to limit themselves to disclosure of the information specified in this list.</p>		
10.2. It is recommended that consolidated results of the whole group to which the company belongs should be disclosed when information specified in item 1 of Recommendation 10.1 is under disclosure.	YES	
10.3. It is recommended that information on the professional background, qualifications of the members of supervisory and management bodies, chief executive officer of the company should be disclosed as well as potential conflicts of interest that may have an effect on their decisions when information specified in item 4 of Recommendation 10.1 about the members of the company's supervisory and management bodies is under disclosure. It is also recommended that information about the amount of remuneration received from the company and other income should be disclosed with regard to members of the company's supervisory and management bodies and chief executive officer as per Principle VIII.	YES/NO	See comment 10.1.
10.4. It is recommended that information about the links between the company and its stakeholders, including employees, creditors, suppliers, local community, as well as the company's policy with regard to human resources, employee participation schemes in the company's share capital, etc. should be disclosed when information specified in item 7 of Recommendation 10.1 is under disclosure.	YES/NO	See comment 10.1.
10.5. Information should be disclosed in such a way that neither shareholders nor investors are discriminated with regard to the manner or scope of access to information. Information should be disclosed to all simultaneously. It is recommended that notices about material events should be announced before or after a trading session on the Vilnius Stock Exchange, so that all the company's shareholders and investors should have equal access to the information and make informed investing decisions.	YES	
10.6. Channels for disseminating information should provide for fair, timely and cost-efficient access to relevant information by users. It is recommended that information technologies should be employed for wider dissemination of information, for instance, by placing the information on the company's website. It is recommended that information should be published and placed on the company's website not only in Lithuanian, but also in English, and, whenever possible and necessary, in other languages as well.	YES	Information is announced in the web page of the company <a href="http://www.linass.lt">www.linass.lt</a> in Lithuanian and English languages.
10.7. It is recommended that the company's annual reports and other periodical accounts prepared by the company should be placed on the company's website. It is recommended that the company should announce information about material events and changes in the price of the company's shares on the Stock Exchange on the company's website too.	YES/NO	In company's web page <a href="http://www.linass.lt">www.linass.lt</a> it is announced: company's annual and interim reports, presentations of the activity results, audited financial reports, notices about essential events, regulations of the company.
<b>Principle XI: The selection of the company's auditor</b>		

<b>The mechanism of the selection of the company's auditor should ensure independence of the firm of auditor's conclusion and opinion.</b>		
11.1. An annual audit of the company's financial statements and report should be conducted by an independent firm of auditors in order to provide an external and objective opinion on the company's financial statements.	YES	
11.2. It is recommended that the company's supervisory board and, where it is not set up, the company's board should propose a candidate firm of auditors to the general shareholders' meeting.	YES	
11.3. It is recommended that the company should disclose to its shareholders the level of fees paid to the firm of auditors for non-audit services rendered to the company. This information should be also known to the company's supervisory board and, where it is not formed, the company's board upon their consideration which firm of auditors to propose for the general shareholders' meeting.	Not applicable	Audit company receives only the pay for presented audit services from the company which is know for the shareholders.



**AB LINAS**  
**CONSOLIDATED AND COMPANY'S**  
**ANNUAL FINANCIAL STATEMENTS**

**YEAR 2012**



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## INDEPENDENT AUDITOR'S REPORT

*To AB Linas shareholders*

### **Report on the Annual Financial Statements**

We audited the set of the annual financial reports of AB Linas (hereinafter referred to as the Company), and the consolidated financial reports of AB Linas and subsidiary UAB Lino Apdaila (hereinafter referred to as the Group) which consist of the financial report as of 31 December 2012, total income reports of 2012, Statement of Changes in Equity, Cash Flow Statement and the Notes to Financial Statements.

#### *Management responsibility for the financial reports*

The management is responsible for the preparation and fair presentation of these financial statements in accordance with the legislation of the Republic of Lithuania governing accounting and financial accountability, and the International Financial Reporting Standards applicable in the European Union, and for ensuring the internal control, which, to the management opinion, is relevant to the drafting of the financial reports that are free from material misstatement whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express the opinion on these financial statements based on our audit. We concluded our audit in accordance with the international standards on auditing. Those standards require that we comply with ethical requirements and plan and perform the audit so as to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The choice of procedures depends on the auditor's decision, including the assessment of risk of significant distortion of financial reporting due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate

in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. The audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial statements.

We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the annual financial statements in all significant aspect give a true and fair view of the financial condition of the Group and of the Company as at December 31, 2012 and of its financial operating results and cash flows for the year then ended in accordance with the legislation in force in the Republic of Lithuania governing accounting and drafting of the financial statements, as well as the International Financial Reporting Standards applicable in the European Union.

**Findings on other legal and regulatory requirements**

Moreover, we read the consolidated annual report of AB Linas of 2012 provided below and have not observed any significant discrepancies of the financial information contained in it, to the financial statements of 2012.

2013 04 05

Vilnius

UAB Revizorius

Audit company certificate No 001293

Company number 122894931

Gerosios Vilties g. 1, Vilnius

Auditor

Auditor's certificate No 000435



Audronė Vanda Jasaitienė

**Linás, AB**  
 Company Code 147689083  
 S. Kerbedzio 23, Panevezys

CONFIRMED by  
 General shareholders' meeting

Financial statements  
 formation date - 18 03 2013

**STATEMENT OF FINANCIAL POSITION**  
**31/12/2012**

Formulated according to TFAS  
 Reporting cycle 01 01 2012 - 31 12 2012

LTL

No.	ASSETS	Note No.	GROUP		COMPANY	
			Financial year	Previous financial year	Financial year	Previous financial year
<b>A.</b>	<b>Long-term assets</b>		<b>20.954.964</b>	<b>21.402.675</b>	<b>20.337.755</b>	<b>20.831.571</b>
<b>I.</b>	<b>Intangible assets</b>	2.2.; 4.1.;4.3.	<b>11.963</b>	<b>45.259</b>	<b>11.963</b>	<b>45.259</b>
I.1.	Developmental works		0	0	0	0
I.2.	Prestige		0	0	0	0
I.3.	Patents, licenses		0	0	0	0
I.4.	Software		11.962	44.978	11.962	44.978
I.5.	Other intangible assets		1	281	1	281
<b>II.</b>	<b>Tangible assets</b>	2.3.; 4.2.;4.3.	<b>2.633.629</b>	<b>2.959.281</b>	<b>2.006.420</b>	<b>2.378.177</b>
II.1.	Land		0	0	0	0
II.2.	Buildings		0	0	0	0
II.3.	Structures		15.824	18.119	0	0
II.4.	Machinery and equipment		2.376.932	2.694.514	1.795.745	2.165.315
II.5.	Means of transport		153.152	215.694	125.633	183.669
II.6.	Other equipment, appliances, instruments and gear		87.721	30.954	85.042	29.193
II.7.	Unfinished construction		0	0	0	0
II.8.	Other tangible assets		0	0	0	0
<b>III.</b>	<b>Investment property</b>	2.4.; 4.3.;4.4.	<b>149.480</b>	<b>159.729</b>	<b>149.480</b>	<b>159.729</b>
<b>IV.</b>	<b>Financial assets</b>	2.5.; 4.5.	<b>18.159.892</b>	<b>18.238.406</b>	<b>18.169.892</b>	<b>18.248.406</b>
IV.1.	Investments to affiliates and associated companies		0	0	10.000	10.000
IV.2.	Loans to affiliates and associated companies		0	0	0	0
IV.3.	Amounts received after one year	4.10.;4.22.	18.158.892	18.237.406	18.158.892	18.237.406
IV.4.	Other financial assets		1.000	1.000	1.000	1.000
<b>V.</b>	<b>Other long-term assets</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
V.1.	Deferred corporation tax assets		0	0	0	0
V.2.	Other long-term assets		0	0	0	0
<b>B.</b>	<b>Short-term assets</b>		<b>16.363.582</b>	<b>11.869.931</b>	<b>15.635.841</b>	<b>11.481.956</b>
<b>I.</b>	<b>Stocks, prepayments and unaccomplished contracts</b>		<b>8.256.881</b>	<b>6.992.801</b>	<b>7.876.884</b>	<b>6.856.910</b>
I.1.	Stocks	2.6.; 4.6.	8.090.459	6.838.717	7.761.070	6.708.107
I.1.1.	Raw materials and packaging products		4.030.390	3.209.276	3.823.653	3.022.775
I.1.2.	Unfinished production		186.347	166.810	0	0
I.1.3.	Ready production		3.873.316	3.440.390	3.937.011	3.663.091
I.1.4.	Goods, purchased for resell		406	22.241	406	22.241
I.1.5.	Other stock		0	0	0	0
I.2.	Prepayments	4.7.	166.422	154.084	115.814	148.803
I.3.	Unaccomplished contracts		0	0	0	0
<b>II.</b>	<b>Amounts, receivable over one year</b>	2.7.;4.8.;4.9.	<b>8.002.553</b>	<b>3.928.555</b>	<b>7.666.400</b>	<b>3.706.836</b>
II.1.	Customers' debts		7.523.595	3.228.672	7.463.706	3.152.079
II.2.	Debts of affiliates and associated companies		0	0	0	0
II.3.	Other receivable amounts		478.958	699.883	202.694	554.757
<b>III.</b>	<b>Other short-term assets</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
III.1.	Short-term investments		0	0	0	0
III.2.	Term deposits		0	0	0	0
III.3.	Other short-term assets		0	0	0	0
<b>IV.</b>	<b>Currency and its equivalents</b>	2.8.	<b>104.148</b>	<b>948.575</b>	<b>92.557</b>	<b>918.210</b>
	<b>Total assets</b>		<b>37.318.546</b>	<b>33.272.606</b>	<b>35.973.596</b>	<b>32.313.527</b>



No.	PRIVATE ASSETS AND OBLIGATIONS	Note No.	GROUP		COMPANY	
			Financial year	Previous financial year	Financial year	Previous financial year
<b>C.</b>	<b>Private assets</b>	2.9.	<b>27.272.205</b>	<b>24.478.986</b>	<b>26.671.436</b>	<b>24.250.077</b>
<b>I.</b>	<b>Capital</b>	4.11.	<b>24.038.990</b>	<b>24.038.990</b>	<b>24.038.990</b>	<b>24.038.990</b>
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
<b>II.</b>	<b>Revaluation reserve (results)</b>		0	0	0	0
<b>III.</b>	<b>Reserves</b>	4.12.	<b>412.087</b>	<b>1.000</b>	<b>211.087</b>	<b>0</b>
III.1.	Obligatory		212.087	1.000	211.087	0
III.2.	For purchase of proprietary shares		0	0	0	0
III.3.	Other reserves		200.000	0	0	0
<b>IV.</b>	<b>Retained profit (losses)</b>	4.13.	<b>2.821.128</b>	<b>438.996</b>	<b>2.421.359</b>	<b>211.087</b>
<b>IV.1.</b>	<b>Profit of reporting year (losses)</b>		<b>2.793.219</b>	<b>1.470.966</b>	<b>2.421.359</b>	<b>1.200.452</b>
IV.1.1.	Profit (loss) acknowledged in statement of comprehensive income		2.793.219	1.458.881	2.421.359	1.188.746
IV.1.2.	Profit (loss) not acknowledged in statement of comprehensive income		0	12.085	0	11.706
<b>IV.2.</b>	<b>Profit (loss) of previous year</b>		<b>27.909</b>	<b>(1.031.970)</b>	<b>0</b>	<b>(989.365)</b>
<b>V.</b>	<b>Non-controlled part</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>D.</b>	<b>Payable amounts and obligations</b>	2.11.;4.15.	<b>10.046.341</b>	<b>8.793.620</b>	<b>9.302.160</b>	<b>8.063.450</b>
<b>I.</b>	<b>Amounts payable after one year and long-term obligations</b>		<b>1.926.985</b>	<b>2.709.095</b>	<b>1.926.985</b>	<b>2.709.095</b>
I.1.	Financial debts		0	766.492	0	766.492
I.1.1.	Leasing (financial rents) or similar obligations	4.16.	0	766.492	0	766.492
I.1.2.	To credit organizations		0	0	0	0
I.1.3.	Other financial debts		0	0	0	0
I.2.	Grants, subsidies	2.10.;4.14.	0	0	0	0
I.3.	Debts to suppliers		0	0	0	0
I.4.	Received prepayments		73.739	73.739	73.739	73.739
I.5.	Provisions	2.12.;4.22.	1.495.486	1.509.418	1.495.486	1.509.418
I.5.1.	Reimbursement of obligation and demands		1.495.486	1.509.418	1.495.486	1.509.418
I.5.2.	Pensions and similar obligations		0	0	0	0
I.5.3.	Other suspensions		0	0	0	0
I.6.	Suspended tax obligations		0	0	0	0
I.7.	Other payable amounts and long-term obligations		357.760	359.446	357.760	359.446
<b>II.</b>	<b>Amounts payable within one year and short-term obligations</b>		<b>8.119.356</b>	<b>6.084.525</b>	<b>7.375.175</b>	<b>5.354.355</b>
II.1.	Current year part of long-term amount	4.16.	769.677	1.418.032	769.677	1.418.032
II.2.	Financial debts	4.16.	235.335	0	235.335	0
II.2.1.	To credit organizations		235.335	0	235.335	0
II.2.2.	Other financial debts		0	0	0	0
II.3.	Debts to suppliers		5.549.610	3.009.692	5.643.678	3.143.022
II.4.	Received prepayments		138.226	333.251	137.601	333.251
II.5.	Profit tax payment obligations		85.808	18.050	58.892	0
II.6.	Obligations related to work relations	4.17.	1.045.798	961.942	249.815	173.732
II.7.	Provisions		0	0	0	0
II.8.	Other payable amounts and short-term obligations		294.902	343.558	280.177	286.318
	<b>Total proprietary capital and obligations</b>		<b>37.318.546</b>	<b>33.272.606</b>	<b>35.973.596</b>	<b>32.313.527</b>

Director



Martynas Jasinskas

Chief accountant – chief of section of  
accounting and analysis


Daiva Minkeviene

Linās, AB  
Company Code 147689083  
S. Kerbedzio 23, Panevezys

CONFIRMED by  
General shareholders' meeting

Financial statements  
formation date - 18 03 2013

STATEMENT OF COMPREHENSIVE INCOME  
31/12/2012

Formulated according to TFAS

Reporting cycle 01 01 2012 - 31 12 2012

LTL

No.	ARTICLES	Note No.	GROUP		COMPANY	
			Financial year	Previous financial year	Financial year	Previous financial year
<b>I.</b>	<b>SALE INCOME</b>	2.13.2.;4.18.	<b>39.620.006</b>	<b>33.750.553</b>	<b>38.866.365</b>	<b>33.062.390</b>
I.1.	Income for sold goods		37.627.850	31.886.097	37.627.850	31.886.097
I.2.	Income for sold services		1.992.156	1.864.456	1.238.515	1.176.293
<b>II.</b>	<b>SALE COST PRICE</b>	2.14.3.;4.18.	<b>26.386.125</b>	<b>21.843.171</b>	<b>31.909.508</b>	<b>26.769.523</b>
II.1.	Cost price of sold production		25.364.687	20.874.082	31.351.654	26.235.890
II.2.	Cost price of sold services		1.021.438	969.089	557.854	533.633
<b>III.</b>	<b>GROSS PROFIT (LOSS)</b>	2.13.4.; 4.18.	<b>13.233.881</b>	<b>11.907.382</b>	<b>6.956.857</b>	<b>6.292.867</b>
<b>IV.</b>	<b>ACTIVITY EXPENDITURES</b>	2.14.4.;4.19.	<b>10.600.759</b>	<b>10.480.800</b>	<b>5.481.841</b>	<b>5.129.670</b>
IV.1.	Sale		2.678.532	2.517.983	2.678.237	2.517.148
IV.2.	Common and administrative		7.922.227	7.962.817	2.803.604	2.612.522
<b>V.</b>	<b>PROFIT (LOSS) OF STANDARD ACTIVITY</b>	4.18.	<b>2.633.122</b>	<b>1.426.582</b>	<b>1.475.016</b>	<b>1.163.197</b>
<b>VI.</b>	<b>OTHER ACTIVITY</b>	4.20.	<b>205.421</b>	<b>278.077</b>	<b>953.834</b>	<b>230.043</b>
VI.1.	Income	2.13.6.	886.863	888.376	5.122.460	842.421
VI.2.	Expenditures	2.14.5.	681.442	610.299	4.168.626	612.378
<b>VII.</b>	<b>FINANCIAL AND INVESTMENT ACTIVITY</b>	4.21.	<b>173.503</b>	<b>(100.676)</b>	<b>174.495</b>	<b>(99.093)</b>
VII.1.	Income	2.13.7.	203.826	8.780	203.894	8.780
VII.2.	Expenditures	2.14.6.	30.323	109.456	29.399	107.873
<b>VIII.</b>	<b>PROFIT (LOSS) OF ROUTINE ACTIVITY</b>		<b>3.012.046</b>	<b>1.603.983</b>	<b>2.603.345</b>	<b>1.294.147</b>
<b>IX.</b>	<b>PROFIT (LOSS) BEFORE TAXATION</b>		<b>3.012.046</b>	<b>1.603.983</b>	<b>2.603.345</b>	<b>1.294.147</b>
<b>X.</b>	<b>PROFIT TAX</b>	2.15.; 4.23.	<b>218.827</b>	<b>145.102</b>	<b>181.986</b>	<b>105.401</b>
<b>XI.</b>	<b>PROFIT (LOSS) BEFORE NON-CONTROLLED PART</b>		<b>2.793.219</b>	<b>1.458.881</b>	<b>2.421.359</b>	<b>1.188.746</b>
XII.	NON-CONTROLLED PART		0	0	0	0
<b>XIII.</b>	<b>NET PROFIT (LOSS)</b>		<b>2.793.219</b>	<b>1.458.881</b>	<b>2.421.359</b>	<b>1.188.746</b>
<b>XIV.</b>	<b>OTHER COMPREHENSIVE INCOME</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XV.</b>	<b>Earnings (deficit) per share</b>	2.16.;4.25.	<b>0,12</b>	<b>0,06</b>	<b>0,10</b>	<b>0,05</b>

Director

Martynas Jasinskas

Chief accountant – chief of section of  
accounting and analysis

Daiva Minkeviciene

**Linus, AB**  
 Company Code 147689083  
 S. Kerbedzio 23, Panevezys

CONFIRMED by  
 General shareholders' meeting

Financial statements  
 formation date - 18 03 2013

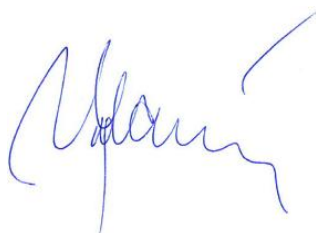
**STATEMENT OF LINAS, AB ENTERPRISE GROUP CHANGES IN EQUITY**  
**31/12/2012**

Reporting cycle 01 01 2012 - 31 12 2012

LTL

	Remarks No.	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 acc. to collective agreement	Other reserves		
		1	2	3	4	5	6	7	8	9	10	11
<b>Remainder on 31 December, 2010</b>		24.038.990	0	0	0	0	1.000	0	0	0	(1.031.970)	23.008.020
Profit/loss not acknowledged in statement of comprehensive income											12.085	12.085
Net profit / loss of the current period											1.458.881	1.458.881
Formed reserves												0
Liquidates reserves												0
<b>Remainder on 31 December, 2011</b>		24.038.990	0	0	0	0	1.000	0	0	0	438.996	24.478.986
Profit/loss not acknowledged in statement of comprehensive income												0
Net profit / loss of the current period											2.793.219	2.793.219
Formed reserves	2.9.;4.12.						211.087			200.000	(411.087)	0
Liquidates reserves												0
<b>Remainder on 31 December, 2012</b>		24.038.990	0	0	0	0	212.087	0	0	200.000	2.821.128	27.272.205

Director



Martynas Jasinskas

Chief accountant – chief of section of accounting and analysis



Daiva Minkeviciene

**Linās, AB**  
 Company Code 147689083  
 S. Kerbedzio 23, Panevezys

CONFIRMED by  
 General shareholders' meeting

Financial statements  
 formation date - 18 03 2013

**STATEMENT OF CHANGES IN EQUITY**  
**31/12/2012**

Reporting cycle 01 01 2012 - 31 12 2012

LTL

	Remarks No.	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 acc. to collective agreement	Other reserves		
		1	2	3	4	5	6	7	8	9	10	11
<b>Remainder on 31 December, 2010</b>		<b>24.038.990</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(989.365)</b>	<b>23.049.625</b>
Profit/loss not acknowledged in statement of comprehensive income											11.706	11.706
Net profit / loss of the current period											1.188.746	1.188.746
Formed reserves												0
Liquidates reserves												0
<b>Remainder on 31 December, 2011</b>		<b>24.038.990</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>211.087</b>	<b>24.250.077</b>
Profit/loss not acknowledged in statement of comprehensive income												0
Net profit / loss of the current period	2.9.;4.13.										2.421.359	2.421.359
Formed reserves	2.9.;4.12.						211.087				(211.087)	0
Liquidates reserves												0
<b>Remainder on 31 December, 2012</b>		<b>24.038.990</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>211.087</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2.421.359</b>	<b>26.671.436</b>

Director

Martynas Jasinskas

Chief accountant – chief of section of accounting and analysis

Daiva Minkeviciene

Linās, AB

Company Code 147689083

S. Kerbedzio 23, Panevezys

Formed in direct pattern

CONFIRMED by  
General shareholders' meetingFinancial statements  
formation date - 18 03 2013STATEMENT OF CASH FLOWS  
31/12/2012

Reporting cycle 01 01 2012 - 31 12 2012

LTL

No.	Articles	Note No.	GROUP		COMPANY	
			Financial year	Previous financial year	Financial year	Previous financial year
<b>I.</b>	<b>Primary activity currency circulation</b>					
<b>I.1.</b>	<b>Earnings of report period (including VAT)</b>		<b>38.936.198</b>	<b>37.717.401</b>	<b>37.818.868</b>	<b>36.464.209</b>
I.1.1.	Earnings from clients		36.930.357	35.647.489	35.821.643	34.413.478
I.1.2.	Other earnings		2.005.841	2.069.912	1.997.225	2.050.731
<b>I.2.</b>	<b>Report period payouts</b>		<b>(38.417.210)</b>	<b>(36.659.304)</b>	<b>(37.410.718)</b>	<b>(35.621.271)</b>
I.2.1.	Payouts to suppliers of products, raw materials and services(including VAT)		(29.835.149)	(28.040.265)	(35.418.911)	(33.884.619)
I.2.2.	Monetary payouts related to work relations		(7.973.556)	(8.200.087)	(1.449.164)	(1.391.572)
I.2.3.	Taxes paid to budget		(60.482)	(18.371)	(46.000)	(704)
I.2.4.	Other payouts		(548.023)	(400.581)	(496.643)	(344.376)
	<b>Cash circulation of primary activity</b>		<b>518.988</b>	<b>1.058.097</b>	<b>408.150</b>	<b>842.938</b>
<b>II.</b>	<b>Currency circulation of investment activity</b>					
II.1.	Procurement of long-term assets (excluding investments)		(270.367)	(486.786)	(141.348)	(269.315)
II.2.	Transfer of long-term assets (excluding investments)		2.000	1.000	2.000	1.000
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		0	379	0	10.000
II.7.	Provision of loans		0	0	0	0
II.8.	Return of loans		276.836	0	276.836	0
II.9.	Received dividends		0	0	0	0
II.10.	Interest received for loans granted and investment		0	3.391	0	3.391
II.11.	Other currency circulation increases of investment activities		0	0	0	0
II.12.	Other currency circulation decreases of investment activities		0	0	0	0
	<b>Cash circulation of investment activity</b>		<b>8.469</b>	<b>(482.016)</b>	<b>137.488</b>	<b>(254.924)</b>
<b>III.</b>	<b>Currency circulation of financial activity</b>					
III.1.	Currency circulation related to company owners		0	0	0	0
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		0	0	0	0
III.2.	Currency circulation related to other financial sources		(1.359.616)	(490.856)	(1.359.627)	(490.856)
III.2.1.	Increase of financial debts		6.213.192	0	6.213.192	0
III.2.1.1.	Receipt of loans from credit institutions		6.213.192	0	6.213.192	0
III.2.1.2.	Receipt of loans from associated and third parties		0	0	0	0
III.2.1.3.	Emission of bonds		0	0	0	0
III.2.2.	Reduction of financial debts		(7.573.167)	(491.011)	(7.573.167)	(491.011)
III.2.2.1.	Return of loans to credit institutions		(5.977.857)	0	(5.977.857)	0
III.2.2.2.	Return of loans to associated and third parties		0	0	0	0
III.2.2.3.	Procurement of bonds		0	0	0	0
III.2.2.4.	Interest paid		(180.463)	(89.473)	(180.463)	(89.473)
III.2.2.5.	Leasing (financial rent) payments		(1.414.847)	(401.538)	(1.414.847)	(401.538)
III.2.3.	Interests received for bank accounts		359	155	348	155
III.2.4.	Increase of company's other liabilities		0	0	0	0
III.2.5.	Reduction of company's other liabilities		0	0	0	0
III.3.	Other increases of currency circulation of financial activity		0	4.097	0	4.097
III.4.	Other reductions of currency circulation of financial activity		(10.238)	(13.940)	(9.628)	(13.079)
	<b>Cash circulation of financial activity</b>		<b>(1.369.854)</b>	<b>(500.699)</b>	<b>(1.369.255)</b>	<b>(499.838)</b>
<b>IV.</b>	<b>Impact of currency exchange rates to cash and equivalent currency remainder</b>		<b>(2.030)</b>	<b>(7.213)</b>	<b>(2.036)</b>	<b>(7.223)</b>
<b>V.</b>	<b>Net currency circulation increase (reduction)</b>		<b>(844.427)</b>	<b>68.169</b>	<b>(825.653)</b>	<b>80.953</b>
<b>VI.</b>	<b>Currency and currency equivalents at the beginning of the period</b>	2.8.	<b>948.575</b>	<b>880.406</b>	<b>918.210</b>	<b>837.257</b>
<b>VII.</b>	<b>Currency and currency equivalents at the end of the period</b>	2.8.	<b>104.148</b>	<b>948.575</b>	<b>92.557</b>	<b>918.210</b>

Director

Martynas Jasinskas

Chief accountant – chief of section of  
accounting and analysis

Daiva Minkeviciene

**Limited Liability Company Linas**

Corporate identification 147689083  
S. Kerbedzio Street 23, Panevezys

CONFIRMED by  
General shareholders' meeting  
Of \_\_\_\_\_, 2013  
Act no.

Financial statements  
formation date – 18 03 2013

## **EXPLANATORY MEMORANDUM TO THE YEAR 2012 FINANCIAL STATEMENTS**

31 December, 2012

Beginning of accounting period 2012 01 01

End of accounting period 2012 12 31

### **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. Address: S. Kerbedzio Street 23, Panevezys; LT-35114. Telephone (370-45) 506100, fax (370-45) 506345. E-mail address: [office@linas.lt](mailto:office@linas.lt); web page: [www.linas.lt](http://www.linas.lt). 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 31<sup>st</sup> of December, 2012, the Linas AB group of companies (further called as the Group) consisted of holding company Linas AB and its affiliated company UAB Lino apdaila. UAB Lino apdaila was registered on May 23, 2008 at Legal entity register, registration No.114552, company code 301733421. Affiliated company is registered at address S. Kerbedzio Street 23, Panevėzys. AB Linas own 100 % of affiliated company shares.

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

3. The Company and its affiliated company do not have subsidiaries and representatives.

4. Authorized capital of AB "Linas" is 24.038.990 LTL. It is divided into 24.038.990 denominative equity shares the nominal value of which is 1 Lt, there are no issued and not paid shares. There were no changes in authorized capital during accounting period.

5. On 2012 the average number of listed employees of the Company was 44, on year 2011 – 45 employees. On 2012 the average number of listed employees of the Group was 321, on year 2011 – 340 employees.

6. The main Group activity is production of textile products and selling of it. AB Linas activity is sales of linen textile items; other activity of the company – management of financial asset (shares and lend loans), supply of thermal energy. Activity of UAB Lino apdaila is production of linen textile products.

7. During 2012 the Group was produced and technologically processed: linen and tow yarns – 88 tons (during 2011 – 61 tons); raw fabrics – 659 thousand mtrs (the result of the same period of 2011 – 676 thousand mtrs); ready made fabrics – 2.050 thousand mtrs (the result of the same period

of 2011 – 1.916 thousand mtrs). 43,2 % of all produced fabrics were used for sewn items during 2012 (2011 – 34,8 %).

**8.** During year 2012 Group export (outside Lithuania) volumes made 86,3 % of the total product sales. The breakdown of the sales by country is as follows: Sweden – 22,3 %, Spain – 13,7 %, Lithuania – 13,7 %, Belgium – 6,7 %, Switzerland – 6,3 %, Finland – 6,3 %, Japan – 5,5 %, USA – 5,2 %, Denmark – 3,9 %, France – 3,6 %, Estonia – 3,0 %, Great Britain – 2,3 %, other countries – 7,5 %.

**9.** On 2012 the main incomes of group of companies were received from the activity of textile goods production and sales. During 2012 Linas, AB group of companies sold linen textile goods and services for 39.620 thousand Lt. Comparing to 2011 the volume of sales increased by 5.869 thousand Lt or 17,4 percent. The influence on the activity results of linen textile items of the Group of companies for 2012 had the increased demand of sewn items and this determine the increase of production and sales.

AB “Linas” is buying raw fabrics from producers of East countries and passes to the company “Lino apdaila” where fabric finishing (dyeing, bleaching, printing, softening,...) and textile items sewing services are done. UAB “Lino apdaila” is weaving only such fabrics which are not possible to buy from produces of East countries, i.e. company produces various weaves and designs fabrics from dyed yarns and jacquard fabrics acc. to individual orders of the customers. Modern linen and cotton yarns dyeing service is done in the company.

Linen textile items are ecological. It is the product which does not leave waste and does not make harm to nature and ecology. Group has been working according to universally accepted quality requirements which correspond to OEKO-TEX 100 standards.

During 2012 the Group's typical activity result was 2.633 thousand Lt profit and the result of year 2011 was 1.427 thousand Lt profit.

**10.** On 2012 the Group has obtained terminal server the aim of which is to change essentially the computerized business and resources managing system. When implementing investment project, the incurred obtaining expenses of terminal server on year 2012 were 45,1 thousand Lt. The system will be used to optimize business managing processes, supplying processes of executed services. Much more quicker and secure system will allow to have more time for business development, to make inside processes more efficient, to decreases costs.

The investment project is implemented in the Group since 2011 the aim of which is the new services – supply of thermal energy. The investment project - modern, fully computerized and effective complex of steam boiler-room will allow to decrease costs for technological energy and building heating.

New linen textile items or their collections of AB “Linas” Group of companies are created in regard of tendencies of coming season, stylistic trends, innovations of fashion and technologies. Modern technologies used by the Group preserve the best quality of linen fiber, create exceptional combinations of elegance and functionality. The Company is trying to use export advantages offering the customers the speed of orders execution, high and stable quality of the products and production acc. to the individual orders, small supply parcels and quicker delivery.

The Group has possibility to participate frequently is the shows and to popularize own products with the help of EU support for years 2007 – 2013. Half million Lt sum given for this project will allow the Group to increase international competition of produced items and promote export.

**11.** UAB “Revizorius”, company code 122894931 performed the audit of financial statements of the company of year 2012 and the audit of consolidated financial statements and annual report of Group of companies of year 2012. During 2012 it was calculated 15.000 Lt costs for the supplied services of company UAB “Revizorius”. During the financial year it was calculated 8.000 Lt costs for the audit of financial statements of year 2012 and for the audit of annual report of year 2012 of company UAB “Lino apdaila”.

**12.** The data provided in the annual financial statements is based on the listing of the assets held by the Group, and the Group's liabilities inventory.

13. Data presented in annual financial statements and explanatory memorandum are corresponding International Financial Accountability Standards which are accepted to apply in European Union (there are no deviation from international standards).

**14. Management of risk**

Following risks are typical for companies' activities in the economical markets: market risk, credit risk and liquidity risk.

The management of the Group gives a lot of attention to manage those risks. Below there is presented information about the management of typical risks of AB "Linas" Group.

*Credit risk*

Credit risk is connected with the factors that Group of companies and the Company will incur financial losses if the customer or other party will not execute liabilities and which is mostly related to receivable sums from the customers.

Group of companies and the Company is controlling credit risk applying credit conditions and doing the analyses procedures of the market. All the buyers of textile items and services, except small Lithuanian buyers, are insured in order to avoid higher losses because of the customer's insolvency. Safe payment settlement forms are used for not insured customers: L/C, prepayments and so on. The sales are allotted for different customers.

The analysis of the received sums of the Group and the Company from the customers for the periods of December 31, 2012 and December 31, 2011:

	Sums received from the customers, which are not delayed, Lt	Sums received from the customers, which are delayed, Lt				Totally, Lt
		Less than 30 days	30-90 days	90-180 days	More than 180 days	
Group						
2012 y.	5.389.091	1.932.782	90.879	71.448	39.395	7.523.595
2011 y.	2.563.265	454.069	112.696	34.478	64.164	3.228.672
Company						
2012 y.	5.379.856	1.885.124	87.883	71.448	39.395	7.463.706
2011 y.	2.546.367	421.412	89.299	32.637	62.364	3.152.079

Acc. to the data of December 31, 2012, 118 customers were in debt to the Group, 87,9 % of debt sums are insured with credit insurance (69,4 % acc. to the data of December 31, 2011). Maximum available losses of balance value because of the risk in relation with the received sums from the customers are insignificant 0,5 %. On the accounting day there are no signs from the received sums the payable terms of which are delayed that the customers will not execute their financial liabilities.

Possible credit risk, which appears between the other financial property (made of other receivable sums) of the Group and the Company, is raised because of customer's liabilities noncompliance and is equal to balance value. Companies guarantee for presented loans by property mortgage, guarantees and sponsorship to manage this risk. The value of guarantees presented with the property is enough to cover the debts acc. to the data of December 31, 2012.

In the note 4.24 of Explanatory letter it is presented information about Group's and Company's rights and obligations, not stated in the statement of financial position of December 31, 2012 and December 31, 2011.

*Liquidity risk*

Liquidity risk is related to the factors that Group or Company will not be able to execute its financial liabilities on terms. Liquidity management aim of Group of companies and Company's is to



ensure as well as possible enough liquidity of Group of companies during common and complicated conditions, not having losses and to risking to lose own good name.

Data of relative financial indicators of AB "Linās" Group of companies:

General solvency indicator of the AB "Linās" Group of companies is of good level, had positive (increase) tendencies in comparison with year 2011. On year 2012 this indicator – 2,02 and on year 2011 was 1,95 (recommended value 1,2 – 2). So it could be assumed that the Group will not have payment execution (solvency) problems in the nearest future. This proves also positive net circulating capital the indicator of which made 8.244.226 Lt (recommended level over 0). It had positive alteration tendencies (on year 2011 it was 5.785.406 Lt).

High-speed solvency indicator also had the positive alteration tendencies on accounting year. Indicator amounts 1,02 (on year 2011 the indicator was 0,8). The recommended level is more than 1.

General debt coefficient is of good level, haven't changed in comparison with 2011. The indicator makes 0,26. The indicator doesn't exceed recommended value (recommended is up to 0,5). The indicator shows that for one profit Litas (Lt) there is 0,26 Litas of taken liabilities and payable sums (i.e. what part of Group profit is obtained for lent finance).

On accountable year the capital/liabilities indicator is of good value, had insignificantly decrease tendencies in comparison with year 2011. The indicator coefficient on year 2012 is 2,71 (on year 2011 this indicator was 2,78). It shows how many of own capital attributed to one Lt of taken liabilities (recommended level is from 0,7).

Activity of the Company, Group of companies is profitable, financial state is quite stable, indicators of the solvency, debts are of good level, had the positive alteration tendencies, the working capital indicator is positive.

The activity of Group are constantly expanding, so it is possible to make assumption that Group of companies would not meet serious activity succession problem in nearest future.

In the note 4.15 of Explanatory letter it is presented information about Group's and Company's financial liabilities of December 31, 2012 and December 31, 2011 acc. to the refund terms.

The Group and the Company haven't the signed contracts with the banks to use bank loans, factorings. AB "Linās" has the account lending contract with the bank acc. to which 500 thousand Lt credit sum is lent to the Company. In the statement of financial position of the Group and the Company of year 2012 the financial debts for credit institutions consists 235 thousand Lt, leasing (financial rent) liabilities 770 thousand Lt (2.185 thousand Lt on year 2011). The debts for credit institutions, leasing (financial rent) liabilities returning terms of December 31, 2012 and December 31, 2011 are indicated in the note 4.16 of the Explanatory letter.

#### *Risk norm of interest*

The Group and the Company have financial obligations, so the fluctuation of risk norm makes influence on the size of executed short-term and long-term obligations and on the financial status. Acc. to the obligation contracts for the credit companies and leasing (financial rent) of the Group and the Company, the changeable interest norm is calculated as VILIBOR, EURIBOR, LIBOR of the particular period adding the margin of creditor. In the financial state report of the Group and of the Company of year 2012 the financial debts, for which changeable interest norm is applied, made 280 thousand LT (on year 2011 – 125 thousand Lt); the financial debts, for which fixed interest norm is applied, made 725 thousand Lt (on year 2011 – 2.060 thousand Lt). During year 2012 it was calculated 139 thousand Lt (on year 2011 – 93 thousand Lt) interest for financial obligations. The risk of interest

norm isn't meant as significant for the activity of Group of companies. The debts for credit companies, leasing (financial rents) liabilities of December 31, 2012 and of December 31, 2011 are explained in the note 4.16 of the explanatory letter.

### *Risk of foreign exchange*

For international transactions the Group faces the risk of foreign exchange range because of sales and buying sums which are accounting in different currency than Litas and EUR. Risk of foreign exchange range is meant as not significant for Group of companies activity because EUR is dominating in financial operations.

### *Economical and political risk*

- the increase of Asian countries and Russian textile items supply and damping.
- market supply periodic of linen products.
- seasonally: smaller demand in winter.
- price increase for raw materials, materials, complement details.
- price increase for energetic resources and transport.

Geographical situation of Lithuania gives the advantage against the producers of the third countries – geographical and cultural closeness to EU market. Group of companies and the Company quickly reacting to seasonal customers requirements and changeable fashion tendencies. Group is trying to apply produced items to individual customers requirements, to use advantages of export possibilities offering customers small shipment lots and quicker delivery. The Group is successfully developing long-lived textile traditions. Production of the Group is acknowledged as distinctive, attractive with the creativity and quality. Group of companies and the Company is developing and improving marketing and production spheres, constantly projects are implemented to create new assortment, improve quality and decrease costs.

### *Technical-technological risk*

- not inconsiderable part of used equipment are old, require investment to repair and maintenance;
- there is a lack of modern technological equipment which will do new and progressive fabric finishing.

The Group and the Company are constantly investing with own resources and capabilities into the obtaining and renovation of progressive technological equipment in order to increase efficiency and productivity.

## **II. ACCOUNTING POLICY**

### **1. Regulations the financial statements have been based upon**

The Group executes accounting and prepares financial statements 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 Financial Reporting Standards (IFRS) which are accepted to apply in European Union (EU).

The Group and the Company haven't applied these standards and interpretations that have been issued but are not yet effective:

IFRS 9 Financial Instruments: Recognition and Measurement (effective for annual periods beginning on or after 1 January 2015).

IFRS 11 Joint Arrangements (effective for annual periods beginning on or after 1 January 2014).

IFRS 12 Disclosure of Interests in Other Entities (effective for annual periods beginning on or after 1 January 2014).

IFRS 13 Fair Value Measurement (effective for annual periods beginning on or after 1 January 2013).

IAS 27 Separate Financial Statements (revised in 2011 and effective for annual periods beginning on or after 1 January 2014).

IAS 28 Investment in Associates and Joint Ventures (revised in 2011 and effective for annual periods beginning on or after 1 January 2014).

Amendments to IAS 1 Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income (effective for annual periods beginning on or after 1 July 2012).

Amendment to IAS 19 Employee Benefits (effective for annual periods beginning on or after 1 January 2013).

Amendments to IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2014).

Amendments to IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2013).

Amendments to IAS 12 Income Taxes – Deferred Tax: Recovery of Underlying Assets (effective for annual periods beginning on or after 1 January 2013).

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (effective for annual periods beginning on or after 1 January 2013).

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (effective for annual periods beginning on or after 1 January 2013).

The Group and the Company don't expect these standards and interpretations that have been issued but are not yet effective to have any material effect on the financial statements of the Group and the Company.

IFRS 10 Consolidated Financial Statements (effective for annual periods beginning on or after 1 January 2014).

The Group and the Company are in the process of assessing the impact of standard that have been issued but is not yet effective on the financial statements of the Group and the Company.

In the Group and the Company these standards and interpretations that have been issued but are not yet effective, will be adopted on the date they become effective and adopted by the EU.

## **2. Accounting policy**

The Company, the Group of companies has accounting policy, confirmed by the administration head and corresponding to the regulations of International Financial accounting standards, in which there are indicated rules of company profit, own capital and liabilities evaluation, incomes and cost acknowledge and registration in the accounting, acc. to which the financial reports are prepared.

### **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.

2.1.3. AB "Linus" Group of companies applies the equal accounting policy to all significant events. There are no significant differences of accounting policy regarding which the financial report of the Group of companies should be reorganized.

## **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 1000 Litass, 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 financial statements at their residual 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 Litass.

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. 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.

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

2.2.9. 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.

2.2.10. Additional information concerning long-term intangible assets of the Group and the Company has been disclosed in notes 4.1. and 4.3. 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 1000 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 statements at residual 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 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 Litas.

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

2.3.10. The Group has no mortgages of long-term tangible assets to secure it's liabilities.

2.3.11. More information on long-term tangible assets has been disclosed in notes 4.2.; 4.3. to the Memorandum.

## **2.4. Accounting of investment property**

2.4.1. The purpose of investment asset – to receive incomes only from rent and (or) increase of asset value.

2.4.2. Group's companies are applying investment asset accounting and presentation in financial statements – the method of obtaining price cost. 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 statements at residual value, to be estimated by subtracting from the acquisition cost the accrued depreciation and any reduction in value due to discounting in price.

2.4.3. Depreciation of investment property is calculated in the Group using linear depreciation technique.

2.4.4. Depreciation of investment property is calculated on yearly basis by applying a depreciation rate, which are indicated 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.

2.4.5. More information on investment property has been disclosed in notes 4.4.; 4.3. to the Memorandum.

## **2.5. Accounting of financial assets and other long-term property**

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

2.5.2. Long-term financial assets comprise investments in daughter and associated companies, investments in other companies' shares, long-term loans issued by the Group to it's 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.

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

2.5.4. More information related to financial assets is disclosed in notes 4.5. of the Memorandum.

## **2.6. Stocks accounting**

2.6.1 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.

2.6.2. 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).

2.6.3. 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.

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

2.6.5. The Group has chosen to calculate cost price with the method of rest losses and the cost price is not calculated for secondary cost price.

2.6.6. Direct and indirect expenses make production cost price in the Group. Direct production costs – expenses for main raw materials (materials), complemented items, technology energy and direct wage. Indirect production expenses – not related directly with production but making the conditions to work production, expenses, which impossible to attribute directly to concrete items of their groups.

2.6.7. The cost price of semimanufactures and produced production pieces is indicated by attributing raw material expenses for items in proportion to the raw materials usage norms indicated by the Group, attributing other direct and indirect production expenses for items in proportion to indicated normative by the Group.

2.6.8. 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.

2.6.9. The information on the stocks of the Group and the Company is disclosed in note 4.6. of the Memorandum.

2.6.10. The information on the advance payments made by the Group and the Company for short-term assets and services is disclosed in note 4.7. of the Memorandum.

## **2.7. Accounting of receivable amounts**

2.7.1. 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.

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

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

2.7.4. Receivable amounts are shown at net value in the annual financial statements, 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.

2.7.5. 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.

2.7.6. Notes 4.8.; 4.9. of the Memorandum reveal the information on the one year receivables and bad debts of the Group and the Company.

## **2.8. Accounting of other short-term and monetary assets**

2.8.1. 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.

2.8.2. Miscellaneous short term assets comprise short term investments in shares and other securities, short-termed deposits (over 3 months), short-term loans issued, interest receivable for granted loans.

2.8.3. Note 4.10. 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.

## **2.9. Accounting of own capital stock**

2.9.1. Own capital stock comprises the share of the authorised capital which has been subscribed, the mandatory reserve stock, and undistributed profit (loss). The information on the authorised capital of the Company is disclosed in note 4.11.

2.9.2. The Company has no its own shares purchased by itself. AB „Linias“ subsidiary company doesn't have shares of the Company. Information about Company shares which have AB „Linias“ associated companies is presented in the note No.4.11. of the explanatory letter.

2.9.3. The information on the reserves is provided in note 4.12. of the Memorandum.

2.9.4. 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 statements at the value of acquisition, therefore no revaluation account is used.

2.9.5. Draft profit (loss) distribution prepared by the AB Linas management is provided in note 4.13. of the Memorandum.

2.9.6. The profit distribution approved by the shareholders meeting is included in the financial statements 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.

## **2.10. Subsidy accounting**

2.10.1. 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 statement of financial position.

2.10.2. Note 4.14. of the Memorandum to the financial statements provides information on the subsidies (grants) received by the Group / the Company.

### **2.11. Liabilities accounting**

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

2.11.2. 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.

2.11.3. 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.

2.11.4. 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 sum is not calculated because of sums triviality to Guarantee fund from the pays of accumulative holiday pays. The information on the amounts of paid leave payments, accrued as liabilities to the Group and it's companies, is provided in note 4.17. of the Memorandum.

2.11.5. AB "Linás" group of companies has no financial year debts which are guaranteed by the government or third persons with bonded property.

2.11.6. When making annual financial statements the sums paid by the customers as prepayment are transferred to the contrary liabilities account, which are longer than a year or when the signs appear that they (or their part) could not be requested. Accordingly the decrease of liabilities is shown in the account of disputed debts in the expenditure of contrary account.

2.11.7. The information on short-term and long-term liabilities of the Group and the Company is provided in note 4.15. to the Memorandum.

2.11.8. The information about leasing (financial rent) liabilities of the Group and Company, state of debts for credit agencies is presented in note No.4.16. of explanatory memorandum.

### **2.12. Provisions**

2.12.1. Provisions are accepted if they are determined by the past events and if they are existing at the end date of financial statements accounting period.

2.12.2. The provisions sum shows what size of financial statements accounting period end date credibly evaluated expenses should cover legal liability or irrevocable commitment.

2.12.3. In group of companies the provisions are looked through when making financial statements and correcting their value paying attention to the new events and circumstances.

### **2.13. Income accounting**

2.13.1. 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 statement of financial position as liabilities. Income is assessed at it's true value.

2.13.2. 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.



2.13.3. Income from usual business is recognised as earned income, is recorded in the accounting and shown in the financial statements at the moment the sales when production or production related services occurs, subject to availability of a reliable assessment of the amount of income.

2.13.4. Such incomes and expenses are attributed to incomes and expenses which could be attributed to this segment directly or by indicated attribution criteria. Expenses are not attributed to separate segments and are shown as general expenses of the company if it is impossible to attribute them to separate segments. Note 4.18. to the Memorandum provides information on the income and expenditure of the Group related to usual business, on the basis of division by geographical areas and branches of business.

2.13.5. It is impossible to attribute property and liabilities of the Group and AB "Linax" to abstracted segments. All property and liabilities of the Group and the Company are not allotted in values acc. to business and geographical segments.

2.13.6. 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 4.20. to the Memorandum provides information on the income and cost of unusual business undertakings.

2.13.7. 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, the revenues of interests from provided loans, profit of investment transfer and other revenues related with financial property management. Note 4.21. to the Memorandum provides the information on the income and cost of financial and investment undertakings of the Group and the Company.

## **2.14. Costs accounting**

2.14.1 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.

2.14.2. 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.

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

2.14.4. Operational costs in the Group are classified as general costs and management costs. In the note No.4.19. of Explanatory Memorandum of financial statements there is presented information about activity's costs.

2.14.5. Unusual business cost comprises loss due to disposal of long-term assets, the cost of sale of products / services which are not attributed to usual business, as well as other miscellaneous atypical business costs, and the costs of incidental or singular business transactions.

2.14.6. 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, investment transfer (deprivation) loss, costs of granted loans reappraisal, costs of financial services supply, other financial – investment activity costs.

## 2.15. Profit tax accounting

2.15.1. Payable profit tax of the reporting year is 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 costs which incur no reduction to the tax on profit, and any incomes which are not taxable or are taxable in addition to regular taxation procedure. The rate of the tax on profit is 15 per cent.

2.15.2. Advance profit tax is calculated in the Group 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.

2.15.3. The Group's profit tax costs are shown in detail in note 4.23. of the Memorandum.

## 2.16. Earnings per share

2.16.1. Usually the profit for one share is calculated dividing net profit (loss) of period in average of simple shares issued during the period. The Group hasn't potentially converting simple shares, so the decreased profit attributed to one share correspond the profit which is given for one simple share.

2.16.2. The information about the profit which is given for one share is presented in explanatory memorandum note 4.25.

## 2.17. 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 financial statements. The financial statements as of 31 December, 2012, and 2011, is based on the following currency exchange rates:

2012	2011
1 EUR = 3,4528 Lt	1 EUR = 3,4528 Lt
1 USD = 2,6060 Lt	1 USD = 2,6694 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.

## 2.18. Financial connections with heads of the company and other related persons

The number of heads of the Group and the Company, contracts format made with related persons, accountable sums and not paid remainders at the end of the periods calculated to the company heads and related persons during accountable period and during previous accountable period are explained acc. to its attribution in the note No.4.22 of the Explanatory letter. Other information in relation with contacts made with related persons are indicated in the note No.4.10 of the Explanatory letter.

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

3.1. Preparing the financial statements of year 2012 in accordance with the International Financial Reporting Standards there were no any material changes of the accounting policy and the accounting evaluations related to application of IFRS.

3.2. Mistake is meant as essential, if: 1) its sum is larger than 10% of appropriate balance part or the clause of statement of comprehensive income and 2) if it makes 2,5% 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. Preparing the financial statements for year 2012 not significant and substantial mistakes of previous year are corrected in perspective way.

#### **4. Notes of Explanatory Memorandum**

The notes regarding the significant financial indicators are presented in the tables of Explanatory letter:

4.1. The status of the long-term intangible assets of the Group and the Company, and their change over the reporting period (Tables 4.1. 'AB Linas Group of companies and AB Linas long-term intangible assets change').

4.2. The status of the long-term tangible assets of the Group and the Company, and their change over the reporting period (Tables 4.2.1 'AB Linas long-term tangible assets change'; 4.2.2 'AB Linas Group of companies long-term tangible assets change').

4.3. Additional information on the long-term tangible, the long-term intangible assets and the investment property of the Group and the Company, i.e. adopted average rates of depreciation and amortisation of long-term assets and investment property according to the class of assets (Table 4.3.1 'Long-term assets and investment property average economic life'); the obtaining (production) cost price of the assets which is amortized or deteriorated but still used in the activity (Table 4.3.2. 'Totally amortized or deteriorated long-term assets which is still used') information about rented long-term tangible asset (table 4.3.3. 'The rent of long-term tangible asset').

The Company's and the Group's long-term property deterioration difference influence on the financial indicators is not significant, so it doesn't require indicators recalculation of long-term property and deterioration cost.

The complex of buildings and constructions located in Panevezys city, S.Kerbedzio str.23, in which the activity of AB "Linas" Group of companies executes, is rented to UAB "Rentija" (company code 300614019).

The machines and equipment, devices, instruments which are used in the activity of AB "Linas" Group of companies, are rented from UAB "Raneva" (company code 302529076).

4.4. The status of the investment property of the Group and the Company, and their change over the reporting period (Tables 4.4. 'AB Linas Group of companies and AB Linas investment property change').

The rent incomes from the investment property, premises in Panevezys, which belongs to the Group, made 5,3 thousand Lt in 2012. The direct activity costs, appeared regarding investment property from which incomes were received during accounting period, made investment property depreciation costs 10,2 thousand Lt.

4.5. Long-term financial assets and their change over the reporting period (Tables 4.5.1 'AB Linas Group of companies long-term financial assets change', and 4.5.2 'AB Linas long-term financial assets change').

4.6. Financial reports accounting period date gross value of the Group's and the Company's stocks, their value by type of stock, the 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 value of mortgaged stocks, and the stocks held with third parties (Tables 4.6.1 'AB Linas Group of companies stocks' and 4.6.2 'AB Linas stocks').

4.7. 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').

4.8. 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').

4.9. 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').

4.10. Long-term and short-term loans issued by the Group and the Company, including values, maturity terms, accrued interest (Tables 4.10. 'AB Linas Group of companies and AB Linas loans issued').

4.11. 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 and associated 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 2012 was 0,28 Litas, and in 2011 average market sale price per share was 0,21 Litas.

4.12. The information on the reserves of the Group and Company (Table 'Reserves of Linas, LLC enterprise group and Linas, LLC').

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

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

4.15. 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').

4.16. Leasing (financial rate) liabilities of Group and Company, state of debts for credit institutions (table "AB Linas Group of companies and AB Linas Leasing liabilities and state of debts for credit institutions").

500 thousand Lt credit sum is granted to the Company acc. to the account lending contract which was signed between the bank and AB "Linas" on 2012 04 10. Company's reserves, the balancing value of which are 5 mln Lt acc. to the mortgage sheets, are mortgaged for the credit sum. UAB "Lino apdaila" is guarantee for all credit sum and term to ensure credit sum. The validation term of account credit contract is till April 10, 2013. Alternate interests are paid for used credit, which are accounted as three months term Lt VILIBOR plus bank margin.

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

4.18. Typical business of the Group and Company.

The typical activity of the Group of companies is production of textile products and selling of it. Information about the sales of textile items, i.e. the segment of textile items production business and geographical segment, is indicated in tables 4.18.1. „Information of Linas, LLC enterprise group about segments of textile items production business“, 4.18.2 „Information of Linas, LLC enterprise group about geographical segments of textile items production business“, 4.18.3. „Information of Linas, LLC about segments of textile products business“, 4.18.4. “Information of Linas, LLC about segments of textile products of geographical business”.

In 2012 the incomes of UAB "Lino apdaila" for AB "Linas" production services were 17.110 thousand Lt, the cost price of presented services is 12.052 thousand Lt. In 2012 the incomes of UAB "Lino apdaila" for the presented production services to the third parties made 754 thousand Lt, the cost price for presented services is 464 thousand Lt. Acc. to the agreement dated December 21, 2012 UAB "Lino apdaila" has applied 10,0% discount from provided production services to AB "Linas" on year 2012. During 2012 UAB "Lino apdaila" sold production services to Lithuanian customers, realization to the EU countries is not of significant level.

It is impossible to attribute property and liabilities of the Group and AB "Linās" to abstracted segments. All property and liabilities of the Group and the Company are not allotted in values acc. to business and geographical segments.

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

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

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

4.22. Information about financial connections with the heads of the Group and the Company and with the other related persons. (Table 'Financial relations to corporate executives and other related persons').

On December 31, 2012 BUAB "Nordic investicija", company code 135442762, address Savanoriu avenue 192, LT-44151, Kaunas, the debt of BUAB "Nordic investicija" to AB "Linās" makes 17.383 thousand Lt; BUAB "Domus Palanga", company code 126234417, company address – Savanoriu avenue 192, LT-44151, Kaunas, the debt value of this company to AB "Linās" are 772 thousand Lt. It is noted that the property sale from the auction mart is started of the following companies. It is impossible to evaluate reliably the property depreciation of this property sale out, that is why the postponements of possible losses were not formed. Acc. to the pessimistic prognoses of the management, the value of sold out property is enough to cover receivable sums.

Acc. to the accounting security principle, the mentioned debts are meant as long-term receivable sums.

On December 31, 2012 formed provisions regarding not committed liabilities because of BUAB "Savoja" for which AB „Linās“ guaranteed the remainder was 1.495 thousand Lt.

R.Lenciauskas individual company gave the sponsorship to AB "Linās" with all his property for the debtors BUAB "Nordic investicija", BUAB "Savoja" and BUAB "Domus Palanga" acc. to the guarantee contract dated December 23, 2010.

4.23. The tax on profit due to be paid (Tables 4.23.1 'Specification of expenses of profit tax', 4.23.2 'Recalculation of expenses of profit taxes, according to regular and temporary difference of accounting and taxable profit').

4.24. Material out-of-balance-sheet amounts, i.e. mortgages, guarantees, securities (Table 'Rights and obligations, not stated in the statement of financial position').

4.25. The profit (loss) which belongs to one share (table "Earnings (loss) per share")

4.26. There are no significant events after the last accounting period in Group and Company.

## 4.1. LONG-TERM INTANGIBLE ASSETS

## 4.1.1. Changes of Linas, AB enterprise group and Linas, AB long-term intangible assets

LTL

Indicators	Develop- mental works	Prestige	Patents, licenses	Software	Other intangible assets	Total
<b>Residual value at the end of previous financial year</b>			0	44.978	281	45.259
<b>a) Procurement cost price of long-term intangible assets</b>						
<b>At the end of previous financial year</b>			0	278.987	4.474	283.461
<b>Changes of financial year</b>			0	2.773	0	2.773
· Procurement of assets			0	2.773	0	2.773
· Assets, transferred to other individuals and discarded (-)			0	0	0	0
· Transcription from one article to another +/-(-)			0	0	0	0
<b>At the end of financial year</b>			0	281.760	4.474	286.234
<b>b) Amortization</b>						
<b>At the end of previous financial year</b>			0	234.009	4.193	238.202
<b>Changes of financial year</b>			0	35.789	280	36.069
· Financial year amortization			0	35.789	280	36.069
· Restorational records (-)			0	0	0	0
· Assets, transferred to other individuals and discarded (-)			0	0	0	0
· Transcription from one article to another +/-(-)			0	0	0	0
<b>At the end of financial year</b>			0	269.798	4.473	274.271
<b>e) Residual value at the end of financial year (a) - (b)</b>			0	11.962	1	11.963

## 4.2. LONG TERM TANGIBLE ASSETS

## 4.2.1. Changes of Linas, AB 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
<b>Residual value at the end of previous financial year</b>	<b>0</b>	<b>0</b>	<b>2.165.315</b>	<b>183.669</b>	<b>29.193</b>	<b>0</b>	<b>0</b>	<b>2.378.177</b>
<b>a) Procurement of cost price long-term tangible assets</b>								
<b>At the end of previous financial year</b>	<b>0</b>	<b>0</b>	<b>2.169.541</b>	<b>415.713</b>	<b>69.146</b>	<b>0</b>	<b>0</b>	<b>2.654.400</b>
<b>Changes of financial year</b>	<b>0</b>	<b>0</b>	<b>72.847</b>	<b>11.651</b>	<b>73.523</b>	<b>0</b>	<b>0</b>	<b>158.021</b>
· Procurement of assets	0	0	89.270	15.151	57.100	0	0	161.521
· Assets, transferred to other individuals and discarded (-)	0	0	0	(3.500)	0	0	0	(3.500)
· Transcription to short-time assets+/-(-)	0	0	0	0	0	0	0	0
· Transcription from one article to another +/-(-)	0	0	(16.423)	0	16.423	0	0	0
<b>At the end of financial year</b>	<b>0</b>	<b>0</b>	<b>2.242.388</b>	<b>427.364</b>	<b>142.669</b>	<b>0</b>	<b>0</b>	<b>2.812.421</b>
<b>b) Revaluation</b>								
<b>At the end of previous financial year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Changes of financial year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
· 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
<b>At the end of financial year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>c) Depreciation (-)</b>								
<b>At the end of previous financial year</b>	<b>0</b>	<b>0</b>	<b>4.226</b>	<b>232.044</b>	<b>39.953</b>	<b>0</b>	<b>0</b>	<b>276.223</b>
<b>Changes of financial year</b>	<b>0</b>	<b>0</b>	<b>442.417</b>	<b>69.687</b>	<b>17.674</b>	<b>0</b>	<b>0</b>	<b>529.778</b>
· Financial year depreciation	0	0	444.964	70.195	15.127	0	0	530.286
· Restorational records (-)	0	0	0	0	0	0	0	0
· Assets, transferred to other individuals and discarded (-)	0	0	0	(508)	0	0	0	(508)
· Transcription from one article to another +/-(-)	0	0	(2.547)	0	2.547	0	0	0
<b>At the end of financial year</b>	<b>0</b>	<b>0</b>	<b>446.643</b>	<b>301.731</b>	<b>57.627</b>	<b>0</b>	<b>0</b>	<b>806.001</b>
<b>d) Decrease of value</b>								
<b>At the end of previous financial year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Changes of financial year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
· 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
<b>At the end of financial year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>e) Residual value at the end of financial year (a) + (b) - (c) - (d)</b>	<b>0</b>	<b>0</b>	<b>1.795.745</b>	<b>125.633</b>	<b>85.042</b>	<b>0</b>	<b>0</b>	<b>2.006.420</b>

4.2.2. Changes of Linas, AB 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
<b>Residual value at the end of previous financial year</b>	0	18.119	2.694.514	215.694	30.954	0	0	2.959.281
<b>a) Procurement of cost price long-term tangible assets</b>								
<b>At the end of previous financial year</b>	0	18.360	2.795.960	452.903	73.946	0	0	3.341.169
<b>Changes of financial year</b>	0	0	190.476	13.401	75.752	0	0	279.629
· Procurement of assets	0	0	206.899	16.901	59.329	0	0	283.129
· Assets, transferred to other individuals and discarded (-)	0	0	0	(3.500)	0	0	0	(3.500)
· Transcription to short-time assets +/-	0	0	0	0	0	0	0	0
· Transcription from one article to another +/-	0	0	(16.423)	0	16.423	0	0	0
<b>At the end of financial year</b>	0	18.360	2.986.436	466.304	149.698	0	0	3.620.798
<b>b) Revaluation</b>								
<b>At the end of previous financial year</b>	0	0	0	0	0	0	0	0
<b>Changes of financial year</b>	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
<b>At the end of financial year</b>	0	0	0	0	0	0	0	0
<b>c) Depreciation (-)</b>								
<b>At the end of previous financial year</b>	0	241	101.446	237.209	42.992	0	0	381.888
<b>Changes of financial year</b>	0	2.295	508.058	75.943	18.985	0	0	605.281
· Depreciation of financial year	0	2.295	510.605	76.451	16.438	0	0	605.789
· Restorational records (-)	0	0	0	0	0	0	0	0
· Assets, transferred to other individuals and discarded (-)	0	0	0	(508)	0	0	0	(508)
· Transcription from one article to another +/-	0	0	(2.547)	0	2.547	0	0	0
<b>At the end of financial year</b>	0	2.536	609.504	313.152	61.977	0	0	987.169
<b>d) Decrease of value</b>								
<b>At the end of previous financial year</b>	0	0	0	0	0	0	0	0
<b>Changes of financial year</b>	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
<b>At the end of financial year</b>	0	0	0	0	0	0	0	0
<b>e) Residual value at the end of financial year (a) + (b) - (c) - (d)</b>	0	15.824	2.376.932	153.152	87.721	0	0	2.633.629



#### 4.3. OTHER INFORMATION ON LONG-TERM INTANGIBLE, LONG-TERM TANGIBLE AND INVESTMENT ASSETS

##### 4.3.1. Average useful service period of long-term and investment assets

No.	Long-term asset groups	GROUP	COMPANY
1.	<b>Long-term intangible asset groups</b>		
1.1.	Patents, licenses etc.	-	-
1.2.	Software	3	3
1.3.	Other intangible assets	4	4
2.	<b>Long-term tangible asset groups</b>		
2.1.	Structures	8	
2.2.	Machines and equipment	6	5
2.3.	Means of transport	6	6
2.4.	Other equipment, appliances, instruments, gear, inventory	5	4
3.	<b>Investment property</b>		
3.1.	Investment property	20	20

##### 4.3.2. Totally amortized or deteriorated long-term assets which is still used

No.	Title of asset group	GROUP		COMPANY	
		Number of exploited inventory units	Purchase cost price (Lt)	Number of exploited inventory units	Purchase cost price (Lt)
1.	<b>Long-term intangible asset groups</b>				
1.1.	Patents, licenses etc.				
1.2.	Software	22	190.987	22	190.987
1.3.	Other intangible assets	1	4.474	1	4.474
	<b>Total</b>	<b>23</b>	<b>195.461</b>	<b>23</b>	<b>195.461</b>
2.	<b>Long-term tangible asset groups</b>				
2.1.	Machines and equipment				
2.2.	Means of transport				
2.3.	Other equipment, appliances, instruments, gear, inventory	5	16.359	5	16.359
	<b>Total</b>	<b>5</b>	<b>16.359</b>	<b>5</b>	<b>16.359</b>

##### 4.3.3. Rent of long-term tangible assets

No.	Leasehold long-term tangible assets group	GROUP		COMPANY	
		Rent period	Rent tax during financial year (Lt)	Rent period	Rent tax during financial year (Lt)
1.	Buildings and constructions at S.Kerbedžio g. 23, Panevėžys	termless	750.000	termless	750.000
2.	Vehicles	various terms	10.343	various terms	9.265
3.	Plant and machinery, other equipment, appliances, tools	2015-12-31	240.000	-	-
4.	Other tangible assets	-	-	-	-

**4.4. CHANGES OF LINAS, AB ENTERPRISE GROUP AND LINAS, AB  
INVESTMENT PROPERTY**

LTL

Indicators	Land	Buildings
<b>Residual value at the end of previous financial year</b>	<b>0</b>	<b>159.729</b>
<b>a) Procurement of cost price investment property</b>		
<b>At the end of previous financial year</b>	<b>0</b>	<b>205.000</b>
<b>Changes of financial year</b>	<b>0</b>	<b>0</b>
· Procurement of assets	0	0
· Assets, transferred to other individuals and discarded (-)	0	0
· Transcription to short-time assets +/-)	0	0
<b>At the end of interim accounting period</b>	<b>0</b>	<b>205.000</b>
<b>b) Depreciation (-)</b>		
<b>At the end of previous financial year</b>	<b>0</b>	<b>45.271</b>
<b>Changes of financial year</b>	<b>0</b>	<b>10.249</b>
· Depreciation of financial year	0	10.249
· Restorational records (-)	0	0
· Assets, transferred to other individuals and discarded (-)	0	0
<b>At the end of interim accounting period</b>	<b>0</b>	<b>55.520</b>
<b>c) Residual value at the end of interim accounting period</b>	<b>0</b>	<b>149.480</b>

## 4.5. LONG-TERM FINANCIAL ASSETS

## 4.5.1. Changes of long-term financial assets of Linas, AB enterprise group

LTL

Run. No.	Indicators	Other amounts receivable after one year					Other financial assets	Total
		Other long-term loans	Interest granted for loans receivable after one year	Amounts receivable after one year	Uncertain debts (-)	Total other amounts receivable after one year		
1.	Remainder in the beginning of financial year	9.157.337	1.502.600	7.639.469	(62.000)	18.237.406	1.000	18.238.406
2.	Changes of financial year	(77.616)	0	(898)	0	(78.514)	0	(78.514)
2.1.	Other investments					0		0
2.2.	Acquisitions, calculated interest, granting of loans					0		0
2.3.	Sales, return of loans and other receivable amounts (-)	(77.616)		(898)		(78.514)		(78.514)
2.4.	Decrease of value (-)					0		0
3.	Remainder in the end of financial year (1 + 2)	9.079.721	1.502.600	7.638.571	(62.000)	18.158.892	1.000	18.159.892

## 4.5.2. Changes of long-term financial assets of Linas, AB

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	Interest granted for loans receivable after one year	Amounts receivable after one year	Uncertain debts (-)	All other amounts receivable after one year		
1.	Remainder in the beginning of financial year	10.000	0	9.157.337	1.502.600	7.639.469	(62.000)	18.237.406	1.000	18.248.406
2.	Changes of financial year	0	0	(77.616)	0	(898)	0	(78.514)	0	(78.514)
2.1.	Investments in subsidiaries							0		0
2.2.	Other investments							0		0
2.3.	Acquisitions, calculated interest, granting of loans							0		0
2.4.	Sales, return of loans and other receivable amounts (-)			(77.616)		(898)		(78.514)		(78.514)
2.5.	Decrease of value (-)							0		0
3.	Remainder in the end of financial year (1 + 2)	10.000	0	9.079.721	1.502.600	7.638.571	(62.000)	18.158.892	1.000	18.169.892

## 4.6. STOCKS

## 4.6.1. Stocks of enterprise group of Linas, AB

LTL

Run. No.	Indicators	Raw material and assembly products	Current construction	Production produced	Goods purchased for reselling purposes	Total
<b>1.</b>	<b>Cost price of purchased stocks</b>					
1.1.	At the end of last financial year	3.209.276	166.810	3.440.390	22.241	<b>6.838.717</b>
1.2.	<b>At the end of financial year</b> (incl. stocks en route and by the third parties)	<b>4.030.390</b>	<b>186.347</b>	<b>3.873.316</b>	<b>406</b>	<b>8.090.459</b>
<b>2.</b>	<b>Depreciation until net possible selling value (restitution)</b>					
2.1.	At the end of last financial year	0	0	0	0	<b>0</b>
2.2.	<b>At the end of financial year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3.</b>	<b>Net value possible sales at the end of financial year (1-2)</b>					
3.1.	At the end of last financial year (1.1.-2.1.)	3.209.276	166.810	3.440.390	22.241	<b>6.838.717</b>
3.2.	<b>At the end of financial year</b> (incl. stocks en route and by the third parties) (1.2-2.2)	<b>4.030.390</b>	<b>186.347</b>	<b>3.873.316</b>	<b>406</b>	<b>8.090.459</b>
4.	Balance value of mortgage stocks at the end of previous financial year (31/12/2011)					0
5.	Value of mortgage stocks according to mortgage papers (31/12/2011)					0
6.	Balance value of mortgage stocks at the end of financial year (31/12/2012)	1.791.555		3.885.167		5.676.722
7.	Value of mortgage stocks according to mortgage papers (31/12/2012)	1.000.000		4.000.000		5.000.000

## 4.6.2. Stocks of Linas, AB

LTL

Run. No.	Indicators	Raw material and assembly products	Raw material and assembly products are at the third parties	Current construction	Production produced	Goods purchased for reselling purposes	Total
<b>1.</b>	<b>Cost price of purchased stocks</b>						
1.1.	At the end of last financial year	1.002.231	2.020.544	0	3.663.091	22.241	<b>6.708.107</b>
1.2.	<b>At the end of financial year</b> (incl. stocks en route and by the third parties)	<b>1.519.185</b>	<b>2.304.468</b>	<b>0</b>	<b>3.937.011</b>	<b>406</b>	<b>7.761.070</b>
<b>2.</b>	<b>Depreciation until net possible selling value (restitution)</b>						
2.1.	At the end of last financial year	0	0	0	0	0	<b>0</b>
2.2.	<b>At the end of financial year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3.</b>	<b>Net value possible sales at the end of financial year (1-2)</b>						
3.1.	At the end of last financial year (1.1.-2.1.)	1.002.231	2.020.544	0	3.663.091	22.241	<b>6.708.107</b>
3.2.	<b>At the end of financial year</b> (incl. stocks en route and by the third parties) (1.2-2.2)	<b>1.519.185</b>	<b>2.304.468</b>	<b>0</b>	<b>3.937.011</b>	<b>406</b>	<b>7.761.070</b>
4.	Balance value of mortgage stocks at the end of previous financial year (31/12/2011)						0
5.	Value of mortgage stocks according to mortgage papers (31/12/2011)						0
6.	Balance value of mortgage stocks at the end of financial year (31/12/2012)	1.227.076	564.479		3.885.167		5.676.722
7.	Value of mortgage stocks according to mortgage papers (31/12/2012)		1.000.000		4.000.000		5.000.000

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

LTL

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	41.999	10.589	130	6.376
2	Advance payment to the service providers	35.029	42.979	27.126	42.949
3	Balance value of uncertain advance payment	0	0	0	0
3.1.	Uncertain advance payment	0	0	0	0
3.2.	Part of uncertain advance payment written-off to the expenses (-)	0	0	0	0
4.	Expenses of coming period acknowledged as uncounted within one year	89.394	100.516	88.558	99.478
5.	<b>Advance payment</b>	<b>166.422</b>	<b>154.084</b>	<b>115.814</b>	<b>148.803</b>

**4.8. AMOUNTS RECEIVABLE WITHIN ONE YEAR**

LTL

Run. No.	Biggest advance payment groups	GROUP		COMPANY	
		Financial year	Last financial year	Financial year	Last financial year
<b>1.</b>	<b>Trade debtors</b>	<b>7.523.595</b>	<b>3.228.672</b>	<b>7.463.706</b>	<b>3.152.079</b>
1.1.	debts of branch enterprise				
1.2.	other trade debtors	7.523.595	3.228.672	7.463.706	3.152.079
1.3.	Debt for the sold financial asset - shares of branch enterprise	0	0	0	0
<b>2.</b>	<b>Other amount receivable within one year</b>	<b>478.958</b>	<b>699.883</b>	<b>202.694</b>	<b>554.757</b>
2.1.	Receivable VAT	415.226	601.930	179.835	497.505
2.2.	Budget debt to the enterprise	2	191	0	191
2.3.	Debt of social insurance to the enterprise	0	0		
2.4.	Amounts receivable from accountable persons	13.293	23.730	13.293	23.730
2.5.	Amounts receivable from employees for loans provided	0	0	0	0
2.6.	Amounts receivable from branch enterprises	0	0	0	0
2.7.	Advance payment for employees	49.541	48.857	9.566	8.807
2.8.	Receivable sums from requisition rights transfer	0	0	0	0
2.9.	Receivable grants in coming periods	0	0	0	0
2.10.	Profit tax paid in advance	0	24.369	0	24.369
2.11.	Other amounts receivable (amounts receivable from var. debtors, except for the debt of branch enterprise)	896	806	0	155
	<b>Amount receivable within one year, total</b>	<b>8.002.553</b>	<b>3.928.555</b>	<b>7.666.400</b>	<b>3.706.836</b>

4.9. 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	12.139.123		12.169.114		12.131.655		12.161.646	
2.	Part of uncertain debts written-off to the expenses at the beginning of the financial year (-)	(12.139.123)		(12.169.114)		(12.131.655)		(12.161.646)	
3.	<b>Balance value of uncertain debts at the beginning of the financial year</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>	
4.	Debts acknowledge as uncertain within financial year	1.460		33.620		1.460		33.620	
5.	Part of uncertain debt written-off to expenses within financial year	(1.460)		(33.620)		(1.460)		(33.620)	
6.	Uncertain debts acknowledge as expenses within financial year		1.460		33.620		1.460		33.620
7.	Written-off to expenses without transferring debt into uncertain debts of foreign consumer account		0		0		0		0
8.	Uncertain debts recovered within financial year (restoring of written-off debts (-))		(201.552)		(21.547)		(201.220)		(21.547)
9.	Impact of currency exchange rates to advance payment	0	0	0	0	0	0	0	0
10.	Impact of currency exchange rates to debts of foreign consumer	0	0	0	0	0	0	0	0
11.	Uncertain debts written-off from financial accounting (-)	(206.612)		(42.064)		(206.612)		(42.064)	
12.	Uncertain debt at the end of financial year	11.732.419		12.139.123		11.725.283		12.131.655	
13.	Part of uncertain debt written-off to expenses at the end of financial year (-)	(11.732.419)		(12.139.123)		(11.725.283)		(12.131.655)	
14.	<b>Balance value of uncertain debts at the end of the financial year</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>	

## 4.10. LINAS, AB ENTERPRISE'S GROUP AND LINAS, AB PROVIDED LOANS

Run. No.	Loans provided	Currency of loan	Financial year			Last financial year		
			Balance value 12 31 2012, LTL	Term of recovery	Interest payable for loan provided 12 31 2012 LTL	Balance value 12 31 2011, LTL	Term of recovery	Interest payable for loan provided 12 31 2011 LTL
<b>1.</b>	<b>Long-term loans provided</b>		<b>9.079.721</b>		<b>1.502.600</b>	<b>9.157.337</b>		<b>1.502.600</b>
1.1	Long-term loans provided for employees of enterprise	LTL						
1.2	Long-term loans provided for shareholders	LTL						
1.3	Long-term loans provided for branch of enterprise	LTL						
1.4.	Long-term loans provided for other third parties	LTL	9.079.721	various terms since 2009-07-31 until 2013-07-01	1.502.600	9.157.337	various terms since 2009-07-31 until 2013-07-01	1.502.600
<b>2.</b>	<b>Short-term loans provided</b>		<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>
2.1	Short-term loans provided for employees of enterprise and part of long-term for current year	LTL						
2.2	Provided for shareholders part of long-term for current year	LTL						
2.3	Short-term loans provided for shareholders	LTL						
2.4	Provided for other third parties part of long-term for current year	LTL						
2.5	Short-term loans provided for other third parties	LTL						
2.6	Short-term loans provided for branch of enterprise	LTL						
<b>3.</b>	<b>Total (1+2)</b>		<b>9.079.721</b>		<b>1.502.600</b>	<b>9.157.337</b>		<b>1.502.600</b>

**4.11. STRUCTURE OF STATUTORY CAPITAL OF LINAS, AB  
AND MAIN SHAREHOLDERS**

Run. No.	Indicators	Number of shares	%	Amount (LTL)
<b>1</b>	<b>Joint-stock capital structure at the end of financial year</b>			
	According to type of shares			
	1.1. Ordinary shares	24.038.990		24.038.990
	1.2. Preference shares	0		0
	1.3. Shares of employees	0		0
	1.4. Special shares	0		0
	1.5. Other shares	0		0
	<b>TOTAL:</b>	<b>24.038.990</b>	<b>100,00%</b>	<b>24.038.990</b>
<b>2</b>	<b>State or municipal capital</b>	<b>0</b>		<b>0</b>
<b>3</b>	<b>Own shares, owned by the enterprise itself</b>	<b>0</b>		<b>0</b>
<b>4</b>	<b>Shares which hold subsidiary companies.</b>	<b>0</b>		<b>0</b>
<b>5</b>	<b>Shares which hold associated companies</b>			
	UAB "Rentija" (company code 300614019, address: L. Stuokos-Gucevičiaus g. 13-1, Vilnius)	7.833.471	32,59%	7.833.471
	<b>TOTAL:</b>	<b>7.833.471</b>	<b>32,59%</b>	<b>7.833.471</b>
<b>6</b>	<b>Shareholders who have more than 5% of enterprises shares (2012-12-31)</b>			
	6.1. UAB "Rentija" (company code 300614019, address: L. Stuokos-Gucevičiaus g. 13-1, Vilnius)	7.833.471	32,59%	7.833.471
	6.2. Company "Danelika Services Limited" (company code HE289213, address: 3 Michael Koutsofta Street, Limassol, Cyprus)	4.156.585	17,29%	4.156.585
	6.3. Ramūnas Lenčiauskas	2.399.442	9,98%	2.399.442
	6.4. Nojus Lenčiauskas	2.360.000	9,82%	2.360.000

**4.12. RESERVES OF LINAS, LLC ENTERPRISE GROUP AND LINAS, LLC**

Run. No.	Indicators	GROUP		COMPANY	
		At the end of financial year	At the end of last financial year	At the end of financial year	At the end of last financial year
<b>1</b>	<b>Compulsory reserve</b>	<b>212.087</b>	<b>1.000</b>	<b>211.087</b>	<b>0</b>
<b>2</b>	<b>Other reserves</b>	<b>200.000</b>	<b>0</b>	<b>0</b>	<b>0</b>
2.1.	Unappropriated reserve for investment				
2.2.	Reserve for support and benefits in line with collective agreement				
2.3.	Reserve for development of business projects	200.000			
<b>3</b>	<b>Total reserves</b>	<b>412.087</b>	<b>1.000</b>	<b>211.087</b>	<b>0</b>



## Linās, AB

Company Code 147689083

S. Kerbedzio 23, Panevezys

4.13. 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	0
2.	Net profit (loss) for the current year	2.421.359
3.	Unadmitted profit (loss) of accounting financial year in statement of comprehensive income	0
4.	Transfers from reserves, total	0
4.1.	- from obligatory reserve	0
4.2.	- from reserve for business projects development	0
4.3.	- from reserve for support	0
5.	Contributions by shareholders to cover losses	0
<b>6.</b>	<b>Appropriated profit (loss), total</b>	<b>2.421.359</b>
<b>7.</b>	<b>Appropriation of profit</b>	<b>2.192.812</b>
7.1.	part of profit admitted to compulsory reserve	2.192.812
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	0
7.3.2.	to reserve for project of business development	0
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
<b>8.</b>	<b>Retained earnings (loss) at the end of the current year to be carried forward to the following financial year</b>	<b>228.547</b>

## 4.14. 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
<b>1.</b>	<b>GROUP</b>						
1.1.	Grants related to income (compensation of expenses)	0	76.980	0	76.980	0	0
1.2.	Grants related to assets						
1.3.	Subventions						
<b>2.</b>	<b>COMPANY</b>						
2.1.	Grants related to income (compensation of expenses)	0	76.980	0	76.980	0	0
2.2.	Grants related to assets						
2.3.	Subventions						

## 4.15. 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								
<b>1.</b>	<b>Financial debts:</b>	<b>1.005.012</b>	<b>0</b>	<b>1.005.012</b>	<b>2.184.524</b>	<b>1.005.012</b>	<b>0</b>	<b>1.005.012</b>	<b>2.184.524</b>
1.1.	For leasing (financial lease) or similar obligations	769.677	0	769.677	2.184.524	769.677	0	769.677	2.184.524
1.2.	For credit institution	235.335	0	235.335	0	235.335	0	235.335	0
1.3.	Other financial debts	0	0	0	0	0	0	0	0
<b>2.</b>	<b>Other debts</b>	<b>7.114.344</b>	<b>1.926.985</b>	<b>9.041.329</b>	<b>6.609.096</b>	<b>6.370.163</b>	<b>1.926.985</b>	<b>8.297.148</b>	<b>5.878.926</b>
2.1.	Debts for suppliers	5.549.610	0	5.549.610	3.009.692	5.643.678	0	5.643.678	3.143.022
2.2.	Received advance payment	138.226	73.739	211.965	406.990	137.601	73.739	211.340	406.990
2.3.	Obligations related to industrial relations	1.045.798	0	1.045.798	961.942	249.815	0	249.815	173.732
2.3.1	wage payable	384.534	0	384.534	269.585	89.080	0	89.080	48.233
2.3.2	social insurance payable	242.566	0	242.566	221.996	62.437	0	62.437	37.358
2.3.3	payable RIT from wage	61.318	0	61.318	112.057	14.731	0	14.731	9.054
2.3.4	leave accumulation	356.273	0	356.273	357.758	83.278	0	83.278	78.996
2.3.5	payable contributions to the Guarantee Foundation	1.107	0	1.107	546	289	0	289	91
2.4.	Other taxes payable	12.579	0	12.579	15.009	7.186	0	7.186	4.361
2.5.	Extended profit tax	0	0	0	0	0	0	0	0
2.6.	Profit tax payment obligations	85.808	0	85.808	18.050	58.892	0	58.892	0
2.7.	Provisions	0	1.495.486	1.495.486	1.509.418	0	1.495.486	1.495.486	1.509.418
2.8.	Payable dividends	0	0	0	0	0	0	0	0
2.9.	Payable amounts for sales services	204.380	0	204.380	185.739	204.380	0	204.380	185.739
2.10.	Various other payable amounts	77.943	357.760	435.703	502.256	68.611	357.760	426.371	455.664
	<b>Total</b>	<b>8.119.356</b>	<b>1.926.985</b>	<b>10.046.341</b>	<b>8.793.620</b>	<b>7.375.175</b>	<b>1.926.985</b>	<b>9.302.160</b>	<b>8.063.450</b>

## Guarantee debts of Linas, LLC enterprise group

Run. No.		Financial year debts guaranteed by		Last year financial debts guaranteed by	
		Government	Group of enterprises by mortgaged assets	Government	Group of enterprises by mortgaged assets
<b>1.</b>	<b>Financial debts:</b>	<b>0</b>	<b>235.335</b>	<b>0</b>	<b>0</b>
1.1.	Leasing (financial lease) or similar obligations		0		0
1.2.	For credit institution		235.335		0
1.3.	Other financial debts		0		0
<b>2.</b>	<b>Other debts</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**4.16. LEASING LIABILITIES AND STATE OF DEBTS FOR CREDIT INSTITUTIONS OF LINAS, LLC ENTERPRISE GROUP AND LINAS, LLC**

Run. No.	Debts for credit institutions	GROUP			
		At the end of the financial year		At the end of the last financial year	
		Amount of leasing, loan	Leasing, loan end date	Amount of leasing, loan	Leasing, loan end date
1.	Enterprise leasing liabilities (financial lease) , payable in LTL	769.677 Lt		2.184.524 Lt	
1.1.		25.408 Lt	2013-05-05	85.282 Lt	2013-05-05
1.2.		19.269 Lt	2013-11-10	39.742 Lt	2013-11-10
1.3.		725.000 Lt	2013-12-31	2.059.500 Lt	2013-12-31
2.	Enterprise debts for credit institutions, payable in LTL	235.335 Lt	2013-04-10	0 Lt	
2.1.		235.335 Lt		0 Lt	
	<b>Total</b>	<b>1.005.012 LTL</b>		<b>2.184.524 LTL</b>	

**4.17. ACCUMULATIONS OF LEAVES**

LTL

Run. No.	Indicators	GROUP		COMPANY	
		Financial year	Last financial year	Financial year	Last financial year
<b>1.</b>	<b>Remainder of accumulative leaves at the beginning of the year</b>	<b>357.758</b>	<b>398.421</b>	<b>78.996</b>	<b>84.847</b>
1.1.	Accumulative leaves at the beginning of the year	273.139	304.184	60.312	64.778
1.2.	Social insurance of accumulative leaves at the beginning of the year	84.619	94.237	18.684	20.069
<b>2.</b>	<b>Accumulated leaves within a year (leaves with social insurance directed to expenses)</b>	<b>726.208</b>	<b>733.088</b>	<b>154.505</b>	<b>132.159</b>
2.1.	Accumulated leaves	554.442	559.695	117.961	100.901
2.2.	Accumulated social insurance from accumulated leaves	171.766	173.393	36.544	31.258
<b>3.</b>	<b>Accumulated leaves amount covered by accumulated leavess (within a financial year for employees practically counted leaves with social insurance)</b>	<b>(727.692)</b>	<b>(773.751)</b>	<b>(150.223)</b>	<b>(138.010)</b>
3.1.	Leaves expenses covered by accumulated leaves	(555.575)	(590.740)	(114.692)	(105.367)
3.2.	Leaves with social insurance expenses covered by accumulated leaves	(172.117)	(183.011)	(35.531)	(32.643)
<b>4.</b>	<b>Remainder of accumulative leaves at the end of the year</b>	<b>356.274</b>	<b>357.758</b>	<b>83.278</b>	<b>78.996</b>
4.1.	Accumulated leaves at the end of the year	272.006	273.139	63.581	60.312
4.2.	Social insurance from accumulated leaves at the end of the year	84.268	84.619	19.697	18.684
<b>5.</b>	<b>Change of accumulated leave remainder within a year (4 - 1)</b>	<b>(1.484)</b>	<b>(40.663)</b>	<b>4.282</b>	<b>(5.851)</b>
5.1.	Change of accumulated leave remainder	(1.133)	(31.045)	3.269	(4.466)
5.2.	Change of social insurance from accumulated leave remainder	(351)	(9.618)	1.013	(1.385)

## 4.18. PRODUCTION OF TEXTILE PRODUCTS

## 4.18.1. Information of Linas, LLC enterprise group about segments of textile products production business

LTL

Indicators	Segments (production, goods, types of activity)								Group's Total	
	Fabrics		Sewn products		Yarns		Production services		2012 y.	2011 y.
	2012 y.	2011 y.	2012 y.	2011 y.	2012 y.	2011 y.	2012 y.	2011 y.		
Income	18.046.599	17.806.822	19.349.099	13.847.203	232.152	232.072	1.992.156	1.864.456	39.620.006	33.750.553
Cost price	11.184.825	10.761.128	13.939.487	9.940.420	240.375	172.534	1.021.438	969.089	26.386.125	21.843.171
<b>Gross profit (losses)</b>	<b>6.861.774</b>	<b>7.045.694</b>	<b>5.409.612</b>	<b>3.906.783</b>	<b>(8.223)</b>	<b>59.538</b>	<b>970.718</b>	<b>895.367</b>	<b>13.233.881</b>	<b>11.907.382</b>
Operating expenses									10.600.759	10.480.800
<b>Profit (losses) on typical activity</b>	<b>6.861.774</b>	<b>7.045.694</b>	<b>5.409.612</b>	<b>3.906.783</b>	<b>(8.223)</b>	<b>59.538</b>	<b>970.718</b>	<b>895.367</b>	<b>2.633.122</b>	<b>1.426.582</b>

## 4.18.2. Information of Linas, LLC enterprise group about segments of textile products of geographical production business

LTL

Indicators	Segments (regions)										Group's Total	
	Scandinavian countries		European countries		USA		Lithuania		Other countries		2012 y.	2011 y.
	2012 y.	2011 y.	2012 y.	2011 y.	2012 y.	2011 y.	2012 y.	2011 y.	2012 y.	2011 y.		
Income	11.773.163	10.413.747	17.563.627	14.062.788	2.076.700	2.415.332	5.419.735	4.164.645	2.786.781	2.694.041	39.620.006	33.750.553
Cost price	7.389.253	6.639.985	12.485.221	9.621.175	1.042.032	1.234.985	3.455.107	2.456.523	2.014.512	1.890.503	26.386.125	21.843.171
<b>Gross profit (losses)</b>	<b>4.383.910</b>	<b>3.773.762</b>	<b>5.078.406</b>	<b>4.441.613</b>	<b>1.034.668</b>	<b>1.180.347</b>	<b>1.964.628</b>	<b>1.708.122</b>	<b>772.269</b>	<b>803.538</b>	<b>13.233.881</b>	<b>11.907.382</b>
Operating expenses											10.600.759	10.480.800
<b>Profit (losses) on typical activity</b>	<b>4.383.910</b>	<b>3.773.762</b>	<b>5.078.406</b>	<b>4.441.613</b>	<b>1.034.668</b>	<b>1.180.347</b>	<b>1.964.628</b>	<b>1.708.122</b>	<b>772.269</b>	<b>803.538</b>	<b>2.633.122</b>	<b>1.426.582</b>

4.18.3. Information of Linas, LLC about segments of textile products business

LTL

Indicators	Segments (production, goods, types of activity)										Company's Total	
	Fabrics		Sewn products		Yarns		Production services					
	2012 y.	2011 y.	2012 y.	2011 y.	2012 y.	2011 y.	2012 y.	2011 y.	2012 y.	2011 y.	2012 y.	2011 y.
Income	18.046.599	17.806.822	19.349.099	13.847.203	232.152	232.072	1.238.515	1.176.293	38.866.365	33.062.390		
Cost price	13.850.099	13.548.316	17.261.180	12.515.040	240.375	172.534	557.854	533.633	31.909.508	26.769.523		
<b>Gross profit (losses)</b>	<b>4.196.500</b>	<b>4.258.506</b>	<b>2.087.919</b>	<b>1.332.163</b>	<b>(8.223)</b>	<b>59.538</b>	<b>680.661</b>	<b>642.660</b>	<b>6.956.857</b>	<b>6.292.867</b>		
Operating expenses									5.481.841	5.129.670		
<b>Profit (losses) on typical activity</b>	<b>4.196.500</b>	<b>4.258.506</b>	<b>2.087.919</b>	<b>1.332.163</b>	<b>(8.223)</b>	<b>59.538</b>	<b>680.661</b>	<b>642.660</b>	<b>1.475.016</b>	<b>1.163.197</b>		

4.18.4. Information of Linas, LLC about segments of textile products of geographical business

LTL

Indicators	Segments (regions)										Company's Total	
	Scandinavian countries		European countries		USA		Lithuania		Other countries			
	2012 y.	2011 y.	2012 y.	2011 y.	2012 y.	2011 y.	2012 y.	2011 y.	2012 y.	2011 y.	2012 y.	2011 y.
Income	11.773.163	10.413.747	17.538.218	13.374.625	2.076.700	2.415.332	4.691.503	4.164.645	2.786.781	2.694.041	38.866.365	33.062.390
Cost price	9.095.845	8.303.046	15.353.833	11.591.782	1.282.696	1.544.301	3.697.358	2.966.393	2.479.776	2.364.001	31.909.508	26.769.523
<b>Gross profit (losses)</b>	<b>2.677.318</b>	<b>2.110.701</b>	<b>2.184.385</b>	<b>1.782.843</b>	<b>794.004</b>	<b>871.031</b>	<b>994.145</b>	<b>1.198.252</b>	<b>307.005</b>	<b>330.040</b>	<b>6.956.857</b>	<b>6.292.867</b>
Operating expenses											5.481.841	5.129.670
<b>Profit (losses) on typical activity</b>	<b>2.677.318</b>	<b>2.110.701</b>	<b>2.184.385</b>	<b>1.782.843</b>	<b>794.004</b>	<b>871.031</b>	<b>994.145</b>	<b>1.198.252</b>	<b>307.005</b>	<b>330.040</b>	<b>1.475.016</b>	<b>1.163.197</b>

## 4.19. EXPENSES OF ACTIVITY

LTL

Run. No.	Indicators	GROUP		COMPANY	
		Financial year	Last financial year	Financial year	Last financial year
<b>1</b>	<b>Expenses of sales</b>	<b>2.678.532</b>	<b>2.517.983</b>	<b>2.678.237</b>	<b>2.517.148</b>
1.1	Expenses of commissions	1.163.014	1.095.561	1.163.014	1.095.561
1.2	Expenses of transporting of sold production	334.622	356.910	334.622	356.910
1.3	Expenses of production advertising and fair	433.021	403.510	433.021	403.510
1.4	Expenses of sales number employees wage and other with employees related expenses	554.652	416.637	554.652	416.637
1.5	Evaluate of customers creditworthiness and insurance costs of marketable credits	144.231	187.184	144.231	187.184
1.6	Other sales expenses	48.992	58.181	48.697	57.346
<b>2</b>	<b>General and administration expenses</b>	<b>7.922.227</b>	<b>7.962.817</b>	<b>2.803.604</b>	<b>2.612.522</b>
2.1	Expenses related with employees wage and other with employees related	3.162.929	3.259.368	985.723	942.241
2.2	Training costs of administration employees	339.621	112.995	278.450	70.290
2.3	Rent, exploitation and repairing expenses	3.480.295	3.456.933	937.710	797.028
2.4	Expenses of security services	174.000	220.001	87.000	100.001
2.5	Expenses of deterioration and amortization of non-current asset	186.464	192.735	110.960	147.958
2.6	Expenses of info technologies	147.570	168.878	146.985	168.193
2.7	Connection expenses	52.923	58.361	23.597	27.095
2.8	Expenses of bank services	46.246	50.384	42.581	46.997
2.9	Legal services expenses	8.690	91.343	8.241	91.270
2.10	Expenses of business administration services	0	8.865		8.865
2.11	Expenses of activity tax	42.292	40.414	13.796	16.316
2.12	Expenses of support provided	10.052	3.022	10.052	3.022
2.13	Expenses of social guarantees, stated in collective agreement	5.780	10.680	5.000	3.000
2.14	Representation expenses	41.074	49.525	38.851	46.287
2.15	Uncertain debts expenses	867	(42.696)	1.199	(42.696)
2.16	Expenditures from transfer of requirement rights	0	20.547	0	20.547
2.17	Costs of suspensions	(13.932)	46.616	(13.932)	46.616
2.18	Various other general and administration expenses	237.356	214.846	127.391	119.492
<b>3</b>	<b>TOTAL EXPENSES OF ACTIVITY</b>	<b>10.600.759</b>	<b>10.480.800</b>	<b>5.481.841</b>	<b>5.129.670</b>

## 4.20. OTHER (NON TYPICAL) ACTIVITY

LTL

Run. No.	Indicators	GROUP		COMPANY	
		Financial year	Last financial year	Financial year	Last financial year
<b>1.</b>	<b>INCOME OF OTHER ACTIVITY - TOTAL</b> Specification of significant amount:	<b>886.863</b>	<b>888.376</b>	<b>5.122.460</b>	<b>842.421</b>
1.1.	Profit of non-current asset transferring	0	0	0	0
1.2.	Income of various storages selling	443.174	303.349	402.033	359.936
1.3.	Sales incomes of circulating pollution permits	167.944	324.287	0	0
1.4.	Income of rent	265.024	253.785	265.024	254.185
1.5.	Income of accounting and administration services	0	0	216.000	216.000
1.6.	Incomes of thermal energy supply	989	0	4.234.308	9.681
1.7.	Various other non-typical activity income	9.732	6.955	5.095	2.619
<b>2.</b>	<b>EXPENSES OF OTHER ACTIVITY - TOTAL</b> Specification of significant amount:	<b>681.442</b>	<b>610.299</b>	<b>4.168.626</b>	<b>612.378</b>
2.1.	Loss of non-current asset transferring	1.165	792	1.165	792
2.2.	Net cost of sold various storages	313.297	257.512	301.566	251.524
2.3.	Net cost of rent	161.853	149.947	161.853	149.947
2.4.	Expenses of accounting and administration services	200.289	200.289	200.289	200.289
2.5.	Expenditures of thermal energy supply	2.754	425	3.501.669	8.492
2.6.	Various other non-typical activity expenses	2.084	1.334	2.084	1.334
<b>3.</b>	<b>RESULT OF OTHER ACTIVITY (1-2)</b>	<b>205.421</b>	<b>278.077</b>	<b>953.834</b>	<b>230.043</b>

## 4.21. FINANCIAL AND INVESTMENT ACTIVITY

LTL

Run. No.	Indicators	GROUP		COMPANY	
		Financial year	Last financial year	Financial year	Last financial year
<b>1.</b>	<b>FINANCIAL AND INVESTMENT ACTIVITY INCOME - TOTAL</b> Specification of significant amount:	<b>203.826</b>	<b>8.780</b>	<b>203.894</b>	<b>8.780</b>
1.1.	Positive result of changes of currency exchange	828	0	907	0
1.2.	Income of bank interests	359	3.545	348	3.545
1.3.	Income of other interests	0	0	0	0
1.5.	Fines and penalties for the drawn debts	1.374	0	1.374	0
1.6.	Income of loans provided by the revaluation	201.220	0	201.220	0
1.7.	Income of currency buying-selling	0	4.090	0	4.090
1.8.	Income of other financial-investment activity	45	1.145	45	1.145
<b>2.</b>	<b>FINANCIAL AND INVESTMENT ACTIVITY EXPENSES - TOTAL</b> Specification of significant amount:	<b>30.323</b>	<b>109.456</b>	<b>29.399</b>	<b>107.873</b>
2.1.	Expenses of interests	19.446	92.962	19.446	92.962
2.2.	Fines and delay fees	558	553	243	0
2.3.	Negative result of changes of currency exchange	0	1.939	0	1.770
2.4.	Expenses of currency buying-selling	10.237	13.943	9.628	13.082
2.5.	Expenses of loans provided by the revaluation	0	0	0	0
2.6.	Expenses of other financial-investment activity	82	59	82	59
<b>3.</b>	<b>FINANCIAL AND INVESTMENT ACTIVITY RESULT (1-2)</b>	<b>173.503</b>	<b>(100.676)</b>	<b>174.495</b>	<b>(99.093)</b>



4.22. FINANCIAL CONNECTIONS WITH MANAGERS AND OTHER RELATED PERSONS

LTL

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
<b>A.</b>	<b>Amount, related with industrial relations, calculated within a year:</b>	<b>332.933</b>	<b>42.909</b>	<b>307.077</b>	<b>12.756</b>	<b>214.568</b>	<b>35.776</b>	<b>185.289</b>	<b>8.458</b>
1.	For managers	332.933	42.909	307.077	12.756	214.568	35.776	185.289	8.458
2.	For other related persons	0	0	0	0	0	0	0	0
<b>B.</b>	<b>Loans granted by Group (Company):</b>	<b>0</b>	<b>9.079.721</b>	<b>0</b>	<b>9.157.337</b>	<b>0</b>	<b>9.079.721</b>	<b>0</b>	<b>9.157.337</b>
1.	For managers	0	0	0	0	0	0	0	0
2.	For other related persons	0	9.079.721	0	9.157.337	0	9.079.721	0	9.157.337
<b>C.</b>	<b>Receivable loans:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1.	From managers	0	0	0	0	0	0	0	0
2.	From other related persons	0	0	0	0	0	0	0	0
<b>D.</b>	<b>Repaid the loan for Group (Company):</b>	<b>278.836</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>278.836</b>	<b>0</b>	<b>0</b>	<b>0</b>
1.	From managers	0	0	0	0	0	0	0	0
2.	From other related persons	278.836	0	0	0	278.836	0	0	0
<b>E.</b>	<b>Gratuitously transferred asset and gifts:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1.	For managers	0	0	0	0	0	0	0	0
2.	For other related persons	0	0	0	0	0	0	0	0
<b>F.</b>	<b>Various guarantees provided by name of Group (Company):</b>	<b>0</b>	<b>2.500.000</b>	<b>0</b>	<b>2.500.000</b>	<b>0</b>	<b>2.500.000</b>	<b>0</b>	<b>2.500.000</b>
1.	For managers	0	0	0	0	0	0	0	0
2.	For other related persons	0	2.500.000	0	2.500.000	0	2.500.000	0	2.500.000
<b>G.</b>	<b>Received various guarantees:</b>	<b>17.432.191</b>	<b>41.887.102</b>	<b>0</b>	<b>28.822.996</b>	<b>17.932.191</b>	<b>42.387.102</b>	<b>0</b>	<b>28.822.996</b>
1.	From managers	0	0	0	0	0	0	0	0
2.	From other related persons	17.432.191	41.887.102	0	28.822.996	17.932.191	42.387.102	0	28.822.996
<b>H.</b>	<b>Other significant amounts, calculated within a year (obligations of Group (Company) to related persons):</b>	<b>885.730</b>	<b>614.103</b>	<b>1.086.854</b>	<b>690.748</b>	<b>17.965.874</b>	<b>1.586.006</b>	<b>16.547.293</b>	<b>1.345.171</b>
1.	For managers	0	0	0	0	0	0	0	0
2.	For other related persons	885.730	614.103	1.086.854	690.748	17.965.874	1.586.006	16.547.293	1.345.171
<b>I.</b>	<b>Other significant obligations for Group (Company):</b>	<b>0</b>	<b>1.932.362</b>	<b>0</b>	<b>1.932.362</b>	<b>4.449.319</b>	<b>1.932.362</b>	<b>226.081</b>	<b>1.932.362</b>
1.	Of managers	0	0	0	0	0	0	0	0
2.	Of other related persons	0	1.932.362	0	1.932.362	4.449.319	1.932.362	226.081	1.932.362
<b>J.</b>	<b>Sold asset:</b>	<b>1.592</b>	<b>0</b>	<b>1.013</b>	<b>0</b>	<b>7.631</b>	<b>0</b>	<b>141.429</b>	<b>0</b>
1.	For managers	1.592	0	403	0	292	0	403	0
2.	For other related persons	0	0	610	0	7.339	0	141.026	0
<b>K.</b>	<b>Losses compensation appeared because of the bankruptcy of the previous subsidiary company BUAB "Lino audiniai"</b>	<b>0</b>	<b>5.487.783</b>	<b>0</b>	<b>5.487.783</b>	<b>0</b>	<b>5.487.783</b>	<b>0</b>	<b>5.487.783</b>
1.	Of managers	0	0	0	0	0	0	0	0
2.	Of other related persons	0	5.487.783	0	5.487.783	0	5.487.783	0	5.487.783
<b>L.</b>	<b>Repayable damage incomes because of noncompliance of contract liabilities</b>	<b>0</b>	<b>1.655.056</b>	<b>0</b>	<b>1.655.056</b>	<b>0</b>	<b>1.655.056</b>	<b>0</b>	<b>1.655.056</b>
1.	Of managers	0	0	0	0	0	0	0	0
2.	Of other related persons	0	1.655.056	0	1.655.056	0	1.655.056	0	1.655.056
<b>M.</b>	<b>Provisions of liabilities and requisition cover:</b>	<b>0</b>	<b>1.495.485</b>	<b>47.719</b>	<b>1.509.418</b>	<b>0</b>	<b>1.495.485</b>	<b>47.719</b>	<b>1.509.418</b>
1.	For managers	0	0	0	0	0	0	0	0
2.	For other related persons	0	1.495.485	47.719	1.509.418	0	1.495.485	47.719	1.509.418
<b>N.</b>	<b>Accepted as doubtful debts:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1.	Of managers	0	0	0	0	0	0	0	0
2.	Of other related persons	0	0	0	0	0	0	0	0
<b>O.</b>	<b>The asset of the third parties in the enterprise</b>	<b>0</b>	<b>4.762.323</b>	<b>0</b>	<b>8.012.737</b>	<b>0</b>	<b>4.762.323</b>	<b>0</b>	<b>7.454.645</b>
1.	Of managers	0	0	0	0	0	0	0	0
2.	Of other related persons	0	4.762.323	0	8.012.737	0	4.762.323	0	7.454.645
	<b>Average number of managers within a year</b>	<b>3</b>	<b>X</b>	<b>3</b>	<b>X</b>	<b>2</b>	<b>X</b>	<b>2</b>	<b>X</b>

## 4.23. PROFIT TAX

## 4.23.1. Specification of expenses of profit tax

LTL

Run. No.	Expenses of profit tax	GROUP		COMPANY	
		Financial year	Last financial year	Financial year	Last financial year
<b>1.</b>	<b>Expenses of profit tax</b>	<b>218.827</b>	<b>145.102</b>	<b>181.986</b>	<b>105.401</b>
1.1.	Reporting year profit tax according to Profit tax declaration	218.827	146.602	181.986	106.901
1.2.	Corrections of profit tax of last year in perspective way	0	(1.500)	0	(1.500)
<b>2.</b>	<b>Expenses (incomes) of delayed taxes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
2.1.	Expenses (incomes) of delayed taxes, determined by appearance and (or) disappearance of temporary differences	0	0	0	0
<b>3.</b>	<b>Expenses of profit tax , stated in statement of comprehensive income</b>	<b>218.827</b>	<b>145.102</b>	<b>181.986</b>	<b>105.401</b>

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

LTL

Run. No.	Expenses of profit tax	GROUP		COMPANY	
		Financial year	Last financial year	Financial year	Last financial year
<b>1.</b>	<b>Accountable profit (loss) before taxing</b> (according to statement of comprehensive income)	<b>3.012.046</b>	<b>1.603.983</b>	<b>2.603.345</b>	<b>1.294.147</b>
<b>2.</b>	<b>Profit tax before correction cause of regular and temporary differences</b>	<b>427.368</b>	<b>268.887</b>	<b>390.503</b>	<b>194.122</b>
<b>3.</b>	<b>Correction of expenses of profit tax</b>	<b>(208.541)</b>	<b>(123.785)</b>	<b>(208.517)</b>	<b>(88.721)</b>
3.1.	Correction of profit tax expenses cause of regular differences	(26.554)	19.854	(26.530)	19.680
3.2.	Correction of profit tax of last period in perspective way	0	(1.500)	0	(1.500)
3.3.	Profit tax expenditures correction regarding investment project implementation	(181.987)	(142.139)	(181.987)	(106.901)
<b>4.</b>	<b>Expenses of profit tax, stated in statement of comprehensive income</b>	<b>218.827</b>	<b>145.102</b>	<b>181.986</b>	<b>105.401</b>

## 4.24. RIGHTS AND OBLIGATIONS, NOT STATED IN THE STATEMENT OF FINANCIAL POSITION

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	5.000.000	0	5.000.000	0
2	Sponsions of third parties for the loans received by the enterprise	0	0	500.000	0
3	Received guarantess, sponsions	35.135.455	17.703.264	35.135.455	17.703.264
4	Tangible valuables of enterprise trusted to the third parties	555.576	555.576	555.576	555.576
5	Property sublease for third persons	0	0	2.841.599	4.629.553
6	Sponsions for the third parties	2.500.000	2.500.000	2.500.000	2.500.000
7	Confirmed notes in circulation	0	0	0	0
8	The asset of the third parties in the enterprise	4.764.715	8.014.304	4.764.715	7.456.212
9	Assets of the third parties, deposited for the enterprise by the third parties (value as agreed by the parties)	6.751.647	11.119.732	6.751.647	11.119.732

## 4.25. EARNINGS (LOSS) PER SHARE

Run. No.	Indicators	GROUP		COMPANY	
		Financial year	Last financial year	Financial year	Last financial year
1.	Average number of shares	24.038.990	24.038.990	24.038.990	24.038.990
2.	Net profit (loss), in LTL	2.793.219	1.458.881	2.421.359	1.188.746
3.	<b>Earnings per share, in LTL</b>	<b>0,12</b>	<b>0,06</b>	<b>0,10</b>	<b>0,05</b>