



**Linus AB**  
**Company code 147689083**  
**S. Kerbedžio str. 23, Panevezys**

February 27, 2015

### **CONFIRMATION OF RESPONSIBLE PERSONS**

Following 22 article of the Law of Securities of Lithuanian Republic and acc.to the requirements of the Board of Lithuanian Bank regulations for periodic and additional information submission and presentation, we, Saulius Šidlauskas, director of Linas AB, and Daiva Minkevičienė, chief accountant – chief of section of accounting and analysis of Linas AB, hereby confirm that, to the best of our knowledge, interim consolidated financial statements of Linas AB Group of companies of the twelve months of 2014 prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

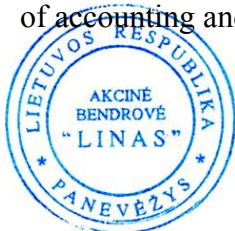
The interim consolidated financial statements of the twelve months of 2014 give a true and fair view of Linas AB and consolidated property of Group of companies, liabilities, financial position, profit (loss) and cash flows. Interim financial statements were not audited.

Director of Linas AB



Saulius Šidlauskas

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



Daiva Minkevičienė



**LINAS AB**  
**INTERIM CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
**OF THE TWELVE MONTHS OF 2014**

**2014 12 31**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Formulated according to TFAS, not audited  
Current period 01 01 2014 – 31 12 2014

LTL

No.	ASSETS	2014-12-31	2013-12-31
<b>A.</b>	<b>Long-term assets</b>	<b>7.365.014</b>	<b>13.721.564</b>
<b>I.</b>	<b>Intangible assets</b>	<b>5.880</b>	<b>5</b>
I.1.	Developmental works	0	0
I.2.	Prestige	0	0
I.3.	Patents, licenses	0	0
I.4.	Software	5.879	4
I.5.	Other intangible assets	1	1
<b>II.</b>	<b>Tangible assets</b>	<b>1.786.536</b>	<b>2.117.483</b>
II.1.	Land	0	0
II.2.	Buildings	0	0
II.3.	Structures	11.235	13.530
II.4.	Machinery and equipment	1.609.893	1.921.496
II.5.	Means of transport	93.931	71.110
II.6.	Other equipment, appliances, instruments and gear	71.477	75.645
II.7.	Constructions in progress	0	0
II.8.	Other tangible assets	0	35.702
<b>III.</b>	<b>Investment property</b>	<b>0</b>	<b>0</b>
<b>IV.</b>	<b>Financial assets</b>	<b>5.568.353</b>	<b>11.597.057</b>
IV.1.	Investments to affiliates and associated companies	0	0
IV.2.	Loans to affiliates and associated companies	0	0
IV.3.	Amounts received after one year	5.567.353	11.596.057
IV.4.	Other financial assets	1.000	1.000
<b>V.</b>	<b>Other long-term assets</b>	<b>4.245</b>	<b>7.019</b>
V.1.	Deferred corporation tax assets	4.245	7.019
V.2.	Other long-term assets	0	0
<b>B.</b>	<b>Short-term assets</b>	<b>20.124.318</b>	<b>19.329.855</b>
<b>I.</b>	<b>Stocks, prepayments and contracts in progress</b>	<b>10.493.451</b>	<b>10.703.621</b>
I.1.	Stocks	10.121.618	10.522.750
I.1.1.	Raw materials and consumables	4.827.245	5.673.595
I.1.2.	Work in progress	240.243	1.689
I.1.3.	Finished products	5.029.976	4.846.970
I.1.4.	Goods purchased for resale	24.154	496
I.1.5.	Other stocks	0	0
I.2.	Prepayments	371.833	180.871
I.3.	Contracts in progress	0	0
<b>II.</b>	<b>Amounts receivable within one year</b>	<b>7.716.588</b>	<b>7.154.051</b>
II.1.	Trade debtors	6.109.483	6.379.518
II.2.	Debts of affiliates and associated companies	0	0
II.3.	Other amounts receivable	1.607.105	774.533
<b>III.</b>	<b>Other short-term assets</b>	<b>0</b>	<b>0</b>
III.1.	Short-term investments	0	0
III.2.	Term deposits	0	0
III.3.	Other short-term assets	0	0
<b>IV.</b>	<b>Currency and its equivalents</b>	<b>1.914.279</b>	<b>1.472.183</b>
	<b>Total assets</b>	<b>27.489.332</b>	<b>33.051.419</b>

No.	PRIVATE ASSETS AND LIABILITIES	2014-12-31	2013-12-31
<b>C.</b>	<b>Private assets</b>	<b>21.263.318</b>	<b>24.762.229</b>
<b>I.</b>	<b>Capital</b>	<b>24.038.990</b>	<b>24.038.990</b>
I.1.	Subscribed capital	24.038.990	24.038.990
I.2.	Signed unpaid capital (-)	0	0
I.3.	Shares premiums	0	0
I.4.	Private shares(-)	0	0
<b>II.</b>	<b>Revaluation reserve (results)</b>	<b>0</b>	<b>0</b>
<b>III.</b>	<b>Reserves</b>	<b>601.000</b>	<b>2.704.899</b>
III.1.	Obligatory	1.000	2.404.899
III.2.	For purchase of proprietary shares	0	0
III.3.	Other reserves	600.000	300.000
<b>IV.</b>	<b>Profit (loss) brought forward</b>	<b>(3.376.672)</b>	<b>(1.981.660)</b>
<b>IV.1.</b>	<b>Profit (loss) of the current year</b>	<b>(3.498.911)</b>	<b>(2.509.976)</b>
IV.1.1.	Profit (loss) acknowledged in statement of profit or loss and other comprehensive income	(3.498.911)	(2.509.976)
IV.1.2.	Profit (loss) not acknowledged in statement of profit or loss and other comprehensive income	0	0
<b>IV.2.</b>	<b>Profit (loss) of the previous year</b>	<b>122.239</b>	<b>528.316</b>
<b>V.</b>	<b>Non-controlling interest</b>	<b>0</b>	<b>0</b>
<b>D.</b>	<b>Amounts payable and liabilities</b>	<b>6.226.014</b>	<b>8.289.190</b>
<b>I.</b>	<b>Amounts payable after one year and long-term liabilities</b>	<b>393.109</b>	<b>431.499</b>
I.1.	Financial debts	0	0
I.1.1.	Leasing (financial rents) or similar liabilities	0	0
I.1.2.	To credit organizations	0	0
I.1.3.	Other financial debts	0	0
I.2.	Grants, subsidies	1.378	0
I.3.	Debts to suppliers	0	0
I.4.	Received prepayments	39.173	73.739
I.5.	Suspensions	0	0
I.5.1.	Reimbursement of liabilities and demands	0	0
I.5.2.	Pensions and similar liabilities	0	0
I.5.3.	Other suspensions	0	0
I.6.	Suspended taxes	0	0
I.7.	Other amounts payable and long-term liabilities	352.558	357.760
<b>II.</b>	<b>Amounts payable within one year and short-term liabilities</b>	<b>5.832.905</b>	<b>7.857.691</b>
II.1.	Short term portion of long-term debts	0	0
II.2.	Financial debts	0	0
II.2.1.	To credit organizations	0	0
II.2.2.	Other financial debts	0	0
II.3.	Debts to suppliers	3.059.146	5.155.513
II.4.	Received prepayments	398.426	1.256.871
II.5.	Liabilities of income taxes	382.279	237.732
II.6.	Liabilities related to work relations	1.440.565	921.255
II.7.	Suspensions	0	0
II.8.	Other amounts payable and short-term liabilities	552.489	286.320
	<b>Total proprietary capital and liabilities</b>	<b>27.489.332</b>	<b>33.051.419</b>

Director



Saulius Šidlauskas

Chief accountant – chief of section  
of accounting and analysis



Daiva Minkevičienė

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

Formulated according to TFAS, not audited  
Current period 01 01 2014 – 31 12 2014

LTL

No.	ARTICLES	01-12 months of 2014	01-12 months of 2013	IV <sup>th</sup> quarter of 2014	IV <sup>th</sup> quarter of 2013
<b>I.</b>	<b>SALE INCOME</b>	<b>41.517.645</b>	<b>40.566.272</b>	<b>12.313.753</b>	<b>10.758.016</b>
I.1.	Income for sold goods	39.217.113	38.223.963	11.711.972	10.063.052
I.2.	Income for sold services	2.300.532	2.342.309	601.781	694.964
<b>II.</b>	<b>SALE COST PRICE</b>	<b>27.141.792</b>	<b>27.652.221</b>	<b>8.264.929</b>	<b>7.981.261</b>
II.1.	Cost price of sold production	26.101.189	26.457.277	8.003.330	7.629.896
II.2.	Cost price of sold services	1.040.603	1.194.944	261.599	351.365
<b>III.</b>	<b>GROSS PROFIT (LOSS)</b>	<b>14.375.853</b>	<b>12.914.051</b>	<b>4.048.824</b>	<b>2.776.755</b>
IV.	OPERATING EXPENSES	10.475.080	9.074.610	3.367.356	775.630
IV.1	Sale	2.360.366	2.611.935	680.614	561.243
IV.2	General and administrative	8.114.714	6.462.675	2.686.742	214.387
<b>V.</b>	<b>PROFIT (LOSS) OF STANDARD ACTIVITY</b>	<b>3.900.773</b>	<b>3.839.441</b>	<b>681.468</b>	<b>2.001.125</b>
<b>VI.</b>	<b>OTHER OPERATIONS</b>	<b>(49.300)</b>	<b>6.182</b>	<b>(1.793)</b>	<b>11.574</b>
VI.1.	Income	667.484	577.222	176.180	163.796
VI.2.	Expenses	716.784	571.040	177.973	152.222
<b>VII.</b>	<b>FINANCIAL AND INVESTMENT ACTIVITIES</b>	<b>(6.748.948)</b>	<b>(5.957.416)</b>	<b>(6.726.648)</b>	<b>(5.958.467)</b>
VII.1.	Income	60.324	514.000	25.320	480.438
VII.2.	Expenses	6.809.272	6.471.416	6.751.968	6.438.905
<b>VIII.</b>	<b>PROFIT (LOSS) FROM ORDINARY ACTIVITIES</b>	<b>(2.897.475)</b>	<b>(2.111.793)</b>	<b>(6.046.973)</b>	<b>(3.945.768)</b>
<b>IX.</b>	<b>PROFIT (LOSS) BEFORE TAXES</b>	<b>(2.897.475)</b>	<b>(2.111.793)</b>	<b>(6.046.973)</b>	<b>(3.945.768)</b>
X.	PROFIT TAX	601.436	398.183	0	0
<b>XI.</b>	<b>PROFIT (LOSS) BEFORE NON-CONTROLLING INTEREST</b>	<b>(3.498.911)</b>	<b>(2.509.976)</b>	<b>(6.046.973)</b>	<b>(3.945.768)</b>
XII.	NON-CONTROLLING INTEREST	0	0	0	0
<b>XIII.</b>	<b>NET PROFIT (LOSS)</b>	<b>(3.498.911)</b>	<b>(2.509.976)</b>	<b>(6.046.973)</b>	<b>(3.945.768)</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 (loss) per share</b>	<b>(0,15)</b>	<b>(0,10)</b>	<b>(0,25)</b>	<b>(0,16)</b>

Director

Saulius Šidlauskas

Chief accountant – chief of section  
of accounting and analysis

Daiva Minkevičienė

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Current period 01 01 2014 – 31 12 2014

LTL

	Paid-up authorized capital	Additions to shares	Proprietary shares (-)	Revaluation reserve (results)		Law covered reserves		Other reserves		Profit (loss) brought forward	Total
				Long- term tangible assets	Financial assets	Obligatory	Proprietary shares procure- ment	Support reserves and other payouts according to collective agreement	Other reserves		
	1	2	3	4	5	6	7	8	9	10	11
<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>212.087</b>	<b>0</b>	<b>0</b>	<b>200.000</b>	<b>2.821.128</b>	<b>27.272.205</b>
Profit/loss not acknowledged in statement of profit or loss and other comprehensive income											0
Net profit / loss of the current period										(2.509.976)	(2.509.976)
Formed reserves						2.192.812			300.000	(2.492.812)	0
Liquidates reserves								(200.000)	200.000		0
<b>Remainder on 31 December, 2013</b>	<b>24.038.990</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2.404.899</b>	<b>0</b>	<b>0</b>	<b>300.000</b>	<b>(1.981.660)</b>	<b>24.762.229</b>
Profit/loss not acknowledged in statement of profit or loss and other comprehensive income											0
Net profit / loss of the current period										(3.498.911)	(3.498.911)
Formed reserves									600.000	(600.000)	0
Liquidates reserves						(2.403.899)			(300.000)	2.703.899	0
<b>Remainder on 31 December, 2014</b>	<b>24.038.990</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1.000</b>	<b>0</b>	<b>0</b>	<b>600.000</b>	<b>(3.376.672)</b>	<b>21.263.318</b>

Director

Saulius Šidlauskas

Chief accountant – chief of section  
of accounting and analysis

Daiva Minkevičienė

CONSOLIDATED STATEMENT OF CASH FLOWS

Current period 01 01 2014 – 31 12 2014

Formed in direct pattern, not audited

LTL

No.	Articles	01-12 months of 2014	01-12 months of 2013
<b>I.</b>	<b>Primary activity currency circulation</b>		
<b>I.1.</b>	<b>Earnings of report period (including VAT)</b>	<b>43.681.013</b>	<b>45.607.701</b>
I.1.1.	Earnings from clients	42.602.570	44.217.692
I.1.2.	Other earnings	1.078.443	1.390.009
<b>I.2.</b>	<b>Report period payouts</b>	<b>(41.241.210)</b>	<b>(43.123.934)</b>
I.2.1.	Payouts to suppliers of products, raw materials and services(including VAT)	(32.171.686)	(34.177.441)
I.2.2.	Monetary payouts related to work relations	(8.326.286)	(8.459.473)
I.2.3.	Taxes paid to budget	(304.424)	(2.879)
I.2.4.	Other payouts	(438.814)	(484.141)
	<b>Cash circulation of primary activity</b>	<b>2.439.803</b>	<b>2.483.767</b>
<b>II.</b>	<b>Currency circulation of investment activity</b>		
II.1.	Procurement of long-term assets (excluding investments)	(292.900)	(256.402)
II.2.	Transfer of long-term assets (excluding investments)	0	99.000
II.3.	Procurement of long-term investments	0	0
II.4.	Procurement of short-term investments	0	0
II.5.	Transfer of short-term investments	0	0
II.6.	Transfer of long-term investments	0	0
II.7.	Provision of loans	(3.405.000)	0
II.8.	Return of loans	1.702.265	119.446
II.9.	Received dividends	0	0
II.10.	Interest received for loans granted and investment	0	0
II.11.	Other currency circulation increases of investment activities	0	0
II.12.	Other currency circulation decreases of investment activities	0	0
	<b>Cash circulation of investment activity</b>	<b>(1.995.635)</b>	<b>(37.956)</b>
<b>III.</b>	<b>Currency circulation of financial activity</b>		
III.1.	Currency circulation related to company owners	0	0
III.1.1.	Emission of shares	0	0
III.1.2.	Owners' contributions to loss reimbursements	0	0
III.1.3.	Procurement of own shares	0	0
III.1.4.	Payout of dividends	0	0
III.2.	Currency circulation related to other financial sources	(7.387)	(1.067.345)
III.2.1.	Increase of financial debts	0	3.057.223
III.2.1.1.	Receipt of loans from credit institutions	0	3.057.223
III.2.1.2.	Receipt of loans from associated and third parties	0	0
III.2.1.3.	Emission of bonds	0	0
III.2.2.	Reduction of financial debts	(7.487)	(4.124.640)
III.2.2.1.	Return of loans to credit institutions	0	(3.292.557)
III.2.2.2.	Return of loans to associated and third parties	0	0
III.2.2.3.	Procurement of own bonds	0	0
III.2.2.4.	Returned interests	(7.487)	(62.406)
III.2.2.5.	Leasing (financial rent) payments	0	(769.677)
III.2.3.	Interests received for bank accounts	100	72
III.2.4.	Increase of company's other liabilities	0	0
III.2.5.	Reduction of company's other liabilities	0	0
III.3.	Other increases of currency circulation of financial activity	88	2.001.865
III.4.	Other reductions of currency circulation of financial activity	(8.717)	(2.006.308)
	<b>Cash circulation of financial activity</b>	<b>(16.016)</b>	<b>(1.071.788)</b>
<b>IV.</b>	<b>Impact of currency exchange rates to cash and equivalent currency remainder</b>	<b>13.944</b>	<b>(5.988)</b>
<b>V.</b>	<b>Net currency circulation increase (reduction)</b>	<b>442.096</b>	<b>1.368.035</b>
<b>VI.</b>	<b>Currency and currency equivalents at the beginning of the period</b>	<b>1.472.183</b>	<b>104.148</b>
<b>VII.</b>	<b>Currency and currency equivalents at the end of the period</b>	<b>1.914.279</b>	<b>1.472.183</b>

Director

Saulius Šidlauskas

Chief accountant – chief of section  
of accounting and analysis

Daiva Minkevičienė



## EXPLANATORY MEMORANDUM OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

31 December, 2014

### 1. General

The Linas company was launched in 1957. A public limited company Linas (further called the Company) was registered in 1993. The Company is the company of limited property liability. Company registration code is 1476 89083. Company is registered in Juridical body register, in the department of legal body registration in Public company Register center, Panevezys branch, the number of registration is 003429. 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).

As of 31<sup>st</sup> of December, 2014, the Linas AB group of companies (further called as the Group) consisted of holding company Linas AB and it's 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, Panevezys. AB Linas own 100 % of affiliated company shares.

The shares of Linas AB are included into the current sales list of AB NASDAQ OMX Vilnius.

Authorized capital of Linas AB is 24.038.990 Lt, it is divided into 24.038.990 ordinary registered 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.

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

On 31<sup>st</sup> of December, 2014 the average number of listed employees of the Group was 320, on 31<sup>st</sup> of December, 2013 – 324 employees.

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.

Linus AB group of companies presents to the customer all yarn dyeing, weaving, finishing and sewing services from the linen yarn preparation for weaving to final product presentation. The main incomes of group of companies was received from the activity of textile goods production and sales during the 12 months of 2014. Linas AB group of companies sold linen textile goods and services for 41.518 thousand Lt during the 12 months of 2014. Comparing to the 12 months of 2013 the volume of sales increased by 951 thousand Lt or 2,3 %.

During the 12 months of 2014 the Group's typical activity result was 3.901 thousand Lt profit and the result of the 12 months of 2013 was 3.839 thousand Lt profit.

During the 12 months of year 2014 the Group was produced and technologically processed: linen and tow yarns – 62 tons (12 months of year 2013 – 76 tons); raw fabrics – 745 thousand mtrs (12 months of year 2013 – 707 thousand mtrs); ready made fabrics – 1.981 thousand mtrs (12 months of year 2013 – 2.032 thousand mtrs). 38,8 % of all produced fabrics were used for sewn items during 12 months of year 2014 (12 months of year 2013 – 36,7 %). The volume of exports during 12 months of 2014 was 87,5 % of the total product sales.

The Group's typical activity results of twelve months of year 2014 were influenced by decreased cost price, because more linen textile items were sold for which we needed lower production making or technological treatment consumption.

During the twelve months of 2014 Group earned 2.897 thousand Lt loss before taxation, the result of the same period of 2013 was 2.112 thousand Lt loss.

On 31 December 2014 BUAB „Nordic investicija“, company code 135442762, registered office - Savanorių pr. 192, LT-44151 Kaunas, liabilities to AB “Linus” amount to 9.118 thousand Lt, BUAB “Domus Palanga”, company code 126234417, company address – Savanoriu avenue 192, LT-44151, Kaunas, the debt value of this company to AB “Linus” are 772 thousand Lt. In accordance with requirements of International Financial Reporting Standards and aiming to reflect the fair value of financial debts, in 2014 set of financial statements were included BUAB „Nordic investicija“ 6.012 thousand Lt and BUAB „Domus Palanga“ 772 thousand Lt financial assets depreciation amounts, by writing off 6.749 thousand Lt to Company’s expenses of financial and investment activities and 35 thousand Lt to expenses of general and administration activities. Financial assets depreciation amounts were determined in accordance with the precautionary principle and using pessimistic assessment of debt recovery risk factors.

On 24 February, 2014 BUAB “Savoja” (company code 110650969) was removed from the Register of Legal Entities. The bankrupt company "Savoja" transferred claim rights on the debtor Linas AB 358 thousand Lt to UAB “Verslo dizainas” (company code 302529076).

500 thousand Lt credit sum is granted to the Company acc.to the account lending contract which was signed between the bank and AB “Linus” 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. For the insurance of credit sum the warranty for all credit sum and term is received from UAB “Lino apdaila”. The validation term of account credit contract is till April 10, 2015. Alternate interests are paid for used credit, which are accounted as three months term Lt VILIBOR plus bank margin.

Acc.to the financial obligations limit contract signed between the bank and AB “Linus” on 07 10 2013, the credit of 290 thousand EUR is granted to the Company, for which company resources are mortgaged with the latest mortgage, the balance value of which acc.to the mortgage sheets are 5 mln.Lt. For the insurance of credit sum the warranty for all credit sum and term is received from UAB “Lino apdaila”. The validation term of the financial obligations limit contract is till October 07, 2015. Alternate interests are paid for used credit, which are accounted as six months term EUR EURIBOR plus bank margin.

Acc.to the funding contract dated November 19, 2014, UAB “Rivena”, company code 302521510, address – P. Zadeikos str. 13-35, LT-06324 Vilnius and AB “Linus” agreed, that AB “Linus” is funding the project of real estate in the name of UAB “Rivena”. In the consolidated statement of financial position of year 2014 the debt of 2.3 mln Lt for project funding of UAB “Rivena” is acknowledged as long term receivable sums and 880 thousand Lt – as other amounts receivable within one year..

AB "Linus" Group of companies long-lived experience, the ability to anticipate and reflect market trends and implementation of technological innovations led to a strong position in the textile market. Modern technologies used by the Group preserve the best quality of linen fiber, create exceptional combinations of elegance and functionality. AB “Linus” Group of companies produces and supplies reliable linen textile items for the customers who evaluate natural and modern combination, high quality of products, flexibility, production acc.to the individual orders, execution speed of orders.

Group of companies develops and improves spheres of marketing and production, tries to increase sales volumes in local and foreign markets, decrease cost prices – tries to optimize production costs and to obtain cheaper raw materials. The Group is developing projects for creating new range of products, improving quality and reducing costs.

Only significant information is presented in this explanatory memorandum which reflects accounting period economic operations and economic events which have the impact on financial state and results of the Group’s accounting period. Data presented in interim financial statements and explanatory memorandum are corresponding International Financial Reporting Standards (IFRS) which are accepted to apply in the European Union (there are no deviation from international standards).

## 2. Accounting policy

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 the European Union (EU).

Accounting policy was not changed during the interim accounting period. The same accounting policy is applied to interim financial statements as to annual financial statements. Accounting policy applicable of the group of companies is more described in explanatory memorandum to the year of 2013 financial statements.

## 3. Notes of the memorandum

3.1. The information about the changes Group's long-term intangible assets and long-term tangible assets is presented in tables 1 and 2.

3.2. Usual business income of the Group comprises the revenues generated by the sale of the products, i.e. fabrics, sewn items, yarn; by provision of production manufacturing services. The information about textiles items production business branches and geographical areas segments disclosed in tables 3 and 4. It is impossible to attribute property and liabilities of the Group to abstracted segments.

3.3. The information on Group's operating expenses (Table 5 "Operating expenses").

3.4. The information on the cost and revenues of other (non typical) activity of the Group (Table 6 "Other (non typical) activity").

3.5. Financial and investment activity of the Group, revenues and costs shown by material items in table 7 "Financial and investment activity".

3.6. Basic the profit for one share is calculated dividing net profit (loss) of period in weighted average of ordinary shares issued during the period. The Group hasn't potentially converting ordinary shares, so the diluted profit attributed to one share correspond the basic profit which is given for one share. The information about the profit which is given for one share is presented in table (Table 8 "Earnings (loss) per share").

3.7. The monetary assets and liabilities items were converted into Lt at the currency rate of the balance making date.

3.8. There are no significant events after last interim accounting period day.

Table 1

CHANGES OF LONG-TERM INTANGIBLE ASSETS

LTL

Indicators	Developmental works	Prestige	Patents, licenses	Software	Other intangible assets	Total
<b>Residual value at the end of previous financial year</b>			0	4	1	5
<b>a) Procurement cost price of long-term intangible assets</b>						
<b>At the end of previous financial year</b>			0	245.736	4.474	250.210
<b>Changes of financial year</b>			0	6.000	0	6.000
· Procurement of assets			0	6.000	0	6.000
· Written-off property because of the accounting evaluation change (-)			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 interim accounting period</b>			0	251.736	4.474	256.210
<b>b) Amortization</b>						
<b>At the end of previous financial year</b>			0	245.732	4.473	250.205
<b>Changes of financial year</b>			0	125	0	125
· Written-off property because of the accounting evaluation change (-)			0	0	0	0
· Financial year amortization			0	125	0	125
· 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 interim accounting period</b>			0	245.857	4.473	250.330
<b>c) Residual value at the end of interim accounting period (a) - (b)</b>			0	5.879	1	5.880

Table 2

CHANGES OF 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	13.530	1.921.496	71.110	75.645	35.702	0	2.117.483
<b>a) Procurement of cost price long-term tangible assets</b>								
<b>At the end of previous financial year</b>	0	18.360	3.041.249	457.554	127.542	35.702	0	3.680.407
<b>Changes of financial year</b>	0	0	241.487	68.573	18.619	(35.702)	0	292.977
· Procurement of assets	0	0	205.785	68.573	18.619	0	0	292.977
· Written-off property because of the accounting evaluation change (-)	0	0	0	0	0	0	0	0
· Assets, transferred to other individuals and discarded (-)	0	0	0	0	0	0	0	0
· Transcription to short-time assets +/-(-)	0	0	0	0	0	0	0	0
· Transcription from one article to another +/-(-)	0	0	35.702	0	0	(35.702)	0	0
<b>At the end of interim accounting period</b>	0	18.360	3.282.736	526.127	146.161	0	0	3.973.384
<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 interim accounting period</b>	0	0	0	0	0	0	0	0
<b>c) Depreciation (-)</b>								
<b>At the end of previous financial year</b>	0	4.830	1.119.753	386.444	51.897	0	0	1.562.924
<b>Changes of financial year</b>	0	2.295	553.090	45.752	22.787	0	0	623.924
· Written-off property because of the accounting evaluation change (-)	0	0	0	0	0	0	0	0
· Depreciation of financial year	0	2.295	553.090	45.752	22.787	0	0	623.924
· 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 interim accounting period</b>	0	7.125	1.672.843	432.196	74.684	0	0	2.186.848
<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 interim accounting period</b>	0	0	0	0	0	0	0	0
<b>e) Residual value at the end of interim accounting period (a) + (b) - (c) - (d)</b>	0	11.235	1.609.893	93.931	71.477	0	0	1.786.536

Table 3

INFORMATION ABOUT SEGMENTS OF TEXTILE PRODUCTS PRODUCTION BUSINESS

LTL

Indicators	Segments (production, goods, types of activity)									
	Fabrics		Sewn products		Yarns		Production services		All Enterprises	
	01-12 months of 2014	01-12 months of 2013	01-12 months of 2014	01-12 months of 2013	01-12 months of 2014	01-12 months of 2013	01-12 months of 2014	01-12 months of 2013	01-12 months of 2014	01-12 months of 2013
Income	19.347.619	19.410.306	19.677.871	18.555.442	191.623	258.215	2.300.532	2.342.309	41.517.645	40.566.272
Cost price	11.637.947	12.231.735	14.294.641	13.978.633	168.601	246.909	1.040.603	1.194.944	27.141.792	27.652.221
<b>Gross profit (losses)</b>	<b>7.709.672</b>	<b>7.178.571</b>	<b>5.383.230</b>	<b>4.576.809</b>	<b>23.022</b>	<b>11.306</b>	<b>1.259.929</b>	<b>1.147.365</b>	<b>14.375.853</b>	<b>12.914.051</b>
Operating expenses									10.475.080	9.074.610
<b>Profit (losses) on typical activity</b>	<b>7.709.672</b>	<b>7.178.571</b>	<b>5.383.230</b>	<b>4.576.809</b>	<b>23.022</b>	<b>11.306</b>	<b>1.259.929</b>	<b>1.147.365</b>	<b>3.900.773</b>	<b>3.839.441</b>

Table 4

INFORMATION ABOUT GEOGRAPHICAL SEGMENTS OF TEXTILE ITEMS PRODUCTION

LTL

Indicators	Segments (regions)											
	Scandinavian countries		European countries		USA		Lithuania		Other countries		All Enterprises	
	01-12 months of 2014	01-12 months of 2013	01-12 months of 2014	01-12 months of 2013	01-12 months of 2014	01-12 months of 2013	01-12 months of 2014	01-12 months of 2013	01-12 months of 2014	01-12 months of 2013	01-12 months of 2014	01-12 months of 2013
Income	9.961.406	10.911.358	21.151.072	19.995.657	2.235.939	1.821.970	5.208.359	4.931.015	2.960.869	2.906.272	41.517.645	40.566.272
Cost price	6.231.810	7.136.157	14.635.837	14.282.060	1.183.784	999.395	3.028.226	3.127.130	2.062.135	2.107.479	27.141.792	27.652.221
<b>Gross profit (losses)</b>	<b>3.729.596</b>	<b>3.775.201</b>	<b>6.515.235</b>	<b>5.713.597</b>	<b>1.052.155</b>	<b>822.575</b>	<b>2.180.133</b>	<b>1.803.885</b>	<b>898.734</b>	<b>798.793</b>	<b>14.375.853</b>	<b>12.914.051</b>
Operating expenses											10.475.080	9.074.610
<b>Profit (losses) on typical activity</b>	<b>3.729.596</b>	<b>3.775.201</b>	<b>6.515.235</b>	<b>5.713.597</b>	<b>1.052.155</b>	<b>822.575</b>	<b>2.180.133</b>	<b>1.803.885</b>	<b>898.734</b>	<b>798.793</b>	<b>3.900.773</b>	<b>3.839.441</b>

Table 5

OPERATING EXPENSES

LTL

Run No.	Indicators	01-12 months of 2014	01-12 months of 2013
<b>1</b>	<b>Expenses on sales</b>	<b>2.360.366</b>	<b>2.611.935</b>
1.1	Expenses on commissions	1.054.003	1.204.305
1.2	Expenses on transporting of sold production	378.556	367.923
1.3	Expenses on production advertising and fair	261.640	296.364
1.4	Expenses on sales number employees wage and other with employees related relations	528.903	552.067
1.5	Evaluate of customers creditworthiness and insurance costs of marketable credits	77.362	145.591
1.6	Other sales expenses	59.902	45.685
<b>2</b>	<b>General and administration expenses</b>	<b>8.114.714</b>	<b>6.462.675</b>
2.1	Expenses related with employees wage and other with employees related relations	3.875.735	3.369.287
2.2	Training costs of administration employees	36.848	352.535
2.3	Rent, exploitation and repairing expenses	3.094.036	3.150.475
2.4	Expenses of security services	152.500	168.000
2.5	Expenses of deterioration and amortization of non-current asset	174.720	244.991
2.6	Expenses of info technologies	129.959	141.841
2.7	Connection expenses	42.200	50.803
2.8	Expenses of bank services	21.191	24.870
2.9	Legal services expenses	46.952	64.990
2.10	Expenses of support provided	80.484	20.641
2.11	Expenses of social guarantees, stated in collective agreement	5.400	5.400
2.12	Representation expenses	33.304	47.880
2.13	Expenses of activity tax	46.495	38.821
2.14	Low-value assets acquisition expenses	98.537	22.455
2.15	Uncertain debts expenses	10.373	8.871
2.16	Provisioning costs	0	(1.495.485)
2.17	Various other general and administrative expenses	265.980	246.300
<b>3</b>	<b>TOTAL EXPENSES OF ACTIVITY</b>	<b>10.475.080</b>	<b>9.074.610</b>

Table 6

OTHER (NON TYPICAL) ACTIVITY

Run.No.	Indicators	LTL	
		01-12 months of 2014	01-12 months of 2013
<b>1.</b>	<b>INCOME OF OTHER ACTIVITY - TOTAL</b> Specification of significant amount:	<b>667.484</b>	<b>577.222</b>
1.1.	Profit of non-current asset transferring	0	0
1.2.	Income of various storages selling	370.619	267.240
1.3.	Income of rent	262.370	294.133
1.4.	Income for accounting and administration services	23.937	0
1.5.	Income for thermal heating supply	1.219	1.569
1.6.	Various other non-typical activity income	9.339	14.280
<b>2.</b>	<b>EXPENSES OF OTHER ACTIVITY - TOTAL</b> Specification of significant amount:	<b>716.784</b>	<b>571.040</b>
2.1.	Loss of non-current asset transferring		44.500
2.2.	Net cost of sold various storages	341.912	164.959
2.3.	Net cost of rent	142.607	151.569
2.4.	Costs for accounting and administration services	200.289	200.289
2.5.	Costs for thermal heating supply	31.406	5.448
2.6.	Various other non-typical activity expenses	570	4.275
<b>3.</b>	<b>RESULTS OF OTHER ACTIVITY (1-2)</b>	<b>(49.300)</b>	<b>6.182</b>

Table 7

FINANCIAL AND INVESTMENT ACTIVITY

Run.No.	Indicators	LTL	
		01-12 months of 2014	01-12 months of 2013
<b>1.</b>	<b>FINANCIAL AND INVESTMENT ACTIVITY INCOME - TOTAL</b> Specification of significant amount:	<b>60.324</b>	<b>514.000</b>
1.1.	Positive result of changes of currency exchange	31.513	0
1.2.	Income of bank interests	100	72
1.3.	Income of other interests	28.404	0
1.4.	Fines and penalties for the drawn debts	191	314
1.5.	Profit of incorporated activity		500.000
1.6.	Income of loans provided by the revaluation		11.704
1.7.	Income of currency buying-selling	88	1.865
1.8.	Income of other financial-investment activity	28	45
<b>2.</b>	<b>FINANCIAL AND INVESTMENT ACTIVITY EXPENSES - TOTAL</b> Specification of significant amount:	<b>6.809.272</b>	<b>6.471.416</b>
2.1.	Expenses of interest	7.487	9.156
2.2.	Fines and delay fees	274	211
2.3.	Negative result of changes of currency exchange		1.399
2.4.	Expenses of currency buying-selling	3.523	6.353
2.5.	Expenses of loans provided by the revaluation	0	0
2.6.	Financial assets depreciation amounts (BUAB „Nordic investicija“ and BUAB "Domus Palanga" financial debts)	6.748.944	6.454.268
2.7.	Expenses of other financial-investment activity	49.044	29
<b>3.</b>	<b>FINANCIAL AND INVESTMENT ACTIVITY RESULT (1-2)</b>	<b>(6.748.948)</b>	<b>(5.957.416)</b>



Table 8

EARNINGS (LOSS) PER SHARE

Run. No.	Indicators	GROUP	
		01-12 months of 2014	01-12 months of 2013
1.	Weighted average number of ordinary shares	24.038.990	24.038.990
2.	Net profit (loss), in LTL	(3.498.911)	(2.509.976)
3.	<b>Basic and diluted earnings (loss) per share, in LTL</b>	<b>(0,15)</b>	<b>(0,10)</b>