



CONFIRMED at
the meeting of the Board by
the protocol No. 5
on 02 April, 2015

„LINAS“ AB
CONSOLIDATED ANNUAL REPORT FOR THE
YEAR 2014

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 Board of Lithuanian Bank, we, Saulius Šidlauskas, 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 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

March 16, 2015



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

March 16, 2015



Saulius Šidlauskas

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 2014.

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. Kerbedžio g. 23, LT-35114 Panevėžys
Telephone	(8-45) 506100
Fax	(8-45) 506345
E-mail address	office@linas.lt
Webpage	www.linas.lt
Legal-organisational form	Public Limited Liability Company
Date and place of registration	08-03-1993, Company Register/ City of Panevėžys
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. Kerbedžio g. 23, LT-35114 Panevėžys
Telephone	(8-45) 506111
Fax	(8-45) 506346
E-mail address	office@linas.lt
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, 2014 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 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.

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 are 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 2014 the AB "Linas" Company Group sold products and services for 41,52 million Litass. Compared to the results of 2013 the incomes of sales increased 0,95 million Litass or by 2,34 %.

Item	Unit	2014	2013
Sales	Thou. Lt	41 518	40 566
Profit before taxes	Thou. Lt	-2 898	-2 112

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).

The loss before taxation of the Group were formed, because in 2014 set of financial statements were included financial assets depreciation amounts, by writing off 6.749 thousand Lt to Company's expenses of financial and investment activities. Financial assets depreciation amounts were determined in accordance with the precautionary principle and using pessimistic assessment of debt recovery risk factors.

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 2014. 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.

7. Analysis of financial and non-financial performance.

Indicators	Group 2014	Group 2013
Net profitability (net profit/sales * 100)	-8,43	-6,19
Return on equity ROE (net [profit/equity])	-0,16	-0,10
Debt ratio (liabilities/assets)	0,23	0,25
Turnability of assets (sales/assets)	1,51	1,23
Book value of shares (equity/number of shares)	0,88	1,03
Indicators	Group 2014	Group 2013
Net profit (loss) (thou. Lt)	-3 499	-2 510
EBITDA (mln. Lt)	-2,22	-1,39
Profit per share	-0,15	-0,10
Lowest share price (Lt)	0,273	0,238
Highest share price (Lt)	0,425	0,328
Closing price (Lt)	0,383	0,276
Capitalisation (mln. Lt)	9,22	6,63

There were produced in subsidiary companies:

Product description	Unit	2014 UAB "Lino apdaila"	2013 UAB "Lino apdaila"	Change (-/+ decrease/inc rease)
Yarn	t	62	76	-14
Raw fabrics	thou. m	745	707	+38
Finished fabrics	thou. m	1981	2032	-51

The range pf the pure linen fabrics accounted for 68,5 % of the total products produced in 2014 (in 2013 – 65,7 %). In 2014 38,8 % of the total fabrics produced were used for sewing articles (in 2013 – 36,7 %).

In 2014 the Company Group had 2 898 thou. Lt loss before taxes, and taking into account the taxes the net loss of the Group was 3 499 thou. Lt. On 2013 the net profit of the Group was 2,51 mln. Lt.

Export (out of Lithuania borders) volumes during year 2014 made 87,5 % of all sold production. Geographically the export distribution is as follows: Spain – 19,0 %, Sweden – 15,4 %, Belgium – 9,9 %, Finland – 7,9 %, France – 5,7 %, USA – 5,4 %, Japan – 5,3 %, Great Britain – 3,4

%, other countries – 15,5 %. The products were sold in Latvia, Estonia, Denmark, Holland, Italy, Germany, Poland, Turkey, Austria, Norway, Australia, Canada, Russia, Portugal and other countries. 12,5 % of all sold production was sold in Lithuania during 2014.

We participated in 3 specialized textile exhibitions: in Germany and in France.

During 2014 it was bought 65 tons of cotton yarns from the Lithuanian, Bulgarian and Poland suppliers. During 2014 it was purchased 213 tons on linen yarn, 96 % of which was purchased from the Lithuanian suppliers, 4 % from Poland suppliers.

1 107 thousand m of raw fabric was bought in 2014, 95 % of it – from Belarus, 5 % - from Lithuanian suppliers.

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

On 2014-12-31 Group not had debts to the banks. On 2014-12-31 the sum of AB “Linās” granted loans with interests made 5,9 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 „Audito sprendimai“ selected via the bidding procedure. The audit was performed by auditor Rita Matulienė (Auditor certificate No.000375).

10. Operating plans and forecasts of the Company Group.

In 2015 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 0,69 mln Lt (0,2 mln Eur) for the obtaining of technological equipment and renovations during year 2015.

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 execute its activity acc.to TIPK (integrated prevention and control of pollution) license No.1 – 1/002, corrected on 2013-02-15. The GPGB requirements (the best available production methods) are applied in the Group. The Group constantly observe its indicators, executing water taking, sewage and air pollution monitoring, planning and implementing investments, which allow to decrease production and activity expenses and energetic costs and improve environmental control of the Group.

Pollution characteristic of year 2014:

1.Wastes (including composite communal)	181,45 tons
2.Outflow (production)	201 thousand m3

Expenses for environment control during year 2014:

1.Taxes for atmosphere pollution (mobile resources)	- 417 Lt
2.Tax for outflow (production) (for production outflow passing to AB "Aukštaitijos vandenys")	- 649 371 Lt
3.Taxes for natural resources	- 24 624 Lt

All secondary 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 in 2014. 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 „Linās“ 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 „Linās“ 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 „Linās“ as for December 31, 2014 was 1 164.

The shareholders holding or in command of more than 5 per cent of the authorised capital of the Company as for December 31, 2014 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
Roocero Associated Limited, 35 Barrack Road, Belize City, Belize, code in the Register of Enterprises 106446	5 406 533	22,49%	22,49%	22,49%
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%
Association "EEEE", Savanoriu pr. 192, Kaunas, code in the Register of Enterprises 302572729	2 831 699	11,78%	11,78%	11,78%
„Rivena“, UAB, P.Zadeikos g. 13-35, Vilnius, code in the Register of Enterprises 302521510	2 423 030	10,08%	10,08%	10,08%
Nojus Lenciauskas	2 360 000	9,82%	9,82%	9,82%

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 „Linās“ 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 „Linās“ Group of companies was 317 employees on year 2014. On 2013 this average was 326. During the year the average number of employees decreased by 9 or 2,76%. The number of employees has stabilized during financial year and is changing only regarding the changes of job organizing.

Employees	2014		2013	
	Average conditional number of employees	Average salary/wage, Lt	Average conditional number of employees	Average salary/wage, Lt
Management personnel	14	5202	13	5820
Specialists and clerks	42	2421	45	2384
Workers	239	1511	252	1431
Total	295	1816	310	1754

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 Lithuanian and decisions by the Government. Average calculated wage in 2014 was 1816 Lt and compared to 2013 increased by 3,53 % (in 2013 - 1754 Lt).

AB „Linās“ Group of companies employees acc. to the education on 2014-12-31:

Employees education	Number of employees
Higher education	53
Further education	68
Special secondary education	144
Secondary education	55
Totally:	320

The Collective Agreement in AB „Linās“ Group of companies indicates:

1. One-off irretrievable 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 hypotec;
- 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 “Linus” manager (president), general director, president, temporary expert of business and finance strategic management, adviser on business and finance strategic management; 2007-2008 AB “Linus” adviser on business and finance strategic management, director. The owner of R. Lenciauskas individual company. From 2014-05-31 up to 2014-12-31-Director of the AB “Linus”. Does not hold shares of the Company from 2014-08-20.

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. From 2008-08-11 up to 2014-05-30 - Director of the AB “Linus”. Does not hold shares of the Company.

DAIVA MINKEVICIENE – Since 2008-10-13 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 UAB “Linus Sventoji”. The director of UAB “Salduta”. The director of UAB “NI Linasta”. The director of R. Lenciauskas individual company. Since 2013-06-03 – deputy of director of the AB “Linus”. 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.

SAULIUS ŠIDLAUSKAS – Development director of the Company from 2014-08-04 up to 2014-12-31. Since 2015 01 01 – the manager of administration - director. Higher education, obtained production management bachelor degree at Kaunas University of Technology. Does not hold shares of the Company.

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 2014 (Lt)	Payment from profit for 2014 (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	53 072	-	-	53 072
Total for all members of administration	265 362	-	-	265 362

Members of Audit committee were elected for four years cadence during General meeting of shareholders on May 16, 2013. 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 “Linās” chief accountant – manager of accounting department for taxing accounting. Does not hold shares of the Company.

SVETLANA GREKOVA – independent member of Audit committee. Director of the UAB “Revizorius 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 4.20 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 insurer 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 2014 the Company announced following essential events:

2014-02-27 Preliminary not audited activity results of twelve months of year 2013 of company AB “Linās” and Group of companies;

2014-03-28 AB “Linās” the Ordinary General Meeting of Shareholders convocation;

2014-04-08 Draft Resolutions of the Annual General Meeting of Shareholders;

2014-04-30 AB "Linus" General Meeting of Shareholders didn't take place. Repeated General Meeting of Shareholders will be held on May 19, 2014;

2014-04-30 Draft Resolutions of the Repeated Annual General Meeting of Shareholders of AB "Linus";

2014-05-19 Resolutions of Repeated Annual General Meeting of Shareholders;

2014-05-27 Activity results of three months of year 2014 of company AB "Linus" and Group of companies;

2014-05-27 Director of AB "Linus" has been changed;

2014-05-29 Regarding the resignation of the board member;

2014-08-28 Activity results of six months of year 2014 of company AB "Linus" and Group of companies;

2014-11-06 Notice about the termination of audit firm contract;

2014-11-21 Activity results of nine months of year 2014 of company AB "Linus" and Group of companies;

2014-12-08 AB "Linus" the Extraordinary General Meeting of Shareholders convocation;

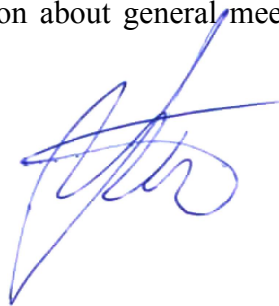
2014-12-18 Draft Resolutions of the Extraordinary General Meeting of Shareholders;

2014-12-18 Director of AB "Linus" has been changed.

All information on material events made public during 2014 is available on the AB „Linus“ webpage www.linus.lt.

AB "Linus" information about general meeting of shareholders is published in daily paper "Lietuvos rytas".

Director



Saulius Šidlauskas

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><i>Principle I: Basic Provisions</i></p> <p><i>The overriding objective of a company should be to operate in common interests of all the shareholders by optimizing over time shareholder value.</i></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 www.linias.lt 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><i>Principle II: The corporate governance framework</i></p> <p><i>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.</i></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>

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 bodies.	YES	As the Company has collegial management body, the board, there is no collegial supervision body in the Company.
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 departure from these recommendations, it should furnish information on the measures it has taken to ensure impartiality of the supervision.	YES	

Principle III: The order of the formation of a collegial body to be elected by a general shareholders' meeting

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.¹

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.
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.	YES	The information above shall be provided and updated regularly, in the annual and interim reports of the company.
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.	NO	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.
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.	YES	
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.	YES/NO	Individual program is not foreseen, because it is not required by any laws.
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.	NO	The Company applies no evaluation on independence of the members of collegial body.

<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 director</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>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>	Not applicable	
<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>	NO	The Company applies no evaluation on independence of the members of collegial body.
<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>	NO	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>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>	Not applicable	Company is not remunerates the members of Board.
<p><i>Principle IV: The duties and liabilities of a collegial body elected by the general shareholders' meeting</i></p> <p><i>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 monitoring¹ of the company's management bodies and protection of interests of all the company's shareholders.</i></p>		
<p>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</p>	YES	The Board is doing all supervision functions of management body activity which are attributed to the Board of the company.

company's management performance.		
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 www.linias.lt , 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 exceptionally be</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 who is</p>

<p>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>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.</p> <p>4.12.1. Key functions of the nomination committee should be the following:</p> <ul style="list-style-type: none"> • 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; • 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; • Assess on regular basis the skills, knowledge and experience of individual directors and report on this to the collegial body; • Properly consider issues related to succession planning; • Review the policy of the management bodies for selection and appointment of senior management. <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>	NO	Nomination and salaries committees are not formed in the company. The execution of the mentioned committees functions are discussed in comment 4.7.
<p>4.13. Remuneration Committee.</p> <p>4.13.1. Key functions of the remuneration committee should be the following:</p> <ul style="list-style-type: none"> • 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; • 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; • Make proposals to the collegial body on suitable forms of contracts for executive directors and members of the management bodies; • Assist the collegial body in overseeing how the 	NO	Nomination and salaries committees are not formed in the company. The execution of the mentioned committees functions are discussed in comment 4.7.

<p>company complies with applicable provisions regarding the remuneration-related information disclosure (in particular the remuneration policy applied and individual remuneration of directors);</p> <ul style="list-style-type: none"> • 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. <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"> • Consider general policy regarding the granting of the above mentioned schemes, in particular stock options, and make any related proposals to the collegial body; • Examine the related information that is given in the company's annual report and documents intended for the use during the shareholders meeting; • 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 this choice has. <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"> • 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); • 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; • 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; • 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 	<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"> 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; 2.To observe the process of external audit execution; 3.To observe how external auditor keeps to principles of independency and objectivity; 4.To observe the process of company's financial reports preparation; 5. To observe the efficiency of company's internal control and risk management.

<p>on required actions in such situations;</p> <ul style="list-style-type: none"> • 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; • Review efficiency of the external audit process and responsiveness of management to recommendations made in the external auditor's management letter. <p>4.14.2. All members of the committee should be furnished with complete information on particulars of 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</p>		
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<p>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>		
<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>	NO	There is no Board evaluation practice in the company.
<p><i>Principle V: The working procedure of the company's collegial bodies</i></p> <p><i>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.</i></p>		
<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>	YES	
<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>	YES/NO	Meetings of Board are held not rarely than once per quarter.

<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><i>Principle VI: The equitable treatment of shareholders and shareholder rights</i></p> <p><i>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.</i></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>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</p>	<p>YES</p>	

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.		
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 cooperate 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.	Not applicable	Supervisory Board is not formed in the company.
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.	YES	
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 cooperate 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.	Not applicable	Supervisory Board is not formed in the company.
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.	YES	

<p>Principle VII: The avoidance of conflicts of interest and their disclosure</p> <p><i>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.</i></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>Principle VIII: Company's remuneration policy</p> <p><i>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.</i></p>		
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.

<p>8.3. Remuneration statement should leastwise include the following information:</p> <ul style="list-style-type: none"> • Explanation of the relative importance of the variable and non-variable components of directors' remuneration; • Sufficient information on performance criteria that entitles directors to share options, shares or variable components of remuneration; • Sufficient information on the linkage between the remuneration and performance; • The main parameters and rationale for any annual bonus scheme and any other non-cash benefits; • A description of the main characteristics of supplementary pension or early retirement schemes for directors. 	Not applicable	See comment 8.1.
<p>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.</p>	Not applicable	See comment 8.1. See comment 8.1.
<p>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.</p>	Not applicable	
<p>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.</p>	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"> • 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; • The remuneration and advantages received from any undertaking belonging to the same group; • 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; • If permissible by the law, any significant additional remuneration paid to directors for special services 	Not applicable	See comment 8.1.

<p>outside the scope of the usual functions of a director;</p> <ul style="list-style-type: none"> • 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; • Total estimated value of non-cash benefits considered as remuneration, other than the items covered in the above points. <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"> • The number of share options offered or shares granted by the company during the relevant financial year and their conditions of application; • 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; • 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; • All changes in the terms and conditions of existing share options occurring during the financial year. <p>8.7.3. The following supplementary pension schemes-related information should be disclosed:</p> <ul style="list-style-type: none"> • When the pension scheme is a defined-benefit scheme, changes in the directors' accrued benefits under that scheme during the relevant financial year; • 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. <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>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>	Not applicable	Such schemes are not applied in the company.

<p>8.9. The following issues should be subject to approval by the shareholders' annual general meeting:</p> <ul style="list-style-type: none"> • Grant of share-based schemes, including share options, to directors; • Determination of maximum number of shares and main conditions of share granting; • The term within which options can be exercised; • The conditions for any subsequent change in the exercise of the options, if permissible by law; • 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. <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>	Not applicable	Such forms for pays for the job are not applied in the company.
<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>	Not applicable	Such forms for pays for the job are not applied in the company.
<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>	Not applicable	Such forms for pays for the job are not applied in the company.
<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>	Not applicable	Such forms for pays for the job are not applied in the company.

<p>Principle IX: The role of stakeholders in corporate governance</p> <p><i>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.</i></p>		
9.1. The corporate governance framework should assure that the rights of stakeholders that are protected by law are respected.	YES	
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.	YES	
9.3. Where stakeholders participate in the corporate governance process, they should have access to relevant information.	YES	It is requested to sign confidential contract in order to be able to get acquainted with proper information.
<p>Principle X: Information disclosure and transparency</p> <p><i>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.</i></p>		
10.1. The company should disclose information on: <ul style="list-style-type: none"> • The financial and operating results of the company; • Company objectives; • Persons holding by the right of ownership or in control of a block of shares in the company; • Members of the company’s supervisory and management bodies, chief executive officer of the company and their remuneration; • Material foreseeable risk factors; • Transactions between the company and connected persons, as well as transactions concluded outside the course of the company’s regular operations; • Material issues regarding employees and other stakeholders; • Governance structures and strategy. <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>	YES/NO	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.
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	YES/NO	See comment 10.1.

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.		
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 www.linass.lt 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 www.linass.lt 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.
Principle XI: The selection of the company's auditor		
<i>The mechanism of the selection of the company's auditor should ensure independence of the firm of auditor's conclusion and opinion.</i>		
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 2014



SUMMARY

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INDEPENDENT AUDITOR'S REPORT**TO SHAREHOLDERS OF AB LINAS****Report on the financial statements**

We have audited the accompanying set of the consolidated annual financial statements of UAB Linas and its subsidiary UAB Lino apdaila (hereinafter – the Group) which comprise the statement of financial position as of 31 December 2014, the income statement for 2014, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and other notes to the financial statements (hereinafter – the financial statements).

Management's responsibility for financial statements

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with effective legal acts of the Republic of Lithuania governing financial accounting and the drawing of financial statements, and the International Financial Reporting Standards adopted in the European Union, and the internal control that in the opinion of the management is relevant for the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted 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 to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the financial statement whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for the qualified opinion of the auditor.

Basis or the qualified opinion – limitation of the scope of audit

We were unable to observe the stock-taking of the inventories of the Group which according to the consolidated report on the financial position as of 31 December 2014 accounted for LTL 10,122,000 as we were appointed as the auditors of the Company after the stock-taking date. We could not apply any other audit procedures that could enable us to ascertain the correctness of the inventories as of 31 December 2014.

The item of the amounts receivable after one year of the statement of the financial position of the Company includes an item of LTL 3,106,000 of amounts receivable, the recovery whereof in our opinion is doubtful. We were not able to obtain the data enabling us to ascertain that the amounts will be recovered. Where it becomes apparent that the Company will not be able to recover whole or part of the amount, the amounts shown in the accounts receivable after one year, and the corresponding result for the year then ended should be accordingly reduced.

Qualified opinion

In our opinion except for the effects of the matter described in the Basis for Qualified Opinion Paragraph upon the relevant data, the presented annual financial statements give a true and fair view of the financial position of AB Linas Group and the Company as of 31 December 2014, and its financial performance and the cash flows for the year then ended in accordance with effective legal acts of the Republic of Lithuania governing financial accounting and the drawing of financial statements, and the International Financial Reporting Standards adopted in the European Union.

Report on other information required by law

Furthermore, we have read the consolidated annual report of AB Linas for the year ended 31 December 2014 and have not noted any material inconsistencies between the financial information included in it and the audited financial statements for the year ended 31 December 2014.

Auditor/Director Rita Matulienė

1 April 2015

Šeimyniškių g.16, Vilnius

Auditor's certificate No. 000375

UAB Audito sprendimai

Audit company certificate No. 001415



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

CONFIRMED by
General shareholders' meeting
of
Act No.
Financial statements
formation date - 16 03 2015

STATEMENT OF FINANCIAL POSITION
31/12/2014

Formulated according to TFAS
Reporting cycle 01 01 2014 - 31 12 2014

LTL

No.	ASSETS	Note No.	GROUP		COMPANY	
			Financial year	Previous financial year	Financial year	Previous financial year
A.	Long-term assets		7.365.014	13.721.564	6.606.315	13.067.074
I.	Intangible assets	2.2.; 4.1.;4.3.	5.880	5	5.880	5
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		5.879	4	5.879	4
I.5.	Other intangible assets		1	1	1	1
II.	Tangible assets	2.3.; 4.2.;4.3.	1.786.536	2.117.483	1.020.436	1.457.036
II.1.	Land		0	0	0	0
II.2.	Buildings		0	0	0	0
II.3.	Structures		11.235	13.530	0	0
II.4.	Machinery and equipment		1.609.893	1.921.496	900.792	1.345.848
II.5.	Means of transport		93.931	71.110	67.801	51.482
II.6.	Other equipment, appliances, instruments and gear		71.477	75.645	51.843	59.706
II.7.	Unfinished construction		0	0	0	0
II.8.	Other tangible assets		0	35.702	0	0
III.	Investment property		0	0	0	0
IV.	Financial assets	2.4.; 4.4.	5.568.353	11.597.057	5.578.353	11.607.057
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	4.9.;4.20.	5.567.353	11.596.057	5.567.353	11.596.057
IV.4.	Other financial assets		1.000	1.000	1.000	1.000
V.	Other long-term assets		4.245	7.019	1.646	2.976
V.1.	Deferred corporation tax assets	2.14.; 4.22.	4.245	7.019	1.646	2.976
V.2.	Other long-term assets		0	0	0	0
B.	Short-term assets		20.124.318	19.329.855	19.423.350	19.023.349
I.	Stocks, prepayments and unaccomplished contracts		10.493.451	10.703.621	10.214.096	10.560.284
I.1.	Stocks	2.5.; 4.5.	10.121.618	10.522.750	9.909.666	10.410.421
I.1.1.	Raw materials and packaging products		4.827.245	5.673.595	4.661.784	5.478.397
I.1.2.	Unfinished production		240.243	1.689	0	0
I.1.3.	Ready production		5.029.976	4.846.970	5.223.728	4.931.528
I.1.4.	Goods, purchased for resell		24.154	496	24.154	496
I.1.5.	Other stock		0	0	0	0
I.2.	Prepayments	4.6.	371.833	180.871	304.430	149.863
I.3.	Unaccomplished contracts		0	0	0	0
II.	Amounts, receivable over one year	2.6.;4.7.;4.8.	7.716.588	7.154.051	7.352.572	7.006.857
II.1.	Customers' debts		6.109.483	6.379.518	6.074.015	6.328.268
II.2.	Debts of affiliates and associated companies		0	0	0	0
II.3.	Other receivable amounts		1.607.105	774.533	1.278.557	678.589
III.	Other short-term assets		0	0	0	0
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
IV.	Currency and its equivalents	2.7.	1.914.279	1.472.183	1.856.682	1.456.208
	Total assets		27.489.332	33.051.419	26.029.665	32.090.423

No.	PRIVATE ASSETS AND OBLIGATIONS	Note No.	GROUP		COMPANY	
			Financial year	Previous financial year	Financial year	Previous financial year
C.	Private assets	2.8.	21.270.668	24.762.229	20.158.513	23.693.156
I.	Capital	4.10.	24.038.990	24.038.990	24.038.990	24.038.990
I.1.	Capital (authorized)		24.038.990	24.038.990	24.038.990	24.038.990
I.2.	Signed unpaid capital (-)		0	0	0	0
I.3.	Shares premiums		0	0	0	0
I.4.	Private shares(-)		0	0	0	0
II.	Revaluation reserve (results)		0	0	0	0
III.	Reserves	4.11.	601.000	2.704.899	0	2.403.899
III.1.	Obligatory		1.000	2.404.899	0	2.403.899
III.2.	For purchase of proprietary shares		0	0	0	0
III.3.	Other reserves		600.000	300.000	0	0
IV.	Retained profit (losses)	4.12.	(3.369.322)	(1.981.660)	(3.880.477)	(2.749.733)
IV.1.	Profit of reporting year (losses)		(3.491.561)	(2.509.976)	(3.534.643)	(2.978.280)
IV.1.1.	Profit (loss) acknowledged in statement of profit or loss and other comprehensive income		(3.491.561)	(2.509.976)	(3.534.643)	(2.978.280)
IV.1.2.	Profit (loss) not acknowledged in statement of profit or loss and other comprehensive income		0	0	0	0
IV.2.	Profit (loss) of previous year		122.239	528.316	(345.834)	228.547
V.	Non-controlled part		0	0	0	0
D.	Grants, subsidies	2.9.;4.13.	1.378	0	0	0
E.	Payable amounts and obligations	2.10.;4.14.	6.217.286	8.289.190	5.871.152	8.397.267
I.	Amounts payable after one year and long-term obligations		391.731	431.499	391.731	431.499
I.1.	Financial debts		0	0	0	0
I.1.1.	Leasing (financial rents) or similar obligations		0	0	0	0
I.1.2.	To credit organizations		0	0	0	0
I.1.3.	Other financial debts		0	0	0	0
I.2.	Debts to suppliers		0	0	0	0
I.3.	Received prepayments		39.173	73.739	39.173	73.739
I.4.	Provisions	2.11.;4.20.	0	0	0	0
I.4.1.	Reimbursement of obligation and demands		0	0	0	0
I.4.2.	Pensions and similar obligations		0	0	0	0
I.4.3.	Other suspensions		0	0	0	0
I.5.	Suspended tax obligations		0	0	0	0
I.6.	Other payable amounts and long-term obligations		352.558	357.760	352.558	357.760
II.	Amounts payable within one year and short-term obligations		5.825.555	7.857.691	5.479.421	7.965.768
II.1.	Current year part of long-term amount		0	0	0	0
II.2.	Financial debts		0	0	0	0
II.2.1.	To credit organizations		0	0	0	0
II.2.2.	Other financial debts		0	0	0	0
II.3.	Debts to suppliers		3.059.146	5.155.513	3.692.324	6.064.524
II.4.	Received prepayments		398.426	1.256.871	398.368	1.255.932
II.5.	Profit tax payment obligations		374.929	237.732	374.929	188.786
II.6.	Obligations related to work relations	4.15.	1.440.565	921.255	472.000	196.976
II.7.	Provisions		0	0	0	0
II.8.	Other payable amounts and short-term obligations		552.489	286.320	541.800	259.550
	Total proprietary capital and obligations		27.489.332	33.051.419	26.029.665	32.090.423

Director

Saulius Šidlauskas

Chief accountant – chief of section of
accounting and analysis

Daiva Minkeviciene

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

CONFIRMED by
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Act No.
Financial statements
formation date - 16 03 2015

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
31/12/2014

Formulated according to TFAS

Reporting cycle 01 01 2014 - 31 12 2014

LTL

No.	ARTICLES	Note No.	GROUP		COMPANY	
			Financial year	Previous financial year	Financial year	Previous financial year
I.	SALE INCOME	2.12.2.;4.16.	41.517.645	40.566.272	40.917.869	39.828.730
I.1.	Income for sold goods		39.217.113	38.223.963	39.217.113	38.224.097
I.2.	Income for sold services		2.300.532	2.342.309	1.700.756	1.604.633
II.	SALE COST PRICE	2.13.3.;4.16.	27.141.792	27.652.221	32.771.692	33.232.705
II.1.	Cost price of sold production		26.101.189	26.457.277	32.058.621	32.464.456
II.2.	Cost price of sold services		1.040.603	1.194.944	713.071	768.249
III.	GROSS PROFIT (LOSS)	2.12.4.; 4.16.	14.375.853	12.914.051	8.146.177	6.596.025
IV.	ACTIVITY EXPENDITURES	2.13.4.;4.17.	10.475.080	9.074.610	5.182.189	4.186.890
IV.1.	Sale		2.360.366	2.611.935	2.350.579	2.611.935
IV.2.	Common and administrative		8.114.714	6.462.675	2.831.610	1.574.955
V.	PROFIT (LOSS) OF STANDARD ACTIVITY	4.16.	3.900.773	3.839.441	2.963.988	2.409.135
VI.	OTHER ACTIVITY	4.18.	(49.300)	6.182	813.998	880.473
VI.1.	Income	2.12.6.	667.484	577.222	4.355.621	4.816.298
VI.2.	Expenditures	2.13.5.	716.784	571.040	3.541.623	3.935.825
VII.	FINANCIAL AND INVESTMENT ACTIVITY	4.19.	(6.748.948)	(5.957.416)	(6.747.989)	(5.956.406)
VII.1.	Income	2.12.7.	60.324	514.000	60.115	513.987
VII.2.	Expenditures	2.13.6.	6.809.272	6.471.416	6.808.104	6.470.393
VIII.	PROFIT (LOSS) OF ROUTINE ACTIVITY		(2.897.475)	(2.111.793)	(2.970.003)	(2.666.798)
IX.	PROFIT (LOSS) BEFORE TAXATION		(2.897.475)	(2.111.793)	(2.970.003)	(2.666.798)
X.	PROFIT TAX	2.14.; 4.21.	594.086	398.183	564.640	311.482
XI.	PROFIT (LOSS) BEFORE NON-CONTROLLED PART		(3.491.561)	(2.509.976)	(3.534.643)	(2.978.280)
XII.	NON-CONTROLLED PART		0	0	0	0
XIII.	NET PROFIT (LOSS)		(3.491.561)	(2.509.976)	(3.534.643)	(2.978.280)
XIV.	OTHER COMPREHENSIVE INCOME		0	0	0	0
XV.	Earnings (deficit) per share	2.15.;4.24.	(0,15)	(0,10)	(0,15)	(0,12)

Director

Saulius Šidlauskas

Chief accountant – chief of section of
accounting and analysis

Daiva Minkėviciene

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

CONFIRMED by
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 of
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 Financial statements
 formation date - 16 03 2015

STATEMENT OF LINAS, LLC ENTERPRISE GROUP CHANGES IN EQUITY
31/12/2014

Reporting cycle 01 01 2014 - 31 12 2014

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
Remainder on 31 December, 2012		24.038.990	0	0	0	0	212.087	0	0	200.000	2.821.128	27.272.205
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	2.8.;4.11.						2.192.812			300.000	(2.492.812)	0
Liquidates reserves										(200.000)	200.000	0
Remainder on 31 December, 2013		24.038.990	0	0	0	0	2.404.899	0	0	300.000	(1.981.660)	24.762.229
Profit/loss not acknowledged in statement of profit or loss and other comprehensive income												0
Net profit / loss of the current period											(3.491.561)	(3.491.561)
Formed reserves	2.8.;4.11.									600.000	(600.000)	0
Liquidates reserves							(2.403.899)			(300.000)	2.703.899	0
Remainder on 31 December, 2014		24.038.990	0	0	0	0	1.000	0	0	600.000	(3.369.322)	21.270.668

Director

Saulius Šidlauskas

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
of
Act No.
Financial statements
formation date - 16 03 2015

STATEMENT OF CHANGES IN EQUITY
31/12/2014

Reporting cycle 01 01 2014 - 31 12 2014

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
Remainder on 31 December, 2012		24.038.990	0	0	0	0	211.087	0	0	0	2.421.359	26.671.436
Profit/loss not acknowledged in statement of profit or loss and other comprehensive income												0
Net profit / loss of the current period	2.8.;4.12.										(2.978.280)	(2.978.280)
Formed reserves	2.8.;4.11.						2.192.812				(2.192.812)	0
Liquidates reserves												0
Remainder on 31 December, 2013		24.038.990	0	0	0	0	2.403.899	0	0	0	(2.749.733)	23.693.156
Profit/loss not acknowledged in statement of profit or loss and other comprehensive income												0
Net profit / loss of the current period	2.8.;4.12.										(3.534.643)	(3.534.643)
Formed reserves	2.8.;4.11.											0
Liquidates reserves							(2.403.899)				2.403.899	0
Remainder on 31 December, 2014		24.038.990	0	0	0	0	0	0	0	0	(3.880.477)	20.158.513

Director

Saulius Šidlauskas

Chief accountant – chief of section of
accounting and analysis

Daiva Minkeviciene

Linas, AB

Company Code 147689083

S. Kerbedzio 23, Panevezys

Formed in direct pattern

CONFIRMED by

General shareholders' meeting

of

Act No.

Financial statements

formation date - 16 03 2015

STATEMENT OF CASH FLOWS

31/12/2014

Reporting cycle 01 01 2014 - 31 12 2014

LTL

No.	Articles	Note No.	GROUP		COMPANY	
			Financial year	Previous financial year	Financial year	Previous financial year
I.	Primary activity currency circulation					
I.1.	Earnings of report period (including VAT)		43.681.013	45.607.701	42.837.026	44.658.211
I.1.1.	Earnings from clients		42.602.570	44.217.692	41.773.337	43.274.938
I.1.2.	Other earnings		1.078.443	1.390.009	1.063.689	1.383.273
I.2.	Report period payouts		(41.241.210)	(43.123.934)	(40.663.168)	(42.360.623)
I.2.1.	Payouts to suppliers of products, raw materials and services(including VAT)		(32.171.686)	(34.177.441)	(38.803.482)	(40.247.397)
I.2.2.	Monetary payouts related to work relations		(8.326.286)	(8.459.473)	(1.504.649)	(1.686.224)
I.2.3.	Taxes paid to budget		(304.424)	(2.879)	0	(181)
I.2.4.	Other payouts		(438.814)	(484.141)	(355.037)	(426.821)
	Cash circulation of primary activity		2.439.803	2.483.767	2.173.858	2.297.588
II.	Currency circulation of investment activity					
II.1.	Procurement of long-term assets (excluding investments)		(292.900)	(256.402)	(74.452)	(75.031)
II.2.	Transfer of long-term assets (excluding investments)		0	99.000	0	99.000
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	0	0	0
II.7.	Provision of loans		(3.405.000)	0	(3.400.000)	0
II.8.	Return of loans		1.702.265	119.446	1.702.265	119.446
II.9.	Received dividends		0	0	0	0
II.10.	Interest received for loans granted and investment		0	0	0	0
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
	Cash circulation of investment activity		(1.995.635)	(37.956)	(1.772.187)	143.415
III.	Currency circulation of financial activity					
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		(7.387)	(1.067.345)	(7.402)	(1.067.358)
III.2.1.	Increase of financial debts		0	3.057.223	0	3.057.223
III.2.1.1.	Receipt of loans from credit institutions		0	3.057.223	0	3.057.223
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		(7.487)	(4.124.640)	(7.485)	(4.124.640)
III.2.2.1.	Return of loans to credit institutions		0	(3.292.557)	0	(3.292.557)
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		(7.487)	(62.406)	(7.485)	(62.406)
III.2.2.5.	Leasing (financial rent) payments		0	(769.677)	0	(769.677)
III.2.3.	Interests received for bank accounts		100	72	83	59
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		88	2.001.865	88	2.001.865
III.4.	Other reductions of currency circulation of financial activity		(8.717)	(2.006.308)	(7.815)	(2.005.823)
	Cash circulation of financial activity		(16.016)	(1.071.788)	(15.129)	(1.071.316)
IV.	Impact of currency exchange rates to cash and equivalent currency remainder		13.944	(5.988)	13.932	(6.036)
V.	Net currency circulation increase (reduction)		442.096	1.368.035	400.474	1.363.651
VI.	Currency and currency equivalents at the beginning of the period	2.7.	1.472.183	104.148	1.456.208	92.557
VII.	Currency and currency equivalents at the end of the period	2.7.	1.914.279	1.472.183	1.856.682	1.456.208

Director

Saulius Šidlauskas

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

Act no.

Financial statements
formation date - 16 03 2015

EXPLANATORY MEMORANDUM TO THE YEAR 2014 FINANCIAL STATEMENTS

31 December, 2014

Beginning of accounting period 2014 01 01

End of accounting period 2014 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. 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; web page: www.linas.lt . The Company carries on it's activity in accordance with the Law on Limited Companies of Lithuania, and other relevant legislation active in the Republic of Lithuania.

As of 31st 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.

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 2014 the average number of listed employees of the Company was 45, on year 2013 – 44 employees. On 2014 the average number of listed employees of the Group was 317, on year 2013 – 326 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 2014 the Group was produced and technologically processed: linen and tow yarns – 62 tons (during 2013 – 76 tons); raw fabrics – 745 thousand mtrs (the result of the same period of 2013 – 707 thousand mtrs); ready made fabrics – 1.981 thousand mtrs (the result of the same

period of 2013 – 2.032 thousand mtrs). 38,8 % of all produced fabrics were used for sewn items during 2014 (2013 – 36,7 %).

8. During year 2014 Group export (outside Lithuania) volumes made 87,5 % of the total product sales. The breakdown of the sales by country is as follows: Spain – 19,0 %, Sweden – 15,4 %, Lithuania – 12,5 %, Belgium – 9,9 %, Finland - 7,9 %, France – 5,7 %, USA – 5,4 %, Japan – 5,3 %, Great Britain – 3,4 %, Latvia – 3,0 %, Estonia – 2,8 %, Denmark – 2,3 %, other countries – 7,4 %.

9. On 2014 the main incomes of group of companies were received from the activity of textile goods production and sales. During 2014 Linas, AB group of companies sold linen textile goods and services for 41.518 thousand Lt. Comparing to 2013 the volume of sales increased by 951 thousand Lt or 2,3 percent.

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

The Group's typical activity results 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.

10. AB „Linas“ Group of company is able to integrate main values and high quality into their products and company activity. 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. AB “Linas” Group of companies produces and supplies 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.

The Group has branded textile products shops: shop „Gija“, address S.Kerbedzio str.23, Panevezys and online shop www.linodovanos.lt.

“Linas” AB Group of companies is constantly looking for attractive, modern solutions, and is investing in new technologies. 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.

11. UAB “Audito sprendimai”, company code 220258280 performed the audit of financial statements of the company of year 2014 and the audit of consolidated financial statements and annual report of Group of companies of year 2014. During 2014 it was calculated 15.500 Lt costs for the supplied services of company UAB “Audito sprendimai”. During the financial year it was calculated 7.400 Lt costs for the audit of financial statements of year 2014 and for the audit of annual report of year 2014 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 "Linás" 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, 2014 and December 31, 2013:

	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						
2014 y.	5.125.561	730.555	238.212	4.442	10.713	6.109.483
2013 y.	5.796.945	540.129	16.394	6.786	19.264	6.379.518
Company						
2014 y.	5.101.236	722.410	236.953	4.442	8.974	6.074.015
2013 y.	5.758.191	527.741	16.290	6.782	19.264	6.328.268

Acc.to the data of December 31, 2014, 118 customers were in debt to the Group, 95,0 % of debt sums are insured with credit insurance (89,0 % acc.to the data of December 31, 2013). Maximum available losses of balance value because of the risk in relation with the received sums from the customers are insignificant 0,2 %. 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. By preparing the financial statements Group's companies determine whether there is any objective assumptions that value of financial assets may be impaired. On 31 December 2014 there were included financial assets depreciation amounts 6.784 thousand Lt, and the remaining value of guarantees presented with the property is enough to cover the debts

In the note 4.23 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, 2014 and December 31, 2013.

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 loose 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 high level, had positive (increase) tendencies in comparison with year 2013. On year 2014 this indicator – 3,45 and on year 2013 was 2,46 (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 14.298.763 Lt (recommended level over 0). It had positive alteration tendencies (on year 2013 it was 11.472.164 Lt).

High-speed solvency indicator also had the positive alteration tendencies on accounting year. Indicator amounts 1,72 (on year 2013 the indicator was 1,14). The recommended level is more than 1.

General debt coefficient is of good level, insignificantly improved in comparison with 2013. On 31 December 2014 the indicator makes 0,23 (on year 2013 it was – 0,25). The indicator doesn't exceed recommended value (recommended is up to 0,5). The indicator shows that on accountable year for one asset Litas (Lt) there is 0,23 Litas of taken liabilities and payable sums (i.e. what part of Group asset is obtained for lent finance).

On accountable year the capital/liabilities indicator is of high value, had improvement tendencies in comparison with year 2013. The indicator level on year 2014 is 3,42 (on year 2013 this indicator was 2,99). It shows how many of own capital attributed to one Lt of taken liabilities (recommended level is from 0,7).

On 2014 activity of the Company, Group of companies is unprofitable. The negative activity result is due to financial asset depreciation expenses (typical activity profit compared with 2013 increased by 1,6 per cent), 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.

So it is possible to make assumption that Group of companies would not meet serious activity succession problem in nearest future.

In the note 4.14 of Explanatory letter it is presented information about Group's and Company's financial liabilities of December 31, 2014 and December 31, 2013 acc.to the refund terms.

AB "Linās" has the account lending contract with the bank acc.to which 500 thousand Lt credit sum is lent to the Company. Acc.to the financial obligations limit contract signed between the bank and AB "Linās", the credit sum of 290 thousand EUR is granted to the Company. There are no remainder of the financial debts for credit institutions, leasing (financial rent) liabilities in the statement of financial position of the Group and the Company of year 2014. The Group and the Company haven't the signed contracts with the banks to use factorings. The debts for credit institutions returning terms are indicated in the note 4.14 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 of the particular period adding the margin of creditor. During year 2014 it was calculated 7 thousand Lt (on year 2013 – 45 thousand Lt) interest for financial obligations. The risk of interest norm isn't meant as significant for the activity of Group of companies.

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 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:

IFRIC Interpretation 21 Levies (effective for annual periods beginning on or after 17 June 2014).

Annual Improvements to IFRS 2010-2012 Cycle (effective for annual periods beginning on or after 1 February 2015).

Amendments to IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 February 2015).

Annual Improvements to IFRS 2011-2013 Cycle (effective for annual periods beginning on or after 1 January 2015).

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.

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 "Linas" 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 3000 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 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 3000 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 its usage, foreseen property's liquidity value and other factors. It is indicated the liquidity (retain) value of long-term tangible asset 1 Litass.

2.3.6. Depreciation of long-term tangible assets is calculated in the Group using linear depreciation technique. Depreciation of tangible assets starts counting since the first day of the next calendar month since the commencement of the use of the asset in the business. Depreciation ceases counting since the first day of the next month since the writing-off of the asset, or its 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 financial assets and other long-term property

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

2.4.2. Long-term financial assets comprise investments in daughter and associated companies, investments in other companies' shares, long-term loans issued by the Group to 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 and part of current year of provided long-term loans.

2.4.3. Financial assets are valued at the cost price of acquisition and shown in the financial statements applying method of obtaining price cost, by subtracting depreciation (impairment loss).

2.4.4. Group's companies are applying direct method of determining doubtful debts to value doubtful debts. By preparing the financial statements Group's companies determine whether there is any objective assumptions that value of financial assets may be impaired. If these assumptions exist, the expected recoverable amount of the assets is calculated and carrying amount is reduced, recognizing the impairment loss (depreciation). After recognizing of doubtful debts, amounts of financial assets depreciation are increasing costs of financial and investment activities.

2.4.5. More information related to financial assets is disclosed in notes 4.4. of the Memorandum.

2.5. Stocks accounting

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

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

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

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

2.5.5. 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.

2.5.6. 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.

2.5.7. The cost price of semi manufactures 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.

2.5.8. 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.

2.5.9. The information on the stocks of the Group and the Company is disclosed in note 4.5. of the Memorandum.

2.5.10. The information on the advance payments made by the Group and the Company for short-term assets and services is disclosed in note 4.6. of the Memorandum.

2. 6. Accounting of receivable amounts

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

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

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

2.6.4. Receivable amounts are shown at net value in the annual financial 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.

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

2.6.6. Notes 4.7.; 4.8. of the Memorandum reveal the information on the one year receivables and bad debts of the Group and the Company.

2.7. Accounting of other short-term and monetary assets

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

2.7.2. Miscellaneous short term assets comprise short term investments in shares and other securities, short-termed deposits (over 3 months) and other property which is not included into articles of other current asset.

2.8. Accounting of own capital stock

2.8.1. Own capital stock comprises the share of the authorised capital which has been subscribed, the mandatory reserve stock, and undistributed profit (loss). The information on the authorised capital of the Company is disclosed in note 4.10.

2.8.2. The Company has no it's own shares purchased by itself. AB „Linás“ subsidiary company doesn't have shares of the Company.

2.8.3. The information on the reserves is provided in note 4.11. of the Memorandum.

2.8.4. 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.

2.8.5. Draft profit (loss) distribution prepared by the AB Linas management is provided in note 4.12. of the Memorandum.

2.8.6. 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.

2.9. Accounting of grants and subsidies

2.9.1. The grant (subsidy) is accepted if it is reasonable guaranteed that the Group corresponds to the grant (subsidy) providing conditions and when there are evidences that grant (subsidy) will be provided.

2.9.2. The accounting of grants (subsidies) is managed acc.to accumulation principle, i.e. the subsidy (grant) or it's 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.

2.9.3. Grants (subsidies) are shown as an incomes method in the accounting. Grants, in the connection with incomes, are provided to compensate expenditures and non-receivable incomes; also all other grants which are not attributed to the grants in connection with property.

2.9.4. Grants (subsidies), received in the Group to compensate incurred expenditures, are accepted of such used part in the accounting, of how many expenditures were incurred to compensate it and with the same part decreasing the sum of recoverable expenditures article of statement of profit or loss and other comprehensive income.

2.9.5. Note 4.13. of the Memorandum to the financial statements provides information on the subsidies (grants) received (receivable) by the Group / the Company.

2.10. Liabilities accounting

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

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

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

2.10.4. Liabilities shall accrue on account of the paid leave earned by the employees of the Group's companies. The cost of paid leave shall accrue on a monthly basis. At the end of the

current fiscal year, the amount of accrued leave payments shall be adjusted, by precisely calculating the amount of leave payments (including social insurance) earned by each employee over the financial year and not exhausted so far, as well as the balance of duration of leave not yet exhausted by each employee. The 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 its companies, is provided in note 4.15. of the Memorandum.

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

2.10.6. 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.

2.10.7. The information on short-term and long-term liabilities of the Group and the Company is provided in note 4.14. to the Memorandum.

2.11. Provisions

2.11.1. 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.

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

2.11.3. 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.

2.12. Income accounting

2.12.1. 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 its true value.

2.12.2. 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.

2.12.3. 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.

2.12.4. 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 4.16. 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.

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

2.12.6. 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 4.18. to the Memorandum provides information on the income and cost of unusual business undertakings.

2.12.7. 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 4.19. to the Memorandum provides the information on the income and cost of financial and investment undertakings of the Group and the Company.

2.13. Costs accounting

2.13.1 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.

2.13.2. 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.

2.13.3. Sales cost comprises the cost of products sold and the costs of provided production services.

2.13.4. Operational costs in the Group are classified as general costs and management costs. In the note No.4.17. of Explanatory Memorandum of financial statements there is presented information about activity's costs.

2.13.5. 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.

2.13.6. 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.

2.14. Profit tax accounting

2.14.1. 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.

2.14.2. 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.

2.14.3. The cost of the profit tax of the reporting year is calculated by adjusting the profit tax of the reporting year with the amount of any deferred profit taxes. Deferred tax on profit reflects the net taxation effect due to provisional differences between the value of assets and liabilities in the financial statements and the taxation statements. Deferred taxes, as an asset or a liability, are valued applying the taxation rate, which is expected to apply in respect of the period during which the subject property would be disposed of, or the liability discharged. The deferred profit tax, as an

asset, is recognised on the financial statements to the extent it is expected to be discharged in the near future, based on the forecast of taxable profit. In case there is a part of deferred profit tax which is not going to be discharged, it is then not recognised in the financial statements.

2.14.4. The Group's profit tax costs and deferred profit taxes are shown in detail in notes 4.21.; 4.22. of the Memorandum.

2.15. Earnings per share

2.15.1. 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.

2.15.2. The information about the profit which is given for one share is presented in explanatory memorandum note 4.24.

2.16. 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, 2014, and 2013, is based on the following currency exchange rates:

2014	2013
1 EUR = 3,4528 Lt	1 EUR = 3,4528 Lt
1 USD = 2,8387 Lt	1 USD = 2,5098 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.

2.17. 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.4.20 of the Explanatory letter. Other information in relation with contacts made with related persons are indicated in the note No.4.9 of the Explanatory letter.

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

3.1. Preparing the financial statements of year 2014 in accordance with the International Financial Reporting Standards there were no any material changes of the accounting policy related to application of IFRS.

3.2. Mistake is meant as essential, if: 1) it's sum is larger than 10% of appropriate statement of financial position part or the clause of statement of profit or loss and other comprehensive income and 2) if it makes 2,5% of all property statement of financial position 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 2014 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 and the long-term intangible assets of the Group and the Company, i.e. adopted average rates of depreciation and amortisation of long-term assets according to the class of assets (Table 4.3.1 'Long-term tangible and intangible assets 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 tangible and intangible 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 "Linias" 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 "Linias" Group of companies, are rented from UAB "Verslo dizainas" (company code 302529076).

During year 2014 the Company rented administrative premises in Vilnius acc.to the contract.

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

On 31 December 2014 BUAB „Nordic investicija“ (company code 135442762) financial debts to AB "Linias" amount to 9.118 thousand Lt. In 2014 set of financial statements were included BUAB „Nordic investicija“ financial assets depreciation amounts 6.012 thousand Lt, which composed of: other long-term loans 3.002 thousand Lt, interest for granted loans receivable after one year 1.325 thousand Lt, other amounts receivable after one year 1.685 thousand Lt.

On 31 December 2014 BUAB „Domus Palanga“ (company code 126234417) financial debts to AB "Linias" amount to 772 thousand Lt. In 2014 set of financial statements were included BUAB „Domus Palanga“ financial assets depreciation amounts 772 thousand Lt, which composed of: other long-term loans 605 thousand Lt, interest for granted loans receivable after one year 160 thousand Lt, other amounts receivable after one year 7 thousand Lt.

4.5. 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 4.5.1 'AB Linas Group of companies stocks' and 4.5.2 'AB Linas stocks').

4.6. 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').

4.7. 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').

4.8. 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').

4.9. Long-term and short-term loans issued by the Group and the Company, including values, maturity terms, accrued interest (Tables 4.9. 'AB Linas Group of companies and AB Linas loans issued').

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

Average price of sale per share of the Company on the market in 2014 was 0,35 Litas, and in 2013 average market sale price per share was 0,28 Litas.

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

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

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

The largest part of Group's used grants (subsidies) 13,7 thousand Lt sum is received from Lithuanian Apparel and Textile Industry Association for the implementation of project – participation at international home textile exhibition.

4.14. 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').

There are no remainder of the financial debts for credit institutions, leasing (financial rent) liabilities of the Group and the Company of December 31, 2014 and December 31, 2013.

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, 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 "Linas" on 07 10 2013, the credit sum 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 Lt EURIBOR plus bank margin.

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

4.16. 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 4.16.1. „Information of Linas, LLC enterprise group about segments of textile items production business“, 4.16.2 „Information of Linas, LLC enterprise group about geographical segments of textile items production business“, 4.16.3. „Information of Linas, LLC about segments of textile products business“, 4.16.4. “Information of Linas, LLC about segments of textile products of geographical business”.

In 2014 the incomes of UAB "Lino apdaila" for AB "Linas" production services were 17.824 thousand Lt (2013 y. - 18.768 thousand Lt), the cost price of presented services is 11.700 thousand Lt (2013 y. - 12.690 thousand Lt). In 2014 the incomes of UAB "Lino apdaila" for the presented production services to the third parties made 600 thousand Lt (2013 y. - 738 thousand Lt), the cost price for presented services is 328 thousand Lt (2013 y. - 427 thousand Lt). Acc.to the agreement

dated December 19, 2014 UAB "Lino apdaila" has applied 9,0% discount from provided production services to AB "Linas" on year 2014. During 2014 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 "Linas" to abstracted segments. All property and liabilities of the Group and the Company are not allotted in values acc.to business and geographical segments.

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

On 2014 the incurred general administrative expenditures, concerned with the preparation to have new currency, made 8,4 thousand Lt and included the adjustment of computer systems and data conversion, premiums to employees salaries, bank services.

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

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

4.20. 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 31 December 2014 BUAB „Nordic investicija“, company code 135442762, registered office - Savanorių pr. 192, LT-44151 Kaunas, liabilities to AB "Linas" amount to 9.118 thousand Lt i.e. after one year receivable sums 15.572 thousand Lt and questionable debts 6.454 thousand Lt (depreciation sum of financial property of year 2013). On 31 December 2014 BUAB "Domus Palanga", company code 126234417, company address – Savanoriu avenue 192, LT-44151, Kaunas, the debt value of this company to AB "Linas" 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. The remaining value of the property for sale is sufficient to cover referred the long-term receivables amounts.

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).

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 "Linas" agreed, that AB "Linas" 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.

4.21. The tax on profit due to be paid (Tables 4.21.1 'Specification of expenses of profit tax', 4.21.2 'Recalculation of expenses of profit taxes, according to regular and temporary difference of accounting and taxable profit').

4.22. Deferred profit taxes of the Group and the Company (Table 'Extended profit tax').

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

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

4.25. 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
Residual value at the end of previous financial year			0	4	1	5
a) Procurement cost price of long-term intangible assets						
At the end of previous financial year			0	245.736	4.474	250.210
Changes of financial year			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
At the end of financial year			0	251.736	4.474	256.210
b) Amortization						
At the end of previous financial year			0	245.732	4.473	250.205
Changes of financial year			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
At the end of financial year			0	245.857	4.473	250.330
e) Residual value at the end of financial year (a) - (b)			0	5.879	1	5.880

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
Residual value at the end of previous financial year	0	0	1.345.848	51.482	59.706	0	0	1.457.036
a) Procurement of cost price long-term tangible assets								
At the end of previous financial year	0	0	2.242.388	420.364	109.877	0	0	2.772.629
Changes of financial year	0	0	4.271	55.873	10.437	0	0	70.581
· Procurement of assets	0	0	4.271	55.873	10.437	0	0	70.581
· 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	0	0	0	0	0	0
At the end of financial year	0	0	2.246.659	476.237	120.314	0	0	2.843.210
b) Revaluation								
At the end of previous financial year	0	0	0	0	0	0	0	0
Changes of financial year	0	0	0	0	0	0	0	0
· Increase (decrease) of value +/-)	0	0	0	0	0	0	0	0
· Assets, transferred to other individuals and discarded (-)	0	0	0	0	0	0	0	0
· Transcription from one article to another +/-)	0	0	0	0	0	0	0	0
At the end of financial year	0	0	0	0	0	0	0	0
c) Depreciation (-)								
At the end of previous financial year	0	0	896.540	368.882	50.171	0	0	1.315.593
Changes of financial year	0	0	449.327	39.554	18.300	0	0	507.181
· Written-off property because of the accounting evaluation change (-)	0	0	0	0	0	0	0	0
· Financial year depreciation	0	0	449.327	39.554	18.300	0	0	507.181
· Restorational records (-)	0	0	0	0	0	0	0	0
· Assets, transferred to other individuals and discarded (-)	0	0	0	0	0	0	0	0
· Transcription from one article to another +/-)	0	0	0	0	0	0	0	0
At the end of financial year	0	0	1.345.867	408.436	68.471	0	0	1.822.774
d) Decrease of value								
At the end of previous financial year	0	0	0	0	0	0	0	0
Changes of financial year	0	0	0	0	0	0	0	0
· Decrease of value of financial year	0	0	0	0	0	0	0	0
· Restorational records (-)	0	0	0	0	0	0	0	0
· Assets, transferred to other individuals and discarded (-)	0	0	0	0	0	0	0	0
· Transcription from one article to another +/-)	0	0	0	0	0	0	0	0
At the end of financial year	0	0	0	0	0	0	0	0
e) Residual value at the end of financial year (a) + (b) - (c) - (d)	0	0	900.792	67.801	51.843	0	0	1.020.436

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
Residual value at the end of previous financial year	0	13.530	1.921.496	71.110	75.645	35.702	0	2.117.483
a) Procurement of cost price long-term tangible assets								
At the end of previous financial year	0	18.360	3.041.249	457.554	127.542	35.702	0	3.680.407
Changes of financial year	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
At the end of financial year	0	18.360	3.282.736	526.127	146.161	0	0	3.973.384
b) Revaluation								
At the end of previous financial year	0	0	0	0	0	0	0	0
Changes of financial year	0	0	0	0	0	0	0	0
· Increase (decrease) of value +/-(-)	0	0	0	0	0	0	0	0
· Assets, transferred to other individuals and discarded (-)	0	0	0	0	0	0	0	0
· Transcription from one article to another +/-(-)	0	0	0	0	0	0	0	0
At the end of financial year	0	0	0	0	0	0	0	0
c) Depreciation (-)								
At the end of previous financial year	0	4.830	1.119.753	386.444	51.897	0	0	1.562.924
Changes of financial year	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
· Restorational records (-)	0	0	0	0	0	0	0	0
· Assets, transferred to other individuals and discarded (-)	0	0	0	0	0	0	0	0
· Transcription from one article to another +/-(-)	0	0	0	0	0	0	0	0
At the end of financial year	0	7.125	1.672.843	432.196	74.684	0	0	2.186.848
d) Decrease of value								
At the end of previous financial year	0	0	0	0	0	0	0	0
Changes of financial year	0	0	0	0	0	0	0	0
· Decrease of value of financial year	0	0	0	0	0	0	0	0
· Restoration records (-)	0	0	0	0	0	0	0	0
· Assets, transferred to other individuals and discarded (-)	0	0	0	0	0	0	0	0
· Transcription from one article to another +/-(-)	0	0	0	0	0	0	0	0
At the end of financial year	0	0	0	0	0	0	0	0
e) Residual value at the end of financial year (a) + (b) - (c) - (d)	0	11.235	1.609.893	93.931	71.477	0	0	1.786.536

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

4.3.1. Average useful service period of long-term intangible and tangible assets

No.	Long-term asset groups	GROUP	COMPANY
1.	Long-term intangible asset groups		
1.1.	Patents, licenses etc.	-	-
1.2.	Software	4	4
1.3.	Other intangible assets	4	4
2.	Long-term tangible asset groups		
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

4.3.2. Totally amortized or deteriorated long-term intangible and tangible 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.	Long-term intangible asset groups				
1.1.	Patents, licenses etc.				
1.2.	Software	4	245.736	4	245.736
1.3.	Other intangible assets	1	4.474	1	4.474
	Total	5	250.210	5	250.210
2.	Long-term tangible asset groups				
2.1.	Machines and equipment	2	14.431	1	6.410
2.2.	Means of transport	2	399.213	2	399.213
2.3.	Other equipment, appliances, instruments, gear, inventory	5	30.593	5	30.593
	Total	9	444.237	8	436.216

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	600.000	termless	600.000
2.	Vehicles	various terms	55.268	various terms	55.268
3.	Plant and machinery, other equipment, appliances, tools	2015-12-31	660.000	-	-
4.	Other tangible assets	-	-	-	-

4.4. LONG-TERM FINANCIAL ASSETS

4.4.1. 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	8.971.979	1.502.600	7.637.746	(6.516.268)	11.596.057	1.000	11.597.057
2.	Changes of financial year	597.735	4.024	154.051	(6.784.514)	(6.028.704)	0	(6.028.704)
2.1.	Other investments					0	0	0
2.2.	Acquisitions, calculated interest, granting of loans	3.070.000	21.105			3.091.105		3.091.105
2.3.	Transfer from the sums receivable during one year			154.951		154.951		154.951
2.4.	Sales, return of loans and other receivable amounts (-)	(1.702.265)	(17.081)	(900)		(1.720.246)		(1.720.246)
2.5.	Transfer to short-term financial assets (-)	(770.000)	0			(770.000)		(770.000)
2.6.	Financial assets depreciation amounts (BUAB „Nordic investicija“ and BUAB "Domus Palanga" financial debts)				(6.784.514)	(6.784.514)		(6.784.514)
2.7.	Decrease of value (-)					0		0
3.	Remainder in the end of financial year (1 + 2)	9.569.714	1.506.624	7.791.797	(13.300.782)	5.567.353	1.000	5.568.353

4.4.2. 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 longterm 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	8.971.979	1.502.600	7.637.746	(6.516.268)	11.596.057	1.000	11.607.057
2.	Changes of financial year	0	0	597.735	4.024	154.051	(6.784.514)	(6.028.704)	0	(6.028.704)
2.1.	Investments in subsidiaries							0		0
2.2.	Other investments							0		0
2.3.	Acquisitions, calculated interest, granting of loans			3.070.000	21.105			3.091.105		3.091.105
2.4.	Transfer from the sums receivable during one year					154.951		154.951		154.951
2.5.	Sales, return of loans and other receivable amounts (-)			(1.702.265)	(17.081)	(900)		(1.720.246)		(1.720.246)
2.6.	Transfer to short-term financial assets (-)			(770.000)				(770.000)		(770.000)
2.7.	Financial assets depreciation amounts (BUAB „Nordic investicija“ and BUAB "Domus Palanga" financial debts)						(6.784.514)	(6.784.514)		(6.784.514)
2.8.	Decrease of value (-)							0		0
3.	Remainder in the end of financial year (1 + 2)	10.000	0	9.569.714	1.506.624	7.791.797	(13.300.782)	5.567.353	1.000	5.578.353

4.5. STOCKS

4.5.1. 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
1.	Cost price of purchased stocks					
1.1.	At the end of last financial year	5.673.595	1.689	4.846.970	496	10.522.750
1.2.	At the end of financial year (incl. stocks en route and by the third parties)	4.827.245	240.243	5.029.976	24.154	10.121.618
2.	Depreciation until net possible selling value (restitution)					
2.1.	At the end of last financial year	0	0	0	0	0
2.2.	At the end of financial year	0	0	0	0	0
3.	Net value possible sales at the end of financial year (1-2)					
3.1.	At the end of last financial year (1.1.-2.1.)	5.673.595	1.689	4.846.970	496	10.522.750
3.2.	At the end of financial year (incl. stocks en route and by the third parties) (1.2-2.2)	4.827.245	240.243	5.029.976	24.154	10.121.618
4.	Balance value of mortgage stocks at the end of previous financial year (31/12/2013)	3.530.169		4.885.057		8.415.226
5.	Value of mortgage stocks according to mortgage papers (31/12/2013)	1.000.000		4.000.000		5.000.000
6.	Balance value of mortgage stocks at the end of financial year (31/12/2014)	2.406.840		5.354.542		7.761.382
7.	Value of mortgage stocks according to mortgage papers (31/12/2014)	1.000.000		4.000.000		5.000.000

4.5.2. 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
1.	Cost price of purchased stocks						
1.1.	At the end of last financial year	3.149.351	2.329.046	0	4.931.528	496	10.410.421
1.2.	At the end of financial year (incl. stocks en route and by the third parties)	2.198.944	2.462.840	0	5.223.728	24.154	9.909.666
2.	Depreciation until net possible selling value (restitution)						
2.1.	At the end of last financial year	0	0	0	0	0	0
2.2.	At the end of financial year	0	0	0	0	0	0
3.	Net value possible sales at the end of financial year (1-2)						
3.1.	At the end of last financial year (1.1.-2.1.)	3.149.351	2.329.046	0	4.931.528	496	10.410.421
3.2.	At the end of financial year (incl. stocks en route and by the third parties) (1.2-2.2)	2.198.944	2.462.840	0	5.223.728	24.154	9.909.666
4.	Balance value of mortgage stocks at the end of previous financial year (31/12/2013)	2.863.529	666.640		4.885.057		8.415.226
5.	Value of mortgage stocks according to mortgage papers (31/12/2013)	1.000.000			4.000.000		5.000.000
6.	Balance value of mortgage stocks at the end of financial year (31/12/2014)	1.821.381	585.459		5.354.542		7.761.382
7.	Value of mortgage stocks according to mortgage papers (31/12/2014)	1.000.000			4.000.000		5.000.000

**4.6. 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	204.260	10.820	160.316	2.569
2	Advance payment to the service providers	66.769	15.950	49.258	8.365
3	Balance value of uncertain advance payment	0	0	0	0
3.1.	Uncertain advance payment	216	216	104	104
3.2.	Part of uncertain advance payment written-off to the expenses (-)	(216)	(216)	(104)	(104)
4.	Expenses of coming period acknowledged as uncounted within one year	100.804	154.101	94.856	138.929
5.	Advance payment	371.833	180.871	304.430	149.863

4.7. AMOUNTS RECEIVABLE WITHIN ONE YEAR

LTL

Run. No.	Largest groups of receivable amounts	GROUP		COMPANY	
		Financial year	Last financial year	Financial year	Last financial year
1.	Trade debtors	6.109.483	6.379.518	6.074.015	6.328.268
1.1.	debts of branch enterprise				
1.2.	other trade debtors	6.109.483	6.379.518	6.074.015	6.328.268
1.3.	Debt for the sold financial asset - shares of branch enterprise	0	0	0	0
2.	Other amount receivable within one year	1.607.105	774.533	1.278.557	678.589
2.1.	Receivable VAT	359.113	208.231	99.966	158.064
2.2.	Budget debt to the enterprise	23.532	0	91	0
2.3.	Debt of social insurance to the enterprise	0	0		
2.4.	Amounts receivable from accountable persons	535	11.572	535	9.922
2.5.	Part of current year of long term loans provided for third parties	880.000	0	880.000	0
2.6.	Other accumulated receivable interests for provided long-term loans of part of current year	7.219	0	7.219	0
2.7.	Amounts receivable from employees for loans provided	0	0	0	0
2.8.	Amounts receivable from branch enterprises	0	0	0	0
2.9.	Advance payment for employees	55.328	54.730	10.746	10.603
2.10.	Receivable sums from requisition rights transfer	0	0	0	0
2.11.	Receivable grants in coming periods	1.378	0	0	0
2.12.	Profit tax paid in advance	0	0	0	0
2.13.	Receivable profit of incorporated activity	280.000	500.000	280.000	500.000
2.14.	Other amounts receivable (amounts receivable from var. debtors, except for the debt of branch enterprise)	0	0	0	0
	Amount receivable within one year, total	7.716.588	7.154.051	7.352.572	7.006.857

4.8. 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	11.716.501		11.732.419		11.709.362		11.725.283	
2.	Part of uncertain debts written-off to the expenses at the beginning of the financial year (-)	(11.716.501)		(11.732.419)		(11.709.362)		(11.725.283)	
3.	Balance value of uncertain debts at the beginning of the financial year	0		0		0		0	
4.	Debts acknowledge as uncertain within financial year	10.387		9.085		10.344		8.972	
5.	Part of uncertain debt written-off to expenses within financial year	(10.387)		(9.085)		(10.344)		(8.972)	
6.	Uncertain debts acknowledge as expenses within financial year		10.387		9.085		10.344		8.972
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 (-))		0		(11.814)		0		(11.704)
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 (-)	(132.537)		(13.189)		(132.537)		(13.189)	
12.	Uncertain debt at the end of financial year	11.594.351		11.716.501		11.587.169		11.709.362	
13.	Part of uncertain debt written-off to expenses at the end of financial year (-)	(11.594.351)		(11.716.501)		(11.587.169)		(11.709.362)	
14.	Balance value of uncertain debts at the end of the financial year	0		0		0		0	

4.9. LINAS, AB ENTERPRISE'S GROUP AND LINAS, AB PROVIDED LOANS

Run. No.	Loans provided	Currency of loan	Financial year			Last financial year		
			Balance value 31 12 2014, LTL	Term of recovery	Interest payable for loan provided 31 12 2014 LTL	Balance value 31 12 2013, LTL	Term of recovery	Interest payable for loan provided 31 12 2013 LTL
1.	Long-term loans provided		5.006.901		11.526	8.015.898		1.492.197
1.1	Long-term loans provided for employees of enterprise	LTL	0		0	0		0
1.2	Long-term loans provided for shareholders	LTL	0		0	0		0
1.3	Long-term loans provided for branch of enterprise	LTL	0		0	0		0
1.4.	Long-term loans provided for other third parties	LTL	9.569.714	various terms since 2009-07-31 until 2019-11-19	1.506.625	8.971.979	various terms since 2009-07-31 until 2013-07-01	1.502.600
1.5.	Long-term loans provided for other third parties recognized as uncertain debts	LTL	(4.562.813)		(1.495.099)	(956.081)		(10.403)
2.	Short-term loans provided		880.000		7.219	0		0
2.1	Short-term loans provided for employees of enterprise and part of long-term loans for current year	LTL						
2.2	Provided for shareholders part of long-term loans for current year	LTL						
2.3	Short-term loans provided for shareholders	LTL						
2.4	Provided for other third parties part of long-term loans for current year	LTL	880.000	2015-12-31	7.219			
2.5	Short-term loans provided for other third parties	LTL						
2.6	Short-term loans provided for branch of enterprise	LTL						
3.	Total (1+2)		5.886.901		18.745	8.015.898		1.492.197

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

Run. No.	Indicators	Number of shares	%	Amount (LTL)
1	Joint-stock capital structure at the end of financial year			
	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
	TOTAL:	24.038.990	100,00%	24.038.990
2	State or municipal capital	0		0
3	Own shares, owned by the enterprise itself	0		0
4	Shares which hold subsidiary companies.	0		0
5	Shareholders who have more than 5% of enterprises shares (2014-12-31)			
	5.1. Company "Roocero Associates Limited" (company code 106446, address: 35 Barrack Road, Belize, Finland)	5.406.533	22,49%	5.406.533
	5.2. Company "Danelika Services Limited" (company code HE289213, address: 3 Michael Koutsofta Street, Limassol, Cyprus)	4.156.585	17,29%	4.156.585
	5.3. Association "EEEE" (company code 302572729, address: Savanorių pr. 192, Kaunas)	2.831.699	11,78%	2.831.699
	5.4. UAB "Rivena" (company code 302521510, address: P. Žadeikos g. 13-35, Vilnius)	2.423.030	10,08%	2.423.030
	5.5. Nojus Lenčiauskas	2.360.000	9,82%	2.360.000

4.11. 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
1	Compulsory reserve	1.000	2.404.899	0	2.403.899
2	Other reserves	600.000	300.000	0	0
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	600.000	300.000		
3	Total reserves	601.000	2.704.899	0	2.403.899

Linās, AB

Company Code 147689083

S. Kerbedzio 23, Panevezys

4.12. 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	(345.834)
2.	Net profit (loss) for the current year	(3.534.643)
3.	Unadmitted profit (loss) of accounting financial year in statement of profit or loss and other 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
6.	Appropriated profit (loss), total	(3.880.477)
7.	Appropriation of profit	0
7.1.	part of profit admitted to compulsory reserve	0
7.2.	part of profit admitted to reserve to obtain own shares	0
7.3.	part of profit admitted to other reserves:	0
7.3.1.	to reserve for support	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 members of Board, employees bonuses and other aims;	0
8.	Retained earnings (loss) at the end of the current year to be carried forward to the following financial year	(3.880.477)

4.13. GRANTS AND SUBVENTIONS

LTL

Run. NO.	Type of grants (subventions)	Remainder at the beginning of period	Received amounts of grants (subventions)	Receivable amounts of grants (subventions)	Used amounts of grants (subventions)	Returned amounts of grants (subventions)	Remainder at the end of period
1.	GROUP						
1.1.	Grants related to income (compensation of expenses)	0	17.376	1.378	17.376	0	1.378
1.2.	Grants related to assets						
1.3.	Subventions						
2.	COMPANY						
2.1.	Grants related to income (compensation of expenses)	0	6.835	0	6.835	0	0
2.2.	Grants related to assets						
2.3.	Subventions						

4.14. LONG-TERM AND SHORT-TERM OBLIGATIONS

LTL

Run. No.	Indicators	GROUP				COMPANY			
		Debts payable or parts thereof		Total debts at the end of financial year	Total debts at the end of last financial year	Debts payable or parts thereof		Total debts at the end of financial year	Total debts at the end of last financial year
		within one financial year	after one year			within one financial year	after one year		
	Splitting of amounts payable by types								
1.	Financial debts:	0	0	0	0	0	0	0	0
1.1.	For leasing (financial lease) or similar obligations	0	0	0	0	0	0	0	0
1.2.	For credit institution	0	0	0	0	0	0	0	0
1.3.	Other financial debts	0	0	0	0	0	0	0	0
2.	Other debts	5.825.555	391.731	6.217.286	8.289.190	5.479.421	391.731	5.871.152	8.397.267
2.1.	Debts for suppliers	3.059.146	0	3.059.146	5.155.513	3.692.324	0	3.692.324	6.064.524
2.2.	Received advance payment	398.426	39.173	437.599	1.330.610	398.368	39.173	437.541	1.329.671
2.3.	Obligations related to industrial relations	1.440.565	0	1.440.565	921.255	472.000	0	472.000	196.976
2.3.1	<i>wage payable</i>	<i>611.183</i>	<i>0</i>	<i>611.183</i>	<i>294.430</i>	<i>249.775</i>	<i>0</i>	<i>249.775</i>	<i>53.067</i>
2.3.2	<i>social insurance payable</i>	<i>350.939</i>	<i>0</i>	<i>350.939</i>	<i>204.007</i>	<i>113.145</i>	<i>0</i>	<i>113.145</i>	<i>40.051</i>
2.3.3	<i>payable RIT from wage</i>	<i>46.126</i>	<i>0</i>	<i>46.126</i>	<i>55.055</i>	<i>9.233</i>	<i>0</i>	<i>9.233</i>	<i>9.919</i>
2.3.4	<i>leave accumulation</i>	<i>431.204</i>	<i>0</i>	<i>431.204</i>	<i>366.786</i>	<i>99.608</i>	<i>0</i>	<i>99.608</i>	<i>93.744</i>
2.3.5	<i>payable contributions to the Guarantee Foundation</i>	<i>1.113</i>	<i>0</i>	<i>1.113</i>	<i>977</i>	<i>239</i>	<i>0</i>	<i>239</i>	<i>195</i>
2.4.	VAT payable	151.471	0	151.471	0	151.471	0	151.471	0
2.5.	Other taxes payable	7.915	0	7.915	17.166	4.626	0	4.626	4.432
2.6.	Profit tax payment obligations	374.929	0	374.929	237.732	374.929	0	374.929	188.786
2.7.	Payable amounts for sales services	186.690	0	186.690	214.301	186.690	0	186.690	214.301
2.8.	Various other payable amounts	206.413	352.558	558.971	412.613	199.013	352.558	551.571	398.577
	Total	5.825.555	391.731	6.217.286	8.289.190	5.479.421	391.731	5.871.152	8.397.267

4.15. ACCUMULATIONS OF LEAVES

LTL

Run. No.	Indicators	GROUP		COMPANY	
		Financial year	Last financial year	Financial year	Last financial year
1.	Remainder of accumulative leaves at the beginning of the year	366.785	356.274	93.744	83.278
1.1.	Accumulative leaves at the beginning of the year	279.650	272.006	71.571	63.581
1.2.	Social insurance of accumulative leaves at the beginning of the year	87.135	84.268	22.173	19.697
2.	Accumulated leaves within a year (leaves with social insurance directed to expenses)	785.113	758.821	151.215	186.627
2.1.	Accumulated leaves	598.793	578.159	115.449	142.485
2.2.	Accumulated social insurance from accumulated leaves	186.320	180.662	35.766	44.142
3.	Leaves expenses covered by accumulated leaves (within a financial year for employees practically counted leaves with social insurance)	(720.694)	(748.310)	(145.351)	(176.161)
3.1.	Leaves expenses covered by accumulated leaves	(549.596)	(570.515)	(110.972)	(134.495)
3.2.	Leaves with social insurance expenses covered by accumulated leaves	(171.098)	(177.795)	(34.379)	(41.666)
4.	Remainder of accumulative leaves at the end of the year	431.204	366.785	99.608	93.744
4.1.	Accumulated leaves at the end of the year	328.847	279.650	76.048	71.571
4.2.	Social insurance from accumulated leaves at the end of the year	102.357	87.135	23.560	22.173
5.	Change of accumulated leave remainder within a year (4 - 1)	64.419	10.511	5.864	10.466
5.1.	Change of accumulated leave remainder	49.197	7.644	4.477	7.990
5.2.	Change of social insurance from accumulated leave remainder	15.222	2.867	1.387	2.476

4.16. PRODUCTION OF TEXTILE PRODUCTS

4.16.1. 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					
	2014 y.	2013 y.	2014 y.	2013 y.	2014 y.	2013 y.	2014 y.	2013 y.	2014 y.	2013 y.	2014 y.	2013 y.
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		
Gross profit (losses)	7.709.672	7.178.571	5.383.230	4.576.809	23.022	11.306	1.259.929	1.147.365	14.375.853	12.914.051		
Operating expenses									10.475.080	9.074.610		
Profit (losses) on typical activity	7.709.672	7.178.571	5.383.230	4.576.809	23.022	11.306	1.259.929	1.147.365	3.900.773	3.839.441		

4.16.2. 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			
	2014 y.	2013 y.	2014 y.	2013 y.	2014 y.	2013 y.	2014 y.	2013 y.	2014 y.	2013 y.	2014 y.	2013 y.
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	6.215.000	7.136.157	14.596.511	14.282.060	1.180.590	999.395	3.093.119	3.127.130	2.056.572	2.107.479	27.141.792	27.652.221
Gross profit (losses)	3.746.406	3.775.201	6.554.561	5.713.597	1.055.349	822.575	2.115.240	1.803.885	904.297	798.793	14.375.853	12.914.051
Operating expenses											10.475.080	9.074.610
Profit (losses) on typical activity	3.746.406	3.775.201	6.554.561	5.713.597	1.055.349	822.575	2.115.240	1.803.885	904.297	798.793	3.900.773	3.839.441

4.16.3. 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						
	2014 y.	2013 y.	2014 y.	2013 y.	2014 y.	2013 y.	2014 y.	2013 y.	2014 y.				2013 y.
Income	19.347.619	19.410.306	19.677.871	18.555.442	191.623	258.349	1.700.756	1.604.633	40.917.869	39.828.730			
Cost price	14.311.505	15.035.138	17.578.515	17.182.409	168.601	246.909	713.071	768.249	32.771.692	33.232.705			
Gross profit (losses)	5.036.114	4.375.168	2.099.356	1.373.033	23.022	11.440	987.685	836.384	8.146.177	6.596.025			
Operating expenses									5.182.189	4.186.890			
Profit (losses) on typical activity	5.036.114	4.375.168	2.099.356	1.373.033	23.022	11.440	987.685	836.384	2.963.988	2.409.135			

4.16.4. 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		
	2014 y.	2013 y.	2014 y.	2013 y.	2014 y.	2013 y.	2014 y.	2013 y.	2014 y.	2013 y.	2014 y.	2013 y.	2014 y.	2013 y.	
Income	9.961.406	10.911.358	21.149.523	19.985.590	2.235.939	1.821.970	4.610.132	4.203.540	2.960.869	2.906.272	40.917.869	39.828.730			
Cost price	7.595.811	8.710.716	17.838.618	17.429.035	1.442.886	1.219.906	3.380.888	3.300.564	2.513.489	2.572.484	32.771.692	33.232.705			
Gross profit (losses)	2.365.595	2.200.642	3.310.905	2.556.555	793.053	602.064	1.229.244	902.976	447.380	333.788	8.146.177	6.596.025			
Operating expenses											5.182.189	4.186.890			
Profit (losses) on typical activity	2.365.595	2.200.642	3.310.905	2.556.555	793.053	602.064	1.229.244	902.976	447.380	333.788	2.963.988	2.409.135			

4.17. EXPENSES OF ACTIVITY

LTL

Run. No.	Indicators	GROUP		COMPANY	
		Financial year	Last financial year	Financial year	Last financial year
1	Expenses of sales	2.360.366	2.611.935	2.350.579	2.611.935
1.1	Expenses of commissions	1.054.003	1.204.305	1.054.003	1.204.305
1.2	Expenses of transporting of sold production	378.556	367.923	378.556	367.923
1.3	Expenses of production advertising and fair	261.640	296.364	251.593	296.364
1.4	Expenses of sales number employees wage and other with employees related expenses	528.903	552.067	528.903	552.067
1.5	Evaluate of customers creditworthiness and insurance costs of marketable credits	77.362	145.591	77.362	145.591
1.6	Other sales expenses	59.902	45.685	60.162	45.685
2	General and administration expenses	8.114.714	6.462.675	2.831.610	1.574.955
2.1	Expenses related with employees wage and other with employees related	3.875.735	3.369.287	1.356.104	1.171.146
2.2	Training costs of administration employees	36.848	352.535	20.984	325.128
2.3	Rent, exploitation and repairing expenses	3.094.036	3.150.475	739.601	834.449
2.4	Expenses of security services	152.500	168.000	76.750	84.000
2.5	Expenses of deterioration and amortization of non-current asset	174.720	244.991	57.978	120.783
2.6	Expenses of info technologies	129.959	141.841	126.666	141.826
2.7	Connection expenses	42.200	50.803	16.699	20.898
2.8	Expenses of bank services	21.191	24.870	18.210	21.375
2.9	Legal services expenses	46.952	64.990	46.952	64.990
2.10	Expenses of activity tax	46.495	38.821	11.272	11.756
2.11	Expenses of support provided	80.484	20.641	78.984	20.641
2.12	Expenses of social guarantees, stated in collective agreement	5.400	5.400	5.400	5.400
2.13	Representation expenses	33.304	47.880	31.707	47.153
2.14	Uncertain debts expenses	10.373	8.871	10.330	8.869
2.15	Low-value assets acquisition expenses	98.537	22.455	25.153	3.467
2.16	Costs of suspensions	0	(1.495.485)	0	(1.495.485)
2.17	Various other general and administration expenses	265.980	246.300	208.820	188.559
3	TOTAL EXPENSES OF ACTIVITY	10.475.080	9.074.610	5.182.189	4.186.890

4.18. OTHER (NON TYPICAL) ACTIVITY

LTL

Run. No.	Indicators	GROUP		COMPANY	
		Financial year	Last financial year	Financial year	Last financial year
1.	INCOME OF OTHER ACTIVITY - TOTAL	667.484	577.222	4.355.621	4.816.298
	Specification of significant amount:				
1.1.	Profit of non-current asset transferring	0	0	0	0
1.2.	Income of various storages selling	370.619	267.240	446.915	240.865
1.3.	Income of rent	262.370	294.133	262.370	294.133
1.4.	Income of accounting and administration services	23.937	0	239.937	216.000
1.5.	Incomes of thermal energy supply	1.219	1.569	3.404.396	4.056.456
1.6.	Various other non-typical activity income	9.339	14.280	2.003	8.844
2.	EXPENSES OF OTHER ACTIVITY - TOTAL	716.784	571.040	3.541.623	3.935.825
	Specification of significant amount:				
2.1.	Loss of non-current asset transferring	0	44.500	0	44.500
2.2.	Net cost of sold various storages	341.912	164.959	330.770	150.671
2.3.	Net cost of rent	142.607	151.569	142.607	151.569
2.4.	Expenses of accounting and administration services	200.289	200.289	200.289	200.289
2.5.	Expenditures of thermal energy supply	31.406	5.448	2.867.387	3.384.521
2.6.	Various other non-typical activity expenses	570	4.275	570	4.275
3.	RESULT OF OTHER ACTIVITY (1-2)	(49.300)	6.182	813.998	880.473

4.19. FINANCIAL AND INVESTMENT ACTIVITY

LTL

Run. No.	Indicators	GROUP		COMPANY	
		Financial year	Last financial year	Financial year	Last financial year
1.	FINANCIAL AND INVESTMENT ACTIVITY INCOME - TOTAL	60.324	514.000	60.115	513.987
	Specification of significant amount:				
1.1.	Positive result of changes of currency exchange	31.513	0	31.401	0
1.2.	Income of bank interests	100	72	83	59
1.3.	Income of other interests	28.404	0	28.324	0
1.4.	Fines and penalties for the drawn debts	191	314	191	314
1.5.	Profit of incorporated activity	0	500.000	0	500.000
1.6.	Income of loans provided by the revaluation	0	11.704	0	11.704
1.7.	Income of currency buying-selling	88	1.865	88	1.865
1.8.	Income of other financial-investment activity	28	45	28	45
2.	FINANCIAL AND INVESTMENT ACTIVITY EXPENSE S- TOTAL	6.809.272	6.471.416	6.808.104	6.470.393
	Specification of significant amount:				
2.1.	Expenses of interests	7.487	9.156	7.485	9.156
2.2.	Fines and delay fees	274	211	10	124
2.3.	Negative result of changes of currency exchange	0	1.399	0	948
2.4.	Expenses of currency buying-selling	3.523	6.353	2.621	5.868
2.5.	Expenses of loans provided by the revaluation	0	0	0	0
2.6.	Financial assets depreciation amounts (BUAB „Nordic investicija“ and BUAB "Domus Palanga" financial debts)	6.748.944	6.454.268	6.748.944	6.454.268
2.7.	Expenses of other financial-investment activity	49.044	29	49.044	29
3.	FINANCIAL AND INVESTMENT ACTIVITY RESULT (1-2)	(6.748.948)	(5.957.416)	(6.747.989)	(5.956.406)

4.20. 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
A.	Amount, related with industrial relations, calculated within a year:	405.158	16.742	479.226	14.724	265.944	10.475	349.937	10.215
1.	For managers	404.576	16.214	479.226	14.724	265.362	9.947	349.937	10.215
2.	For other related persons	582	528	0	0	582	528	0	0
B.	Loans granted by Group (Company):	3.400.000	10.449.714	0	8.971.979	3.400.000	10.449.714	0	8.971.979
1.	For managers	0	0	0	0	0	0	0	0
2.	For other related persons	3.400.000	10.449.714	0	8.971.979	3.400.000	10.449.714	0	8.971.979
C.	Receivable loans:	0	0	0	0	0	0	0	0
1.	From managers	0	0	0	0	0	0	0	0
2.	From other related persons	0	0	0	0	0	0	0	0
D.	Repaid the loan for Group (Company):	1.922.265	0	119.446	0	1.922.265	0	119.446	0
1.	From managers	0	0	0	0	0	0	0	0
2.	From other related persons	1.922.265	0	119.446	0	1.922.265	0	119.446	0
E.	Gratuitously transferred asset and gifts:	0	0	0	0	0	0	0	0
1.	For managers	0	0	0	0	0	0	0	0
2.	For other related persons	0	0	0	0	0	0	0	0
F.	Various guarantees provided by name of Group (Company):	0	0	0	0	0	0	0	0
1.	For managers	0	0	0	0	0	0	0	0
2.	For other related persons	0	0	0	0	0	0	0	0
G.	Received various guarantees:	5.500.000	27.447.347	0	33.035.470	5.500.000	28.947.347	1.000.000	34.535.470
1.	From managers	0	0	0	0	0	0	0	0
2.	From other related persons	5.500.000	27.447.347	0	33.035.470	5.500.000	28.947.347	1.000.000	34.535.470
H.	Other significant amounts, calculated within a year (obligations of Group (Company) to related persons):	1.298.000	1.135.716	1.453.475	1.780.189	18.485.066	2.141.708	19.704.913	3.142.922
1.	For managers	36.800	7.200	17.710	0	36.800	7.200	2.710	0
2.	For members of the Board	0	0	0	0	0	0	0	0
3.	For other related persons	1.261.200	1.128.516	1.435.765	1.780.189	18.448.266	2.134.508	19.702.203	3.142.922
I.	Other significant obligations for Group (Company):	100.262	9.366.445	500.000	9.822.959	3.719.439	9.366.445	4.770.887	9.822.959
1.	Of managers	0	0	0	0	0	0	0	0
2.	Of other related persons	100.262	9.366.445	500.000	9.822.959	3.719.439	9.366.445	4.770.887	9.822.959
J.	Sold asset:	1.091	0	285.845	0	98.345	0	299.049	0
1.	For managers	522	0	2.655	0	522	0	575	0
2.	For other related persons	569	0	283.190	0	97.823	0	298.474	0
K.	Provisions of liabilities and requisition cover:	0	0	(1.495.485)	0	0	0	(1.495.485)	0
1.	For managers	0	0	0	0	0	0	0	0
2.	For other related persons	0	0	(1.495.485)	0	0	0	(1.495.485)	0
L.	Accepted as doubtful debts (Financial assets depreciation amounts):	6.784.515	(13.238.783)	6.454.268	(6.454.268)	6.784.515	(13.238.783)	6.454.268	(6.454.268)
1.	Of managers	0	0	0	0	0	0	0	0
2.	Of other related persons	6.784.515	(13.238.783)	6.454.268	(6.454.268)	6.784.515	(13.238.783)	6.454.268	(6.454.268)
M.	The asset of the third parties in the enterprise	0	4.762.323	0	4.762.323	0	4.762.323	0	4.762.323
1.	Of managers	0	0	0	0	0	0	0	0
2.	Of other related persons	0	4.762.323	0	4.762.323	0	4.762.323	0	4.762.323
	Average number of administration managers within a year	4	X	4	X	3	X	3	X
	Number of Board members per year	3	X	4	X	3	X	4	X

4.21. PROFIT TAX

4.21.1. 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
1.	Expenses of profit tax	591.312	405.202	563.310	314.458
1.1.	Reporting year profit tax according to Profit tax declaration	591.312	296.052	563.310	207.558
1.2.	Corrections of profit tax of last year in perspective way	0	109.150	0	106.900
2.	Expenses (incomes) of delayed taxes	2.774	(7.019)	1.330	(2.976)
2.1.	Expenses (incomes) of delayed taxes, determined by appearance and (or) disappearance of temporary differences	2.774	(7.019)	1.330	(2.976)
3.	Expenses of profit tax , stated in statement of profit or loss and other comprehensive income	594.086	398.183	564.640	311.482

4.21.2. 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
1.	Accountable profit (loss) before taxing (according to statement profit or loss and other of comprehensive income)	(2.897.475)	(2.111.793)	(2.970.003)	(2.666.798)
2.	Profit tax before correction cause of regular and temporary differences	(417.898)	(313.687)	(445.501)	(400.020)
3.	Correction of expenses of profit tax	1.011.984	711.870	1.010.141	711.502
3.1.	Correction of profit tax expenses cause of regular differences	1.011.984	758.199	1.010.141	756.038
3.2.	Correction of profit tax expenses cause of temporary differences	0	(7.019)	0	(2.976)
3.3.	Correction of profit tax of last period in perspective way	0	109.150	0	106.900
3.4.	Profit tax expenditures correction regarding investment project implementation	0	(148.460)	0	(148.460)
4.	Expenses of profit tax, stated in statement of profit or loss and other comprehensive income	594.086	398.183	564.640	311.482

4.22. EXTENDED PROFIT TAX

LTL

Run. No.	Reasons of originated extended tax	GROUP				COMPANY			
		Statement of financial position		Statement of profit or loss and other comprehensive income		Statement of financial position		Statement of profit or loss and other comprehensive income	
		Financial year	Last financial year	Financial year	Last financial year	Financial year	Last financial year	Financial year	Last financial year
1.	Obligation of extended tax at the beginning of financial year	0	0			0	0		
2.	Asset of extended tax at the beginning of financial year	7.019	0			2.976	0		
	Changes of asset of extended tax (increase +, decrease -)								
3.1	Income tax on long-term assets depreciation costs, which are recognized in the taxation accounting as allowed deductions	(2.774)	(2.026)			(1.330)	(903)		
3.2	Income tax on long-term assets depreciation costs, which are not recognized in the taxation accounting as allowed deductions	0	9.045			0	3.879		
3.	Changes of asset of extended tax, total	(2.774)	7.019			(1.330)	2.976		
4.	Expenses (incomes) of extended tax			2.774	(7.019)			1.330	(2.976)
5.	Obligation of extended tax at the end of financial year	0	0			0	0		
6.	Asset of extended tax at the end of financial year	4.245	7.019			1.646	2.976		

4.23. 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	5.000.000	5.000.000	5.000.000
2	Sponsions of third parties for the loans received by the enterprise	0	0	1.500.000	1.500.000
3	Received guarantess, sponsions	17.223.700	26.283.823	17.223.700	26.283.823
4	Tangible valuables of enterprise trusted to the third parties	416.109	375.855	416.109	375.855
5	Property sublease for third persons	0	0	2.841.599	2.841.599
6	Sponsions for the third parties	0	0	0	0
7	Confirmed notes in circulation	0	0	0	0
8	The asset of the third parties in the enterprise	4.762.323	4.762.323	4.762.323	4.762.323
9	Property of third parties mortgaged for the company	10.223.647	6.751.647	10.223.647	6.751.647

4.24. 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	(3.491.561)	(2.509.976)	(3.534.643)	(2.978.280)
3.	Earnings per share, in LTL	(0,15)	(0,10)	(0,15)	(0,12)