



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

November 30, 2015

#### CONFIRMATION OF RESPONSIBLE PERSONS

Following 22 article of the Law of Securities of Lithuanian Republic and acc.to the requirements of the Board of Lithuanian Bank regulations for periodic and additional information submission and presentation, we, Saulius Šidlauskas, director of Linas AB, and Daiva Minkevičienė, chief accountant – chief of section of accounting and analysis of Linas AB, hereby confirm that, to the best of our knowledge, interim consolidated financial statements of Linas AB Group of companies of the nine months of 2015 prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The interim consolidated financial statements of the nine months of 2015 give a true and fair view of Linas AB and consolidated property of Group of companies, liabilities, financial position, profit (loss) and cash flows. Interim financial statements were not audited.

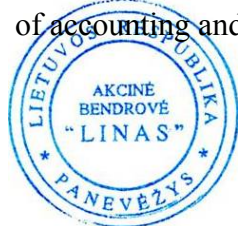


Director of Linas AB

A handwritten signature in blue ink, appearing to be "S. Šidlauskas", written over a horizontal line.

Saulius Šidlauskas

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



A handwritten signature in blue ink, appearing to be "D. Minkevičienė", written over a horizontal line.

Daiva Minkevičienė



**LINAS AB**  
**INTERIM CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
**OF THE NINE MONTHS OF 2015**

**2015 09 30**

## SUMMARY

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

Formulated according to TFAS, not audited

Current period 01 01 2015 – 30 09 2015

EUR

No.	ASSETS	2015-09-30	2014-12-31
<b>A.</b>	<b>Long-term assets</b>	<b>2.232.865</b>	<b>2.133.055</b>
<b>I.</b>	<b>Intangible assets</b>	<b>1.377</b>	<b>1.703</b>
I.1.	Developmental works	0	0
I.2.	Prestige	0	0
I.3.	Patents, licenses	0	0
I.4.	Software	1.377	1.703
I.5.	Other intangible assets	0	0
<b>II.</b>	<b>Tangible assets</b>	<b>520.224</b>	<b>517.416</b>
II.1.	Land	0	0
II.2.	Buildings	0	0
II.3.	Structures	2.756	3.254
II.4.	Machinery and equipment	442.737	466.257
II.5.	Means of transport	57.982	27.204
II.6.	Other equipment, appliances, instruments and gear	16.749	20.701
II.7.	Constructions in progress	0	0
II.8.	Other tangible assets	0	0
<b>III.</b>	<b>Investment property</b>	<b>0</b>	<b>0</b>
<b>IV.</b>	<b>Financial assets</b>	<b>1.710.034</b>	<b>1.612.707</b>
IV.1.	Investments to affiliates and associated companies	0	0
IV.2.	Loans to affiliates and associated companies	0	0
IV.3.	Amounts received after one year	1.709.744	1.612.417
IV.4.	Other financial assets	290	290
<b>V.</b>	<b>Other long-term assets</b>	<b>1.230</b>	<b>1.229</b>
V.1.	Deferred corporation tax assets	1.230	1.229
V.2.	Other long-term assets	0	0
<b>B.</b>	<b>Short-term assets</b>	<b>6.437.766</b>	<b>5.828.406</b>
<b>I.</b>	<b>Stocks, prepayments and contracts in progress</b>	<b>4.068.520</b>	<b>3.039.113</b>
I.1.	Stocks	3.792.747	2.931.423
I.1.1.	Raw materials and consumables	2.307.893	1.398.067
I.1.2.	Work in progress	51.624	69.579
I.1.3.	Finished products	1.431.545	1.456.782
I.1.4.	Goods purchased for resale	1.685	6.995
I.1.5.	Other stocks	0	0
I.2.	Prepayments	275.773	107.690
I.3.	Contracts in progress	0	0
<b>II.</b>	<b>Amounts receivable within one year</b>	<b>1.749.196</b>	<b>2.234.879</b>
II.1.	Trade debtors	1.316.208	1.769.429
II.2.	Debts of affiliates and associated companies	0	0
II.3.	Other amounts receivable	432.988	465.450
<b>III.</b>	<b>Other short-term assets</b>	<b>0</b>	<b>0</b>
III.1.	Short-term investments	0	0
III.2.	Term deposits	0	0
III.3.	Other short-term assets	0	0
<b>IV.</b>	<b>Currency and its equivalents</b>	<b>620.050</b>	<b>554.414</b>
	<b>Total assets</b>	<b>8.670.631</b>	<b>7.961.461</b>

No.	PRIVATE ASSETS AND LIABILITIES	2015-09-30	2014-12-31
<b>C.</b>	<b>Private assets</b>	<b>6.817.456</b>	<b>6.160.412</b>
<b>I.</b>	<b>Capital</b>	<b>6.971.307</b>	<b>6.962.173</b>
I.1.	Subscribed capital	6.971.307	6.962.173
I.2.	Signed unpaid capital (-)	0	0
I.3.	Shares premiums	0	0
I.4.	Private shares(-)	0	0
<b>II.</b>	<b>Revaluation reserve (results)</b>	<b>0</b>	<b>0</b>
<b>III.</b>	<b>Reserves</b>	<b>174.062</b>	<b>174.062</b>
III.1.	Obligatory	290	290
III.2.	For purchase of proprietary shares	0	0
III.3.	Other reserves	173.772	173.772
<b>IV.</b>	<b>Profit (loss) brought forward</b>	<b>(327.913)</b>	<b>(975.823)</b>
<b>IV.1.</b>	<b>Profit (loss) of the current year</b>	<b>647.910</b>	<b>(1.011.226)</b>
IV.1.1.	Profit (loss) acknowledged in statement of profit or loss and other comprehensive income	647.910	(1.011.226)
IV.1.2.	Profit (loss) not acknowledged in statement of profit or loss and other comprehensive income	0	0
<b>IV.2.</b>	<b>Profit (loss) of the previous year</b>	<b>(975.823)</b>	<b>35.403</b>
<b>V.</b>	<b>Non-controlling interest</b>	<b>0</b>	<b>0</b>
<b>D.</b>	<b>Grants, subsidies</b>	<b>0</b>	<b>399</b>
<b>E.</b>	<b>Amounts payable and liabilities</b>	<b>1.853.175</b>	<b>1.800.650</b>
<b>I.</b>	<b>Amounts payable after one year and long-term liabilities</b>	<b>113.453</b>	<b>113.453</b>
I.1.	Financial debts	0	0
I.1.1.	Leasing (financial rents) or similar liabilities	0	0
I.1.2.	To credit organizations	0	0
I.1.3.	Other financial debts	0	0
I.2.	Debts to suppliers	0	0
I.3.	Received prepayments	11.345	11.345
I.4.	Suspensions	0	0
I.4.1.	Reimbursement of liabilities and demands	0	0
I.4.2.	Pensions and similar liabilities	0	0
I.4.3.	Other suspensions	0	0
I.5.	Suspended taxes	0	0
I.6.	Other amounts payable and long-term liabilities	102.108	102.108
<b>II.</b>	<b>Amounts payable within one year and short-term liabilities</b>	<b>1.739.722</b>	<b>1.687.197</b>
II.1.	Short term portion of long-term debts	0	0
II.2.	Financial debts	0	0
II.2.1.	To credit organizations	0	0
II.2.2.	Other financial debts	0	0
II.3.	Debts to suppliers	1.336.878	885.990
II.4.	Received prepayments	46.751	115.392
II.5.	Liabilities of income taxes	0	108.587
II.6.	Liabilities related to work relations	246.698	417.216
II.7.	Suspensions	0	0
II.8.	Other amounts payable and short-term liabilities	109.395	160.012
	<b>Total proprietary capital and liabilities</b>	<b>8.670.631</b>	<b>7.961.461</b>

Director

Saulius Šidlauskas

Chief accountant – chief of section of  
accounting and analysis

Daiva Minkevičienė

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

Formulated according to TFAS, not audited  
Current period 01 01 2015 – 30 09 2015

EUR

No.	ARTICLES	01-09 months of 2015	01-09 months of 2014	III <sup>rd</sup> quarter of 2015	III <sup>rd</sup> quarter of 2014
<b>I.</b>	<b>SALE INCOME</b>	<b>8.743.554</b>	<b>8.458.032</b>	<b>2.747.587</b>	<b>2.537.157</b>
I.1.	Income for sold goods	8.279.011	7.966.039	2.644.590	2.390.886
I.2.	Income for sold services	464.543	491.993	102.997	146.271
<b>II.</b>	<b>SALE COST PRICE</b>	<b>5.950.547</b>	<b>5.467.117</b>	<b>1.888.408</b>	<b>1.584.339</b>
II.1.	Cost price of sold production	5.751.853	5.241.502	1.843.702	1.521.670
II.2.	Cost price of sold services	198.694	225.615	44.706	62.669
<b>III.</b>	<b>GROSS PROFIT (LOSS)</b>	<b>2.793.007</b>	<b>2.990.915</b>	<b>859.179</b>	<b>952.818</b>
<b>IV.</b>	<b>OPERATING EXPENSES</b>	<b>2.168.707</b>	<b>2.058.540</b>	<b>697.511</b>	<b>661.977</b>
IV.1	Sale	525.605	486.490	161.564	154.416
IV.2	General and administrative	1.643.102	1.572.050	535.947	507.561
<b>V.</b>	<b>PROFIT (LOSS) OF STANDARD ACTIVITY</b>	<b>624.300</b>	<b>932.375</b>	<b>161.668</b>	<b>290.841</b>
<b>VI.</b>	<b>OTHER OPERATIONS</b>	<b>6.765</b>	<b>(13.759)</b>	<b>4.834</b>	<b>(13.652)</b>
VI.1.	Income	167.718	142.291	69.708	50.702
VI.2.	Expenses	160.953	156.050	64.874	64.354
<b>VII.</b>	<b>FINANCIAL AND INVESTMENT ACTIVITIES</b>	<b>16.845</b>	<b>(6.458)</b>	<b>9.027</b>	<b>(4.451)</b>
VII.1.	Income	28.001	10.138	9.331	10.022
VII.2.	Expenses	11.156	16.596	304	14.473
<b>VIII.</b>	<b>PROFIT (LOSS) FROM ORDINARY ACTIVITIES</b>	<b>647.910</b>	<b>912.158</b>	<b>175.529</b>	<b>272.738</b>
<b>IX.</b>	<b>PROFIT (LOSS) BEFORE TAXES</b>	<b>647.910</b>	<b>912.158</b>	<b>175.529</b>	<b>272.738</b>
<b>X.</b>	<b>PROFIT TAX</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XI.</b>	<b>PROFIT (LOSS) BEFORE NON-CONTROLLING INTEREST</b>	<b>647.910</b>	<b>912.158</b>	<b>175.529</b>	<b>272.738</b>
<b>XII.</b>	<b>NON-CONTROLLING INTEREST</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XIII.</b>	<b>NET PROFIT (LOSS)</b>	<b>647.910</b>	<b>912.158</b>	<b>175.529</b>	<b>272.738</b>
<b>XIV.</b>	<b>OTHER COMPREHENSIVE INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XV.</b>	<b>Earnings (loss) per share</b>	<b>0,09</b>	<b>0,04</b>	<b>0,03</b>	<b>0,01</b>

Director

Saulius Šidlauskas

Chief accountant – chief of section of  
accounting and analysis

Daiva Minkevičienė

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Current period 01 01 2015 – 30 09 2015

EUR

	Paid-up authorized capital	Additions to shares	Proprietary shares (-)	Revaluation reserve (results)		Law covered reserves		Other reserves		Profit (loss) brought forward	Total
				Long- term tangible assets	Financial assets	Obligatory	Proprietary shares procure- ment	Support reserves and other payouts acc. to collective agreement	Other reserves		
	1	2	3	4	5	6	7	8	9	10	11
<b>Remainder on 31 December, 2013</b>	<b>6.962.173</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>696.507</b>	<b>0</b>	<b>0</b>	<b>86.886</b>	<b>(573.928)</b>	<b>7.171.638</b>
Profit/loss not acknowledged in statement of profit or loss and other comprehensive income											0
Net profit / loss of the current period										912.158	912.158
Formed reserves									173.772	(173.772)	0
Liquidates reserves						(696.217)			(86.886)	783.103	0
<b>Remainder on 30 September, 2014</b>	<b>6.962.173</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>290</b>	<b>0</b>	<b>0</b>	<b>173.772</b>	<b>947.561</b>	<b>8.083.796</b>
Profit/loss not acknowledged in statement of profit or loss and other comprehensive income											0
Net profit / loss of the current period										(1.923.384)	(1.923.384)
Formed reserves											0
Liquidates reserves											0
<b>Remainder on 31 December, 2014</b>	<b>6.962.173</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>290</b>	<b>0</b>	<b>0</b>	<b>173.772</b>	<b>(975.823)</b>	<b>6.160.412</b>
Profit/loss not acknowledged in statement of profit or loss and other comprehensive income											0
Authorized capital difference, appeared recalculating authorized capital expressed in Lt into EUR	9.134										9.134
Net profit / loss of the current period										647.910	647.910
Formed reserves									173.772	(173.772)	0
Liquidates reserves									(173.772)	173.772	0
<b>Remainder on 30 September, 2015</b>	<b>6.971.307</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>290</b>	<b>0</b>	<b>0</b>	<b>173.772</b>	<b>(327.913)</b>	<b>6.817.456</b>

Director

Saulius Šidlauskas

Chief accountant – chief of section of  
accounting and analysis

Daiva Minkevičienė

CONSOLIDATED STATEMENT OF CASH FLOWS

Current period 01 01 2015 – 30 09 2015

Formed in direct pattern, not audited

EUR

No.	Articles	01-09 months of 2015	01-09 months of 2014
<b>I.</b>	<b>Primary activity currency circulation</b>		
<b>I.1.</b>	<b>Earnings of report period (including VAT)</b>	<b>9.784.405</b>	<b>9.009.852</b>
I.1.1.	Earnings from clients	9.595.672	8.848.950
I.1.2.	Other earnings	188.733	160.902
<b>I.2.</b>	<b>Report period payouts</b>	<b>(9.532.204)</b>	<b>(8.548.469)</b>
I.2.1.	Payouts to suppliers of products, raw materials and services(including VAT)	(7.313.663)	(6.670.956)
I.2.2.	Monetary payouts related to work relations	(2.009.716)	(1.711.674)
I.2.3.	Taxes paid to budget	(84.755)	(88.124)
I.2.4.	Other payouts	(124.070)	(77.715)
	<b>Cash circulation of primary activity</b>	<b>252.201</b>	<b>461.383</b>
<b>II.</b>	<b>Currency circulation of investment activity</b>		
II.1.	Procurement of long-term assets (excluding investments)	(103.009)	(71.229)
II.2.	Transfer of long-term assets (excluding investments)	1.800	0
II.3.	Procurement of long-term investments	0	0
II.4.	Procurement of short-term investments	0	0
II.5.	Transfer of short-term investments	0	0
II.6.	Transfer of long-term investments	0	0
II.7.	Provision of loans	(250.000)	(320.030)
II.8.	Return of loans	165.986	477.873
II.9.	Received dividends	0	0
II.10.	Interest received for loans granted and investment	0	0
II.11.	Other currency circulation increases of investment activities	0	0
II.12.	Other currency circulation decreases of investment activities	0	0
	<b>Cash circulation of investment activity</b>	<b>(185.223)</b>	<b>86.614</b>
<b>III.</b>	<b>Currency circulation of financial activity</b>		
III.1.	Currency circulation related to company owners	0	0
III.1.1.	Emission of shares	0	0
III.1.2.	Owners' contributions to loss reimbursements	0	0
III.1.3.	Procurement of own shares	0	0
III.1.4.	Payout of dividends	0	0
III.2.	Currency circulation related to other financial sources	(812)	(1.598)
III.2.1.	Increase of financial debts	40.723	0
III.2.1.1.	Receipt of loans from credit institutions	40.723	0
III.2.1.2.	Receipt of loans from associated and third parties	0	0
III.2.1.3.	Emission of bonds	0	0
III.2.2.	Reduction of financial debts	(41.626)	(1.625)
III.2.2.1.	Return of loans to credit institutions	(40.723)	0
III.2.2.2.	Return of loans to associated and third parties	0	0
III.2.2.3.	Procurement of own bonds	0	0
III.2.2.4.	Returned interests	(903)	(1.625)
III.2.2.5.	Leasing (financial rent) payments	0	0
III.2.3.	Interests received for bank accounts	91	27
III.2.4.	Increase of company's other liabilities	0	0
III.2.5.	Reduction of company's other liabilities	0	0
III.3.	Other increases of currency circulation of financial activity	1.039	25
III.4.	Other reductions of currency circulation of financial activity	(1.020)	(2.199)
	<b>Cash circulation of financial activity</b>	<b>(793)</b>	<b>(3.772)</b>
<b>IV.</b>	<b>Impact of currency exchange rates to cash and equivalent currency remainder</b>	<b>(549)</b>	<b>3.174</b>
<b>V.</b>	<b>Net currency circulation increase (reduction)</b>	<b>65.636</b>	<b>547.399</b>
<b>VI.</b>	<b>Currency and currency equivalents at the beginning of the period</b>	<b>554.414</b>	<b>426.374</b>
<b>VII.</b>	<b>Currency and currency equivalents at the end of the period</b>	<b>620.050</b>	<b>973.773</b>

Director

Saulius Šidlauskas

Chief accountant – chief of section of  
accounting and analysis

Daiva Minkevičienė



## EXPLANATORY MEMORANDUM OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 September, 2015

### 1. General

The Linas company was launched in 1957. A public limited company Linas (further called the Company) was registered in 1993. The Company is the company of limited property liability. Company registration code is 1476 89083. Company is registered in Juridical body register, in the department of legal body registration in Public company Register center, Panevėžys branch, the number of registration is 003429. Address: S.Kerbedžio Street 23, Panevėžys; LT-35114. Telephone (370-45) 506100, fax (370-45) 506345. E-mail address: [office@linas.lt](mailto:office@linas.lt); web page: [www.linas.lt](http://www.linas.lt).

As of 30<sup>th</sup> of September, 2015, 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. Kerbedžio Street 23, Panevėžys. AB Linas own 100 % of affiliated company shares.

Since January 1, 2015 the currency of financial statements of AB "Linas" group of companies is EUR.

According to Lithuanian Republic law of Eur establishment in Lithuanian Republic and acc.to Lithuanian Republic joint stock companies and closed joint stock companies authorized capital, and securities nominal value expression in Eur, and these companies regulations change order law, during the repeated ordinary general meeting of shareholders dated May 19, 2015, the shareholders of the Company confirmed that the Company's nominal value of one share is equal to 0,29 Eur, the Company's authorized capital is equal to 6.971.307,10 Eur. Changed regulations of the Company dated June 9, 2015 are registered in the juridical person register.

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

Authorized capital of Linas AB is 6.971.307,10 Eur, it is divided into 24.038.990 ordinary registered shares the nominal value of which is 0,29 Eur, there are no issued and not paid shares. The Company's authorized capital article sum was expressed in Lt and recalculated into Eur, the nominal value of shares was recalculated. The appeared differences are recognized as financial and investment activity expenditures of accounting period which includes the date of EUR establishment.

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

On 30<sup>th</sup> of September, 2015 the average number of listed employees of the Group was 319, on 30<sup>th</sup> of September, 2014 – 316 employees.

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

Linas AB group of companies presents to the customer all yarn dyeing, weaving, finishing and sewing services from the linen yarn preparation for weaving to final product presentation. The main incomes of group of companies was received from the activity of textile goods production and sales during the 9 months of 2015. Linas AB group of companies sold linen textile goods and services for 8.744 thousand Eur during the 9 months of 2015. Comparing to the 9 months of 2014 the volume of sales increased by 286 thousand Eur or 3,4 %.

During the 9 months of 2015 the Group's typical activity result was 624 thousand Eur profit and the result of the 9 months of 2014 was 932 thousand Eur profit.

During the 9 months of year 2015 the Group was produced and technologically processed: linen and tow yarns – 55 tons (9 months of year 2014 – 47 tons); raw fabrics – 547 thousand mtrs (9

months of year 2014 – 536 thousand mtrs); ready made fabrics – 1.445 thousand mtrs (9 months of year 2014 – 1.507 thousand mtrs). 38,7 % of all produced fabrics were used for sewn items during 9 months of year 2015 (9 months of year 2014 – 37,4 %). The volume of exports during 9 months of 2015 was 86,0 % of the total product sales.

The results of the Group's typical activity of nine months of year 2015 were determined by the increase of obtained raw materials prices and activity expenditures.

During nine months of 2015 the Group received 648 thousand Eur profit before taxation, the result of the same period of 2014 was 912 thousand Eur profit.

145 thousand Eur credit sum is granted to the Company acc.to the account lending contract which was signed between the bank and AB "Linās" on 2012 04 10. Company's reserves, the balancing value of which are 1.448 thousand Eur acc.to the mortgage sheets, are mortgaged for the credit sum. For the insurance of credit sum the warranty for all credit sum and term is received from UAB "Lino apdaila". The validation term of account credit contract is till April 10, 2016. Alternate interests are paid for used credit, which are accounted as three months term Eur EURIBOR plus bank margin.

Acc.to the financial obligations limit contract signed between the bank and AB "Linās" on 07 10 2013, the credit of 290 thousand Eur is granted to the Company, for which company resources are mortgaged with the latest mortgage, the balance value of which acc.to the mortgage sheets are 1.448 thousand Eur. 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, 2016. Alternate interests are paid for used credit, which are accounted as six months term Eur EURIBOR plus bank margin.

The newest linen textile items or their collections of AB "Linās" group of companies are created considering coming season tendencies, stylistic trends, innovations of fashion and technologies. AB "Linās" group of companies produces and supplies reliable linen textile items for the customers who evaluate natural and modern combination, high quality of products, flexibility, production acc.to the individual orders, execution speed of orders.

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

On August 28, 2015 the Board of AB "Linās" decided not to continue fabrics production in AB "Linās group of companies and to develop the creation of textile items, sewing and sales services. All the fabrics which are necessary to execute AB "Linās" group of companies activities will be obtained from outside partners.

Lina Mikelionienė is the director of UAB "Lino apdaila" from September 18, 2015.

On September 1, 2015 the loans subordinate contract is signed between the bank, AB "Linās" and UAB "Rivena (company code 302521510, address P.Zadeikos str. 13-35, Vilnius). According to this contract the rights of AB "Linās" and liabilities of UAB "Rivena" acc.to the loan contract are subordinated by bank rights, arising from the bank and UAB "Rivena" credit contract. The loans subordination contract is valid up to August 6, 2022.

On September 1, 2015 AB "Linās" presented the guarantee with the guarantee contact of 200 thousand EUR sum for the debtor UAB "Rivena", company code 302521510, address P.Zadeikos str. 13-35, Vilnius up to August 18, 2017.

From September 1, 2015 the buildings complex, located in S.Kerbedžio str. 23, Panevėžys city and where the activity of AB "Linās" group of companies is executed, was rented to BUAB "Nordic investicija" (company code 135442762).

Only significant information is presented in this explanatory memorandum which reflects accounting period economic operations and economic events which have the impact on financial state and results of the Group's accounting period. Data presented in interim financial statements and explanatory memorandum are corresponding International Financial Reporting Standards

(IFRS) which are accepted to apply in the European Union (there are no deviation from international standards).

## 2. Accounting policy

The Group executes accounting and prepares financial statements in accordance with the legal provisions of bookkeeping and accounting, and financial reporting of the Republic of Lithuania, as well as other relevant provisions, including International Financial Reporting Standards (IFRS) which are accepted to apply in the European Union (EU).

Since January 1, 2015 changing national currency Lt into Eur, the accounting data expressed in Lt on December 31, 2014 of AB “Linus” group of companies are recalculated into accounting data expressed in Eur and transferred to January 1, 2015.

Since January 1, 2015 the accounting evaluation of long-term intangible, tangible assets was changed in AB “Linus” group of companies. In the Group it was set minimal obtaining (producing) cost price of long-term intangible, tangible assets – 900 Eur, because of national currency Lt change into Eur (recalculation of values, round) and that is why the accounted data of long-term assets up to January 1, 2015 are not changed because of insignificant difference of minimal values.

Accounting policy was not changed during the interim accounting period. The same accounting policy is applied to interim financial statements as to annual financial statements. Accounting policy applicable of the group of companies is more described in explanatory memorandum to the year of 2014 financial statements.

## 3. Notes of the memorandum

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

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

3.3. The information on Group’s operating expenses (Table 5 “Operating expenses”).

During the interim accounting period incurred 0,6 thousand Eur activity expenditures are concerned to Eur establishment – reorganization of payment systems, premiums to employees’ salaries. During years 2014 and 2015 the Group incurred totally 3 thousand Eur general administration expenditures in concern to Eur establishment, and included reorganization of payment systems, adjustment of computerized systems and data conversion, premiums to employees’ salaries, bank services.

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

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

When recalculating accounting data expressed in Lt into Eur the appeared discrepancy sum of 167 Eur was recognized as financial and investment activity incomes of interim accounting period and the expenditures of financial and investment activity was recognized 9.219 Eur, from which 9.134 Eur expenditures appeared because of recalculation of Company shares nominal value expressed in Lt into Eur and round and because of recalculation change of authorized capital value.

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

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

3.8. There are significant events after last interim accounting period day.

From October, 2015 the main activity of UAB “Lino apdaila” is the supply of textile production services, i.e. textile production sewing services. Working places of weaving and finishing workers are kept and moved to the company UAB “Lino dizainas” (address J.Janonio str. 30, Panevezys, LT-35289, company code 304093122) with all social guarantees for the workers.

Table 1

CHANGES OF LONG-TERM INTANGIBLE ASSETS

EUR

Indicators	Developmental works	Prestige	Patents, licenses	Software	Other intangible assets	Total
<b>Residual value at the end of previous financial year</b>			0	1.703	0	1.703
<b>a) Procurement cost price of long-term intangible assets</b>						
<b>At the end of previous financial year</b>			0	72.908	1.296	74.204
<b>Changes of financial year</b>			0	0	0	0
· Procurement of assets			0	0	0	0
· Written-off property because of the accounting evaluation change (-)			0	0	0	0
· Assets, transferred to other individuals and discarded (-)			0	0	0	0
· Transcription from one article to another +/-(-)			0	0	0	0
<b>At the end of interim accounting period</b>			0	72.908	1.296	74.204
<b>b) Amortization</b>						
<b>At the end of previous financial year</b>			0	71.205	1.296	72.501
<b>Changes of financial year</b>			0	326	0	326
· Written-off property because of the accounting evaluation change (-)			0	0	0	0
· Financial year amortization			0	326	0	326
· Restorational records (-)			0	0	0	0
· Assets, transferred to other individuals and discarded (-)			0	0	0	0
· Transcription from one article to another +/-(-)			0	0	0	0
<b>At the end of interim accounting period</b>			0	71.531	1.296	72.827
<b>c) Residual value at the end of interim accounting period (a) - (b)</b>			0	1.377	0	1.377

Table 2

CHANGES OF LONG-TERM TANGIBLE ASSETS

EUR

Indicators	Land	Buildings and structures	Machinery and equipment	Means of transport	Other equipment, appliances, instruments	Other tangible assets	Current construction	Total
<b>Residual value at the end of previous financial year</b>	0	3.254	466.257	27.204	20.701	0	0	517.416
<b>a) Procurement of cost price long-term tangible assets</b>								
<b>At the end of previous financial year</b>	0	5.317	950.746	152.377	42.331	0	0	1.150.771
<b>Changes of financial year</b>	0	0	102.382	33.371	1.419	0	0	137.172
· Procurement of assets	0	0	102.382	35.109	1.419	0	0	138.910
· 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	(1.738)	0	0	0	(1.738)
· 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
<b>At the end of interim accounting period</b>	0	5.317	1.053.128	185.748	43.750	0	0	1.287.943
<b>b) Revaluation</b>								
<b>At the end of previous financial year</b>	0	0	0	0	0	0	0	0
<b>Changes of financial year</b>	0	0	0	0	0	0	0	0
· Increase (decrease) of value +/(-)	0	0	0	0	0	0	0	0
· Assets, transferred to other individuals and discarded (-)	0	0	0	0	0	0	0	0
· Transcription from one article to another +/(-)	0	0	0	0	0	0	0	0
<b>At the end of interim accounting period</b>	0	0	0	0	0	0	0	0
<b>c) Depreciation (-)</b>								
<b>At the end of previous financial year</b>	0	2.063	484.489	125.173	21.630	0	0	633.355
<b>Changes of financial year</b>	0	498	125.902	2.593	5.371	0	0	134.364
· Written-off property because of the accounting evaluation change (-)	0	0	0	0	0	0	0	0
· Depreciation of financial year	0	498	125.902	4.149	5.371	0	0	135.920
· Restorational records (-)	0	0	0	0	0	0	0	0
· Assets, transferred to other individuals and discarded (-)	0	0	0	(1.556)	0	0	0	(1.556)
· Transcription from one article to another +/(-)	0	0	0	0	0	0	0	0
<b>At the end of interim accounting period</b>	0	2.561	610.391	127.766	27.001	0	0	767.719
<b>d) Decrease of value</b>								
<b>At the end of previous financial year</b>	0	0	0	0	0	0	0	0
<b>Changes of financial year</b>	0	0	0	0	0	0	0	0
· Decrease of value of financial year	0	0	0	0	0	0	0	0
· Restoration records (-)	0	0	0	0	0	0	0	0
· Assets, transferred to other individuals and discarded (-)	0	0	0	0	0	0	0	0
· Transcription from one article to another +/(-)	0	0	0	0	0	0	0	0
<b>At the end of interim accounting period</b>	0	0	0	0	0	0	0	0
<b>e) Residual value at the end of interim accounting period (a) + (b) - (c) - (d)</b>	0	2.756	442.737	57.982	16.749	0	0	520.224

Table 3

INFORMATION ABOUT SEGMENTS OF TEXTILE PRODUCTS PRODUCTION BUSINESS

Indicators	Segments (production, goods, types of activity)								All Enterprises	
	Fabrics		Sewn products		Yarns		Production services			
	01-09 months of 2015	01-09 months of 2014	01-09 months of 2015	01-09 months of 2014	01-09 months of 2015	01-09 months of 2014	01-09 months of 2015	01-09 months of 2014		
Income	4.253.744	4.286.794	3.979.193	3.633.246	46.074	45.999	464.543	491.993	8.743.554	8.458.032
Cost price	2.738.129	2.579.310	2.968.296	2.621.959	45.428	40.233	198.694	225.615	5.950.547	5.467.117
Gross profit (losses)	1.515.615	1.707.484	1.010.897	1.011.287	646	5.766	265.849	266.378	2.793.007	2.990.915
Operating expenses									2.168.707	2.058.540
Profit (losses) on typical activity	1.515.615	1.707.484	1.010.897	1.011.287	646	5.766	265.849	266.378	624.300	932.375

EUR

Table 4

INFORMATION ABOUT GEOGRAPHICAL SEGMENTS OF TEXTILE ITEMS PRODUCTION

EUR

Indicators	Segments (regions)										All Enterprises	
	Scandinavian countries				European countries		USA		Lithuania		Other countries	
	01-09 months of 2015	01-09 months of 2014	01-09 months of 2015	01-09 months of 2014	01-09 months of 2015	01-09 months of 2014	01-09 months of 2015	01-09 months of 2014	01-09 months of 2015	01-09 months of 2014	01-09 months of 2015	01-09 months of 2014
Income	2.174.709	2.019.923	4.280.136	4.191.413	234.838	256.893	460.230	482.102	1.222.422	1.194.447	606.057	570.147
Cost price	1.410.086	1.260.742	3.061.372	2.834.389	234.838	256.893	234.838	256.893	792.286	718.146	451.965	396.947
Gross profit (losses)	764.623	759.181	1.218.764	1.357.024	225.392	225.209	225.392	225.209	430.136	476.301	154.092	173.200
Operating expenses												
Profit (losses) on typical activity	764.623	759.181	1.218.764	1.357.024	225.392	225.209	225.392	225.209	430.136	476.301	154.092	173.200
											2.168.707	2.058.540
											624.300	932.375



Table 5

OPERATING EXPENSES

EUR

Run No.	Indicators	01-09 months of 2015	01-09 months of 2014
<b>1</b>	<b>Expenses on sales</b>	<b>525.605</b>	<b>486.490</b>
1.1	Expenses on commissions	199.658	220.374
1.2	Expenses on transporting of sold production	76.899	74.770
1.3	Expenses on production advertising and fair	81.652	57.548
1.4	Expenses on sales number employees wage and other with employees related relations	130.649	103.624
1.5	Evaluate of customers creditworthiness and insurance costs of marketable credits	22.258	16.792
1.6	Other sales expenses	14.489	13.382
<b>2</b>	<b>General and administration expenses</b>	<b>1.643.102</b>	<b>1.572.050</b>
2.1	Expenses related with employees wage and other with employees related relations	731.247	691.852
2.2	Training costs of administration employees	3.373	7.636
2.3	Rent, exploitation and repairing expenses	690.689	658.879
2.4	Expenses of security services	32.582	33.306
2.5	Expenses of deterioration and amortization of non-current asset	38.646	39.002
2.6	Expenses of info technologies	24.736	28.215
2.7	Connection expenses	9.884	9.487
2.8	Expenses of bank services	4.748	3.906
2.9	Legal services expenses	12.233	9.434
2.10	Expenses of support provided	14.309	8.287
2.11	Expenses of social guarantees, stated in collective agreement	2.000	1.564
2.12	Representation expenses	7.152	5.398
2.13	Expenses of activity tax	14.437	9.867
2.14	Low-value assets acquisition expenses	6.384	12.459
2.15	Uncertain debts expenses	0	0
2.16	Various other general and administrative expenses	50.682	52.758
<b>3</b>	<b>TOTAL EXPENSES OF ACTIVITY</b>	<b>2.168.707</b>	<b>2.058.540</b>



Table 6

OTHER (NON TYPICAL) ACTIVITY			
EUR			
Run.No.	Indicators	01-09 months of 2015	01-09 months of 2014
<b>1.</b>	<b>INCOME OF OTHER ACTIVITY - TOTAL</b>	<b>167.718</b>	<b>142.291</b>
	Specification of significant amount:		
1.1.	Profit of non-current asset transferring	1.619	0
1.2.	Income of various storages selling	103.325	77.574
1.3.	Income of rent	59.585	55.572
1.4.	Income for accounting and administration services	0	6.933
1.5.	Income for thermal heating supply	246	211
1.6.	Various other non-typical activity income	2.943	2.001
<b>2.</b>	<b>EXPENSES OF OTHER ACTIVITY - TOTAL</b>	<b>160.953</b>	<b>156.050</b>
	Specification of significant amount:		
2.1.	Loss of non-current asset transferring		0
2.2.	Net cost of sold various storages	81.296	75.396
2.3.	Net cost of rent	30.434	29.990
2.4.	Costs for accounting and administration services	43.719	43.506
2.5.	Costs for thermal heating supply	5.353	7.033
2.6.	Various other non-typical activity expenses	151	125
<b>3.</b>	<b>RESULTS OF OTHER ACTIVITY (1-2)</b>	<b>6.765</b>	<b>(13.759)</b>

Table 7

FINANCIAL AND INVESTMENT ACTIVITY			
EUR			
Run. No.	Indicators	01-09 months of 2015	01-09 months of 2014
<b>1.</b>	<b>FINANCIAL AND INVESTMENT ACTIVITY INCOME - TOTAL</b>	<b>28.001</b>	<b>10.138</b>
	Specification of significant amount:		
1.1.	Positive result of changes of currency exchange	1.282	6.227
1.2.	Income of bank interests	91	27
1.3.	Income of other interests	25.422	3.798
1.4.	Fines and penalties for the drawn debts	0	55
1.5.	Income of currency buying-selling	1.034	26
1.6.	Discrepancy sum appeared from the recalculating into EUR	167	0
1.7.	Income of other financial-investment activity	5	5
<b>2.</b>	<b>FINANCIAL AND INVESTMENT ACTIVITY EXPENSES - TOTAL</b>	<b>11.156</b>	<b>16.596</b>
	Specification of significant amount:		
2.1.	Expenses of interest	902	1.625
2.2.	Fines and delay fees	8	79
2.3.	Negative result of changes of currency exchange	0	0
2.4.	Expenses of currency buying-selling	1.018	693
2.5.	Financial assets depreciation amounts (BUAB „Nordic investicija“ and BUAB "Domus Palanga" financial debts)	0	0
2.6.	Discrepancy sum appeared from the recalculating into EUR	9.219	0
2.7.	Expenses of other financial-investment activity	9	14.199
<b>3.</b>	<b>FINANCIAL AND INVESTMENT ACTIVITY RESULT (1-2)</b>	<b>16.845</b>	<b>(6.458)</b>

Table 8

**EARNINGS (LOSS) PER SHARE**

Run. No.	Indicators	GROUP	
		01-09 months of 2015	01-09 months of 2014
1.	Weighted average number of ordinary shares	6.971.307	6.962.173
2.	Net profit (loss), in EUR	647.910	912.158
3.	<b>Basic and diluted earnings (loss) per share, in EUR</b>	<b>0,09</b>	<b>0,04</b>