

AB INVALIDA

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED NOT-AUDITED FINANCIAL
STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2012 PREPARED ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN
UNION

AB INVALDA

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012

(all amounts are in LTL thousand unless otherwise stated)

GENERAL INFORMATION

Board of Directors

Mr. Vytautas Bučas (chairman of the Board)
Mr. Darius Šulnis
Ms. Indrė Mišeikytė (from 30th April 2012)
Mr. Dalius Kaziūnas (until 30th April 2012)

Management

Mr. Dalius Kaziūnas (president)
Mr. Raimondas Rajeckas (chief financial officer)

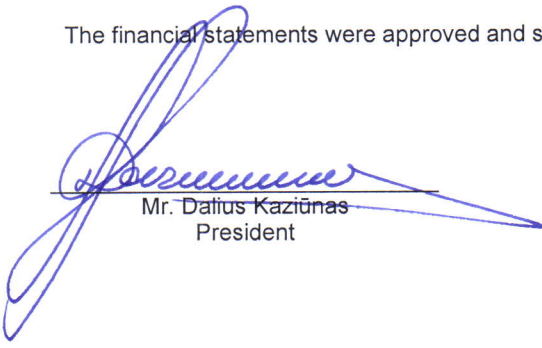
Principal place of business and company code

Seimyniskiu Str. 1A,
Vilnius,
Lithuania
Company code 121304349

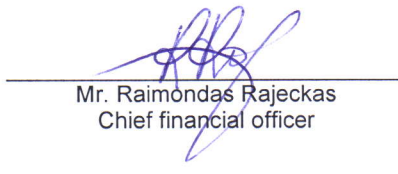
Bankers

Nordea Bank Finland Plc Lithuania Branch
AB DNB Bankas
AB Siauliu Bankas
Danske Bank A/S Lithuania Branch
AB bankas Finasta
UAB Medicinos Bankas
AS UniCredit Bank Lithuania Branch
AB SEB Bankas

The financial statements were approved and signed by the Management and the Board of Directors on 24 May 2012.



Mr. Dalius Kaziūnas
President



Mr. Raimondas Rajeckas
Chief financial officer

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CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012

(all amounts are in LTL thousand unless otherwise stated)

Interim consolidated and Company's income statements

		Group		Company	
		1 st Quarter 2012	1 st Quarter 2011	1 st Quarter 2012	1 st Quarter 2011
		Unaudited	Unaudited	Unaudited	Unaudited
Continuing operations					
Revenue					
Furniture production revenue		58,501	56,567	-	-
Residential real estate revenue		5,566	1,043	-	-
Rent and other real estate revenue		6,597	5,857	-	-
Information technology revenue		7,121	8,416	-	-
Facility management revenue		2,502	1,517	-	-
Other production and services revenue		2,272	1,804	-	-
Total revenue		82,559	75,204	-	-
Other income	9.3	1,597	1,635	3,203	1,513
Net gains (losses) on disposal of subsidiaries, associates and joint ventures		2,037	-	(298)	-
Net gains (losses) from fair value adjustments on investment property		49	8	-	-
Net changes in fair value of financial assets	9.1	14,258	(188)	12,145	-
Changes in inventories of finished goods and work in progress		4,551	2,111	-	-
Raw materials and consumables used		(49,189)	(46,974)	(6)	(4)
Changes in residential real estate		(3,999)	(811)	-	-
Employee benefits expenses		(11,834)	(9,299)	(932)	(440)
Impairment, write-down, allowances and provisions		125	1,038	326	977
Premises rent and utilities		(5,427)	(4,877)	(46)	(44)
Depreciation and amortisation		(2,619)	(2,608)	(20)	(22)
Repair and maintenance of premises		(2,668)	(2,484)	-	-
Other expenses		(4,495)	(4,071)	(332)	(251)
Operating profit (loss)		24,945	8,684	14,040	1,729
Finance costs	9.2	(1,883)	(3,864)	(772)	(3,109)
Share of profit (loss) from associates and joint ventures		(1,547)	(297)	-	-
Profit (loss) before income tax		21,515	4,523	13,268	(1,380)
Income tax	7	(3,276)	(229)	(2,262)	335
Profit (loss) for the period from continuing operations		18,239	4,294	11,006	(1,045)
Discontinued operation					
Profit/(Loss) after tax for the period from a discontinued operation	10	-	4,169	-	-
PROFIT (LOSS) FOR THE PERIOD		18,239	8,463	11,006	(1,045)
Attributable to:					
Equity holders of the parent		16,644	6,715	11,006	(1,045)
Non-controlling interests		1,595	1,748	-	-
		18,239	8,463	11,006	(1,045)
Basic earnings (deficit) per share (in LTL)		0.32	0.13	0.21	(0.02)
Diluted earnings (deficit) per share (in LTL)		0.30	0.12	0.20	(0.02)
Basic earnings (deficit) per share (in LTL) from continuing operations		0.32	0.05	0.21	(0.02)
Diluted earnings (deficit) per share (in LTL) from continuing operations		0.30	0.05	0.20	(0.02)

AB INVALIDA**CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012**

(all amounts are in LTL thousand unless otherwise stated)

Interim consolidated and Company's statements of comprehensive income

	Group		Company	
	1 st Quarter 2012	1 st Quarter 2011	1 st Quarter 2012	1 st Quarter 2011
	Unaudited	Unaudited	Unaudited	Unaudited
PROFIT (LOSS) FOR PERIOD	18,239	8,463	11,006	(1,045)
Continuing operation				
Net gain (loss) on cash flow hedge	-	62	-	-
Income tax	-	(9)	-	-
	-	53	-	-
Net gain (loss) on available-for-sale financial assets	-	-	-	-
Reclassification adjustment for gain (loss) included in profit or loss	-	-	-	-
Income tax	-	-	-	-
	-	-	-	-
Exchange differences on translation of foreign operations	25	-	-	-
Share of other comprehensive income (loss) of associates	29	-	-	-
Other comprehensive income(loss) for the period from continuing operation	54	-	-	-
Discontinued operations				
Share of other comprehensive income of associates	-	(387)	-	-
Other comprehensive income (loss) for the period from discontinued operations	-	(387)	-	-
Other comprehensive income (loss) for the period, net of tax	54	(334)	-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD, NET OF TAX	18,293	8,129	11,006	(1,045)
Attributable to:				
Equity holders of the parent	16,693	6,381	11,006	(1,045)
Non-controlling interests	1,600	1,748	-	-

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CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012

(all amounts are in LTL thousand unless otherwise stated)

Interim consolidated and Company's statements of financial position

	Group		Company	
	As at 31 March 2012	As at 31 December 2011	As at 31 March 2012	As at 31 December 2011
	Unaudited	Audited	Unaudited	Audited
ASSETS				
Non-current assets				
Property, plant and equipment	37,728	38,259	169	184
Investment properties	14 249,640	248,957	-	-
Intangible assets	12,459	13,074	5	7
Investments into subsidiaries	8 -	-	99,763	99,607
Investments into associates and joint ventures	8 37,751	39,269	724	724
Investments available-for-sale	2,859	2,859	1,817	1,817
Loans granted	12,212	12,041	4,143	4,143
Other non-current assets	2,848	2,848	-	-
Deferred income tax asset	18,882	22,372	16,603	19,941
Total non-current assets	374,379	379,679	123,224	126,423
Current assets				
Inventories	26,094	25,819	-	-
Trade and other receivables	49,049	33,437	5,005	218
Current loans granted	1,284	31,233	140,450	174,648
Prepaid income tax	339	973	-	-
Prepayments and deferred charges	2,469	2,587	100	123
Financial assets at fair value through profit loss	13 57,563	47,599	49,758	33,298
Deposits and financial assets held to maturity	5 111,885	99,137	61,712	48,621
Restricted cash	2,993	2,915	-	-
Cash and cash equivalents	5 41,851	21,346	34,124	11,888
Total current assets	293,527	265,046	291,149	268,796
Assets of disposal group classified as held-for-sale	10 -	1,708	-	3,745
Total assets	667,906	646,433	414,373	398,964

(cont'd on the next page)

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CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012

(all amounts are in LTL thousand unless otherwise stated)

Consolidated and Company's statements of financial position (cont'd)

	Group		Company	
	As at 31 March 2012	As at 31 December 2011	As at 31 March 2012	As at 31 December 2011
	Unaudited	Audited	Unaudited	Audited
EQUITY AND LIABILITIES				
Equity				
Equity attributable to equity holders of the parent				
Share capital	57,558	51,660	57,558	51,660
Share premium	60,747	34,205	60,747	34,205
Reserves	20,340	20,299	-	-
Retained earnings	302,796	280,046	291,974	274,870
	441,441	386,210	410,279	360,735
Non-controlling interests	30,812	29,151	-	-
Total equity	472,253	415,361	410,279	360,735
Liabilities				
Non-current liabilities				
Non-current borrowings	12 120,638	119,478	-	-
Financial lease liabilities	488	391	-	-
Government grants	251	283	-	-
Provisions	396	396	-	-
Deferred income tax liability	15,270	15,178	-	-
Other non-current liabilities	3,528	3,345	-	-
Total non-current liabilities	140,571	139,071	-	-
Current liabilities				
Current portion of non-current borrowings	12 5,186	6,254	-	6
Current portion of financial lease liabilities	247	257	-	-
Current borrowings	12 1,440	572	359	353
Trade payables	32,549	34,485	675	630
Income tax payable	460	379	-	-
Provisions	296	300	-	-
Advances received	2,076	3,262	1	-
Derivative financial instruments	-	-	-	-
Convertible bonds	11 -	34,059	-	34,059
Other current liabilities	15 12,828	12,433	3,059	3,181
Total current liabilities	55,082	92,001	4,094	38,229
Total liabilities	195,653	231,072	4,094	38,229
Total equity and liabilities	667,906	646,433	414,373	398,964

(the end)

AB INVALIDA**CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012**

(all amounts are in LTL thousand unless otherwise stated)

Consolidated and Company's statements of changes in equity

Group	Equity attributable to equity holders of the parent								
	Share capital	Share premium	Fair value reserves	Reserves			Subtotal	Non-controlling interests	Total equity
				Legal and other reserves	Foreign currency translation reserve	Retained earnings (accumulated deficit)			
Balance as at 31 December 2011 (audited)	51,660	34,205	-	20,299	-	280,046	386,210	29,151	415,361
Profit (loss) for the 1 st Quarter of 2012	-	-	-	-	-	16,644	16,644	1,595	18,239
Other comprehensive income for the 1 st Quarter of 2012	-	-	-	-	20	29	49	5	54
Total comprehensive income for the 1st Quarter of 2012	-	-	-	-	20	16,673	16,693	1,600	18,293
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	61	61
Changes in reserves	-	-	-	21	-	(21)	-	-	-
Increase of share capital	11 5,898	26,542	-	-	-	-	32,440	-	32,440
Reversal of interest of convertible bonds	11 -	-	-	-	-	6,098	6,098	-	6,098
Balance as at 31 March 2012 (unaudited)	57,558	60,747	-	20,320	20	302,796	441,441	30,812	472,253

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CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012

(all amounts are in LTL thousand unless otherwise stated)

Consolidated and Company's statements of changes in equity (cont'd)

Group	Equity attributable to equity holders of the parent								Non-controlling interests	Total equity
	Share capital	Share premium	Fair value reserves	Reserves		Retained earnings (accumulated deficit)	Subtotal			
				Legal and other reserves	Foreign currency translation reserve					
Balance as at 31 December 2010 (audited)	51,660	44,676	(139)	20,241	-	58,694	175,132	24,919	200,051	
Profit (loss) for the 1 st Quarter of 2011	-	-	-	-	-	6,715	6,715	1,748	8,463	
Other comprehensive income (loss) for the 1 st Quarter of 2011	-	-	53	-	-	(387)	(334)	-	(334)	
Total comprehensive income (loss) for the 1st Quarter of 2011	-	-	53	-	-	6,328	6,381	1,748	8,129	
Sales of subsidiaries	-	-	-	-	-	-	-	-	-	
Acquisition of subsidiaries	-	-	-	-	-	-	-	500	500	
Share based payments	-	-	-	-	-	-	-	317	317	
Changes in reserves	-	-	-	1	-	(1)	-	-	-	
Increase of share capital	-	-	-	-	-	-	-	-	-	
Balance as at 31 March 2011 (unaudited)	51,660	44,676	(86)	20,242	-	65,021	181,513	27,484	208,997	

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INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012

(all amounts are in LTL thousand unless otherwise stated)

Consolidated and Company's statements of changes in equity (cont'd)

Company	Reserves					Total
	Share capital	Share premium	Legal reserve	Reserve of purchase of own shares	Retained earnings (accumulated deficit)	
Balance as at 31 December 2011 (audited)	51,660	34,205	-	-	274,870	360,735
Profit (loss) for the 1 st Quarter of 2012	-	-	-	-	11,006	11,006
Increase of share capital	5,898	26,542	-	-	-	32,440
Recovery of convertible bonds interests	-	-	-	-	6,098	6,098
Balance as at 31 March 2012 (unaudited)	57,558	60,747	-	-	291,974	410,279

Company	Reserves					Total
	Share capital	Share premium	Legal reserve	Reserve of purchase of own shares	Retained earnings (accumulated deficit)	
Balance as at 31 December 2010 (audited)	51,660	44,676	-	-	(10,471)	85,865
Profit (loss) for the 1 st Quarter of 2011	-	-	-	-	(1,045)	(1,045)
Balance as at 31 March 2011 (unaudited)	51,660	44,676	-	-	(11,516)	84,820

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INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012

(all amounts are in LTL thousand unless otherwise stated)

Consolidated and Company's statements of cash flows

	Group		Company	
	1 st Quarter 2012	1 st Quarter 2011	1 st Quarter 2012	1 st Quarter 2011
	Unaudited	Unaudited	Unaudited	Unaudited
Cash flows from (to) operating activities				
Net profit (loss) for the period	18,239	8,463	11,006	(1,045)
Adjustments for non-cash items and non-operating activities:				
Valuation (gain) loss, net	(49)	(8)	-	-
Depreciation and amortization	2,619	2,608	20	22
(Gain) loss on disposal of tangible assets	(21)	(7)	-	-
Realized and unrealized loss (gain) on investments	(14,258)	188	(12,145)	-
(Gain) loss on disposal of subsidiaries, associates	(2,037)	-	298	-
Share of net loss (profit) of associates and joint ventures	1,547	(3,872)	-	-
Interest (income)	(1,313)	(405)	(3,202)	(1,507)
Interest expenses	1,820	3,844	772	3,108
Deferred taxes	2,506	(56)	2,262	(335)
Current income tax expenses	770	285	-	-
Allowances	(121)	(1,038)	(326)	(977)
Change in provisions	(4)	-	-	-
Share based payment	61	317	-	-
Profit from bargain purchases	8	(717)	-	-
Dividend (income)	-	-	-	-
Loss (gain) from other financial activities	70	-	70	-
	9,829	9,602	(1,245)	(734)
Changes in working capital:				
(Increase) decrease in inventories	(238)	755	-	(1)
Decrease (increase) in trade and other receivables	(7,446)	(7,578)	-	964
Decrease (increase) in other current assets	118	(153)	23	(5)
Transfer to term deposits	-	-	-	-
(Decrease) increase in trade payables	(1,893)	4,297	36	(27)
(Decrease) increase in other current liabilities	(578)	1,896	(51)	11
	(208)	8,819	(1,237)	208
Cash flows (to) from operating activities	(208)	8,819	(1,237)	208
Income tax (paid) return	(55)	(738)	-	-
Net cash flows (to) from operating activities	(263)	8,081	(1,237)	208

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INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012

(all amounts are in LTL thousand unless otherwise stated)

Consolidated and Company's statements of cash flows (cont'd)

	Group		Company	
	1 st Quarter 2012	1 st Quarter 2011	1 st Quarter 2012	1 st Quarter 2011
	Unaudited	Unaudited	Unaudited	Unaudited
Cash flows from (to) investing activities				
(Acquisition) of non-current assets (except investment properties)	(1,415)	(927)	(4)	(2)
Proceeds from sale of non-current assets (except investment properties)	99	23	-	-
(Acquisition) of investment properties	14 (633)	(754)	-	-
Proceeds from sale of investment properties	14 -	795	-	-
(Acquisition) and establishment of subsidiaries, net of cash acquired	8 -	(636)	-	(79)
Proceeds from sales of subsidiaries, net of cash disposed	-	-	-	-
(Acquisition) of associates and joint ventures	-	-	-	-
Proceeds from sales of associates and joint ventures	8 3,745	-	3,745	-
Expenses related to sell of associates	-	-	-	-
Loans (granted)	(60)	(54)	(1,942)	(2,129)
Repayment of granted loans	30,000	-	34,414	330
Transfer to/from term deposits	34,872	-	34,528	-
(Acquisition) of and proceeds from sales held to maturity investments	(47,715)	-	(47,715)	-
Dividends received	-	-	-	-
Interest received	1,027	2	728	130
(Acquisition) of and proceeds from sales of held-for-trade and available-for-sale investments	1,185	(85)	(35)	-
Net cash flows (to) investing activities	21,105	(1,636)	23,719	(1,750)
Cash flows from (to) financing activities				
Cash flows related to Group owners				
(Acquisition) and changes of non-controlling interests and increase of share capital	-	-	(155)	-
Dividends (paid) to equity holders of the parent	(16)	(20)	(16)	(20)
Dividends (paid) to non-controlling interests	-	-	-	-
	(16)	(20)	(171)	(20)
Cash flows related to other sources of financing				
Proceeds from loans	2,593	1,428	-	4,508
(Repayment) of loans	(1,584)	(2,525)	(5)	(609)
Interest (paid)	(1,101)	(3,267)	-	(2,006)
Financial lease (payments)	(94)	(73)	-	-
Transfer (to)/from restricted cash	(78)	3,390	-	-
Other cash flows from financing activities	-	-	-	-
	(264)	(1,047)	(5)	1,893
Net cash flows (to) from financial activities	(280)	(1,067)	(176)	1,873
Impact of currency exchange on cash and cash equivalents	(57)	-	(70)	-
Net (decrease) increase in cash and cash equivalents	20,505	5,378	22,236	331
Cash and cash equivalents at the beginning of the period	5 21,346	4,692	11,888	202
Cash and cash equivalents at the end of the period	5 41,851	10,070	34,124	533

(the end)

AB INVALIDA

INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012

(all amounts are in LTL thousand unless otherwise stated)

Notes to the interim condensed financial statements

1 General information

AB Invalda (hereinafter the Company) is a joint stock company registered in the Republic of Lithuania on 20 March 1992. The address of the office is as follows:

Šeimyniškių str. 1A,
Vilnius,
Lithuania.

AB Invalda is incorporated and domiciled in Lithuania. AB Invalda is one of the major Lithuanian investment companies whose primary objective is to steadily increase investor equity value. For the purpose of achieving this objective the Company actively manages its investments, exercising control or significant influence over target businesses. The Company gives the priority to furniture manufacturing, real estate, facilities management, agriculture and IT infrastructure segments.

In respect of each business the Company defines its performance objectives, sets up the management team, participates in the development of the business strategy and monitors its implementation. AB Invalda plays an active role in making the decisions on strategic and other important issues that have an effect on the value of the Group companies.

The Company's shares are traded on the Baltic Main List of NASDAQ OMX Vilnius.

2 Basis of preparation and accounting policies

Basis of preparation

The interim condensed financial statements for the three months ended 31 March of 2012 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2011.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's and Company's annual financial statements for the year ended 31 December 2011, except for the adoption of new Standards and Interpretations as of 1 January 2012, noted below.

IFRS 7 Disclosures - Transfers of Financial Assets

The amendment requires additional disclosures in respect of risk exposures arising from transferred financial assets. The amendment includes a requirement to disclose by class of asset the nature, carrying amount and a description of the risks and rewards of financial assets that have been transferred to another party yet remain on the entity's statement of financial position. Disclosures are also required to enable a user to understand the amount of any associated liabilities, and the relationship between the financial assets and associated liabilities. Where financial assets have been derecognised but the entity is still exposed to certain risks and rewards associated with the transferred asset, additional disclosure is required to enable the effects of those risks to be understood. The amendment affects disclosure only and would have no impact on the Group's financial position or performance. The amendment has not any impact in the Group's financial statements for the three months ended 31 March of 2012.

Comparative figures

The comparative figures have been adjusted in the income statements for the three months ended 31 March of 2012 due to presentation of a discontinued operation.

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INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012

(all amounts are in LTL thousand unless otherwise stated)

3 Seasonality of operations and other recurring discrepancies in quarters

Historically information technology segment earned a larger revenue and operational profit in the 4th quarter. The agriculture segment earned a larger operational profit in the 2nd and 3rd quarter. The entity, which operates in field of growing and trading of ornamental trees and shrubs, earned a larger revenue and operational profit in the 2nd and 3rd quarter. The investment properties usually are revaluated in the Group at the end of financial year.

4 Segment information

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocations and performance assessment. Segment performance is evaluated based on net profit or loss and it is measured on the same basis as net profit or loss in the financial statements. Group financing (including finance costs and finance revenue) and income taxes are allocated between segments as they are identified on basis of separate legal entities. Consolidation adjustments and eliminations are not allocated on a segment basis. Segment assets are measured in a manner consistent with that of the financial statements. All assets are allocated between segments, because segments are identified on basis of separate legal entities.

For management purposes, the Group is organised into following operating segments based on their products and services:

Furniture production

The furniture segment includes flat-pack furniture mass production and sale.

Real estate

The real estate segment is involved in investment in real estate, real estate management and administration, intermediation in buying, selling and valuation of real estate, in the geodesic measurement of land.

Agriculture

Agricultural activities include the primary crop and livestock (milk) production, grain processing and agricultural services. The segment's companies sell plant protection products, fertilizers, seeds, compound feed, feed supplements, veterinary products, buying grain, providing grain and other raw materials drying, cleaning, handling and storage services.

Information technology infrastructure

The information technology infrastructure segment is involved in offering IT infrastructure strategy, security and maintenance solutions, supplies of all hardware and software needed for IT infrastructure solutions of any size and in the development and implementation of software for government register systems, including consultation.

Facilities management

The facilities management segment is involved in facilities management of residential houses, commercial and public real estate properties, and construction management.

Other production and service segments

The other production and service segment is involved in hardware articles production (in 2011), road signs production, wood manufacturing and other activities.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expenses and segment results include transfers between business segments. Those transfers are eliminated in consolidation. Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries.

The granted loans from the Company are allocated to other production and services segment. The impairment losses for these loans are allocated to a segment to which the loans are granted initially.

AB INVALIDA**INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012**

(all amounts are in LTL thousand unless otherwise stated)

4 Segment information (cont'd)

The following table present revenues and profit information regarding the Group's business segments for the 3 months ended 31 March 2012:

3 months ended 31 March 2012	Furniture production	Real estate	Facility management	Agriculture	Information production technology and service	Other production	Elimi- nation	Total continuing operations
Revenue								
Sales to external customers	58,501	12,163	2,502	-	7,121	2,272	-	82,559
Inter-segment sales	-	305	511	-	32	-	(848)	-
Total revenue	58,501	12,468	3,013	-	7,153	2,272	(848)	82,559
Results								
Other income	690	7	129	-	90	3,073	(2,392)	1,597
Net losses from fair value adjustment on investment property	-	49	-	-	-	-	-	49
Net gain (losses) on disposal of subsidiaries, associates and joint ventures	-	-	-	-	-	2,037	-	2,037
Net changes in fair value on financial assets	-	-	-	-	-	14,258	-	14,258
Segment expenses	(52,031)	(12,394)	(3,292)	-	(7,873)	(5,213)	3,240	(77,563)
Impairment, write-down and allowance	37	22	4	-	-	62	-	125
Share of profit (loss) of the associates and joint ventures	-	(53)	-	(1,525)	-	31	-	(1,547)
Profit (loss) before income tax	7,197	99	(146)	(1,525)	(630)	16,520	-	21,515
Income tax	(1,078)	94	22	-	57	(2,371)	-	(3,276)
Net profit (loss) for the period	6,119	193	(124)	(1,525)	(573)	14,149	-	18,239
Attributable to:								
Equity holders of the parent	4,414	194	(124)	(1,525)	(454)	14,139	-	16,644
Non-controlling interests	1,705	(1)	-	-	(119)	10	-	1,595

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(all amounts are in LTL thousand unless otherwise stated)

4 Segment information (cont'd)

The following table present revenues and profit information regarding the Group's business segments for the 3 months ended 31 March 2011:

3 months ended 31 March 2011	Furniture production	Real estate	Facility management	Information technology	Other production and service	Elimi- nation	Total continuing operations
Revenue							
Sales to external customers	56,567	6,900	1,517	8,416	1,804	-	75,204
Inter-segment sales	-	348	740	22	2	(1,112)	-
Total revenue	56,567	7,248	2,257	8,438	1,806	(1,112)	75,204
Results							
Other income	902	7	336	113	2,336	(2,059)	1,635
Net losses from fair value adjustment on investment property	-	8	-	-	-	-	8
Net gains on disposal of subsidiaries	-	-	-	-	-	-	-
Net changes in fair value on financial assets	-	-	-	-	(188)	-	(188)
Segment expenses	(49,474)	(8,427)	(2,509)	(9,206)	(6,432)	3,171	(72,877)
Impairment, write-down and allowance	-	1,038	-	-	-	-	1,038
Share of profit (loss) of the associates and joint ventures	-	(51)	-	-	(246)	-	(297)
Profit (loss) before income tax	7,995	(177)	84	(655)	(2,724)	-	4,523
Income tax	(1,124)	438	(13)	10	460	-	(229)
Net profit (loss) for the period	6,871	261	71	(645)	(2,264)	-	4,294
Attributable to:							
Equity holders of the parent	4,948	263	71	(516)	(2,220)	-	2,546
Non-controlling interests	1,923	(2)	-	(129)	(44)	-	1,748

The following table represents segment assets of the Group operating segments as at 31 March 2012 and 31 December 2011:

Segment assets	Furniture production	Real estate	Facility management	Agriculture	Information technology	Other production and service	Elimi- nation	Total continuing operations
At 31 March 2012	124,932	273,455	9,688	37,078	23,956	326,335	(127,539)	667,905
At 31 December 2011	116,061	272,238	12,152	38,575	26,951	307,645	(127,189)	646,433

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5 Cash and cash equivalents

	Group		Company	
	As at 31 March 2012	As at 31 December 2011	As at 31 March 2012	As at 31 December 2011
Cash at bank	41,740	21,157	34,124	11,888
Cash in hand	35	38	-	-
Cash in transit	76	65	-	-
Term deposits with the maturity of up to 3 months	-	1,000	-	-
	<u>41,851</u>	<u>22,260</u>	<u>34,124</u>	<u>11,888</u>

On 31 March 2012, the Group and the Company have also placed term deposits with banks with the maturity of more than 3 months and have invested into financial assets held to maturity.

	Group	Company
Deposits with the maturity between 3 and 6 months	24,181	13,811
Deposits with the maturity of more than 6 months	39,174	-
Deposit's certificate of AB bankas Snoras	20,000	20,000
Government bonds	47,800	47,800
Accumulated interest of term deposits	830	201
Less allowance for impairment as consequence of AB bankas Snoras bankruptcy	(20,100)	(20,100)
	<u>111,885</u>	<u>61,712</u>

6 Dividends

In 2011 and 2010 dividends were not declared.

7 Income tax

	Group		Company	
	1st Quarter 2012	1st Quarter 2011	1st Quarter 2012	1st Quarter 2011
Components of income tax expense				
Current income tax charge	(770)	(419)	-	-
Prior year current income tax correction	-	134	-	-
Deferred income tax income (expense)	(2,506)	56	(2,262)	335
Income tax (expenses) income charged to the income statement	<u>(3,276)</u>	<u>(229)</u>	<u>(2,262)</u>	<u>335</u>

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8 Investment into subsidiaries and associates

Establishment of companies (increase of share capital)

During the 1st Quarter of 2012 the Company and the Group has invested LTL 155 thousand to increase share capital of Invalda Lux S.a.r.l. UAB Justiniškių valda and UAB Justiniškių aikštelė, which owns investment property, which was previously owned by UAB Jurita, were spun off from UAB Jurita. The new separated entities are assigned to the real estate segment.

During the 1st Quarter of 2011 the Group has established these new companies: UAB Inreal GEO, Invalda Lux S.a.r.l, UAB Perspektyvi veikla, The total amount of these investments was LTL 259 thousand.

AB Umega

On 12 January 2012, the sale of 29.27% of shares of AB Umega according to the agreement signed on 30 November 2011 was completed. Price for the shares sold equal to LTL 3,745 thousand. The Group has earned a profit of LTL 2,037 thousand. In the Company statements, the price for the shares sold was equal to the carrying amount of the investments. A loss of LTL 298 thousand (the price of the shares was less than the initial acquisition cost) was presented under the caption "Net gains (losses) on disposal of subsidiaries, associates and joint ventures" of the Company's income statements. Therefore, an impairment reversal of the same amount (LTL 298 thousand) was presented under the caption "Impairment, write-down and provisions" of the Company's income statements.

UAB Lauko gėlininkystės bandymų stotis

On 4 January 2011, the Group acquired 51 % of shares of UAB Lauko gėlininkystės bandymų stotis for LTL 911 thousand (all amount paid in cash) from Valstybės turto fondas (the State Property Fund). Acquisition-related cost was equal to nil.

The acquiree operates in field of growing and trading of ornamental trees and shrubs. Operations of the company acquired are meant to be continued together with also developing its owned real estate.

Fair values of the identifiable assets and liabilities of UAB Lauko gėlininkystės bandymų stotis were:

	<u>Fair values</u>
Property, plant and equipment	1,437
Inventories	597
Trade receivables	11
Other current assets	29
Cash	275
Total assets	2,349
Current liabilities	(158)
Other current liabilities	(63)
Total liabilities	(221)
Net assets	2,128
Non-controlling interests	(500)
Acquired net assets	1,628
Profit from bargain purchases	(717)
Purchase consideration transferred	911
Analysis of cash flows on acquisition:	
Consideration paid in cash	(911)
Cash acquired with the subsidiary	275
Acquisition of subsidiaries, net of cash acquired	(636)

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8 Investment into subsidiaries and associates (cont'd)Investment to UAB Litagra

On 7 November 2011, the Group signed an agreement to invest into UAB Litagra shares. The share capital increase of UAB Litagra was concluded on 15 December 2011, when a permission of the Competition Council was received. The Group invested a total of LTL 38,575 thousand into shares of UAB Litagra.

UAB Litagra is accounted as an associate in the financial statements using equity method. The acquisition of UAB Litagra is reflected in the financial statements according to the data of UAB Litagra financial position statement for the year ended 31 December 2011. The Group has made adjustments to profit (loss) of UAB Litagra to conform local business reporting standards requirements to IFRS requirements. The valuation of fair value of the identifiable assets acquired and liabilities assumed is not yet complete. Therefore, the profit (loss) for the 1st Quarter of 2012 will be adjusted in the future. Based on a provisional assessment, the amount of acquired net assets is approximate to the consideration paid.

9 Other revenues and expenses**9.1. Net changes in fair value on financial assets**

	Group		Company	
	1 st Quarter 2012	1 st Quarter 2011	1 st Quarter 2012	1 st Quarter 2011
Gain (loss) from shares of Trakcja – Tiltra S.A.	12,202	-	12,202	-
Other	2,056	(188)	(57)	-
<i>Net gain (loss) from financial assets at fair value, total</i>	<u>14,258</u>	<u>(188)</u>	<u>12,145</u>	<u>-</u>
<i>Realised (loss) gain from available-for-sale investments</i>	-	-	-	-
	<u>14,258</u>	<u>(188)</u>	<u>12,145</u>	<u>-</u>

9.2. Finance expenses

	Group		Company	
	1 st Quarter 2012	1 st Quarter 2011	1 st Quarter 2012	1 st Quarter 2011
Interest expenses	(1,820)	(3,844)	(772)	(3,108)
Other finance expenses	(63)	(20)	-	(1)
	<u>(1,883)</u>	<u>(3,864)</u>	<u>(772)</u>	<u>(3,109)</u>

9.3. Other income

	Group		Company	
	1 st Quarter 2012	1 st Quarter 2011	1 st Quarter 2012	1 st Quarter 2011
Interest income	1,313	405	3,202	1,507
Dividend income	-	-	-	-
Profit from bargain purchases	-	717	-	-
Other income	284	513	1	6
	<u>1,597</u>	<u>1,635</u>	<u>3,203</u>	<u>1,513</u>

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(all amounts are in LTL thousand unless otherwise stated)

10 Discontinued operations and non-current assets classified as held-for-sale

	Group		Company	
	As at 31 March 2012	As at 31 December 2011	As at 31 March 2012	As at 31 December 2011
Non-current assets classified as held-for-sale				
AB Umeqa	-	1,708	-	3,745
	-	1,708	-	3,745

AB Umeqa

On 30 November 2011, the Company signed an agreement regarding the sale of 29.27% shares of AB Umeqa, which operates in metal processing. The deal was completed in January 2012, when the permission of the Competition Council was received (see Note 8). The investments were classified as assets held for sale in the statement of financial position for the year ended 31 December 2011. Because the investment did not constitute a separate operating segment, it is not presented as discontinued operations in the income statement.

Discontinued operations

	1 st Quarter 2012	1 st Quarter 2011
Gain on sale of road and bridge construction segment	-	-
Direct expenses related to sale	-	-
Total discontinued operations (road and bridge construction)	-	-
Share of profit of associates (pharmacy segment)	-	4,169
Gain from derivative representing the share sale price adjustment of AB Sanitas according to the agreement	-	-
Pharmacy segment sales result	-	-
Total discontinued operations (pharmacy segment)	-	4,169
Total discontinued operations	-	4,169

Tiltra Group AB and AB Kauno Tiltai

On 18 November 2010, the Company signed an agreement regarding the sale of 44.78 % shares of Tiltra Group AB and 43.36 % shares of AB Kauno Tiltai, if the conditions precedent set out in the Agreement are fulfilled. The mentioned companies compose the road and bridge construction segment. The Buyer of the shares is Trakcja Polska S. A. (current name – Trakcja – Tiltra S.A.), which main activity is rail infrastructure construction. Therefore the investments were classified as assets held for sale in the statement of financial position (the use of the equity method was discontinued from 31 December 2011) and presented as discontinued operations in the income statement. The deal was completed on 19 April 2011, therefore, for the 3 months ended on 31 March 2011 it had no impact on the Group's performance.

AB Sanitas

The Company and other AB Sanitas shareholders, together controlling 87.2% of shares, on 23 May 2011, have signed a definitive share sale and purchase agreement for the sale of their entire shareholding in AB Sanitas to Valeant Pharmaceuticals International, Inc. ("Valeant"). Pursuant to the agreement, the Company sold 26.5% shareholding in AB Sanitas. Therefore the investments were classified as assets held for sale in the statement of financial position and presented as discontinued operations in the income statement. The deal was completed on 19 August 2011.

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10 Discontinued operations and non-current assets classified as held-for-sale (cont'd)

Earnings per share:	<u>1st Quarter 2012</u>	<u>1st Quarter 2011</u>
Basic from discontinued operations	-	0.08
Diluted from discontinued operations	-	0.07

11 The conversion of the convertible bonds

The application from the bondholders to convert LTL 32,440 thousand par value bonds (par value of one bond is LTL 100) into the shares of the Company was received on 28 March 2012. The bonds were converted into 5,898,182 shares of LTL 1 par value on 30 March 2012, when new By-laws of the Company were registered. After the conversion, share capital of the Company was increased by LTL 5,898 thousand up to LTL 57,558 thousand and divided into 57,557,940 shares of LTL 1 par value. The conversion price of new shares is LTL 5.50 per share. The bond holders have paid back earlier received interest of LTL 4,788 thousand and forfeited the accrued interest of LTL 2,386 thousand as at 30 March 2012. All these amounts were reversed through equity. Current income tax expense of LTL 1,076 thousand was also presented in the equity. So, a total positive impact for the Company's and the Group's equity amounted to LTL 6,098 thousand.

12 Borrowings

During the 1st Quarter the entity operating in the information technology segment has signed the loan agreement of LTL 3.000 thousand with AB DNB bank. LTL 1,764 thousand of the borrowing was used until 31 March 2012.

On 31 March 2011, the Group has agreed with Nordea bank on the extension of current financing of the real estate segment. Current loans, which mature in 2011, were extended for 3 years and the bank provided indemnity against non-compliance with covenants for the same period. Amendments of the above mentioned agreement were signed in April 2012 (see Note 17)

13 Financial assets and fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table presents the group's assets and liabilities that are measured at fair value at 31 March 2012:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total balance</u>
Assets				
Shares of Trakcja Tiltra	27,697	-	-	27,697
Held-for-trade securities	14,402	15,464	-	29,866
Total Assets	<u>42,099</u>	<u>15,464</u>	<u>-</u>	<u>57,563</u>
Liabilities	-	-	-	-

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(all amounts are in LTL thousand unless otherwise stated)

13 Financial assets and fair value hierarchy (cont'd)

The following table presents the group's assets and liabilities that are measured at fair value at 31 December 2011:

	Level 1	Level 2	Level 3	Total balance
Assets				
Shares of Trakcja Tiltra	15,491	-	-	15,491
Held-for-trade securities	16,840	15,268	-	32,108
Total Assets	32,331	15,268	-	47,599
Liabilities				
	-	-	-	-

There were no transfers between Level 1 and Level 2 fair value measurements during the 1st Quarter of 2012,.**14 Investment properties and residential real estate**

During the 1st Quarter of 2012 the Group has additionally acquired investment properties for LTL 633 thousand, including agricultural land for LTL 506 thousand. The construction of residential real estate, located in Elniakampio street 7, Vilnius, was completed and the apartments were sold for LTL 4,316 thousand excluding VAT.

During the 1st Quarter of 2011 the Group has additionally acquired investment properties for LTL 3,354 thousand, from which the investment property for LTL 2,600 thousand was obtained as collateral for trade receivable. Properties worth LTL 754 thousand (agriculture land for LTL 139 thousand) were acquired in cash. Also, investment properties were sold for LTL 795 thousand (the sale price was equal to the carrying amount).

15 Other current liabilities

	Group		Company	
	As of 31 March 2012	As of 31 December 2011	As of 31 March 2012	As of 31 December 2011
Employee benefits	7,929	6,146	959	1,021
Other	4,899	6,287	2,100	2,160
Total other current liabilities	12,828	12,433	3,059	3,181

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16 Related party transactions

Receivables from related parties are presented in gross amount (without allowance).

The Company's transactions with related parties in the 1st Quarter of 2012 and related quarter-end balances were as follows:

1st Quarter 2012 Company	Sales to related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
Loans and borrowings	2,532	4	154,030	358
Rent and utilities	-	39	-	52
Dividends	-	-	-	-
Other	-	2	216	-
	2,532	45	154,246	410

Liabilities to shareholders and management - - - -

The Company's transactions with related parties in the 1st Quarter of 2011 and related quarter-end balances were as follows:

1st Quarter 2011 Company	Sales to related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
Loans and borrowings	1,483	563	84,086	51,292
Rent and utilities	-	40	-	146
Other	-	11	33	-
	1,483	614	84,119	51,438

Liabilities to shareholders and management - - - -

The Group's transactions with related parties in the 1st Quarter of 2012 and related quarter-end balances were as follows:

1st Quarter 2012 Group	Sales to related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
Loans and borrowings	13	-	6,757	-
Real estate income	-	-	40	-
Other	-	-	-	-
	13	-	6,797	-

Liabilities to shareholders and management 172 - 12,212 -

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(all amounts are in LTL thousand unless otherwise stated)

16 Related party transactions (cont'd)

The Group's transactions with related parties in the 1st Quarter of 2011 and related quarter-end balances were as follows:

1 st Quarter 2011 Group	Sales to related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
Loans and borrowings	33	-	9,115	-
Rent and utilities	28	-	47	-
Furniture segment	-	402	-	211
Roads and bridges construction segment	34	-	44	-
Other	47	-	40	-
	142	402	9,246	211
Liabilities to shareholders and management	233	-	14,208	-

During the 1st Quarter the Group and the Company had accrued interest expenses of LTL 768 thousand to owners of convertible bonds, which became shareholders of the Company (1st Quarter – LTL 792 thousand). Upon conversion the accrued interest was reversed.

17 Events after the reporting periodAcquisition of own shares

On 30 April 2012 the shareholders of the Company decided to transfer LTL 269,114 thousand from retained earnings to the reserve for the acquisition of own shares. The share buy-back program was exercised on 2 – 15 May 2012. 10 percent of own shares – 5,755,794 shares for LTL 59,619 thousand (for each share – LTL 10.358) were acquired. Acquired own shares do not have voting rights.

After acquisition of own shares the shareholders of the Company are (by votes):

	Number of votes held	Percentage
Mrs. Irena Ona Mišeikienė	12,434,159	24.00%
Mr. Vytautas Bučas	8,198,367	15.83%
Mr. Algirdas Bučas	4,234,710	8.17%
Mr. Darius Šulnis	4,071,762	7.86%
UAB Lucrum Investicija	3,836,621	7.41%
UAB RB Finansai	3,279,972	6.33%
Mr. Alvydas Banys	2,029,624	3.92%
Mrs. Daiva Baniienė	1,836,234	3.54%
Other minor shareholders	11,880,697	22.94%
Total	51,802,146	100.00%

On 24 May 2012 the shareholders of the Company decided to reduce the share capital to LTL 51,802,146 by annulling own shares. Also the Board was authorised to organize an additional buy-back program up to 10 percent of the Company's shares.

Repayment of borrowings by the Group

In April 2012 the Group has signed the amendments of loans agreements with Nordea bank. According to the amendments, the Group has made a full early pay back of the liabilities of UAB Naujoji Švara to the bank (LTL 14,701 thousand). The assets with carrying amounts of LTL 21,782 were released from the pledge, which allows a more successful property development. It was also agreed, that amortization of borrowings of UAB Sago and UAB INTF investicija would be cancelled, and the liabilities would be fully paid in 2014. Therefore, the amortization of the loan of the UAB Invalidos nekilnojamojo turto fondas will be accelerated. So during 2012 the Group will have to pay back LTL 2,123 thousand more.