

# AB INVALIDA

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED NOT-AUDITED FINANCIAL  
STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 PREPARED ACCORDING TO  
INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN  
UNION

AB INVALIDA

**CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

(all amounts are in LTL thousand unless otherwise stated)

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## GENERAL INFORMATION

### Board of Directors

Mr. Vytautas Bučas (chairman of the Board)  
Mr. Darius Šulnis  
Mrs. Indrė Mišeikytė (from 30<sup>th</sup> April 2012)  
Mr. Dalius Kaziūnas (until 30<sup>th</sup> April 2012)

### Management

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

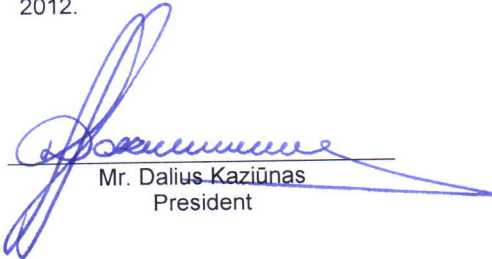
### Principal place of business and company code

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


### Bankers

Nordea Bank Finland Plc Lithuania Branch  
AB DNB Bankas  
AB Siauli 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 30 November 2012.



Mr. Dalius Kaziūnas  
President



Mr. Raimondas Rajeckas  
Chief financial officer

**AB INVALIDA****CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

(all amounts are in LTL thousand unless otherwise stated)

**Interim consolidated and Company's income statements**

		Group		Company	
		Nine months of 2012	Nine months of 2011	Nine months of 2012	Nine months of 2011
		Unaudited	Unaudited	Unaudited	Unaudited
<b>Continuing operations</b>					
Revenue					
Furniture production revenue		179,141	179,427	-	-
Residential real estate revenue		6,925	978	-	-
Rent and other real estate revenue		18,627	17,034	-	-
Information technology revenue		23,828	19,251	-	-
Facility management revenue		8,437	5,403	-	-
Other production and services revenue		8,884	8,082	-	-
<b>Total revenue</b>		<b>245,842</b>	<b>230,175</b>	-	-
Other income	9.3	3,523	7,174	37,863	19,318
Net gains (losses) on disposal of subsidiaries, associates and joint ventures	8	1,282	-	(1,052)	316,162
Net gains (losses) from fair value adjustments on investment property		(9,223)	822	-	-
Net changes in fair value of financial assets	9.1	8,218	(66,613)	5,528	(21,080)
Changes in inventories of finished goods and work in progress		3,233	(2,227)	-	-
Raw materials and consumables used		(137,583)	(135,831)	(16)	(13)
Changes in residential real estate		(4,952)	(911)	-	-
Employee benefits expenses		(38,830)	(29,577)	(2,058)	(1,332)
Impairment, write-down, allowances and provisions		1,012	(18,550)	(12,642)	(17,941)
Premises rent and utilities		(13,463)	(12,708)	(124)	(119)
Depreciation and amortisation		(7,488)	(7,832)	(57)	(63)
Repair and maintenance of premises		(7,729)	(7,433)	-	-
Other expenses		(16,615)	(14,468)	(802)	(2,268)
<b>Operating profit (loss)</b>		<b>27,227</b>	<b>(57,979)</b>	<b>26,640</b>	<b>292,664</b>
Finance costs	9.2	(3,294)	(11,569)	(781)	(8,396)
Share of profit (loss) from associates and joint ventures		7,335	(382)	-	-
<b>Profit (loss) before income tax</b>		<b>31,268</b>	<b>(69,930)</b>	<b>25,859</b>	<b>284,268</b>
Income tax	7	(3,880)	12,566	(1,703)	14,821
<b>Profit (loss) for the period from continuing operations</b>		<b>27,388</b>	<b>(57,364)</b>	<b>24,156</b>	<b>299,089</b>
<b>Discontinued operation</b>					
Profit/(Loss) after tax for the period from a discontinued operation	10	-	295,704	-	-
<b>PROFIT (LOSS) FOR THE PERIOD</b>		<b>27,388</b>	<b>238,340</b>	<b>24,156</b>	<b>299,089</b>
Attributable to:					
Equity holders of the parent		22,205	232,755	24,156	299,089
Non-controlling interests		5,183	5,585	-	-
		<b>27,388</b>	<b>238,340</b>	<b>24,156</b>	<b>299,089</b>
Basic earnings (deficit) per share (in LTL)	13	0.42	4.51	0.46	5.79
Diluted earnings (deficit) per share (in LTL)	13	0.42	4.09	0.46	5.24
Basic earnings (deficit) per share (in LTL) from continuing operations	13	0.42	(1.22)	0.46	5.79
Diluted earnings (deficit) per share (in LTL) from continuing operations	13	0.42	(1.22)	0.46	5.24

**AB INVALIDA****CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

(all amounts are in LTL thousand unless otherwise stated)

**Interim consolidated and Company's statements of comprehensive income**

	Group		Company	
	Nine months of 2012	Nine months of 2011	Nine months of 2012	Nine months of 2011
	Unaudited	Unaudited	Unaudited	Unaudited
<b>PROFIT (LOSS) FOR PERIOD</b>	<b>27,388</b>	<b>238,340</b>	<b>24,156</b>	<b>299,089</b>
<b>Continuing operation</b>				
Net gain (loss) on cash flow hedge	-	164	-	-
Income tax	-	(25)	-	-
	-	<b>139</b>	-	-
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	41	-	-	-
Share of other comprehensive income (loss) of associates	485	-	-	-
<b>Other comprehensive income (loss) for the period from continuing operation</b>	<b>526</b>	<b>139</b>	-	-
<b>Discontinued operations</b>				
Share of other comprehensive income (loss) of associates	-	1,879	-	-
<b>Other comprehensive income (loss) for the period from discontinued operations</b>	-	<b>1,879</b>	-	-
<b>Other comprehensive income (loss) for the period, net of tax</b>	<b>526</b>	<b>2,018</b>	-	-
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD, NET OF TAX</b>	<b>27,914</b>	<b>240,358</b>	<b>24,156</b>	<b>299,089</b>
Attributable to:				
Equity holders of the parent	22,723	234,773	24,156	299,089
Non-controlling interests	5,191	5,585	-	-

**AB INVALIDA**

**CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

(all amounts are in LTL thousand unless otherwise stated)

**Interim consolidated and Parent Company's income statements**

	Group		Company	
	III Quarter 2012	III Quarter 2011	III Quarter 2012	III Quarter 2011
	Unaudited		Unaudited	
<b>Continuing operations</b>				
Revenue				
Furniture production revenue	63,743	64,602	-	-
Residential real estate revenue	368	26	-	-
Rent and other real estate revenue	5,948	5,505	-	-
Information technology revenue	8,692	4,809	-	-
Facility management	3,251	2,234	-	-
Other production and services revenue	2,856	2,770	-	-
<b>Total revenue</b>	<b>84,858</b>	<b>79,946</b>	-	-
Other income	739	2,820	2,969	3,466
Net gains (losses) on disposal of subsidiaries, associates and joint ventures	-	-	-	165,402
Net gains (losses) from fair value adjustments on investment property	(9,498)	797	-	-
Net changes in fair value on financial assets	1,163	(47,741)	(47)	(46,858)
Changes in inventories of finished goods and work in progress	2,484	225	-	-
Raw materials and consumables used	(48,979)	(48,486)	(4)	(4)
Changes in residential real estate	(227)	(42)	-	-
Employee benefits expenses	(11,961)	(10,357)	(656)	(422)
Impairment, write-down, allowances and provisions	65	(19,497)	(13,721)	(19,602)
Premises rent and utilities	(4,043)	(3,947)	(37)	(39)
Depreciation and amortisation	(2,430)	(2,523)	(16)	(20)
Repair and maintenance of premises	(2,536)	(2,536)	-	-
Other operating expenses	(7,264)	(4,282)	(200)	(309)
<b>Operating profit (loss)</b>	<b>2,371</b>	<b>(55,623)</b>	<b>(11,712)</b>	<b>101,614</b>
Finance costs	(647)	(3,755)	(5)	(2,529)
Share of profit (loss) from associates and joint ventures	3,875	45	-	-
<b>Profit (loss) before income tax</b>	<b>5,599</b>	<b>(59,333)</b>	<b>(11,717)</b>	<b>99,085</b>
Income tax	(909)	6,118	(296)	6,907
<b>Profit (loss) for the period from continuing operations</b>	<b>4,690</b>	<b>(53,215)</b>	<b>(12,013)</b>	<b>105,992</b>
<b>Discontinued operation</b>				
Profit/(Loss) after tax for the period from a discontinued operation	-	146,201	-	-
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>4,690</b>	<b>92,986</b>	<b>(12,013)</b>	<b>105,992</b>
Attributable to:				
Equity holders of the parent	2,320	91,009	(12,013)	105,992
Non-controlling interests	2,370	1,977	-	-
	<b>4,690</b>	<b>92,986</b>	<b>(12,013)</b>	<b>105,992</b>
Basic earnings (deficit) per share (in LTL)	0.05	1.76	(0.22)	2.05
Diluted earnings (deficit) per share (in LTL)	0.05	1.60	(0.20)	1.86
Basic earnings (deficit) per share (in LTL) from continuing operations	0.05	(1.07)	(0.22)	2.05
Diluted earnings (deficit) per share (in LTL) from continuing operations	0.05	(1.07)	(0.20)	1.86

**AB INVALIDA****CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

(all amounts are in LTL thousand unless otherwise stated)

**Interim consolidated and Parent Company's statements of comprehensive income**

	Group		Company	
	III Quarter 2012	III Quarter 2011	III Quarter 2012	III Quarter 2011
	Unaudited		Unaudited	
<b>PROFIT (LOSS) FOR PERIOD</b>	<b>4,459</b>	<b>92,986</b>	<b>(12,013)</b>	<b>105,992</b>
<b>Continuing operation</b>				
Net gain (loss) on cash flow hedge	-	50	-	-
Income tax	-	(8)	-	-
	-	<b>42</b>	-	-
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	10	-	-	-
Share of other comprehensive income (loss) of associates	456	-	-	-
<b>Other comprehensive income (loss) for the period from continuing operation</b>	<b>466</b>	<b>42</b>	-	-
<b>Discontinued operations</b>				
Share of other comprehensive income (loss) of associates	-	2,122	-	-
<b>Other comprehensive income for the period from discontinued operations</b>	-	<b>2,122</b>	-	-
<b>Other comprehensive income (loss) for the period, net of tax</b>	<b>466</b>	<b>2,164</b>	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<b>4,925</b>	<b>95,150</b>	<b>(12,013)</b>	<b>105,992</b>
Attributable to:				
Equity holders of the parent	2,553	93,173	(12,013)	105,992
Non-controlling interests	2,372	1,977	-	-

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**CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

(all amounts are in LTL thousand unless otherwise stated)

**Interim consolidated and Company's statements of financial position**

	Group		Company	
	As at 30 September 2012	As at 31 December 2011	As at 30 September 2012	As at 31 December 2011
	Unaudited	Audited	Unaudited	Audited
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	39,327	38,259	138	184
Investment properties	16 230,061	248,957	-	-
Intangible assets	11,694	13,074	14	7
Investments into subsidiaries	8 -	-	97,555	99,607
Investments into associates and joint ventures	8 47,089	39,269	541	724
Investments available-for-sale	2,859	2,859	1,817	1,817
Loans granted	-	12,041	6,005	4,143
Other non-current assets	2,848	2,848	-	-
Deferred income tax asset	19,815	22,372	17,158	19,941
<b>Total non-current assets</b>	<b>353,693</b>	<b>379,679</b>	<b>123,228</b>	<b>126,423</b>
<b>Current assets</b>				
Inventories	33,330	25,819	-	-
Trade and other receivables	52,521	33,437	223	218
Current loans granted	1,449	31,233	151,401	174,648
Prepaid income tax	217	973	-	-
Prepayments and deferred charges	4,521	2,587	132	123
Financial assets at fair value through profit loss	15 42,652	47,599	42,652	33,298
Deposits and financial assets held to maturity	5 18,963	99,137	-	48,621
Restricted cash	3,694	2,915	-	-
Cash and cash equivalents	5 75,989	21,346	58,800	11,888
<b>Total current assets</b>	<b>233,336</b>	<b>265,046</b>	<b>253,208</b>	<b>268,796</b>
Assets of disposal group classified as held-for-sale	10 -	1,708	-	3,745
<b>Total assets</b>	<b>587,029</b>	<b>646,433</b>	<b>376,436</b>	<b>398,964</b>

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CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012

(all amounts are in LTL thousand unless otherwise stated)

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

	Group		Company		
	As at 30 September 2012	As at 31 December 2011	As at 30 September 2012	As at 31 December 2011	
	Unaudited	Audited	Unaudited	Audited	
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
<b>Equity attributable to equity holders of the parent</b>					
Share capital	11	51,802	51,660	51,802	51,660
Own shares	12	-	-	-	-
Share premium		60,747	34,205	60,747	34,205
Reserves	12	295,360	20,299	274,870	-
Retained earnings		(17,785)	280,046	(23,649)	274,870
		<b>390,124</b>	<b>386,210</b>	<b>363,770</b>	<b>360,735</b>
<b>Non-controlling interests</b>		<b>21,055</b>	<b>29,151</b>	-	-
<b>Total equity</b>		<b>411,179</b>	<b>415,361</b>	<b>363,770</b>	<b>360,735</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Non-current borrowings	14	105,328	119,478	-	-
Financial lease liabilities		488	391	-	-
Government grants		220	283	-	-
Provisions		396	396	-	-
Deferred income tax liability		15,163	15,178	-	-
Other non-current liabilities		3,989	3,345	-	-
<b>Total non-current liabilities</b>		<b>125,584</b>	<b>139,071</b>	-	-
<b>Current liabilities</b>					
Current portion of non-current borrowings	14	1,411	6,254	-	6
Current portion of financial lease liabilities		76	257	-	-
Current borrowings	14	1,306	572	10,211	353
Trade payables		30,203	34,485	42	630
Income tax payable		186	379	-	-
Provisions		258	300	-	-
Advances received		2,433	3,262	-	-
Derivative financial instruments		-	-	-	-
Convertible bonds	11	-	34,059	-	34,059
Other current liabilities	17	14,393	12,433	2,413	3,181
<b>Total current liabilities</b>		<b>50,266</b>	<b>92,001</b>	<b>12,666</b>	<b>38,229</b>
<b>Total liabilities</b>		<b>175,850</b>	<b>231,072</b>	<b>12,666</b>	<b>38,229</b>
<b>Total equity and liabilities</b>		<b>587,029</b>	<b>646,433</b>	<b>376,436</b>	<b>398,964</b>

(the end)



**AB INVALIDA**

**CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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	Own shares	Share premium	Fair value reserves	Reserves			Subtotal	Non-controlling interests	Total equity
					Legal and other reserves	Foreign currency translation reserve	Retained earnings (accumulated deficit)			
<b>Balance as at 31 December 2011 (audited)</b>	<b>51,660</b>	-	<b>34,205</b>	-	<b>20,299</b>	-	<b>280,046</b>	<b>386,210</b>	<b>29,151</b>	<b>415,361</b>
Profit (loss) for the 9 months of 2012	-	-	-	-	-	-	22,205	22,205	5,183	27,388
Other comprehensive income (loss) for the 9 months of 2012	-	-	-	-	-	33	485	518	8	526
<b>Total comprehensive income (loss) for the 9 months of 2012</b>	-	-	-	-	-	<b>33</b>	<b>22,690</b>	<b>22,723</b>	<b>5,191</b>	<b>27,914</b>
Dividends of subsidiaries	9.3	-	-	-	-	-	-	-	(10,828)	(10,828)
Share based payments	-	-	-	-	-	-	-	-	(133)	(133)
Changes in reserves	12	-	-	-	275,028	-	(275,028)	-	-	-
Increase of share capital	11	5,898	-	26,542	-	-	-	32,440	-	32,440
Acquired own shares	12	-	(59,659)	-	-	-	-	(59,659)	-	(59,659)
Decrease of share capital	12	(5,756)	59,659	-	-	-	(53,903)	-	-	-
Acquired minority of subsidiaries	8	-	-	-	-	-	2,312	2,312	(2,326)	(14)
Reversal of interest of convertible bonds	11	-	-	-	-	-	6,098	6,098	-	6,098
<b>Balance as at 30 Septmeber 2012 (unaudited)</b>	<b>51,802</b>	-	<b>60,747</b>	-	<b>295,327</b>	<b>33</b>	<b>(17,785)</b>	<b>390,124</b>	<b>21,055</b>	<b>411,179</b>

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**CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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			Subtotal			
				Legal and other reserves	Foreign currency translation reserve	Retained earnings (accumulated deficit)				
<b>Balance as at 31 December 2010 (audited)</b>	<b>51,660</b>	<b>44,676</b>	<b>(139)</b>	<b>20,241</b>	-	<b>58,694</b>	<b>175,132</b>	<b>24,919</b>	<b>200,051</b>	
Profit (loss) for the 9 months of 2011	-	-	-	-	-	232,755	232,755	5,585	238,340	
Other comprehensive income (loss) for the 9 months of 2011	-	-	139	-	-	1,879	2,018	-	2,018	
<b>Total comprehensive income for 9 months of 2011</b>	<b>-</b>	<b>-</b>	<b>139</b>	<b>-</b>	<b>-</b>	<b>234,634</b>	<b>234,773</b>	<b>5,585</b>	<b>240,358</b>	
Dividends of subsidiaries	-	-	-	-	-	-	-	(4,351)	(4,351)	
Acquisition of subsidiaries	-	-	-	-	-	-	-	500	500	
Share based payments	-	-	-	-	-	-	-	521	521	
Acquisition of minority of subsidiaries	-	-	-	-	-	44	44	(1,088)	(1,044)	
Changes in reserves	-	(10,471)	-	58	-	10,413	-	-	-	
<b>Balance as at 30 September 2011 (unaudited)</b>	<b>51,660</b>	<b>34,205</b>	<b>-</b>	<b>20,299</b>	<b>-</b>	<b>303,785</b>	<b>409,949</b>	<b>26,086</b>	<b>436,035</b>	

AB INVALIDA

INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012

(all amounts are in LTL thousand unless otherwise stated)

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

Company		Reserves					Retained earnings (accumulated deficit)	Total
		Share capital	Own shares	Share premium	Legal reserve	Reserve of purchase of own shares		
<b>Balance as at 31 December 2011</b> <b>(audited)</b>		<b>51,660</b>	-	<b>34,205</b>	-	-	<b>274,870</b>	<b>360,735</b>
Profit (loss) for the 9 months of 2012		-	-	-	-	-	24,156	24,156
Increase of share capital	11	5,898	-	26,542	-	-	6,098	38,538
Acquired own shares	12	-	(59,659)	-	-	-	-	(59,659)
Decrease of share capital	12	(5,756)	59,659	-	-	-	(53,903)	-
Changes in reserves	12	-	-	-	5,756	269,114	(274,870)	-
<b>Balance as at 30 September 2012</b> <b>(unaudited)</b>		<b>51,802</b>	-	<b>60,747</b>	<b>5,756</b>	<b>269,114</b>	<b>(23,649)</b>	<b>363,770</b>

Company		Reserves				Retained earnings (accumulated deficit)	Total
		Share capital	Share premium	Legal reserve	Reserve of purchase of own shares		
<b>Balance as at 31 December 2010</b> <b>(audited)</b>		<b>51,660</b>	<b>44,676</b>	-	-	<b>(10,471)</b>	<b>85,865</b>
Profit (loss) for the 9 months of 2011		-	-	-	-	299,089	299,089
Changes in share premium		-	(10,471)	-	-	10,471	-
<b>Balance as at 30 September 2011</b> <b>(unaudited)</b>		<b>51,660</b>	<b>34,205</b>	-	-	<b>299,089</b>	<b>384,954</b>

**AB INVALIDA****INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

(all amounts are in LTL thousand unless otherwise stated)

**Consolidated and Company's statements of cash flows**

	<b>Group</b>		<b>Company</b>	
	<b>Nine months of 2012</b>	<b>Nine months of 2011</b>	<b>Nine months of 2012</b>	<b>Nine months of 2011</b>
	Unaudited	Unaudited	Unaudited	Unaudited
<b>Cash flows from (to) operating activities</b>				
Net profit (loss) for the period	27,388	238,340	24,156	299,089
<b>Adjustments for non-cash items and non-operating activities:</b>				
Valuation (gain) loss, net	9,223	(822)	-	-
Depreciation and amortization	7,488	7,832	57	63
(Gain) loss on disposal of tangible assets	(13)	21	-	-
Realized and unrealized loss (gain) on investments	(8,218)	22,898	(5,528)	21,080
(Gain) loss on disposal of subsidiaries, associates	(1,282)	(250,371)	1,052	(316,162)
Share of net loss (profit) of associates and joint ventures	(7,335)	(1,236)	-	-
Interest (income)	(2,943)	(4,151)	(9,101)	(7,985)
Interest expenses	3,165	10,353	781	7,391
Deferred taxes	1,452	(13,855)	1,700	(14,990)
Current income tax expenses	2,428	1,289	3	169
Allowances	(970)	18,550	12,642	17,941
Change in provisions	(42)	(35)	-	-
Share based payment	(133)	521	-	-
Profit from bargain purchases	8	(1,485)	-	-
Dividend (income)	(18)	-	(28,758)	(11,314)
Loss (gain) from other financial activities	124	171	124	171
	<b>30,314</b>	<b>28,020</b>	<b>(2,872)</b>	<b>(4,547)</b>
<b>Changes in working capital:</b>				
(Increase) decrease in inventories	4,543	4,030	-	-
Decrease (increase) in trade and other receivables	(9,020)	(7,867)	-	968
Decrease (increase) in other current assets	(1,982)	(977)	(9)	(364)
Transfer to term deposits	-	(108,659)	-	(69,528)
(Decrease) increase in trade payables	(4,239)	1,873	(621)	(203)
(Decrease) increase in other current liabilities	863	1,758	(614)	40
<b>Cash flows (to) from operating activities</b>	<b>20,479</b>	<b>(81,822)</b>	<b>(4,116)</b>	<b>(73,634)</b>
Income tax (paid) return	(295)	(2,347)	-	(136)
<b>Net cash flows (to) from operating activities</b>	<b>20,184</b>	<b>(84,169)</b>	<b>(4,116)</b>	<b>(73,770)</b>

*(cont'd on the next page)*

**AB INVALIDA****INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

(all amounts are in LTL thousand unless otherwise stated)

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

		Group		Company	
		Nine months of 2012	Nine months of 2011	Nine months of 2012	Nine months of 2011
		Unaudited		Unaudited	
<b>Cash flows from (to) investing activities</b>					
(Acquisition) of non-current assets (except investment properties)		(7,129)	(5,714)	(18)	(21)
Proceeds from sale of non-current assets (except investment properties)		102	178	-	-
(Acquisition) of investment properties	16	(3,168)	(2,847)	-	-
Proceeds from sale of investment properties	16	882	795	-	-
(Acquisition) and establishment of subsidiaries, net of cash acquired	8	-	(3,168)	-	(99)
Proceeds from sales of subsidiaries, net of cash disposed		-	-	-	-
(Acquisition) of associates and joint ventures		-	(6)	-	(6)
Proceeds from sales of associates and joint ventures	8	3,797	369,826	3,797	369,826
Expenses related to sell of associates		-	(20,524)	-	(20,524)
Loans (granted)		(744)	(24,372)	(30,980)	(91,998)
Repayment of granted loans		41,599	8,832	53,424	31,544
Transfer to/from term deposits		79,640	-	48,339	-
(Acquisition) of and proceeds from sales held to maturity investments		-	-	-	-
Dividends received		15	-	28,756	-
Interest received		4,475	3,204	7,518	3,537
(Acquisition) of and proceeds from sales of held-for-trade and available-for-sale investments		6,358	42,650	64	48,780
<b>Net cash flows (to) investing activities</b>		<b>125,827</b>	<b>368,854</b>	<b>110,900</b>	<b>341,039</b>
<b>Cash flows from (to) financing activities</b>					
Cash flows related to Group owners					
(Acquisition) and changes of non-controlling interests and increase of share capital		(14)	(1,044)	(155)	(173)
Acquisition of own shares		(59,659)	-	(59,659)	-
Dividends (paid) to equity holders of the parent		(78)	(37)	(78)	(37)
Dividends (paid) to non-controlling interests		(9,807)	(4,351)	-	-
		(69,558)	(5,432)	(59,892)	(210)
Cash flows related to other sources of financing					
Proceeds from loans		4,092	12,963	150	18,196
(Repayment) of loans	14	(22,349)	(184,127)	(6)	(184,075)
Interest (paid)		(2,400)	(15,697)	-	(12,837)
Financial lease (payments)		(265)	(127)	-	-
Transfer (to)/from restricted cash		(779)	2,089	-	-
Other cash flows from financing activities		-	-	-	-
		(21,701)	(184,899)	144	(178,716)
<b>Net cash flows (to) from financial activities</b>		<b>(91,259)</b>	<b>(190,331)</b>	<b>(59,748)</b>	<b>(178,926)</b>
<b>Impact of currency exchange on cash and cash equivalents</b>		<b>(109)</b>	<b>(171)</b>	<b>(124)</b>	<b>(171)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>54,643</b>	<b>94,183</b>	<b>46,912</b>	<b>88,172</b>
<b>Cash and cash equivalents at the beginning of the period</b>	5	<b>21,346</b>	<b>4,692</b>	<b>11,888</b>	<b>202</b>
<b>Cash and cash equivalents at the end of the period</b>	5	<b>75,989</b>	<b>98,875</b>	<b>58,800</b>	<b>88,374</b>

*(the end)*

**AB INVALIDA**

**INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

(all amounts are in LTL thousand unless otherwise stated)

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## **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 nine months ended 30 September 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 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 nine months ended 30 September 2012.

## AB INVALIDA

### INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012

(all amounts are in LTL thousand unless otherwise stated)

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#### 3 Seasonality of operations and other recurring discrepancies in quarters

Historically information technology segment earned a bigger revenue and operational profit in the 4<sup>th</sup> quarter. The agriculture segment earned a bigger operational profit in the 2<sup>nd</sup> and 3<sup>rd</sup> quarter. The entity, which operates in field of growing and trading of ornamental trees and shrubs, earned a bigger revenue and operational profit in the 2<sup>nd</sup> and 3<sup>rd</sup> quarter. The investment properties are revaluated on 30 September 2012 due to the preparation of the terms of the Company's split-off. Additional revaluation of investment properties is not scheduled 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 dwelling-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 expense and segment result 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 NINE MONTHS ENDED 30 SEPTEMBER 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 nine months ended 30 September 2012:

9 months ended 30 September 2012	Furniture production	Real estate	Facility management	Agriculture	Information technology and service	Other production	Elimi- nation	Total continuing operations
<b>Revenue</b>								
Sales to external customers	179,141	25,552	8,437	-	23,828	8,884	-	245,842
Inter-segment sales	-	887	1,127	-	139	2	(2,155)	-
<b>Total revenue</b>	<b>179,141</b>	<b>26,439</b>	<b>9,564</b>	<b>-</b>	<b>23,967</b>	<b>8,886</b>	<b>(2,155)</b>	<b>245,842</b>
<b>Results</b>								
Other income	1,553	30	95	-	204	7,623	(5,982)	3,523
Net losses from fair value adjustment on investment property	-	(9,223)	-	-	-	-	-	(9,223)
Net gain (losses) on disposal of subsidiaries, associates and joint ventures	-	(755)	-	-	-	2,037	-	1,282
Net changes in fair value on financial assets	-	-	-	-	-	8,218	-	8,218
Segment expenses	(157,738)	(28,449)	(9,973)	-	(25,847)	(12,851)	8,137	(226,721)
Impairment, write-down and allowance	79	803	42	-	-	88	-	1,012
Share of profit (loss) of the associates and joint ventures	-	(181)	-	7,486	-	30	-	7,335
Profit (loss) before income tax	23,035	(11,336)	(272)	7,486	(1,676)	14,031	-	31,268
Income tax	(3,485)	1,289	45	-	30	(1,759)	-	(3,880)
<b>Net profit (loss) for the period</b>	<b>19,550</b>	<b>(10,047)</b>	<b>(227)</b>	<b>7,486</b>	<b>(1,646)</b>	<b>12,272</b>	<b>-</b>	<b>27,388</b>
Attributable to:								
Equity holders of the parent	14,103	(10,046)	(227)	7,486	(1,351)	12,240	-	22,205
Non-controlling interests	5,447	(1)	-	-	(295)	32	-	5,183



**AB INVALIDA****INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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 nine months ended 30 September 2011:

<b>9 months ended 30 September 2011</b>	<b>Furniture production</b>	<b>Real estate</b>	<b>Facility management</b>	<b>Information technology</b>	<b>Other production and service</b>	<b>Elimi- nation</b>	<b>Total continuing operations</b>
<b>Revenue</b>							
Sales to external customers	179,427	18,012	5,403	19,251	8,082	-	230,175
Inter-segment sales	-	1,250	1,773	59	5	(3,087)	-
<b>Total revenue</b>	<b>179,427</b>	<b>19,262</b>	<b>7,176</b>	<b>19,310</b>	<b>8,087</b>	<b>(3,087)</b>	<b>230,175</b>
<b>Results</b>							
Other income	2,150	40	1,793	312	8,696	(5,817)	7,174
Net losses from fair value adjustment on investment property	-	62	-	-	760	-	822
Net changes in fair value on financial assets	-	-	-	-	(66,613)	-	(66,613)
Segment expenses	(157,214)	(23,706)	(7,906)	(21,385)	(21,249)	8,904	(222,556)
Impairment, write-down and allowance	106	1,385	-	-	(20,041)	-	(18,550)
Share of profit (loss) of the associates and joint ventures	-	(169)	-	-	(213)	-	(382)
Profit (loss) before income tax	24,469	(3,126)	1,063	(1,763)	(90,573)	-	(69,930)
Income tax	(3,554)	951	(33)	60	15,142	-	12,566
<b>Net profit (loss) for the period</b>	<b>20,915</b>	<b>(2,175)</b>	<b>1,030</b>	<b>(1,703)</b>	<b>(75,431)</b>	<b>-</b>	<b>(57,364)</b>
Attributable to:							
Equity holders of the parent	15,060	(2,172)	1,030	(1,362)	(75,505)	-	(62,949)
Non-controlling interests	5,855	(3)	-	(341)	74	-	5,585

The following table represents segment assets of the Group operating segments as at 30 September 2012 and 31 December 2011:

<b>Segment assets</b>	<b>Furniture production</b>	<b>Real estate</b>	<b>Facility management</b>	<b>Agriculture</b>	<b>Information technology</b>	<b>Other production and service</b>	<b>Elimi- nation</b>	<b>Total continuing operations</b>
At 30 September 2012	97,443	274,611	9,694	46,546	26,080	260,423	(127,768)	587,029
At 31 December 2011	116,061	272,238	12,152	38,575	26,951	307,645	(127,189)	646,433

**AB INVALDA****INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

(all amounts are in LTL thousand unless otherwise stated)

**5 Cash and cash equivalents**

	Group		Company	
	As at 30 September 2012	As at 31 December 2011	As at 30 September 2012	As at 31 December 2011
Cash at bank	75,775	21,157	58,800	11,888
Cash in hand	56	38	-	-
Cash in transit	158	65	-	-
Term deposits with the maturity up to 3 months	-	1,000	-	-
	<u>75,989</u>	<u>22,260</u>	<u>58,800</u>	<u>11,888</u>

On 30 September 2012, the Group and the Company have placed also with the banks term deposits with the maturity more than 3 month and have invested into financial assets held to maturity.

	Group	Company
Deposits with the maturity between 3 and 6 months	9,049	-
Deposits with the maturity more than 6 months	9,841	-
Deposit's certificate of AB bankas Snoras	20,000	20,000
Government bonds	-	-
Accumulated interest of term deposits	173	100
Less allowance for impairment as consequence of AB bankas Snoras insolvency	(20,100)	(20,100)
	<u>18,963</u>	<u>-</u>

**6 Dividends**

In 2011 and 2010 dividends were not declared.

**7 Income tax**

	Group		Company	
	30 September 2012	30 September 2011	30 September 2012	30 September 2011
<b>Components of income tax expense</b>				
Current income tax charge	(2,459)	(1,423)	(3)	(169)
Prior year current income tax correction	31	134	-	-
Deferred income tax income (expense)	<u>(1,452)</u>	<u>13,855</u>	<u>(1,700)</u>	<u>14,990</u>
Income tax (expenses) income charged to the income statement	<u>(3,880)</u>	<u>12,566</u>	<u>(1,703)</u>	<u>14,821</u>

## AB INVALIDA

### INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012

(all amounts are in LTL thousand unless otherwise stated)

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#### 8 Investment into subsidiaries and associates

##### Establishment of companies (increase of share capital)

During the nine months ended 30 September 2012 the Company and the Group has invested LTL 155 thousand to increase share capital of Invalda Lux S.a.r.l. and LTL 12,700 thousand additionally to increased share capital of UAB Naujoji Švara converting loans granted to shares. During 1<sup>st</sup> Quarter of 2012 UAB Justiniškių Valda and UAB Justiniškių Aikštelė, which owns investment property previously owned by UAB Jurita, were separated from UAB Jurita. The new separated entities are assigned to real estate segment. The Group has established two real estate investment companies by investing by cash LTL 30 thousand: UAB Laukseja (investment in the agricultural land), UAB Danės Gildija (project of apartments building in Klaipėda) and UAB Kopų Vėtrungės (project of apartments building in Nida). Also investment properties with carrying value of LTL 7,970 thousand, located in Klaipėda, were invested into share capital of UAB Danės Gildija, and investment properties with carrying value of LTL 3,990 thousand, located in Nida, were invested into share capital of UAB Kopų Vėtrungės.

During the nine months ended 30 September 2011 the Group has established these new companies: UAB Inreal GEO, Invalda Lux S.a.r.l, UAB Perspektyvi Veikla, UAB Via Solutions, UAB Minijos Valda. The total amount of these investments was LTL 279 thousand.

##### AB Umeqa

On 12 January 2012, the sale of 29.27% of shares of AB Umeqa 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. In the caption "Net gains (losses) on disposal of subsidiaries, associates and joint ventures" of the Company's income statements was presented loss of LTL 298 thousand (the price of the shares was less as initial acquisition cost). Therefore, in the caption "Impairment, write-down and provisions" of the Company's income statements was presented impairment reversal of the same amount - LTL 298 thousand.

In September 2011 the Group invested LTL 1.351 thousand additionally to increased share capital of AB Umeqa converting loans granted to shares. Also in August 2011 the Group additionally acquired shares for LTL 6 thousand. As consequence the share of stock held by the Group was increased from 19.42 until 29.27 percent. The value of the additional interest acquired was LTL 1.419 thousand and in the income statements has been recognised profit of LTL 62 thousand .

##### Other sales and acquisitions in 2012

In April 2012 the Company has acquired 24% of shares of UAB Aikstentis (currently a dormant entity attributed to the real estate segment). Amount of LTL 2,309 thousand was attributed to the non-controlling interest, so it was reduced by this amount, and, respectively, retained earnings attributable to equity holders of the parent were increased. The reason for a large attribution was that in 2010 prospectively applying the new requirement of IAS 27 net losses equal to LTL 2,343 thousand were not attributed to the non-controlling interest of UAB Aikstentis, and due to the sale of UAB Broner (previous subsidiary of UAB Aikstentis) net profit of LTL 2,316 thousand was attributed to the non-controlling interest.

In June 2012 the loans with amount of LTL 807 thousand granted to real estate entity SIA Uran, operating in Latvia, were converted into 50 % shares of the entity. These shares were sold for LTL 52 thousand. In the profit (loss) statement a loss of 755 thousand was recognised.

**AB INVALIDA****INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

(all amounts are in LTL thousand unless otherwise stated)

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**8 Investment into subsidiaries and associates (cont'd)**Acquisition in 2011UAB 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 also developing the owned real estate.

The 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
<b>Total assets</b>	<b>2,349</b>
Current liabilities	(158)
Other current liabilities	(63)
<b>Total liabilities</b>	<b>(221)</b>
Net assets	2,128
Non-controlling interests	(500)
<b>Acquired net assets</b>	<b>1,628</b>
<b>Profit from bargain purchases</b>	<b>(717)</b>
<b>Purchase consideration transferred</b>	<b>911</b>
Analysis of cash flows on acquisition:	
Consideration paid in cash	(911)
Cash acquired with the subsidiary	275
<b>Acquisition of subsidiaries, net of cash acquired</b>	<b>(636)</b>

**AB INVALIDA****INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

(all amounts are in LTL thousand unless otherwise stated)

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**8 Investment into subsidiaries and associates (cont'd)**Acquisition in 2011 (cont'd)UAB Jurita

On 4 August 2011 the Group acquired 100 % of the shares of UAB Jurita from Vilnius municipality for LTL 2,519 thousand (the total acquisition price paid in cash). The acquiree manages dwelling-houses in Vilnius district Justiniškės. The acquisition is expected to increase the Group's market share in a facility management and reduce cost through a synergy. Acquisition-related cost was equal to nil.

The fair values of the identifiable assets and liabilities of UAB Jurita were:

	<b>Fair values recognised on acquisition</b>
Intangible assets (were not recognised in the financial statements of the acquiree)	150
Investment property	2,578
Property, plant and equipment	33
Inventories	32
Trade and other receivables	294
Other current assets	11
Term deposits and restricted cash	1,103
Cash and cash equivalents	586
<b>Total assets</b>	<b>4,787</b>
Deferred tax liabilities	(184)
Non - current liabilities	(955)
Other current liabilities	(361)
<b>Total liabilities</b>	<b>(1,500)</b>
<b>Total identifiable net assets</b>	<b>3,287</b>
Profit from bargain purchases	(768)
<b>Total consideration transferred</b>	<b>2,519</b>

Acquired business contributed revenues of LTL 1,142 thousand and net profit of LTL 319 thousand to the Group for the period from 1 August 2011 to 31 December 2011.

The fair value of acquired trade receivables is LTL 294 thousand. The gross contractual amount for the acquired trade receivables due is LTL 542 thousand, of which LTL 248 thousand is expected to be uncollectible.

Investment to UAB Litagra

On 7 November 2011, the Group signed an agreement to invest into UAB Litagra shares of. 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 the UAB Litagra to conform business local standards requirements to IFRS requirements. The valuation of fair value of the identifiable assets acquired and liabilities assumed is not yet completed. Therefore, the profit (loss) for the nine months of 2012 can be adjusted in future. Based on a provisional assessment, the amount of acquired net assets is approximate to the consideration paid.

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(all amounts are in LTL thousand unless otherwise stated)

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

		Group		Company	
		30 September 2012	30 September 2011	30 September 2012	30 September 2011
Gain (loss) from bonds of Trakcja – Tiltra	10	-	(5,443)	-	(5,443)
Gain (loss) from shares of Trakcja – Tiltra	10	5,776	(59,326)	5,776	(59,326)
Gain (loss) from derivative representing the share sale price adjustment of AB Sanitas according to the agreement (in the Group is included in the discontinued operations)	10	-	-	-	43,715
Other		2,442	(1,844)	(248)	(26)
<i>Net gain (loss) from financial assets at fair value, total</i>		<u>8,218</u>	<u>(66,613)</u>	<u>5,528</u>	<u>(21,080)</u>
<i>Realised (loss) gain from available-for-sale investments</i>		-	-	-	-
		<u>8,218</u>	<u>(66,613)</u>	<u>5,528</u>	<u>(21,080)</u>

**9.2. Finance expenses**

		Group		Company	
		30 September 2012	30 September 2011	30 September 2012	30 September 2011
Interest expenses		(3,165)	(10,353)	(781)	(7,391)
Other finance expenses		(129)	(1,216)	-	(1,005)
		<u>(3,294)</u>	<u>(11,569)</u>	<u>(781)</u>	<u>(8,396)</u>

**9.3. Other income**

		Group		Company	
		30 September 2012	30 September 2011	30 September 2012	30 September 2011
Interest income		2,943	4,151	9,101	7,985
Dividend income		18	-	28,758	11,314
Profit from bargain purchases		-	1,484	-	-
Other income		562	1,539	4	19
		<u>3,523</u>	<u>7,174</u>	<u>37,863</u>	<u>19,318</u>

The Company has received dividends of LTL 28,034 thousand from subsidiary AB Vilniaus Baldai and interim dividends of LTL 706 thousand from subsidiary UAB Elniakampio Namai. The Group and the Company has received dividends of 18 thousand from financial investment into AB Rokiškio sūris. Dividends of AB Vilniaus Baldai attributable to the non-controlling interest were LTL 10,828 thousand.

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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 30 September 2012	As at 31 December 2011	As at 30 September 2012	As at 31 December 2011
<b>Non-current assets classified as held-for-sale</b>				
AB Umega	-	1,708	-	3,745
	-	1,708	-	3,745

AB Umega

On 30 November 2011, the Company signed an agreement regarding the sale of 29.27% shares of AB Umega, 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

	As at 30 September 2012	As at 30 September 2011
Gain on sale of road and bridge construction segment	-	171,191
Direct expenses related to sale	-	(20,524)
Provision for potential liabilities regarding share sale price, discounted	-	(42,455)
<b>Total discontinued operations (road and bridge construction)</b>	-	<b>108,212</b>
Share of profit of associates (pharmacy segment)	-	1,618
Gain from derivative representing the share sale price adjustment of AB Sanitas according to the agreement	-	43,715
Gain on sale of pharmacy segment	-	142,159
<b>Total discontinued operations (pharmacy segment)</b>	-	<b>187,492</b>
<b>Total discontinued operations</b>	-	<b>295,704</b>

Tiltra Group AB and AB Kauno Tiltai

On 18 November 2010, the Company signed an agreement regarding the sale 44.78 % shares of Tiltra Group AB and 43.36 % shares of AB Kauno Tiltai, if the conditions precedent set out in the Agreement is 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 a 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 2010) and presented as discontinued operations in the income statement. The deal was completed on 19 April 2011.

AB Sanitas

The Company and other AB Sanitas shareholders, all together controlling 87.2% 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. Pursuant to the agreement, the Company sold 26.5% shareholdings 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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(all amounts are in LTL thousand unless otherwise stated)

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

	<b>As at 30 September 2012</b>	<b>As at 30 September 2011</b>
Earnings per share:		
Basic from discontinued operations	-	5,72
Diluted from discontinued operations	-	5,14

**11 The conversion of the convertible bonds**

The application from the bondholders to convert LTL 32,400 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 paid back of earlier received interest of LTL 4,788 thousand and had forfeited the accrued interest of LTL 2,386 thousand as at 30 March 2012. All these amounts were reversed through equity. The current income tax expenses of LTL 1,076 thousand was presented in the equity also. So total positive impact for the Company's and the Group's equity was amounted to LTL 6,098 thousand.

**12 Distribution of the profit and the acquisition 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 and LTL 5,756 thousand to the legal reserve. In other entities of the Group LTL 121 thousand was transferred from retained earnings, attributable to the equity holder of the parent, to reserves.

The share buy-back program was exercised on 2 – 15 May 2012. 10 percent of own shares – 5,755,794 shares were acquired for LTL 59,659 thousand, including brokerage fees (for each share – LTL 10.358). Acquired own shares do not have voting rights.

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

	<b>Number of votes held</b>	<b>Percentage</b>
Mrs. Irena Ona Mišeikienė	12,434,159	24.00%
Mr. Vytautas Bučas	8,198,367	15.83%
Mr. Algirdas Bučas	4,234,709	8.17%
Mr. Darius Šulnis	3,984,762	7.69%
UAB Lucrum Investicija	3,836,621	7.41%
UAB RB Finansai	3,279,972	6.33%
Mr. Alvydas Banys	2,029,624	3.92%
Mr. Daiva Baniene	1,836,234	3.54%
Other minor shareholders	11,967,698	23.11%
Total	<u>51,802,146</u>	<u>100.00%</u>

On 24 May 2012 the shareholders of the Company decided to reduce the share capital to LTL 51,802,146 by annulling own shares.

On 6 August 2012, the new version of the Articles of Association of the Company was registered. According to the Articles of Association the share capital was reduced from LTL 57,557,940 to LTL 51,802,146 by annulling 5,755,794 ordinary registered shares with par value of LTL 1, which the Company had acquired. So the decision of shareholder meeting, occurred on 24 May 2012, was implemented.



**AB INVALIDA****INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

(all amounts are in LTL thousand unless otherwise stated)

**13 Earnings per share**

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The weighted average number of shares for the nine months enden 30 September 2012 and 2011 were as follows:

<b>Calculation of weighted average for the 9 months ended 30 September 2012</b>	<b>Number of shares (thousand)</b>	<b>Par value (LTL)</b>	<b>Issued/274 (days)</b>	<b>Weighted average (thousand)</b>
Shares issued as at 31 December 2011	51,660	1	274/274	51,660
Shares issued as at 30 March 2012	5,898	1	184/274	3,961
Own shares acquired on 18 May 2012	(5,756)	1	135/274	(2,836)
Shares issued as at 30 September 2012	51,802	1	-	52,785

<b>Calculation of weighted average for the 9 months ended 30 September 2011</b>	<b>Number of shares (thousand)</b>	<b>Par value (LTL)</b>	<b>Issued/273 (days)</b>	<b>Weighted average (thousand)</b>
Shares issued as at 31 December 2010	51,660	1	273/273	51,660
Shares issued as at 30 September 2011	51,660	1	-	51,660

The following table reflects the income and share data used in the basic earnings per share computations:

	<b>Group</b>		<b>Company</b>	
	<b>30 September 2012</b>	<b>30 September 2011</b>	<b>30 September 2012</b>	<b>30 September 2011</b>
Net profit (loss), attributable to the equity holders of the parent from continuing operations	22,205	(62,949)	24,156	299,089
Net profit, attributable to the equity holders of the parent from discontinued operation	-	295,704	-	-
Net profit (loss), attributable to equity holders of the parent for basic earnings	22,205	232,755	24,156	299,089
Weighted average number of ordinary shares (thousand)	52,785	51,660	52,785	51,660
Basic earnings (deficit) per share (LTL)	0.42	4.51	0.46	5.79

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(all amounts are in LTL thousand unless otherwise stated)

**13 Earnings per share (cont'd)**

The following table reflects the share data used in the diluted earnings per share computations for the nine months ended 30 September 2012:

	Number of shares (thousand)	Issued/274 (days)	Weighted average (thousand)
Weighted average number of ordinary shares for basic earnings per share	-	-	52,785
Potential shares from convertible bond of LTL 25 million (issued on 1 December 2008)	4,545	90/274	1,493
Potential shares from convertible bond of LTL 7.44 million (issued on 8 January 2010)	1,353	90/274	444
Weighted average number of ordinary shares for diluted earnings per share	-	-	<u>54,722</u>

The following table reflects the share data used in the diluted earnings per share computations for the nine months ended 30 September 2011:

	Number of shares (thousand)	Issued/273 (days)	Weighted average (thousand)
Weighted average number of ordinary shares for basic earnings per share	-	-	51,660
Potential shares from convertible bond of LTL 25 million (issued on 1 December 2008)	4,545	273/273	4,545
Potential shares from convertible bond of LTL 7.44 million (issued on 8 January 2010)	1,353	273/273	1,323
Weighted average number of ordinary shares for diluted earnings per share	-	-	<u>57,558</u>

The following table reflects the income data used in the diluted earnings per share computations for the nine months ended 30 September 2012 and 2011:

	Group		Company	
	30 September 2012	30 September 2011	30 September 2012	30 September 2011
Net profit (LTL thousand), attributable to the equity holders of the parent for basic earnings	22,205	232,755	24,156	299,089
Interest on convertible bond	768	2,402	768	2,402
Net profit (LTL thousand), attributable to equity holders of the parent for diluted earnings	22,973	235,157	24,924	301,491
Weighted average number of ordinary shares (thousand)	54,722	57,558	54,722	57,558
Diluted earnings(deficit) per share (LTL)	<u>0.42</u>	<u>4.09</u>	<u>0.46</u>	<u>5.24</u>

## AB INVALIDA

### INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012

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#### 14 Borrowings

During the 1<sup>st</sup> Half of 2012 the entity operated in the information technology segment has signed with AB DNB bank the loan agreement of LTL 3,000 thousand. As at 30 September 2012 the borrowing balance was LTL 2,148 thousand.

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 indemnify against non-compliance with covenants for the same period. In April 2012 amendments of the above mentioned agreement was signed. According to them, the Group has fully early paid back the liabilities of UAB Naujoji Švara to the bank (LTL 14,701 thousand). The assets with carrying amounts of LTL 21,782 was released from the pledge, which allows more successfully develop them. Also was 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, would be accelerated the amortization of the loan of the UAB Invalidos nekilnojamojo turto fondas. So during 2012 the Group would have to pay back LTL 2,123 thousand more.

In June 2012 liabilities to the AB Šiaulių Bankas were covered by an entity, which invest into the agricultural land (LTL 2,503 thousand).

#### 15 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 30 September 2012:

	Level 1	Level 2	Level 3	Total balance
<b>Assets</b>				
Shares of Trakcja Tiltra	21,266	-	-	21,266
Held-for-trade securities	6,317	15,069	-	21,386
<b>Total Assets</b>	<b>27,583</b>	<b>15,069</b>	<b>-</b>	<b>42,652</b>
<b>Liabilities</b>	-	-	-	-

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
<b>Assets</b>				
Shares of Trakcja Tiltra	15,491	-	-	15,491
Held-for-trade securities	16,840	15,268	-	32,108
<b>Total Assets</b>	<b>32,331</b>	<b>15,268</b>	<b>-</b>	<b>47,599</b>
<b>Liabilities</b>	-	-	-	-

During the nine months ended 30 September 2012, there were no transfers between Level 1 and Level 2 fair value measurements.

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**16 Investment properties and residential real estate**

During the nine months of 2012 the Group has acquired additionally investment properties for LTL 3,168 thousand, including agriculture land for LTL 2,757 thousand. The construction of residential real estate, located in Elniakampio street 7, Vilnius, was completed and the apartments were sold for LTL 5,646 thousand excluding VAT.

In 3<sup>rd</sup> Quarter of 2012 assets located in Klaipėda and Nida, with carrying value 11,960 thousand were reclassified from investment property to inventories. There the construction of residential apartments started.

After revaluation of investment properties owned by the Group as at 30 September 2012, the net losses from fair value adjustments of LTL 9,223 thousand were recognized in the profit loss. The fair value of agricultural land has increased by LTL 4,153 thousand, the fair value of other investment properties has decreased by LTL 13,376 thousand. Respectively, the Company has recognised additional impairment of LTL 13,275 thousand to investments in and loans granted to real estate subsidiaries.

During the nine months of 2011 the Group has acquired additionally investment properties for LTL 11,754 thousand, from which the investment property for LTL 2,600 thousand was obtained as collateral for trade receivable, LTL 6,307 thousand via acquisition of entities and LTL 2,847 thousand was acquired in cash (agriculture land for LTL 1,905 thousand). Also investment properties was sold for LTL 795 thousand (the sale price was equal to the carrying amount).

**17 Other current liabilities**

	Group		Company	
	As of 30 September 2012	As of 31 December 2011	As of 30 September 2012	As of 31 December 2011
Employee benefits	7,159	6,146	407	1,021
Other	7,234	6,287	2,006	2,160
Total other current liabilities	14,393	12,433	2,413	3,181

**18 Related party transactions**

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

The Company's transactions with related parties during three quarters of the year 2012 and related quarter-end balances were as follows:

9 months of 2012 Company	Sales to related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
Loans and borrowings	7,606	13	171,723	10,211
Rent and utilities	-	114	-	3
Dividends	28,740	-	-	-
Other	-	14	223	14
	36,346	141	171,946	10,228
Liabilities to shareholders and management	-	-	-	-

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(all amounts are in LTL thousand unless otherwise stated)

**18 Related party transactions (cont'd)**

The Company's transactions with related parties during three quarters of the year 2011 and related quarter-end balances were as follows:

<b>9 months of 2011 Company</b>	<b>Sales to related parties</b>	<b>Purchases from related parties</b>	<b>Receivables from related parties</b>	<b>Payables to related parties</b>
Loans and borrowings	5,064	1,290	130,768	151
Rent and utilities	-	94	-	2
Dividends	-	-	-	-
Other	-	55	1	-
	<u>5,064</u>	<u>1,439</u>	<u>130,769</u>	<u>153</u>

Liabilities to shareholders and management	-	-	-	-
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The Group's transactions with related parties during three quarters of the year 2012 and related quarter-end balances were as follows:

<b>9 months of 2012 Group</b>	<b>Sales to related parties</b>	<b>Purchases from related parties</b>	<b>Receivables from related parties</b>	<b>Payables to related parties</b>
Loans and borrowings	36	-	6,560	-
Real estate income	-	-	-	-
Other	-	-	-	-
	<u>36</u>	<u>-</u>	<u>6,560</u>	<u>-</u>

Liabilities to shareholders and management	280	-	698	-
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The Group's transactions with related parties during three quarters of the year 2011 and related quarter-end balances were as follows:

<b>9 months of 2011 Group</b>	<b>Sales to related parties</b>	<b>Purchases from related parties</b>	<b>Receivables from related parties</b>	<b>Payables to related parties</b>
Loans and borrowings	97	-	6,486	-
Rent and utilities	77	-	62	-
Furniture segment	-	1,145	-	198
Roads and bridges construction segment	224	3,904	124	-
Other	107	7	15	-
	<u>505</u>	<u>5,056</u>	<u>6,687</u>	<u>198</u>

Liabilities to shareholders and management	709	-	11,867	-
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During nine months of 2012 the Group and the Company has accrued interest expenses of LTL 768 thousand for owners of convertible bonds, which become the shareholder of the Company (nine months of 2011 – LTL 2,402 thousand). Upon conversion the accrued interest was reversed.

**AB INVALIDA**

**INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS  
ENDED 30 SEPTEMBER 2012**

(all amounts are in LTL thousand unless otherwise stated)

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**19 Events after the reporting period**

Reorganisation of the Company

The Extraordinary General Shareholders Meeting of the Company of November 20, 2012 approved drawing up of the terms of the Company's split-off and authorized the Board to prepare the terms of split-off. The impact of the terms to financial position of the Company would be revealed, when the terms would be prepared and declared public.

Sale of shares of Trakcja – Tiltra S. A.

In October and in November of 2012 the Company sold 3.61 percent of shares of Trakcja – Tiltra S. A. for LTL 6,121 thousand in the market (carrying value – LTL 6,139 thousand).