

Preliminary results of *Invalda AB* group  
for the period 9 months ending September 30, 2012

Vilnius, November 30, 2012

---

## What is *Invalda AB*?

- *Invalda AB* is one of the largest Lithuanian investment companies whose primary objective is to steadily increase the investor equity value

*Invalda AB* actively manages its investments, exercising control or significant influence over target businesses.

More about businesses managed by *Invalda AB* can be found in the slides No. 17-27 and on [www.invalda.lt](http://www.invalda.lt)

- *Invalda AB* started its activity in 1991

Its shares have been traded on the NASDAQ OMX Vilnius exchange since 1995.

More about shares of *Invalda AB* can be found in the slides No. 9-10.

# Management principles

*Invalda AB* follows these principles:

- **Competitiveness and independence**

Each business of the Group must be competitive and self-sustainable, have professional management teams capable of forming business strategy and implementing ambitious objectives.

- **Risk segregation**

*Invalda AB* does not grant guarantees or assume any obligations in respect of individual businesses, and individual businesses do not assume any obligations in respect of each other.

- **Diversification**

The company diversifies its investment in order to avoid any excessive risk concentration in homogeneous business sectors.

- **Transparency**

*Invalda AB* discloses information in adherence to the principle that market participants must get equivalent information at the same time, except for such cases where the publication of the information is not possible because of the obligations assumed in respect of third parties, and/or the disclosure may adversely affect the businesses' ability to compete.

- **Avoidance of conflicts of interest**

Managers of the Group companies do not participate in competing activities.

# Investment philosophy

- *Invalda AB* is a company driven by shareholder value creation

*Invalda AB* seeks to acquire competitive businesses that, with additional capital or management resources, may successfully be developed organically, consolidate fragmented markets or otherwise increase value.

*Invalda AB* invests into undervalued assets that, when restructured, may facilitate significant value increase.

*Invalda AB* does not avoid complex business transactions and opportunities. Such approach is supported by our belief that the efforts will lead to good results.

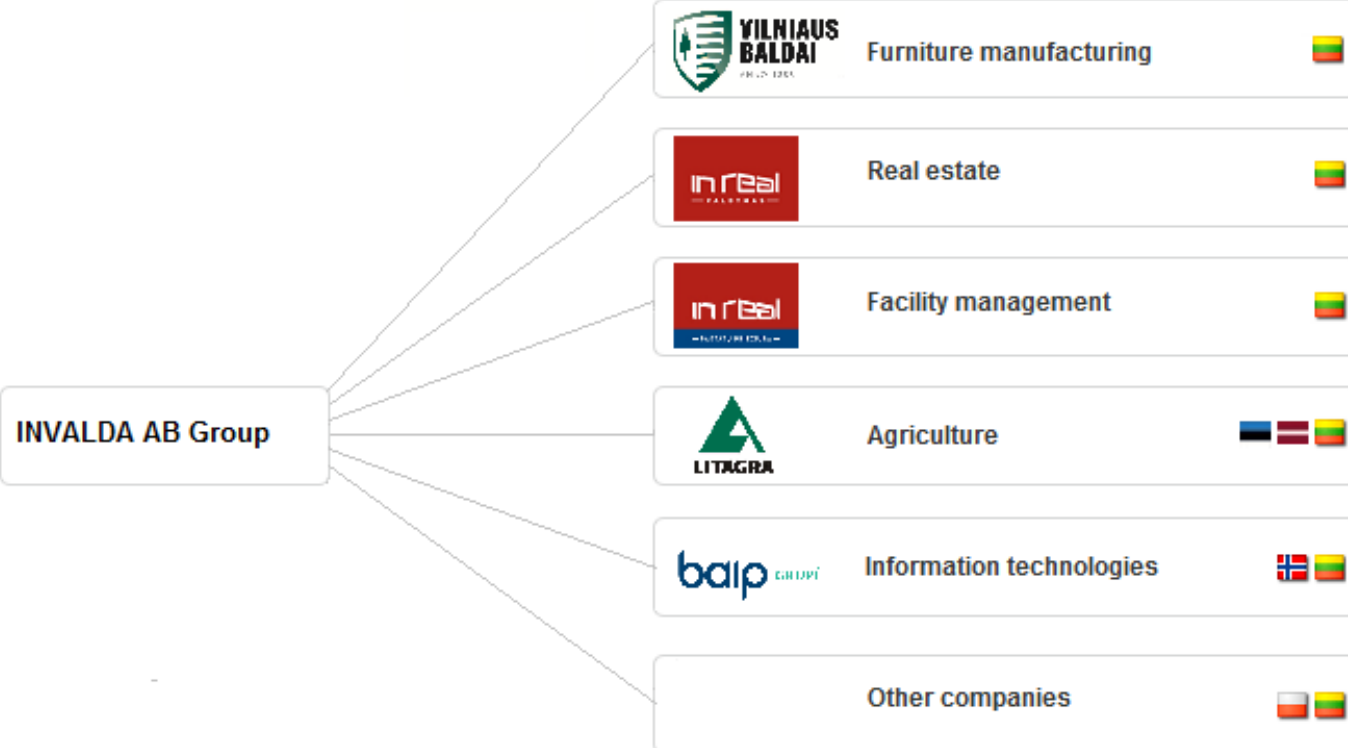
- Long-term prospects

With a view to maximize the investment value, *Invalda AB* normally pursues long-term investment horizon.

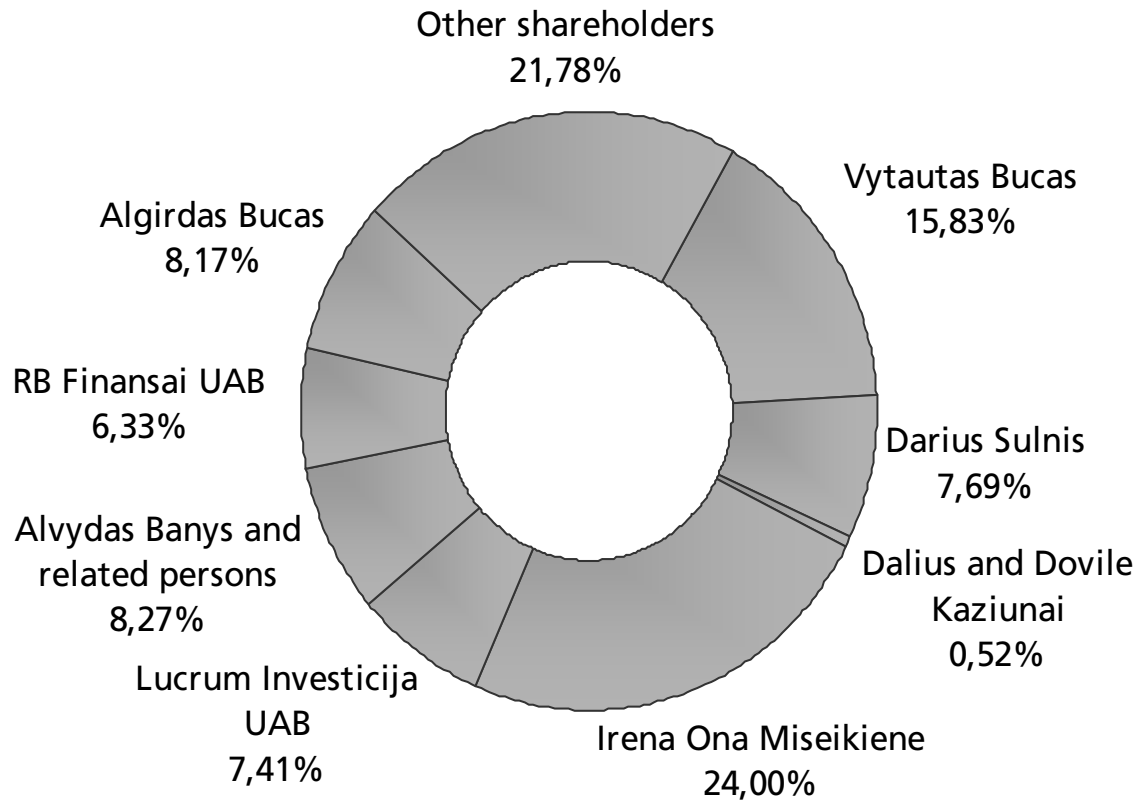
*Invalda AB* offers businesses for sale only when they are properly prepared for sale and become attractive to potential buyers, or having received any proposal matching future prospects of the businesses.

- A synergy of different competences may potentially increase the investment

# Invalda AB Group activity sectors



# Shareholder structure



Votes for the announcement day as of September 30, 2012

# Management



## **Vytautas Bucas - Chairman of the Board**

Vytautas Bucas is a member of ACCA (Association of Chartered Certified Accountants, UK) since 2002. After graduation from his studies at Vilnius University for a period he worked at the audit company *Arthur Andersen* where he started as an auditor's assistant and then grew to the position of the Chief auditor. Later on, in *SEB Bank* he was managing the Finance and IT departments, was holding the position of the Deputy President, and was a Member of the Board of the Bank. For the past five years he was a member of the Board at companies which are operating in the finance and real estate sector, also the pharmaceuticals company *Sanitas AB*. Currently he is a member of the Boards of *Inreal Pastatu Prieziura UAB*, *BAIP Group UAB* and *Litagra UAB*, Chairman of the Board of *Vilniaus Baldai AB*, *Invaldos Nekilnojamojo Turto Fondas UAB* and *Invalda AB* which he joined in 2006.



## **Darius Sulnis - Member of the Board**

Darius Sulnis took his Master's degree in accounting and audit at Vilnius University. He has managed the financial brokerage firm *Finasta AB* for eight years and a real estate company *Inreal Valdymas UAB* for four years . Furthermore, Darius Sulnis had been a member of Boards and Supervisory Boards of several Polish, Latvian and Lithuanian companies. Currently Darius Sulnis is a Member of the Board of the investment company *Invalda AB* where he was a president until 2012. He is also a Member of the Boards of *Vilniaus Baldai AB*, *Invaldos Nekilnojamojo Turto Fondas UAB* and *Litagra UAB*.

# Management



## **Indre Miseikyte – Member of the Board (from April 30, 2012)**

Indre Miseikyte has graduated architecture studies in Vilnius Gediminas technical university. From 1994 till 1996 she worked in *Vilniaus Baldai AB*, late – in real estate and investment companies *Gildeta UAB*, *Kremi UAB* and *Invalda AB*. From 2002 she works as an architect in *Inreal Valdymas UAB*. She was elected as Member of the Board of *Invalda AB* from April, 2012.



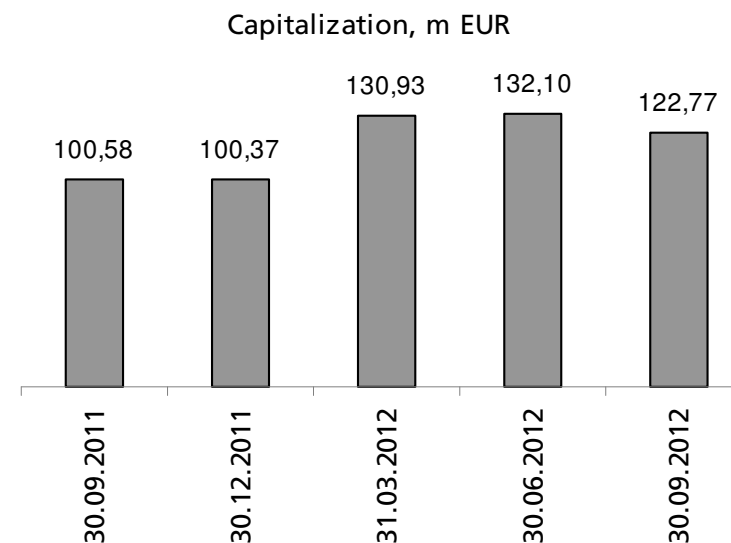
## **Dalius Kaziunas - President**

Dalius Kaziunas holds a Master's degree in economics from Vilnius University. Dalius Kaziunas has worked at the financial brokerage company *Finasta AB* for more than 10 years and he has been its General Manager for six years. He was a General Manager and Chairman of the Board of the AB bank *Finasta* in 2008-2009. Dalius Kaziunas has been working as an advisor for *Invalda AB* for the past two years and is a Member of its Board as well as a Member of the Boards of *Vilniaus Baldai AB*, *Litagra UAB*, *BAIP Group UAB* and *Inreal Pastatu Prieziura UAB* and Chairman of the Board of *Kelio Zenklai UAB*. He is also member of Supervisory Board of *Vernitas AB*



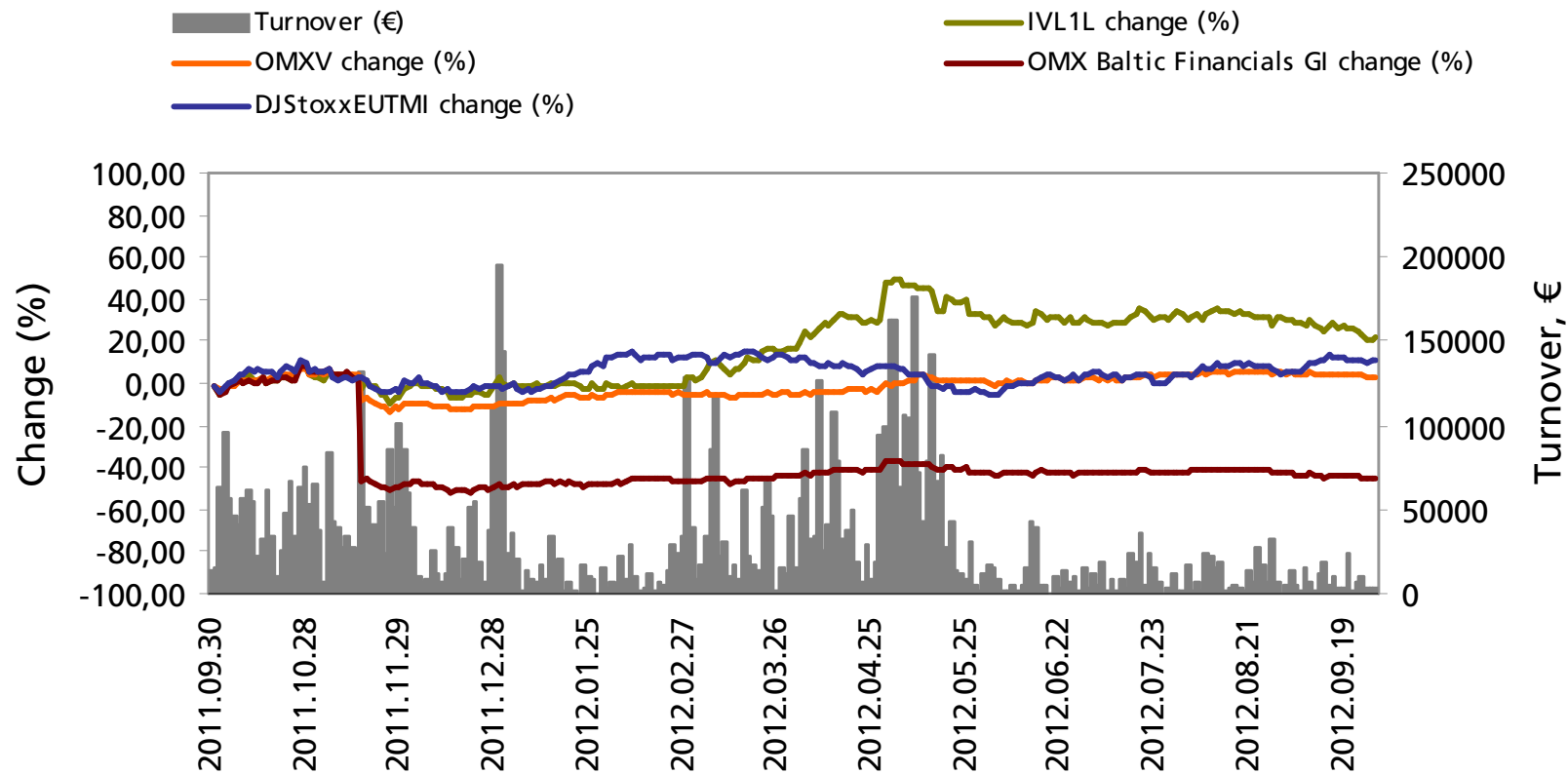
## The shares of *Invalda AB*

Total number of securities	51,802,146 (shares)
Nominal (par) value	1 litas
ISIN	LT0000102279
Name	IVL1L
Exchange	NASDAQ OMX Vilnius
List	BALTIC MAIN LIST



	2012 9 months	2011 9 months
Share price, € :		
- open	1.930	2.000
- highest	2.940	2.650
- lowest	1.871	1.750
- last	2.370	1.947
Volume traded, € million	4.597	7.177

# Trading in shares



OMXV index is an all-share index consisting of all the shares listed on the Main and Secondary lists of the NASDAQ OMX Vilnius with exception of the shares of the companies where a single shareholder controls more than 90% of the outstanding shares. Dow Jones Stoxx EU Enlarged TMI index covers approximately 95% of the free float market capitalization of the New Europe countries, including Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia.



---

# Financial results

---

## Key events

(1)

- The Extraordinary General Shareholders Meeting of Invalda AB of November 20, 2012 approved drawing up of the terms of Invalda AB split-off and authorized the Board to prepare the terms of split-off of the Company.

On August 6, 2012, the share capital of *Invalda AB* was reduced from 57,557,940 litas (€16,669,931.64) to 51,802,146 (€15,002,938.48) litas by cancelling 5,755,794 ordinary registered shares at par value of 1 litas (€0.29).

The resolution reduce the Company's authorized share capital to 51.8 million litas (€15 million) by cancelling Company's treasury shares was adopted on 24th of May in the *Invalda AB* Extraordinary General Shareholders' meeting.

The General Shareholders' Meeting, of April 30, 2012, *Invalda AB* shareholders approved the results for the year 2011, formed a reserve of 269.1 million litas (€77.94 million) for the share buy-back. Invalda AB acquired 10 percent of its own shares, i.e. 5,755,794 units, for the amount of 59.6 million litas (€17.26 million) after completion of the share buy-back program.

The notification to convert 32.44 million litas (€9.4 million) par value bonds into *Invalda AB* shares was received from the bondholders. After the conversion, Invalda AB share capital was increased by 5.898 million litas (€1.708 million) to 57.558 million litas (€16.670 million).

In January 2012, *Invalda AB* sold 29.5 percent of shares of the metal processing company *Umega AB*. Shares sold for the 3.7 million litas (€1.07 million). The transaction should have a preliminary positive effect of approximately 2 million litas (€0.6 million) in the consolidated statements.

# Activity results of *Invalda AB*

million litas	Consolidated		Parent company	
	2012 9 months	2011 9 months	2012 9 months	2011 9 months
Assets	587.0	703.9	376.4	465.8
Equity	411.2	436.0	363.8	384.9
Liabilities	175.8	267.9	12.6	80.9
Profit (loss) for the period	27.4	238.3	24.2	299.1
Attributable to equity holders of the parent company	22.2	232.8	-	-

} detailed on slide 14

# Equity and liabilities

<i>Invalda AB</i> , million litas	2012 9 months	2011 9 months
Equity	363.8	384.9
Liabilities to financial institutions	-	1.7
of which are long term	-	-
Liabilities to group companies	10.2	0.2
Bonds	-	33.2
Other liabilities	2.4	45.8
Total liabilities	12.6	80.9
<b>Total equity and liabilities</b>	<b>376.4</b>	<b>465.8</b>

# *Invalda AB* assets according to standalone financial statements (book value)



Asset	Book value September 30, 2012, million litas	Description
Furniture manufacturing	13.9	72.14 percent stake of <i>Vilniaus Baldai AB</i> , the share value on September 30, 2012 in NASDAQ OMX Vilnius is 117.1 million litas (€33.9 million)
Real estate	160.0	Investments into the real estate and loans granted to the sector companies
Facility management	7.0	100 percent stake in <i>Inreal Pastatu Prieziura UAB</i> , <i>Priemiestis UAB</i> and <i>Jurita UAB</i> ; loans granted to the sector companies
Agricultural	38.6	Investment into <i>Litagra UAB</i> shares
Information technology infrastructure sector	13.4	80 percent stake in <i>BAIP Group UAB</i> and loans granted
Rail and road construction	21.3	12.5 percent stake in <i>Trakcja – Tiltra, S.A.</i>
Other investments	24.8	Investment into <i>Umega AB</i> , <i>Vernitas AB</i> shares and other assets
Deferred income tax assets	17.2	Deferred income tax assets
Cash, deposits, short-term loans and investments	80.2	Cash, deposits, other financial investments
<b>Total assets</b>	<b>376.4</b>	

# Results

- Impact to the profit (loss) statement of *Invalda AB* due to group sectors and financial investments

million litas	2012 9 months	2011 9 months
Furniture manufacturing	14.1	15.1
Real estate	(10.0)	(2.2)
Facilities management	(0.2)	1.03
Agricultural	7.5	-
Information technology infrastructure sector	(1.4)	(1.4)
Change in share price of <i>Trakcja-Tiltr, S.A.</i>	5.8	(59.3)
Road and bridge construction (sold segment)	-	108.2
Pharmaceuticals (sold segment)	-	187.5
Other companies	6.4	(16.2)
<b>Total</b>	<b>22.2</b>	<b>232.7</b>



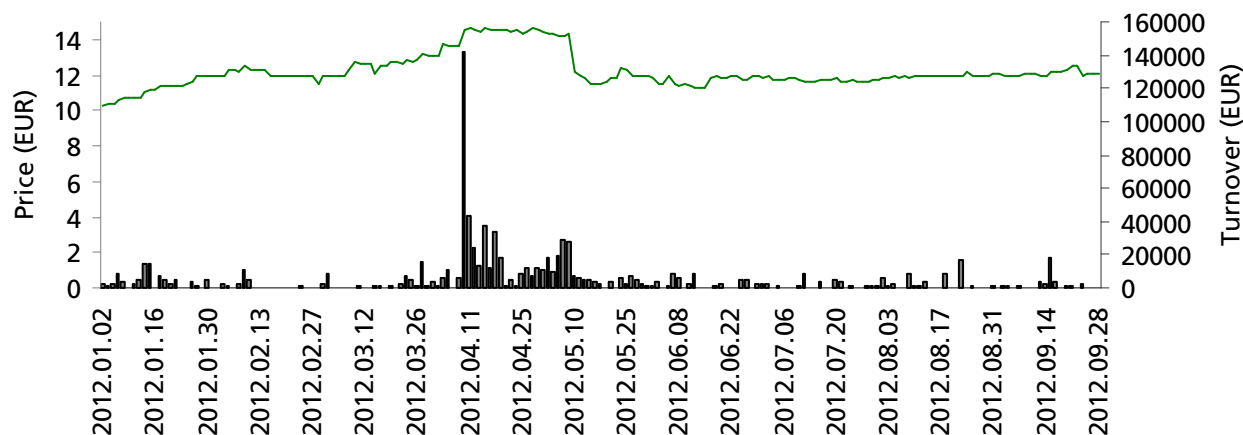
# Furniture manufacturing

(1)



million litas	2012 9 months	2011 9 months	Change	Change, %
Sales	179.1	179.4	(0.3)	(0.17)
EBITDA	26.9	28.3	(1.4)	(4.9)
Net profit	19.5	20.9	(1.4)	(6.7)
Capitalization	162.4	126.1	36.3	28.8

▪ Shares of *Vilniaus Baldai AB* are listed on NASDAQ OMX Vilnius stock exchange



More information about company's activities and results are provided on [www.vilniausbaldai.lt](http://www.vilniausbaldai.lt)

# Furniture manufacturing

(2)



## ▪ Main events

There were no significant changes in *Vilniaus Baldai AB* activity within the third quarter of 2012. The sales decreased by 0.1 percent, to 179.1 million litas (€51.9 million). EBITDA was 26.9 million litas (€7.8 million), (in the corresponding period of 2011 EBITDA totaled to 28.3 million litas (€8.2 million)).

After elimination of one-offs, the profit of *Vilniaus Baldai AB* for nine - month period amounted to 22.1 million litas (€6.4 million), and this is 2.5 percent over the profitability (21.6 million litas (€6.3 million)) for the corresponding period of 2011.

The Annual General Shareholders Meeting of April 27, 2012 decided to pay dividends in the amount of 38.863 million litas (€11.256 million) (10 litas (€2.89 million) per share). 28.034 million litas (€8.119 million) from this amount is allocated to *Invalda AB*.

Vytautas Bucas, Darius Sulnis, Dalius Kaziuonas - the representatives of *Invalda AB*, were elected to the Company's Board for a four year term.

Furniture manufacturing sector of *Invalda AB* group

72.14%



# Real estate sector (consolidated data) (1)



million litas	2012 9 months	2011 9 months	Change	Change, %
Value of real estate	247.1	260.7	(13.6)	(5.2)
Commercial real estate	153.5	164.8	(11.3)	(6.9)
Real estate for development	36.2	65.4	(29.2)	(44.6)
Residential real estate	15.8	6.6	9.2	139.4
Agricultural land	41.6	23.9	17.7	74.1
Shareholders' equity (incl. loans from <i>Invalda AB</i> )	152.9	133.3	19.6	14.7
Loans from credit institutions	102	119.7	(17.7)	(14.8)
Rental income	13.5	12.5	1.0	8.5
from this owned by clients	3.9	3.7	0.2	2.4
Change of the real estate value	(9.2)	0.1	(9.3)	-
Companies' sales result, allowance and other non-monetary items	0.0	1.4	(1.4)	(100)
Result of the real estate sector	(10.0)	(2.2)	(7.8)	-

# Real estate sector

(2)



## ▪ Main events

The total sector's income growth came from the sale of apartments in the project *Elniakampio Namai* for the total amount is 5.6 million litas (€1.6 million). Overall residential property sales amounted to 6.9 million litas (€2 million).

During the nine months of 2012 further investments in the agricultural land were made: land was acquired for the total amount of 2.8 million litas (€0.8 million).

Loan of 14.7 million litas (€4.3 million) was returned to the Lithuanian branch of *Nordea Bank Finland* by the company managing the real estate *Naujoji Svara UAB* in April 2012.

In September, 2012 *Inreal valdymas UAB* will manage the new business centre *Intractus* at Pilaites pr. in Vilnius and the rented area reaches 2 200 sq. m.

In September, 2012 *Inreal UAB* won a public procurement tender that was announced by *SE Turto bankas* for consultation and brokerage services while selling the real estate that does not meet the needs of the state property manager.

## Real estate sector of Invalda AB group



# Facility management sector

(1)



## ▪ Sector's results

From the first quarter of 2011 facility management sector is recognized as a separate sector in the financial statements of *Invalda AB*.

million litas	2012 9 months	2011 9 months	Change	Change, %
Sales	9.6	7.2	2.4	33.3
EBITDA	0.2	0.8	(0.6)	(75)
Net profit	(0.2)	1.03	(1.23)	-

## Facility management sector of *Invalda AB* group



## Facility management sector

(2)



### ▪ Main events

The reorganization of the facility management structure, optimization of business processes and improvement of quality of services was continued during the first half of 2012. The business management system was started to be implemented in all companies of the facility management sector and the teams were strengthened with new members. This resulted in higher costs.

The department providing cleaning services started its activity and signed the first contracts after winning of the public procurement tenders for services in the *Prime Minister Office* as well as the *Border Control Post Authority*.

*Inreal Pastaty Priežiura UAB* won a tender of Silale district municipality for the maintenance of apartment houses in Silale city and Kvedarna town. The company will maintain 87 buildings with total area of 91.5 thousands sq. m.

An agreement on services of replacement of electricity meters in Kaunas region was signed with the company *Lesto*.

# Agricultural sector

(1)



## Activity of Litagra UAB group

The companies of *Litagra UAB* group are engaged in the primary crop and livestock (milk) production, grain processing and agricultural services. Group companies trade in plant protection products, fertilizers, seeds, compound feed, feed supplements, veterinary products. Moreover, the companies buy grain; provide drying of grain and other raw materials, cleaning, loading and storage services. Group companies provide agricultural services in Lithuania, Latvia and Estonia.

## Agricultural sector of *Invalda AB*

36,9%



Litagros Zemes Ukio  
Centras UAB

Companies: Aristavos ZUB,  
Sesupes ZUB, Bausu ZUB,  
Slapaberzes ZUB, Kalpoku ZUB,  
Raktineliu ZUB, Berzu ZUB

Litagros Grudu  
Centras UAB

Companies: Joniskio grudai AB,  
Kedainiu Grudai AB, Marijampoles  
Grudai AB, Taurages Grudai AB

Litagros Prekybos  
Centras UAB

Companies: Litagros Grudai UAB,  
Litagros Prekyba UAB, Litagros  
Prekyba UAB (Latvian subsidiary),  
Litagra OU (Estonia)

# Agricultural sector

(2)



## ▪ Sector's results

Within January-September of 2012, compared with the same period in 2011, an income grew by 11.1 percent, to 301.7 million litas (€87.4 million) ; earnings before interest, taxes, depreciation and amortization (EBITDA) – grew by 65.3 percent to 31.9 million litas (€9.2 million), net profit according to business accounting standards grew by 3.9 times, to 18 million litas (€5.2 million).

Excellent grain harvest in Lithuania allowed improving the results of the marketing department as well as elevator. The higher harvest and profit fixed and in the agricultural companies.

million litas	2012 9 months	2011 9 months	Change	Change, %
Sales	301.7	271.6	30.1	11.1
EBITDA	31.9	19.3	12.6	65.3
Net profit, according data provided by the company, on the ground of business accounting standards.	18*	4.6	13,4	291.3

\*According to IFRS during nine months of 2012 net profit attributable to *Invalda AB* by using equity method is 7.5 million litas (€2.2 million) (the net profit is 20 million litas (€5.8 million)). The nine - months profit is higher than the one accounted by *Litagra UAB* according to local Business Accounting Standards. The largest differences are due different measurement of the agricultural produce at the point of harvest according to IFRS.



# Information technology sector

## Consolidated results of *BAIP Group*<sup>1</sup> UAB

million litas	2012 9 months	2011 9 months	Change	Change, %
Sales	24.0	19.3	4.7	24
EBITDA	0.6	0.3	0.3	100
Net profit before investment amortization <sup>2</sup> and cost of management options	(0.6)	(0.4)	(0.2)	-
Net profit	(1.6)	(1.7)	0.1	-

## Information technology sector of *Invalda AB* Group



1. Norway Registers Development, AS (NRD) results are consolidated from December 2011.
2. Amortization of contract assets formed during UAB BAIP acquisition.

## ▪ Main events

*BAIP UAB* implemented information technology services management standard and was granted with ISO20000 certificate.

Furthermore, *BAIP UAB* entered into agreement on supply of Dell End-to-End Enterprise and Client Solutions to all European offices of the company Western Union; also the company won number of tenders organized by *Lithuanian Ministry of National Defence*, the *Bank of Lithuania*, *Danske Bank*, *Carlsberg*, *Vilnius Gediminas Technical University* and other institutions and companies.

*BAIP UAB* cyber defense group presented active cyber-defense and IT criminal investigation processes and technologies to its clients.

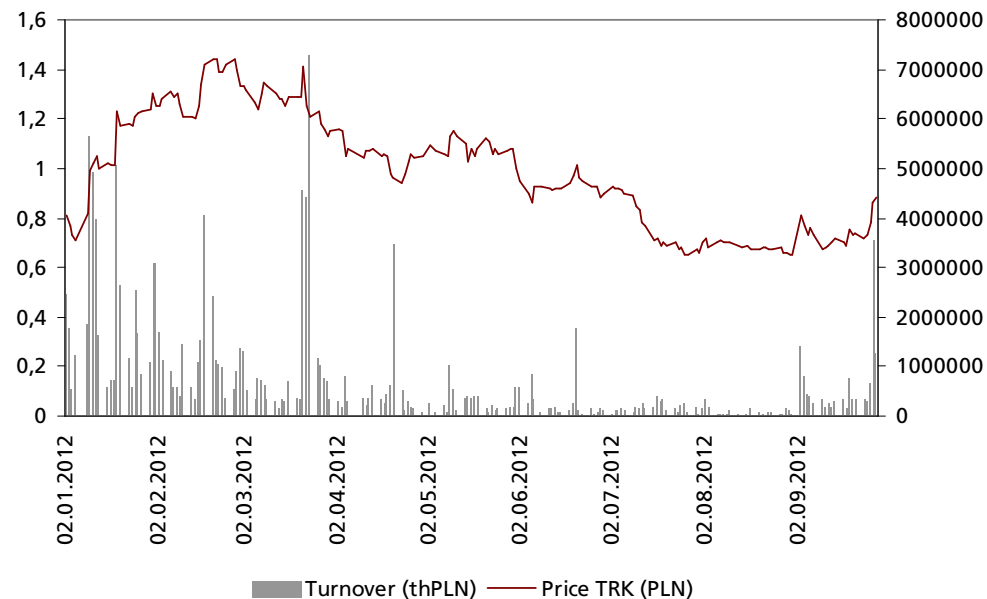
The agreement on consulting project regarding civil registration and demographic information in *Central Bureau of Statistics* of Zanzibar was successfully completed by *NRD AS* and *NRD UAB*. The said companies also extended a project on information system for business registration in Vietnam: the project was extended by additional subsystems: distribution of information product, electronic payment, electronic signature and other.

*NRD UAB* and Rwanda development board entered into a new agreement on consultancy services for development of the electronic mortgage registration system project implementation.

*Norway Registers Development* and the joint venture partners *NRD UAB* and *Alna Software UAB* signed a one-year one million dollar contract on the design, development and implementation tax e-filing system in four Eastern Caribbean states.

# Rail and road infrastructure

- *Trakcja – Tiltr, S.A.* shares are listed on Warsaw Stock Exchange



On September 30, 2012 *Invalda AB* owned 12.5% shares of *Trakcja-Tiltr S.A.*, which are listed on Warsaw Stock Exchange. It was decided to reduce *Invalda's* share in *Trakcja-Tiltr S.A.* in the fourth quarter. After a number of transactions on Warsaw Stock Exchange, *Invalda's* share was decreased to less than 10 percent of the total vote of the company.

Due to changes of the share price of this company *Invalda AB* earned profit of 5.8 million litas (€1.7 million) during the nine months of 2012.

# Disclaimer

- The presentation was prepared by *Invalda AB*. The following information was used for the preparation:
  - Preliminary consolidated and Company's financial statements of *Invalda AB* for 9 months of 2012;
- Data provided here is for information purposes only.
- The information provided here is not a recommendation or solicitation to buy or sell any securities of *Invalda AB* or companies related to *Invalda AB*.
- *Invalda AB* does not take responsibility for the actions any third parties made based only on information provided here.
- Group composition charts are simplified. Shares owned including shares sold under repurchase agreements are presented. *Invalda AB* owns 100% in the companies if not stated otherwise.
- *Invalda AB* accounts its investments into furniture manufacturing and information technology sectors at acquisition costs. Investment properties of the real estate sector are accounted at fair value. Results of agricultural land sector will be consolidated from the beginning of 2012. *Litagra UAB* is an associated entity. Shares of the rail and road infrastructure company *Trakcja -Tiltra S.A.* are accounted by their price on Warsaw stock exchange.
- Since November 22, 2010, shares of the listed companies are traded only in Euros (€) on *NASDAQ OMX Vilnius* stock exchange, therefore all information related to the securities trading is provided in Euros (€).



Thank you!