AB INVALDA

CONSOLIDATED AND PARENT COMPANY'S INTERIM CONDENSED NOT-AUDITED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION

GENERAL INFORMATION

Board of Directors

Mr. Vytautas Bucas (chairman of the Board)
Mr. Dalius Kaziunas
Mr. Darius Sulnis

Management

Mr. Darius Sulnis (president)
Mr. Raimondas Rajeckas (chief financial officer)

Principal place of business and company code

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

Bankers

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

The financial statements were approved and signed by the Management and the Board of Directors on 30 November 2010. Audit or review of the financial statements was not performed.

Mr. Vytautas Bucas
President at interim

Mr. Raimondas Rajeckas
Chief financial officer

Interim consolidated and Parent Company's income statements

		Group		Company	
		Nine months of 2010	**Nine months of 2009**	**Nine months of 2010**	**Nine months of 2009**
Continuing operations		Unaudited		Unaudited	
Revenue					
Furniture production revenue		141,574	105,377	-	-
Residential real estate revenue		5,796	5,747	-	-
Rent and other real estate revenue		20,268	21,058	-	-
Information technology revenue		17,202	17,834	-	-
Other production and services revenue		5,274	5,065	-	-
Total revenue		**190,114**	**155,081**	-	**-**
Other income	9.3	3,741	3,117	6,363	19,588
Net gains (losses) on disposal of subsidiaries, associates and joint ventures	8	15,350	7,255	(18,013)	(4,097)
Net gains (losses) from fair value adjustments on investment property		(100)	(248)	-	-
Net changes in fair value on financial assets	9.1	(5,388)	(1,952)	3,337	(3,704)
Changes in inventories of finished goods and work in progress		1,864	(216)	-	-
Raw materials and consumables used		(101,696)	(76,609)	(19)	(17)
Changes in residential real estate		(4,802)	(5,109)	-	-
Employee benefits expenses		(24,745)	(25,364)	(1,317)	(1,334)
Impairment, write-down, allowances and provisions	8	(3,969)	(53,946)	14,122	(32,673)
Premises rent and utilities		(12,402)	(11,366)	(124)	(123)
Depreciation and amortisation		(7,723)	(7,573)	(83)	(100)
Repair and maintenance of premises		(6,852)	(8,666)	(1)	(9)
Other operating expenses		(9,370)	(10,209)	(562)	(3,029)
Operating profit (loss)		**34,022**	**(35,805)**	**3,703**	**(25,498)**
Finance costs	9.2	(13,834)	(24,010)	(9,932)	(17,658)
Share of profit (loss) from associates and joint ventures		18,801	1,363	**-**	-
Profit (loss) before income tax		**38,989**	**(58,452)**	**(6,229)**	**(43,156)**
Income tax	7	(1,044)	1,059	902	2,774
Profit (loss) for the period from continuing operations		**37,945**	**(57,393)**	**(5,327)**	**(40,382)**
Discontinued operation					
Profit/(Loss) after tax for the period from a discontinued operation	10	-	6,070	-	-
PROFIT (LOSS) FOR THE PERIOD		**37,945**	**(51,323)**	**(5,327)**	**(40,382)**
Attributable to:					
Equity holders of the parent		32,288	(52,450)	(5,327)	(40,382)
Non-controlling interests		5,657	1,127	-	-
		37,945	**(51,323)**	**(5,327)**	**(40,382)**
Basic earnings (deficit) per share (in LTL)		0.64	(1.23)	(0.11)	(0.95)
Basic earnings (deficit) per share (in LTL) for continuing operations		0.64	(1.37)	(0.11)	(0.95)
Diluted earnings (deficit) per share (in LTL)		0.61	(1.23)	(0.11)	(0.95)
Diluted earnings (deficit) per share (in LTL)) for continuing operations		0.61	(1.37)	(0.11)	(0.95)

Interim consolidated and Parent Company's statements of comprehensive income

	Group		Company	
	Nine months of 2010	**Nine months of 2009**	**Nine months of 2010**	**Nine months of 2009**
	Unaudited		Unaudited	
PROFIT (LOSS) FOR PERIOD	**37,945**	**(51,323)**	**(5,327)**	**(40,382)**
Continuing operation				
Net gain (loss) on cash flow hedge	136	(97)	-	-
Income tax	(20)	20	-	
	116	**(77)**	-	-
Net gain (loss) on available-for-sale financial assets	11	10	-	-
Reclassification adjustment for gain (loss) included in profit or loss	(221)	(74)	-	-
Income tax	42	(2)	-	-
	(168)	**(66)**	-	-
Exchange differences on translation of foreign operations	-	293	-	-
Share of other comprehensive income of associates	4,103	(4,460)	-	-
Other comprehensive income for the period from continuing operation	**4,051**	**(4,310)**	**-**	**-**
Discontinued operations				
Net gain (loss) on available-for-sale financial assets	-	208	**-**	**-**
Reclassification adjustment for gain (loss) included in profit or loss	-	1,220	**-**	**-**
Income tax	-	(114)	**-**	**-**
Other comprehensive income for the period from discontinued operations	**-**	**1,314**	**-**	**-**
Other comprehensive income for the period, net of tax	**4,051**	**(2,996)**	**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**41,996**	**(54,319)**	**(5,327)**	**(40,382)**
Attributable to:				
Equity holders of the parent	36,339	(55,446)	(5,327)	(40,382)
Non-controlling interests	5,657	1,127	-	-

Interim consolidated and Parent Company's income statements

	Group		Company	
	III Quarter 2010	**III Quarter 2009**	**III Quarter 2010**	**III Quarter 2009**
Continuing operations	Unaudited		Unaudited	
Revenue				
Furniture production revenue	54,876	41,720	-	-
Residential real estate revenue	1,063	840	-	-
Rent and other real estate revenue	6,663	6,595	-	-
Information technology revenue	10,768	3,608	-	-
Other production and services revenue	1,730	1,757	-	-
Total revenue	**75,100**	**54,520**	**-**	**-**
Other income	1,370	942	2,077	3,105
Net gains (losses) on disposal of subsidiaries, associates and joint ventures	78	(2,560)	1,661	(8,670)
Net gains (losses) from fair value adjustments on investment property	-	24	-	-
Net changes in fair value on financial assets	(5,676)	(1,044)	2,090	(1,062)
Changes in inventories of finished goods and work in progress	(183)	(992)	-	-
Raw materials and consumables used	(42,709)	(25,859)	(6)	(4)
Changes in residential real estate	(1,010)	(864)	-	-
Employee benefits expenses	(9,274)	(7,673)	(419)	(366)
Impairment, write-down, allowances and provisions	6,862	3,555	(5,508)	11,133
Premises rent and utilities	(3,883)	(3,310)	(40)	(34)
Depreciation and amortisation	(2,630)	(2,506)	(23)	(32)
Repair and maintenance of premises	(2,759)	(4,724)	(1)	(4)
Other operating expenses	(2,887)	(568)	(197)	(2,359)
Operating profit (loss)	**12,399**	**8,941**	**(366)**	**1,707**
Finance costs	(4,215)	(6,888)	(3,261)	(5,118)
Share of profit (loss) from associates and joint ventures	17,372	(747)	-	-
Profit (loss) before income tax	**25,556**	**1,306**	**(3,627)**	**(3,411)**
Income tax	252	(787)	617	527
Profit (loss) for the period from continuing operations	**25,808**	**519**	**(3,010)**	**(2,884)**
Discontinued operation				
Profit/(Loss) after tax for the period from a discontinued operation	-	14,066	-	-
PROFIT (LOSS) FOR THE PERIOD	**25,808**	**14,585**	**(3,010)**	**(2,884)**
Attributable to:				
Equity holders of the parent	23,333	12,830	(3,010)	(2,884)
Non-controlling interests	2,475	1,755	-	-
	25,808	**14,585**	**(3,010)**	**(2,884)**
Basic earnings (deficit) per share (in LTL)	0.46	0.30	(0.06)	(0.07)
Basic earnings (deficit) per share (in LTL) for continuing operations	0.46	(0.02)	(0.06)	(0.07)
Diluted earnings (deficit) per share (in LTL)	0.43	0.30	(0.06)	(0.07)
Diluted earnings (deficit) per share (in LTL)) for continuing operations	0.43	(0.02)	(0.06)	(0.07)

Interim consolidated and Parent Company's statements of comprehensive income

	Group		Company	
	III Quarter 2010	**III Quarter 2009**	**III Quarter 2010**	**III Quarter 2009**
	Unaudited		Unaudited	
PROFIT (LOSS) FOR PERIOD	**25,808**	**14,585**	**(3,010)**	**(2,884)**
Continuing operation				
Net gain (loss) on cash flow hedge	65	7	-	-
Income tax	(10)	(1)	-	-
	55	6	-	-
Net gain (loss) on available-for-sale financial assets	-	10	-	-
Reclassification adjustment for gain (loss) included in profit or loss	-	(74)	-	-
Income tax	-	(2)	-	-
	-	**(66)**	-	-
Exchange differences on translation of foreign operations	-	-	-	-
Share of other comprehensive income of associates	4,450	6,548	-	-
Other comprehensive income for the period from continuing operation	**4,505**	**6,488**	**-**	**-**
Discontinued operations				
Net gain (loss) on available-for-sale financial assets	-	156	**-**	**-**
Reclassification adjustment for gain (loss) included in profit or loss	-	1,220	**-**	**-**
Income tax	-	(104)	**-**	**-**
Other comprehensive income for the period from discontinued operations	**-**	**1,272**	**-**	**-**
Other comprehensive income for the period, net of tax	**4,505**	**7,760**	**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**30,313**	**22,345**	**(3,010)**	**(2,884)**
Attributable to:				
Equity holders of the parent	27,838	20,590	(3,010)	(2,884)
Non-controlling interests	2,475	1,755	-	-

Interim consolidated and Parent Company's statements of financial position

		Group		Company	
		As of 30 September 2010	**As of 31 December 2009**	**As of 30 September 2010**	**As of 31 December 2009**
ASSETS		Unaudited	Audited	Unaudited	Audited
Non-current assets					
Property, plant and equipment		39,767	43,709	98	212
Investment properties		238,693	263,775	-	-
Intangible assets		10,322	8,863	13	1
Investments into subsidiaries	8	-	-	81,252	81,311
Investments into associates and joint ventures	8	190,053	169,436	135,745	136,450
Investments available-for-sale		1,819	1,818	1,817	1,817
Loans granted		-	-	5,772	1,092
Other non-current assets		2,848	2,848	-	-
Deferred income tax asset		6,902	4,963	5,046	4,144
Total non-current assets		**490,404**	**495,412**	**229,743**	**225,027**
Current assets					
Inventories		23,672	41,837	-	-
Trade and other receivables		33,471	21,131	2	1
Current loans granted		24,310	28,959	80,242	78,396
Prepaid income tax		19	51	-	-
Prepayments and deferred charges		1,808	2,014	61	29
Investments available-for-sale		-	995	-	-
Financial assets held-for-trade		8,384	10,743	1,512	3,269
Restricted cash		4,127	5,475	-	-
Cash and cash equivalents	5	6,167	3,486	2,141	94
Total current assets		**101,958**	**114,691**	**83,958**	**81,789**
Total assets		**592,362**	**610,103**	**313,701**	**306,816**

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

		Group		Company	
		As of 30 September 2010	**As of 31 December 2009**	**As of 30 September 2010**	**As of 31 December 2009**
EQUITY AND LIABILITIES		Unaudited	Audited	Unaudited	Audited
Equity					
Equity attributable to equity holders of the parent					
Share capital	11	51,660	42,569	51,660	42,569
Share premium	11	91,497	50,588	91,497	50,588
Reserves		20,298	76,490	-	73,383
Retained earnings (accumulated deficit)		1,769	(90,978)	(52,148)	(120,204)
		165,224	**78,669**	**91,009**	**46,336**
Non-controlling interests		**20,264**	**13,041**	**-**	**-**
Total equity		**185,488**	**91,710**	**91,009**	**46,336**
Liabilities					
Non-current liabilities					
Non-current borrowings	11	138,100	28,722	95,435	4,061
Financial lease liabilities		443	103	-	-
Government grants		1	5	-	-
Provisions		480	480	-	-
Deferred income tax liability		13,442	14,900	-	-
Derivative financial instruments		-	122	-	-
Convertible bonds	11	32,440	-	32,440	-
Other non-current liabilities		282	-	-	-
Total non-current liabilities		**185,188**	**44,332**	**127,875**	**4,061**
Current liabilities					
Current portion of non-current borrowings	11	107,461	268,199	-	101,046
Current portion of financial lease liabilities		68	162	-	-
Current borrowings	11	64,677	73,039	89,466	67,789
Trade payables		30,975	28,679	783	642
Income tax payable		4,040	5,099	-	-
Provisions		2,245	1,616	2,150	1,466
Advances received		1,513	2,017	-	-
Derivative financial instruments		219	233	-	-
Convertible bonds	11	-	83,056	-	83,056
Other current liabilities		10,488	11,961	2,418	2,420
Total current liabilities		**221,686**	**474,061**	**94,817**	**256,419**
Total liabilities		**406,874**	**518,393**	**222,692**	**260,480**
Total equity and liabilities		**592,362**	**610,103**	**313,701**	**306,816**

(the end)

Consolidated and Parent Company's statements of changes in equity

	Equity attributable to equity holders of the parent									
			Reserves							
Group	**Share capital**	**Share premium**	**Fair value reserves**	**Legal and other reserves**	**Foreign currency translation reserve**	**Retained earnings (accumulated deficit)**	**Discontinued operations**	**Subtotal**	**Non-controlling interests**	**Total equity**
Balance as at 31 December 2008	**42,569**	**50,588**	**(1,576)**	**75,947**	**(293)**	**750**	**-**	**167,985**	**9,705**	**177,690**
Total comprehensive income for the nine months ended 30 September of 2009	-	-	(143)	-	293	(56,910)	1,314	(55,446)	1,127	(54,319)
Non-controlling interests acquired	-	-	-	-	-	(4)	-	(4)	(15)	(19)
Investments in subsidiaries	-	-	-	-	-	-	-	-	338	338
Changes in reserves	-	-	-	824	-	(671)	(153)	-	-	-
Sales of subsidiaries	-	-	-	-	-	284	(284)	-	(10)	(10)
Discontinued operation	-	-	1,314	(437)	-	-	(877)	-	-	-
Balance as at 30 September 2009 (unaudited)	**42,569**	**50,588**	**(405)**	**76,334**	**-**	**(56,551)**	**-**	**112,535**	**11,145**	**123,680**

		Equity attributable to equity holders of the parent								
				Reserves						
Group		**Share capital**	**Share premium**	**Fair value reserves**	**Legal and other reserves**	**Foreign currency translation reserve**	**Retained earnings (accumulated deficit)**	**Subtotal**	**Non-controlling interests**	**Total equity**
Balance as at 31 December 2009		**42,569**	**50,588**	**(133)**	**76,623**	**-**	**(90,978)**	**78,669**	**13,041**	**91,710**
Total comprehensive income for the nine months ended 30 September of 2010				(52)			36,391	36,339	5,657	41,996
Sales of subsidiaries		-	-	-	(212)	-	212	-	7	7
Acquisition of subsidiaries	8	-	-	-	-	-	-	-	1,505	1,505
Share based payments		-	-	-	216	-	-	216	54	270
Changes in reserves		-	-	-	(56,144)	-	56,144	-	-	-
Increase of share capital	11	9,091	40,909	-	-	-	-	50,000	-	50,000
Balance as at 30 September 2010 (unaudited)		**51,660**	**91,497**	**(185)**	**20,483**	**-**	**1,769**	**165,224**	**20,264**	**185,488**

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

Company	Notes	Share capital	Share premium	Reserves: Legal reserve	Reserves: Reserve of purchase of own shares	Retained earnings (accumulated deficit)	Total
Balance as at 31 December 2008		**42,569**	**50,588**	**4,257**	**69,126**	**1,594**	**168,134**
Total comprehensive income for the nine months ended 30 September of 2009		-	-	-	-	(40,382)	(40,382)
Balance as at 30 September 2009 (unaudited)		**42,569**	**50,588**	**4,257**	**69,126**	**(38,788)**	**127,752**

Company	Notes	Share capital	Share premium	Reserves: Legal reserve	Reserves: Reserve of purchase of own shares	Retained earnings (accumulated deficit)	Total
Balance as at 31 December 2009		**42,569**	**50,588**	**4,257**	**69,126**	**(120,204)**	**46,336**
Total comprehensive income for the nine months ended 30 September of 2010		-	-	-	-	(5,327)	(5,327)
Changes in reserves		-	-	(4,257)	(69,126)	73,383	-
Increase of share capital	11	9,091	40,909	-	-	-	50,000
Balance as at 30 September 2010 (unaudited)		**51,660**	**91,497**	**-**	**-**	**(52,148)**	**91,009**

Consolidated and Parent Company's statements of cash flows

	Group		Company	
	Nine months of 2010	**Nine months of 2009**	**Nine months of 2010**	**Nine months of 2009**
	Unaudited		Unaudited	
Cash flows from (to) operating activities				
Net profit (loss) for the period	37,945	(51,323)	(5,327)	(40,382)
Adjustments for non-cash items and non-operating activities:				
Valuation (gain) loss, net	100	248	-	-
Depreciation and amortization	7,723	7,574	83	100
(Gain) loss on disposal of tangible assets	(11)	217	(43)	(2)
Realized and unrealized loss (gain) on investments	5,388	1,121	(3,337)	7,801
(Gain) loss on disposal of subsidiaries, associates	(15,350)	(21,952)	18,013	-
Share of net loss (profit) of associates and joint ventures	(18,801)	(1,363)	-	-
Interest (income)	(1,371)	(1,645)	(6,008)	(10,471)
Interest expenses	13,238	23,613	9,916	17,620
Deferred taxes	(2,963)	(5,271)	(902)	(2,774)
Current income tax expenses	4,007	2,743	-	-
Allowances	3,969	53,946	(14,806)	32,673
Change in provisions	(55)	1,462	684	-
Share based payment	270	-	-	-
Dividend (income)	-	-	(300)	(9,000)
Loss (gain) from other financial activities	(996)	-	-	(90)
	33,093	**9,370**	**(2,027)**	**(4,525)**
Changes in working capital:				
(Increase) decrease in inventories	3,859	7,479	-	(1)
Decrease (increase) in trade and other receivables	(5,881)	(2,459)	(1)	-
Decrease (increase) in other current assets	207	(2,318)	-	37
(Decrease) increase in trade payables	(176)	(5,237)	59	(418)
(Decrease) increase in other current liabilities	(528)	10,609	107	72
Cash flows (to) from operating activities	**30,574**	**17,444**	**(1,862)**	**(4,835)**
Income tax (paid) return	(5,382)	730	-	500
Net cash flows (to) from operating activities	**25,192**	**18,174**	**(1,862)**	**(4,335)**

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

		Group		Company	
		Nine months of 2010	**Nine months of 2009**	**Nine months of 2010**	**Nine months of 2009**
Cash flows from (to) investing activities		Unaudited		Unaudited	
(Acquisition) of non-current assets (except investment properties)		(2,224)	(2,759)	(31)	(16)
Proceeds from sale of non-current assets (except investment properties)		108	251	66	7
(Acquisition) of investment properties		(151)	(658)	-	-
Proceeds from sale of investment properties		433	1,367	-	-
(Acquisition) and establishment of subsidiaries, net of cash acquired		(1,994)	-	-	-
Proceeds from sales of subsidiaries, net of cash disposed		49	9,955	57	46,479
(Acquisition) of associates and joint ventures		-	(129)	-	(129)
Proceeds from sales of associates and joint ventures		-	84,423	-	84,423
Loans (granted)		(7,480)	(24,132)	(20,070)	(42,262)
Repayment of granted loans		9,264	13,544	19,423	24,624
Dividends received		-	-	300	-
Interest received		297	1,645	41	1,390
(Acquisition) of and proceeds from sales of held-for-trade and available-for-sale investments		4,150	1,260	4,689	(704)
Additionally investments of the Company to subsidiaries		-	-	-	(6,772)
Net cash flows (to) investing activities		**2,452**	**84,767**	**4,475**	**107,040**
Cash flows from (to) financing activities					
Cash flows related to Group owners					
(Acquisition) and changes of non-controlling interests and increase of share capital		-	318	-	-
Dividends (paid) to equity holders of the parent		(35)	(57)	(35)	(57)
		(35)	261	(35)	(57)
Cash flows related to other sources of financing					
Proceeds from loans		15,125	26,623	27,679	24,499
(Repayment) of loans		(25,410)	(133,963)	(18,609)	(115,722)
Interest (paid)		(14,389)	(23,613)	(9,601)	(11,386)
Financial lease (payments)		(356)	(137)	-	-
Transfer (to)/from restricted cash		102	13,615	-	-
Other cash flows from financing activities		-	-	-	-
		(24,928)	(117,475)	(531)	(102,609)
Net cash flows (to) from financial activities		**(24,963)**	**(117,214)**	**(566)**	**(102,666)**
Net (decrease) increase in cash and cash equivalents		**2,681**	**(14,273)**	**2,047**	**39**
Cash and cash equivalents at the beginning of the period	5	**3,486**	**18,217**	**94**	**12**
Cash and cash equivalents at the end of the period	5	**6,167**	**3,944**	**2,141**	**51**

(the end)

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 its registered office is Seimyniskiu Str. 1A, Vilnius, Lithuania.

Investment Company AB Invalda was established in 1992 and is incorporated and domiciled in Lithuania. The Company strives to ensure long-term financial return for its shareholders maintaining a low grade of risk, and implements its plans observing ethical standards and traditional values. AB Invalda endeavours to be a reliable and stable company valued by its customers, shareholders, and employees. AB Invalda concentrates on the priority segments, such as pharmacy, roads and bridges construction, furniture manufacturing, real estate and IT. The activities and assets of key associates of the Company representing pharmacy and roads and bridges construction segments are concentrated in Poland.

The Company's shares are listed 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 2010 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 2009.

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 2009, except adoption of new Standards and Interpretations as of 1 January 2010, noted below.

IAS 27 *Consolidated and Separate Financial Statements (Revised)* (effective for annual periods beginning on or after 1 July 2009).

The revised IAS 27 requires an entity to attribute total comprehensive income to the owners of the parent and to the non-controlling interests (previously "minority interests") even if this results in the non-controlling interests having a deficit balance (the previous standard required the excess losses to be allocated to the owners of the parent in most cases). The revised standard specifies that changes in a parent's ownership interest in a subsidiary that do not result in the loss of control must be accounted for as equity transactions. It also specifies how an entity should measure any gain or loss arising on the loss of control of a subsidiary. At the date when control is lost, any investment retained in the former subsidiary have to be measured at its fair value. The amendment does not result in a material impact on financial statements as the Company and the Group were previous using the treatment determined in revised IAS 27.

IFRS 3 *Business Combinations (Revised)* (effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009).

The revised IFRS 3 will allow entities to choose to measure non-controlling interests using the existing IFRS 3 method (proportionate share of the acquiree's identifiable net assets) or at fair value. The revised IFRS 3 is more detailed in providing guidance on the application of the purchase method to business combinations. The requirement to measure at fair value every asset and liability at each step in a step acquisition for the purposes of calculating a portion of goodwill has been removed. Instead, in a business combination achieved in stages, the acquirer have to remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognise the resulting gain or loss, if any, in profit or loss for the year. Acquisition-related costs are accounted for separately from the business combination and therefore recognised as expenses rather than included in goodwill. An acquirer have to recognise at the acquisition date a liability for any contingent purchase consideration. Changes in the value of that liability after the acquisition date are recognised in accordance with other applicable IFRSs, as appropriate, rather than by adjusting goodwill. The revised IFRS 3 brings into its scope business combinations involving only mutual entities and business combinations achieved by contract alone. The amendment does not impact the interim financial statements for the nine months ended 30 September 2010, except disclosures in Note 8. Accordingly, assets and liabilities arising from business combinations prior to the date of application of the revised standards are not restated.

2 Basis of preparation (cont'd)

Amendments to IFRS 2 *Share-based Payment - Group cash-settled and share-based payment transactions* (effective for financial years beginning on or after 1 January 2010)

The amendments provide a clear basis to determine the classification of share-based payment awards in both consolidated and separate financial statements. The amendments incorporate into the standard the guidance in IFRIC 8 and IFRIC 11, which are withdrawn. The amendments expand on the guidance given in IFRIC 11 to address plans that were previously not considered in the interpretation. The amendments also clarify the defined terms in the Appendix to the standard. The amendment does not impact the interim financial statements for the nine months ended 30 September 2010.

Amendment to *IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items (*effective for financial years beginning on or after 1 July 2009)

The amendment addresses the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. It clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as hedged item. The amendment have no impact on the financial position or performance of the Group, as the Group has not entered into any such hedges.

<u>Improvements to IFRSs</u>

In May 2008 and April 2009 IASB issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. Most of the changes are effective for financial years beginning on or after 1 January 2010, unless stated otherwise. These amendments to standards have no material effect on the financial statements.

- IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Clarification that all of a subsidiary's assets and liabilities are classified as held for sale, even when the entity will retain a non-controlling interest in the subsidiary after the sale. This amendment is effective for periods commencing 1 July 2009. Other amendment clarifies that the disclosures required in respect of non-current assets and disposal groups classified as held for sale or discontinued operations are only those set out in IFRS 5. The disclosure requirements of other IFRSs only apply if specifically required for such non-current assets or discontinued operations.
- IFRS 2 *Share-based payments:* The amendment clarifies that contributions of businesses in common control transactions and formation of joint ventures are not within the scope of IFRS 2.
- IFRS 8 *Operating Segment Information*: clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker.
- IAS 1 *Presentation of Financial Statements*: allows classification of certain liabilities settled by entity's own equity instruments as non-current.
- IAS 7 *Statement of Cash Flows*: explicitly states that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities.
- IAS 17 *Leases*: allows classification of certain long-term land leases as finance leases under IAS 17 even without transfer of ownership of the land at the end of the lease.
- IAS 18 *Revenue*: The Board has added guidance (which accompanies the standard) to determine whether an entity is acting as a principal or as an agent.
- IAS 36 *Impairment of Assets:* The amendment clarified that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting purposes.
- IAS 38 *Intangible Assets:* The amendment supplements IAS 38 regarding measurement of fair value of intangible assets acquired in a business combination.
- IAS 39 *Financial Instruments: Recognition and Measurement*: amending IAS 39 (i) to include in its scope option contracts that could result in business combinations, (ii) to clarify the period of reclassifying gains or losses on cash flow hedging instruments from equity to profit or loss for the year and (iii) to state that a prepayment option is closely related to the host contract if upon exercise the borrower reimburses economic loss of the lender.
- IFRIC 9 *Reassessment of Embedded Derivatives:* This amendment states that embedded derivatives in contracts acquired in common control transactions and formation of joint ventures are not within its scope.
- IFRIC 16 *Hedge of a Net Investment in a Foreign Operation*: The amendment removes the restriction in IFRIC 16 that hedging instruments may not be held by the foreign operation that itself is being hedged.

2 Basis of preparation (cont'd)

IFRIC 12 *Service Concession Arrangements* (effective for financial years beginning on or after 30 March 2009).
This interpretation applies to service concession operators and explains how to account for the obligations undertaken and rights received in service concession arrangements. No member of the Group is an operator and, therefore, this interpretation has no impact on the Group.

IFRIC 15 *Agreements for the Construction of Real Estate* (effective for financial years beginning after 31 December 2009)
The interpretation clarifies when and how revenue and related expenses from the sale of a real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. Furthermore, the interpretation provides guidance on how to determine whether an agreement is within the scope of IAS 11 or IAS 18. The interpretation does not impact the interim financial statements for the nine months ended 30 September 2010.

IFRIC 16 *Hedges of a Net Investment in a Foreign Operation* (effective for financial years beginning on or after 30 June 2009)
The interpretation provides guidance on the accounting for a hedge of a net investment in a foreign operation. IFRIC 16 does not have an impact on the consolidated financial statements because the Group does not have hedges of net investments.

IFRIC 17 *Distributions of Non-cash Assets to Owners (*effective for financial years beginning after 31 October 2009)
The interpretation provides guidance on the appropriate accounting treatment when an entity distributes assets other than cash as dividends to its shareholders. The interpretation clarifies when to recognise a liability, how to measure it and the associated assets, and when to derecognise the asset and liability. IFRIC 17 does not have an impact on the consolidated financial statements because the Group does not distribute non-cash assets to owners in the past.

IFRIC 18 *Transfers of Assets from Customers (*effective for transfers of assets received after 31 October 2009).
The Interpretation provides guidance on accounting for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water). The interpretation does not impact the interim financial statements for the nine months ended 30 September 2010.

IFRS 1 *First-time Adoption of International Financial Reporting Standards (Revised)* (restructured IFRS 1 is effective for annual periods beginning after 31 December 2009)
The revised IFRS 1 retains the substance of its previous version but within a changed structure in order to make it easier for the reader to understand and to better accommodate future changes. The revised standard does not have any effect on the Group's financial statements.

Amendments to IFRS 1 *Additional Exemptions for First-time Adopters* (effective for annual periods beginning on or after 1 January 2010)
The amendments exempt entities using the full cost method from retrospective application of IFRSs for oil and gas assets and also exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with IFRIC 4, 'Determining Whether an Arrangement Contains a Lease' when the application of their national accounting requirements produced the same result. The amendments does not have any effect on the Group's financial statements.

3 Seasonality of operations and other recurring discrepancies in quarters

Road and bridge building business gives a lower revenue and operational profit in the 1st and 4th quarter in a contrast to the 2nd and the 3rd quarters. Historically information technology segment earned a bigger revenue and operational profit in the 4th quarter. Investment properties owned by the Group are not revaluated at the end of the reporting period. By the opinion of the management, there is no indication that the fair value of the Group's investment property had significantly changed, detailed valuation of investment property will be done 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. Between segments consolidation adjustments and eliminations are not allocated on a segment basis.

For the management purposes, the Group is organised into following segments:

Real estate

The real estate segment is involved in investment in a real estate, real estate management and administration, facility management, construction management, intermediation in buying, selling and renting real estate.

Pharmacy

The pharmacy segment produces generic injectables, tablets, ointments and eye drops and pre-filled syringes and sells own products and provides toll manufacturing services.

Furniture production

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

Road and bridge construction

The road and bridge construction segment is involved in:

- management of the design, construction, and repair of bridges, viaducts, and flyovers.
- management of the tunnels design, construction and renovation. Tunnel engineering network construction and renovation.
- production and sale of asphalt concrete and reinforced concrete.
- production of and trade in materials for road construction.
- installation of water supply systems, sewer systems, rain water drainage systems and water treatment equipment. Selection of engineering systems, design and project coordination services, the construction and installation of water treatment systems, technical and and technological supervision services during construction work and system testing and operating services.
- management of the design, repair and surface regeneration work of airport taxiways, runways, ramps, aircraft parking areas, and special areas.
- management of railroad design, construction and the repair of railroads, dismantling of railroads, utilisation of fouled track ballast, and the installation of new sections of railroad.
- management of the design, construction, and repair of sea and river port quays, embankments, docks, berth structures, piers, closing dikes, and pavement.

Information technology

The information technology segment is involved in offering IT infrastructure strategy, security and maintenance solutions, and supplies of all hardware and software, needed for IT infrastructure solutions of any size.

Other production and service segments

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

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 2010:

Period ended 30 September 2010	Real estate	Phar-macy	Furniture production	Roads and bridge construction	Information technology	Other production and service	Elimi-nation	Total continuing operations
Revenue								
Sales to external customers	26,064	-	141,574	-	17,202	5,274	-	190,114
Inter-segment sales	363	-	-	-	53	4	(420)	-
Total revenue	26,427	-	141,574	-	17,255	5,278	(420)	190,114
Results								
Other income	478	-	2,112	-	183	8,012	(7,044)	3,741
Net gains (losses) from fair value adjustments on investment property	(100)	-	-	-		-	-	(100)
Net gains (losses) on disposal of subsidiaries, associates and joint ventures	15,215	-	-	-	-	135	-	15,350
Net changes in fair value on financial assets	-	-	-	-		(5.388)	-	(5.388)
Segment expenses	(31,286)	-	(118,917)	-	(18,530)	(18,291)	7,464	(179,560)
Impairment, write-down and allowance	(10,909)	-	-	--	-	6,940	-	(3,969)
Share of profit (loss) of the associates and joint ventures	1,226	12,227	-	5,776	-	(428)	-	18,801
Profit (loss) before income tax	1,051	12,227	24,769	5,776	(1,092)	(3,742)	-	38,989
Income tax	1,091	-	(3,698)	-	(17)	1,580	-	(1,044)
Net profit (loss) for the period	2,142	12,227	21,071	5,776	(1,109)	(2,162)	-	37,945
Attributable to:								
Equity holders of the parent	2,174	12,227	15,173	5,776	(887)	(2,175)	-	32,288
Non-controlling interests	(32)	-	5,898	-	(222)	13	-	5,657

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 2009:

Period ended 30 September 2009	Real estate	Phar-macy	Furniture production	Roads and bridge construction	Information technology	Other production and service	Elimina-tion	Total continuing operations
Revenue								
Sales to external customers	26,805	-	105,377	-	17,834	5,065	-	155,081
Inter-segment sales	571	-	-	-	141	-	(712)	-
Total revenue	27,376	-	105,377	-	17,975	5,065	(712)	155,081
Results								
Other income	702	-	1,444	-	522	9,546	(9,097)	3,117
Net gains (losses) from fair value adjustments on investment property	(248)	-	-	-	-	-	-	(248)
Net gains (losses) on disposal of subsidiaries, associates and joint ventures	(3,996)	-	(1,102)	-	-	12,353	-	7,255
Net changes in fair value on financial assets	-	-	-	-	-	(1.952)	-	(1.952)
Segment expenses	(37,242)	-	(94,029)	-	(19,739)	(29,772)	11,660	(169,122)
Impairment, write-down, allowances and provisions	(53,055)	-	-	-	-	(891)	-	(53,946)
Share of profit (loss) of the associates and joint ventures	(5,703)	1,897	-	6,370	-	(1,201)	-	1,363
Profit (loss) before income tax	(72,166)	1,897	11,690	6,370	(1,242)	(6,852)	1,851	(58,452)
Income tax	708	-	(2,558)	-	(102)	3,011	-	1,059
Net profit (loss) for the period	(71,458)	1,897	9,132	6,370	(1,344)	(3,841)	1,851	(57,393)
Attributable to:								
Equity holders of the parent	(70,505)	1,897	6,576	6,370	(868)	(3,841)	1,851	(58,520)
Non-controlling interests	(953)	-	2,556	-	(476)	-	-	1,127

The following table represents segment assets of the Group operating segments as at 30 September 2010 and 31 December 2009:

Segment assets	Real estate	Pharma-cy	Furniture production	Roads and bridge construction	Information technology	Other production and service	Elimi-nation	Total continuing operations
At 30 September 2010	269,969	122,486	105,828	66,888	16,297	124,373	(113,479)	592,362
At 31 December 2009	306,563	108,763	77,990	58,502	14,587	131,291	(87,593)	610,103

5 Cash and cash equivalents

	Group		Company	
	30 September 2010	**31 December 2009**	**30 September 2010**	**31 December 2009**
Cash at bank	6,049	3,476	2,141	94
Cash in hand	118	10	-	-
	6,167	3,486	2,141	94

6 Dividends

In 2009 and 2010 dividends were not declared.

7 Income tax

	Group		Company	
	Nine months of 2010	**Nine months of 2009**	**Nine months of 2010**	**Nine months of 2009**
Components of income tax expense				
Current income tax charge	(4,017)	(2,743)	-	-
Previous year income tax adjustments	10	(30)	-	-
Deferred income tax income (expense)	2,963	3,832	902	2,774
Income tax (expenses) income charged to the income statement	(1,044)	1,059	902	2,774

8 Investment into subsidiaries and associates

Disposal of subsidiaries attributable to the Real estate segment

On 31 March 2010 the Group sold shares of Lithuanian real estate investors UAB Broner, UAB Nerijos bustas, UAB Saules investicija (all mentioned ones are the subsidiaries) and Latvian SIA Dommo grupa (latter mentioned is the associate). Each company was sold for 1 LTL. All of these companies are in the process of being filed for bankruptcy. Until the issue of these financial statements the decisions of courts regarding insolvency of these companies came into law. The projects became unfeasible because of the change in market situation, bank's decision to cease financing and its refusal to search for constructive solutions in regard to realization of the assets. On 31 May 2010 the Group sold shares of a subsidiary UAB BNN for 1 LTL (the subsidiary is related with a project, which was developed by the above mentioned companies). The Company suffered loss of LTL 19,731 thousand, but there was reversed allowance of the same amount (LTL 19,731 thousand), which was recognised in 2008 and 2009 for these investments. Therefore, overall impact on profit or loss of the Company, as a result of the sale of these companies, was equalled to nil.

8 Investment into subsidiaries and associates (cont'd)

The carrying values of Group identifiable assets and liabilities as at the date of disposal and impact to Group profit or loss were:

	Carrying value
Investment property	24,700
Residential real estate	14,465
Loans granted	4,168
Other current assets	1,334
Cash	11
Total assets	**44,678**
Borrowings	(47,605)
Trade and other receivables	(10,081)
Deferred tax liability	(412)
Other payables	(1,802)
Total liabilities	**(59,900)**
Group's net assets sold	**(15,222)**
Non-controlling interests	**(7)**
Group's net assets attributed to equity holders of the parent	**(15,215)**
Profit from sale	15,215
Allowance for Group receivables from sold companies	(10,720)
Net loss of sold companies for nine months ended 30 September 2010	(972)
Overall impact of sold companies to Group's net profit (loss) for nine months ended 30 September 2010	**3,523**
Proceeds from sale	**-**
Cash sold	(11)
Net cash received	**(11)**

Other acquisitions and disposals

In the 2nd Quarter of 2010 the Company and the Group earned profit of LTL 57 thousand for the increase of price of compulsory sale of SEB shares (the shares were sold by a liquidated subsidiary in the past).

In the 3rd Quarter of 2010 the Company and the Group sold joint ventures UAB RGJ investicija and UAB MBGK. The Company and Group earned profit LTL 1 661 thousand and LTL 78 thousand, respectively. Disposal of UAB MBGK was a part of transaction meant to separate from and to reckon with the other shareholder of UAB MBGK. The other part of the transaction was an acquisition of 77.46 % of AB Invetex owned by the above mentioned company. The main assets of AB Invetex are loans granted to the Group, so the acquisition reduced Group liabilities by LTL 4,213 thousand. Due to the acquisition non-controlling interests increased by LTL 1,505 thousand (measured at the non-controlling interest's proportionate share of the net assets).

In the 3rd Quarter the Company and the Group sold all the shares owned in AB Agrowill Group. The Group earned a profit of LTL 899 thousand from this withdrawal.

Investment into subsidiaries and associates (cont'd)

UAB Priemiestis

On 2 October 2010 the Group acquired 100 % shares of UAB Priemiestis from the municipality of Vilnius for LTL 2 251 thousand (all the amount paid in cash). The acquiree manages dwelling-houses in Vilnius district Naujoji Vilnia. The acquisition is expected to increase the group's market share in a facilities management segment and reduce cost through a synergy. Acquisition-related cost was equal to nil.

Due to a lack of time the valuation of fair values of the assets and liabilities of UAB Priemiestis is incomplete. The initial accounting of trade receivables and intangible assets is incomplete, and these assets could be revalued in the future periods. Based on a preliminary assessment, the fair values of the identifiable assets and liabilities of UAB Priemiestis at the acquisition date were:

	Fair values
Intangible assets (has not recognised in the financial statements of acquiree)	2,083
Property, plant and equipment	687
Inventories	29
Trade receivables	761
Other current assets	29
Restricted cash	44
Cash	249
Total assets	**3,882**
Non-current liabilities	(304)
Current liabilities	(1,327)
Total liabilities	**(1,631)**
Net assets	**2,251**
Goodwill	**-**

Acquired business contributed revenues of LTL 604 thousand and net profit of LTL 73 thousand to the Group for the period from 1 August 2010 to 30 September 2010.

If the acquisition of Priemiestis UAB had occurred on 1 January 2010, the consolidated revenue would have been LTL 192,288 thousand and consolidated net profit would have been LTL 37,509 thousand.

Based on the preliminary assessment, the fair value of acquired trade receivables is LTL 761 thousand. The gross contractual amount for the acquired trade receivables due is LTL 920 thousand, of which LTL 159 thousand is expected to be uncollectible.

9 Other revenues and expenses

9.1. Net changes in fair value on financial assets

	Group		Company	
	Nine months of 2010	Nine months of 2009	Nine months of 2010	Nine months of 2009
Net gain (loss) from financial assets at fair value	(5,608)	(2,025)	3,337	(3,704)
Realised (loss) gain from available-for-sale investments	220	73	-	-
	(5,388)	(1,952)	3,337	(3,704)

9.2. Finance expenses

	Group		Company	
	Nine months of 2010	Nine months of 2009	Nine months of 2010	Nine months of 2009
Interest expenses	(13,238)	(23,613)	(9,916)	(17,620)
Other finance expenses	(596)	(397)	(16)	(38)
	(13,834)	(24,010)	(9,932)	(17,658)

9.3. Other income

	Group		Company	
	Nine months of 2010	Nine months of 2009	Nine months of 2010	Nine months of 2009
Interest income	1,371	1,645	6,008	10,471
Dividend income	-	-	300	9,000
Other income	2,370	1,472	55	117
	3,741	3,117	6,363	19,588

10 Discontinued operations

Discontinued operation

On March 31, 2009 the Management Board of Invalda AB approved entering into the contract with the Bank Snoras AB regarding the sale of Finasta Group companies (Bank Finasta AB, FBC Finasta, asset management companies Invalda Turto Valdymas and Invalda Asset Management Latvia, as well as Finasta Imoniu Finansai AB). The contract was signed on 1 April 2009. The disposal of the Finasta Group companies was completed on 16 September 2009. In April 2009 TOV Finasta was sold.

The results of the financial mediation segment for the nine months ended 30 September 2009 are presented below:

	As of 30 September of 2009
Revenue	5,540
Other income	1,757
Interest income	1,759
Net changes in fair value on financial assets	2,076
Allowances	(1,680)
Depreciation and amortisation	(667)
Other expenses	(15,700)
Operating profit (loss)	**(6,915)**
Interest expenses	(1,292)
Other finance expenses	(608)
(Loss) profit before tax from a discontinued operation	**(8,815)**
Income tax	1,274
(Loss) profit for the period from a discontinued operation (financial mediation)	**(7,541)**
(Loss) profit from sale of TOV Finasta	(319)
Reclassification adjustment for fair value reserve of Finasta Group included in profit (loss)	(1,145)
Reclassification adjustment for fair value reserve of Finasta Group included in profit (loss) (deferred tax)	56
Gain on sale of Finasta Group	15,019
(Loss) profit from a discontinued operation	**6,070**

Deficit (earnings) per share:	**Nine months of 2009**
Basic and diluted, from discontinued operation	0.14

11 Borrowings, issue of shares

During the General Shareholder Meetings which was held on 30 January 2010 it was decided to change the conditions of convertible bonds and to issue new convertible bonds of LTL 7.44 million. After realizing the decision a maturity of convertible bonds of LTL 25 million was extended until 1 July 2012 and new emission of convertible bonds of LTL 7.44 million (maturity - 1 July 2012) was issued.

On January 30 2010, the Company received an application of D. J. Miseikis to convert 500,000 owned bonds (the nominal value of one bond is 100 LTL) to 9,090,909 ordinary registered AB Invalda shares (the nominal value of one share is 1 LTL). On February 3 2010 new By-laws of AB Invalda were registered. According to them the share capital of the Company was increased by LTL 9,091 thousand, from LTL 42,569 thousand till LTL 51,660 thousand. The outstanding emissions amount (LTL 40,909 thousand) was recognised in share premium. Retrospectively the liabilities of the Company are decreased by LTL 50,000 thousand.

In January 2010 an extension to loan agreement was signed. It was agreed to postpone the maturity of loan until 30 June 2012 with DnB Nord bank for all amount (the current liability as of 30 September 2010 was LTL 95,435 thousand, as of 31 December 2009 was LTL 101,046 thousand).

In February 2010 a loan agreement extension was signed with Siauliu bank regarding postponement the maturity of the loan amounting LTL 18 million until 15 April 2011.

In August 2010 a loan agreement extension was signed with AB Snoras bank regarding postponement the maturity of the loan until 16 September 2011 (the current liability as of 30 September 2010 was LTL 23,814 thousand).

These actions resulted in a significant decrease of the Company's current liabilities and improvement of the Company's liquidity.

Within the 9 months of 2010, the Group and the Company refunded respectively LTL 25,410 thousand and LTL 18,609 thousand of loans, to credit institutions respectively LTL 18,014 thousand and LTL 9,613 thousand.

On 30 September 2010 the loans of LTL 87,818 thousand, provided by banks to the real estate segment's companies, were classified nominally according to IAS 1 as current because formally it has not been suspended a complying of the loan covenants. However any notice on premature loan repayment was not received. Taking into account management's assessment of interaction with the bank's representatives, the actual loans maturity is later than 12 months after the end of the reporting period and equal to maturity determined in the loans agreements. Also during 1st quarter it was signed loan agreements' amendment regarding an extension of maturity terms of LTL 15,459 thousand loan until 2012 (the loan to a subsidiary of the real estate segment provided by DnB Nord bank) and the loan has been recognised as non-current.

12 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 2010 and related quarter-end balances were as follows:

9 months of the year 2010 Company	**Sales to related parties**	**Purchases from related parties**	**Receivables from related parties**	**Payables to related parties**
Loans and borrowings	6,689	1,581	104,186	45,493
Rent and utilities	-	99	-	151
Dividends	300	-	-	-
Other	-	35	-	-
	6,989	1,715	104,186	45,644
Shareholders and management	-	2	-	-

12 Related party transactions (cont'd)

The Company's transactions with related parties during three quarters of the year 2009 and related quarter-end balances were as follows:

9 months of the year 2009 Company	**Sales to related parties**	**Purchases from related parties**	**Receivables from related parties**	**Payables to related parties**
Loans and borrowings	10,132	1,694	139,892	18,495
Rent and utilities	-	96	-	12
Dividends	9,000	-	-	-
Payables for share capital in subsidiaries	-	-	-	-
Other	7	60	620	-
	19,139	1,850	140,512	18,507
Shareholders and management	-	69	-	1,310

The Group's transactions with related parties during three quarters of the year 2010 and related quarter-end balances were as follows:

9 months of the year 2010 Group	**Sales to related parties**	**Purchases from related parties**	**Receivables from related parties**	**Payables to related parties**
Loans and borrowings	550	221	12,049	-
Rent and utilities	116	-	51	-
Roads and bridges construction segment	168	57	102	-
Other	36	265	1	67
	870	543	12,203	67
Shareholders and management	501	10	13,737	67

The Group's transactions with related parties during three quarters of the year 2009 and related quarter-end balances were as follows:

9 months of the year 2009 Group	**Sales to related parties**	**Purchases from related parties**	**Receivables from related parties**	**Payables to related parties**
Loans and borrowings	854	562	40,068	6,719
Rent and utilities	387	10	102	-
Financial segment	35	-	-	-
Roads and bridges construction segment	396	-	263	-
Other	39	-	627	-
	1,711	572	41,060	6,719
Shareholders and management	445	358	7,373	3,748

13 Events after reporting period

On 18 November 2010 the Company signed the Agreement regarding the sale of 44.78 % shares of Tiltra Group AB and 43.36 % shares of Kauno tiltai AB for PLN 314 million (about LTL 275 million), if the conditions precedent set out in the Agreement will be fulfilled. The mentioned companies composed the roads and bridge construction segment. The Buyer of the shares is Trakcja Polska S.A., which main activity is rail infrastructure construction. According to the Agreement the Company will acquire 12.5 % in the increased capital of Trakcja Polska valued at PLN 132 million (about LTL 116 million), Trakcja Polska newly issued bonds, worth almost PLN 118 million (about LTL 103 million), and 19 million warrants valued at almost PLN 2 million (about LTL 1.7 million). The warrants allow subscribing almost 19 million new Trakcja Polska shares for the issue price of PLN 6.00 (about 5.25 LTL). After executing of set-off the Company will get cash of about PLN 62 million (about LTL 54 million). The deal is expected to be closed in the 1st quarter of 2011. All figures mentioned above are disclosed without costs related to the transaction.