

# AB INVALIDA

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

AB INVALDA

**CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 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 Siauliu Bankas

Danske Bank A/S Lithuania Branch

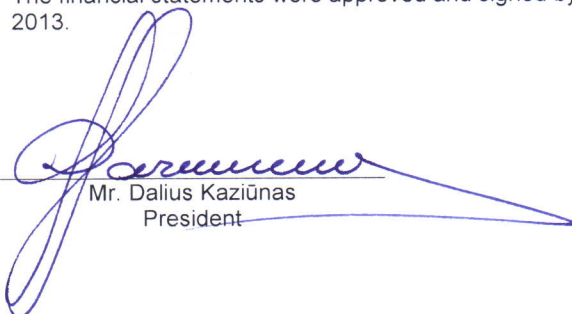
AB bankas Finasta

UAB Medicinos Bankas

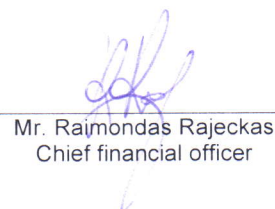
AS UniCredit Bank Lithuania Branch

AB SEB Bankas

The financial statements were approved and signed by the Management and the Board of Directors on 22 February 2013.



Mr. Dalius Kaziūnas  
President



Mr. Raimondas Rajeckas  
Chief financial officer

**AB INVALIDA**

**CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

(all amounts are in LTL thousand unless otherwise stated)

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

		Group		Company	
		2012	2011	2012	2011
		Unaudited	Audited	Unaudited	Audited
<b>Continuing operations</b>					
Revenue					
Furniture production revenue		230,142	238,368	-	-
Residential real estate revenue		6,968	1,433	-	-
Rent and other real estate revenue		25,256	23,673	-	-
Information technology revenue		40,026	34,400	-	-
Facility management revenue		11,796	8,390	-	-
Other production and services revenue		11,672	11,103	-	-
<b>Total revenue</b>		<b>325,860</b>	<b>317,367</b>	<b>-</b>	<b>-</b>
Other income	9.3	4,360	10,110	40,795	24,220
Net gains (losses) on disposal of subsidiaries, associates and joint ventures	8	1,282	-	(1,052)	318,438
Net gains (losses) from fair value adjustments on investment property		(8,709)	(14,727)	-	-
Net changes in fair value of financial assets	9.1	3,578	(83,876)	836	(37,951)
Changes in inventories of finished goods and work in progress		7,490	(2,483)	-	-
Raw materials and consumables used		(184,838)	(184,285)	(22)	(22)
Changes in residential real estate		(4,973)	(1,323)	-	-
Employee benefits expenses		(52,269)	(43,804)	(2,858)	(2,623)
Impairment, write-down, allowances and provisions		880	(18,712)	(13,268)	(30,427)
Premises rent and utilities		(18,378)	(17,472)	(171)	(166)
Depreciation and amortisation		(9,711)	(10,261)	(72)	(83)
Repair and maintenance of premises		(10,698)	(10,748)	-	-
Other expenses		(23,490)	(21,500)	(1,146)	(2,898)
<b>Operating profit (loss)</b>		<b>30,384</b>	<b>(81,714)</b>	<b>23,042</b>	<b>268,488</b>
Finance costs	9.2	(3,841)	(13,720)	(906)	(9,221)
Share of profit (loss) from associates and joint ventures		6,974	247	-	-
<b>Profit (loss) before income tax</b>		<b>33,517</b>	<b>(95,187)</b>	<b>22,136</b>	<b>259,267</b>
Income tax	7	(2,851)	13,750	(1,248)	15,603
<b>Profit (loss) for the period from continuing operations</b>		<b>30,666</b>	<b>(81,437)</b>	<b>20,888</b>	<b>274,870</b>
<b>Discontinued operation</b>					
Profit/(Loss) after tax for the period from a discontinued operation	10	-	297,980	-	-
<b>PROFIT (LOSS) FOR THE PERIOD</b>		<b>30,666</b>	<b>216,543</b>	<b>20,888</b>	<b>274,870</b>
Attributable to:					
Equity holders of the parent		23,308	209,046	20,888	274,870
Non-controlling interests		7,358	7,497	-	-
		<b>30,666</b>	<b>216,543</b>	<b>20,888</b>	<b>274,870</b>
Basic earnings (deficit) per share (in LTL)	13	0.44	4.05	0.40	5.32
Diluted earnings (deficit) per share (in LTL)	13	0.44	3.69	0.40	4.83
Basic earnings (deficit) per share (in LTL) from continuing operations	13	0.44	(1.72)	0.40	5.32
Diluted earnings (deficit) per share (in LTL) from continuing operations	13	0.44	(1.72)	0.40	4.83

**AB INVALIDA****CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

(all amounts are in LTL thousand unless otherwise stated)

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

	Group		Company	
	2012	2011	2012	2011
	Unaudited	Audited	Unaudited	Audited
<b>PROFIT (LOSS) FOR PERIOD</b>	<b>30,666</b>	<b>216,543</b>	<b>20,888</b>	<b>274,870</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	42	-	-	-
Share of other comprehensive income (loss) of associates	704	(31)	-	-
<b>Other comprehensive income (loss) for the period from continuing operation</b>	<b>746</b>	<b>108</b>	-	-
<b>Discontinued operations</b>				
Reclassification adjustment of other comprehensive income (losses) to profit (loss) due to sale of associates	-	2,162	-	-
Share of other comprehensive income (loss) of associates	-	(284)	-	-
<b>Other comprehensive income (loss) for the period from discontinued operations</b>	-	<b>1,878</b>	-	-
<b>Other comprehensive income (loss) for the period, net of tax</b>	<b>746</b>	<b>1,986</b>	-	-
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD, NET OF TAX</b>	<b>31,412</b>	<b>218,529</b>	<b>20,888</b>	<b>274,870</b>
Attributable to:				
Equity holders of the parent	24,046	211,032	20,888	274,870
Non-controlling interests	7,366	7,497	-	-

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**CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

(all amounts are in LTL thousand unless otherwise stated)

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

	Group		Company	
	IV Quarter 2012	IV Quarter 2011	IV Quarter 2012	IV Quarter 2011
	Unaudited		Unaudited	
<b>Continuing operations</b>				
Revenue				
Furniture production revenue	51,001	58,941	-	-
Residential real estate revenue	43	455	-	-
Rent and other real estate revenue	6,629	6,639	-	-
Information technology revenue	16,198	15,149	-	-
Facility management	3,359	2,987	-	-
Other production and services revenue	2,788	3,021	-	-
<b>Total revenue</b>	<b>80,018</b>	<b>87,192</b>	-	-
Other income	837	2,936	2,932	4,902
Net gains (losses) on disposal of subsidiaries, associates and joint ventures	-	-	-	2,276
Net gains (losses) from fair value adjustments on investment property	514	(15,549)	-	-
Net changes in fair value on financial assets	(4,640)	(17,263)	(4,692)	(16,871)
Changes in inventories of finished goods and work in progress	4,257	(256)	-	-
Raw materials and consumables used	(47,255)	(48,454)	(6)	(9)
Changes in residential real estate	(21)	(412)	-	-
Employee benefits expenses	(13,439)	(14,227)	(800)	(1,291)
Impairment, write-down, allowances and provisions	(132)	(162)	(626)	(12,486)
Premises rent and utilities	(4,915)	(4,764)	(47)	(47)
Depreciation and amortisation	(2,223)	(2,429)	(15)	(20)
Repair and maintenance of premises	(2,969)	(3,315)	-	-
Other operating expenses	(6,875)	(7,032)	(344)	(630)
<b>Operating profit (loss)</b>	<b>3,157</b>	<b>(23,735)</b>	<b>(3,598)</b>	<b>(24,176)</b>
Finance costs	(547)	(2,151)	(125)	(825)
Share of profit (loss) from associates and joint ventures	(361)	629	-	-
<b>Profit (loss) before income tax</b>	<b>2,249</b>	<b>(25,257)</b>	<b>(3,723)</b>	<b>(25,001)</b>
Income tax	1,029	1,184	455	782
<b>Profit (loss) for the period from continuing operations</b>	<b>3,278</b>	<b>(24,073)</b>	<b>(3,268)</b>	<b>(24,219)</b>
<b>Discontinued operation</b>				
Profit/(Loss) after tax for the period from a discontinued operation	-	2,276	-	-
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>3,278</b>	<b>(21,797)</b>	<b>(3,268)</b>	<b>(24,219)</b>
Attributable to:				
Equity holders of the parent	1,103	(23,709)	(3,268)	(24,219)
Non-controlling interests	2,175	1,912	-	-
	<b>3,278</b>	<b>(21,797)</b>	<b>(3,268)</b>	<b>(24,219)</b>
Basic earnings (deficit) per share (in LTL)	0.02	(0.46)	(0.06)	(0.47)
Diluted earnings (deficit) per share (in LTL)	0.02	(0.41)	(0.06)	(0.41)
Basic earnings (deficit) per share (in LTL) from continuing operations	0.02	(0.50)	(0.06)	(0.47)
Diluted earnings (deficit) per share (in LTL) from continuing operations	0.02	(0.50)	(0.06)	(0.41)

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**CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

(all amounts are in LTL thousand unless otherwise stated)

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

	Group		Company	
	IV Quarter 2012	IV Quarter 2011	IV Quarter 2012	IV Quarter 2011
	Unaudited		Unaudited	
<b>PROFIT (LOSS) FOR PERIOD</b>	<b>3,728</b>	<b>(21,797)</b>	<b>(3,268)</b>	<b>(24,219)</b>
<b>Continuing operation</b>				
Net gain (loss) on cash flow hedge	-	-	-	-
Income tax	-	-	-	-
	-	-	-	-
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	1	-	-	-
Share of other comprehensive income (loss) of associates	219	(31)	-	-
<b>Other comprehensive income (loss) for the period from continuing operation</b>	<b>220</b>	<b>(31)</b>	<b>-</b>	<b>-</b>
<b>Discontinued operations</b>				
Share of other comprehensive income (loss) of associates	-	(1)	-	-
<b>Other comprehensive income for the period from discontinued operations</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income (loss) for the period, net of tax</b>	<b>220</b>	<b>(32)</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<b>3,498</b>	<b>(21,829)</b>	<b>(3,268)</b>	<b>(24,219)</b>
Attributable to:				
Equity holders of the parent	1,323	(23,741)	(3,268)	(24,219)
Non-controlling interests	2,175	1,912	-	-

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**CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

(all amounts are in LTL thousand unless otherwise stated)

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

	<b>Group</b>		<b>Company</b>	
	<b>As at 31 December 2012</b>	<b>As at 31 December 2011</b>	<b>As at 31 December 2012</b>	<b>As at 31 December 2011</b>
	Unaudited	Audited	Unaudited	Audited
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	47,471	38,259	127	184
Investment properties	16 225,587	248,957	-	-
Intangible assets	11,377	13,074	13	7
Investments into subsidiaries	8 -	-	98,224	99,607
Investments into associates and joint ventures	8 46,947	39,269	467	724
Investments available-for-sale	2,859	2,859	1,817	1,817
Loans granted	-	12,041	-	4,143
Other non-current assets	3,596	2,848	-	-
Deferred income tax asset	19,853	22,372	17,613	19,941
<b>Total non-current assets</b>	<b>357,690</b>	<b>379,679</b>	<b>118,261</b>	<b>126,423</b>
<b>Current assets</b>				
Inventories	39,564	25,819	-	-
Trade and other receivables	37,424	33,437	51	218
Current loans granted	31,729	31,233	187,055	174,648
Prepaid income tax	1,557	973	-	-
Prepayments and deferred charges	5,841	2,587	155	123
Financial assets at fair value through profit loss	15 32,974	47,599	32,974	33,298
Deposits and financial assets held to maturity	5 21,418	99,137	41	48,621
Restricted cash	3,531	2,915	-	-
Cash and cash equivalents	5 56,160	21,346	33,530	11,888
<b>Total current assets</b>	<b>230,198</b>	<b>265,046</b>	<b>253,806</b>	<b>268,796</b>
Assets of disposal group classified as held-for-sale	10 -	1,708	-	3,745
<b>Total assets</b>	<b>587,888</b>	<b>646,433</b>	<b>372,067</b>	<b>398,964</b>

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CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2012

(all amounts are in LTL thousand unless otherwise stated)

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

	Group		Company		
	As at 31 December 2012	As at 31 December 2011	As at 31 December 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	295,362	20,299	274,870	-
Retained earnings		(16,464)	280,046	(26,917)	274,870
		<b>391,447</b>	<b>386,210</b>	<b>360,502</b>	<b>360,735</b>
<b>Non-controlling interests</b>		<b>23,270</b>	<b>29,151</b>	-	-
<b>Total equity</b>		<b>414,717</b>	<b>415,361</b>	<b>360,502</b>	<b>360,735</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Non-current borrowings	14	98,702	119,478	-	-
Financial lease liabilities		423	391	-	-
Government grants		152	283	-	-
Provisions		396	396	-	-
Deferred income tax liability		15,097	15,178	-	-
Other non-current liabilities		4,839	3,345	-	-
<b>Total non-current liabilities</b>		<b>119,609</b>	<b>139,071</b>	-	-
<b>Current liabilities</b>					
Current portion of non-current borrowings	14	6,643	6,254	-	6
Current portion of financial lease liabilities		206	257	-	-
Current borrowings	14	9	572	9,125	353
Trade payables		28,510	34,485	55	630
Income tax payable		64	379	-	-
Provisions		227	300	-	-
Advances received		3,940	3,262	-	-
Derivative financial instruments		-	-	-	-
Convertible bonds	11	-	34,059	-	34,059
Other current liabilities	17	13,963	12,433	2,385	3,181
<b>Total current liabilities</b>		<b>53,562</b>	<b>92,001</b>	<b>11,565</b>	<b>38,229</b>
<b>Total liabilities</b>		<b>173,171</b>	<b>231,072</b>	<b>11,565</b>	<b>38,229</b>
<b>Total equity and liabilities</b>		<b>587,888</b>	<b>646,433</b>	<b>372,067</b>	<b>398,964</b>

(the end)



**AB INVALIDA****CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 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 year of 2012	-	-	-	-	-	-	23,308	23,308	7,358	30,666
Other comprehensive income (loss) for the year of 2012	-	-	-	-	-	34	704	738	8	746
<b>Total comprehensive income (loss) for the year of 2012</b>	-	-	-	-	-	<b>34</b>	<b>24,012</b>	<b>24,046</b>	<b>7,366</b>	<b>31,412</b>
Dividends of subsidiaries	9.3	-	-	-	-	-	-	-	(10,828)	(10,828)
Value of employee services	-	-	-	-	-	-	-	-	(93)	(93)
Changes in reserves	12	-	-	-	275,029	-	(275,029)	-	-	-
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 31 December 2012 (unaudited)</b>	<b>51,802</b>	-	<b>60,747</b>	-	<b>295,328</b>	<b>34</b>	<b>(16,464)</b>	<b>391,447</b>	<b>23,270</b>	<b>414,717</b>

**AB INVALIDA****CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 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						Subtotal	Non-controlling interests	Total equity
	Share capital	Share premium	Fair value reserves	Reserves		Retained earnings (accumulated deficit)			
				Legal and other reserves	Foreign currency translation reserve				
<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>-</b>	<b>58,694</b>	<b>175,132</b>	<b>24,919</b>	<b>200,051</b>
Profit (loss) for the year of 2011	-	-	-	-	-	209,046	209,046	7,497	216,543
Other comprehensive income (loss) for the year of 2011	-	-	139	-	-	1,847	1,986	-	1,986
<b>Total comprehensive income for the year of 2011</b>	<b>-</b>	<b>-</b>	<b>139</b>	<b>-</b>	<b>-</b>	<b>210,893</b>	<b>211,032</b>	<b>7,497</b>	<b>218,529</b>
Value of employee services	-	-	-	-	-	-	-	770	770
Dividends to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	(4,351)	(4,351)
Changes in reserves	-	(10,471)	-	58	-	10,413	-	-	-
Non-controlling interest arising on business combination	-	-	-	-	-	-	-	1,407	1,407
Acquisition of minority of subsidiaries	-	-	-	-	-	46	46	(1,091)	(1,045)
<b>Balance as at 30 September 2011 (audited)</b>	<b>51,660</b>	<b>34,205</b>	<b>-</b>	<b>20,299</b>	<b>-</b>	<b>280,046</b>	<b>386,210</b>	<b>29,151</b>	<b>415,361</b>

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INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

(all amounts are in LTL thousand unless otherwise stated)

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

Company	Reserves						Total
	Share capital	Own shares	Share premium	Legal reserve	Reserve of purchase of own shares	Retained earnings (accumulated deficit)	
<b>Balance as at 31 December 2011 (audited)</b>	<b>51,660</b>	-	<b>34,205</b>	-	-	<b>274,870</b>	<b>360,735</b>
Profit (loss) for the year of 2012	-	-	-	-	-	20,888	20,888
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 31 December 2012 (unaudited)</b>	<b>51,802</b>	-	<b>60,747</b>	<b>5,756</b>	<b>269,114</b>	<b>(26,917)</b>	<b>360,502</b>

Company	Reserves					Total
	Share capital	Share premium	Legal reserve	Reserve of purchase of own shares	Retained earnings (accumulated deficit)	
<b>Balance as at 31 December 2010 (audited)</b>	<b>51,660</b>	<b>44,676</b>	-	-	<b>(10,471)</b>	<b>85,865</b>
Profit (loss) for the year of 2011	-	-	-	-	274,870	274,870
Changes in share premium	-	(10,471)	-	-	10,471	-
<b>Balance as at 30 September 2011 (audited)</b>	<b>51,660</b>	<b>34,205</b>	-	-	<b>274,870</b>	<b>360,735</b>

**AB INVALIDA**

**INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

(all amounts are in LTL thousand unless otherwise stated)

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

	Group		Company	
	2012 Unaudited	2011 Audited	2012 Unaudited	2011 Audited
<b>Cash flows from (to) operating activities</b>				
Net profit (loss) for the period	30,666	216,543	20,888	274,870
<b>Adjustments for non-cash items and non-operating activities:</b>				
Valuation (gain) loss, net	8,709	14,727	-	-
Depreciation and amortization	9,711	10,261	72	83
(Gain) loss on disposal of tangible assets	(152)	(4)	-	-
Realized and unrealized loss (gain) on investments	(3,578)	83,876	(836)	37,951
(Gain) loss on disposal of subsidiaries, associates	(1,282)	(296,363)	1,052	(318,438)
Share of net loss (profit) of associates and joint ventures	(6,974)	(1,865)	-	-
Interest (income)	(3,658)	(6,749)	(12,025)	(12,883)
Interest expenses	3,697	12,375	906	8,216
Deferred taxes	1,349	(15,906)	1,245	(15,773)
Current income tax expenses	1,502	2,156	3	170
Allowances	(807)	18,841	13,268	30,677
Change in provisions	(73)	(129)	-	(250)
Share based payment	(93)	770	-	-
Profit from bargain purchases	8	(1,484)	-	-
Dividend (income)	(18)	-	(28,758)	(11,314)
Loss (gain) from other financial activities	140	(123)	140	1,224
	<b>39,139</b>	<b>36,926</b>	<b>(4,045)</b>	<b>(5,467)</b>
<b>Changes in working capital:</b>				
(Increase) decrease in inventories	(1,863)	3,333	-	-
Decrease (increase) in trade and other receivables	4,704	(5,949)	172	967
Decrease (increase) in other current assets	(3,213)	712	(32)	(97)
Transfer to term deposits	-	-	-	-
(Decrease) increase in trade payables	(5,932)	3,254	(563)	(683)
(Decrease) increase in other current liabilities	2,533	778	(619)	802
	<b>35,368</b>	<b>39,054</b>	<b>(5,087)</b>	<b>(4,478)</b>
<b>Cash flows (to) from operating activities</b>	<b>35,368</b>	<b>39,054</b>	<b>(5,087)</b>	<b>(4,478)</b>
Income tax (paid) return	(358)	(1)	-	(1)
<b>Net cash flows (to) from operating activities</b>	<b>35,010</b>	<b>39,053</b>	<b>(5,087)</b>	<b>(4,479)</b>

(cont'd on the next page)

**AB INVALIDA****INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

(all amounts are in LTL thousand unless otherwise stated)

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

	Group		Company	
	2012	2011	2012	2011
	Unaudited	Audited	Unaudited	Audited
<b>Cash flows from (to) investing activities</b>				
(Acquisition) of non-current assets (except investment properties)	(17,275)	(8,122)	(21)	(24)
Proceeds from sale of non-current assets (except investment properties)	416	183	-	-
(Acquisition) of investment properties	16 (3,427)	(6,902)	-	-
Proceeds from sale of investment properties	16 6,129	990	-	-
(Acquisition) and establishment of subsidiaries, net of cash acquired	8 -	(7,557)	-	(109)
Proceeds from sales of subsidiaries, net of cash disposed	-	-	-	-
(Acquisition) of associates and joint ventures	-	(1,489)	-	(6)
Proceeds from sales of associates and joint ventures	8 3,797	369,282	3,797	369,282
Expenses related to sell of associates	-	(20,510)	-	(20,510)
Loans (granted)	(30,825)	(80,399)	(65,081)	(169,677)
Repayment of granted loans	41,710	13,673	58,684	46,310
Transfer to/from term deposits	77,194	(118,505)	48,339	(68,339)
(Acquisition) of and proceeds from sales held to maturity investments	-	-	-	-
Dividends received	15	-	28,756	-
Interest received	4,811	5,815	8,117	4,547
(Acquisition) of and proceeds from sales of held-for-trade and available-for-sale investments	11,655	26,045	5,258	36,396
<b>Net cash flows (to) investing activities</b>	<b>94,200</b>	<b>172,504</b>	<b>87,849</b>	<b>197,870</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)	(1,045)	(155)	(173)
Acquisition of own shares	(59,659)	-	(59,659)	-
Dividends (paid) to equity holders of the parent	(99)	(59)	(99)	(59)
Dividends (paid) to non-controlling interests	(9,807)	(3,884)	-	-
	(69,579)	(4,988)	(59,913)	(232)
Cash flows related to other sources of financing				
Proceeds from loans	2,875	12,582	150	18,403
(Repayment) of loans	14 (23,776)	(187,119)	(1,217)	(185,801)
Interest (paid)	(2,979)	(17,178)	-	(13,856)
Financial lease (payments)	(200)	(342)	-	-
Transfer (to)/from restricted cash	(616)	2,361	-	-
Other cash flows from financing activities	-	-	-	-
	(24,696)	(189,696)	(1,067)	(181,254)
<b>Net cash flows (to) from financial activities</b>	<b>(94,275)</b>	<b>(194,684)</b>	<b>(60,980)</b>	<b>(181,486)</b>
<b>Impact of currency exchange on cash and cash equivalents</b>	<b>(121)</b>	<b>(219)</b>	<b>(140)</b>	<b>(219)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>34,814</b>	<b>16,654</b>	<b>21,642</b>	<b>11,686</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>56,160</b>	<b>21,346</b>	<b>33,530</b>	<b>11,888</b>

*(the end)*

## **AB INVALIDA**

### **INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 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 year ended 31 December 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 year ended 31 December 2012.

## AB INVALIDA

### INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 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 was not 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. 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 YEAR ENDED 31 DECEMBER 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 year ended 31 December 2012:

<b>Period ended 31 December 2012</b>	<b>Furniture production</b>	<b>Real estate</b>	<b>Facility management</b>	<b>Information Agriculture technology and service</b>	<b>Other production and service</b>	<b>Elimi- nation</b>	<b>Total continuing operations</b>
<b>Revenue</b>							
Sales to external customers	230,142	32,224	11,796	-	40,026	11,672	325,860
Inter-segment sales	-	1,133	1,461	-	171	3	(2,768)
<b>Total revenue</b>	<b>230,142</b>	<b>33,357</b>	<b>13,257</b>	<b>-</b>	<b>40,197</b>	<b>11,675</b>	<b>(2,768)</b>
<b>Results</b>							
Other income	1,987	373	93	-	23	10,128	(8,244)
Net losses from fair value adjustment on investment property	-	(8,709)	-	-	-	-	(8,709)
Net gain (losses) on disposal of subsidiaries, associates and joint ventures	-	(755)	-	-	-	2,037	-
Net changes in fair value on financial assets	-	-	-	-	-	3,578	-
Segment expenses	(202,473)	(37,042)	(13,787)	-	(41,275)	(17,143)	11,012
Impairment, write-down and allowance	(1)	823	73	-	(81)	66	-
Share of profit (loss) of the associates and joint ventures	-	(255)	-	7,202	-	27	-
Profit (loss) before income tax	29,655	(12,208)	(364)	7,202	(1,136)	10,368	-
Income tax	(2,819)	1,084	61	-	38	(1,215)	-
<b>Net profit (loss) for the period</b>	<b>26,836</b>	<b>(11,124)</b>	<b>(303)</b>	<b>7,202</b>	<b>(1,098)</b>	<b>9,153</b>	<b>-</b>
Attributable to:							
Equity holders of the parent	19,359	(11,123)	(303)	7,202	(949)	9,122	-
Non-controlling interests	7,477	(1)	-	-	(149)	31	-



**AB INVALIDA****INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 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 year ended 31 December 2011:

<b>Period ended 31 December 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	238,368	25,106	8,390	34,400	11,103	-	317,367
Inter-segment sales	-	1,577	2,320	130	5	(4,032)	-
<b>Total revenue</b>	<b>238,368</b>	<b>26,683</b>	<b>10,710</b>	<b>34,530</b>	<b>11,108</b>	<b>(4,032)</b>	<b>317,367</b>
<b>Results</b>							
Other income	2,875	223	1,800	355	13,310	(8,453)	10,110
Net losses from fair value adjustment on investment property	-	(15,647)	160	-	760	-	(14,727)
Net changes in fair value on financial assets	-	-	-	8	(83,884)	-	(83,876)
Segment expenses	(210,425)	(33,075)	(11,462)	(35,374)	(27,745)	12,485	(305,596)
Impairment, write-down and allowance	113	1,497	(128)	(7)	(20,187)	-	(18,712)
Share of profit (loss) of the associates and joint ventures	-	448	-	-	(201)	-	247
Profit (loss) before income tax	30,931	(19,871)	1,080	(488)	(106,839)	-	(95,187)
Income tax	(4,119)	2,021	(50)	(217)	16,115	-	13,750
<b>Net profit (loss) for the period</b>	<b>26,812</b>	<b>(17,850)</b>	<b>1,030</b>	<b>(705)</b>	<b>(90,724)</b>	<b>-</b>	<b>(81,437)</b>
Attributable to:							
Equity holders of the parent	19,314	(17,846)	1,030	(661)	(90,771)	-	(88,934)
Non-controlling interests	7,498	(4)	-	(44)	47	-	7,497

The following table represents segment assets of the Group operating segments as at 31 December 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 31 December 2012	97,202	275,544	9,954	46,481	27,200	249,101	(117,593)	587,889
At 31 December 2011	116,061	272,238	12,152	38,575	26,951	307,645	(127,189)	646,433

**AB INVALIDA****INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

(all amounts are in LTL thousand unless otherwise stated)

**5 Cash and cash equivalents**

	<b>Group</b>		<b>Company</b>	
	<b>As at 31 December 2012</b>	<b>As at 31 December 2011</b>	<b>As at 31 December 2012</b>	<b>As at 31 December 2011</b>
Cash at bank	32,262	21,157	9,719	11,888
Cash in hand	14	38	-	-
Cash in transit	73	65	-	-
Term deposits with the maturity up to 3 months	23,811	1,000	23,811	-
	<u>56,160</u>	<u>22,260</u>	<u>33,530</u>	<u>11,888</u>

On 31 December 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.

	<b>Group</b>	<b>Company</b>
Deposits with the maturity between 3 and 6 months	9,020	-
Deposits with the maturity more than 6 months	12,316	-
Deposit's certificate of AB bankas Snoras	20,000	20,000
Government bonds	-	-
Accumulated interest of term deposits	182	100
Less allowance for impairment as consequence of AB bankas Snoras insolvency	(20,100)	(20,100)
	<u>21,418</u>	<u>-</u>

**6 Dividends**

In 2011 and 2010 dividends were not declared.

**7 Income tax**

	<b>Group</b>		<b>Company</b>	
	<b>31 December 2012</b>	<b>31 December 2011</b>	<b>31 December 2012</b>	<b>31 December 2011</b>
<b>Components of income tax expense</b>				
Current income tax charge	(1,471)	(2,289)	(3)	(170)
Prior year current income tax correction	(31)	133	-	-
Deferred income tax income (expense)	(1,349)	15,906	(1,245)	15,773
Income tax (expenses) income charged to the income statement	<u>(2,851)</u>	<u>13,750</u>	<u>(1,248)</u>	<u>15,603</u>

## AB INVALIDA

### INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 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 2012 the Company and the Group has invested LTL 155 thousand to increase share capital of Invalda Lux S.a.r.l. and LTL 18,650 thousand additionally to increased share capital of UAB Naujoji Švara, UAB Žemvesta, UAB Roveliija, UAB Saistas, UAB Ineturas, UAB Minijos valda, UAB IBC logistika 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. The Group has invested LTL 10 thousand by establishing UAB IPP integracijos projektai and additionally invested LTL 2,130 thousand to increased share capital of UAB Informatikos pasaulis, UAB Vitma, UAB IŽB 1, UAB Lauksėja, UAB Puškaitis mainly converting loans granted to shares

During the year of 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. UAB Naujosios Vilnios Turgavietė was separated from UAB Priemiestis. Also a dormant company UAB Cedus was acquired. The total amount of these investments is LTL 289 thousand (from this amount the Company has invested LTL 109 thousand).

In December 2011 the Company and the Group invested LTL 21,740 thousand and LTL 22,810 thousand additionally to increase share capital of subsidiaries, mainly converting loans granted to shares. In December 2011 Group invested additionally LTL 100 thousand to share capital of UAB Dommo Nerija converting granted loan to shares.

##### AB Umega

On 12 January 2012, the sale of 29.27% of shares of AB Umega according to the agreement signed on 30 November 2011 was completed. Price for the shares sold equal to LTL 3,745 thousand. The Group has earned a profit of LTL 2,037 thousand. In the Company statements, the price for the shares sold was equal to the carrying amount of the investments. 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 Umega 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 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 YEAR ENDED 31 DECEMBER 2012**

(all amounts are in LTL thousand unless otherwise stated)

**8 Investment into subsidiaries and associates (cont'd)**Other sales and acquisitions (cont'd)

The Group acquired 0.13 % of the shares of AB Vilniaus baldai and 6.41 % of the shares of AB Invetex for LTL 544 thousand. The value of the additional interest acquired was LTL 548 thousand. The positive difference equal to LTL 4 thousand between the consideration and the value of the interest acquired has been recognised directly to the shareholders equity.

The Group has acquired back the real estate company UAB BNN, which owns the investment property with carrying amount of LTL 1,400 thousand, when the debt owed by UAB BNN was obtained from UAB Nerijos Būstas as collateral of trade receivables of the Group. The obtained debt was capitalized into share capital of UAB BNN. The Group has recognised profit of LTL 173 thousand in other income in the profit (loss) statement from the acquisition.

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>

On 22 July 2011, the Group acquired 49 % of shares of UAB Lauko Gėlininkystės Bandymų Stotis for LTL 500 thousand. Now the Group owns 100 % of the shares of UAB Lauko Gėlininkystės Bandymų Stotis. The value of the additional interest acquired was LTL 542 thousand. The positive difference equal to LTL 42 thousand between the consideration and the value of the interest acquired has been recognised directly to the shareholders equity.

Acquired business contributed revenues of LTL 1,448 thousand and suffered the net loss of LTL 59 thousand to the Group during the year of 2011.

**AB INVALIDA****INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 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.

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(all amounts are in LTL thousand unless otherwise stated)

**8 Investment into subsidiaries and associates (cont'd)**Acquisitions in 2011 (cont'd)*Acquisition of Norway Registers Development, AS*

On 28 November 2011, UAB BAIP Grupė (the Group owns 80 % of the shares of this company) acquired 100 % of the shares of Norwegian company Norway Registers Development, AS, owning 70.73 % of the shares of UAB NRD in Lithuania. The total consideration was LTL 4,298 thousand. Acquisition-related costs were LTL 181 thousand and were included in other operating expenses. The contract on acquiring of 100% of shares of Norway Registers Development, AS was signed by the Group on 20 October 2011.

The acquired company specializes in the programming of register systems including legislation development, project implementation and support. As a result of the acquisition, the Group is expected to enter into new international markets and to expand the portfolio of services in the critical infrastructure field. The goodwill of LTL 1,600 thousand arising from acquisition is attributable to assembled workforce and economies of scale expected from combining the operations of the companies of the information technology segment and Norway Registers Development, AS. None of the goodwill recognised is expected to be deductible for income tax purposes.

The following table summarises the consideration paid for Norway Registers Development, AS, and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date, based on preliminary assessment:

Consideration:

Cash	4,143
Contingent consideration	155
<b>Total consideration</b>	<b><u>4,298</u></b>

Recognised amounts of identifiable assets acquired and liabilities assumed:

	<b><u>Provisional fair value recognised on acquisition</u></b>
Intangible assets (assets with fair value of LTL 2,026 thousand were not recognised in the financial statements of acquiree)	2,052
Property, plant and equipment	977
Deferred income tax asset	130
Trade and other receivables	576
Prepaid income tax	32
Prepayments and deferred charges	1,656
Financial assets held for trading	261
Cash and cash equivalents	175
<b>Total assets</b>	<b><u>5,859</u></b>
Deferred tax liabilities	(344)
Non current bank borrowings and lease liabilities	(724)
Income tax liabilities	(73)
Other current liabilities	(1,113)
<b>Total liabilities</b>	<b><u>(2,254)</u></b>
<b>Total identifiable net assets</b>	<b><u>3,605</u></b>
Non-controlling interest, measured as a proportion of net assets acquired	(907)
Acquired net assets	2,698
Goodwill arising on acquisition	1,600
<b>Total consideration transferred</b>	<b><u>4,298</u></b>

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(all amounts are in LTL thousand unless otherwise stated)

**8 Investment into subsidiaries and associates (cont'd)**Acquisitions in 2011 (cont'd)*Acquisition of Norway Registers Development, AS (cont'd)*

The contingent consideration arrangement requires the group to pay the former owners of Norway Registers Development, AS 50% of the positive difference between the total EBITDA for the years 2011–2013 and EUR 900 thousand (LTL 3,108 thousand). The maximum undiscounted amount of the payment is unlimited. The fair value of the contingent consideration arrangement of LTL 155 thousand was estimated by applying the income approach. The fair value estimates are based on a discount rate of 7 % and assumed probability-adjusted profit in the acquiree of LTL 967 thousand to LTL 1,554 thousand and the maximum undiscounted amount of the payment of LTL 452 thousand. In 2012 gain on changes in the fair value estimates of LTL 51 thousand was recognized in profit or loss.

The fair value of trade and other receivables is LTL 576 thousand and is equal to gross contractual amount. Acquired business contributed revenues of LTL 1,462 thousand and net profit of LTL 417 thousand to the Group for the period from 1 December 2011 to 31 December 2011.

UAB Puškaitis, UAB Žemynėlė and UAB IŽB 1

On 30 September 2011, the Group acquired 100 % of the shares of UAB Puškaitis and UAB Žemynėlė. On 22 December 2011, the Group acquired 100 % of the shares of UAB IŽB 1. The total consideration was LTL 1,115 thousand (the total acquisition price paid in cash). The companies are investing in agricultural land. Acquisition-related cost was equal to nil.

The fair value of assets and liabilities of UAB Puškaitis, UAB Žemynėlė and UAB IŽB 1 were:

	<b>Fair values recognised on acquisition</b>
Investment properties	9,627
Trade receivables	397
Deferred tax assets	38
Other current assets	11
Cash and cash equivalents	95
<b>Total assets</b>	<b>10,168</b>
Deferred tax liabilities	(78)
Non current bank borrowings	(2,509)
Short-term borrowings and other liabilities refinanced by the Group	(6,654)
Other current liabilities	(31)
<b>Total liabilities</b>	<b>(9,272)</b>
<b>Total identifiable net assets</b>	<b>896</b>
Fair value adjustment on investment properties	219
<b>Total consideration transferred</b>	<b>1,115</b>

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.

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

		Group		Company	
		31 December 2012	31 December 2011	31 December 2012	31 December 2011
Gain (loss) from bonds of Trakcja – Tiltra	10	-	(5,507)	-	(5,507)
Gain (loss) from shares of Trakcja – Tiltra	10	970	(76,564)	970	(76,564)
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		2,608	(1,805)	(134)	405
<i>Net gain (loss) from financial assets at fair value, total</i>		<u>3,578</u>	<u>(83,876)</u>	<u>836</u>	<u>(37,951)</u>
<i>Realised (loss) gain from available-for-sale investments</i>		-	-	-	-
		<u>3,578</u>	<u>(83,876)</u>	<u>836</u>	<u>(37,951)</u>

**9.2. Finance expenses**

	Group		Company	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Interest expenses	(3,697)	(12,375)	(906)	(8,216)
Other finance expenses	(144)	(1,345)	-	(1,005)
	<u>(3,841)</u>	<u>(13,720)</u>	<u>(906)</u>	<u>(9,221)</u>

**9.3. Other income**

	Group		Company	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Interest income	3,658	6,749	12,025	12,883
Dividend income	18	-	28,758	11,314
Profit from bargain purchases	-	1,484	-	-
Other income	684	1,877	12	23
	<u>4,360</u>	<u>10,110</u>	<u>40,795</u>	<u>24,220</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**

	<b>Group</b>		<b>Company</b>	
	<b>As at 31 December 2012</b>	<b>As at 31 December 2011</b>	<b>As at 31 December 2012</b>	<b>As at 31 December 2011</b>
<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

	<b>As at 31 December 2012</b>	<b>As at 31 December 2011</b>
Gain on sale of road and bridge construction segment	-	130,998
Direct expenses related to sale	-	(20,510)
<b>Total discontinued operations (road and bridge construction)</b>	<b>-</b>	<b>110,488</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>-</b>	<b>187,492</b>
<b>Total discontinued operations</b>	<b>-</b>	<b>297,980</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 31 December 2012</b>	<b>As at 31 December 2011</b>
Earnings per share:		
Basic from discontinued operations	-	5,77
Diluted from discontinued operations	-	5,18

**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 YEAR ENDED 31 DECEMBER 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 ended 31 December 2012 and 2011 were as follows:

<b>Calculation of weighted average for the year 2012</b>	<b>Number of shares (thousand)</b>	<b>Par value (LTL)</b>	<b>Issued/366 (days)</b>	<b>Weighted average (thousand)</b>
Shares issued as at 31 December 2011	51,660	1	366/366	51,660
Shares issued as at 30 March 2012	5,898	1	276/366	4,448
Own shares acquired on 18 May 2012	(5,756)	1	227/366	(3,570)
Shares issued as at 30 September 2012	51,802	1	-	52,538

<b>Calculation of weighted average for the year 2011</b>	<b>Number of shares (thousand)</b>	<b>Par value (LTL)</b>	<b>Issued/365 (days)</b>	<b>Weighted average (thousand)</b>
Shares issued as at 31 December 2010	51,660	1	365/365	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>31 December 2012</b>	<b>31 December 2011</b>	<b>31 December 2012</b>	<b>31 December 2011</b>
Net profit (loss), attributable to the equity holders of the parent from continuing operations	23,308	(88,934)	20,888	274,870
Net profit, attributable to the equity holders of the parent from discontinued operation	-	297,980	-	-
Net profit (loss), attributable to equity holders of the parent for basic earnings	23,308	209,046	20,888	274,870
Weighted average number of ordinary shares (thousand)	52,538	51,660	52,538	51,660
Basic earnings (deficit) per share (LTL)	0.44	4.05	0.40	5.32

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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 year 2012:

	<b>Number of shares (thousand)</b>	<b>Issued/366 (days)</b>	<b>Weighted average (thousand)</b>
Weighted average number of ordinary shares for basic earnings per share	-	-	52,538
Potential shares from convertible bond of LTL 25 million (issued on 1 December 2008)	4,545	90/366	1,117
Potential shares from convertible bond of LTL 7.44 million (issued on 8 January 2010)	1,353	90/366	333
Weighted average number of ordinary shares for diluted earnings per share	-	-	<u>53,988</u>

The following table reflects the share data used in the diluted earnings per share computations for the year 2011:

	<b>Number of shares (thousand)</b>	<b>Issued/365 (days)</b>	<b>Weighted average (thousand)</b>
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	365/365	4,545
Potential shares from convertible bond of LTL 7.44 million (issued on 8 January 2010)	1,353	365/365	1,353
Weighted average number of ordinary shares for diluted earnings per share	-	-	<u>57,558</u>

In 2012 diluted earnings per share of the Group was more than basic earnings per share, so diluted earnings per share is assumed as equal to basic earnings per share and its computations is not presented. The following table reflects the income data used in the diluted earnings per share computations for the year 2012 and 2011:

	<b>Group</b>		<b>Company</b>	
	<b>31 December 2012</b>	<b>31 December 2011</b>	<b>31 December 2012</b>	<b>31 December 2011</b>
Net profit (LTL thousand), attributable to the equity holders of the parent for basic earnings	-	209,046	20,888	274,870
Interest on convertible bond	-	<u>3,212</u>	768	<u>3,212</u>
Net profit (LTL thousand), attributable to equity holders of the parent for diluted earnings	-	212,258	21,656	278,082
Weighted average number of ordinary shares (thousand)	-	<u>57,558</u>	53,988	<u>57,558</u>
Diluted earnings(deficit) per share (LTL)	-	<u>3.69</u>	0.40	<u>4.83</u>

## AB INVALIDA

### INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 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.

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). In 2012 AB Vilniaus Baldai has finished to repay loan from Danske bank A/S Lithuanian branch (LTL 1,253 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 31 December 2012:

	Level 1	Level 2	Level 3	Total balance
<b>Assets</b>				
Shares of Trakcja Tiltra	9,958	-	-	9,958
Held-for-trade securities	5,080	17,936	-	23,016
<b>Total Assets</b>	<b>15,038</b>	<b>17,936</b>	<b>-</b>	<b>32,974</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 year ended 31 December 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 2012 the Group has acquired additionally investment properties for LTL 3,427 thousand, including agriculture land for LTL 2,976 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.

During 2012 was sold investment properties for LTL 6,129 thousand. The main deal was sale of commercial property, located in Donelaičio street 33, in Kaunas. The sale price is equal to LTL 4,754 thousand.

After revaluation of investment properties owned by the Group as at 30 September 2012, the net losses from fair value adjustments of LTL 8,709 thousand were recognized in the profit loss. The fair value of agricultural land has increased by LTL 4,122 thousand, the fair value of other investment properties has decreased by LTL 12,831 thousand. Respectively, the Company has recognised additional impairment of LTL 13,268 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 23,226 thousand, from which the investment property for LTL 2,600 thousand was obtained as collateral for trade receivable, LTL 13,824 thousand via acquisition of entities and LTL 6,802 thousand was acquired in cash (agriculture land for LTL 2,843 thousand). Also investment properties was sold for LTL 3,262 thousand (the sale price was equal to the carrying amount).

**17 Other current liabilities**

	<b>Group</b>		<b>Company</b>	
	<b>As of 31 December 2012</b>	<b>As of 31 December 2011</b>	<b>As of 31 December 2012</b>	<b>As of 31 December 2011</b>
Employee benefits	7,121	6,146	386	1,021
Other	6,843	6,287	1,999	2,160
Total other current liabilities	<b>13,964</b>	<b>12,433</b>	<b>2,385</b>	<b>3,181</b>

**18 Related party transactions**

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

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

<b>2012 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	10,200	138	166,683	9,124
Rent and utilities	-	155	-	6
Dividends	28,740	-	-	-
Other	-	13	49	-
	<b>38,940</b>	<b>306</b>	<b>166,732</b>	<b>9,130</b>
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 the year 2011 and related quarter-end balances were as follows:

<b>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	8,011	1,293	163,864	353
Rent and utilities	-	160	-	4
Roads and bridges construction segment	-	3,491	-	-
Dividends	-	-	-	-
Other	-	21	217	-
	<u>8,011</u>	<u>4,965</u>	<u>164,081</u>	<u>357</u>

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

<b>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	48	-	6,653	-
Real estate income	8	-	-	-
Other	-	-	-	-
	<u>56</u>	<u>-</u>	<u>6,653</u>	<u>-</u>

Liabilities to shareholders and management	289	-	708	-
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The Group's transactions with related parties during the year 2011 and related quarter-end balances were as follows:

<b>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	108	-	6,687	-
Rent and utilities	41	-	43	-
Furniture segment	-	1,541	-	71
Roads and bridges construction segment	266	3,905	86	-
Other	204	8	26	-
	<u>619</u>	<u>5,454</u>	<u>6,842</u>	<u>71</u>

Liabilities to shareholders and management	882	-	12,041	-
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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 3,212 thousand). Upon conversion the accrued interest was reversed.

**AB INVALIDA****INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

(all amounts are in LTL thousand unless otherwise stated)

**19 Events after the reporting period**Split-off 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. On 13 February 2013 the split-off terms were published public. Below is presented the split-off of the balance sheet of the Company as at 31 December 2012:

	<b>Total</b>	<b>Assets allocated not proportionally</b>		<b>Assets mentioned in 5.9 p. of Split-off condition</b>		<b>Assets allocated proportionally</b>		<b>Other assets</b>
		<b>Company Participating in the Split-off</b>	<b>Split-off Company</b>	<b>Company Participating in the Split-off</b>	<b>Split-off Company</b>	<b>Company Participating in the Split-off</b>	<b>Split-off Company</b>	
Property, plant and equipment	127	-	-	-	-	-	-	127
Intangible assets	13	-	-	-	-	-	-	13
Investments into subsidiaries	98,224	55,782	10,973	2,467	2,033	13,038	10,862	3,069
Investments into associates and joint ventures	467	-	467	-	-	-	-	-
Investments available-for-sale	1,817	-	-	-	-	-	-	1,817
Non-current loans granted	-	-	-	-	-	-	-	-
Deferred income tax assets	17,613	-	-	-	-	-	-	17,613
<b>Total non-current assets</b>	<b>118,261</b>	<b>55,782</b>	<b>11,440</b>	<b>2,467</b>	<b>2,033</b>	<b>13,038</b>	<b>10,862</b>	<b>22,640</b>
<b>Current assets</b>								
Trade and other receivables	51	-	-	17	31	-	-	2
Current loans granted	187,055	27,796	55,943	16,797	14,474	16,671	13,889	41,486
Prepayments and deferred charges	155	-	74	-	-	-	-	81
Financial assets at fair value through profit loss	32,974	-	-	-	-	-	-	32,974
Cash and cash equivalents, term deposits	33,571	-	-	-	-	-	-	33,571
<b>Total current assets</b>	<b>253,806</b>	<b>27,796</b>	<b>56,016</b>	<b>16,814</b>	<b>14,505</b>	<b>16,671</b>	<b>13,889</b>	<b>108,115</b>
<b>Total assets</b>	<b>372,067</b>	<b>83,578</b>	<b>67,456</b>	<b>19,281</b>	<b>16,538</b>	<b>29,709</b>	<b>24,751</b>	<b>130,754</b>



**AB INVALIDA****INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

(all amounts are in LTL thousand unless otherwise stated)

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**19 Events after the reporting period (cont'd)**Split-off of the Company (cont'd)

<b>Assets, equity, liabilities as at 31 December 2012</b>	<b>Company Participating in the Split-off</b>	<b>Split-off Company</b>	<b>Company Participating in the Split-off</b>
Assets allocated according to Split-off conditions not proportionally	102,859	83,994	186,853
Assets allocated according to Split-off conditions proportionally	29,709	24,751	54,460
Other assets	70,404	60,350	130,754
<b>Total</b>	<b>202,972</b>	<b>169,095</b>	<b>372,067</b>
Equity	196,663	163,839	360,502
Liabilities	6,309	5,256	11,565
<b>Total</b>	<b>202,972</b>	<b>169,095</b>	<b>372,067</b>

Acquisition of own shares

From 19 February 2013 until 5 March 2013 the Company implemented share buy-back program through the market of official offer. Max number of shares to be acquired: 5,180,214. Share acquisition price: LTL 8,287 per share. If all offered shares would be buy-backed, the Company would be paid for own shares LTL 42,928 thousand.