

A decorative graphic consisting of two parallel diagonal lines, one red and one blue, extending from the top left towards the bottom left of the slide.

The presentation of asset management business model of Invalda LT, AB

Vilnius, 12 December 2013



About Invalda LT, AB

- Invalda LT, AB started its activity in 1991 as an investment stock company.
- Company's equities have been traded on the NASDAQ OMX Vilnius Exchange since 1995.
- At present the number of shareholders of Invalda LT, AB is more than 4200.
- At present Invalda LT, AB is one of the major Lithuanian investment companies.
- Invalda LT, AB is the only one of several hundred investment companies in Lithuania, which created several hundred million litas value for its shareholders.

Current situation

- Investors can not predict sectors where investments will be made.
- Investors can not choose:
 - the risk level;
 - direction of the investment;
 - term of the investment;
 - higher supervision.
- For some investors company's status as unlicensed is inapplicable.

GROUP OF INVALIDA LT



Furniture manufacturing



Real estate



Agriculture



Information technologies



Facility management



Other companies



Current investments

Vilniaus Baldai, AB



Activity – production of flat-pack furniture
Investment date: 1994
Market value: EUR 24.5 million (LTL 84.7 million)
Dividends received: EUR 18.4 million (LTL 63.7 million)

Real estate sector



Activity – commercial real estate objects and agricultural land
Investment date: since 1994
Owns 50 thousand square meters commercial rental real estate and 17 companies, holding 2.9 thousand hectares of agricultural land.

Litagra, UAB



Activity – primary crop and livestock (milk) production, grain processing and agricultural services
Investment date: 2011
Invested: EUR 6.3 million (LTL 21.9 million)



BAIP group, UAB

Activity – IT services.
Investment date: 2007
Invested: EUR 4.5 million (LTL 15.4 million)



Inservis, UAB

Activity – facilities management services.
Investment date: 1994
Invested: EUR 1.5 million (LTL 5.2 million)



Kelio Zenklai, UAB

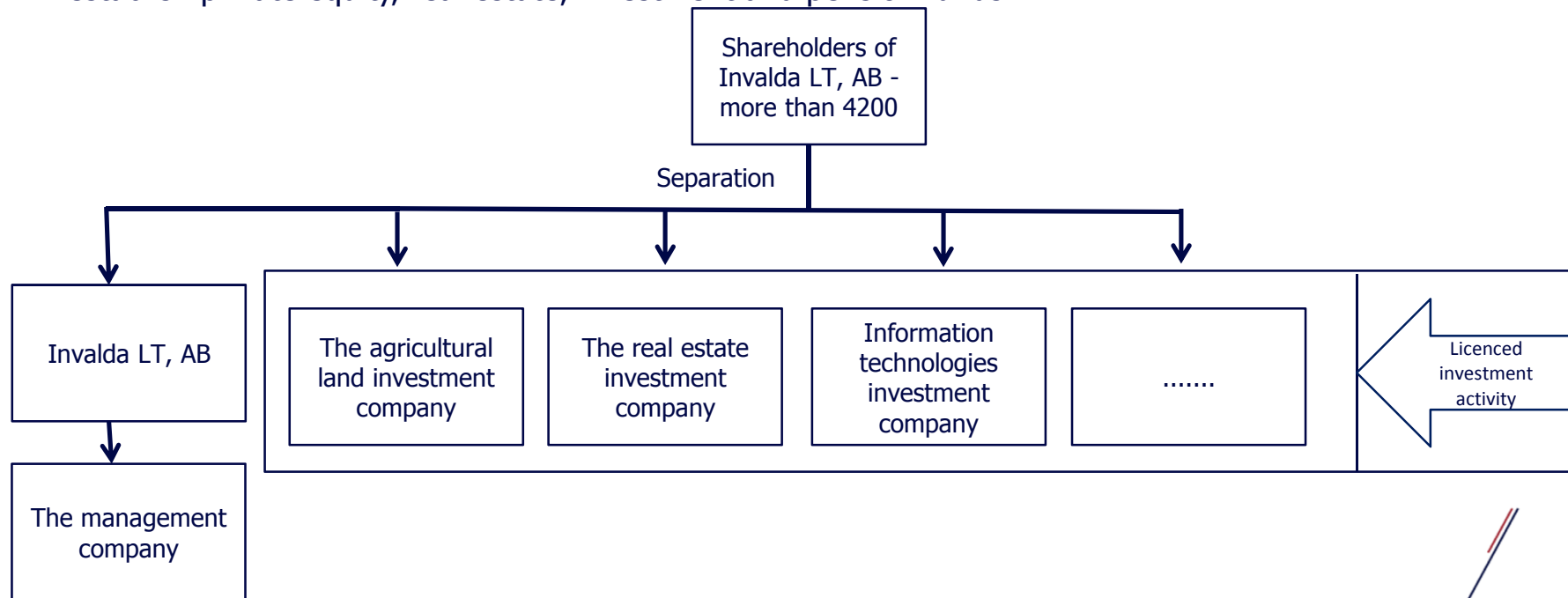
Activity – the production of solid wood, metal and road maintenance equipment
Investment date: 2003
Invested: EUR 1.6 million (LTL 5.6 million)

The stock price chart



The planned reorganisation of the business model

- 3-4 public limited liability companies will be separated from Invalda LT, AB. These companies will engage in the licensed asset management.
 - First investment companies could operate in the agricultural land sector, real estate sector, IT sector.
- The management company will be established or acquired by Invalda LT, AB. Later the management company will establish private equity, real estate, investment and pension funds.



Rights of shareholders

- All the shareholders of Invalda LT, AB, which at present is more than 4200, will participate in proportion in the capital of the separated companies.
- All the shares of 3 or 4 newly established companies are planned to be quoted on the NASDAQ OMX Vilnius Exchange.
- The agricultural land investment company as well as real estate and IT investment companies will apply for a closed-end investment companies license to the Bank of Lithuania.
- It is assumed to apply for the strictest regulatory regime which is imposed on retail investors.

Why we are doing this? (1)

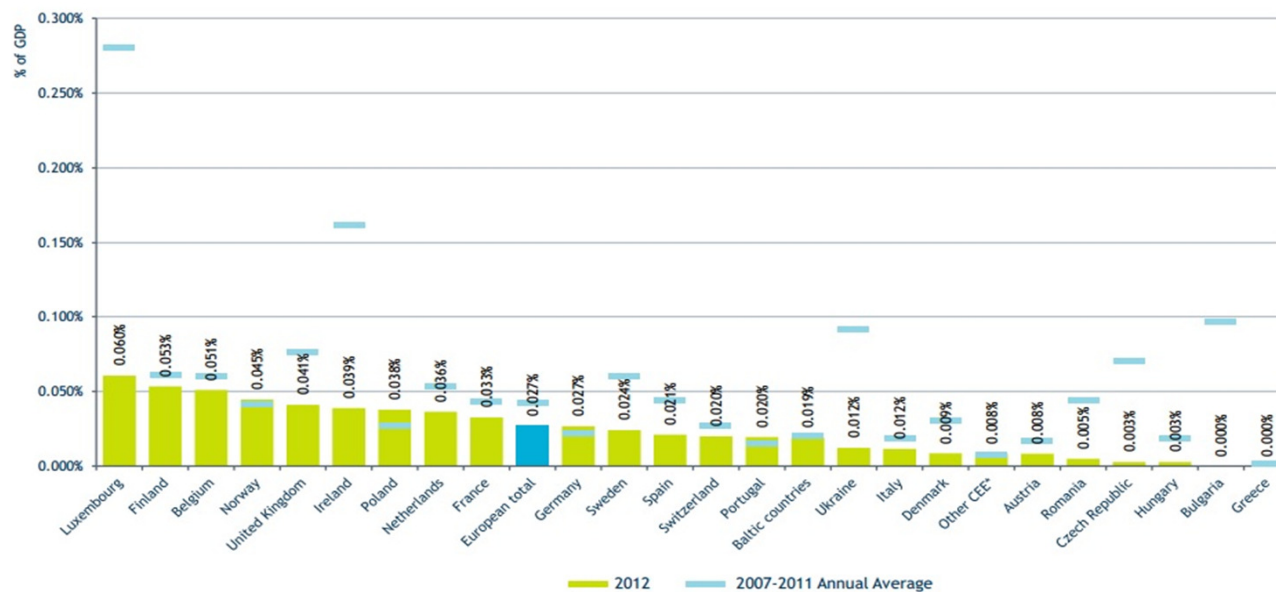
- The share price in the market is often smaller than the total value of separate assets.
 - We think that separate different risk companies, holding one kind assets and separate strategies, are more valuable than „all in one“ companies.
 - Shareholders will be able to choose assets or businesses they want to invest to.
 - Investors will be able to select the wanted risk profile and the term of their investments.
 - The licensed activity as well as supervision of the Bank of Lithuania will increase transparency and reduce the risk of investments.
- Raised new capital will allow to implement larger projects.

Why we are doing this? (2)

- Long-term orientation into the asset management business.
- We have been successfully managing funds of the shareholders since 1991.
- Extensive experience in acquisition, restructuring, management and sale of companies.
- We have a team and the resources to become one of the leading asset managers' in the region.
- The market is ready and private capital sector is expected to grow fast.

Growth - Investments as % of GDP

2012 - Market statistics





Source: Thomson Reuters Datastream (GDP) / EVCA / PEREP_Analytics

*Other CEE consists of Ex-Yugoslavia and Slovakia



Participating in the market (1)

- Since its incorporation Invalda LT, AB has executed several tens of entity acquisition, sale and capital attraction transactions, the total value whereof is about LTL 4 billion.
- Historically not only Invalda LT, AB gained from the transactions but also the partners: corporate executives, small shareholders and other investors.

Participating in the market (2)

 **UMEGA**

Umega, AB

Activity – metal processing
Invested (1994-2011) – EUR 0.6 million (LTL 2.1 million)
Sold (2012) – EUR 1.36 million (LTL 4.7 million)


Sanitas, AB



Activity – generic medicines manufacturing
Invested (2003-2009) – EUR 43.82 million (LTL 151.3 million)
Sold (2008-2011) – EUR 123.9 million (LTL 427.7 million)


Tiltra Group and Kauno Tiltai

Activity – road and bridge construction
Invested (December 2005 - 2007) – EUR 7.2 million (LTL 25 million)
Sold (2011) – EUR 52.9 million (LTL 182.6 million)

Agrowill Group, AB 

Activity – production of agricultural products and investment into land of agricultural purpose
Invested (2003-2008) – EUR 1.2 million (LTL 4.1 million)
Sold (2009-2010) – EUR 1.5 million (LTL 5.1 million)

 **Finasta**


Activity – finance and investments
Invested (1998) – EUR 13.8 million (LTL 47.5 million)
Sold (2009) – EUR 22.46 million (LTL 77.55 million)

 **Valmeda, AB**


Activity – hotel management
Invested (1995-2003) – EUR 4.3 million (LTL 15 million)
Sold (2008) – EUR 19.8 million (LTL 79.5 million)

 **SWECO HIDROPROJEKTAS**
Hidroprojektas, UAB


Activity – designing and consultations
Invested (2001-2002) – EUR 0.6 million (LTL 2.2 million)
Sold (2008) – EUR 5.1 million (LTL 17.6 million)


Girių Bizonas, UAB

Activity – particle board production
Invested (2005) – EUR 7.6 million (LTL 26.25 million)
Sold (2008) – EUR 9.2 million (LTL 31.9 million)

Vilnius Senamiescio Restauravimo Direkcija, UAB


Activity – investment into real estate
Invested (2004-2005) – EUR 0,6 million (LTL 1.98 million)
Sold (2007-2008) – EUR 2.7 million (LTL 9.25 million)


Voltera, UAB

Activity – insurance brokerage services
Invested (2004) – EUR 18 thousand (LTL 62 thousand)
Sold (2007) – EUR 115.8 thousand (LTL 400 thousand)

Apzeldinimas, UAB

Activity – investment into real estate
Invested (2005) – EUR 0.9 million (LTL 3 million)
Sold (2006) – EUR 5.1 million (LTL 17.7 million)


Klaipėdos Konditerija, AB


Activity – production of candies and caramel
Invested (2000-2006) – EUR 1.3 million (LTL 4.4 million)
Sold (2006) – EUR 2.1 million (LTL 7.35 million)

Vilmakas, AB

Activity – manufacturing of wood articles
Invested (2004) – EUR 0.5 million (LTL 1.8 million)
Sold (2005) – EUR 0.9 million (LTL 3.2 million)

Chemija, AB


Activity – wholesale trading in chemical substances
Invested (1992) – EUR 0.1 million (LTL 0.3 million)
Sold (2004) – EUR 1.1 million (LTL 3.8 million)


Azuolas, AB

Activity – production of soft furniture
Invested (1992-1999) – EUR 0.1 million (LTL 0.35 million)
Sold (2000) – EUR 0.6 million (LTL 2.16 million)

Nemunas, AB

Activity – production of metal ware
Invested (1992-1997) – EUR 0.3 million (LTL 1.1 million)
Sold (1998) – EUR 1.3 million (LTL 4.4 million)


Medienos plaušas, AB

Activity – manufacturing of soft fibreboards and moulded-fibre packaging
Invested (1992) – EUR 0.15 million (LTL 0.5 million)
Sold (1997-1998) – EUR 4.9 million (LTL 16.8 million)

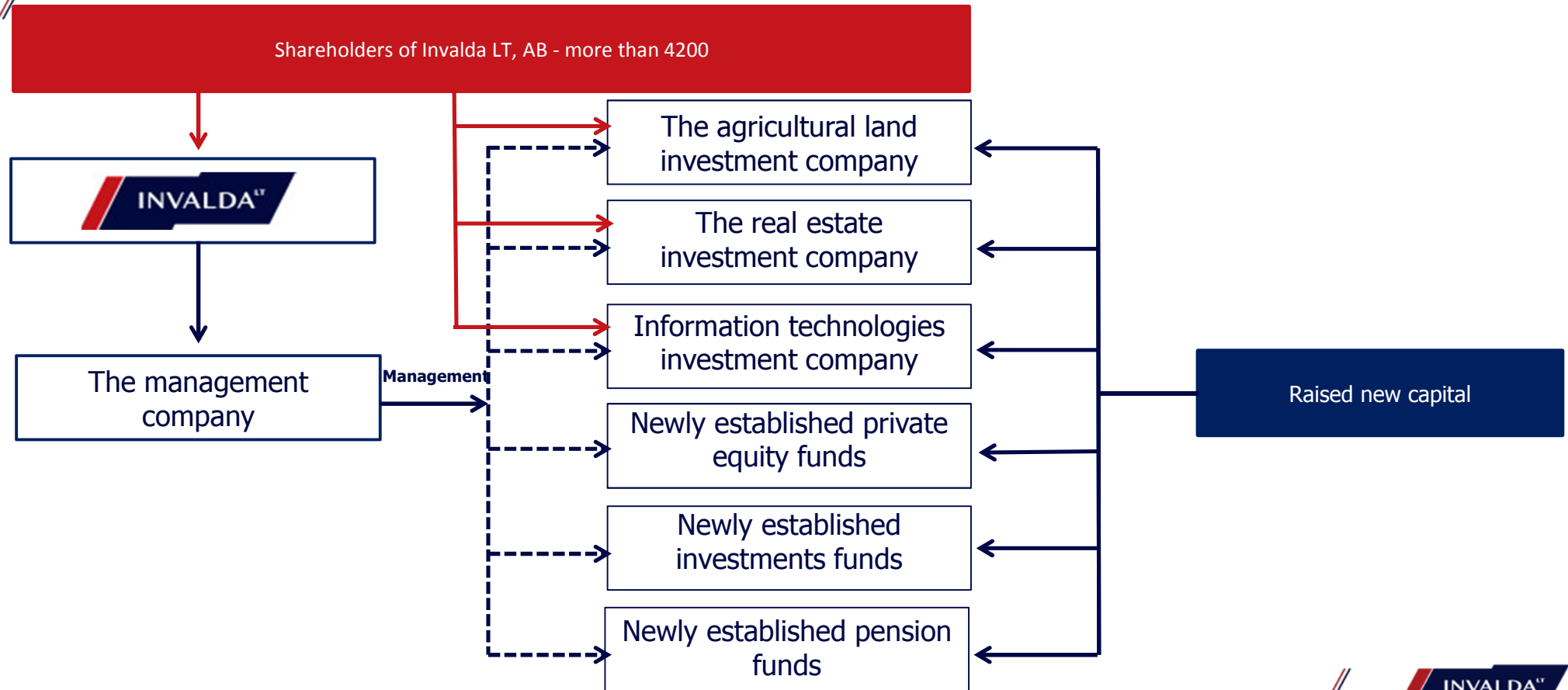
 **Other investments**
  

Invalda LT, AB had been managing shareholdings in Visagino Duona, Birstono Mineraliniai Vandeny, Kedainiu Biochemija, Vilniaus Paukstynas, Zagares Zirgynas, Naujieji Verkiai, Grigiskes, Liejiniai, Jonavos Agroservisas, Sirijus, Lietkabelis, Vilniaus Vingis, Kljajai, Rudalita, Senasis Merkurijus, Melioservisas, Galincius, Veruga, Medisteka, Epusis, Staduva, Vilbaldas, Bankas Hermis, Vilniaus Bankas, and a number of other companies.

Team

- The core of Invalda LT, AB team is represented by a number of professionals with an excessive experience in capital, companies management, finance and other areas.
- The team members have diversified experience in direct management, creation and development of businesses. Moreover, they have participated in the boards and supervisory boards of Lithuanian, Polish, Latvian and other countries.
- The team members have substantial work experience in cooperating with international financial institutions, largest region investors and business groups, and entrepreneurs.
- The experience in general is of regional character (activities in the Baltic States, Poland, other States of the Central and Eastern Europe).
- The experience has been accumulated through the activities of managing, acquisition, developing, merging, splitting, disposing business, or incorporating new businesses from their very inception.
- It is expected to strengthen the team.

The presentation of the model of asset management



The management company

- Invalda LT, AB will own 100 percent of shares in the management company, providing necessary funds and other necessary resources for the business development.
- It is assumed that the management company will own closed-end investment companies separated from Invalda LT, AB (agricultural land, real estate, IT and other investment companies)
 - After receiving their license and completing the evaluation of investment environment, all the newly established companies will raise additional capital from the investors.
- It is expected to establish new funds. The main focus – private equity funds.
 - Establishment of pension and investment funds is expected as well.



Planned licensed investment companies (1)

- **Investment company, investing into agricultural land**
- The planned period of activity - the longest allowed by the law.
- At present 17 companies own about 2.9 thousand hectare of land.
- It is expected to not to use borrowed funds.

- The logic of the investment:
 - Lithuania is the grain exporter and is known for its long traditions of farming.
 - The agricultural land in Lithuania is one of the most undervalued in Europe.
 - Low correlation with other asset classes (stocks and bonds).
- These kind of funds in the world practice are established for the long-term investment period, „buy and hold” strategy, ability to invest funds from pension funds, for example Canada’s TIA-CREF, Sweden’s AP2.



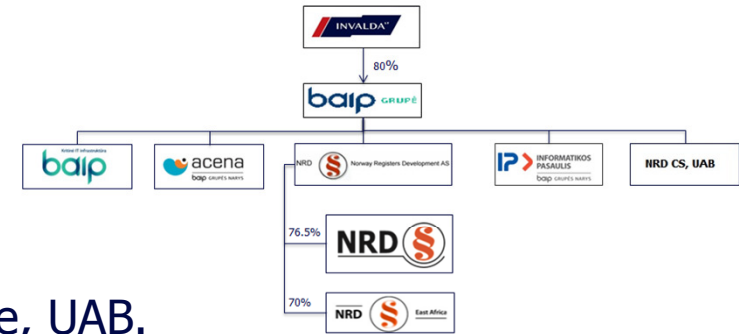
Planned licensed investment companies (2)

- **Real estate investment company**
- It is expected to create the company on the basis of currently operating company Invalidos Nekilnojamojo Turto Fondas, AB.
- At present real estate objects in Vilnius and Kaunas belong to this sector, the total area of 50 thousand square metres.
- The duration of activity is expected to be 10 years.

- The logic of the investment:
 - The recovery of economics will increase the real estate prices shrunk due to the crisis.
 - It is expected to create value by transforming an existing or acquiring new real estate objects.

Planned licensed investment companies (3)

- **IT investment company**
- The first investment – 80 percent of shares in BAIP Grupe, UAB.
- The group currently owns companies in Lithuania, Norway and Tanzania. It implemented projects in more than 50 countries
- The logic of the investment:
 - Lithuania is the exporter of the IT services.
 - Many start-up and mature companies' business models are suitable for international markets as well as the rapid development and growth of value.





Raising the new capital

- We will strive to raise new capital both for the investment companies separated from Invalda LT, AB and for the newly established funds.
- It is expected to attract new funds from Lithuanian and foreign retail and institutional investors.

Further restructuring guidelines of Invalda LT, AB

- Activity:
 - Invalda LT, AB will concentrate into asset management business and will aim to receive the main income from management activity.
- Assets:
 - The next step could be the separation of the remaining assets. On this basis a new private equity investment company could be established or the remaining assets could be sold.
 - Money generated by assets of Invalda LT, AB would be used as the primary capital establishing funds.



Disclaimer

- The presentation was prepared by Invalda LT, AB.
- This presentation was prepared according to the opinion on the Board of the company. Implementation of asset management business model will depend on the decisions of the General Shareholders Meeting, laws and regulations, market conditions, the decisions of the Bank of Lithuania. The presentation is not and can not be treated as (i) obligation of the company to implement the reorganisation or any part of it mentioned in the presentation; (ii) obligation of the company to leave unchanged structure of the reorganisation; (iii) offer of the company to purchase or sell its shares.
- The conditions of the separation must be approved by the decision of the General Shareholders Meeting. There are no guarantees that such a decision will be passed and the reorganisation will be implemented.
- Management company and closed-end investment companies need licenses issued by the Bank of Lithuania. There are no guarantees these licenses will be issued.
- The Board expressed primary opinion regarding asset management model. The opinion may change according to the market changes.
- If other or/and additional decisions will be necessary for the increase of investors equity value, the Board of the company will consider such decisions.
- The information provided here is not a recommendation or solicitation to buy or sell any securities.
- Invalda LT, AB does not take responsibility for the actions any third parties made based only on information provided here.
- Group composition charts are simplified. Invalda LT, AB owns 100% in the companies if not stated otherwise.
- Dividends received from the sold businesses are reckoned in the sale price.
- Since 22 November 2010, shares of the listed companies are traded only in Euros on NASDAQ OMX Vilnius stock exchange, therefore all information related to the securities trading is provided in Euros.