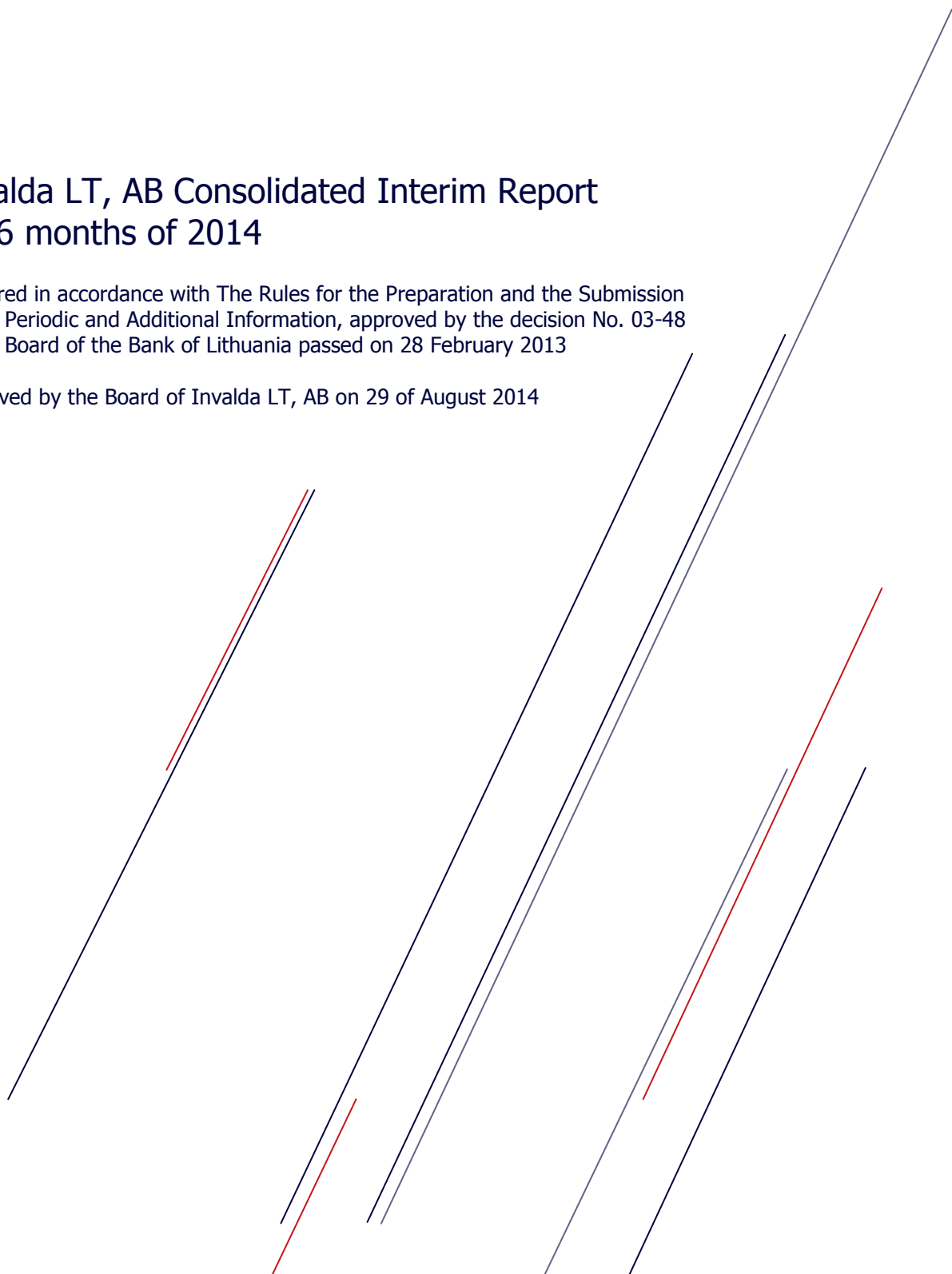


# Invalda LT, AB Consolidated Interim Report for 6 months of 2014

Prepared in accordance with The Rules for the Preparation and the Submission  
of the Periodic and Additional Information, approved by the decision No. 03-48  
of the Board of the Bank of Lithuania passed on 28 February 2013

Approved by the Board of Invalda LT, AB on 29 of August 2014



**Translation note:**

**This version of the Interim Report is a translation from the original, which was prepared in Lithuanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version takes precedence over this translation.**

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## I. GENERAL INFORMATION

### 1. Reporting period for which the report is prepared

The report is prepared for the first half of 2014 (January – June). The report is unaudited.

### 2. General information about the Issuer and other companies comprising the Issuer's group

#### 2.1. Information about the Issuer

Name of the Issuer	The public joint-stock Invalda LT, hereinafter Invalda LT, AB
Code	121304349
Address	Seimyniskiu str. 1A. LT-09312 Vilnius. Lithuania
Telephone	+370 5 279 0601
Fax	+370 5 279 0530
E-mail	<a href="mailto:info@InvaldaLT.com">info@InvaldaLT.com</a>
Website	<a href="http://www.invaldalt.com">www.invaldalt.com</a>
Legal form	public public joint-stock company
Date and place of registration	20 March 1992. Register of Enterprise of Vilnius
Register in which data about the Company are accumulated and stored	Register of Legal Entities

#### 2.2. Information on company's goals, philosophy and strategy

Invalda LT, AB is one of the major companies in Lithuania investing in other businesses and managing assets.

Invalda LT, AB started the activity in 1991 as the company Invalda, AB. From 1991 until 1997 it operated as an investment public company established during the state property privatization, which was implemented in accordance to the State Property Primary Privatization law of the Republic of Lithuania. From 1997 until 2003 the company operated as a licenced investment company (the license was issued by the Securities Commission of Lithuania).

Company's equities have been traded on the NASDAQ OMX Vilnius Exchange since 1995.

Since 2013 the company continues its activity under the new name Invalda LT. On 29 April 2014 the Split-Off of Invalda LT, AB was completed. Three companies INVL Baltic Farmland, INVL Baltic Real Estate and INVL Technology comprising 47,95% of Invalda LT assets calculated in book values, were split-off from Invalda LT. Invalda LT was split-off in order to redesign its business model according to classical asset management principles.

#### 2.3. Information about the Issuer's group of companies

Having completed the split-off of Invalda LT, AB in 29 April 2014 and closing the deal of Vilniaus Baldai, AB on 28 May 2014, the group companies operate in the agriculture and facility management sectors. Invalda LT owns 100 percent of shares in Invalda LT Investments, a company seeking to receive the asset management company licence issued by the Bank of Lithuania.

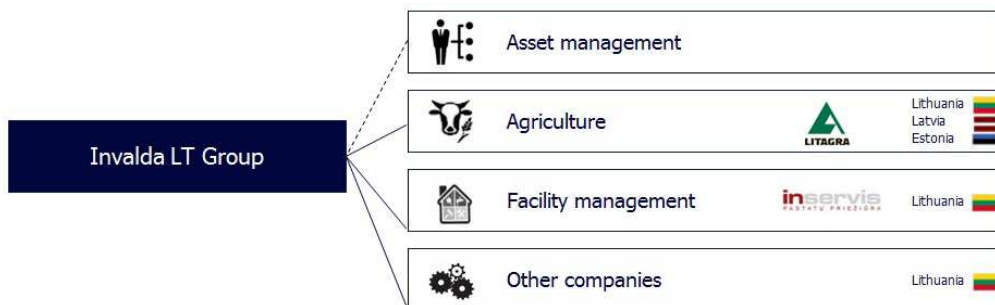
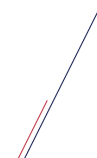


Fig. 2.3.1. The main sectors of Invalda LT, AB group as of 30 June 2014



### 3. Agreements with intermediaries on public trading in securities

Invalda LT, AB has signed agreements with these intermediaries:

- Finasta, AB FMI (Maironio str. 11, Vilnius, Lithuania; tel. +370 5 278 6833) – the agreement on investment services, the agreement on management of securities accounting. the agreement on payment of dividends;
- Bank Finasta, AB (Maironio str. 11, Vilnius, Lithuania; tel. +370 5 203 2233) – the agreement on management of securities account. the agreement on investment services;
- Siauliu Bankas, AB (Tilzes str. 149, Siauliai, Lithuania; tel. +370 41 595 607) – the agreement on management of securities account and intermediation;
- DnB Bankas, AB (J. Basanaviciaus str. 26, Vilnius, Lithuania; tel. +370 5 239 3503) – the agreement on financial instruments account management, implementation of orders and offering recommendations;
- SEB Bankas, AB (Gedimino ave. 12, Vilnius, Lithuania; tel. +370 5 268 2370) – the agreement on management of securities account;
- Medicinos Bankas, UAB (Pamenkalnio str. 40, Vilnius, Lithuania; tel. +370 5 264 4845) - the agreement on management of securities account;
- Danske Bank A/S, Lithuania branch (Saltoniskiu str. 2, Vilnius, Lithuania; tel. +370 5 521 6666) - the agreement on investment services;
- FMI Orion Securities, UAB (A. Tumeno str. 4. (block B), Vilnius, Lithuania; tel. +370 5 231 3841) - the agreement on investment services;
- Dom Maklerski BZ WBK S.A. (Pl. Wolnosci str. 15. 60-967, Poznan, Poland; tel. +48 61 856 48 80) – the agreement of intermediation;
- AB SEB Pank (Tornimae str. 2., 15010, Tallin, Estonia; tel. +372 6657 772) - the agreement of intermediation.

### 4. Information on Issuer's branches and representative offices

Invalda LT, AB has no branches or representative offices.

## II. INFORMATION ABOUT SECURITIES

### 5. The order of amendment of Issuer's Articles of Association

The Articles of Association of Invalda LT, AB may be amended by resolution of the General Shareholders' Meeting, if the decision is passed by more than 2/3 of votes (except in cases provided for by the Law on Companies of the Republic of Lithuania).

Actual wording of the Articles of Association is dated as of 29 April 2014. The document is published on the company's website.

### 6. Structure of the authorized capital

Table 6.1. Structure of Invalda LT, AB authorised capital as of 30 June 2014.

Type of shares	Number of shares, units	Total voting rights granted by the issued shares, units	Nominal value, LTL	Total nominal Value, LTL	Portion of the authorised capital, %
Ordinary registered shares	11,865,993	11,865,993	1	11,865,993	100

#### 6.1. Information about the Issuer's treasury shares

From the beginning of 2014 until the end of the reporting period the own share acquisition was not implemented by the company.

Since the beginning of the reporting period the amount of company's treasury shares totalled to 2,036,254 shares. Shares have been cancelled after completion of the split-off of Invalda LT on 29 April 2014.

After the completion of the split-off of Invalda LT, the authorised capital is LTL 11,865,993 and it is divided into 11,865,993 ordinary registered shares with nominal value LTL 1 each. The total amount of voting rights in Invalda LT, AB (ISIN LT0000102279) equals to 11,865,993 units.

## 7. Trading in Issuer's securities as well as securities, which are deemed to be a significant financial investment to the Issuer on a regulated market

Table 7.1. Main characteristics of Invalda LT, AB shares admitted to trading

Shares issued, units	11,865,993
Shares with voting rights, units	11,865,993
Nominal value, LTL	1
Total nominal value, LTL	11,865,993
ISIN code	LT0000102279
Ticker	IVL1L
Exchange	NASDAQ OMX Vilnius
List	Baltic Main List (since 1 January 2008)
Listing date	19 December 1995
Indrawn into indexes	VILSE (OMX Vilnius Index) EUETMP (STOXX EU Enlarged TMI (Price), EUR) OMXBPI (OMX Baltic All Share Price Index) B40PI (OMX Baltic Financials Price Index) TE1P (STOXX All Europe Total Market Price Index) B8000PI (OMX Baltic Financials PI) B8700PI (OMX Baltic Finl Svc PI)

Company uses no services of liquidity providers.

Table 7.2. Trading in Invalda LT, AB shares

	6 months of 2012	6 months of 2013	6 months of 2014
Share price, EUR			
- open	1.930	1.970	3.380
- high	2.940	2.830	3.490
- low	1.871	1.960	2.760
- average	2.297	2.291	3.135
- close	2.550	2.650	2.910
Volume, units	1,657,603	1,935,755	56,183
Turnover, EUR	4,003,653.3	4,403,436.39	179,688.43
Trades, units	3561	3243	314

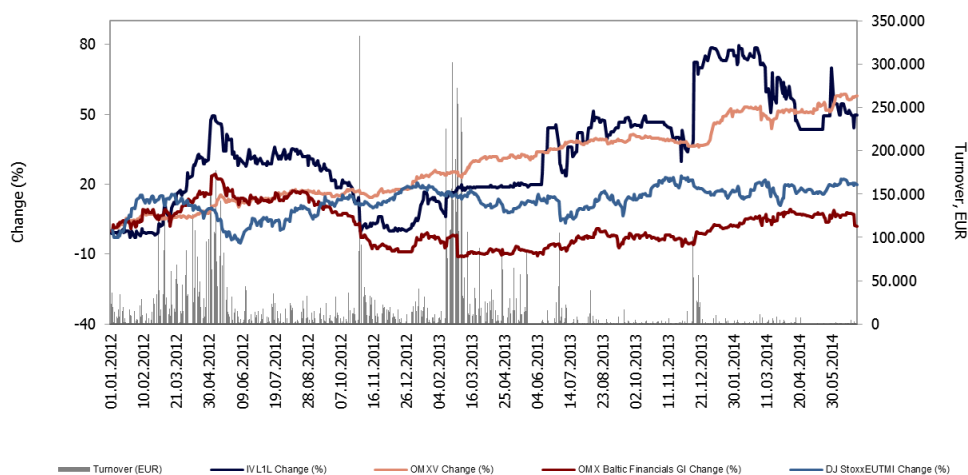
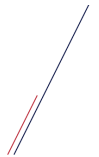


Fig. 7.3. Turnover of Invalda LT, AB shares, change of share price and indexes



## 8. Shareholders

### 8.1. Information about shareholders of the company

The Shareholders of Invalda LT, AB Alvydas Banys, LJB Investments, UAB, Irena Ona Mišeikienė, Indrė Mišeikytė, Darius Šulnis, Lucrum investicija, UAB, have signed the agreement on the implementation of a long-term corporate governance policy, so their votes are countable together.

Table 8.1.1. Shareholders who held title to more than 5% of Invalda LT, AB authorised capital and/or votes as of 30 June 2014.

Name of the shareholder or company	Number of shares held by the right of ownership, units	Share of the authorised capital held, %	Share of the votes. %		
			Share of votes given by the shares held by the right of ownership, %	Indirectly held votes, %	Total (together with the persons acting in concert), %
LJB Investments, UAB code 300822575. Juozapavičiaus str. 9A, Vilnius	3,612,330	30.44	30.44	61.15	91.59
Irena Ona Mišeikienė	3,429,435	28.90	28.90	62.69	
Darius Šulnis	0	0.00	0.00	91.59	
Lucrum Investicija, UAB code 300806471, Šeimyniškių str. 3, Vilnius	2,441,442	20.58	20.58*	71.01	
Alvydas Banys	910,875	7.68	7.68	83.91	
Indrė Mišeikytė	236,867	2.00	2.00	89.59	

\*Lucrum Investicija, UAB has additionally 2 % of votes granted by the shares sold by the repurchase agreement.

The total number of shareholders exceeds 3800 in Invalda LT, AB.

There are no shareholders with extraordinary control rights in Invalda LT, AB.

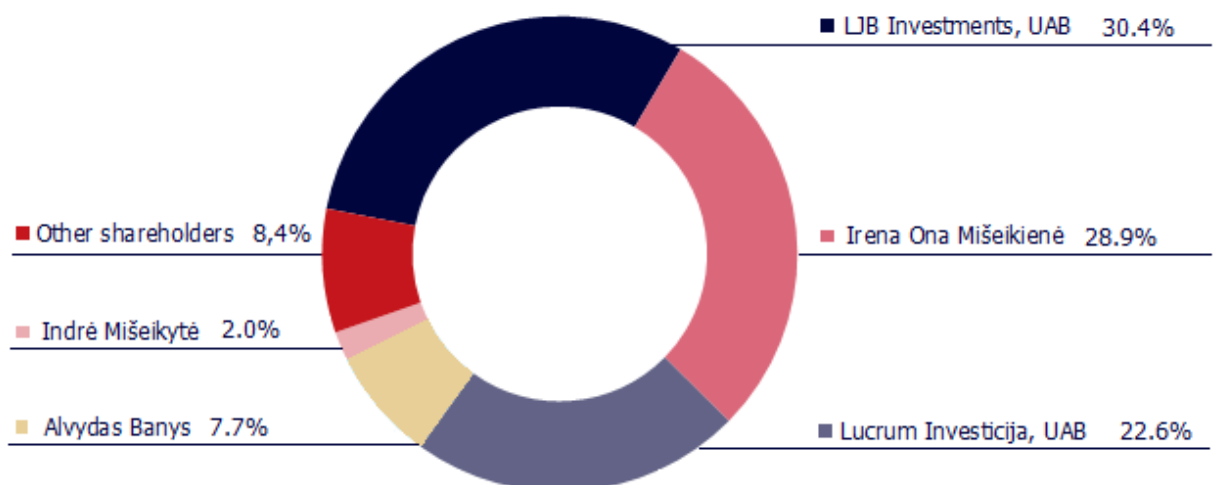
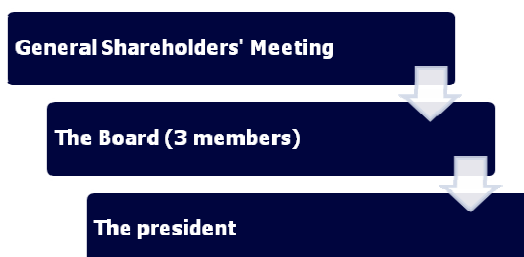


Fig. 8.1.2. Votes as of 30 June 2014

### III. ISSUER'S MANAGING BODIES

#### 9. The managing bodies of the Issuer



The governing bodies of Invalda LT, AB are the General Shareholders' Meeting, sole governing body – the President and a collegial governing body – the Board. The Supervisory Board is not formed.

Information about members of the Board, manager of the company as well as CFO of the company.

The Board of Invalda LT, AB was elected during the Extraordinary General Shareholders' Meeting on 28 May 2013. The Board was elected for the 4 years term of office. Mr. Banyas was elected as the Chairman of the Board. Mr. Šulnis and Ms. Mišeikytė were elected as the Members of the Board. Mr. Šulnis was appointed as the President of the company on 22 May 2013.



Alvydas Banyas – Chairman of the Board

The term of office	From 2013 until 2016
Educational background and qualifications	Vilnius Gediminas Technical University. Faculty of Civil Engineering. Master in Engineering and Economics. Junior Scientific co-worker. Economic's Institute of Lithuania's Science Academy.
Work experience	Since 1 July 2013 Invalda LT, AB - Advisor Since 2007 LJB Investments, UAB - Director Since 2007 JLB Property, UAB - Director 1996 – 2006 Invalda, AB - Vice President 1996 – 2007 Nenuorama, UAB - President
Owned amount of shares in Invalda LT	Directly: 910,875 units of shares. 7.68 % of authorised capital, 7.68 % of votes. Together with controlled company LJB Investments: 4,523,205 units of shares, 38.12 % of authorized capital, 38.12 % of votes. Total votes (together with people acting in concert) – 91.59 %.
Participation in other companies	BAIP Grupe, UAB – Member of the Board Invalda LT Investments, UAB – Chairman of the Board INVL Baltic Farmland, AB – Chairman of the Board INVL Baltic Real Estate, AB – Chairman of the Board INVL Technology, AB – Chairman of the Board Litagra, UAB - Member of the Board
Owned shares and votes of other companies	INVL Baltic Farmland, AB – 62.7 % (together with people acting in concert) INVL Baltic Real Estate, AB – 50.3 % (together with people acting in concert) INVL Technology, AB – 50.3 % (together with people acting in concert) LJB Property, UAB – 99.99 %. LJB Investments, UAB – 82.26 % Gulbinu Turizmas, UAB – 7.7 %.



Indrė Mišeikytė – Member of the Board

The term of office	From 2013 until 2016
Educational background and qualifications	Vilnius Gediminas Technical University. Faculty of Architecture. Master in Architecture
Work experience	Since May 2012 Invalda LT, AB - Advisor Since June 2013 Invalda Privatus Kapitalas, AB – Advisor Since 2002 Inreal Valdymas, UAB - Architect From 2000 until 2002 Gildeta, UAB - Architect
Owned amount of shares in Invalda LT, AB	Directly: 236,867 units of shares, 2 % of authorised capital, 2 % of votes Total votes (together with people acting in concert) – 91.59 %.
Participation in other companies	Invalda Privatus Kapitalas, AB – Member of the Board INVL Baltic Farmland, AB – Member of the Board INVL Baltic Real Estate, AB – Member of the Board INVL Technology, AB – Member of the Board
Owned shares and votes of other companies	INVL Baltic Farmland, AB – 62.7 % (together with people acting in concert) INVL Baltic Real Estate, AB – 50.3 % (together with people acting in concert) INVL Technology, AB – 50.3 % (together with people acting in concert) DIM Investment, UAB – 25 %. Tuta, UAB – 5.25 %.



Darius Šulnis – Member of the Board, the President

The term of office	From 2013 until 2016
Educational background and qualifications	Duke University (USA). Business Administration. Global Executive MBA. Vilnius University. Faculty of Economics. Master in Accounting and Audit. Financial broker's license (general) No. A109.
Work experience	2006 – 2011 Invalda, AB – President. 2011 – 2013 Invalda, AB – Advisor. Since May 2013 Invalda LT, AB – President. 2002 – 2006 Invalda Real Estate, UAB (current name Inreal Valdymas) – Director 1994 – 2002 FBC Finasta, AB – Director
Owned amount of shares in Invalda LT, AB	Directly: 0 units of shares, 0,00 % of authorised capital and votes Together with controlled company Lucrum Investicija: 2,441,442 units of shares, 20.58 % of authorised capital, 22.58 % of votes (including votes granted by the shares transferred by the repurchase agreement). Total votes (together with people acting in concert) – 91.59 %.

*continued on the next page*



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Participation in other companies	<p>Invaldos Nekilnojamojo Turto Fondas, AB – Chairman of the Board          Litagra, UAB – Member of the Board          BAIP Grupe, UAB – Chairman of the Board          Invalda LT Investments, UAB – director, member of the Board          INVL Baltic Farmland, AB – director, member of the Board          INVL Baltic Real Estate, AB – director, member of the Board          INVL Technology, AB – director, member of the Board</p>
Owned shares and votes of other companies	<p>INVL Baltic Farmland, AB – 62.7 % (together with people acting in concert)          INVL Baltic Real Estate, AB – 50.3 % (together with people acting in concert)          INVL Technology, AB – 50.3 % (together with people acting in concert)          Lucrum Investicija, UAB – 100 %.          Golfas, UAB – 31 %.</p>



Raimondas Rajeckas – CFO

Educational background and qualifications	Vilnius University, Faculty of Economics.
Work experience	<p>Since 2006 Invalda LT, AB – CFO          2001 – 2006 Valmeda, AB – CFO          2000 – 2001 Galincius, AB – CFO          2000 – 2001 Invaldos Marketingas, UAB (current name Inreal Valdymas, UAB) – CFO          2000 – 2002 Gildeta, AB – Accountant          1998 – 2000 Invalda, AB – Accountant</p>
Owned amount of shares in Invalda LT, AB	-
Participation in other companies	<p>Invalda LT Investments, UAB – Member of the Board          Proprietas, UAB – Director          Cooperor, UAB – Director          Inventio, UAB – Director          Aktyvo, UAB – Director          Aktyvus Valdymas, UAB – Director          Finansu Rizikos Valdymas, UAB – Director (till 25 July 2014)          Iniciatyvos Fondas, VSI – Director          MBGK, UAB – Director          MGK Invest, UAB – Director          RPNG, UAB – Director          Regenus, UAB – Director          Cedus Invest, UAB – Director          Cedus, UAB – Director</p>

#### **10. Information about the Audit Committee of the company**

The Audit Committee consists of 2 members, one of whom is independent. The members of the Audit Committee are elected by the General Shareholders' Meeting of Invalda LT. The main functions of the Committee are the following:

- provide recommendations for the Board of the company with selection. appointment. reappointment and removal of an external audit company as well as the terms and conditions of engagement with the audit company;
- monitor the process of external audit;
- monitor how the external auditor and audit company follow the principles of independence and objectivity;
- observe the preparation process of company's financial reports;
- monitor the efficiency of company's internal control and risk management systems. Once a year review the need of the internal audit function;
- monitor if the company's board and/or managers properly response to the audit firm's recommendations and comments.



On 30 August 2013 the General Shareholders meeting removed the Audit Committee in corpore and elected new Committee members: Danutė Kadanaitė, a lawyer at Legisperitus, UAB and Tomas Bubinas, a Chief Operating Officer at Biotechpharma, UAB (independent member).



Danutė Kadanaitė – Member of the Audit Committee

The term of office	Since 2013 until 2016
Educational background and qualifications	2004 – 2006 Mykolas Romeris University. Faculty of Law. Master in Financial Law 2000 – 2004 m. Faculty of Law, BA in Law 1997 International School of Management
Work experience	Since 2009 Lawyer. Legisperitus, UAB 2008 – 2009 Lawyer, Finasta FBC 2008 – Lawyer, Invalda, AB 1999 – 2002 Administrator, Office of Attorney of Law Arturas Sukevicius 1994 – 1999 Legal Consultant, Financial brokerage company Apyvarta, UAB
Owned amount of shares in Invalda LT, AB	-



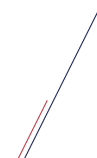
Tomas Bubinas – Independent Member of the Audit Committee

The term of office	Since 2013 until 2016
Educational background and qualifications	2004 – 2005 Baltic Management Institute (BMI), Executive MBA 1997 – 2000 Association of Chartered Certified Accountants. ACCA. Fellow Member 1997 Lithuanian Sworn Registered Auditor 1988 – 1993 Vilnius University, Msc. in Economics
Work experience	Since 2013 Chief Operating Officer at Biotechpharma, UAB 2010 – 2012 Senior Director, Operations. TEVA Biopharmaceuticals (USA) 1999 – 2001 Senior Manager, PricewaterhouseCoopers 1994 – 1999 Senior Auditor, Manager, Coopers & Lybrand.
Owned amount of shares in Invalda LT, AB	-

#### 11. Information on the amounts calculated by the Issuer, other assets transferred and guarantees granted to the Members of the Board, the President and CFO

Within the first half of 2014 the remuneration calculated for the Board members of Invalda LT, AB (as employees of the Company) amounted to 371 thousand litas, that is on the average 20.6 thousand litas per month for each member. The remuneration calculated to the president of the Company and CFO totalled to 249 thousand litas, on the average 20.8 thousand litas per month for each.

During the reporting period the Issuer transferred no assets, granted no guarantees, paid no bonuses or dividends and no special payouts were made for the Members of the Board, Company's manager and CFO. The Issuer did not allocate dividends during the reporting period.



#### IV. INFORMATION ABOUT THE ISSUER'S AND ITS GROUP COMPANIES' ACTIVITY

### 12. Overview of the Issuer and its group activity

#### 12.1. Business environment

According to preliminary data of the Statistics Department of Lithuania, in the second quarter of 2014 the economy of Lithuania maintained a steady growth rate with 3.1% annual change in real GDP. In comparison with the same period in 2013 the growth rate was 3.2%. Such stable growth rate allows Lithuania to persist as one of the fastest growing economies in the European Union.

According to the economy review released on August 2014 by the Swedbank, in the first half of 2014 Lithuania's economy was mainly influenced through the increasing domestic demand and investments. The growth of the retail market reached 5.0% in the first quarter of 2014 and accelerated to 6% in the second quarter. The investments in tangible assets reached 23.4% of yearly growth in the first quarter of 2014.

In comparison with the first quarter of 2013 the export shrank by 10.4% at the same period in 2014. Despite the tension between the Russia and Ukraine, in second quarter of 2014 export rose by 3.4%. Despite the small growth in the second quarter, the economists of Swedbank forecasts that the value of export will decrease by 1.5% in 2014 and positive, thought low, export results are only anticipated in 2015.

According to the statistical data of the Ministry of Agriculture, the purchase price of agriculture raw materials was substantially lower in the middle of 2014 than at the same period in 2013. In comparison with the 27<sup>th</sup> week of 2013 the wheat price declined by 11.6%, while the rye price decreased by 19.9% at the 27<sup>th</sup> week of 2014. The shrinking purchase prices and the unsure geopolitical situation emerges difficulties to farmers. According to SEB bank's Lithuania economic forecast, in comparison with the first quarter of 2013 the gross value added by the agriculture decreased by 9.1% in 2014

In the Swedbank's market review it is forecasted that the GDP of Lithuania should grow by 3.0% in 2014, as it is expected that the second half-year will be difficult due to food import restrictions imposed by Russia. In 2015 and 2016 the economic growth is expected to accelerate to 3.5% and 3.8% accordingly. The increasing domestic demand and the expanding investments will remain the main driving force of economic growth. This is facilitated by the increase in employment and wage growth which is influenced by the lack of skilled workers.

Furthermore, it is expected that the growth of wages will be influenced by the increase in minimal wage. It is forecasted that the minimal wage will be raised to EUR 300 in 2015 and to EUR 350 in 2016. Also the official confirmation that Lithuania will join the Euro Zone at the beginning of 2015, low interest rates, and the improving expectations of businesses and residents should have a positive impact on the investments and the growth in lending volumes.

The stock market grew along with economy:

Index/Shares	01-01-2014	30-06-2014	+/-%
OMX Tallinn	817.72	802.26	(1.89)
OMX Riga	460.13	448.17	(2.60)
OMX Vilnius	421.60	471.95	11.94

Source - NASDAQ OMX

Table 12.1.1. Key economics indicators:

Rate	2007	2008	2009	2010	2011	2012	2013	2014
Real GDP, annual change (excluding seasonal and labour days, %)	9.8	2.6	(14.6)	1.5	6.1	3.5	3.5	3.0 (1Q)
Nominal GDP (LTL billion)	99.229	111.920	92.032	95.676	106.893	113.735	119.575	27.694 (1Q)
Retail trade turnover (at constant prices, excluding vehicle trade) annual change (%)	16.1	2.2	(21.3)	(6.7)	6.1	3.9	4.5	5.5 (1Q)
CPI, annual change (%)	8.1	8.5	1.3	3.8	3.4	2.8	0.4	0.3 (July)
HICP, annual average change (%)	5.8	11.1	4.2	1.2	4.1	3.2	1.2	0.4 (July)
Average monthly wage (4th quarter of 2013, LTL)	2052.0	2319.1	2118.3	2121.5	2175.0	2232.0	2340.2	2135.9 (1Q)
Annual change of average monthly wage (4th quarter of 2013, LTL)	18.5	13.0	(8.7)	0.2	2.5	2.6	4.8	3.7 (1Q)

Source – SEB Bank.

Table. 12.1.2. Global GDP forecast

Annual change, %	2013	2014	2015	2016
USA	2.2	2.2	3.4	3.1
Japan	1.5	1.1	1.2	0.8
Germany	0.1	1.2	1.4	1.8
China	7.7	7.5	7.3	6.9
Great Britain	1.7	3.1	2.8	2.6
Euro zone	(0.4)	0.7	1.1	1.5
Nordic countries	0.6	1.5	2.0	2.2
Baltic countries	2.9	2.1	2.7	3.6
Lithuania	3.3	2.7	3.2	4.0
Latvia	4.1	2.5	2.7	3.4
Estonia	0.8	0.5	1.8	3.0
Emerging markets	4.8	4.6	5.0	5.1
The World, PPP	3.3	3.4	3.9	4.0

Source – SEB Nordic Outlook, August 2014, OECD



## 12.2. Significant Issuer's and its group events during the reporting period and since the end of it, affect on the financial statements

### The Company

- On 5 February 2014, the General Shareholders Meeting of Invalda LT, AB approved the preparation of the Split-off of terms of Invalda LT, AB. The Board was authorized to draw up the split-off terms of Invalda LT, AB. The approval of the shareholders of Invalda LT to prepare the split-off terms will allow to realize decision to concentrate into asset management business.
- On 24 February 2014 Invalda LT, AB announced unaudited results of Invalda LT group for 12 months of 2013. The consolidated net profit attributable to shareholders of Invalda LT, AB totalled to LTL 109.2 million (EUR 31.6 million). Total consolidated net profit amounted to LTL 110.4 million (EUR 32 million). The net profit of Invalda LT, AB for 12 months of 2013 amounted to LTL 79 million (EUR 22.9 million).
- On 27 February 2014 Invalda LT, AB announced the establishment of the company Invalda LT Investments, UAB that will provide asset management services. The company will apply for asset management company licence issued by the Bank of Lithuania. Alvydas Banys, the Chairman of the Board of Invalda LT, Darius Šulnis and Raimondas Rajeckas, the CFO of Invalda LT were elected to the Board of Invalda LT Investments, UAB.
- On 21 March 2014 Invalda LT informed about drawn - up split-off terms of the public joint - stock company Invalda LT. According to the terms, three companies INVL Baltic Farmland, INVL Baltic Real Estate and INVL Technology, on the moment of the announcement comprising 47.95% of Invalda LT assets calculated in book values, will be split-off from Invalda LT. Invalda LT is split-off in order to redesign its business model according to classical asset management principles. Shareholders' shares in the public joint-stock company Invalda LT will be annulled at the end of the day of registration in the Register of Legal Entities the split-off companies: public joint-stock company INVL Technology, public joint-stock company INVL Baltic Real Estate and a public joint-stock company INVL Baltic Farmland. The annulled shares will be exchanged for the relevant part of shares of the split-off companies according to the rules stated in the split-off terms. 52.05 % of assets, equity and liabilities (calculated in book values) will stay in Invalda LT, 14.45% will be transferred to INVL Baltic Farmland, 30.9 % - will be transferred to INVL Baltic Real Estate and 2.6 % will be transferred to INVL Technology.
- On 7 April 2014 Invalda LT announced audited results of Invalda LT, AB group for 2013. Consolidated net profit attributable to the shareholders of Invalda LT, AB totalled to LTL 107.3 million (EUR 31.1 million). Total consolidated net profit amounted to LTL 108.5 million (EUR 31.4 million). The net profit of Invalda LT, AB for 2013 amounted to LTL 81 million (EUR 23.5 million).
- Seeking to ensure smooth implementation of the split-off process of Invalda LT, the Board of Invalda LT on 15 April 2014 decided to halt trading in Invalda LT shares on NASDAQ OMX Vilnius stock exchange from 23 April 2014 till the end of the split-off.
- On 28 April 2014 Invalda LT signed the agreement with Invalda Privatus Kapitalas regarding acquisition of 45.45% of Cedus Invest shares thus increasing stake in the company up to 100 %, and undertake all loans of the company. On 28 April 2014 Invalda LT signed the agreement with Invalda Privatus Kapitalas regarding the sale of 45.4% of stake in Vilniaus Baldai AB. Invalda LT will receive LTL 80.198 million (EUR 23.23 million) for 45.4 % stake in Vilniaus Baldai. A part of money from the sale will be invested into Litagra, UAB.
- On 28 April 2014 General Shareholders Meetings of Invalda LT and the split-off companies INVL Baltic Farmland, INVL Baltic Real Estate and INVL Technology were held. Resolutions regarding registration of the offices and election of the Members of the Boards were adopted during General Shareholders Meetings of INVL Baltic Farmland, INVL Baltic Real Estate and INVL Technology. Darius Šulnis, Alvydas Banys and Indrė Mišeikytė, current Members of the Board of Invalda LT, were elected to the Boards of three newly established companies. General Shareholders Meeting of Invalda LT approved the Split-off as well as terms of the Split-off. Articles of associations of the split-off companies as well as new Articles of associations of Invalda LT and financial statements, annual report, auditor's report and company's profit (loss) for 2013 were approved during the Meeting as well.
- On 29 April 2014 the Split-off of Invalda LT was completed. Three newly established companies INVL Baltic Farmland, INVL Baltic Real Estate and INVL Technology operate in the market. The authorised capital of Invalda LT, AB after the split - off amounts to LTL 11.866 million (EUR 3.44 million), INVL Baltic Real Estate - LTL 7.044 million (EUR 2.04 million), INVL Baltic Farmland - LTL 3.294 million (EUR 0.954 million) and INVL Technology - LTL 592.7 thousand (EUR 171.6 thousand).
- On 13 May 2014 trading in shares of Invalda LT was renewed.
- On May 20 2014 Invalda LT, AB announced that INVL Technology, INVL Baltic Farmland and INVL Baltic Real Estate, companies split-off from Invalda LT, will be listed on NASDAQ OMX Vilnius stock exchange since 4 June.

INVL Technology, INVL Baltic Farmland and INVL Baltic Real Estate later will apply for closed-end investment company licenses, thus becoming similar to funds. The management of companies will be transferred to Invalda LT Investments, established by Invalda LT, which seeks management company license.

- On 28 May 2014 Invalda LT announced about completion of the transactions regarding sale of 45.4 % stake in Vilniaus Baldai and expansion of its share in Litagra, one of the largest agricultural business companies in the Baltic states, up to 36.9 %. Invalda LT has received LTL 80.198 million (EUR 23.227 million) for Vilniaus Baldai shares and dividends. LTL 24.124 million (EUR 6.987 million) out of this amount, were paid for 45.45 % of Cedus Invest shares. After this acquisition Invalda LT increased its stake in Cedus Invest up to 100 %, and undertook all loans of the company. Cedus Invest owns 36.9 % of Litagra shares.
- On 30 May 2014 Invalda LT, AB announced the results of Invalda LT group for the first quarter of 2013. Consolidated profit attributable to shareholders of Invalda LT, AB totalled to LTL 2.7 million (EUR 0.782 million) and total consolidated net profit amounted to LTL 2.7 million (EUR 32 million).
- On 4 June 2014 Invalda LT, AB acquired 12.42% percent of shares in INVL Baltic Real Estate and 12.42% of shares in INVL Technology. The joint value of this transaction equals to EUR 2.2 million (LTL 7.6 million)

#### **Change of business model of Invalda LT, AB**

- Business model of Invalda LT is redesigned according to classical asset management principles. Company seeks to become one of the leading asset management companies in the region and receive the main income from management activity.
- The Split-Off of Invalda LT, AB was completed on 29 April 2014. From Invalda LT, AB, the company continuing its activity after the split-off, companies INVL Baltic Farmland, which is going to invest into agricultural land, INVL Baltic Real Estate, which will invest into real estate and INVL Technology, which will invest into information technology companies, were created on the basis of the separated part of assets, equity and liabilities.
- 18 companies and loans granted to them were transferred to INVL Baltic Farmland. Presently companies investing into agricultural land altogether own about 3 thousand hectare of land, the consolidated equity at the end of June 2014 amounted to LTL 34.115 million (EUR 9.88 million) or LTL 10.36 (EUR 3) per share.
- Invaldos Nekilnojamojo Turto Fondas and Rovelija, loans granted to the company Rovelija and assets in Latvia related to the real estate logistics project were transferred to INVL Baltic Real Estate. Consolidated equity of INVL Baltic Real Estate amounted to LTL 49.4 million (EUR 14.3 million), assets - LTL 135.7 million (EUR 39.3 million), at the end of June 2014.
- 80 percent of BAIP Group shares were transferred to INVL Technology. As it was announced earlier, consolidated revenue of BAIP group in the first half of 2014 compared to the same period in 2013 increased 30 percent and amounted to LTL 24.82 million, EBITDA increased to 58 percent and totalled to LTL 2.257 million. The equity of INVL Technology, AB amounted to LTL 19.854 million or LTL 33.5 (EUR 9.7) per share at the end of June 2014.
- Shares of the newly established companies are quoted on the NASDAQ OMX Vilnius Exchange since 4 June. The newly established companies will pursue apply for a closed-end investment company license and in its nature will become similar to a fund. It is planned that these companies will be managed by Invalda LT Investments owned by Invalda LT.
- All the shareholders of Invalda LT, which is more than 3800, proportionally to their owned amount of shares participate in the capital of the new companies. 52.05% of asset, equity and liabilities (according to book value) of Invalda LT stay in Invalda LT, 14.45% were given in INVL Baltic Farmland, 30.9% - in INVL Baltic Real Estate and 2.6% in INVL Technology.

## The Sectors

### Agricultural sector

During the reporting period in the agricultural sector Invalda LT, AB owned 20.1 percent (since 28 May 2014 – 36.9 percent) of Litagra, UAB (one of the largest groups of agriculture companies in the Baltic states) shares through the company Cedus Invest.



As it was announced in late April, the Board Invalda LT had finished review of Litagra's strategic alternatives and decided to enlarge the stake. On 28 May 2014 under LTL 24.124 million transaction, Invalda LT has acquired 45.45 percent of Cedus Invest shares and loans granted to the company from Invalda Privatus Kapitalas. This transaction increased the stake of Invalda LT in the company to 100 percent. Cedus Invest owns 36.9 percent of Litagra shares.

After the split-off in the second quarter of 2014, Invalda LT is now presented as an investment company. After change from accounting to investment company principle, the investment to Litagra, UAB was revaluated at fair value according to last acquisition transaction (LTL 51.6 million as on 30 June 2014) and the Group has recognised LTL 1.7 million profit of net change in fair value.

Table 12.1.3. Results of the Litagra, UAB group

LTL, million	6 months of 2012	6 months of 2013	6 months of 2014
Sales	174.5	185.9	173.8
EBITDA	14.1	14.1	7.1
Net result, according to the data provided by the company	6.4	7.3	0.1

More information on the services and activity of the sector is provided on <http://www.litagragroup.lt>

### Facility management sector

Invalda LT, AB owns facility management companies – Inservis, (former company name – Inreal Pastatu Prieziura) Priemiestis, Jurita and Naujosios Vilnius Turgaviete.



The companies of facility management sector are providing facility management, engineering systems oversight, audit and incidents management, indoor air quality testing, multi-apartment house management, installation, repair, cleaning and other services.



Activity results of Inservis group companies improved significantly during the first half of 2014. Reorganization of the company's structure as well as increase in amount of the company's clients in the commerce sector initiated improvement. Revenue increased by 35 percent, the net profit – 9 times during the first half of 2014, compared to the same period in 2013.



Facility management subdivision of Inservis, providing facility management services to supermarkets Babilonas, Babilonas I, Kubas and companies Agrochema, Makveza (supermarket Moki-veži), AQ Wiring systems, Dominari and others, started its activity in the first quarter of 2014. Inservis became the facility management services lyder in Panevezys.

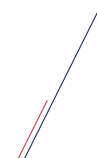


Buildings administration process has started in Druskininkai, Alytus and Marijampolė. Renovation process administration process has started in Kaunas.

After the split-off in the second quarter of 2014, Invalda LT is now presented as an investment company. After changed accounting to investment company principle, the investments to facility management companies was revaluated at fair value, used multiple method (LTL 9.1 million as on 30 June 2014) and the Group has recognised LTL 7.8 million profit of net change in fair value.

Table 12.1.4. Results of the facility management sector

LTL, million	6 months of 2012	6 months of 2013	6 months of 2014
Sales	6.0	6.8	9.2
EBITDA	0.1	0.1	1.4
Net profit	(0.2)	0.1	0.9



### 12.3. Issuer's and its group companies' performance results

thousand litas	Company's			Group's		
	6 months of 2012	6 months of 2013	6 months of 2014	6 months of 2012	6 months of 2013	6 months of 2014
Non current assets	124,067	141,984	98,114	373,940	304,358	96,723
Current assets	254,745	53,192	63,077	207,142	76,467	63,520
Assets classified as held for sale	-	-	-	-	-	-
Equity	375,783	169,245	158,518	408,552	224,962	158,502
Equity attributable to equity holders of the parent Company	375,783	169,245	158,518	389,598	224,401	158,502
Minority interest	-	-	-	18,954	561	-
Non-current liabilities	-	-	-	124,879	114,362	-
Current liabilities	3,029	25,931	2,673	47,651	41,501	1,741
Result before taxes	37,576	69,821	76,212	15,089	4,493	9,354
Net result	36,169	69,498	75,501	24,950	93,210	18,743
<b>Net result attributable to holders of the parent Company</b>	-	-	-	<b>22,137</b>	<b>92,178</b>	<b>18,805</b>

Invalida LT, AB thousand litas	Evaluation criteria	2014-06-30
Investment into asset management	Acquisition cost price	1,381
Cash and cash equivalents	Book value	41,245
Deferred income tax asset	Book value	7,072
Investments into INVL Baltic Real Estate, AB	Market price	5,741
Investments into INVL Technology, AB	Market price	2,313
Other listed shares	Market price	4,425
Investments into Litagra, UAB	Transaction value	51,620
Investments into Inservis, UAB	Comparative method of multipliers	9,117
Investments into other subsidiary companies	Liquidation value	414
Other investments	Book value	1,705
Loans to group companies of INVL Baltic Real Estate, AB	Book value	15,852
Loans to group companies of INVL Technology, AB	Book value	10,069
Other loans	Book value	8,127
Other assets	Book value	2,110
	<i>Total assets</i>	<b>161,191</b>
	<i>Liabilities</i>	<b>(2,673)</b>
<b>Net asset value</b>	Book value	<b>158,518</b>





### **13. Activity plans and forecast of the Issuer and it's group**

The business model of Invalda LT is redesigned according to classical asset management principles. Invalda LT seeks to receive the main income from the assets management business and to become one of the leading asset management companies in the region. The reorganization will allow investors to select the asset or business in which they would like to invest. The Investors will be able to select the sector, the risk level as well as the term of the investments. By licensing the activities and being under the supervision of the Bank of Lithuania, there will be an increase in transparency and reduction in investment risk. The raised new capital will allow to implement larger projects.

### **14. A description of the principal risks and uncertainties**

During the first quarter of this year there were no material changes from the information about the principal risks and uncertainties disclosed in the latest annual report.

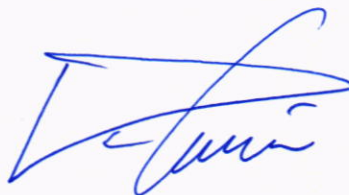
### **15. Significant investments made during the reporting period**

During the reporting period, on 28 April 2014, Invalda LT signed the agreement with Invalda Privatus Kapitalas regarding acquisition of 45.45% of Cedus Invest shares thus increasing stake in the company up to 100%. and undertake all loans of the company. On the same day Invalda LT signed the agreement with Invalda Privatus Kapitalas regarding sale of 45.4% of stake in Vilniaus Baldai. AB. On 28 May 2014 Invalda LT announced about completion of the transactions regarding the sale of 45.4% stake in Vilniaus Baldai and increase of its share in Litagra, one of the largest agricultural business companies in the Baltic states, up to 36.9%. Invalda LT has received LTL 80.198 million (EUR 23.227 million) for Vilniaus Baldai shares and dividends. LTL 24.124 million (EUR 6.987 million) out of this amount, were paid for 45.45 % of Cedus Invest shares. After this acquisition Invalda LT increased its stake in Cedus Invest up to 100%, and undertook all loans of the company. Cedus Invest owns 36.9% of Litagra shares.

### **16. Information on the related parties' transactions**

Information on the related parties' transactions is disclosed in Company's consolidated financial statements explanatory notes.

The president



Darius Šulnis