30 November, 2011

CONFIRMATION OF RESPONSIBLE PERSONS

Following the Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission and the Law on Securities (article 22) of the Republic of Lithuania, the management of *Invalda* AB hereby confirms that, to the best of our knowledge, the attached consolidated and Company's condensed, non-audited financial statements for 9 months of 2011 are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss, cash flow of *Invalda* AB and the Consolidated Group.

President Darius Šulnis

Chief financier Raimondas Rajeckas

AB „Invalda", Šeimyniškių g. 1A, LT-09312 Vilnius.
Tel. (8 5) 279 0601, faks. (8 5) 279 0530, info@invalda.lt, www.invalda.lt
Įmonės kodas 121304349, PVM mokėtojo kodas LT1213043414, a. s. LT25 4010 0424 0124 2013, AB DnB NORD bankas, banko kodas 40100
Duomenys apie įmonę kaupiami ir saugomi VĮ „Registrų centras" Juridinių asmenų registre.

AB INVALDA

CONSOLIDATED AND PARENT COMPANY'S INTERIM CONDENSED NOT-AUDITED
FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 PREPARED ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN
UNION

GENERAL INFORMATION

Board of Directors

Mr. Vytautas Bučas (chairman of the Board)
Mr. Dalius Kaziūnas
Mr. Darius Šulnis

Management

Mr. Darius Šulnis (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
AB bankas Snoras

The financial statements were approved and signed by the Management and the Board of Directors on 30 November 2011.

Mr. Darius Šulnis
President

Mr. Raimondas Rajeckas
Chief financial officer

Interim consolidated and Parent Company's income statements

		Group		Company	
		Nine months of 2011	**Nine months of 2010**	**Nine months of 2011**	**Nine months of 2010**
Continuing operations		Unaudited		Unaudited	
Revenue					
Furniture production revenue		179,427	141,574	-	-
Residential real estate revenue		978	5,796	-	-
Rent and other real estate revenue		17,034	17,465	-	-
Information technology revenue		19,251	17,202	-	-
Facility management		5,403	2,803	-	-
Other production and services revenue		8,082	5,274	-	-
Total revenue		**230,175**	**190,114**	**-**	**-**
Other income	9.3	7,522	3,741	19,318	6,363
Net gains (losses) on disposal of subsidiaries, associates and joint ventures		-	15,350	316,162	(18,013)
Net gains (losses) from fair value adjustments on investment property		822	(100)	-	-
Net changes in fair value on financial assets	9.1	(66,613)	(5,388)	(21,080)	3,337
Changes in inventories of finished goods and work in progress		(2,153)	1,864	-	-
Raw materials and consumables used		(135,902)	(101,696)	(13)	(19)
Changes in residential real estate		(911)	(4,802)	-	-
Employee benefits expenses		(28,752)	(24,745)	(1,332)	(1,317)
Impairment, write-down, allowances and provisions	5,12,13	(18,550)	(3,969)	(17,941)	14,122
Premises rent and utilities		(12,706)	(12,402)	(119)	(124)
Depreciation and amortisation		(7,854)	(7,723)	(63)	(83)
Repair and maintenance of premises		(7,433)	(6,852)	-	(1)
Other operating expenses		(14,472)	(9,370)	(2,268)	(562)
Operating profit (loss)		**(56,827)**	**34,022**	**292,664**	**3,703**
Finance costs	9.2	(11,569)	(13,834)	(8,396)	(9,932)
Share of profit (loss) from associates and joint ventures		(382)	798	-	-
Profit (loss) before income tax		**(68,778)**	**20,986**	**284,268**	**(6,229)**
Income tax	7	12,569	(1,044)	14,821	902
Profit (loss) for the period from continuing operations		**(56,209)**	**19,942**	**299,089**	**(5,327)**
Discontinued operation					
Profit/(Loss) after tax for the period from a discontinued operation	10	295,704	18,003	-	-
PROFIT (LOSS) FOR THE PERIOD		**239,495**	**37,945**	**299,089**	**(5,327)**
Attributable to:					
Equity holders of the parent		233,745	29,945	299,089	(5,327)
Non-controlling interests		5,750	8,000	-	-
		239,495	**37,945**	**299,089**	**(5,327)**
Basic earnings (deficit) per share (in LTL)		4.52	0.59	5.79	(0.11)
Diluted earnings (deficit) per share (in LTL)		4.10	0.57	5.24	(0.11)
Basic earnings (deficit) per share (in LTL) from continuing operations		(1.20)	0.24	5.79	(0.11)
Diluted earnings (deficit) per share (in LTL) from continuing operations		(1.20)	0.24	5.24	(0.11)

Interim consolidated and Parent Company's statements of comprehensive income

	Group		Company	
	Nine months of 2011	**Nine months of 2010**	**Nine months of 2011**	**Nine months of 2010**
	Unaudited		Unaudited	
PROFIT (LOSS) FOR PERIOD	**239,495**	**37,945**	**299,089**	**(5,327)**
Continuing operation				
Net gain (loss) on cash flow hedge	164	136	-	-
Income tax	(25)	(20)	-	-
	139	**116**	-	-
Net gain (loss) on available-for-sale financial assets	-	11	-	-
Reclassification adjustment for gain (loss) included in profit or loss	-	(221)	-	-
Income tax	-	42	-	-
	-	**(168)**	-	-
Exchange differences on translation of foreign operations	-	-	-	-
Share of other comprehensive income (loss) of associates	-	-	-	-
Other comprehensive income(loss) for the period from continuing operation	**139**	**(52)**	**-**	**-**
Discontinued operations				
Net gain (loss) on available-for-sale financial assets	-	-	-	-
Income tax	-	-	-	-
Share of other comprehensive income of associates	1,879	4,103	-	-
Other comprehensive income for the period from discontinued operations	**1,879**	**4,103**	**-**	**-**
Other comprehensive income (loss) for the period, net of tax	**2,018**	**4,051**	**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**241,513**	**41,996**	**299,089**	**(5,327)**
Attributable to:				
Equity holders of the parent	235,763	33,996	299,089	(5,327)
Non-controlling interests	5,750	8,000	-	-

Interim consolidated and Parent Company's income statements

	Group		Company	
	III Quarter 2011	**III Quarter 2010**	**III Quarter 2011**	**III Quarter 2010**
Continuing operations	Unaudited		Unaudited	
Revenue				
Furniture production revenue	64,602	54,876	-	-
Residential real estate revenue	26	1,063	-	-
Rent and other real estate revenue	5,505	5,339	-	-
Information technology revenue	4,809	10,768	-	-
Facility management	2,234	1,324	-	-
Other production and services revenue	2,770	1,730	-	-
Total revenue	**79,946**	**75,100**	**-**	**-**
Other income	3,108	1,370	3,466	2,077
Net gains (losses) on disposal of subsidiaries, associates and joint ventures	-	78	165,402	1,661
Net gains (losses) from fair value adjustments on investment property	797	-	-	-
Net changes in fair value on financial assets	(47,741)	(5,676)	(46,858)	2,090
Changes in inventories of finished goods and work in progress	225	(183)	-	-
Raw materials and consumables used	(48,484)	(42,709)	(4)	(6)
Changes in residential real estate	(42)	(1,010)	-	-
Employee benefits expenses	(10,286)	(9,274)	(422)	(419)
Impairment, write-down, allowances and provisions	(19,497)	6,862	(19,602)	(5,508)
Premises rent and utilities	(3,945)	(3,883)	(39)	(40)
Depreciation and amortisation	(2,545)	(2,630)	(20)	(23)
Repair and maintenance of premises	(2,536)	(2,759)	-	(1)
Other operating expenses	(4,286)	(2,887)	(309)	(197)
Operating profit (loss)	**(55,286)**	**12,399**	**101,614**	**(366)**
Finance costs	(3,755)	(4,215)	(2,529)	(3,261)
Share of profit (loss) from associates and joint ventures	425	(44)	-	-
Profit (loss) before income tax	**(58,616)**	**8,140**	**99,085**	**(3,627)**
Income tax	6,121	252	6,907	617
Profit (loss) for the period from continuing operations	**(52,495)**	**8,392**	**105,992**	**(3,010)**
Discontinued operation				
Profit/(Loss) after tax for the period from a discontinued operation	145,821	17,416	-	-
PROFIT (LOSS) FOR THE PERIOD	**93,326**	**25,808**	**105,992**	**(3,010)**
Attributable to:				
Equity holders of the parent	91,335	23,333	105,992	(3,010)
Non-controlling interests	1,991	2,475	-	-
	93,326	**25,808**	**105,992**	**(3,010)**
Basic earnings (deficit) per share (in LTL)	1.76	0.46	2.05	(0.06)
Diluted earnings (deficit) per share (in LTL)	1.60	0.44	1.86	(0.06)
Basic earnings (deficit) per share (in LTL) from continuing operations	(1.06)	0.12	2.05	(0.06)
Diluted earnings (deficit) per share (in LTL) from continuing operations	(1.06)	0.12	1.86	(0.06)

Interim consolidated and Parent Company's statements of comprehensive income

	Group		Company	
	III Quarter 2011	**III Quarter 2010**	**III Quarter 2011**	**III Quarter 2010**
	Unaudited		Unaudited	
PROFIT (LOSS) FOR PERIOD	**93,326**	**25,808**	**105,992**	**(3,010)**
Continuing operation				
Net gain (loss) on cash flow hedge	50	65	-	-
Income tax	(8)	(10)	-	-
	42	**55**	-	-
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	-	-	-	-
Share of other comprehensive income (loss) of associates	-	-	-	-
Other comprehensive income(loss) for the period from continuing operation	**42**	**55**	**-**	**-**
Discontinued operations				
Net gain (loss) on available-for-sale financial assets	-	-	**-**	**-**
Income tax	-	-	**-**	**-**
Share of other comprehensive income of associates	2,122	4,450	**-**	
Other comprehensive income for the period from discontinued operations	**2,122**	**4,450**	**-**	**-**
Other comprehensive income (loss) for the period, net of tax	**2,164**	**4,505**	**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**95,490**	**30,313**	**105,992**	**(3,010)**
Attributable to:				
Equity holders of the parent	93,499	27,838	105,992	(3,010)
Non-controlling interests	1,991	2,475	-	-

Interim consolidated and Parent Company's statements of financial position

		Group		Company	
		As of 30 September 2011	**As of 31 December 2010**	**As of 30 September 2011**	**As of 31 December 2010**
ASSETS		Unaudited	Audited	Unaudited	Audited
Non-current assets					
Property, plant and equipment		40,004	38,876	200	238
Investment properties	13	253,259	240,573	-	-
Intangible assets		9,670	10,490	8	12
Investments into subsidiaries	8	-	-	87,670	87,398
Investments into associates and joint ventures	8	1,704	125,512	2,545	110,916
Investments available-for-sale		2,861	1,818	1,817	1,817
Loans granted		-	-	1,277	1,192
Other non-current assets		2,848	2,848	-	-
Deferred income tax asset		20,704	6,643	19,325	4,335
Total non-current assets		**331,050**	**426,760**	**112,842**	**205,908**
Current assets					
Inventories		24,960	27,618	-	-
Trade and other receivables	12	34,986	29,540	390	1,002
Current loans granted	12	32,480	22,303	137,652	73,360
Prepaid income tax		597	53	-	-
Prepayments and deferred charges		2,582	1,603	390	26
Financial assets held-for-trade	12	86,599	8,446	76,398	1,512
Deposits	5	88,995	-	49,794	-
Restricted cash		3,187	4,173	-	-
Cash and cash equivalents	5	98,875	4,692	88,374	202
Total current assets		**373,261**	**98,428**	**352,998**	**76,102**
Assets of disposal group classified as held-for-sale	10	**-**	**72,075**	**-**	**25,004**
Total assets		**704,311**	**597,263**	**465,840**	**307,014**

(cont'd on the next page)

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

		Group		Company	
		As of 30 September 2011	As of 31 December 2010	As of 30 September 2011	As of 31 December 2010
EQUITY AND LIABILITIES		Unaudited	Audited	Unaudited	Audited
Equity					
Equity attributable to equity holders of the parent					
Share capital		51,660	51,660	51,660	51,660
Share premium		34,205	44,676	34,205	44,676
Reserves		20,299	20,102	-	-
Retained earnings (accumulated deficit)		304,802	58,694	299,089	(10,471)
		410,966	**175,132**	**384,954**	**85,865**
Non-controlling interests		**25,398**	**24,919**	**-**	**-**
Total equity		**436,364**	**200,051**	**384,954**	**85,865**
Liabilities					
Non-current liabilities					
Non-current borrowings	11	122,289	127,260	-	94,350
Financial lease liabilities		474	447	-	-
Government grants		-	-	-	-
Provisions		480	480	-	-
Deferred income tax liability		15,405	14,734	-	-
Derivative financial instruments		-	-	-	-
Convertible bonds		-	32,440	-	32,440
Other non-current liabilities		2,016	1,101	-	-
Total non-current liabilities		**140,664**	**176,462**	**-**	**126,790**
Current liabilities					
Current portion of non-current borrowings	11	1,244	119,062	-	-
Current portion of financial lease liabilities		77	231	-	-
Current borrowings	11	3,321	57,849	1,877	90,855
Trade payables		33,045	31,172	613	739
Income tax payable		57	609	-	-
Provisions		310	345	250	250
Advances received		2,014	1,520	-	-
Derivative financial instruments		-	163	-	-
Convertible bonds		33,249	-	33,249	-
Other current liabilities	14	53,966	9,799	44,897	2,515
Total current liabilities		**127,283**	**220,750**	**80,886**	**94,359**
Total liabilities		**267,947**	**397,212**	**80,886**	**221,149**
Total equity and liabilities		**704,311**	**597,263**	**465,840**	**307,014**

(the end)

Consolidated and Parent Company's statements of changes in equity

	Equity attributable to equity holders of the parent								
			Reserves						
Group	**Share capital**	**Share premium**	**Fair value reserves**	**Legal and other reserves**	**Foreign currency translation reserve**	**Retained earnings (accumulated deficit)**	**Subtotal**	**Non-controlling interests**	**Total equity**
Balance as at 31 December 2009	**42,569**	**50,588**	**(133)**	**76,623**	**-**	**(90,978)**	**78,669**	**13,041**	**91,710**
Profit (loss) for the nine months of 2010	-	-	-	-	-	29,945	29,945	8,000	37,945
Other comprehensive income (loss) for the nine months of 2010	-	-	(52)	-	-	4,103	4,051	-	4,051
Total comprehensive income (loss) for the nine months of 2010	**-**	**-**	**(52)**	**-**	**-**	**34,048**	**33,996**	**8,000**	**41,996**
Sales of subsidiaries	-	-	-	(211)	-	211	-	7	7
Acquisition of subsidiaries	-	-	-	-	-	-	-	1,505	1,505
Share based payments	-	-	-	-	-	-	-	270	270
Changes in reserves	-	(46,821)	-	(56,171)	-	102,992	-	-	-
Increase of share capital	9,091	40,909	-	-	-	-	50,000	-	50,000
Balance as at 30 September 2010 (unaudited)	**51,660**	**44,676**	**(185)**	**20,241**	**-**	**46,273**	**162,665**	**22,823**	**185,488**

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

		Equity attributable to equity holders of the parent								
				Reserves						
Group		**Share capital**	**Share premium**	**Fair value reserves**	**Legal and other reserves**	**Foreign currency translation reserve**	**Retained earnings (accumulated deficit)**	**Subtotal**	**Non-controlling interests**	**Total equity**
Balance as at 31 December 2010		**51,660**	**44,676**	**(139)**	**20,241**	**-**	**58,694**	**175,132**	**24,919**	**200,051**
Profit (loss) for the nine months of 2011		-	-	-	-	-	233,745	233,745	5,750	239,495
Other comprehensive income for the nine months of 2011		-	-	139	-	-	1,879	2,018	-	2,018
Total comprehensive income for the nine months of 2011		**-**	**-**	**139**	**-**	**-**	**235,624**	**235,763**	**5,750**	**241,513**
Dividends of subsidiaries		-	-	-	-	-	-	-	(4,351)	(4,351)
Acquisition of subsidiaries	8	-	-	-	-	-	-	-	500	500
Share based payments		-	-	-	-	-	-	-	(304)	(304)
Changes in reserves		-	(10,471)	-	58	-	10,413	-	-	-
Minority of subsidiaries acquired	8	-	-	-	-	-	71	71	(1,116)	(1,045)
Balance as at 30 September 2011 (unaudited)		**51,660**	**34,205**	**-**	**20,299**	**-**	**304,802**	**410,966**	**25,398**	**436,364**

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

			Reserves			
Company	**Share capital**	**Share premium**	**Legal reserve**	**Reserve of purchase of own shares**	**Retained earnings (accumulated deficit)**	**Total**
Balance as at 31 December 2009	**42,569**	**50,588**	**4,257**	**69,126**	**(120,204)**	**46,336**
Profit (loss) for the nine months of 2010	-	-	-	-	(5,327)	(5,327)
Changes in reserves	-	(46,821)	(4,257)	(69,126)	120,204	-
Increase of share capital	9,091	40,909	-	-	-	50,000
Balance as at 30 September 2010 (unaudited)	**51,660**	**44,676**	**-**	**-**	**(5,327)**	**91,009**

			Reserves			
Company	**Share capital**	**Share premium**	**Legal reserve**	**Reserve of purchase of own shares**	**Retained earnings (accumulated deficit)**	**Total**
Balance as at 31 December 2010	**51,660**	**44,676**	**-**	**-**	**(10,471)**	**85,865**
Profit (loss) for the nine months of 2011	-	-	-	-	299,089	299,089
Changes in share premium	-	(10,471)	-	-	10,471	-
Balance as at 30 September 2011 (unaudited)	**51,660**	**34,205**	**-**	**-**	**299,089**	**384,954**

Consolidated and Parent Company's statements of cash flows

		Group		Company	
		Nine months of 2011	Nine months of 2010	Nine months of 2011	Nine months of 2010
		Unaudited		Unaudited	
Cash flows from (to) operating activities					
Net profit (loss) for the period		239,495	37,945	299,089	(5,327)
Adjustments for non-cash items and non-operating activities:					
Valuation (gain) loss, net		(822)	100	-	-
Depreciation and amortization		7,854	7,723	63	83
(Gain) loss on disposal of tangible assets		21	(11)	-	(43)
Realized and unrealized loss (gain) on investments		22,898	5,388	21,080	(3,337)
(Gain) loss on disposal of subsidiaries, associates		(250,371)	(15,350)	(316,162)	18,013
Share of net loss (profit) of associates and joint ventures		(1,236)	(18,801)	-	-
Interest (income)		(4,151)	(1,371)	(7,985)	(6,008)
Interest expenses		10,353	13,238	7,391	9,916
Deferred taxes		(13,858)	(2,963)	(14,990)	(902)
Current income tax expenses		1,289	4,007	169	-
Allowances		18,550	3,969	17,941	(14,806)
Change in provisions		(35)	(55)	-	684
Share based payment		(304)	270	-	-
Profit from bargain purchases	8	(1,832)	-	-	-
Dividend (income)		-	-	(11,314)	(300)
Loss (gain) from other financial activities		171	(996)	171	-
		28,022	**33,093**	**(4,547)**	**(2,027)**
Changes in working capital:					
(Increase) decrease in inventories		4,029	3,859	-	-
Decrease (increase) in trade and other receivables		(7,867)	(5,881)	968	(1)
Decrease (increase) in other current assets		(977)	207	(364)	-
Transfer to term deposits		(108,659)	-	(69,528)	-
(Decrease) increase in trade payables		1,873	(176)	(203)	59
(Decrease) increase in other current liabilities		1,757	(528)	40	107
Cash flows (to) from operating activities		**(81,822)**	**30,574**	**(73,634)**	**(1,862)**
Income tax (paid) return		(2,347)	(5,382)	(136)	-
Net cash flows (to) from operating activities		**(84,169)**	**25,192**	**(73,770)**	**(1,862)**

(cont'd on the next page)

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

	Notes	Group		Company	
		Nine months of 2011	**Nine months of 2010**	**Nine months of 2011**	**Nine months of 2010**
Cash flows from (to) investing activities		Unaudited		Unaudited	
(Acquisition) of non-current assets (except investment properties)		(5,714)	(2,224)	(21)	(31)
Proceeds from sale of non-current assets (except investment properties)		178	108	-	66
(Acquisition) of investment properties	13	(2,847)	(151)	-	-
Proceeds from sale of investment properties	13	795	433	-	-
(Acquisition) and establishment of subsidiaries, net of cash acquired	8	(3,168)	(1,994)	(99)	-
Proceeds from sales of subsidiaries, net of cash disposed		-	49	-	57
(Acquisition) of associates and joint ventures		(6)	-	(6)	-
Proceeds from sales of associates and joint ventures	10	369,826	-	369,826	-
Direct expenses related to sale of Group companies		(20,524)	-	(20,524)	-
Loans (granted)		(24,372)	(7,480)	(91,998)	(20,070)
Repayment of granted loans		8,832	9,264	31,544	19,423
Dividends received		-	-	-	300
Interest received		3,204	297	3,537	41
(Acquisition) of and proceeds from sales of held-for-trade and available-for-sale investments	12	42,651	4,150	48,780	4,689
Net cash flows (to) investing activities		**368,855**	**2,452**	**341,039**	**4,475**
Cash flows from (to) financing activities					
Cash flows related to Group owners					
(Acquisition) and changes of non-controlling interests and increase of share capital		(1,045)	-	(173)	-
Dividends (paid) to equity holders of the parent		(37)	(35)	(37)	(35)
Dividends (paid) to non-controlling interests		(4,351)	-	-	-
		(5,433)	(35)	(210)	(35)
Cash flows related to other sources of financing					
Proceeds from loans		12,963	15,125	18,196	27,679
(Repayment) of loans	11	(184,127)	(25,410)	(184,075)	(18,609)
Interest (paid)		(15,697)	(14,389)	(12,837)	(9,601)
Financial lease (payments)		(127)	(356)	-	-
Transfer (to)/from restricted cash		2,089	102	-	-
Other cash flows from financing activities		-	-	-	-
		(184,899)	(24,928)	(178,716)	(531)
Net cash flows (to) from financial activities		**(190,332)**	**(24,963)**	**(178,926)**	**(566)**
Impact of currency exchange on cash and cash equivalents		**(171)**	**-**	**(171)**	**-**
Net (decrease) increase in cash and cash equivalents		**94,183**	**2,681**	**88,172**	**2,047**
Cash and cash equivalents at the beginning of the period	5	**4,692**	**3,486**	**202**	**94**
Cash and cash equivalents at the end of the period	5	**98,875**	**6,167**	**88,374**	**2,141**

(the end)

Notes to the interim condensed financial statements

1 General information

AB Invalda (hereinafter the Company) is a joint stock company registered in the Republic of Lithuania on 20 March 1992. The address of 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. AB Invalda has concentrated during 9 months of 2011 on the priority investments, such as pharmaceutical (sold in the 3rd quarter of 2011), road and bridge construction (sold in the 2nd quarter of 2011), furniture manufacturing, real estate, facilities management, and IT infrastructure segments and financial investment in rail and road infrastructure company in Poland. The activities and assets of key associates of the Company representing pharmaceutical, road and bridge construction segments were concentrated in Poland.

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 nine months ended 30 September 2011 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 2010.

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 2010, except adoption of new Standards and Interpretations as of 1 January 2011, noted below.

IAS 24 *Related Party Disclosures (Revised)* (effective for financial years beginning on or after 1 January 2011)

The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The revised standard did not have an impact on the Group's financial statements for the nine months ended 30 September 2011.

IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* (effective for financial years beginning on or after 1 July 2010).

The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished. The interpretation did not have an impact on the Group's financial statements for the nine months ended 30 September 2011.

2 Basis of preparation and accounting policies (cont'd)

Improvements to IFRSs (issued in May 2010)

The IASB issued Improvements to IFRSs, an omnibus of amendments to its IFRS standards. The amendments are generally applicable for annual periods beginning on or after 1 January 2011 unless otherwise stated. The important amendments for the Group are:

- IFRS 3 *Business combinations*. The amendment clarifies that the choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of the net assets in the event of liquidation. All other components of non-controlling interest are measured at fair value unless another measurement basis is required by IFRS. The amendment is applicable to annual periods beginning on or after 1 July 2010 and applied prospectively from the date the entity applies IFRS 3.
  The application guidance in IFRS 3 applies to all share-based payment transactions that are part of a business combination, including unreplaced and voluntarily replaced share-based payment awards. The amendment is applicable to annual periods beginning on or after 1 July 2010 and applied prospectively.
  The amendments did not have an impact on the Group's financial statements for the nine months ended 30 September 2011.
- IFRS 7 *Financial instruments: Disclosures*. The amendment clarify certain disclosure requirements, in particular (i) by adding an explicit emphasis on the interaction between qualitative and quantitative disclosures about the nature and extent of financial risks, (ii) by removing the requirement to disclose carrying amount of renegotiated financial assets that would otherwise be past due or impaired, (iii) by replacing the requirement to disclose fair value of collateral by a more general requirement to disclose its financial effect, and (iv) by clarifying that an entity should disclose the amount of foreclosed collateral held at the reporting date and not the amount obtained during the reporting period. It applied retrospectively. The Group reflects the revised disclosure requirements in Note 12.
- IAS 1 *Presentation of financial statements*. The amendment clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. It applied retrospectively. The amendment did not have an impact on the Group's financial statements for the nine months ended 30 September 2011.
- IAS 34 *Interim financial reporting*. The amendment provides guidance to illustrate how to apply disclosure principles in IAS 34 and add disclosure requirements around (i) the circumstances likely to affect fair values of financial instruments and their classification; (ii) transfers of financial instruments between different levels of the fair value hierarchy; (iii) changes in classification of financial assets; and (iv) changes in contingent liabilities and assets. It applied retrospectively. The Group reflects the revised disclosure requirements in Note 12.

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the Group's financial statements and on the accounting policies:

- IFRS 1 *First-time adoption of International Financial Reporting Standards.*
- IFRS 3 *Business combinations*. Clarifies that contingent consideration arising from business combinations whose acquisition dates precede the application of IFRS 3 (as revised in 2008) are accounted for in accordance with IFRS 3 (2005).
- IAS 27 *Consolidated and separate financial statements*. The amendment clarifies that the consequential amendments from IAS 27 made to IAS 21, IAS 28 and IAS 31 apply prospectively for annual periods beginning on or after 1 July 2009, or earlier when IAS 27 is applied earlier.
- IFRIC 13 *Customer loyalty programmes.* The meaning of 'fair value' is clarified in the context of measuring award credits under customer loyalty programmes. The amendment will have no impact on the Group financial statements.

For the Group are not relevant the mentioned below standard's amendments, which has to apply from 1 January 2011:
Amendment to IFRS 1 *Limited exemption from comparative IFRS 7 disclosures for first-time adopters* (effective for annual periods beginning on or after 1 July 2010).

Amendment to IFRIC 14 *Prepayments of a Minimum Funding Requirements* (effective for financial years beginning on or after 1 January 2011).

Comparative figures

In these financial statement two adjustments was made to the comparative figures for the nine months ended 30 September 2010 that they conformed to the principles applied in the last audited annual financial statements:

- It was recalculated the profit attributable to the non-controlling interests. It was applied requirement of IAS 27 to not revise the attributed part of net losses, and therefore part of net profit due to the sale of UAB Broner was attributed to the non-controlling interest.

- According to revised the definition of non-controlling interests in IAS 27, share-based payment transaction are recognised not in the separate reserve within equity, but are attributed fully to non-controlling interest as of 1 January 2010.

3 Seasonality of operations and other recurring discrepancies in quarters

Historically information technology segment earned a bigger revenue and operational profit in the 4th quarter. New acquired entity, which operates in field of growing and trading of ornamental trees and shrubs, earned a bigger revenue and operational profit in the 2nd and 3rd quarter. The investment properties are revaluated usually in the Group 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:

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.

Facilities management (newly separated)

The facilities management segment is involved in facilities management of dwelling-houses, commercial and public real estate properties, and construction management. This segment is separated from real estate segment. After in 2010 incurred acquisition the operating results of the segment are presented to the Board of Directors of the Company and is analysed by it separately. The management of the segment is no longer accountable to the management of real estate segment. Respectively, the comparative figures were adjusted.

Furniture production

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

Information technology infrastructure

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

Other production and service segments

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

In the segment Note is no longer disclosed the road and bridge construction segment, which was reclassified to assets held-for-sale in the financial statements for the year ended 31 December 2010, and was disposed on 19 April 2011 and pharmacy segment, which was reclassified to assets held-for-sale on 30 June of 2011 and was disposed on 19 August of 2011 (see Note 10 and 16).

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.

4 Segment information (cont'd)

The following table present revenues and profit information regarding the Group's business segments for the nine months ended 30 September 2011:

Period ended 30 September 2011	Furniture production	Real estate	Information technology	Facility management	Other production and service	Elimi-nation	Total continuing operations
Revenue							
Sales to external customers	179,427	18,012	19,251	5,403	8,082	-	230,175
Inter-segment sales	-	1,250	59	1,773	5	(3,087)	-
Total revenue	179,427	19,262	19,310	7,176	8,087	(3,087)	230,175
Results							
Other income	2,150	40	312	2,081	8,756	(5,817)	7,522
Net losses from fair value adjustment on investment property	-	62	-	-	760	-	822
Net changes in fair value on financial assets	-	-	-	-	(66,613)	-	(66,613)
Segment expenses	(157,214)	(23,706)	(20,560)	(7,929)	(21,247)	8,904	(221,752)
Impairment, write-down and allowance	106	1,385	-	-	(20,041)	-	(18,550)
Share of profit (loss) of the associates and joint ventures	-	(169)	-	-	(213)	-	(382)
Profit (loss) before income tax	24,469	(3,126)	(938)	1,328	(90,511)	-	(68,778)
Income tax	(3,554)	951	60	(29)	15,141	-	12,569
Net profit (loss) for the period	20,915	(2,175)	(878)	1,299	(75,370)	-	(56,209)
Attributable to:							
Equity holders of the parent	15,060	(2,172)	(702)	1,299	(75,444)	-	(61,959)
Non-controlling interests	5,855	(3)	(176)	-	74	-	5,750

4 Segment information (cont'd)

The following table present revenues and profit information regarding the Group's business segments for the nine months ended 30 September 2010:

Period ended 30 September 2010	Furniture production	Real estate	Information technology	Facility management	Other production and service	Elimi-nation	Total continuing operations
Revenue							
Sales to external customers	141,574	23,261	17,202	2,803	5,274	-	190,114
Inter-segment sales	-	810	53	2,580	4	(3,447)	-
Total revenue	141,574	24,071	17,255	5,383	5,278	(3,447)	190,114
Results							
Other income	2,112	218	183	281	8,012	(7,065)	3,741
Net losses from fair value adjustment on investment property	-	(100)	-	-	-	-	(100)
Net gains on disposal of subsidiaries	-	15,215	-	-	135	-	15,350
Net changes in fair value on financial assets	-	-	-	-	(5,388)	-	(5,388)
Segment expenses	(118,917)	(29,172)	(18,530)	(5,162)	(18,291)	10,512	(179,560)
Impairment, write-down and allowance	-	(10,735)	-	(174)	6,940	-	(3,969)
Share of profit (loss) of the associates and joint ventures	-	1,226	-	-	(428)	-	798
Profit (loss) before income tax	24,769	723	(1,092)	328	(3,742)	-	20,986
Income tax	(3,698)	1,155	(17)	(64)	1,580	-	(1,044)
Net profit (loss) for the period	21,071	1,878	(1,109)	264	(2,162)	-	19,942
Attributable to:							
Equity holders of the parent	15,173	(433)	(887)	264	(2,175)	-	11,942
Non-controlling interests	5,898	2,311	(222)	-	13	-	8,000

The following table represents segment assets of the Group operating segments as at 30 September 2011 and 31 December 2010:

Segment assets	Furniture production	Real estate	Information technology	Facility management	Other production and service	Elimi-nation	Total continuing operations
At 30 September 2011	113,688	270,768	13,409	12,474	387,283	(93,311)	704,311
At 31 December 2010	108,717	266,737	16,285	8,347	102,138	(101,818)	400,406

5 Cash and cash equivalents

	Group		Company	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Cash at bank	23,274	4,507	12,935	202
Cash in hand	75	24	-	-
Cash in transit	87	161	-	-
Term deposits with the maturity up to 3 months	75,439	-	75,439	-
	98,875	4,692	88,374	202

On 30 September 2011, the Group and the Company have placed also with the banks term deposits and have invested in the banks bonds with the maturity more than 3 month.

	Group	Company
Deposits with the maturity between 3 and 6 months	34,678	34,528
Deposits with the maturity more than 6 months	38,981	-
Deposit's certificate of AB bankas Snoras	20,000	20,000
Bonds of the banks	15,000	15,000
Accumulated interest	437	367
Less allowance for impairment as consequence of AB bankas Snoras insolvency	(20,101)	(20,101)
	88,995	**49,794**

On 24 November 2011, the Bank of Lithuania recognised AB bankas Snoras as insolvent and revoked the licence. According to the public information about AB bankas Snoras, most likely is that bank's assets was significantly less as liabilities already on 30 September 2011. So the management of the Company decided to recognise allowance for impairment of deposit's certificate for full amount.

6 Dividends

In 2011 and 2010 dividends were not declared.

7 Income tax

	Group		Company	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Components of income tax expense				
Current income tax charge	(1,423)	(4,017)	(169)	-
Prior year current income tax correction	134	10	-	-
Deferred income tax income (expense)	13,858	2,963	14,990	902
Income tax (expenses) income charged to the income statement	12,569	(1,044)	14,821	902

8 Investment into subsidiaries and associates

UAB 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 which is the operator of the government owned shares). 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. Acquisition-related cost was equal to nil.

Based on a preliminary assessment, the fair values of the identifiable assets and liabilities of UAB Lauko gėlininkystės bandymų stotis were:

	Fair values
Property, plant and equipment	1,437
Inventories	668
Trade receivables	11
Other current assets	29
Cash	275
Total assets	**2,420**
Current liabilities	(168)
Other current liabilities	(63)
Total liabilities	**(231)**
Net assets	2,189
Non-controlling interests	(500)
Acquired net assets	**1,689**
Profit from bargain purchases	**(778)**
Purchase consideration transferred	**911**

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 569 thousand. The positive difference equal to LTL 69 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 1,218 thousand and earned the net profit of LTL 66 thousand to the Group during the nine months of 2011.

8 Investment into subsidiaries and associates (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.

Based on a preliminary assessment, the fair values of the identifiable assets and liabilities of UAB Jurita on 30 September 2011 were:

	Fair value
Intangible assets	500
Property, plant and equipment	2,613
Inventories	32
Trade receivables	294
Other current assets	11
Term deposits and restricted cash	1,103
Cash	586
Total assets	**5,139**
Non - current liabilities	(955)
Deferred income tax liability	(249)
Current liabilities	(361)
Total liabilities	**(1,565)**
Net assets	**3,574**
Profit from bargain purchases	**(1,055)**
Acquisition price	**2,519**

The initial accounting of intangible and tangible non-current assets is incomplete, and these assets could be revalued in the future periods.

Acquired business contributed revenues of LTL 427 thousand and net profit of LTL 11 thousand to the Group for the period from 1 August 2011 to 30 September 2011.

If the acquisition of UAB Jurita had occurred on 1 January 2011, the consolidated revenue would have been LTL 231,427 thousand and consolidated net profit would have been LTL 239,378 thousand.

Based on the preliminary assessment, 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.

8 Investment into subsidiaries and associates (cont'd)

UAB Puškaitis and UAB Žemynėlė

On 30 September 2011, the Group acquired by 100 % of the shares of UAB Puškaitis and UAB Žemynėlė for LTL 685 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 and UAB Žemynėlė on 30 September 2011 were:

	Fair value
Investment properties	6,257
Trade receivables	322
Other current assets	11
Deferred income tax asset	29
Cash	86
Total assets	**6,705**
Borrowings	(5,942)
Deferred income tax liability	(56)
Current liabilities	(22)
Total liabilities	**(6,020)**
Net assets	**685**
Profit from bargain purchases	**-**
Acquisition price	**685**

The Group bought companies borrowings.

Analysis of cash flows on acquisition during three quarters of the year 2011:	
Consideration paid in cash	(4,115)
Cash acquired with the subsidiary	947
Acquisition of subsidiaries, net of cash acquired	**(3,168)**

Acquisition of non – controlling interest

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 547 thousand. The positive difference equal to LTL 3 thousand between the consideration and the value of the interest acquired has been recognised directly to the shareholders equity.

Establishment of companies (increase of share capital)

In nine months ended 30 September of the year 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.

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 .

9 Other revenues and expenses

9.1. Net changes in fair value on financial assets

		Group		Company	
		30 September 2011	**30 September 2010**	**30 September 2011**	**30 September 2010**
Gain (loss) from bonds of Trakcja – Tiltra	10	(5,443)	-	(5,443)	-
Gain (loss) from shares of Trakcja – Tiltra	10	(59,326)	-	(59,326)	-
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		(1,844)	(5,608)	(26)	3,337
Net gain (loss) from financial assets at fair value, total		*(66,613)*	*(5,608)*	*(21,080)*	*3,337*
Realised (loss) gain from available-for-sale investments		*-*	*220*	*-*	*-*
		(66,613)	(5,388)	(21,080)	3,337

9.2. Finance expenses

	Group		Company	
	30 September 2011	**30 September 2010**	**30 September 2011**	**30 September 2010**
Interest expenses	(10,353)	(13,238)	(7,391)	(9,916)
Other finance expenses	(1,216)	(596)	(1,005)	(16)
	(11,569)	(13,834)	(8,396)	(9,932)

9.3. Other income

	Group		Company	
	30 September 2011	**30 September 2010**	**30 September 2011**	**30 September 2010**
Interest income	4,151	1,371	7,985	6,008
Dividend income	-	-	11,314	300
Profit from bargain purchases	1,832	-	-	-
Other income	1,539	2,370	19	55
	7,522	3,741	19,318	6,363

10 Discontinued operations and non-current assets classified as held-for-sale

	Group		Company	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Non-current assets classified as held-for-sale				
Road and bridge construction segment	-	72,075	-	25,004
	-	72,075	-	25,004

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 and presented as discontinued operations in the income statement.

On 19 April 2011, AB Invalda and other shareholders of Tiltra Group AB and AB Kauno Tiltai (further – "Tiltra Group") executed an agreement with the Polish listed railway infrastructure construction market leader Trakcja Polska S.A. and it's largest shareholder Comsa Emte (Spain) group and agreed to restore the effectiveness of the agreement (further - "Agreement") regarding merger of activities of Trakcja Polska and Tiltra Group, which was signed on 18 November 2010. Concurrently, the parties agreed to amend the terms and conditions of the transaction provided for in the Agreement and completed the deal on the same day.
Total value of Tiltra Group in the transaction – PLN 777,536 thousand (LTL 679,528 thousand).

Amounts provided below are attributable only to the Company proportionately to its participation in the deal.
The Company sold to Trakcja Polska 44.78% stake in Tiltra Group AB and 43.36% stake in AB Kauno tiltai for total amount of PLN 314,120 thousand (LTL 274,525 thousand) and subsequently, the Company acquired:
(i) 29,017,087 newly issued Trakcja Polska shares for PLN 132,318 thousand (LTL 115,639 thousand) (PLN 4.56 (LTL 3.99) per share), amounting to 12.5% in share capital of Trakcja Polska.
(ii) 59,892 bonds of Trakcja Polska with par value PLN 1000 (LTL 873.95) each, annual interest rate – 7% (paid out on 30 June and 31 December of each year), maturity date – 12 December 2013, for PLN 59,892 thousand (LTL 52,343 thousand).
(iii) 59,891 bonds of Trakcja Polska with par value PLN 1000 (LTL 873.95) each, annual interest rate – 7% (paid out on 30 June and 31 December of each year), maturity date – 12 December 2014, for PLN 59,891 thousand (LTL 52,342 thousand).
Remaining PLN 62,019 thousand (LTL 54,202 thousand) was paid to the Company in cash.

Acquired financial assets through sale of road and bridge construction segment were measured on fair value on transaction date and gain of disposal without transaction expenses was calculated as follows:

	Group	Company
Shares of „Tiltra – Trakcja"	92,055	92,055
Bonds of „Tiltra – Trakcja"	97,049	97,049
Cash received	54,202	54,202
The carrying amount of sold investments	(72,075)	(25,004)
Foreign currency translation reserve of sold associates	(40)	-
Gain on disposal of associates without transaction expenses	**171,191**	**218,302**

10 Discontinued operations and non-current assets classified as held-for-sale (cont'd)

In the Company the gain on sale of associates was calculated as follows:

	30 September 2011
Gain on sale of associates without related expenses	218,302
Direct expenses related to sale	(20,524)
Provision for potential liabilities regarding share sale price, discounted	(42,455)
Profit of sales of associates	**155,323**

Proceedings paid to the Company for shares of Tiltra Group AB and AB Kauno tiltai might be reduced depending on the financial results of the companies. It is agreed these goals:
(i) the aggregated net profit for the financial year ended 31 March 2011 will equal at least to PLN 63 million (approximately LTL 55 million), aggregated EBITDA – PLN 109 million (approximately LTL 95 million);
(ii) the aggregated net profit for the financial year ended 31 March 2012 will equal at least to PLN 67.5 million (approximately LTL 59 million), aggregated EBITDA – PLN 119 million (approximately LTL 104 million).
If net profit would be lower than the respective amount mentioned above by at least PLN 1 million (approximately LTL 0.87 million), the price shall be reduced by PLN 4 for each PLN 1 difference, and if EBITDA would be lower than the respective amount mentioned above by at least PLN 1 million (approximately LTL 0.87 million), the price shall be reduced by PLN 3 for each PLN 1 difference. The price would be reduced by the higher of the mentioned adjustments. According to this rule the price could not be reduced more than PLN 150 million (approximately LTL 131 million) for entire transaction. It is attributable from this amount PLN 60.6 million (approximately LTL 53 million) to the Company.

Also, the Company has a liability in respect of representations and warranties provided to Trakcja Polska, and regarding a title to sold shares. In general, total liability of the Invalda might not exceed total proceedings from the transaction.
The Company is obliged for at least 12 months not to sell acquired Trakcja Polska shares and also provided other guarantees for fulfilment of the liabilities.

The parties has also agreed that in connection with the statement of claim filed by Mr. J. Jurek, the former shareholder of Tiltra Group AB subsidiary Poldim S.A., for the transaction involving the acquisition by Silentio Investments (the subsidiary of AB Tiltra Group) of shares in Poldim to be declared invalid, the Tiltra Price will be reduced accordingly. After the peaceful settlement was reached with Mr. J. Jurek, the claim was withdrawn.

The Group and the Company has recognised the provision related with financial results of sold companies for all price adjustment amount according to the Agreement. According preliminary information the goals of the financial results for the financial year ended 31 March 2011 were reached. The provision is made regarding the goals of the financial results for the financial year ended 31 March 2012, because the Company does not control the results of sold companies. Estimated realisation of provision is 3rd quarter of 2012, therefore as the effect of time value of money is material, the provision was discounted and equal to LTL 42,455 thousand.

10 Discontinued operations and non-current assets classified as held-for-sale (cont'd)

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. ("Valeant"). Pursuant to the agreement, the Company will sell 26.5% shareholdings in AB Sanitas. Therefore the investments were classified as assets held for sale in the statement of financial position for the 6 months ended 30 June 2011 and presented as discontinued operations in the income statement.

The Company and other AB Sanitas shareholders, all together controlling 87.2% shares, on 19 August 2011, have closed the transaction regarding the sale of their entire shareholding in AB Sanitas to Valeant Pharmaceuticals International, Inc. According to the agreement signed on 23 May 2011, Invalda AB has sold 26.5% shareholdings in AB Sanitas, in exchange of LTL 286,690 thousand or 10.06 EUR (34.74 LTL) for one share. For the shares acquired from business partners in January 2009 was paid additionally to them LTL 16,293 thousand, because final acquisition price has depended from sale price of AB Sanitas shares.

Taking into account share price adjustment mechanism set out in the agreement signed on 24 October, 2008 with Baltic pharma Limited, (regarding sale of 20.3 % of the share capital of Sanitas AB) and analogous mechanism set out in the agreements with some investors, from which was acquired AB Sanitas shares in the end of 2008, total proceedings of the Company from previous sold shares of AB Sanitas less payments to business partners was amounted to LTL 45,227 thousand. So was realized the derivative, which has represented probable share price adjustment for shares,

In the Company the gain on sale of AB Sanitas was calculated as follows:

	Group	Company
Sales price, received in cash	286,690	286,690
Additional payment for acquisition of shares in January 2009	(16,293)	(16,293)
The carrying amount of sold investments	(126,116)	(109,558)
Cash flow hedge reserve of sold associates	(266)	-
Foreign currency translation reserve of sold associates	(1,856)	-
Profit from sales of associates	**142,159**	**160,839**

Cash flows related to sales of associates:

	Group	Company
Cash received for the sale of road and bridge construction segment	54,202	54,202
Sales price of AB Sanitas, received in cash	286,690	286,690
Additional payment for acquisition of shares in January 2009	(16,293)	(16,293)
Additionally net cash flows related to sales of AB Sanitas shares according to the agreement signed on 24 October 2008 with Baltic Pharma Limited	45,227	45,227
Total cash flows related to sales of associates	**369,826**	**369,826**

10 Discontinued operations and non-current assets classified as held-for-sale (cont'd)

Discontinued operations

	30 September 2011	30 September 2010
Share of profit of associates (road and bridge construction)	-	5,776
Gain on sale of road and bridge construction segment	171,191	-
Direct expenses related to sale	(20,524)	-
Provision for potential liabilities regarding share sale price, discounted	(42,455)	-
Total discontinued operations (road and bridge construction)	**108,212**	**5,776**
Share of profit of associates (pharmacy segment)	1,618	12,227
Gain from derivative representing the share sale price adjustment of AB Sanitas according to the agreement	43,715	-
Pharmacy segment sales result	142,159	
Total discontinued operations (pharmacy segment)	**187,492**	**12,227**
Total discontinued operations	**295,704**	**18,003**

Earnings per share:	30 September 2011	30 September 2010
Basic from discontinued operations	5.72	0.35
Diluted from discontinued operations	5.14	0.32

11 Borrowings

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. As at 30 September 2011 loans of LTL 117,968 thousand (as at 31 December 2010 – LTL 7,032 thousand) were recognised as non-current in statement of financial position, and loans of LTL 375 thousand (as at 31 December 2010 – LTL 115,174 thousand) were recognised as current portion of non-current loans.

During the nine months of 2011, the Group and the Company refunded respectively LTL 184.127 thousand and LTL 184,075 thousand of loans (during the nine months of 2010 respectively LTL 25.410 thousand and LTL 18,609 thousand), mainly used the proceeds from sale of road and bridge construction and pharmacy segments and bonds. The Company's liabilities to AB Šiaulių bankas, AB bankas Snoras and AB DNB bank was fully covered (on the statement of financial position for the year ended 2010 – LTL 18,000 thousand, LTL 24,254 thousand, and LTL 94,350 thousand, respectively). The Company's liabilities to the Group companies decreased from LTL 46,553 thousand to LTL 151 thousand.

Moreover, the group covered the large number of liabilities to banks (the amount of liabilities that were covered during 9 months of 2011, amounted to LTL 28,964 thousand in the statement of financial position for the year ended 2010)

12 Financial assets and fair value hierarchy

The Group and the Company has reversed part of impairment losses of loan granted to early own Latvian real estate entity because due to change economic situation the Company has evidence that part of loan would be returned (LTL 1,802 thousand). During the nine months of 2010 reversal of investments impairment losses in the Company was related with the sale of real estate companies which were next door to bankruptcy (LTL 19,731 thousand). On the Group level during the nine months of 2010 was recognised additionally impairment losses to trade receivables from sold companies. On the Company level was recognised additionally impairment losses to granted loans to subsidiaries.

The Group has obtained an investment property for LTL 2,600 thousand from bankrupted company UAB Nerijos būstas, so was offset part of trade receivable from this company. The investment property will be further developed.

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 30 September 2011:

	Level 1	Level 2	Level 3	Total balance
Assets				
Shares of Trakcja Tiltra	32,729	-	-	32,729
Bonds of Trakcja Tiltra	-	42,814	-	42,814
Other	11,056	-	-	11,056
Held-for-trade securities	43,785	42,814	-	86,599
Total Assets	43,785	42,814	-	86,599
Liabilities	-	-	-	-

12 Financial assets and fair value hierarchy (cont'd)

The following table presents the group's assets and liabilities that are measured at fair value at 31 December 2010:

	Level 1	Level 2	Level 3	Total balance
Assets				
Held-for-trade securities	6,934	-	-	6,934
Derivative representing the share sale price adjustment of AB Sanitas according to the agreement	-	-	1,512	1,512
Total Assets	6,934	-	1,512	8,446
Liabilities				
Cash flow hedge	-	163	-	-

During nine months of 2011, there were no transfers between Level 1 and Level 2 fair value measurements. In August of 2011 has expired cash flow hedge. The derivative representing the share price adjustment of AB Sanitas according to the agreement realized after sale of AB Sanitas. Therefore are not any instruments in level 3.

Cash flows

Cash flows related to held-for-trade and available-for-sale investments are as follows:

	Group		Company	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
Sale of bonds of Trakcja – Tiltra	49,615	-	49,615	-
(Acquisition) and sale of held-for-trade investments	(5,922)	4,150	(836)	4,689
(Acquisition) and sale of available-for-sale investments	(1,042)	-	-	-
	42,651	4,150	48,779	4,689

13 Investment properties

During the nine months of 2011 the Group has acquired additionally investment properties for LTL 11,704 thousand, from which the investment property for LTL 2,600 thousand was obtained as collateral for trade receivable (see Note 12), during business combination was acquired for LTL 6,257 thousand (see Note 8) and in cash was acquired for LTL 2,847 thousand. Also investment properties was sold for LTL 795 thousand (the sale price was equal to the carrying amount). In 1st quarter asset located at Elniakampio 7, Vilnius with carrying value of LTL 700 thousand was reclassified from investment property to inventories. There the construction of residential apartments started. In 2nd quarter of 2011 from owned-occupied property to investment property was transferred asset located at A. Juozapavičiaus g. 7. The carrying amount of asset was bigger as fair value (LTL 2,000 thousand), therefore in the income statement was recognised the impairment loss of LTL 383 thousand.

14 Other current liabilities

	Group		Company	
	As of 30 September 2011	As of 31 December 2010	As of 30 September 2011	As of 31 December 2010
Provision for potential liabilities regarding share of road and bridge construction segment sale price, discounted	42,455	-	42,455	-
Employee benefits	5,344	3,985	286	293
Other	6,167	5,814	2,156	2,222
Total other current liabilities	53,966	9,799	44,897	2,515

15 Related party transactions

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

The Company's transactions with related parties during three quarters of the year 2011 and related quarter-end balances were as follows:

9 months of the year 2011 Company	**Sales to related parties**	**Purchases from related parties**	**Receivables from related parties**	**Payables to related parties**
Loans and borrowings	5,064	1,290	130,768	151
Rent and utilities	-	94	-	2
Dividends	-	-	-	-
Other	-	55	1	-
	5,064	1,439	130,769	153
Liabilities to shareholders and management	-	-	-	-

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

9 months of the year 2010 Company	**Sales to related parties**	**Purchases from related parties**	**Receivables from related parties**	**Payables to related parties**
Loans and borrowings	6,689	1,581	104,186	45,493
Rent and utilities	-	99	-	151
Dividends	300	-	-	-
Other	-	35	-	-
	6,989	1,715	104,186	45,644
Liabilities to shareholders and management	916	2	-	-

The Group's transactions with related parties during three quarters of the year 2011 and related quarter-end balances were as follows:

9 months of the year 2011 Group	**Sales to related parties**	**Purchases from related parties**	**Receivables from related parties**	**Payables to related parties**
Loans and borrowings	97		6,486	-
Real estate income	77		62	-
Roads and bridges construction segment	224	3,904	124	-
Furniture production segment	-	1,145	-	198
Other	107	7	15	-
	505	5,056	6,687	198
Liabilities to shareholders and management	709	-	11,867	-

15 Related party transactions (cont'd)

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

9 months of the year 2010 Group	**Sales to related parties**	**Purchases from related parties**	**Receivables from related parties**	**Payables to related parties**
Loans and borrowings	550	221	12,049	-
Rent and utilities	116	-	51	-
Roads and bridges construction segment	168	57	102	-
Other	36	265	1	67
	870	543	12,203	67
Liabilities to shareholders and management	3,402	10	13,737	-

16 Events after the reporting period

Investment to UAB Litagra

On 7 November 2011, the Group signed an agreement for investment into shares of UAB Litagra . The Group will invest into shares of UAB Litagra LTL 38,575 thousand - LTL 37.092 thousand will be invested into new share issue of UAB Litagra, while for the remaining LTL 1,483 thousand shares of UAB Litagra from the current shareholders will be acquired. The Group will own 36.9% stake in Litagra UAB after the transactions. The transactions should be completed when the permission of the Competition Council is received.

The enterprise value of Litagra – leading company operating in the agricultural sector of the Baltic countries has been estimated at about 200 mLTL before the increase of the share capital. Mr. Gintaras Kateiva will own 37% of Litagra shares, Invalda AB – 36.9%, investment fund Amber Trust II – 18%, Mr. Dziugas Grigaliunas and Mr. Adomas Grigaitis, managers of Litagra Group, - 6.4% and 1.7% respectively. During the three quarters of 2011 the consolidated turnover of Litagra Group was 271.7 mLTL, i.e. 17.5% higher than during the same period of the last year (231.3 mLTL). EBITDA of Litagra Group during the comparative period has increased by 19% - from 16.3 mLTL to 19.4 mLTL.

The companies of Litagra Group are engaged in the primary crop and livestock (milk) production, grain processing and agricultural services. Group companies trade in plant protection products, fertilizers, seeds, compound feed, feed supplements, veterinary products. Moreover, companies buy grain, provide grain and other raw materials drying, cleaning, loading and storage services. Group companies provide agricultural services in Lithuania, Latvia and Estonia
The Company also signed Shareholders Agreement regarding management of Litagra with other shareholders of the company: Mr. Gintaras Kateiva, investment fund Amber Trust II, Mr. Dziugas Grigaliunas, Mr. Adomas Grigaitis.

UAB Litagra will be accounted as associates in the financial statements using equity method.

Acquisition of Norway Registers Development

On 28 November 2011 the Group acquired 100 % of the shares of Norwegian company 'Norway Registers Development' owning 70,7 percent shares of UAB NRD in Lithuania for LTL 4.143 thousand. The contract on acquiring of 100% of shares of "Norway registers Development" was signed by the Group on 20 October 2011.

In 2011 'Norway Registers Development' is expected to earn 7,6 million LTL income and 1 million LTL EBITDA. Almost half of the revenues are accumulated abroad; the group employs around 50 people. Having specialized in registration reforms, the company has accumulated a wide experience in designing, implementation and management of register projects in various countries such as Lithuania, Poland, Latvia, Croatia, Macedonia, Norway, Azerbaijan, Guatemala, Vietnam, Bhutan, Rwanda, Liberia, Malawi, Zanzibar, Kenya, Mozambique, Sudan, Madagascar, the Solomon Islands, Vanuatu etc. The major initiators and sponsors of such projects are the World Bank, The United Nations Industrial Development Organization (UNIDO) and similar organizations.

16 Events after the reporting period (cont'd)

Repayment of the Company's borrowing

In November 2011 the Company is fully covered her liabilities to UAB Medicinos bankas (balance on 30 September 2011 was LTL 1,726 thousand). It was the last borrowings liability of the Company to the banks.