

Preliminary results of *Invalda AB* group  
for the period 6 months ending June 30, 2012

Vilnius, August 27, 2012

---

## What is *Invalda AB*?

- *Invalda AB* is one of the largest Lithuanian investment companies whose primary objective is to steadily increase the investor equity value

*Invalda AB* actively manages its investments, exercising control or significant influence over target businesses.

More about businesses managed by *Invalda AB* can be found in the slides No. 17-27 and on [www.invalda.lt](http://www.invalda.lt)

- *Invalda AB* started its activity in 1991

Its shares have been traded on the NASDAQ OMX Vilnius exchange since 1995.

More about shares of *Invalda AB* can be found in the slides No.9-10.

# Management principles

*Invalda AB* follows these principles:

- **Competitiveness and independence**

Each business of the Group must be competitive and self-sustainable, have professional management teams capable of forming business strategy and implementing ambitious objectives.

- **Risk segregation**

*Invalda AB* does not grant guarantees or assume any obligations in respect of individual businesses, and individual businesses do not assume any obligations in respect of each other.

- **Diversification**

The company diversifies its investment in order to avoid any excessive risk concentration in homogeneous business sectors.

- **Transparency**

*Invalda AB* discloses information in adherence to the principle that market participants must get equivalent information at the same time, except for such cases where the publication of the information is not possible because of the obligations assumed in respect of third parties, and/or the disclosure may adversely affect the businesses' ability to compete.

- **Avoidance of conflicts of interest**

Managers of the Group companies do not participate in competing activities.

# Investment philosophy

- *Invalda AB* is a company driven by shareholder value creation

*Invalda AB* seeks to acquire competitive businesses that, with additional capital or management resources, may successfully be developed organically, consolidate fragmented markets or otherwise increase value.

*Invalda AB* invests into undervalued assets that, when restructured, may facilitate significant value increase.

*Invalda AB* does not avoid complex business transactions and opportunities. Such approach is supported by our belief that the efforts will lead to good results.

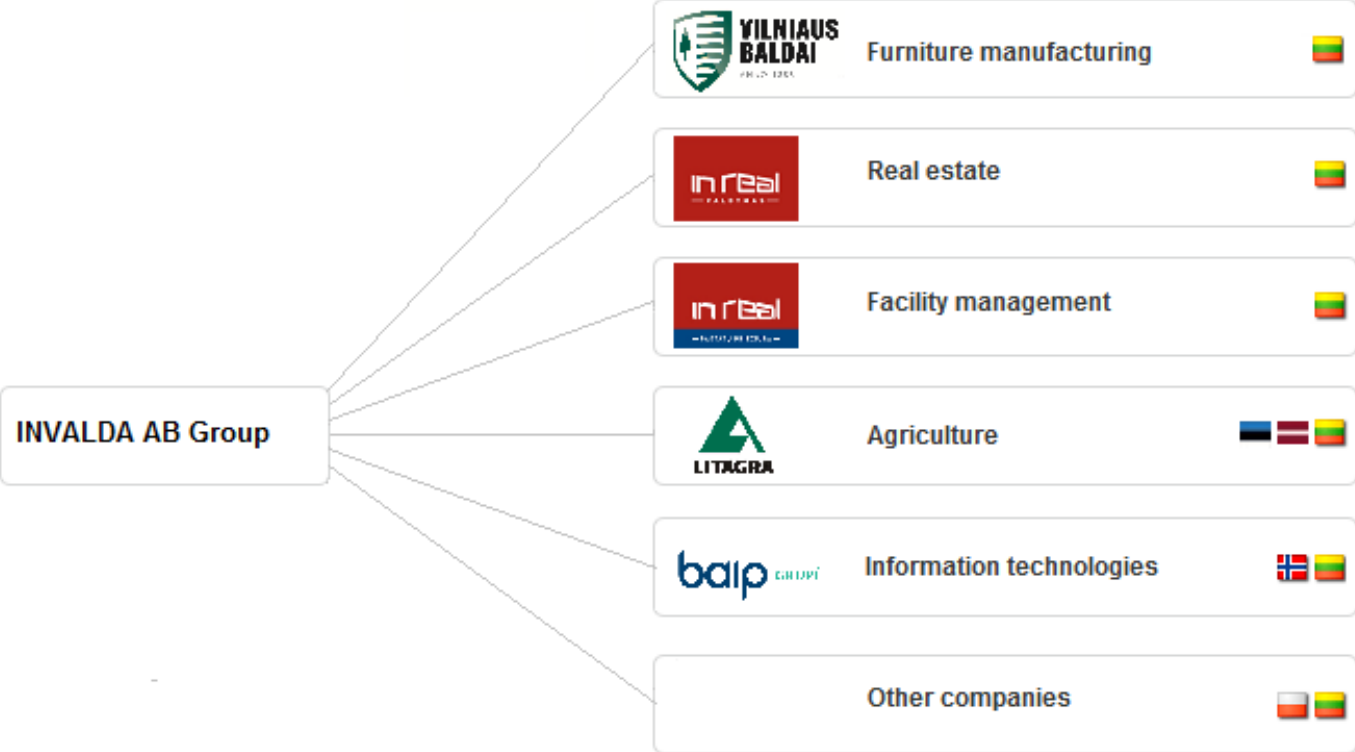
- Long-term prospects

With a view to maximize the investment value, *Invalda AB* normally pursues long-term investment horizon.

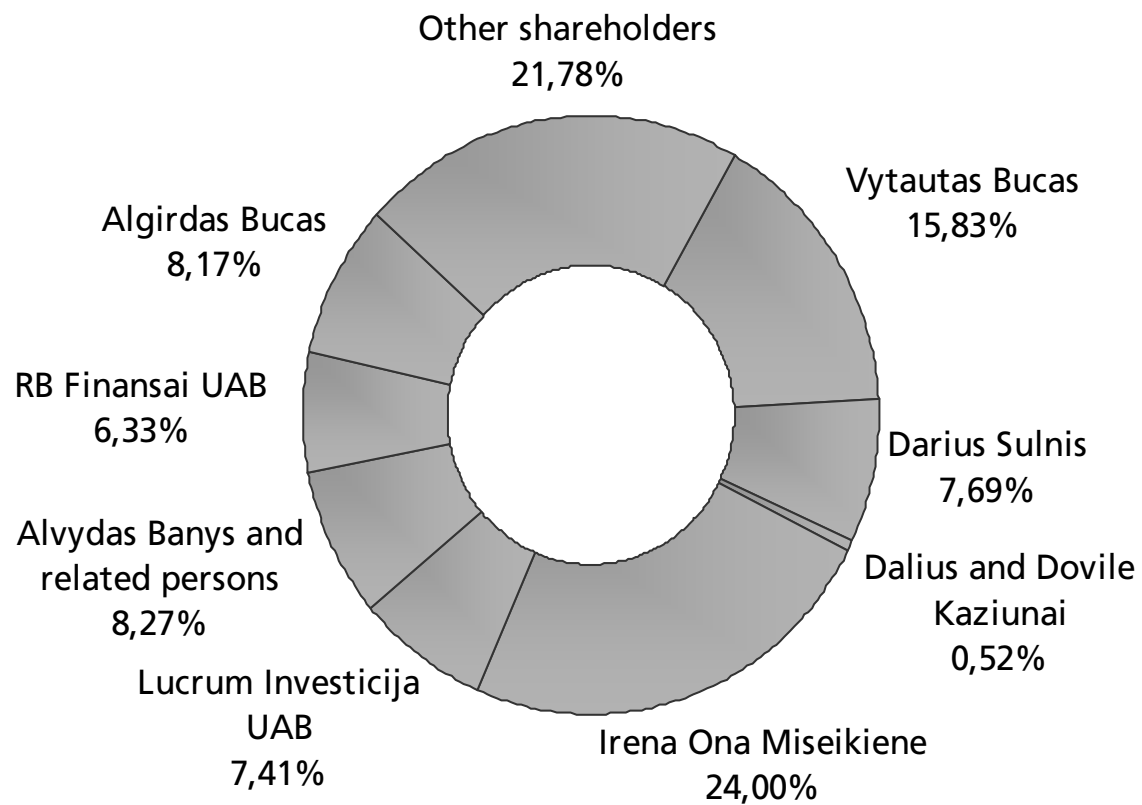
*Invalda AB* offers businesses for sale only when they are properly prepared for sale and become attractive to potential buyers, or having received any proposal matching future prospects of the businesses.

- A synergy of different competences may potentially increase the investment

# Invalda AB Group activity sectors



# Shareholder structure



Votes for the announcement day as of June 30, 2012

# Management



## **Vytautas Bucas - Chairman of the Board**

Vytautas Bucas is a member of ACCA (Association of Chartered Certified Accountants, UK) since 2002. After graduation from his studies at Vilnius University for a period he worked at the audit company *Arthur Andersen* where he started as an auditor's assistant and then grew to the position of the Chief auditor. Later on, in *SEB Bank* he was managing the Finance and IT departments, was holding the position of the Deputy President, and was a Member of the Board of the Bank. For the past five years he was a member of the Board at companies which are operating in the finance and real estate sector, also the pharmaceuticals company *Sanitas AB*. Currently he is a member of the Boards of *Inreal Pastatu Prieziura UAB*, *BAIP Group UAB* and *Litagra UAB*, Chairman of the Board of *Vilniaus Baldai AB*, *Invaldos Nekilnojamojo Turto Fondas UAB* and *Invalda AB* which he joined in 2006.



## **Darius Sulnis - Member of the Board**

Darius Sulnis took his Master's degree in accounting and audit at Vilnius University. He has managed the financial brokerage firm *Finasta AB* for eight years and a real estate company *Inreal Valdymas UAB* for four years . Furthermore, Darius Sulnis had been a member of Boards and Supervisory Boards of several Polish, Latvian and Lithuanian companies. Currently Darius Sulnis is a Member of the Board of the investment company *Invalda AB* where he was a president until 2012. He is also a Member of the Boards of *Vilniaus Baldai AB*, *Invaldos Nekilnojamojo Turto Fondas UAB* and *Litagra UAB*.

# Management



**Indre Miseikyte – Member of the Board (from April 30, 2012)**

Indre Miseikyte has graduated architecture studies in Vilnius Gediminas technical university. From 1994 till 1996 she worked in *Vilniaus Baldai AB*, late – in real estate and investment companies *Gildeta UAB*, *Kremi UAB* and *Invalda AB*. From 2002 she works as an architect in *Inreal Valdymas UAB*. She was elected as Member of the Board of *Invalda AB* from April, 2012.



**Dalius Kaziunas - President**

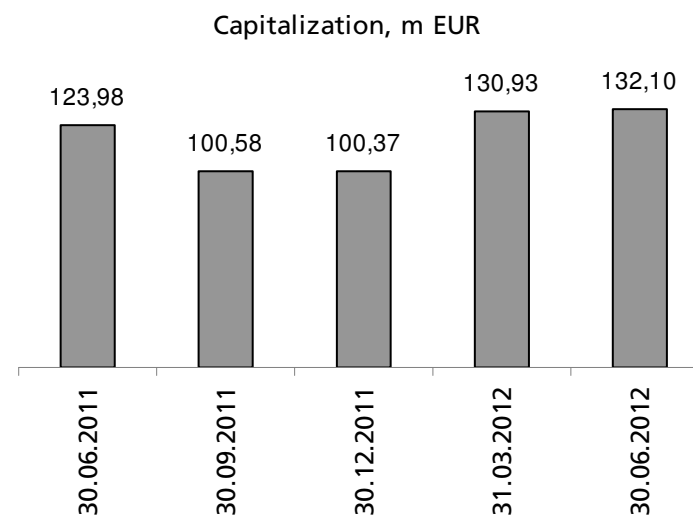
Dalius Kaziunas holds a Master's degree in economics from Vilnius University. Dalius Kaziunas has worked at the financial brokerage company *Finasta AB* for more than 10 years and he has been its General Manager for six years. He was a General Manager and Chairman of the Board of the AB bank *Finasta* in 2008-2009. Dalius Kaziunas has been working as an advisor for *Invalda AB* for the past two years and is a Member of its Board as well as a Member of the Boards of *Vilniaus Baldai AB*, *Litagra UAB*, *BAIP Group UAB* and *Inreal Pastatu Prieziura UAB* and Chairman of the Board of *Kelio Zenklai UAB*. He is also member of Supervisory Board of *Vernitas AB*



# The shares of *Invalda AB*

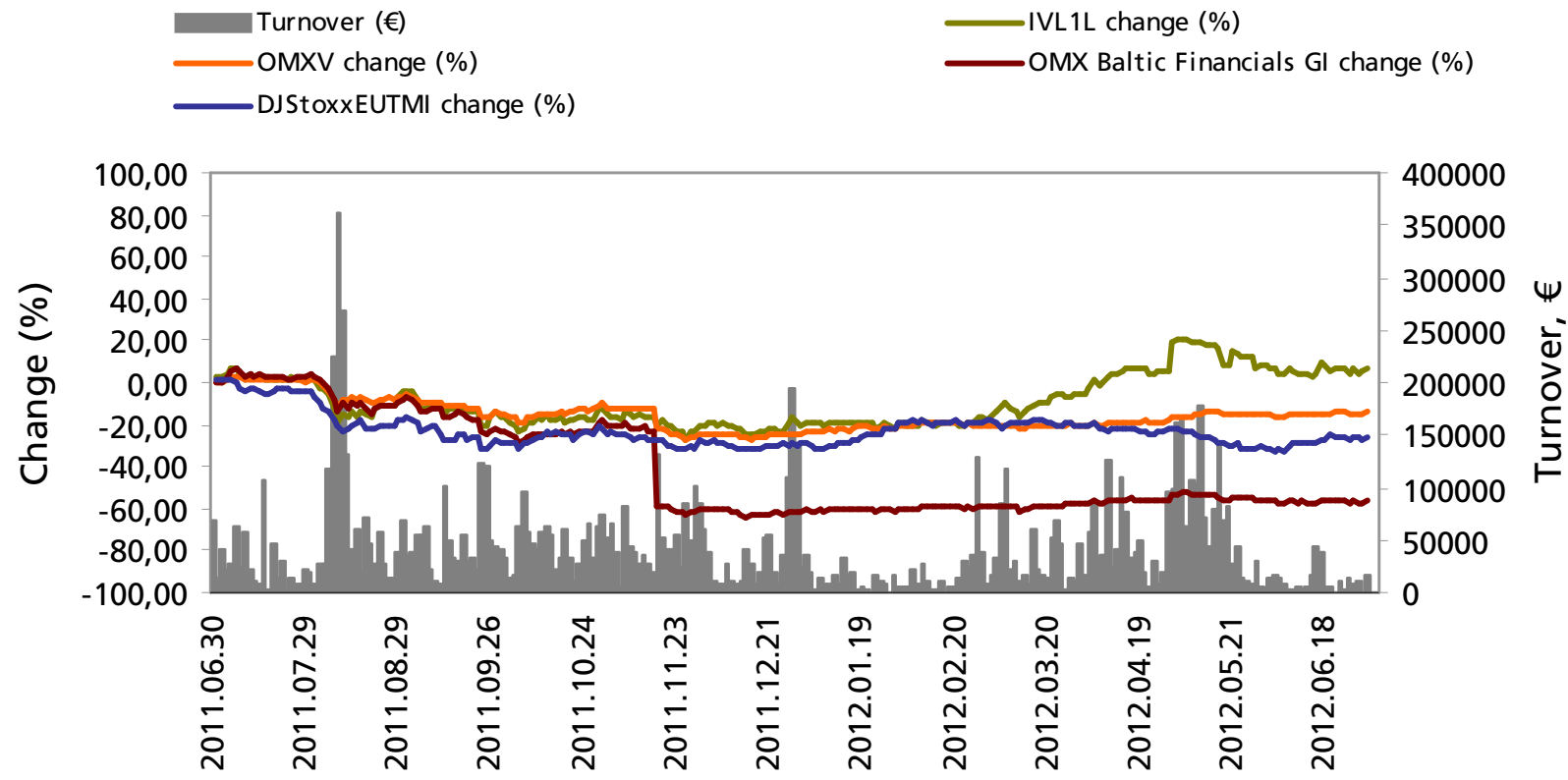
Total number of securities	51,802,146* (shares)
Nominal (par) value	1 litas
ISIN	LT0000102279
Name	IVL1L
Exchange	NASDAQ OMX Vilnius
List	BALTIC MAIN LIST

\*Total number of securities as of August 27, 2012



	2012 6 months	2011 6 months
Share price, € :		
- open	1.930	2.000
- highest	2.940	2.400
- lowest	1.871	1.750
- last	2.550	2.400
Volume traded, € million	4.003	3.891

# Trading in shares



OMXV index is an all-share index consisting of all the shares listed on the Main and Secondary lists of the NASDAQ OMX Vilnius with exception of the shares of the companies where a single shareholder controls more than 90% of the outstanding shares. Dow Jones Stoxx EU Enlarged TMI index covers approximately 95% of the free float market capitalization of the New Europe countries, including Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia.



---

# Financial results

---



## Key events

(1)

In January 2012, *Invalda AB* sold 29.5 percent of shares of the metal processing company *Umega AB*. Shares sold for the 3.7 million litas (€1.07 million). The transaction should have a preliminary positive effect of approximately 2 million litas (€0.6 million) in the consolidated statements.

The notification to convert 32.44 million litas (€9.4 million) par value bonds into *Invalda AB* shares was received from the bondholders. After the conversion, *Invalda AB* share capital was increased by 5.898 million litas (€1.708 million) to 57.558 million litas (€16.670 million).

The General Shareholders' Meeting, of April 30, 2012, *Invalda AB* shareholders approved the results for the year 2011, formed a reserve of 269.1 million litas (€77.94 million) for the share buy-back. *Invalda AB* acquired 10 percent of its own shares, i.e. 5,755,794 units, for the amount of 59.6 million litas (€17.26 million) after completion of the share buy-back program.

The resolution reduce the Company's authorized share capital to 51.8 million litas (€15 million) by cancelling Company's treasury shares was adopted on 24th of May in the *Invalda AB* Extraordinary General Shareholders' meeting.

On August 6, 2012, the share capital of *Invalda AB* was reduced from 57,557,940 litas (€16,669,931.64) to 51,802,146 (€15,002,938.48) litas by cancelling 5,755,794 ordinary registered shares at par value of 1 litas (€0.29).

# Activity results of *Invalda AB*

million litas	Consolidated		Parent company	
	2012 6 months	2011 6 months	2012 6 months	2011 6 months
Assets	578.8	725.5	378.8	484.5
Equity	406.3	341.8	375.8	279.0
Liabilities	172.5	383.7	3.0	205.5
Profit (loss) for the period	22.7	145.4	36.2	193.1
Attributable to equity holders of the parent company	19.9	141.7	-	-

} detailed on slide 14

# Equity and liabilities

<i>Invalda AB</i> , million litas	2012 6 months	2011 6 months
Equity	375.8	279.0
Liabilities to financial institutions	-	80.3
of which are long term	-	78.6
Liabilities to group companies	0.4	31.9
Bonds	-	32.4
Other liabilities	2.6	60.9
Total liabilities	3.0	205.5
<b>Total equity and liabilities</b>	<b>378.8</b>	<b>484.5</b>

# *Invalda AB* assets according to standalone financial statements (book value)



Asset	Book value June 30, 2012, million litas	Description
Furniture manufacturing	13.9	72.14 percent stake of <i>Vilniaus Baldai AB</i> , the share value on June 30, 2012 in NASDAQ OMX Vilnius is 158.3 million litas (€45.8 million)
Real estate	161.2	Investments into the real estate and loans granted to the sector companies
Facility management	7.7	100 percent stake in <i>Inreal Pastatu Prieziura UAB</i> , <i>Priemiestis UAB</i> and <i>Jurita UAB</i> ; loans granted to the sector companies
Agricultural	38.6	Investment into <i>Litagra UAB</i> shares
Information technology infrastructure sector	13.1	80 percent stake in <i>BAIP Group UAB</i> and loans granted
Rail and road construction	21.2	12.5 percent stake in <i>Trakcja – Tiltra, S.A.</i>
Other investments	21.0	Investment into <i>Umega AB</i> , <i>Vernitas AB</i> shares and other assets
Deferred income tax assets	17.5	Deferred income tax assets
Cash, deposits, short-term loans and investments	84.6	Cash, deposits, other financial investments
<b>Total assets</b>	<b>378.8</b>	

# Results

- Impact to the profit (loss) statement of *Invalda AB* due to group sectors and financial investments

million litas	2012 6 months	2011 6 months
Furniture manufacturing	7.8	9.6
Real estate	(0.3)	(1.4)
Facilities management	(0.2)	0.2
Agricultural	3.6	-
Information technology infrastructure sector	(1.1)	(0.8)
Change in share price of <i>Trakcja-Tiltra, S.A.</i>	5.7	(19.5)
Road and bridge construction (sold segment)	-	103.6
Pharmaceuticals (sold segment)	-	45.9
Other companies	4.4	4.1
<b>Total</b>	<b>19.9</b>	<b>141.7</b>



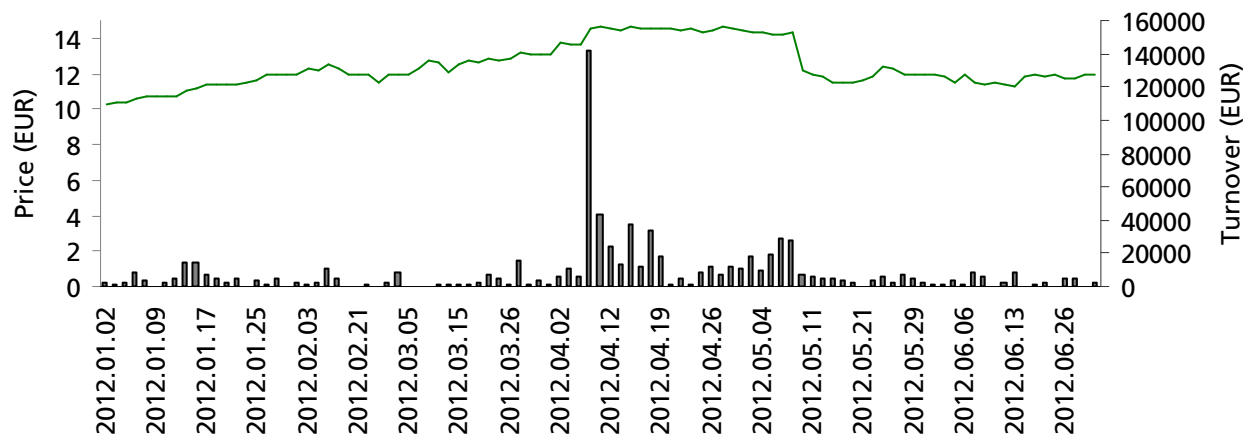
# Furniture manufacturing

(1)



million litas	2012 6 months	2011 6 months	Change	Change, %
Sales	115.4	114.8	0.6	0.52
EBITDA	15.4	18.2	(2.8)	(15)
Net profit	10.9	13.4	(2.5)	(19)
Capitalization	159.7	158.3	1.4	0.88

▪ Shares of *Vilniaus Baldai AB* are listed on NASDAQ OMX Vilnius stock exchange



More information about company's activities and results are provided on [www.vilniausbaldai.lt](http://www.vilniausbaldai.lt)

# Furniture manufacturing

(2)



## ▪ Main events

*Vilniaus Baldai AB* had no significant changes of activities in the first half of 2012. The company achieved the planned sales and sold 0.5 percent more production than in the corresponding period of 2011.

The situation on raw materials market has stabilized; as a result the gross margin remained almost the same. Both, net profit and EBITDA decreased by one-off operating costs (it was 3 million litas (€0.9 million) in the first half of 2012, compared to 0.795 million litas (€0.23 million) in the corresponding period of 2011).

The Ordinary General Shareholders Meeting of April 27, 2012 decided to pay dividends in the amount of 38.863 million litas (€11.256 million) (10 litas (€2.89 million) per share). 28.034 million litas (€8.119 million) from this amount is allocated to *Invalda AB*.

Vytautas Bucas, Darius Sulnis, Dalius Kazionas - the representatives of *Invalda AB*, were elected to the Company's Board for a four year term.

Furniture manufacturing sector of *Invalda AB* group

72.14%



# Real estate sector (consolidated data) (1)



million litas	2012 6 months	2011 6 months	Change	Change, %
Value of real estate	255.9	250.5	5.4	2.2
Commercial real estate	155.6	175.4	(19.8)	(11.3)
Real estate for development	59.7	53.6	6.1	11.4
Residential real estate	3.8	4.8	(1)	(20.8)
Agricultural land	36.8	16.7	20.1	120.4
Shareholders' equity (incl. loans from <i>Invalda AB</i> )	149.7	110.7	39	35.2
Loans from credit institutions	103.1	133.2	(30.1)	(22.6)
Rental income	9.0	8.4	0.6	7.14
from this owned by clients	2.6	2.5	0.1	4
Change of the real estate value	0.3	0.0	0.3	-
Companies' sales result, allowance and other non-monetary items	0.0	0.9	(0.9)	-
Result of the real estate sector	(0.3)	(1.4)	1.1	-

# Real estate sector

(2)



## ▪ Main events

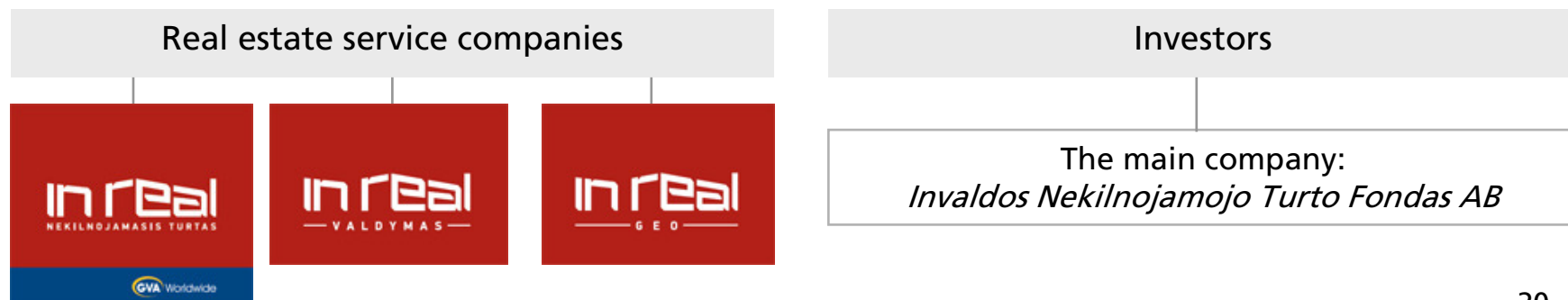
The total sector's income growth came from the sale of apartments in the project Elniakampio Namai for the total amount close to 5.3 million litas (€1.5 million). Overall residential property sales amounted to more than 6.5 million litas (€1.9 million).

During the first half of 2012 further investments in the agricultural land were made: land was acquired for the total amount close to 2 million litas (€0.6million).

*Justiniskiu Aikstele UAB* and *Justiniskiu Valda UAB* collectively managing real estate for the value of 2.7 million litas (€0.8 million) were added to the real estate portfolio.

14.7 million litas (€4.3 million) was returned to the Lithuanian branch of *Nordea Bank Finland* by the company managing the real estate *Naujoji Svara UAB* in April 2012.

## Real estate sector of Invalda AB group



# Facility management sector

(1)



## ▪ Sector's results

From the first quarter of 2011 facility management sector is recognized as a separate sector in the financial statements of *Invalda AB*.

million litas	2012 6 months	2011 6 months*	Change	Change, %
Sales	6.0	4.4	1.6	36.4
EBITDA	0.1	0.5	(0.4)	(80)
Net profit	(0.2)	0.2	(0.4)	(200)

\**Jurita UAB* results were not consolidated fully in 2011.

# Facility management sector

(2)



## ▪ Main events

The reorganization of the facility management structure, optimization of business processes and improvement of quality of services was continued during the first half of 2012. The business management system was started to be implemented in all companies of the facility management sector and the teams were strengthened with new members. This resulted in higher costs.

The department providing cleaning services started its activity and signed the first contracts after winning of the public procurement tenders for services in the Prime Minister Office as well as the Border Control Post Authority.

*Inreal Pastatų Priežiūra UAB* won a tender of Silale district municipality for the maintenance of apartment houses in Silale city and Kvedarna town.

In order to expand its activities *Inreal Pastatų Priežiūra UAB* opened an office and started its operations in Siauliai. Labor safety and fire protection consulting services were started to be provided by the department in Siauliai.

Since the beginning of 2012, *Justiniskiu Valda UAB* and *Justiniskiu Aikstele UAB* are included in the real estate sector. They were spun-off from *Jurita UAB* as a result of group restructuring.

## Facility management sector of *Invalda AB* group



# Agricultural sector

(1)



Since December, 2011, *Invalda AB* owns 36.9 percent of *Litagra UAB* shares, which is one of the largest agriculture company groups in the Baltic countries.

The companies of *Litagra UAB* 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, the companies buy grain; provide drying of grain and other raw materials, cleaning, loading and storage services. Group companies provide agricultural services in Lithuania, Latvia and Estonia.

## Agricultural sector of *Invalda AB*

36,9%



Litagros Zemes Ukio  
Centras UAB

Companies: Aristavos ZUB,  
Sesupes ZUB, Bausu ZUB,  
Slapaberzes ZUB, Kalpoku ZUB,  
Raktineliu ZUB, Berzu ZUB

Litagros Grudu  
Centras UAB

Companies: Joniskio grudai AB,  
Kedainiu Grudai AB, Marijampoles  
Grudai AB, Taurages Grudai AB

Litagros Prekybos  
Centras UAB

Companies: Litagros Grudai UAB,  
Litagros Prekyba UAB, Litagros  
Prekyba UAB (Latvian subsidiary),  
Litagra OU (Estonia)

# Agricultural sector

(2)



## ▪ Sector's results

In the first half of 2012 revenues of *Litagra UAB* group decreased slightly, but profitability increased due to more effective corporate governance and cost reduction. The largest improvements were achieved in the trade of plant protection chemicals and fertilizers; however an overall increase of turnover was prevented by the decrease of feed sales.

In April 2012, SEB bank together with DNB bank granted to *Litagra UAB* two syndicated loans totaling to 98.4 million litas (€28.5 million). This amount will be used for financing of the working capital and refinancing of the current loans and allow increase of the market share of grain and fertilizer trading businesses.

million litas	2012 6 months	2011 6 months	Change	Change, %
Sales	174.5	176.6	(2.1)	(1.2)
EBITDA	14	11.0	3.0	27.3
Net profit, according data provided by the company, on the ground of business accounting standards.	6.5*	2.4	4.1	170

According to IFRS the first half-year net profit attributable to *Invalda AB* by using equity method is 3.6 million litas (€1.04 million) (the net profit is 9.6 million litas (€2.8 million)). The half-year profit is higher than the one accounted by *Litagra UAB* according to local Business Accounting Standards. The largest differences are in biological assets (crops) valuation.



# Information technology sector

## Consolidated results of *BAIP Group*<sup>1</sup> UAB

million litas	2012 6 months	2011 6 months	Change	Change, %
Sales	15.2	14.5	0.7	4.8
EBITDA	0.6	0.8	(0.2)	(25)
Net profit before investment amortization <sup>2</sup> and cost of management options	(0.6)	(0.06)	(0.54)	-
Net profit	(1.3)	(1.0)	(0.3)	-

## Information technology sector of *Invalda AB* Group



1. Norway Registers Development, AS (NRD) results are consolidated from December 2011.
2. Amortization of contract assets formed during UAB BAIP acquisition.

## ▪ Main events

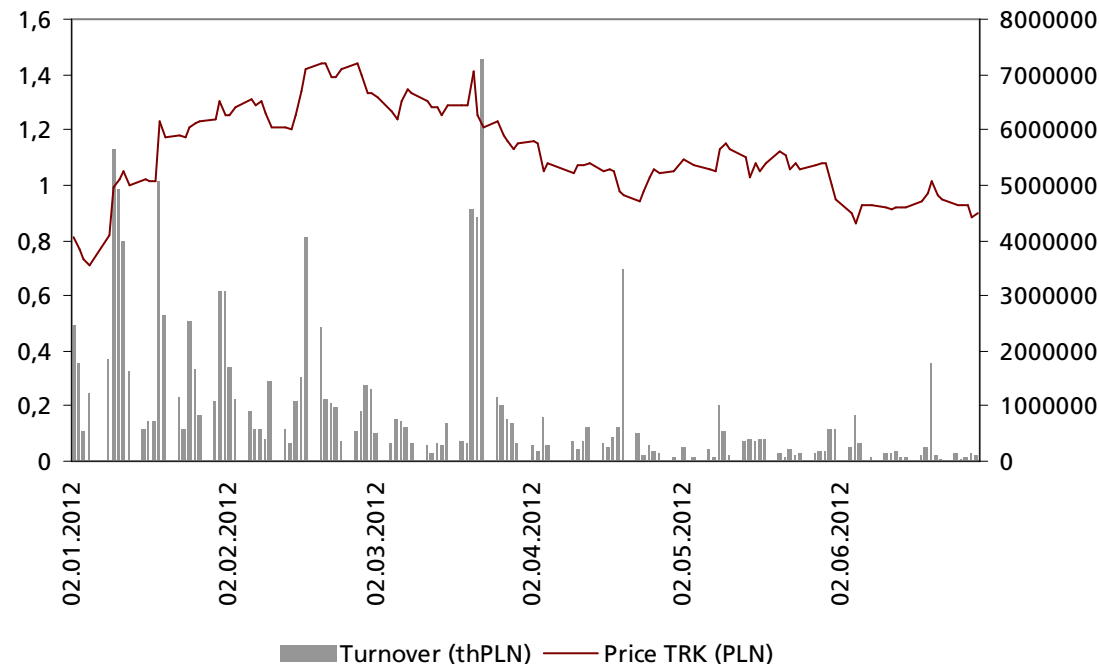
*BAIP UAB* finished implementation of a new tool - IBM Tivoli Service Request Manager. The company implemented information technology services management standard; ISO20000 certificate was issued to the company as a confirmation of it. This achievement will allow clients to perform information technology operations via single service tool executing them more rapidly and efficiently.

Printing and copying service CopyPrint concept is updated: it is proposed to integrate digital documents, electronic signature and a new concept of scanning and storage of documents.

The agreement with State Food and Veterinary Service to provide information systems development and maintenance services was signed by *NRD UAB*. The project on creation of interaction of Lithuanian register of wills with network of registers of wills in Europe was implemented in the Central Mortgage Office of Lithuania. The agreement on consulting project regarding civil registration and demographic information in Central Bureau of Statistics of Zanzibar was successfully completed. *NRD UAB* also won a tender of the Development Board of the Government of Rwanda on consultancy services for creation of mortgage registration system. A functionality of the information system for business registration in Vietnam was extended by additional subsystems: distribution of information product, electronic payment, electronic signature and other.

# Rail and road infrastructure

- *Trakcja – Tiltra, S.A.* shares are listed on Warsaw Stock Exchange

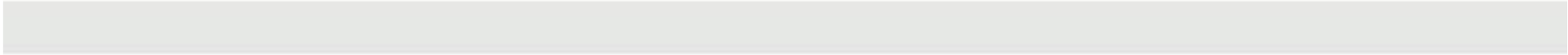


*Invalda AB* owns 12.5% shares of *Trakcja-Tiltra S.A.*, which are listed on Warsaw Stock Exchange.

Due to decline of the share price of this company *Invalda AB* earned profit of 5.7 million litas (€1.7 million) during the 1st half of 2012.

# Disclaimer

- The presentation was prepared by *Invalda AB*. The following information was used for the preparation:
  - Preliminary consolidated and Company's financial statements of *Invalda AB* for 6 months of 2012;
- Data provided here is for information purposes only.
- The information provided here is not a recommendation or solicitation to buy or sell any securities of *Invalda AB* or companies related to *Invalda AB*.
- *Invalda AB* does not take responsibility for the actions any third parties made based only on information provided here.
- Group composition charts are simplified. Shares owned including shares sold under repurchase agreements are presented. *Invalda AB* owns 100% in the companies if not stated otherwise.
- *Invalda AB* accounts its investments into furniture manufacturing and information technology sectors at acquisition costs. Investment properties of the real estate sector are accounted at fair value. Results of agricultural land sector will be consolidated from the beginning of 2012. *Litagra UAB* is an associated entity. Shares of the rail and road infrastructure company *Trakcja -Tiltra S.A.* are accounted by their price on Warsaw stock exchange.
- Since November 22, 2010, shares of the listed companies are traded only in Euros (€) on *NASDAQ OMX Vilnius* stock exchange, therefore all information related to the securities trading is provided in Euros (€).



Thank you!