PUBLIC JOINT - STOCK COMPANY INVALDA LT

SPLIT – OFF TERMS

Vilnius
21 March 2014

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Those Terms have been drawn up in accordance with provisions of the Civil Code of the Republic of Lithuania, Law on Companies of the Republic of Lithuania and other applicable legal acts of the Republic of Lithuania.

Drawing up of the Terms was approved by the decision of the general meeting of shareholders of the public joint - stock company Invalda LT on 5 February 2014.

The Terms have been prepared by the Board of the public joint - stock company Invalda LT.

Alvydas Banys, the Chairman of the Board of Invalda LT, Darius Sulnis, the president and Member of the Board of Invalda LT, Indre Miseikyte, Member of the of Invalda LT and Raimondas Rajeckas, Chief Financial Officer of Invalda LT, hereby confirm, that to the best of their knowledge, information provided in the Split – Off Terms (including all annexes) coincides with the data as of 31 December 2013, and there are no missing data, which may have substantial impact to the meaning of such information and assessment of the Split – Off Companies. The responsible persons put all their efforts in order to ensure it.

Publication of the Split – Off Terms does not state no changes shall occur in the public joint – stock company Invalda LT from the moment of publication. Moreover, publication of the Split – Off Terms does not mean that information provided in this document in every aspect show significant information at any moment of validity of the Terms.

Investment decisions should be made based on the investors' knowledge, situation of the public joint - stock company Invalda LT, documents and information related to the Split – Off Terms. The Split – Off Terms (including annexes) should not be treated as business, investment or legal recommendation. Every investor should apply its consultant for the legal, business or tax advice.

Chairman of the Board

Alvydas Banys

Member of the Board

Indre Miseikyte

Member of the Board, President

Darius Sulnis

Chief Financial Officer

Raimondas Rajeckas

1. DEFINITIONS

Capitalized terms will have below indicated meanings:

Shareholder	means any natural or legal person, which at the Completion of the Split - Off holds at least one ordinary registered share of the public joint - stock company Invalda LT of LTL 1 (one) par value. The **Shareholders** mean all Shareholders of the public joint - stock company Invalda LT together.
Split - Off Part	means a part of the public joint - stock company Invalda LT to be split - off and on the basis of the assets, equity and liabilities assigned to this part the following new legal entities to be formed: public joint - stock company INVL Technology, public joint - stock company INVL Baltic Real Estate, public joint - stock company INVL Baltic Farmland.
Day of Exchange of Shares	means the day on which (i) the amended Articles of Association of the public joint - stock company Invalda LT stating reduced authorized capital will be registered by the Register of Legal Entities; (ii) the public joint - stock company INVL Technology will be registered by the Register of Legal Entities, (iii) the public joint - stock company INVL Baltic Real Estate will be registered by the Register of Legal Entities, (iv) the public joint - stock company INVL Baltic Farmland will be registered by the Register of Legal Entities. Except if otherwise is provided by legal acts, the moment of registration of amended Articles of Association of the public joint - stock company Invalda LT and the day of registration of the public joint - stock company INVL Technology, public joint - stock company INVL Baltic Real Estate, public joint - stock company INVL Baltic Farmland will be deemed coincident at the end of the day of registration of all events, in case if all events take place on the same day; if the above mentioned registrations take place on different days, the moments of registration of those events will be deemed coincident at the end of the day of the latest event. Any reference to the Day of Exchange of Shares will mean the reference to end of the Day of Exchange of Shares, except otherwise is provided in the Terms or other related documents.
Split - Off	means the process when (i) a part of the public joint - stock company Invalda LT is split – off and the following new companies are formed on the basis of the assets, equity and liabilities assigned to this part: the public joint – stock company INVL Technology, the public joint – stock company INVL Baltic Real Estate and the public joint – stock company INVL Baltic Farmland; and (ii) the annulled Shareholders‘ shares in the public joint – stock company Invalda LT are at no charge exchanged for the ordinary registered shares in the following newly established companies: the public joint – stock company INVL Technology, the public joint – stock company INVL Baltic Real Estate and the public joint – stock company INVL Baltic Farmland; and (iii) the authorized capital of the public

	joint – stock company Invalda LT is reduced accordingly.
Terms	mean those Split – Off Terms of the public joint – stock company Invalda LT drawn up in accordance with the provisions of the Civil Code of the Republic of Lithuania, the Law on Companies of the Republic of Lithuania and other related legal acts.
Day of the Terms	21 March 2014
Completion of the Split - Off	means the end of the day on which the last of the following events will take place: (i) amended Articles of Association of the public joint – stock company Invalda LT with reduced authorized capital will be registered by the Register of Legal Entities; (ii) the public joint – stock company INVL Technology, the public joint – stock company INVL Baltic Real Estate and the public joint – stock company INVL Baltic Farmland (the Split-Off Companies) will be registered by the Register of Legal Entities; (iii) annulled shares of the Shareholders in the public joint - stock company Invalda LT will be exchanged for the ordinary registered shares in the Split – Off Companies; (iv) Transfer – Acceptance Certificates will be executed.
The Split – Off Companies	means the public joint – stock company INVL Technology, the public joint – stock company INVL Baltic Real Estate and the public joint – stock company INVL Baltic Farmland that will be formed as a result of the Split – Off.
Meetings of the Split - Off Companies	means the general meetings of shareholders of the Split – Off Companies that shall elect the managing bodies of the Split - Off Companies. Only the Shareholders who will receive shares in the relevant Split – Off Company according those Terms will have a right to participate in the relevant Meeting of the Split – Off Company.
Company Participating in the Split – Off or the public joint - stock company Invalda LT	means the public joint - stock company Invalda LT, with its legal form as the public joint - stock company, the registered address - Vilnius city municipality, city of Vilnius, Seimyniskiu str. 1A, corporate code 1213 04349, VAT payer code LT213043414, which after the Split – Off and reduction of the authorized capital according to the conditions of those Terms will continue its activity.
Register of Legal Entities	means Vilnius Branch of the Register of Legal Entities of the State Enterprise Centre of Registers.
Transfer – Acceptance Certificates	mean Transfer – Acceptance Certificates executed between the Company Participating in the Split - Off and the Split - Off Companies. On the basis of those Transfer – Acceptance Certificates, the Company Participating in the Split - Off will transfer a part of its assets, equity and liabilities according to the conditions of those Terms to the relevant Split - Off Company. The Transfer – Acceptance Certificates from the day of execution shall constitute an integral part of the Terms.

Meeting of the Company Participating in the Split – Off means the general meeting of shareholders of the Company Participating in the Split – Off which will approve the Split – Off and Terms as well as the Articles of Association of the Company Participating in the Split – Off and the Split – Off Companies.

In the Terms definitions in singular form, depending on the context, comprise the plural form and vice versa. The term "person" may be applicable on natural persons as well as legal persons.

The names in the Terms are used only for convenience purposes and shall have no impact on the meaning or interpretation of the Terms.

If not provided otherwise, any reference to the laws, a particular law or other legal act means a reference to the wording of the laws, particular law or other legal acts of the Republic Lithuania actual at the Day of the Terms.

2. GENERAL TERMS

2.1. The goal of the Split – Off is: on the basis of provisions of the Law on Companies of the Republic of Lithuania, to split - off a part of the public joint – stock company Invalda LT, continuing its activities after the Split – Off, and on the basis of assets, equity and liabilities assigned to this part to form the Split – Off Companies - the public joint – stock company INVL Technology, the public joint – stock company INVL Baltic Real Estate and the public joint – stock company INVL Baltic Farmland. Annulled shares of the Shareholders in the public joint - stock company Invalda LT will be exchanged for the ordinary registered shares in the newly established Split – Off Companies. The treasury shares acquired by the Company Participating in the Split – Off, if any, will be annulled. The authorized capital of the public joint - stock company Invalda LT shall be reduced accordingly.

2.2. Each step of the Split – Off shall be conducted by following general principles of smoothness, transparency, efficiency, economy and rapidity of the processes, in despite if the said principles are mentioned or not while describing particular steps of the Split – Off.

2.3. The principles mentioned in paragraph 2.2 above mean that the time - periods stated by legal acts and those Terms for the particular actions of the Split – Off have to be treated as the maximum time - periods. Therefore, all efforts have to be used in order to complete the said actions immediately, except when such urgency is prohibited by peremptory laws or other legal acts. The time - periods stated in those Terms could be missed only in cases when those time – periods cannot be kept due to the following reasons: the Split – Off has been suspended; or/and peremptory laws prohibit conduction of the particular steps in time – periods stated in the Terms.

2.4. Additionally, the principles mentioned in paragraph 2.2 above also mean that if in particular situation any action related with the Split - Off may be completed more smoothly, transparent, efficiently and rapidly by another body of the Company Participating in the Split – Off or the relevant Split - Off Company or another person which has a right to act on behalf of the mentioned above companies, this action has to be completed by the said body or person, except the cases when it is prohibited by peremptory laws or other legal acts.

3. THE MODE, LEGAL ASSUMPTIONS, EXECUTION AND COMPLETION OF THE SPLIT – OFF

3.1. The mode of the Split - Off:

3.1.1. The Split – Off is conducted in a mode provided in part 1 of Article 71 of the Law on Companies of the Republic of Lithuania, when a part of a company continuing its activity is split – off and a new companies of the same legal form are established on the basis of the assets, rights and liabilities assigned to this part. As stated in part 2 of Article 71 of the Law on Companies of the Republic of Lithuania, the provisions of the Civil Code of the Republic of Lithuania and the Law on Companies of the Republic of Lithuania regulating reorganization by division are *mutatis mutandis* applicable on the Split - Off.

3.1.2. The Split – Off corresponds with paragraph 8 of part 2 of Article 41 of the Law on Corporate Income Tax of the Republic of Lithuania according to which "an entity transfers without being dissolved (hereinafter referred to as the "transferring entity") one or more parts of its assets, equity and liabilities to one or more new entities (hereinafter referred to as the "receiving entities") and divides all its assets, equity and liabilities in proportion to the number of the shares left in the transferring entity and transferred to the receiving entity."

3.1.3. As the Split – Off corresponds with cases of reorganization and transfer provided in Article 41 of the Law on Corporate Income Tax of the Republic of Lithuania, according to part 1 of Article 42 of the Law on Corporate Income Tax of the Republic of Lithuania, when the Shareholders receive shares in the Split - Off Companies in exchange for those held in the Company Participating in the Split – Off, the increase of the value of assets shall not be treated as income of such Shareholders. In this case, the acquisition price of the shares in the Split – Off Companies received by the Shareholders shall be the acquisition price of the shares exchanged before the transfer was effected.

3.1.4. As the Split – Off corresponds with cases of reorganization and transfer foreseen in Article 41 of the Law on Corporate Income Tax of the Republic of Lithuania, according to part 2 of Article 42 of the Law on Corporate Income Tax of the Republic of Lithuania, when the Company Participating in the Split – Off transfers assets to the relevant Split – Off Company, the increase in the value of assets shall not be treated as income of the Company Participating in the Split - Off. In this case, the acquisition price of such assets with respect to the relevant Split - Off Company shall be the acquisition price of the assets before the transfer was effected.

3.1.5. Whereas the shares in the Split - Off Companies will be allocated to the shareholders of the public joint-stock company Invalda LT proportionally to their ownership in the authorized capital of the public joint-stock company Invalda LT, in accordance with paragraph 3 of Article 67 of the Law on Companies of the Republic of Lithuania, paragraphs 2, 3, 4 and 5 of Article 63, Article 64 and clauses 4, 5 of paragraph 2 and paragraph 5 of Article 64 are not applied to the Split – Off, i.e:

3.1.5.1. the Split – Off Terms will not be assessed by audit company and the report on assessment of the Terms will not be prepared;

3.1.5.2. the Board of the public joint-stock company Invalda LT will not draw up the report on the intended Split – Off;

3.1.5.3. the manager of the public joint-stock company Invalda LT is not obliged to inform shareholders of the public joint-stock company Invalda LT about substantial changes in assets, rights and liabilities from the day when the Split – Off Terms were drawn up till the day of the general shareholders meeting passing the decision regarding the Split – Off.

3.2. Legal assumptions of the Split – Off are the following:

3.2.1. the authorized capital of the Company Participating in the Split – Off has been fully paid up (at the price of the last share issue);

3.2.2. the Company Participating in the Split – Off has not acquired the status of the company being reorganized or involved into the reorganization, or the company being transformed, or the company in liquidation or restructuring;

3.2.3. the drawing up of the Terms was approved by the general meeting of shareholders of the public joint - stock company Invalda LT on 5 February 2014 (the minutes of the meeting - Annex 1);

3.2.4. the Terms have been drawn up by the Board of the Company Participating in the Split – Off

3.3. The Terms have been drawn up in accordance with Articles 61 - 71 of the Law on Companies of the Republic of Lithuania and Chapter VIII of Book Two of the Civil Code of the Republic of Lithuania, taking into account the requirements of other related legal acts of the Republic of Lithuania.

3.4. The Terms have been drawn up on the basis of the financial statements of the public joint - stock company Invalda LT as of 31 December 2013 (Annex 2).

3.5. The Articles of Association of the Company Participating in the Split-Off are prepared together with those Terms (Annex 3) as well as the Articles of Association of the Split - Off Companies (Annexes 4, 5 and 6).

3.6. Following the provision of part 8 of Article 63 of the Law on Companies of the Republic of Lithuania, the Terms shall be submitted to the Register of Legal Entities not later than on the first day of publication of the drawing up thereof in the Information Publication of the Register of Legal Entities (publication indicated in the Articles of Association of the Company Participating in the Split-Off). In addition to the Terms, the Register of Legal Entities will be also provided with the website address www.invaldalt.com where the Terms and the date of publication thereof will be announced (the Register of Legal Entities shall publish the reference to the above mentioned website). Additionally, the Terms will be published on the Central Storage Facility.

3.7. All the period from the first day of publication of the Terms in the Information Publication of the Register of Legal Entities till the Completion of the Split – Off the Company Participating in the Split-Off shall publish the Terms on the website www.invaldalt.com and announce the date of the first publication of thereof.

3.8. Following the requirements of part 2 of Article 62 of the Law on Companies of the Republic of Lithuania, the Meeting of the Company Participating in the Split – Off will have a right to pass decisions not earlier than 30 days from the day on which the Register of Legal Entities publishes the internet address of the Company Participating in the Split – Off, where the Terms may be found and the day of publication of the Terms on the said website. The minutes of the Meeting of the Company Participating in the Split – Off shall be submitted to the Register of Legal Entities not later than 5 business days.

3.9. The implementation and Completion of the Split – Off:

3.9.1. not later than in 30 days before the Meeting of the Company Participating in the Split – Off, the information about the drawn up Terms shall be published in the Information Publication of the Register of Legal Entities and provided to all creditors of the Company Participating in the Split - Off in writing (by registered mail or in person).

3.9.2. Within the time period starting not later than 30 days before the Meeting of the Company Participating in the Split – Off, the Shareholders and creditors of the Company Participating in the Split – Off will be given an access to the below listed documents on the website www.invaldalt.com:

3.9.2.1. The Terms;

3.9.2.2. the amended Articles of Association of the Company Participating in the Split – Off and the Articles of Association of the Split –Off Companies;

3.9.2.3. the sets of annual financial statements for the last three years and annual reports of the Company Participating in the Split – Off and interim financial statements as of 31 December 2013;

3.9.2.4. material events of the Company Participating in the Split – Off announced according to the Law on Securities of the Republic of Lithuania after the Terms were drawn up.

3.9.3. The Shareholders shall be able to download the documents listed in paragraph 3.9.2 above from the website www.invaldalt.com all the time – period provided in paragraph 3.7.

3.9.4. From the day of publication of the Terms the public joint - stock company Invalda LT shall acquire the legal status of the company being split - off.

3.9.5. Creditors of the Company Participating in the Split – Off may submit their claims from the first day of publication of the Terms until the Meeting of the Company Participating in the Split – Off.

3.9.6. Proposals regarding the Terms may be submitted by the Board, the company manager and the Shareholders holding the shares of the Company Participating in the Split - Off the nominal value whereof is at least 1/3 of the authorized capital.

3.9.7. The decision on the Split – Off may be adopted by the Meeting of the Company Participating in the Split – Off not earlier than 30 days from the day on which the Register of Legal Entities publishes the internet address where the Terms may be found and the day of publication of the Terms on the said website. The Meeting of the Company Participating in the Split – Off must also approve the Terms and amend the Articles of Association of the Company Participating in the Split – Off as well as approve the Articles of Association of the Split - Off Companies.

3.9.8. A documentary proof of the decision on approval of the Split – Off taken by the Meeting of the Company Participating in the Split – Off will be submitted to the Register of Legal Entities within 5 (five) days.

3.9.9. No later than the day of the Meeting of the Company Participating in the Split – Off the following events will take place:

3.9.9.1. the Meeting of each Split - Off Company shall elect the Members of the Board of the relevant company thereof;

3.9.9.2. the Board of each Split - Off Company shall elect the Manager of the relevant company thereof;

3.9.10. The Completion of the Split – Off shall take place after fulfilment of all below stated conditions:

- the Register of Legal Entities will register the Articles of Association of the Company Participating in the Split – Off amending the authorized capital of the company herein;

- the Register of Legal Entities will register the Split - Off Companies;

- the Shareholders‘ shares in the Company Participating in the Split – Off will be exchanged for the ordinary registered shares in the Split – Off Companies;

- Transfer – Acceptance Certificates will be executed.

4. THE INFORMATION ABOUT THE COMPANY PARTICIPATING IN THE SPLIT – OFF AND THE SPLIT – OFF COMPANIES.

4.1. During the Split – Off process a part of the Company Participating in the Split – Off is split – off and the Split - Off Companies are formed on the basis of the assets, equity capital and liabilities assigned to this part.

4.2. There are no terminated legal entities upon the Split – Off. The public joint - stock company Invalda LT is the legal entity continuing its activity after the Split – Off and the Split-Off Companies are commencing their activities after the Split – Off.

4.3. The Company Participating in the Split – Off (the public joint - stock company Invalda LT):

4.3.1. The data on the Company Participating in the Split – Off as of the Day of the Terms:

	Description
Name of the legal entity	Public joint - stock company Invalda LT
Legal form of the legal entity	Public joint - stock company
Registered address	Seimyniskiu str. 1 A, Vilnius
Company code	121304349
Register which accumulates and stores the data about the legal entity	Vilnius Branch of the Register of Legal Entities
The VAT payer‘s code	LT213043414
Authorized capital	24 833 551 litas
Fully paid authorized capital	24 833 551 litas
Number of shares	24 833 551 units
Number of treasury shares	2 036 254 units
Nominal value per one share	1 litas
Class of the shares	Ordinary registered shares
Type of the shares	Un-certificated
ISIN code of the shares	LT0000102279
Regulated market on which the shares are traded	NASDAQ OMX Vilnius
Share account manager	Public joint-stock company brokerage house Finasta

4.3.2. The data on the Company Participating in the Split - Off after of Completion of the Split – Off

	Description
Name of the legal entity	Public joint - stock company Invalda LT
Legal form of the legal entity	Public joint - stock company
Registered address	Seimyniskiu str. 1 A, Vilnius
Company code	121304349
Register which accumulates and stores the data about the legal entity	Vilnius Branch of the Register of Legal Entities
The VAT payer‘s code	LT213043414
Authorized capital	11 865 993 litas
Fully paid authorized capital	11 865 993 litas
Number of shares	11 865 993 units
Nominal value per one share	1 litas
Class of the shares	ordinary registered shares
Type of the shares	un-certificated
ISIN code of the shares	LT0000102279

Regulated market on which the shares are traded	NASDAQ OMX Vilnius
Share account manager	public joint - stock company brokerage house Finasta

4.3.3. The data on the Split - Off Companies:

4.3.3.1. The data on the Split - Off Company INVL Technology

	Description
Name of the legal entity	Public joint - stock company INVL Technology
Legal form of the legal entity	Public joint - stock company
Registered address	Seimyniskiu str. 1 A, Vilnius
Company code	Shall be provided in accordance with Legal acts of the Republic of Lithuania after registration of the Split – Off Company in the Register of Legal Entities
The VAT payer‘s code	Shall be provided in accordance with Legal acts of the Republic of Lithuania after registration of the Split – Off Company in the VAT payer’s register
Register which accumulates and stores the data about the legal entity	Vilnius Branch of the Register of Legal Entities
Authorized capital	592 730 litas which will be formed in line with the Split – Off terms
Fully paid authorized capital	592 730 litas
Number of shares	592 730 units
Nominal value per one share	1 litas
Class of the shares	Ordinary registered shares
Type of the shares	Un-certificated
ISIN code of the shares	Shall be provided in accordance with Legal acts of the Republic of Lithuania after registration of the Split – Off Company in the Register of Legal Entities
Regulated market on which the shares are traded	NASDAQ OMX Vilnius. Shares will be admitted to trading under minimum statutory terms
Share account manager	Contract will be executed in accordance with Legal acts of the Republic of Lithuania after the registration of the Split – Off Company.

4.3.3.2. The data on the Split - Off Company INVL Baltic Farmland

	Description
Name of the legal entity	Public joint - stock company INVL Baltic Farmland
Legal form of the legal entity	Public joint - stock company
Registered address	Seimyniskiu str. 1 A, Vilnius
Company code	Shall be provided in accordance with Legal acts of the Republic of Lithuania after registration of the Split – Off Company in the Register of Legal Entities
The VAT payer‘s code	Shall be provided in accordance with Legal acts of the Republic of Lithuania after registration of the Split – Off Company in the VAT payer’s register.
Register which accumulates and stores the data about the legal entity	Vilnius Branch of the Register of Legal Entities

Authorized capital	3 294 209 litas which will be formed in line with the Split – Off terms
Fully paid authorized capital	3 294 209 litas
Number of shares	3 294 209 units
Nominal value per one share	1 litas
Class of the shares	Ordinary registered shares
Type of the shares	Un-certificated
ISIN code of the shares	Shall be provided in accordance with Legal acts of the Republic of Lithuania after registration of the Split – Off Company in the Register of Legal Entities
Regulated market on which the shares are traded	NASDAQ OMX Vilnius. Shares will be admitted to trading under minimum statutory terms
Share account manager	Contract will be executed in accordance with Legal acts of the Republic of Lithuania after the registration of the Split – Off Company

4.3.3.3. The data on the Split - Off Company INVL Baltic Real Estate

	Description
Name of the legal entity	Public joint - stock company INVL Baltic Real Estate
Legal form of the legal entity	Public joint - stock company
Registered address	Seimyniskiu str. 1 A, Vilnius
Company code	Shall be provided in accordance with Legal acts of the Republic of Lithuania after registration of the Split – Off Company in the Register of Legal Entities
The VAT payer‘s code	Shall be provided in accordance with Legal acts of the Republic of Lithuania after registration of the Split – Off Company in the VAT payer’s register.
Register which accumulates and stores the data about the legal entity	Vilnius Branch of the Register of Legal Entities
Authorized capital	7 044 365 litas which will be formed in line with the Split – Off terms.
Fully paid authorized capital	7 044 365 litas
Number of shares	7 044 365 units
Nominal value per one share	1 litas
Class of the shares	Ordinary registered shares
Type of the shares	Un-certificated
ISIN code of the shares	Shall be provided in accordance with Legal acts of the Republic of Lithuania after registration of the Split – Off Company in the Register of Legal Entities
Regulated market on which the shares are traded	NASDAQ OMX Vilnius. Shares will be admitted to trading under minimum statutory terms.
Share account manager	Contract will be executed in accordance with Legal acts of the Republic of Lithuania after the registration of the Split – Off Company.

5. THE EXCHANGE RATIO OF THE SHARES OF THE COMPANY PARTICIPATING IN THE SPLIT – OFF FOR THE SHARES OF THE SPLIT – OFF COMPANIES, AND THE SUBSTANTIATION THEREOF. THE NUMBER OF SHARES OF THE COMPANIES ACTING AFTER THE SPLIT – OFF ACCORDING TO THEIR CLASSES AND THEIR NOMINAL VALUE. THE RULES OF SHARE ALLOCATION TO THE SHAREHOLDERS.

5.1. As of the Day of Exchange of Shares, the authorized capital of the Company Participating in the Split – Off is 24 833 551 (twenty four million eight hundred and thirty three thousand five hundred and fifty one) litas. It is divided into 24 833 551 (twenty four million eight hundred and thirty three thousand five hundred and fifty one) ordinary registered shares par value of 1 (one) litas.

5.2. As of the Day of the Terms the Company Participating in the Split – Off has acquired 2 036 254 (two million thirty six thousand two hundred and fifty four) treasury shares par value of 1 (one) litas. Those shares will not be exchanged for the shares of the Split – Off Companies but the authorised capital of the Company Participating in the Split – Off is reduced on the basis of the Terms.

5.3. On the basis of those Terms 47.95 % of the assets, equity and liabilities of the Company Participating in the Split – Off will be separated and transferred as follows: (i) 2.6 percent of the assets, equity and liabilities of the Company Participating in the Split – Off will be transferred to the public joint - stock company INVL Technology; (ii) 14.45 percent of the assets, equity and liabilities of the Company Participating in the Split – Off will be transferred to the public joint - stock company INVL Baltic Farmland; (iii) 30.9 percent of the assets, equity and liabilities of the Company Participating in the Split – Off will be transferred to the public joint - stock company INVL Baltic Real Estate. 52.05 percent of the assets, equity capital and liabilities will stay with the Company Participating in the Split – Off, the authorized capital and shares of the Company Participating in the Split – Off will be divided respectively:

Capital structure

The company	**The authorised capital, LTL** (2 036 254 treasury shares of the Company Participating in the Split-Off are not included)	**The number of shares** (2 036 254 treasury shares of the Company Participating in the Split-Off are not included)	**Part in percent of the authorised capital of the Company Participating in the Split – Off** (2 036 254 treasury shares of the Company Participating in the Split-Off are not included)
The Company Participating in the Split - Off before the Split - Off	22 797 297	22 797 297	100
The Company Participating in the Split - Off after the Completion of the Split - Off	11 865 993	11 865 993	52.05
The public joint - stock company INVL Technology	592 730	592 730	2.6

The public joint - stock company INVL Baltic Farmland	3 294 209	3 294 209	14.45
The public joint - stock company INVL Baltic Real Estate	7 044 365	7 044 365	30.9

5.4. As of the Day of Exchange of Shares 47.95% of owned shares in the Company Participating in the Split – Off are annulled for every shareholder. The shares of the Split – Off Companies will be allocated proportionally to the share of such shareholders in the authorized capital of the Company Participating in the Split – Off. The proportion will be identical to the transfer of the assets, equity and liabilities of the Company Participating in the Split – Off:

5.4.1. The number of shares in the public joint – stock company INVL Technology is calculated on the Day of Exchange of Shares for every shareholder as follows: the number of owned shares in the Company Participating in the Split – Off is multiplied by 0.026 and rounded according to the rules stated in the paragraph 5.10 of those Terms (i.e. for annulled 2.6 %of shares in the Company Participating in the Split – Off the shareholder is given the number of shares in the public joint – stock company INVL Technology and owned part of the authorised capital of the public joint – stock company INVL Technology must be equal to the part of the authorised capital of the Company Participating in the Split – Off owned earlier);

5.4.2. The number of shares in the public joint – stock company INVL Baltic Farmland is calculated on the Day of Exchange of Shares for every shareholder as follows: the number of owned shares in the Company Participating in the Split – Off is multiplied by 0.1445 and rounded according to the rules stated in the paragraph 5.10 of those Terms (i.e. for annulled 14.45 % of shares in the Company Participating in the Split – Off the shareholder is given the number of shares in the public joint – stock company INVL Baltic Farmland and owned part of the authorised capital of the public joint – stock company INVL Baltic Farmland must be equal to the part of the authorised capital of the Company Participating in the Split – Off owned earlier);

5.4.3. The number of shares in the public joint – stock company INVL Baltic Real Estate is calculated on the Day of Exchange of Shares for every shareholder as follows: the number of owned shares in the Company Participating in the Split – Off is multiplied by 0.309 and rounded according to the rules stated in the paragraph 5.10 of those Terms (i.e. for annulled 30.9 % of shares in the Company Participating in the Split – Off the shareholder is given the number of shares in the public joint – stock company INVL Baltic Real Estate and owned part of the authorised capital of the public joint – stock company INVL Baltic Real Estate must be equal to the part of the authorised capital of the Company Participating in the Split – Off owned earlier);

5.5. The principles of share exchange are the following:

5.5.1. the shares of all Shareholders will be exchanged at the same time according to the status of the Day of Exchange of Shares;

5.5.2. after the Day of Exchange of Shares the total number of shares of each Shareholder owns in the Company Participating in the Split – Off and the Split – Off Companies should be equal to the number of shares owned by such Shareholder in the Company Participating in the Split – Off before the moment of Exchange of Shares;

5.5.3. a book value of the part of assets, equity and liabilities coming to each share in the Company Participating in the Split – Off as of the Day of Exchange of Shares will be equal to the sum of book value of the assets, equity and liabilities coming to the shares of the Company Participating in the Split – Off and the shares in each Split – Off Company.

5.6. The Split – Off is implemented according to the book value of assets, equity and liabilities of the Company Participating in the Split – Off. Taking into account the fact that the rules of division and rounding of shares provided in the Terms do not make substantial impact of the interests of the Shareholders due to insignificancy of rounding results on the absolute numbers, the split - off of assets, equity and liabilities of the Company Participating in the Split – Off according to their book value is fair and not violating property interests of the Shareholders in each company continuing after the Split – Off and in the Company Participating in the Split – Off. Every Shareholder after the Split – Off will retain the same part of property rights to the assets, equity and liabilities of the Company Participating in the Split – Off (as a sum property rights to the assets, equity and liabilities of the Company Participating in the Split – Off continuing after the Split – Off and the Split – Off Companies)

5.7. Until the Completion of the Split – Off the Company Participating in the Split – Off will not issue any securities; otherwise those Terms will cease to be valid.

5.8. In accordance with paragraph 5 of Article 67 of the Law on Companies of the Republic of Lithuania, own shares acquired by the Company Participating in the Split – Off will not be exchanged to the shares in the Split - Off Company, but annulled on the basis of the Terms; the authorized capital of the Company Participating in the Split – Off will be reduced accordingly; the remaining authorized capital and shares (the assets, equity and liabilities) will be divided according to the proportions states in the paragraph 5.3.

5.9. In order to ensure smooth implementation of the share exchange procedure stated in the Terms, the Company Participating in the Split – Off will request the NASDAQ OMX Vilnius Stock Exchange to suspend trading in the shares of the Company Participating in the Split – Off within the period from the general shareholders meeting of the Company Participating in the Split – Off (inclusive) till the 10-th business day after the registration of the Split – Off Companies (if all operations, provided in the legal acts, allowing to renew trading in shares will be carried out before the deadline, the trading on NASDAQ OMX Vilnius in the shares of the Company Participating in the Split – Off will be renewed earlier and this fact will be announced as a material event according to the Law on Securities of the Republic of Lithuania). The trading on NASDAQ OMX Vilnius Stock Exchange will be suspended also in cases when it is required by legal acts.

When the Split-Off Companies are registered within the Register of Legal Entities, the shares of the Split – Off Companies will be attempted to be quoted on NASDAQ OMX Vilnius Stock Exchange under minimum statutory terms.

5.10. If a fractional amount occurs while calculating a size of a new authorized capital and/or exchanging the shares in the Company Participating in the Split – Off for the shares in the Split – Off Companies according to the Terms, the fraction will be rounded to a whole number using arithmetic rounding rules: (i) if the first digit of decimal fractional part is figure 5 (five) or bigger, 1 (one) is added to the last digit of the whole number; (ii) if the first digit of the decimal fractional part is less than 5 (five), the last digit of the whole number will remain unchanged. Other rules to be followed:

5.10.1. the number of shares of each Shareholder in the Company Participating in the Split – Off as of the Day of Exchange of shares will be equal to the total number of shares of this Shareholder in the Company Participating in the Split – Off and the Split – Off Companies;

5.10.2. the authorized capital and, consequently, number of ordinary registered shares issued by the Company Participating in the Split – Off (except for its treasury shares) after the Split –

Off will be equal to the sum of the authorized capitals of the Company Participating in the Split – Off and Split – Off Companies (and the amount of issued shares). If due to arithmetic rounding the total sum of authorized capitals (and shares) is larger or smaller than the authorized capital and number of shares of the Company Participating in the Split – Off before the Day of Exchange, the number of shares held by the largest Shareholder will be adjusted accordingly up or down (either in the Company Participating in the Split – Off or the relevant Split – Off Company);

5.10.3. if during the process of exchange of shares of each Shareholder due to arithmetical rounding the authorized capitals (and the amount of issued shares) of the Company Participating in the Split – Off or the relevant Split – Off Company are larger or smaller than the ones calculated in accordance with ratio provided in paragraph 5.3, the number of shares held by the largest Shareholder will be adjusted accordingly up or down.

6. THE PROCEDURE FOR AND TIME LIMITS OF THE ISSUE OF SHARES TO THE SHAREHOLDERS OF THE COMPANIES CONTINUING AFTER THE SPLIT – OFF.

6.1. As of the end of the Day of Exchange of Shares the Shareholders on the basis of those Terms dispose of the respective amount of shares in the Company Participating in the Split – Off and obtain the shares in the Split - Off Companies.

6.2. The share account managers of the Company Participating in the Split – Off and the Split - Off Companies shall make the necessary records confirming the disposal of the ownership of the shares in the Company Participating in the Split – Off and acquisition of the ownership of the shares in the Split - Off Companies.

6.3. The shares of each company continuing after the Split – Off (The Company Participating in the Split – Off and the Split – Off Companies) will be traded on NASDAQ OMX Vilnius Stock Exchange. The shares of the Split – Off Companies will be attempted to be quoted on NASDAQ OMX Vilnius Stock Exchange under minimum statutory terms.

6.4. All the rights granted by shares of the companies acting after the Split - Off (except the right to elect managing bodies of the Split – Off Companies, as per paragraph 12.4 of those Terms) the Shareholders will obtain on the day of registration of the amended Articles of Association of the Company Participating in the Split – Off and/or on the day of registration of the Split - Off Companies in the Register of Legal Entities.

7. THE PRICE DIFFERENCE, PAID OUT IN CASH, BETWEEN THE SHARES HELD BY THE SHAREHOLDERS AND THE SHARES TO BE RECEIVED IN THE COMPANIES CONTINUING AFTER THE SPLIT – OFF.

7.1. There will not be a price difference between the price of shares held by the Shareholders and price of shares to be received by those Shareholders in the companies' continuing after the Split – Off, therefore, there will not be payments in cash.

8. THE MOMENT FROM WHICH THE SHAREHOLDERS OF THE COMPANY PARTICIPATING IN THE SPLIT–OFF SHALL BE ENTITLED TO PARTICIPATE IN THE PROFITS OF THE COMPANIES CONTINUING AFTER THE SPLIT – OFF AND ALL TERMS RELATED TO THE GRANTING OF THIS RIGHT.

8.1. The Shareholders of the Company Participating in the Split – Off shall be entitled to participate in the profits of this company from the moment of registration of the amended Articles of Association of this company; and the shareholders of the Split - Off Companies shall be entitled to participate in the profits of these companies from the moment of registration of each Split – Off Company and Articles of Association in the Register of Legal Entities; i.e. the shareholders will obtain the right to get dividends in those companies.

9. THE EXACT DESCRIPTION OF THE ASSETS, RIGHTS AND LIABILITIES OF THE COMPANY PARTICIPATING IN THE SPLIT – OFF AND THE ALLOCATION THEREOF TO THE COMPANIES CONTINUING AFTER THE SPLIT – OFF. THE MOMENT FROM WHICH THE RIGHTS AND LIABILITIES OF THE COMPANY PARTICIPATING IN THE SPLIT - OFF SHALL BE ASSUMED BY THE SPLIT - OFF COMPANY. THE MOMENT FROM WHICH THE CONTRACTUAL RIGHTS AND LIABILITIES OF THE COMPANY PARTICIPATING IN THE SPLIT – OFF SHALL BE ASSUMED BY THE SPLIT - OFF COMPANY AND THE TRANSACTIONS SHALL BE INCLUDED INTO ITS ACCOUNTING.

9.1. The Company Participating in the Split – Off on the basis of those Terms shall transfer the assets, equity and liabilities to the Split – Off Companies in proportion to the Split – Off part, i.e. the Split – Off Companies will be provided:

9.1.1. 47.95 % of all assets of the Company Participating in the Split – Off, including: (i) 2.6 % to the public joint – stock company INVL Technology, (ii) 14.45 % to the public joint – stock company INVL Baltic Farmland, (iii) 30.9 % to the public joint – stock company INVL Baltic Real Estate, of all assets of the Company Participating in the Split – Off;

9.1.2. 47.95 % of equity of the Company Participating in the Split – Off, including: (i) 2.6 % to the public joint – stock company INVL Technology, (ii) 14.45 percent to the public joint – stock company INVL Baltic Farmland, (iii) 30.9 % to the public joint – stock company INVL Baltic Real Estate, of equity of the Company Participating in the Split – Off;

9.1.3. 47.95 % of all liabilities of the Company Participating in the Split – Off, including: (i) 2.6 % to the public joint – stock company INVL Technology, (ii) 14.45 % to the public joint – stock company INVL Baltic Farmland, (iii) 30.9 % to the public joint – stock company INVL Baltic Real Estate, of all liabilities of the Company Participating in the Split – Off;

9.2. Accordingly 52.05 % of all assets, 52.05 % of equity and 52.05 % of all liabilities will stay in the Company Participating in the Split – Off.

9.3. The ratio stated in paragraph 9.1. above will not apply on the split – off on each separate balance sheet item of the assets, equity and liabilities of the Company Participating in the Split – Off, but it will apply on the Split – Off of the total assets, equity and liabilities of the Company Participating in the Split – Off.

9.4. The assets, equity and liabilities of the Company Participating in the Split - Off will be split – off according to their book value.

9.5. Taking into account the ratio provided in paragraph 9.1 above, the Company Participating in the Split – Off will transfer the part of its assets, equity and liabilities provided in paragraph 9.1. above to the relevant Split – Off Company on the day of registration of the relevant Split – Off Company in the Register of Legal Entities. Transfer -Acceptance Certificates will be executed between the Company Participating in the Split – Off and the Split – Off Companies (preliminary lists of assets, equity and liabilities of the Company Participating in the Split – Off as of 31 December 2013 and the list of the assets, equity and liabilities to be transferred to each Split – Off Company are provided in Annex 10).

9.6. Along with the assets to each Split – Off Company will be allocated a respective part of: (i) the contractual rights and liabilities related with the particular transferred assets (including those recorded in off balance sheet items of the Company Participating in the Split – Off); and (ii) all rights, liabilities and assets related with the particular transferred rights, liabilities and assets that will appear from 31 December 2013 (those Terms are drawn according to data of 31 December 2013) till the moment of execution of the Transfer - Acceptance Certificates, except cases when the Transfer - Acceptance Certificate provides otherwise, on the condition that different allocation shall not change the ratio of allocation of all assets, equity capital and liabilities provided in paragraph 9.1. of those Terms.

9.7. Transfer - Acceptance Certificates will be undersigned by the Managers or other authorized persons of the Company Participating in the Split – Off and Split - Off Companies. The assets, rights and liabilities to be allocated will depend on changes till the Transfer - Acceptance Certificates will be signed. Transfer - Acceptance Certificates may be specified after the Completion of the Split – Off by signing the additional documents.

9.8. If any assets or liabilities that are not included into the Transfer – Acceptance Certificates will come out later, they will be allocated by the ratio provided in paragraph 9.1. of those Terms.

9.9. The executed Transfer – Acceptance Certificates will be a legal base for the appropriate registration of the assets, equity and liabilities transferred to the relevant Split - Off Company as well as for a change of a necessary registration data in any institutions, authorities or enterprises, including but not limited to a registration of the transfer of ownership rights or any other rights in public registers or other institutions.

9.10. From the day of execution of the Transfer – Acceptance Certificates:

9.10.1. all the assets described in the Transfer – Acceptance Certificates as well as the rights and liabilities assigned to those assets will be transferred to the relevant Split - Off Company and included into the accountings of the relevant company, if otherwise is not provided by legal acts;

9.10.2. all the rights and liabilities including contractual rights and liabilities of the Company Participating in the Split – Off assumed by the relevant Split - Off Company are included into the accountings of the relevant Split - Off Company if otherwise is not provided by legal acts or contracts of the Company Participating in the Split – Off. If according to legal acts of the Republic of Lithuania or contracts of the Company Participating in the Split – Off the approval of a creditor is required for the transfer of particular liabilities, such liabilities are assigned to the relevant Split - Off Company from the moment of receiving of particular approval of the creditor, if such moment is subsequent to the moment of assignment of liabilities stated in the Terms. If such approval is not received the Company Participating in the Split - Off and the relevant Split - Off Company will put all efforts in order to agree on a replacement of liabilities of the similar value;

9.10.3. every Split - Off Company will start fulfilment of the assigned contractual liabilities in line with the provisions of the contracts.

9.11. The assets, equity and liabilities that are not listed in the Transfer – Acceptance Certificates will stay in the Company Participating in the Split – Off;

9.12. The Company Participating in the Split – Off and the Split - Off Companies will ensure that after the Completion of the Split - Off each of the companies thereof would be responsible exclusively for their own liabilities and no grounds for joint liability would arise.

9.13. The drawing up and publication of the Terms will not restrict the right of the Company Participating in the Split – Off to conduct its activity provided in the Articles of Association.

9.14. The Company Participating in the Split – Off, within the period from publication of Terms till the Completion of the Split – Off, while signing contracts according to which the rights and liabilities will be assigned to one of the Split - off Companies', will inform another party of such contract about the potential transfer of rights and/or liabilities on the basis of the Terms.

10. THE RIGHTS OF CREDITORS AT THE MOMENT OF SPLIT – OFF

10.1. The rights of the creditors of the Company Participating in the Split – Off are protected by Article 2.101 of the Civil Code of the Republic of Lithuania and Article 66 of the Law on Companies of the Republic of Lithuania.

10.2. The information about the drawn up Terms will be published in the Information Publication of the Register of Legal Entities and provided to all creditors of the Company Participating in the Split - Off in writing (by registered post on in person).

10.3. Each creditor of the Company Participating in the Split – Off will have a right to require early discharge of liabilities according to the agreements (if such a possibility is provided in the said agreements) in case if upon request of the creditors the additional safeguards are not provided and there is a ground for believing that the Split – Off will hinder the discharge of the liability. The creditors may provide their requests to the Company Participating in the Split - Off from the first day of publication of the Terms until the Shareholders will adopt the resolution of the approval of the Split – Off.

10.4. The Company participating in the Split – Off must provide additional safeguards for the discharge of liabilities to each creditor who so requests, where his rights arose and did not expire before the publication of the drawn up terms of the Split – Off and there is a ground for believing that, taking into consideration the financial status of those companies, the Split - Off will hinder the discharge of a liability.

10.5. The Company Participating in the Split - Off may refrain from providing additional safeguards for the discharge of liabilities if the discharge of its liabilities to the creditor is adequately secured by pledge, mortgage, surety or guarantee.

10.6. The documents for the registration of the companies' continuing after the Split – Off after the registration or the Articles of Association thereof may not be submitted to the manager of the Register of Legal Entities if no additional safeguards for the discharge of liabilities have been provided to the creditor who so requested as laid down in those Terms as well as before a court's decision becomes effective if the dispute over additional safeguards for the discharge of liabilities is being heard in court.

10.7. Where any liability of the Company Participating in the Split – Off is assigned under the Terms to the relevant Split - Off Company, that company will be liable for this liability. If the company fails to discharge the liability or any part thereof and no additional safeguards have been provided to the creditors who so requested, another company continuing after the Split – Off shall be jointly and severally liable for the failure to discharge the liability (or any part thereof). The liability of each of these companies shall be limited to the amount of the equity assigned to each of them under the Terms.

11. THE RIGHTS GRANTED BY THE COMPANIES CONTINUING AFTER THE SPLIT – OFF TO THE HOLDERS OF THE SHARES OF DIFFERENT CLASSES, DEBENTURES AND OTHER SECURITIES.

11.1. There are no any other securities issued by the Company Participating in the Split – Off than 24 833 551 ordinary registered shares of par value of 1 litas. The rights of the owners of those shares (Shareholders) are described by legal acts and the Articles of Association of the company thereof.

11.2. The Company Participating in the Split – Off has no intention to issue any additional shares from the Day of the Terms and before the Completion of the Split – Off. If any additional securities are issued, those Terms will cease to be valid.

11.3. The number of ordinary registered shares of the Company Participating in the Split – Off as of the day of the Completion of the Split – Off shall constitute 52.05 % of the total number of shares of the company thereof as of the Day of the Terms, except own shares owned on the day when those Terms are drawn up that will grant shareholders rights set up in the relevant legal acts.

11.4. The number of ordinary registered shares of the Split - Off Companies as of the day of the Completion of the Split – Off shall constitute:

11.4.1. INVL Technology - 2.6 % of the number of shares of the Company Participating in the Split- Off as of the Day of the Terms (except own shares the Company Participating in the Split – Off has as of the Day of the Terms);

11.4.2. INVL Baltic Farmland – 14.45 % of the number of shares of the Company Participating in the Split- Off as of the Day of the Terms (except own shares the Company Participating in the Split – Off has as of the Day of the Terms);

11.4.3. INVL Baltic Real Estate – 30,9 % of the number of shares of the Company Participating in the Split- Off as of the Day of the Terms (except own shares the Company Participating in the Split – Off has as of the Day of the Terms).

12. THE SPECIAL RIGHTS GRANTED TO THE MEMBERS OF THE BODIES OF THE COMPANY PARTICIPATING IN THE SPLIT – OFF AND THE SPLIT - OFF COMPANY AND TO THE EXPERTS CARRYING OUT THE ASSESSMENT OF THE TERMS OF THE SPLIT – OFF.

12.1. According to part 3 of Article 67 of the Law on Companies of the Republic of Lithuania the Terms are not assessed and the report on assessment is not prepared.

12.2. As provided in the Articles of Association of the Company Participating in the Split – Off the bodies of the company thereof are the following: the general meeting of shareholders; the Board and the President.

12.3. The structure of the managing bodies of the Company Participating in the Split – Off will not change after Completion of the Split - Off and will be the following: (i) the general meeting of shareholders; (ii) the Board and (iii) the President. The present Board and the President will continue their activities.

12.4. After the Completion of the Split – Off the bodies of every Split - Off Company will be the following: (i) the general meeting of shareholders; (ii) the Board (3 members); and (iii) the Manager (director). In accordance with part 3 of Article 69 of the Law on Companies of the Republic of Lithuania, the Meeting of every Split - Off Company will elect the Board of the relevant Company thereof for the term of office stated in the Articles of Association of every Split – Off Company. The newly elected Board will start its activity from the day of registration of the relevant Split – Off Company in the Register of Legal Entities, except the decision on approval of the Manager of the relevant Split – Off Company which will be taken by the Board just after the Meeting of the relevant Split – Off Company. The elected Manager will start his term of office from the moment of registration of the Split – Off Company in the Register of Legal Entities. Information about elected bodies of every Split - Off Companies will be announced on the webpage of the Company Participating in the Split – Off no later than the next day after their election (approval).

12.5. The Shareholders of the Company Participating in the Split – Off continuing after the Split – Off and shareholders of the Split - Off Companies will have all rights stated by the Articles of Association of the companies thereof and legal acts.

12.6. The Board, President and employees of the Company Participating in the Split – Off during the Split – Off will have all rights foreseen in agreements and the Articles of Association of the company thereof and as well as legal acts.

12.7. The Board of the Company Participating in the Split – Off will:

12.7.1. make decisions and perform other actions related with the Split – Off and foreseen in those Terms and/or decisions of the general meeting of shareholders of the Company Participating in the Split – Off;

12.7.2. manage the Split – Off and control its course;

12.7.3. have all other duties and rights stated by legal acts and the Articles of Association the Company Participating in the Split – Off.

12.8. The Manager of the Company Participating in the Split – Off will:

12.8.1. within his competence take decisions and conduct all actions related with the Split – Off and provided in the Terms and/or resolutions of the Board of the Company Participating in the Split – Off;

12.8.2. ensure publication of information and/or documentation if it is required by peremptory legal acts;

12.8.3. in accordance with the requirements of law ensure publication of the information about drawn up Terms as well as submission the Terms and other related documents to the Register of Legal Entities;

12.8.4. ensure the disclosure of decisions related with the Split – Off in accordance with the requirements provided by laws;

12.8.5. submit the information and documentation related with the Split – Off to the Shareholders and creditors of the Company Participating in the Split – Off;

12.8.6. makes decision on provision of additional safeguards for discharge of liabilities to each creditor of the Company Participating in the Split – Off, who so requests;

12.8.7. before the Completion of the Split – Off signs the agreements on behalf of the Split - Off Company;

12.8.8. signs the Transfer – Acceptance Certificates on behalf of the Company Participating in the Split – Off;

12.8.9. has all other liabilities and rights stated by legal acts and the Articles of Association of the Company Participating in the Split – Off.

12.9. The newly elected Board of the relevant Split - Off Company will:

12.9.1. appoint the Manager of the relevant Split – Off Company;

12.9.2. have all other liabilities and rights stated by legal acts.

12.10. The newly appointed Manager of the relevant Split - Off Company will:

12.10.1. sign the Articles of Association of the relevant Split - Off Company as well as other documents necessary for registration of the company thereof in the Register of Legal Entities;

12.10.2. sign the Transfer – Acceptance Certificates of behalf of the relevant Split - Off Company;

12.10.3. conduct other actions stated by legal acts and sign the documents provided in the Terms;

12.10.4. have all other rights stated by legal acts.

13. THE COMPLETION OF THE SPLIT – OFF

13.1. The Split – Off shall be completed at the Completion of the Split – Off, i.e. from the moment when:

13.1.1. the amended Articles of Association of the public joint – stock company Invalda LT will be registered by the Register of Legal Entities;

13.1.2. the Split – Off companies will be registered by the Register of Legal Entities;

13.1.3. annulled shares of the Shareholders in the public joint - stock company Invalda LT will be exchanged for the ordinary registered shares in the newly established Split – Off companies;

13.1.4. Transfer – Acceptance Certificates will be executed.

14. ANNEXES TO THE TERMS

14.1. The minutes of the general meeting of shareholders of the public joint - stock company Invalda LT dated 5 February 2014.

14.2. The interim financial statements of the Company Participating in the Split – Off as of 31 December 2013.

14.3. The draft Articles of Association of the public joint - stock company Invalda LT.

14.4. The draft Articles of Association of the public joint - stock company INVL Baltic Real Estate.

14.5. The draft Articles of Association of the public joint - stock company INVL Baltic Farmland.

14.6. The draft Articles of Association of the public joint - stock company INVL Technology.

14.7. Information about the public joint - stock company INVL Baltic Real Estate formed in a way of Split – Off.

14.8. Information about the public joint - stock company INVL Baltic Farmland formed in a way of Split – Off.

14.9. Information about the public joint - stock company INVL Technology formed in a way of Split – Off.

14.10. The balance sheet of the Split – Off of the public joint - stock company Invalda LT and information assets, liabilities and equity to be transferred to the Split – Off Companies.

Public joint-stock company Invalda LT
Code 121304349
Registered address Seimyniskiu str. 1A, LT-09312 Vilnius
Data collected and stored in the Register of Legal Entities Vilnius branch
MINUTES
of the General Extraordinary Meeting of Shareholders of Invalda LT AB
of 5 February 2014

The authorized capital of the company is 24,833,551 (twenty four million eight hundred and thirty tree thousand five hundred and fifty one) litas. It is divided into 24,833,551 (twenty four million eight hundred and thirty tree thousand five hundred and fifty one) ordinary registered shares par value of 1 (one) litas.

The accounting day of the general meeting of shareholders (hereinafter – accounting day) is 29 January 2014.
At the end of the accounting day of the meeting the amount of own shares owned by the company (without voting right) equalled to 2,036,254.

At the end of the accounting day of the meeting the total number of votes granted by the shares of Invalda LT,AB is 22,797,297 (twenty two million seven hundred and ninety seven thousand two hundred and ninety seven).

The General Extraordinary Meeting of Shareholders (hereinafter - the meeting) was held on 5 February 2014 at Seimyniskiu str. 1, Vilnius. The meeting lasted from 09.00 a.m till 09.30 a.m.

The date and venue of the meeting was announced on 14 January 2014 in accordance with the requirements of the Law on Securities of the Republic of Lithuania. The internet addresses:
https://newsclient.omxgroup.com/cdsPublic/viewDisclosure.action?disclosureId=589530&messageId=729321
http://www.invaldalt.com/en/main/news/Material_events?ID=916

Darius Sulnis proposed to elect these persons:
- Darius Sulnis was elected as a chairman of the meeting and person responsible for the actions provided in part 2 of Article 22 of the Law on Companies of the Republic of Lithuania.
- Kristina Gudauskaite was elected as a secretary of the meeting.

The chairman announced that:
1. In total 5 (five) valid General Voting Bulletins (15,733,980 votes) have been provided to the company. The said documents have been attached hereto.
2. In total 1 (one) Power of Attorney have been provided to the company. Power of Attorney meets requirements provided by legal acts and is valid. The Power of Attorney has been attached hereto.
3. No agreements on the disposal of voting rights were submitted to the company.
4. A total of 20,424,552 shares were represented at the meeting. 20,424,552 shares were entitled to vote at the meeting (this amounts to 89.59 % of total votes).

According to part 1 of Article 27 of the Law on Companies of the Republic of Lithuania, this meeting is valid and has a right to make decisions. The meeting has a quorum.

Agenda and draft resolutions of the meeting is proposed to the shareholders of the meeting.

The agenda:

1. Regarding approval of preparation of the terms of split-off of Invalda LT, AB.

1. **Considered**:
1. **Regarding approval of preparation of the terms of split-off of Invalda LT, AB.**
   1.1. To approve preparation of the terms of split-off of Invalda LT, AB.
   1.2. To authorize the Board to draw up the terms of split-off of Invalda LT, AB as well as to sign contracts necessary for the preparation and assessment of the said terms, and conduct other related actions.
   The chairman proposed to vote on this item of agenda.
   Voted:
   „For“ voted 20,424,552 votes (out of them 15,733,980 votes voted in advance in writing);
   „Against“ – 0 votes.
   Decision was made by a solid vote.
   Decided:
   1.1. To approve preparation of the terms of split-off of Invalda LT, AB.
   1.2. To authorize the Board to draw up the terms of split-off of Invalda LT, AB as well as to sign contracts necessary for the preparation and assessment of the said terms, and conduct other related actions.

The chairman asked for the comments or notices regarding the conduction of the meeting.

No comments were provided.

Chairman of the meeting and person responsible for the actions provided in part 2 of Article 22 of the Law on Companies of the Republic of Lithuania.	(signature)	Darius Sulnis
Secretary of the meeting	(signature)	Kristina Gudauskaite

AB INVALDA LT

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED NOT-AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION

GENERAL INFORMATION

Board of Directors

Mr. Alvydas Banys (chairman of the Board)
Mrs. Indrė Mišeikytė
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

AB DNB bankas
AB Siauliu Bankas
Nordea Bank Finland Plc Lithuania Branch
AB SEB Bankas
Danske Bank A/S Lithuania Branch
AB bankas Finasta
„Swedbank", AB
UAB Medicinos Bankas
Bank DnB NORD Polska S.A.

The financial statements were approved and signed by the Management and the Board of Directors on 24 February 2014.

Mr. Darius Šulnis
President

Mr. Raimondas Rajeckas
Chief financial officer

Interim consolidated and Company's income statements

		Group		Company	
		2013	**2012**	**2013**	**2012**
Continuing operations		Unaudited	Restated	Unaudited	Audited
Revenue					
Residential real estate revenue		2.380	6.968	-	-
Rent and other real estate revenue		21.015	24.012	-	-
Agricultural land rent revenue		1.258	1.476	-	
Information technology revenue		50.195	40.718	-	-
Facility management revenue		14.559	11.708	-	-
Other production and services revenue		8,812	11,674	-	-
Total revenue		**98,219**	**96,556**	**-**	**-**
Other income	10.3	1.785	3.632	23.244	40.795
Net gains (losses) on disposal of subsidiaries, associates and joint ventures		1,333	1,282	(517)	(1,052)
Net gains (losses) from fair value adjustments on investment property		10,047	(8,709)	-	-
Net changes in fair value of financial assets	10.1	1.540	3.567	1.426	836
Gain on the split-off	9	84,819	-	65,741	-
Changes in inventories of finished goods and work in progress		(32)	(67)	-	-
Raw materials and consumables used		(33.560)	(26.715)	(21)	(22)
Changes in residential real estate		(1.967)	(4.973)	-	-
Employee benefits expenses		(24.173)	(24.906)	(2.242)	(2.858)
Impairment, write-down, allowances and provisions	12	4.826	867	(5.419)	(13.156)
Premises rent and utilities		(13.306)	(14.277)	(167)	(171)
Depreciation and amortisation		(3.979)	(4.328)	(41)	(72)
Repair and maintenance of premises		(6.899)	(5.061)	(54)	-
Other expenses		(13.808)	(16.155)	(939)	(1.212)
Operating profit (loss)		**104.845**	**713**	**81.011**	**23.088**
Finance costs		(2.332)	(3.865)	(335)	(906)
Share of profit (loss) from associates and joint ventures		7.120	8.665	-	-
Profit (loss) before income tax		**109,633**	**5,513**	**80,676**	**22,182**
Income tax	7	(3.169)	(365)	(1,691)	(1,235)
Profit (loss) for the period from continuing		**106,464**	**5,148**	**78,985**	**20,947**
Discontinued operation					
Profit/(Loss) after tax for the period from a discontinued operation	9	3,962	26,997	-	-
PROFIT (LOSS) FOR THE PERIOD		**110,426**	**32,145**	**78,985**	**20,947**
Attributable to:					
Equity holders of the parent		109,164	24,771	78,985	20,947
Non-controlling interests		1,262	7,374	-	-
		110,426	**32,145**	**78,985**	**20,947**
Basic earnings (deficit) per share (in LTL)	13	3.18	0.47	2.30	0. 40
Basic earnings (deficit) per share (in LTL) from continuing operations		3.09	0.47	2.30	0. 40
Diluted earnings (deficit) per share (in LTL)	13	3.18	0.47	2.30	0. 40
Diluted earnings (deficit) per share (in LTL) from continuing operations		3.09	0.47	2.30	0. 40

Interim consolidated and Company's statements of comprehensive income

	Group		Company	
	2013	**2012**	**2013**	**2012**
	Unaudited	Restated	Unaudited	Audited
PROFIT (LOSS) FOR PERIOD	**110,426**	**32,145**	**78,985**	**20,947**
Other comprehensive income (loss)				
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods				
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	(120)	43	-	-
Share of other comprehensive income (loss) of associates	(4)	(6)	-	-
Net other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods	**(124)**	**37**	**-**	**-**
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods				
Re-measurement gains (losses) on defined benefit plans	-	(161)	-	-
Share of other comprehensive income (loss) of associates - re-measurement gains (losses) on defined benefit plans	26	-	-	-
Net other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods	**26**	**(161)**	**-**	**-**
Other comprehensive income (loss) for the period, net of tax	**(98)**	**(124)**	**-**	**-**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD, NET OF TAX	**110,328**	**32,021**	**78,985**	**20,947**
Attributable to:				
Equity holders of the parent	109,090	24,683	78,985	20,947
Non-controlling interests	1,238	7,338	-	-

Interim consolidated and Parent Company's income statements

	Group		Company	
	IV Quarter 2013	**IV Quarter 2012**	**IV Quarter 2013**	**IV Quarter 2012**
Continuing operations	Unaudited		Unaudited	
Revenue				
Residential real estate revenue	-	43	-	-
Rent and other real estate revenue	4,713	5,573	-	-
Agricultural land rent revenue	259	1,111	-	
Information technology revenue	19,171	16,785	-	-
Facility management revenue	4,278	3,237	-	-
Other production and services revenue	1,771	2,790	-	-
Total revenue	**30,192**	**29,539**	**-**	**-**
Other income	420	885	1,048	2,932
Net gains (losses) on disposal of subsidiaries, associates and joint ventures	-	-	-	-
Net gains (losses) from fair value adjustments on investment property	9,724	514	-	-
Net changes in fair value on financial assets	860	(4,651)	746	(4,692)
Changes in inventories of finished goods and work in progress	620	29	-	-
Raw materials and consumables used	(14,610)	(10,570)	(24)	(6)
Changes in residential real estate	-	(21)	-	-
Employee benefits expenses	(5,461)	(7,044)	(443)	(800)
Impairment, write-down, allowances and provisions	4,393	(66)	(5,868)	(514)
Premises rent and utilities	(3,289)	(4,381)	(41)	(47)
Depreciation and amortisation	(896)	(1,107)	(10)	(15)
Repair and maintenance of premises	(2,365)	(1,192)	(54)	-
Other operating expenses	(3,098)	(5,395)	(197)	(410)
Operating profit (loss)	**16,490**	**(3,460)**	**(4,843)**	**(3,552)**
Finance costs	(612)	(591)	(57)	(125)
Share of profit (loss) from associates and joint ventures	1,068	(722)	-	-
Profit (loss) before income tax	**16,946**	**(4,773)**	**(4,900)**	**(3,677)**
Income tax	(2,499)	30	(1,076)	468
Profit (loss) for the period from continuing operations	**14,447**	**(4,743)**	**(5,976)**	**(3,209)**
Discontinued operation				
Profit/(Loss) after tax for the period from a discontinued operation	-	7,448	-	-
PROFIT (LOSS) FOR THE PERIOD	**14,447**	**2,705**	**(5,976)**	**(3,209)**
Attributable to:				
Equity holders of the parent	14,195	514	(5,976)	(3,209)
Non-controlling interests	252	2,191	-	-
	14,447	**2,705**	**(5,976)**	**(3,209)**
Basic earnings (deficit) per share (in LTL)	0.41	0.01	0.17	(0.06)
Basic earnings (deficit) per share (in LTL) from continuing operations	0.41	(0.09)	0.17	(0.06)
Diluted earnings (deficit) per share (in LTL)	0.41	0.01	0.17	(0.05)
Diluted earnings (deficit) per share (in LTL) from continuing operations	0.41	(0.09)	0.17	(0.05)

Interim consolidated and Parent Company's statements of comprehensive income

	Group		Company	
	IV Quarter 2013	**IV Quarter 2012**	**IV Quarter 2013**	**IV Quarter 2012**
	Unaudited		Unaudited	
PROFIT (LOSS) FOR PERIOD	**14,447**	**2,705**	**(5,976)**	**(3,209)**
Other comprehensive income (loss)				
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods				
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	(65)	2	-	-
Share of other comprehensive income (loss) of associates	(4)	(6)	-	-
Net other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods	**(69)**	**(4)**	**-**	**-**
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods				
Re-measurement gains (losses) on defined benefit plans	-	(161)	-	-
Share of other comprehensive income (loss) of associates - re-measurement gains (losses) on defined benefit plans	26	-	-	-
Net other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods	**26**	**(161)**	**-**	**-**
Other comprehensive income (loss) for the period, net of tax	**(43)**	**(165)**	**-**	**-**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD, NET OF TAX	**14,404**	**2,540**	**(5,976)**	**(3,209)**
Attributable to:				
Equity holders of the parent	14,166	393	(5,976)	(3,209)
Non-controlling interests	238	2,147	-	-

Interim consolidated and Company's statements of financial position

		Group		Company	
		As at 31 December 2013	**As at 31 December 2012**	**As at 31 December 2013**	**As at 31 December 2012**
ASSETS		Unaudited	Audited	Unaudited	Audited
Non-current assets					
Property, plant and equipment		5,416	47,471	33	127
Investment properties		180,548	225,587	-	-
Intangible assets		8,334	11,390	50	13
Investments into subsidiaries	8	-	-	52,840	98,119
Investments into associates and joint ventures	8	87,110	48,799	25,108	685
Investments available-for-sale		1,705	2,859	1,705	1,817
Loans granted		-	-	21,398	82,862
Long term trade and other receivables		1,202	5,156	1,202	-
Other non-current assets		2,848	2,848	-	-
Deferred income tax asset		8,420	19,624	8,008	17,401
Total non-current assets		**295,583**	**363,734**	**110,344**	**201,024**
Current assets					
Inventories		2,959	39,564	-	-
Trade and other receivables		20,238	35,833	1,354	273
Current loans granted		30,297	31,730	55,033	104,193
Prepaid income tax		504	1,521	-	3
Prepayments and deferred charges		654	3,441	45	155
Financial assets at fair value through profit loss	14	5,602	32,974	5,602	32,974
Deposits and financial assets held to maturity	5	-	21,418	-	41
Restricted cash		5,636	3,602	-	-
Cash and cash equivalents	5	6,460	56,092	2,515	33,530
Total current assets		**72,350**	**226,175**	**64,549**	**171,169**
Total assets		**367,933**	**589,909**	**174,893**	**372,193**

(cont'd on the next page)

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

		Group		Company	
		As at 31 December 2013	**As at 31 December 2012**	**As at 31 December 2013**	**As at 31 December 2012**
EQUITY AND LIABILITIES		Unaudited	Audited	Unaudited	Audited
Equity					
Equity attributable to equity holders of the parent					
Share capital	9,11	24,834	51,802	24,834	51,802
Own shares	9	(20,813)	-	(20,813)	-
Share premium	9	33,139	60,747	33,139	60,747
Reserves	9	97,293	241,523	95,685	220,967
Retained earnings		86,409	38,883	27,465	27,045
		220,862	**392,955**	**160,310**	**360,561**
Non-controlling interests		**366**	**23,241**	**-**	**-**
Total equity		**221,228**	**416,196**	**160,310**	**360,561**
Liabilities					
Non-current liabilities					
Non-current borrowings		55,941	98,737	-	-
Financial lease liabilities		181	423	-	-
Government grants		46	152	-	-
Provisions		-	396	-	-
Deferred income tax liability		15,355	15,116	-	-
Other non-current liabilities		2,627	4,831	-	-
Total non-current liabilities		**74,150**	**119,655**	**-**	**-**
Current liabilities					
Current portion of non-current borrowings		43,845	6,071	-	-
Current portion of financial lease liabilities		33	206	-	-
Current borrowings	12	10,047	549	12,682	9,125
Trade payables		10,271	28,373	305	55
Income tax payable		90	114	-	-
Provisions		-	227	-	-
Advances received		2,196	4,272	-	-
Derivative financial instruments		-	-	-	-
Convertible bonds		-	-	-	-
Other current liabilities	15	6,073	14,246	1,596	2,452
Total current liabilities		**72,555**	**54,058**	**14,583**	**11,632**
Total liabilities		**146,705**	**173,713**	**14,583**	**11,632**
Total equity and liabilities		**367,933**	**589,909**	**174,893**	**372,193**

(the end)

Consolidated and Company's statements of changes in equity

Group		Equity attributable to equity holders of the parent									
					Reserves						
		Share capital	Own shares	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 2012 (audited)		**51,802**	**-**	**60,747**	**-**	**241,489**	**34**	**38,883**	**392,955**	**23,241**	**416,196**
Profit (loss) for the year of 2013		-	-	-	-	-	(96)	22	(74)	(24)	(948)
Other comprehensive income (loss) for the year of 2013		-	-	-	-	-	-	109,164	109,164	1,262	110,426
Total comprehensive income (loss) for the year of 2013		**-**	**-**	**-**	**-**	**-**	**(96)**	**109,186**	**109,090**	**1,238**	**110,328**
Acquisition of minority in associates		-	-	-	-	-	-	240	240	-	240
Share based payments		-	-	-	-	-	-	-	-	(344)	(344)
Dividends of subsidiaries		-	-	-	-	-	-	-	-	(311)	(311)
Changes in reserves		-	-	-	-	23	-	(23)	-	-	-
Acquired minority of subsidiaries	8	-	-	-	-	-	-	(4)	(4)	(196)	(200)
Acquisition of subsidiaries	8	-	-	-	-	-	-	-	-	7	7
Disposal of subsidiaries		-	-	-	-	9	-	(9)	-	-	-
Own shares buy back	9	-	(72,658)	-	-	-	-	-	(72,658)	-	(72,658)
Decrease of share capital	9	(6,279)	51,845	-	-	(45,566)	-	-	-	-	-
Changes due to split-off	9	(20,689)	-	(27,608)	-	(98,600)	-	(61,864)	(208,761)	(23,269)	(232,030)
Balance as at 31 December 2013 (unaudited)		**24,834**	**(20,813)**	**33,139**	**-**	**97,355**	**(62)**	**86,409**	**220,862**	**366**	**221,228**

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

		Equity attributable to equity holders of the parent									
					Reserves						
Group		Share capital	Own shares	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 2011(audited)		**51,660**	**-**	**34,205**	**-**	**20,299**	**-**	**280,046**	**386,210**	**29,151**	**415,361**
Profit (loss) for the year of 2012		-	-	-	-	-	-	24,771	24,771	7,374	32,145
Other comprehensive income (loss) for the year of 2012		-	-	-	-	-	34	(122)	(88)	(36)	(124)
Total comprehensive income for the year of 2012		**-**	**-**	**-**	**-**	**-**	**34**	**24,649**	**24,683**	**7,338**	**32,021**
Acquisition of minority in associates		-	-	-	-	-	-	871	871		871
Share based payments		-	-	-	-	-	-	-	-	(93)	(93)
Dividends to non-controlling interests of subsidiaries		-	-	-	-	-	-	-	-	(10,829)	(10,829)
Changes in reserves		-	-	-	-	275,093	-	(275,093)	-	-	-
Own shares buy back	9	-	(59,659)	-	-	-	-	-	(59,659)	-	(59,659)
Conversion of convertible bonds into share capital	11	5,898	-	26,542	-	-	-	6,098	38,538	-	38,538
Decrease of share capital	9	(5,756)	59,659	-	-	(53,903)	-	-	-	-	-
Acquired minority of subsidiaries	8	-	-	-	-	-	-	2,312	2,312	(2,326)	(14)
Balance as at 31 December 2012 (audited)		**51,802**	**-**	**60,747**	**-**	**241,489**	**34**	**38,883**	**392,955**	**23,241**	**416,196**

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

Company		Share capital	Own shares	Share premium	Reserves: Legal reserve	Reserves: Reserve of purchase of own shares	Retained earnings (accumulated deficit)	Total
Balance as at 31 December 2012 (audited)		**51,802**	**-**	**60,747**	**5,756**	**215,211**	**27,045**	**360,561**
Profit (loss) for the year of 2013		-	-	-	-	-	78,985	78,985
Acquired own shares	9	-	(72,658)	-	-	-	-	(72,658)
Decrease of share capital	9	(6,279)	51,845	-	-	(45,566)	-	-
Split-off	9	(20,689)	-	(27,608)	(2,616)	(77,100)	(78,565)	(206,578)
Balance as at 31 December 2013 (unaudited)		**24,834**	**(20,813)**	**33,139**	**3,140**	**92,545**	**27,465**	**160,310**

Company		Share capital	Own shares	Share premium	Reserves: Legal reserve	Reserves: Reserve of purchase of own shares	Retained earnings (accumulated deficit)	Total
Balance as at 31 December 2011 (audited)		**51,660**	**-**	**34,205**	**-**	**-**	**274,870**	**360,735**
Profit (loss) for the year of 2012		-	-	-	-	-	20,947	20,947
Conversion of convertible bonds into share capital	11	5,898	-	26,542	-	-	6,098	38,538
Changes in reserves		-	-	-	5,756	269,114	(274,870)	-
Acquired own shares	9	-	(59,659)	-	-	-	-	(59,659)
Decrease of share capital	9	(5,756)	59,659	-	-	(53,903)	-	-
Balance as at 31 December 2012 (audited)		**51,802**	**-**	**60,747**	**5,756**	**215,211**	**27,045**	**360,561**

Consolidated and Company's statements of cash flows

	Group		Company	
	2013	**2012**	**2013**	**2012**
	Unaudited	Restated	Unaudited	Audited
Cash flows from (to) operating activities				
Net profit (loss) for the period	110,426	32,145	78,985	20,947
Adjustments for non-cash items and non-operating activities:				
Valuation (gain) loss, net	(10,047)	8,709	-	-
Depreciation and amortization	6,008	9,715	41	72
(Gain) loss on disposal of tangible assets	35	(159)	-	-
Realized and unrealized loss (gain) on investments	(1,540)	(3,567)	(1,426)	(836)
(Gain) loss on disposal of subsidiaries, associates	(1,333)	(1,282)	517	1,052
Gain on the split-off	(84,819)	-	(65,741)	-
Share of net loss (profit) of associates and joint ventures	(7,120)	(8,665)	-	-
Interest (income)	(1,684)	(3,656)	(6,331)	(12,025)
Interest expenses	2,335	3,716	335	906
Deferred taxes	3,234	1,597	1,687	1,235
Current income tax expenses	285	1,587	4	-
Allowances	(4,797)	(793)	5,419	13,156
Change in provisions	(29)	(73)	-	-
Share based payment	(344)	(93)	-	-
Dividend (income)	(71)	(18)	(16,841)	(28,758)
Loss (gain) from other financial activities	(29)	140	(24)	140
	10,510	**39,303**	**(3,375)**	**(4,111)**
Changes in working capital:				
(Increase) decrease in inventories	(1,652)	(1,613)	-	-
Decrease (increase) in trade and other receivables, (acquisition) of the claims	(10,732)	(2,824)	(10,984)	172
Decrease (increase) in other current assets	(42)	(804)	28	(32)
Transfer to term deposits	-	-	-	-
(Decrease) increase in trade payables	1,702	(6,104)	49	(563)
(Decrease) increase in other current liabilities	(396)	3,276	(44)	(553)
Cash flows (to) from operating activities	**(610)**	**31,234**	**(14,326)**	**(5,087)**
Income tax (paid) return	(164)	(554)	(4)	-
Net cash flows (to) from operating activities	**(774)**	**30,680**	**(14,330)**	**(5,087)**

(cont'd on the next page)

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

	Notes	Group		Company	
		2013	**2012**	**2013**	**2012**
Cash flows from (to) investing activities		Unaudited	Restated	Unaudited	Audited
(Acquisition) of non-current assets (except investment properties)		(7,290)	(17,506)	(46)	(21)
Proceeds from sale of non-current assets (except investment properties)		47	383	(46)	-
(Acquisition) of investment properties		(3,126)	(3,427)	-	-
Proceeds from sale of investment properties		1,636	6,129	-	-
(Acquisition) and establishment of subsidiaries, net of cash acquired	8	(6)	-	(4,432)	-
Proceeds from sales of subsidiaries, net of cash disposed		(64)	-	74	-
(Acquisition) of associates and joint ventures	8	(12,070)	-	(12,070)	-
Proceeds from sales of associates and joint ventures	8	-	3,797	-	3,797
Cash of the subsidiaries left the Group in the split-off		(23,402)	-	-	-
Loans (granted)		(9,978)	(30,825)	(19,402)	(65,081)
Repayment of granted loans		41,586	41,711	55,237	58,684
Transfer to/from term deposits		13,419	77,171	-	48,339
Dividends received		15,940	15	16,830	28,756
Interest received		1,414	4,928	3,299	3,329
(Acquisition) of and proceeds from sales of held-for-trade and available-for-sale investments		20,131	11,555	20,131	5,258
Net cash flows (to) investing activities		**38,237**	**93,931**	**59,575**	**83,061**
Cash flows from (to) financing activities					
Cash flows related to Group owners					
(Acquisition) and changes of non-controlling interests and increase of share capital		(200)	(14)	-	(155)
Acquisition of own shares	9	(72,658)	(59,659)	(72,658)	(59,659)
Payment according to terms of split-off		(13,200)	-	(13,200)	-
Interest of convertible bonds		-	4,788	-	4,788
Dividends (paid) to equity holders of the parent		(567)	(99)	(567)	(99)
Dividends (paid) to non-controlling interests		(311)	(9,817)	-	-
		(86,936)	(64,801)	(86,425)	(55,125)
Cash flows related to other sources of financing					
Proceeds from loans		27,388	4,060	31,178	150
(Repayment) of loans		(23,193)	(25,009)	(20,599)	(1,217)
Interest (paid)		(2,178)	(2,929)	(438)	-
Financial lease (payments)		(166)	(388)	-	-
Transfer (to)/from restricted cash		(2,034)	(681)	-	-
Other cash flows from financing activities		-	-	-	-
		(183)	(24,947)	10,141	(1,067)
Net cash flows (to) from financial activities		**(87,119)**	**(89,748)**	**(76,284)**	**(56,192)**
Impact of currency exchange on cash and cash equivalents		**24**	**(117)**	**24**	**(140)**
Net (decrease) increase in cash and cash equivalents		**(49,632)**	**34,746**	**(31,015)**	**21,642**
Cash and cash equivalents at the beginning of the period	5	**56,092**	**21,346**	**33,530**	**11,888**
Cash and cash equivalents at the end of the period	5	**6,460**	**56,092**	**2,515**	**33,530**

(the end)

Notes to the interim condensed financial statements

1 General information

AB Invalda LT (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 LT is incorporated and domiciled in Lithuania. AB Invalda LT is one of the major Lithuanian investment companies whose primary objective is to steadily increase investor equity value. For the purpose of achieving this objective the Company actively manages its investments, exercising control or significant influence over target businesses. The Company gives the priority to furniture manufacturing, real estate, agricultural land, agriculture, IT infrastructure and facilities management segments.

In respect of each business the Company defines its performance objectives, sets up the management team, participates in the development of the business strategy and monitors its implementation. AB Invalda LT 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 twelve months ended 31 December 2013 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 2012.

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 2012, except adoption of new Standards and Interpretations as of 1 January 2013, noted below.

Amendments to IAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*

The amendments change the disclosure of items presented in other comprehensive income. It require entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be reclassified to profit or loss in the future. The suggested title used by IAS 1 has changed to 'statement of profit or loss and other comprehensive income'. The amended standard change presentation of Group's financial statements, but have no impact on the Group's financial position or performance.

IAS 19 *Employee Benefits (Amendment)*

The amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. The standard requires recognition of all changes in the net defined benefit liability (asset) when they occur, as follows: (i) service cost and net interest in profit or loss; and (ii) remeasurements in other comprehensive income. The Group has to recognise all actuarial gains and losses in other comprehensive income, not in the profit or loss as currently, and to present service cost and net interest in separate line in the income statement. Due to this amendment were restated the Group's income statement and statement of comprehensive income for the year ended 31 December of 2013.

2 Basis of preparation and accounting policies

Amendments to IAS 12 *Deferred Tax: Recovery of Underlying Assets*

The amendment introduced a rebuttable presumption that an investment property carried at fair value is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. SIC-21, Income Taxes – Recovery of Revalued Non-Depreciable Assets, which addresses similar issues involving non-depreciable assets measured using the revaluation model in IAS 16, Property, Plant and Equipment, was incorporated into IAS 12 after excluding from its scope investment properties measured at fair value. The amendment has no impact in the Group's financial statements for the year ended 31 December of 2013.

IFRS 13 *Fair value measurement*

IFRS 13 aims to improve consistency and reduce complexity by providing a revised definition of fair value, and a single source of fair value measurement and disclosure requirements for use across IFRSs. The amendment has no impact in the Group's financial statements for the year ended 31 December of 2013.

Amendments to IFRS 7 *Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities*

The amendment requires disclosures that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off. The amendment will have an impact on disclosures but will have no effect on measurement and recognition of financial instruments. The amendment has no impact in the Group's financial statements for the year ended 31 December of 2013.

<u>Improvements to IFRS</u> (issued in May 2012)

The improvements consist of changes to five standards.

- IFRS 1 *First–time adoption of International Financial Reporting Standards* was amended to (i) clarify that an entity that resumes preparing its IFRS financial statements may either repeatedly apply IFRS 1 or apply all IFRSs retrospectively as if it had never stopped applying them, and (ii) to add an exemption from applying IAS 23, *Borrowing costs*, retrospectively by first-time adopters.
- IAS 1 *Presentation of Financial Statements* was amended to clarify that explanatory notes are not required to support the third balance sheet presented at the beginning of the preceding period when it is provided because it was materially impacted by a retrospective restatement, changes in accounting policies or reclassifications for presentation purposes, while explanatory notes will be required when an entity voluntarily decides to provide additional comparative statements.
- IAS 16 *Property, Plant and Equipment* was amended to clarify that servicing equipment that is used for more than one period is classified as property, plant and equipment rather than inventory.
- IAS 32 *Financial Instruments: Presentation* was amended to clarify that certain tax consequences of distributions to owners should be accounted for in the income statement as was always required by IAS 12.
- IAS 34 *Interim Financial Reporting* was amended to bring its requirements in line with IFRS 8. IAS 34 will require disclosure of a measure of total assets and liabilities for an operating segment only if such information is regularly provided to chief operating decision maker and there has been a material change in those measures since the last annual financial statements.

As a result of the amendment, the Group now also includes disclosure of total segment liabilities.

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. The agriculture segment earned a bigger operational profit in the 2nd and 3rd quarter. The investment properties usually are revaluated in the Group at the end of financial year (in previous year the revaluation was made on 30 September 2012).

4 Segment information

The Board of Directors monitors the operating results of its business units of the Group separately for the purpose of making decisions about resource allocations and performance assessment. Segment performance is evaluated based on net profit or loss and it is measured on the same basis as net profit or loss in the financial statements. Group financing (including finance costs and finance revenue) and income taxes are allocated between segments as they are identified on basis of separate legal entities. Consolidation adjustments and eliminations are not allocated on a segment basis. Segment assets are measured in a manner consistent with that of the financial statements. All assets are allocated between segments, because segments are identified on basis of separate legal entities.

For management purposes, the Group is organised into following operating segments based on their products and services:

Furniture production

The furniture segment includes flat-pack furniture mass production and sale. Due to split-off of the Company the subsidiary operating in this segment became an associate of the Group.

Real estate

The real estate segment is involved in investment in commercial real estate and its rent. The subsidiaries which activities have been management and administration, intermediation in buying, selling and valuation of real estate, and in the geodesic measurement of land were transferred from the Group due to the split-off of the Company. In these financial statements the agricultural land segment is newly separated.

Agricultural land

The agricultural land segment is involved in investment in agricultural land and its rent.

Agriculture

Agricultural activities include the primary crop and livestock (milk) production, grain processing and agricultural services. The segment's companies sell plant protection products, fertilizers, seeds, compound feed, feed supplements, veterinary products, buying grain, providing grain and other raw materials drying, cleaning, handling and storage services.

Information technology infrastructure

The information technology infrastructure segment is involved in offering IT infrastructure strategy, security and maintenance solutions, supplies of all hardware and software needed for IT infrastructure solutions of any size and in the development and implementation of software for government register systems, including consultation.

Facilities management

The facilities management segment is involved in facilities management of dwelling-houses, commercial and public real estate properties, as well as construction management.

Other production and service segments

The other production and service segment is involved in, road signs production, wood manufacturing. The entity which activities are growing and trading of ornamental trees and shrubs was transferred from the Group according to the terms of the split-off of the Company. The Group also presents investment, financing and management activities of the holding company in this segment, as these are not analysed separately by the Board of Directors.

Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated in column 'Inter-segment transactions and consolidation adjustments'. 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 year ended 31 December 2013:

Period ended 31 December 2013	Furniture production	Real estate	Agricultural land	Agricul-ture	Information technology	Facility manage-ment	Other production and service	Elimi-nation	Total continuing operations
Revenue									
Sales to external customers	-	23,395	1,258	-	50,195	14,559	8,812	-	98,219
Inter-segment sales	-	495	-	-	79	933	2	(1,509)	-
Total revenue	-	23,890	1,258	-	50,274	15,492	8,814	(1,509)	98,219
Results									
Other income	-	260	10	-	128	62	5,581	(4,256)	1,785
Net losses from fair value adjustment on investment property	-	(1,256)	11,303	-	-	-	-	-	10,047
Net gain (losses) on disposal of subsidiaries, associates and joint ventures	-	-	-	-	-	1,333	-	-	1,333
Gain on the split-off	-	-	-	-	-	-	84,819	-	84,819
Net changes in fair value on financial assets	-	-	-	-	114	-	1,426	-	1,540
Segment expenses	-	(25,429)	(1,796)	-	(49,442)	(15,175)	(13,979)	5,765	(100,056)
Impairment, write-down and allowance	-	5,145	(74)	-	(178)	(90)	23	-	4,826
Share of profit (loss) of the associates and joint ventures	3,152	(95)	-	4,427	-	-	(364)	-	7,120
Profit (loss) before income tax	3,152	2,515	10,701	4,427	896	1,622	86,320	-	109,633
Income tax	-	429	(1,636)	-	(172)	(249)	(1,541)	-	(3,169)
Discontinued operation**	3,962	-	-	-	-	-	-	-	3,962
Net profit (loss) for the period	7,114	2,944	9,065	4,427	724	1,373	84,779	-	110,426
Attributable to:									
Equity holders of the parent	6,010	2,944	9,065	4,427	542	1,373*	84,803	-	109,164
Non-controlling interests	1,104	-	-	-	182	-	(24)	-	1,262

*The Group sold a dormant company UAB Cmanagement for the LTL 1. Since the equity was negative, the Group earned a profit. Without this one-time transaction the facility management segment would have earned a profit of LTL 40 thousand.

** AB Vilniaus Baldai became an associate of the Group due to the split-off of the Company. According to IFRS 5 the results of the subsidiary until the split-off are presented as discontinued operations as a single amount.

4 Segment information (cont'd)

The following table present revenues and profit information regarding the Group's business segments for the year ended 31 December 2012:

Period ended 31 December 2012	Furniture production	Real estate	Agricultural land	Agricul-ture	Information technology	Facility manage-ment	Other production and service	Elimi-nation	Total continuing operations
Revenue									
Sales to external customers	-	30,761	1,476	-	40,598	11,674	11,673	-	96,182
Inter-segment sales	-	1,748	-	-	171	1,460	2	(3,007)	374
Total revenue	-	32,509	1,476	-	40,769	13,134	11,675	(3,007)	96,556
Results									
Other income	-	432	13	-	59	247	10,128	(7,247)	3,632
Net losses from fair value adjustment on investment property	-	(12,840)	4,131	-	-	-	-	-	(8,709)
Net gain (losses) on disposal of subsidiaries, associates and joint ventures	-	(755)	-	-	-	-	2,037	-	1,282
Net changes in fair value on financial assets	-	-	-	-	-	-	3,567	-	3,567
Segment expenses	-	(35,043)	(2,671)	-	(41,868)	(13,807)	(17,212)	10,254	(100,347)
Impairment, write-down and allowance	-	883	(68)	-	(88)	73	67	-	867
Share of profit (loss) of the associates and joint ventures	-	(37)	-	8,675	-	-	27	-	8,665
Profit (loss) before income tax	-	(14,851)	2,881	8,675	(1,128)	(353)	10,289	-	5,513
Income tax	-	1,380	(443)	-	9	59	(1,370)	-	(365)
Discontinued operation**	26,997	-	-	-	-	-	-	-	26,997
Net profit (loss) for the period	26,997	(13,471)	2,438	8,675	(1,119)	(294)	8,919	-	32,145
Attributable to:									
Equity holders of the parent	19,475	(13,470)	2,438	8,675	(942)	(294)	8,889	-	24,771
Non-controlling interests	7,522	(1)	-	-	(177)	-	30	-	7,374

The following table represents segment assets of the Group operating segments as at 31 December 2013 and 31 December 2012:

Segment assets	Furniture production	Real estate	Agricultural land	Agricul-ture	Information technology	Facility manage-ment	Other production and service	Elimi-nation	Total continuing operations
At 31 December 2013	75,406	155,542	36,444	11,705	27,551	9,174	98,024	(45,913)	367,933
At 31 December 2012	98,504	232,383	43,778	48,114	27,236	9,853	249,236	(119,195)	589,909

The following table represents segment liabilities of the Group operating segments as 31 December 2013 and 31 December 2012:

Segment liabilities	Furniture production	Real estate	Agricultural land	Agricul-ture	Information technology	Facility manage-ment	Other production and service	Elimi-nation	Total continuing operations
At 31 December 2013	-	124,936	19,122	-	26,012	5,453	17,095	(45,913)	146,705
At 31 December 2012	26,495	188,208	31,276	-	25,453	7,654	13,822	(119,195)	173,713

5 Cash and cash equivalents

	Group		Company	
	As at 31 December 2013	As at 31 December 2012	As at 31 December 2013	As at 31 December 2012
Cash at bank	6,284	32,194	2,515	9,719
Cash in hand	27	15	-	-
Cash in transit	149	72	-	-
Term deposits with the maturity up to 3 months	-	23,811	-	23,811
	6,460	56,092	2,515	33,530

On 31 December 2013, the Group and the Company have placed also with the banks term deposits with the maturity more than 3 months:

	Group	Company
Deposit's certificate of AB bankas Snoras	10,910	10,910
Accumulated interest of term deposits	55	55
Less allowance for impairment as consequence of AB bankas Snoras insolvency	(10,965)	(10,965)
	-	-

As at 31 December 2012, the Group and the Company have placed term deposits at banks with the maturity of more than 3 months:

	Group	Company
Deposits with the maturity between 3 and 6 months	9,020	-
Deposits with the maturity more than 6 months	12,316	-
Deposit's certificate of AB Bankas Snoras	20,000	20,000
Accumulated interest	182	141
Less allowance for impairment as consequence of AB Bankas Snoras insolvency	(20,100)	(20,100)
	21,418	41

6 Dividends

In 2013 and 2012 dividends were not declared.

7 Income tax

	Group		Company	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Components of income tax expense				
Current income tax charge	189	(208)	(4)	-
Prior year current income tax correction	(149)	52	-	-
Deferred income tax income (expense)	(3,209)	(209)	(1,687)	(1,235)
Income tax (expenses) income charged to the income statement	(3,169)	(365)	(1,691)	(1,235)

8 Investment into subsidiaries and associates

During the 1st Quarter of 2013 the subsidiaries, which invest in agricultural land, and two subsidiaries, which hold investments, were split-off as preparing of the Company's split-off. Therefore, the Group now has these subsidiaries UAB Kvietnešys, UAB Kvietukas, UAB Laukaitis, UAB Lauknešys, UAB Vasarojus, UAB Žiemkentys, UAB Žiemgula, UAB Žemėja, UAB Žemgalė, UAB Deltuvis, UAB Justum.

In January 2013 the Group acquired 5.27 % of the shares of AB NRD for LTL 200 thousand. The value of the additional interest acquired was LTL 196 thousand. The negative difference equal to LTL 4 thousand between the consideration and the value of the interest acquired has been recognised directly to the shareholders equity.

In April 2013 the Group acquired 70% of the shares of 360° Smart Consulting Ltd for LTL 12 thousand to implement the projects of the information technology segment in Tanzania as resident. Later the entity changed its name to Norway Registers Development East Africa Limited. The net assets of the entity was LTL 25 thousand, the non-controlling interest was increased by LTL 7 thousand due to the acquisition.

On 31 May 2013 the split-off of AB Invalda was completed, due to this the Group have changed significantly. The split-off is described in detail in note 9.

In May 2013 the 100% of the shares of UAB Cmanagement was sold for the LTL 1. The Company suffered loss of LTL 367 thousand on the sale of the shares, because there was recognised impairment of LTL 367 thousand for this investment in previous years, therefore, the impairment was reversed and overall impact on profit or loss of the Company was equal to nil. The Group had earned the profit of LTL 1,333 thousand, because the equity of the subsidiary was negative. Also the liquidation of Invalda Lux S.a.r.l., which was established in Luxembourg, was completed in May. The Company recognised the loss of LTL 150 thousand in the caption "Gains (losses) on disposal of subsidiaries, associates and joint ventures", but the impairment of the same amount was reversed.

In August 2013 the Group has established new subsidiary UAB NRD CS in the information technology infrastructure segment by investing LTL 10 thousand.

In November 2013 the Company and the Group has additionally invested LTL 96 thousand to increase share capital of UAB MGK Invest and UAB Įmonių Grupė Inservis.

<u>Additional acquisition of AB Vilniaus Baldai</u>

The official tender offer to buy up shares in AB Vilniaus Baldai was implemented from 15 July 2013 until 29 July 2013, during which the Company acquired 6.05% of shares (235,093 shares) of AB Vilniaus Baldai with par value of LTL 4, for the total amount of LTL 12,070 thousand. On the basis of preliminary assessment the fair value of acquired part of identifiable net assets is LTL 8,696 thousand. In the carrying amount of associates is recognised goodwill of LTL 3,374 thousand. After the tender offer implementation AB Invalda LT owns 45.40 percent of shares of AB Vilniaus Baldai.

<u>Reconstruction of companies investing in agricultural land</u>

On 31 July 2013 the Company has acquired 100% of shares of UAB Puškaitis, UAB Žemynėlė, UAB Žemgalė, UAB Kvietukas, UAB Vasarojus, UAB Lauknešys from subsidiary UAB Aktyvus Valdymas for LTL 4,166 thousand.

In order to reconstruct parcels owned by the companies investing in agricultural land so that each company manages geographically close parcels located in one or several regions of Lithuania and at the same time to simplify management of the land and reduce operating expenses, the companies' splitting up by mode of parcelling out was initiated. For this purpose, 17 companies were incorporated in August 2013 by investing LTL 170 thousand: UAB Avižėlė, UAB Beržytė, UAB Dirvolika, UAB Duonis, UAB Kupiškio Žemgalė (after reorganization was renamed to UAB Žemgalė), UAB Linažiedė, UAB Marijampolės Puškaitis (after reorganization was renamed to UAB Puškaitis), UAB Pakruojo Kvietukas (after reorganization was renamed to UAB Kvietukas), UAB Pakruojo Laukaitis (after reorganization was renamed to UAB Laukaitis), UAB Panevėžio Vasarojus (after reorganization was renamed to UAB Vasarojus), UAB Pasvalio Lauknešys (after reorganization was renamed to UAB Lauknešys), UAB Pasvalio Žiemkentys (after reorganization was renamed to UAB Žiemkentys), UAB Pušaitis, UAB Sėja, UAB Vilkaviškio Ekotra (after reorganization was renamed to UAB Ekotra), UAB Vilkaviškio Žemynėlė (after reorganization was renamed to UAB Žemynėlė) and UAB Žalvė. On 30 September 2013 mentioned above entities were taken over the assets and liabilities of the nine companies, which have ended activities as consequence of reorganisation: UAB Ekotra, UAB Puškaitis, UAB Žemynėlė, UAB Žemgalė, UAB Kvietukas, UAB Laukaitis, UAB Vasarojus, UAB Lauknešys, UAB Žiemkentys.

8 Investment into subsidiaries and associates (cont'd)

Establishment of companies (increase of share capital) in 2012

During 2012 the Company and the Group has invested LTL 155 thousand to increase share capital of Invalda Lux S.a.r.l. and LTL 18,650 thousand additionally to increased share capital of UAB Naujoji Švara, UAB Žemvesta, UAB Rovelija, UAB Saistas, UAB Ineturas, UAB Minijos valda, UAB IBC logistika converting loans granted to shares. In January 2012 UAB Justiniškių Valda and UAB Justiniškių Aikštelė, which owned investment property previously owned by UAB Jurita, were separated from UAB Jurita. The new separated entities were assigned to real estate segment. The Group has established two real estate investment companies by investing by cash LTL 30 thousand: UAB Laukseja (investment in the agricultural land), UAB Danės Gildija (project of apartments building in Klaipėda) and UAB Kopų Vėtrungės (project of apartments building in Nida). Also investment properties with carrying value of LTL 7,970 thousand, located in Klaipėda, were invested into share capital of UAB Danės Gildija, and investment properties with carrying value of LTL 3,990 thousand, located in Nida, were invested into share capital of UAB Kopų Vėtrungės. The Group has invested LTL 10 thousand by establishing UAB IPP integracijos projektai and additionally invested LTL 2,120 thousand to increased share capital of UAB Informatikos pasaulis, UAB Vitma, UAB IŽB 1, UAB Lauksėja, UAB Puškaitis mainly converting loans granted to shares.

AB Umega

On 12 January 2012, the sale of 29.27% of shares of AB Umega according to the agreement signed on 30 November 2011 was completed. Price for the shares sold equal to LTL 3,745 thousand. The Group has earned a profit of LTL 2,037 thousand. In the Company statements, the price for the shares sold was equal to the carrying amount of the investments. In the caption "Net gains (losses) on disposal of subsidiaries, associates and joint ventures" of the Company's income statements was presented loss of LTL 298 thousand (the price of the shares was less as initial acquisition cost). Therefore, in the caption "Impairment, write-down and provisions" of the Company's income statements was presented impairment reversal of the same amount - LTL 298 thousand.

Other sales and acquisitions

In April 2012 the Company has acquired 24% of shares of UAB Aikstentis (currently a dormant entity attributed to the real estate segment). Amount of LTL 2,309 thousand was attributed to the non-controlling interest, so it was reduced by this amount, and, respectively, retained earnings attributable to equity holders of the parent were increased. The reason for a large attribution was that in 2010 prospectively applying the new requirement of IAS 27 net losses equal to LTL 2,343 thousand were not attributed to the non-controlling interest of UAB Aikstentis, and due to the sale of UAB Broner (previous subsidiary of UAB Aikstentis) net profit of LTL 2,316 thousand was attributed to the non-controlling interest.

In June 2012 the loans with amount of LTL 807 thousand granted to real estate entity SIA Uran, operating in Latvia, were converted into 50 % shares of the entity. These shares were sold for LTL 52 thousand. In the profit (loss) statement a loss of 755 thousand was recognised.

In August 2012 the Group has acquired 0.65 % of shares of UAB NRD for LTL 13 thousand. The value of the additional interest acquired was LTL 17 thousand. The positive difference equal to LTL 4 thousand between the consideration and the value of the interest acquired has been recognised directly to the shareholders equity.

9 Split-off, discontinued operation, acquisition of own shares

On 20 November 2012 the Extraordinary General Shareholders Meeting of the Company approved drawing up of the terms of the Company's split-off and authorized the Board to prepare the terms of split-off. On 13 February 2013 the split-off terms were published to public. The Extraordinary General Shareholders Meeting approved the terms of the Company's split-off on 9 April 2013.The new name of the Company after the split-off is AB Invalda LT. The name of new established company after split-off is AB Invalda Privatus Kapitalas. In the split-off approximately 45.45 percent of the total assets, liabilities and the equity of the Company was allocated to AB Invalda Privatus Kapitalas. According to the split-off terms some assets were allocated not proportionally (in full to one or other side), some assets was allocated proportionally (investment into the furniture production and agriculture segments). The entities that invest into agricultural land were split-off in the 1st Quarter 2013 into separate legal entities (see Note 8). New entities were allocated in full to one or other side. Remaining assets were allocated under there principle that transferred assets to AB Invalda Privatus Kapitalas would constitute approximately 45.45 percent of total assets of the Company as of the day of executing of the Transfer – acceptance certificates.

Split-off of the Company was ended on 31 May 2013.

9 Split-off, discontinued operation, acquisition of own shares (cont'd)

During the six month ended 30 June 2013 the Company implemented two share buy-back. The first share buy-back was implemented from 19 February until 5 March through the market of official offer. Maximum number of shares to be acquired was 5,180,214. Share acquisition price established at LTL 8,287 per share. All offered shares were bought-back, the Company has paid for own shares LTL 42,950 thousand, including brokerage fees. The second share buy-back was implemented from 10 April until 24 May through the market of official offer according to the split-off terms. The shareholders holding the shares with the nominal value of less than 1/10 of the authorized capital of the Company, except the shareholders whose rights to sell shares to the Company during the split – off were limited according to the split – off terms, had a right within 45 days after approval of the split – off terms by the general meeting of shareholders to request that their shares would be redeemed by the Company (until 24 May 2013). The number of shares acquired was 1,099,343. Share acquisition price established at LTL 8,076 per share. The company has paid for own shares LTL 8,889 thousand, including brokerage fees.

According to the terms of the split-off 6,279,557 acquired own shares was cancelled, the reserve for the acquisition of own shares was decreased by LTL 45,566 thousand. Also according to the terms of the split-off 20,689,038 shares, which was owned by the shareholders, which received in exchange shares of AB Invalda Privatus Kapitalas, was cancelled.

After above mentioned transactions the shareholders of the Company were (by votes):

	Number of votes held	**Percentage**
UAB LJB Investments	7,563,974	30.46%
Mrs. Irena Ona Mišeikiene	6,217,082	25.04%
UAB Lucrum Investicija	5,601,621	22.55%
Mr. Darius Šulnis	2,219,762	8.94%
Other minor shareholders	3,231,112	13.01%
Total	24,833,551	100.00%

From 24 September 2013 until 7 October 2013 the third share buy-back was implemented. Maximum number of shares to be acquired was 2,000,000. Share acquisition price established at EUR 2.90 (LTL 10.01) per share**.** During it 1,842,553 shares (7.42% of share capital) was acquired for LTL 18,465 thousand, including brokerage fees. The main shareholders had also sold shares to the Company. The acquired shares were settled on 10 October 2013.

From 16 until 20 December 2013 the forth share buy-back was implemented. Maximum number of shares to be acquired was 248,335. Share acquisition price established at EUR 3.50 (LTL 12.08) per share**.** During it 193,701 shares (0.78% of share capital) was acquired for LTL 2,348 thousand, including brokerage fees. The shares sold only minor shareholders during forth share buy-back. The acquired shares were settled on 30 December 2013.

As at 31 December 2013 the shareholders of the Company were (by votes):

	Number of votes held	**Percentage**
UAB LJB Investments	6,939,824	30.44%
Mrs. Irena Ona Mišeikiene	6,588,732	28.90%
UAB Lucrum Investicija	5,145,647	22.57%
Mr. Alvydas Banys	1,750,000	7.68%
Mrs. Indrė Mišeikytė	455,075	2.00%
Other minor shareholders	1,918,019	8.41%
Total	22,797,297	100.00%

9 Split-off, discontinued operation, acquisition of own shares (cont'd)

Share buy-back in 2012

The share buy-back program was exercised on 2 – 15 May 2012. 10 percent of own shares – 5,755,794 shares were acquired for LTL 59,659 thousand, including brokerage fees (for each share – LTL 10.358). Acquired own shares do not have voting rights. On 24 May 2012 the shareholders of the Company decided to reduce the share capital to LTL 51,802,146 by annulling own shares. On 6 August 2012, the new version of the Articles of Association of the Company was registered. According to the Articles of Association the share capital was reduced from LTL 57,557,940 to LTL 51,802,146 by cancelling 5,755,794 ordinary registered shares with par value of LTL 1, which the Company had acquired in May. This way the decision of shareholders' meeting, which occurred on 24 May 2012, was implemented.

Below the split-off of the balance sheet of the Company as at 31 May 2013 according to the split-off terms is presented:

	The Company before split-off	AB Invalda LT	AB Invalda Privatus Kapitalas
Non-current asset			
Property, plant and equipment	151	43	108
Intangible assets	11	11	-
Investiments into subsidiaries	97,653	71,837	25,816
Investiments into associates and joint ventures	631	-	631
Investiments available-for-sale	1,817	1,705	112
Non-current loans granted	96,683	56,223	40,460
Trade and other receivables long term	2,405	2,405	-
Deferred income tax asset	16,977	9,237	7,740
Total non-current assets	**216,328**	**141,461**	**74,867**
Current asset			
Trade and other receivables	791	791	-
Current loans granted	69,893	18,834	51,059
Prepaid income tax	13	13	-
Prepayments and deferred charges	111	28	83
Financial assets at fair value through profit loss	12,647	3,852	8,795
Cash and cash equivalents	25,873	12,673	13,200
Total current assets	**109,328**	**36,191**	**73,137**
TOTAL ASSETS	**325,656**	**177,652**	**148,004**
Equity			
Share capital	45,523	24,834	20,689
Share premium	60,747	33,139	27,608
Reserves	175,401	95,685	79,716
Retained earnings	28,221	15,395	12,826
Total equity	**309,892**	**169,053**	**140,839**
Current liabilities			
Current borrowings	13,907	6,988	6,919
Trade payables	120	56	64
Other current liabilities	1,737	1,555	182
Total current liabilities	**15,764**	**8,599**	**7,165**
Total liabilities	**15,764**	**8,599**	**7,165**
TOTAL EQUITY AND LIABILITIES	**325,656**	**177,652**	**148,004**

9 Split-off, discontinued operation, acquisition of own shares (cont'd)

According to IFRIC 17 the gain on the split-off has to be recognised in the profit or loss as difference between fair value and carrying amount of the transferred assets. Based on the preliminary assessment of the fair value of the transferred assets the Company was recognised gain of LTL 65,741 thousand. The main impact of the gain was resulted from the valuation of 32.78% of shares of AB Vilniaus Baldai as closing market price on 31 May 2013in the NASDAQ OMX exchange. Due to assessment of shares of AB Vilniaus Baldai the Company recognised gain of LTL 57,030 thousand. Another part of the gain was related with transfer of the entities, investing in the agricultural land, and entity, through which was invested in UAB Litagra.

The assets and liabilities of the Group entities and of the Company transferred from the Group according to the terms of the split-off and recognised in the statement of financial position are follows (inter-group balances are eliminated):

	Carrying amount at the transfer date
Intangible assets	1,013
Investment properties	57,914
Property, plant and equipment	44,071
Investment into associates and joint ventures	24,509
Investments available-for-sale	1,154
Deferred income tax assets	9,690
Inventories	38,075
Trade and other receivables	21,409
Loans granted	936
Prepaid income tax	1,445
Prepayments and deferred charges	2,642
Financial assets at fair value through profit loss	8,795
Term deposits	7,958
Cash and cash equivalents	36,602
Total assets	**256,213**
Deferred income tax liability	(1,506)
Borrowings	(1,438)
Trade payables	(19,824)
Income tax payable	(82)
Advance received	(2,392)
Other liabilities	(9,596)
Total liabilities	**(34,838)**
Total net assets	**221,375**

The Group has recognised gain on the split-off of LTL 84,819 thousand, from which gain on loss of control of AB Vilniaus Baldai was LTL 84,583 thousand. The calculation of it is presented below:

The fair value of transferred shares of AB Vilniaus Baldai	63,347
The carrying amount of transferred part of the net assets	24,906
Gain on the transferred shares	38,441
Fair value of retained shares of AB Vilniaus Baldai	76,038
The carrying amount of retained part of the net assets	29,896
Gain on remeasuring remaining interest to fair value	46,142
Gain total	**84,583**

9 Split-off, discontinued operation, acquisition of own shares (cont'd)

AB Vilniaus Baldai became an associate, which deemed acquisition cost in the Group is equal to the fair value of retained shares of AB Vilniaus Baldai (LTL 76,038 thousand). On the basis of preliminary assessment the fair value of retained part of identifiable net assets is LTL 55,724 thousand. In the carrying amount of associates is recognised goodwill of LTL 20,314 thousand. After split-off the Group has owned 39.35 percent of AB Vilniaus Baldai shares.

Due to split-off the Group transferred 16.76 percent of UAB Litagra shares. On the basis of the preliminary assessment, the fair value of UAB Litagra is equal to its carrying amount, therefore, any gain was not recognised in profit or loss of the Group. The Group has also transferred these entities: UAB Dizaino Institutas, UAB IBC Logistika, UAB Minijos Valda, UAB Riešės Investicija, UAB Naujoji Švara, UAB Ineturas, UAB Elniakampio Namai, UAB projektavimo firma Saistas, UAB BNN, UAB Trakų Kelias, UAB Inreal Valdymas, UAB Inreal, UAB Inreal GEO, UAB Aikstentis. UAB Ente, UAB Justum, UAB Kvietnešys, UAB Šimtamargis, UAB Žemvesta, UAB Deltuvis, UAB Investicijų Tinklas, UAB Fortina, UAB Via Solutions, AB Invetex, UAB Agrobitė, UAB Lauko Gėlininkystės Bandymų Stotis, UAB Žemėpatis, UAB IŽB 1, UAB Lauksėja, UAB Žiemgula, UAB Žemėja, UAB Kopų Vėtrungės, UAB Danės Gildija, UAB Justiniškių Valda, UAB Justiniškių Aikštelė.

Since due to the split –off was loss of control of AB Vilniaus Baldai, therefore according to IFRS 5, the results of this subsidiary is presented as discontinued operations. Below is presented detailed profit or loss caption of discontinued operation:

	Group	
	2013	**2012**
Sales revenue	56,285	229,767
Other income	631	904
Changes in inventories of finished goods, work in progress and residential real estate	(143)	7,555
Raw materials and consumables	(36,457)	(157,986)
Employee benefits expenses	(7,912)	(27,381)
Impairment, write-down and provisions	-	(1)
Premises rent and utilities	(1,757)	(4,548)
Depreciation and amortization	(2,029)	(5,388)
Repairs and maintenance cost of premises	(1,912)	(5,188)
Other expenses	(2,390)	(7,895)
Operating profit (loss)	**4,316**	**29,839**
Finance cost	(3)	(23)
Profit (loss) before income tax	**4,313**	**29,816**
Income tax credit (expense)	(351)	(2,819)
Profit (loss) for the period	**3,962**	**26,997**

10 Other revenues and expenses

10.1. Net changes in fair value on financial assets

	Group		Company	
	31 December 2013	**31 December 2012**	**31 December 2013**	**31 December 2012**
Gain (loss) from shares of Trakcja	278	970	278	970
Other	1,148	2,555	1,148	(134)
Net gain (loss) from financial assets at fair value, total	*1,426*	*3,525*	*1,426*	*836*
Net gain from financial liabilities at fair value through profit or loss (contingent consideration from the acquisition of NRD AS)	*114*	*42*	-	-
	1,540	3,567	1,426	836

10.2. Finance expenses

	Group		Company	
	31 December 2013	**31 December 2012**	**31 December 2013**	**31 December 2012**
Interest expenses	(2,231)	(3,694)	(292)	(906)
Other finance expenses	(101)	(171)	(43)	-
	(2,332)	(3,865)	(335)	(906)

10.3. Other income

	Group		Company	
	31 December 2013	**31 December 2012**	**31 December 2013**	**31 December 2012**
Interest income	1,628	3,161	6,331	12,025
Dividend income	71	18	16,841	28,758
Other income	86	453	72	12
	1,785	3,632	23,244	40,795

11 The conversion of the convertible bonds

The application from the bondholders to convert LTL 32,400 thousand par value bonds (par value of one bond is LTL 100) into the shares of the Company was received on 28 March 2012. The bonds were converted into 5,898,182 shares of LTL 1 par value on 30 March 2012, when new By-laws of the Company were registered. After the conversion, share capital of the Company was increased by LTL 5,898 thousand up to LTL 57,558 thousand and divided into 57,557,940 shares of LTL 1 par value. The conversion price of new shares is LTL 5.50 per share. During the 2st Quater of 2012 the bond holders paid back of earlier received interest of LTL 4,788 thousand and had forfeited the accrued interest of LTL 2,386 thousand as at 30 March 2012. All these amounts were reversed through equity. The current income tax expenses of LTL 1,076 thousand was presented in the equity also. So total positive impact for the Company's and the Group's equity was amounted to LTL 6,098 thousand.

12 Borrowings

After split-off the Company together with AB Invalda Privatus Kapitalas had announced tender offer to buy up shares of AB Vilniaus Baldai. Since according to the law it is required to accumulate all money, which could to require, if all remaining shareholder of AB Vilniaus Baldai would be respond to the tender offer, the loan of LTL 17,000 thousand was took out from DNB bank in June 2013. After implementation of the tender offer AB Invalda LT the loan was repaid in July 2013.

In December 2013 the Company has signed short-term loan agreement with Šiaulių bankas for the loan of LTL 8,632 thousand. Until the year-end the Company was used LTL 7,768 thousand from the loan. Using proceeds from the loan, 50 percent of the claim to Latvian entity SIA Dommo Biznesa Parks was acquired from the bank, which operates in Latvia and previously financed the entity. Also the claim to Latvia entity SIA Dommo Grupa was acquired from AB Invalda Privatus Kapitalas in exchange to the claim to UAB Broner. The above mentioned claims were proportionally allocated between the Company and AB Invalda Privatus Kapitalas during the split-off. Those two Latvian entities compound one group and own about 12,800 square meters of warehouse space and over 58 hectares of land around Riga, suitable for the development of logistics purposes. The Company together with other business partners, having other 50 percent of the claim, had previously invested into the above mentioned Latvian entities. Due to economic crisis these entities were in the process of bankruptcy. After acquisition of the claim from the bank, the bankruptcy process will be terminated, the entities will continue to operate, and the Company and the Group will have the right to 50 percent of entities' generated cash flows. Until the acquisition of the claim, the Company valued to LTL nil the granted loans to Latvian entities. After this acquisition and consider the carrying value of exchanged claims, the Company and the Group recognised reversal of impairment amounting to LTL 4,422 thousand.

13 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The weighted average number of shares for the year ended 31 December 2013 and 2012 were as follows:

Calculation of weighted average for the year 2013	**Number of shares (thousand)**	**Par value (LTL)**	**Issued/365 (days)**	**Weighted average (thousand)**
Shares issued as at 31 December 2012	51,802	1	365/365	51,802
Acquired own shares as at 8 March 2013	(5,180)	1	298/365	(4,229)
Acquired own shares as at 27 May 2013	(1,099)	1	218/365	(656)
Decrease of shares capital as at 31 May 2013	(20,689)	1	214/365	(12,130)
Acquired own shares as at 10 October 2013	(1,843)	1	81/365	(414)
Acquired own shares as at 30 December 2013	(194)	1	1/365	(1)
Shares issued as at 31 December 2013	22,797	1	-	34,372

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

The following table reflects the income and share data used in the basic earnings per share computations:

	Group		**Company**	
	31 December 2013	**31 December 2012**	**31 December 2013**	**31 December 2012**
Net profit (loss), attributable to the equity holders of the parent from continuing operations	106,306	5,296	78,985	20,947
Net profit, attributable to the equity holders of the parent from discontinued operation	2,858	19,475	-	-
Net profit (loss), attributable to equity holders of the parent for basic earnings	109,164	24,711	78,985	20,947
Weighted average number of ordinary shares (thousand)	34,372	52,538	34,372	52,538
Basic earnings (deficit) per share (LTL)	3.18	0.47	2.30	0.40

During 2013 diluted earnings per share of the Group and Company is the same as basic earnings per share.

13 Earnings per share (cont'd)

The following table reflects the share data used in the diluted earnings per share computations for the year 2012:

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

The following table reflects the income data used in the diluted earnings per share computations for the year 2012:

	Group	Company
	31 December 2012	31 December 2012
Net profit (LTL thousand), attributable to the equity holders of the parent for basic earnings	24,771	20,947
Interest on convertible bond	768	768
Net profit (LTL thousand), attributable to equity holders of the parent for diluted earnings	25,539	21,742
Weighted average number of ordinary shares (thousand)	53,988	53,988
Diluted earnings(deficit) per share (LTL)	0.47	0.40

14 Financial assets and fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table presents the group's assets and liabilities that are measured at fair value at 31 December 2013:

	Level 1	Level 2	Level 3	Total balance
Assets				
Shares of Trakcja	1,609	-	-	1,609
Held-for-trade securities	3,993	-	-	3,993
Total Assets	5,602	-	-	5,602
Liabilities	-	-	-	-

The following table presents the group's assets and liabilities that are measured at fair value at 31 December 2012:

	Level 1	Level 2	Level 3	Total balance
Assets				
Shares of Trakcja	9,958	-	-	9,958
Held-for-trade securities	7,748	15,268	-	23,016
Total Assets	17,706	15,268	-	32,974
Liabilities	-	-	-	-

During the year ended 31 December 2013, there were no transfers between Level 1 and Level 2 fair value measurements. Financial assets in Level 2 was sold in 1st Quarter 2013.

15 Other current liabilities

	Group		Company	
	As of 31 December 2013	**As of 31 December 2012**	**As of 31 December 2013**	**As of 31 December 2012**
Employee benefits	2,497	7,095	109	391
Other	3,576	7,151	1,487	2,061
Total other current liabilities	6,073	14,246	1,596	2,452

16 Related party transactions

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

The Company's transactions with related parties during the year 2013 and related year-end balances were as follows:

2013 Company	**Sales to related parties**	**Purchases from related parties**	**Receivables from related parties**	**Payables to related parties**
Loans and borrowings	5,708	217	69,506	4,907
Rent and utilities	-	70	-	-
Dividends	16,770	-	-	-
Other	59	90	151	5
	22,537	377	69,657	4,912
Liabilities to shareholders and management	-	-	-	-

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

2012 Company	**Sales to related parties**	**Purchases from related parties**	**Receivables from related parties**	**Payables to related parties**
Loans and borrowings	10,201	138	166,683	9,124
Rent and utilities	-	155	-	6
Dividends	28,740	-	-	-
Other	-	26	49	-
	38,941	319	166,732	9,130
Liabilities to shareholders and management	-	-	-	-

The Group's transactions with related parties during the year 2013 and related year-end balances were as follows:

2013 Group	**Sales to related parties**	**Purchases from related parties**	**Receivables from related parties**	**Payables to related parties**
Loans and borrowings	435	-	22,336	-
Real estate income	2	-	-	-
IT segment	112	-	-	-
Dividends	15,880	-	-	-
Other	60	3	285	-
	16,488	3	22,621	-
Liabilities to shareholders and management	85	-	-	-

In June 2013 the Group has granted loan of LTL 9 million to the Company's shareholder, which was fully repaid on July 2013.

16 Related party transactions (cont'd)

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

2012 Group	**Sales to related parties**	**Purchases from related parties**	**Receivables from related parties**	**Payables to related parties**
Loans and borrowings	48	-	6,653	-
Rent and utilities	22	-	40	-
Other	-	-	-	-
	70	-	6,693	-
Liabilities to shareholders and management	1,367	-	708	-

During 2012 the Group and the Company has accrued interest expenses of LTL 768 thousand for owners of convertible bonds, which become the shareholder of the Company. Upon conversion the accrued interest was reversed.

17 Events after the reporting period

The Extraordinary General Shareholders Meeting of the company, held on 5 February 2014, adopted resolution to approve of preparation of the terms of split-off of AB Invalda LT. The approval of the shareholders of the Company to prepare the split-off terms will allow realizing the earlier announced decision to concentrate into asset management business. It is planned to separate agricultural land, real estate and information technologies entities from the Company. These entities will apply for closed-end investment company licenses. All shareholders of the Company (presently there are about 4000 shareholders of the company) will proportionally own shares in the separated entities. All the shares of the newly established companies are planned to be quoted on the NASDAQ OMX Vilnius Exchange. It is expecting to announce the split-off terms in the first quarter of 2014.

ARTICLES OF ASSOCIATION

of the public joint – stock company Invalda LT

I. GENERAL PROVISIONS

1. A public joint-stock company Invalda LT (hereinafter referred to as “Company”) is a limited civil liability private legal person with economic, financial and organizational independence.

2. The Company will act in accordance with the present Articles of Association, Civil Code of the Republic of Lithuania, Law on Companies and Law on Securities of the Republic of Lithuania and other legal acts.

3. The Company’s legal form: public joint-stock company.

4. The period of Company’s activity is unlimited.

5. The business year of the Company shall be a calendar year.

6. The Company’s name will be: public joint-stock company „Invalda LT”.

II. TARGETS AND SUBJECT OF THE COMPANY’S ACTIVITY

7. The Company’s activity target: satisfaction of the Company’s shareholders’ interests, ensuring a constant increase in value of shares owned by the Company’s shareholders. For this purpose the Company shall:

7.1. improve the structure of the investment portfolio;

7.2. carry out an active investing and re-investing activities.

7.3. supervise economic-financial activity of companies controlled by the Company.

8. The subjects of the Company’s activity are the following: investment activity; services; construction; manufacturing; sales. The Company has a right also to be involved into other activities which do not contradict with laws of the Republic of Lithuania. Licensed activity and activity to be performed according to established procedure shall be performed by the Company provided that all appropriate licenses or permits have been obtained.

III. AUTHORIZED CAPITAL

9. The Authorized capital of the Company shall be LTL 11 865 993 (eleven million eight hundred and sixty-five thousand nine hundred ninety-three).

10. The Authorized capital can be increased upon resolution of the General Shareholders’ Meeting according to the order established in the Company Law of the Republic of Lithuania.

11. The Authorized capital can be decreased upon resolution of the General Shareholders’ Meeting according to the order established in the Company Law of the Republic of Lithuania or according to court decision incases provided in the Company Law of the Republic of Lithuania.

IV. NUMBER OF COMPANY'S SHARES, THEIR FACE VALUE AND RIGHTS PROVIDED TO SHAREHOLDERS BY THE SHARES OWNED

12. The Company's authorized capital is divided into 11 865 993 (eleven million eight hundred and sixty-five thousand nine hundred and ninety-three) ordinary registered shares.

13. Face value per share shall be LTL 1 (one).

14. The Company's shares are not material. They shall be documented by appropriate records made on personal securities accounts. Personal securities accounts of the Company's shareholders are managed according to the order established in appropriate legal acts.

15. The Company may issue ordinary shares having the status of employee shares.

16. The rights and duties of the shareholders are prescribed by the Law on Companies of the Republic of Lithuania and other legal acts of the Republic of Lithuania.

V. COMPANY'S GOVERNING BODIES

17. The governing bodies of the Company shall be: the General Shareholders' Meeting, the Board and the Company's Head. The Supervisory Board shall not be formed in the Company.

18. The Board is a collegial Company's governing body. It shall consist of 3 (three) members and function for the 4-year period. The Board members shall elect the Chairman of the Board.

19. The Company's sole governing body shall be the Company's Head (the President)

20. The scope of competence of the General Shareholders' Meeting, the order of its arrangement as well as other issues connected to the General Shareholders' Meeting and its resolutions, the scope of competence of the Company's Board and the Company's Head, the order of election (appointment) and recall as well as other issues connected to the Company's Board and the Company's Head shall be governed by chapter V of the Company Law of the Republic of Lithuania.

21. The Company's Board is to adopt the decision regarding issuance of bonds.

22. The Company's Head has the right according to the order established in the Civil Code of the republic of Lithuania to issue a Power of Attorney to the Company's employees.

VI. PROCEDURE OF ANNOUNCEMENT OF THE COMPANY'S NOTIFICATIONS

23. Notice about call of the Company‘s General Shareholders' Meeting shall be publicly announced as well as the documents related to the Meeting shall be provided to the shareholders of the Company according to the rules established in the Law on Companies and Law on Securities of the Republic of Lithuania.

24. All notices (except for notices referred to in Article 23 of the provided Articles of Association), that have to be announced according to the Company Law of the Republic of Lithuania and other laws, shall be announced in the electronic publication for public announcements which is issued by the register of legal entities in accordance with the terms established by the Government of the Republic of Lithuania

VII. PROCEDURE REGARDING DOCUMENTS AND OTHER INFORMATION SUBMISSION TO SHAREHOLDERS

25. Upon a shareholder's written demand, the Company not later than within 7 days from the date of receipt of the written demand will make available to this shareholder the requested documents provided these documents contain Company's commercial (industrial) secrets. Copies of the requested documents may be sent to the shareholder by registered post or submitted in person.

26. A shareholder or a group of shareholders holding or managing more than 1/2 shares after having provided the Company with written and prepared upon established form obligation not to disclose the Company's commercial (industrial) secrets, shall have the right to inspect all the Company's documents.

27. In case a shareholder requires to provide the Company's documents' copies, a certain fee can be imposed in regard with the Company's expenses related to copying, submission and the Company's employees' time spent and other expenses related to the Company's information and documents providing, however the amount of this fee cannot exceed the information submission expenses fixed and approved by the Company's Head. The copies will be submitted having received the appropriate shareholder's written demand and having paid the fee amount according to the order established by this article.

VIII. PROCEDURE REGARDING ESTABLISHMENT OF THE COMPANY'S BRANCHES AND REPRESENTATIVE OFFICES AND THEIR ACTIVITY TERMINATION

28. A decision regarding establishment of the Company's branch and representative offices and its activity termination as well as regarding approval of their Articles of Association shall be adopted by the Company's Board according to the present Articles of Association and existing laws.

29. The Company's Board shall appoint and recall the heads of the Company's branches and representative offices.

IX. THE PROCEDURE OF AMENDMENT OF THE COMPANY'S ARTICLES OF ASSOCIATION

30. The procedure of amendment of the Company‘s Articles of Associations will be governed by the Law on Companies of the Republic of Lithuania.

All the other issues not being agreed in the present Articles of Association shall be governed by the Civil Code of the Republic of Lithuania, the Law on Companies and Law on Securities of the Republic of Lithuania and other legal acts of the Republic of Lithuania.

The present Articles of Association were signed on _________________________, 2014.

President

ARTICLES OF ASSOCIATION

of the public joint – stock company INVL Baltic Real Estate

I. GENERAL PROVISIONS

1. A public joint-stock company INVL Baltic Real Estate (hereinafter referred to as "Company") is a limited civil liability private legal person with economic, financial and organizational independence.

2. The Company will act in accordance with the present Articles of Association, Civil Code of the Republic of Lithuania, Law on Companies and Law on Securities of the Republic of Lithuania and other legal acts.

3. The Company's legal form: public joint-stock company.

4. The period of Company's activity is unlimited.

5. The business year of the Company shall be a calendar year.

6. The Company's name will be: public joint-stock company „INVL Baltic Real Estate".

II. TARGETS AND SUBJECT OF THE COMPANY'S ACTIVITY

7. The Company's activity target: satisfaction of the Company's shareholders' interests, ensuring a constant increase in value of shares owned by the Company's shareholders. For this purpose the Company shall:

7.1. improve the structure of the investment portfolio;

7.2. carry out an active investing and re-investing activities.

7.3. supervise economic-financial activity of companies controlled by the Company.

8. The subjects of the Company's activity are the following: investment activity; services; construction; manufacturing; sales. The Company has a right also to be involved into other activities which do not contradict with laws of the Republic of Lithuania. Licensed activity and activity to be performed according to established procedure shall be performed by the Company provided that all appropriate licenses or permits have been obtained.

III. AUTHORIZED CAPITAL

9. The Authorized capital of the Company shall be LTL 7 044 365 (seven million and forty four thousand three hundred and sixty five).

10. The Authorized capital can be increased upon resolution of the General Shareholders' Meeting according to the order established in the Company Law of the Republic of Lithuania.

11. The Authorized capital can be decreased upon resolution of the General Shareholders' Meeting according to the order established in the Company Law of the Republic of Lithuania or according to court decision in cases provided in the Company Law of the Republic of Lithuania.

IV. NUMBER OF COMPANY'S SHARES, THEIR FACE VALUE AND RIGHTS PROVIDED TO SHAREHOLDERS BY THE SHARES OWNED

12. The Company's authorized capital is divided into 7 044 365 (seven million and forty four thousand three hundred and sixty five) ordinary registered shares.

13. Face value per share shall be LTL 1 (one).

14. The Company's shares are not material. They shall be documented by appropriate records made on personal securities accounts. Personal securities accounts of the Company's shareholders are managed according to the order established in appropriate legal acts.

15. The Company may issue ordinary shares having the status of employee shares.

16. The rights and duties of the shareholders are prescribed by the Law on Companies of the Republic of Lithuania and other legal acts of the Republic of Lithuania.

V. COMPANY'S GOVERNING BODIES

17. The governing bodies of the Company shall be: the General Shareholders' Meeting, the Board and the Company's Head. The Supervisory Board shall not be formed in the Company.

18. The Board is a collegial Company's governing body. It shall consist of 3 (three) members and function for the 4-year period. The Board members shall elect the Chairman of the Board.

19. The Company's sole governing body shall be the Company's Head (Director)

20. The scope of competence of the General Shareholders' Meeting, the order of its arrangement as well as other issues connected to the General Shareholders' Meeting and its resolutions, the scope of competence of the Company's Board and the Company's Head, the order of election (appointment) and recall as well as other issues connected to the Company's Board and the Company's Head shall be governed by chapter V of the Company Law of the Republic of Lithuania.

21. The Company's Board is to adopt the decision regarding issuance of bonds.

22. The Company's Head has the right according to the order established in the Civil Code of the republic of Lithuania to issue a Power of Attorney to the Company's employees.

VI. PROCEDURE OF ANNOUNCEMENT OF THE COMPANY'S NOTIFICATIONS

23. Notice about call of the Company's General Shareholders' Meeting shall be publicly announced as well as the documents related to the Meeting shall be provided to the shareholders of the Company according to the rules established in the Law on Companies and Law on Securities of the Republic of Lithuania.

24. All notices (except for notices referred to in Article 23 of the provided Articles of Association), that have to be announced according to the Company Law of the Republic of Lithuania and other laws, shall be announced in the electronic publication for public announcements which is issued by the register of legal entities in accordance with the terms established by the Government of the Republic of Lithuania

VII. PROCEDURE REGARDING DOCUMENTS AND OTHER INFORMATION SUBMISSION TO SHAREHOLDERS

25. Upon a shareholder's written demand, the Company not later than within 7 days from the date of receipt of the written demand will make available to this shareholder the requested documents provided these documents contain Company's commercial (industrial) secrets. Copies of the requested documents may be sent to the shareholder by registered post or submitted in person.

26. A shareholder or a group of shareholders holding or managing more than 1/2 shares after having provided the Company with written and prepared upon established form obligation not to disclose the Company's commercial (industrial) secrets, shall have the right to inspect all the Company's documents.

27. In case a shareholder requires to provide the Company's documents' copies, a certain fee can be imposed in regard with the Company's expenses related to copying, submission and the Company's employees' time spent and other expenses related to the Company's information and documents providing, however the amount of this fee cannot exceed the information submission expenses fixed and approved by the Company's Head. The copies will be submitted having received the appropriate shareholder's written demand and having paid the fee amount according to the order established by this article.

VIII. PROCEDURE REGARDING ESTABLISHMENT OF THE COMPANY'S BRANCHES AND REPRESENTATIVE OFFICES AND THEIR ACTIVITY TERMINATION

28. A decision regarding establishment of the Company's branch and representative offices and its activity termination as well as regarding approval of their Articles of Association shall be adopted by the Company's Board according to the present Articles of Association and existing laws.

29. The Company's Board shall appoint and recall the heads of the Company's branches and representative offices.

IX. THE PROCEDURE OF AMENDMENT OF THE COMPANY'S ARTICLES OF ASSOCIATION

30. The procedure of amendment of the Company‘s Articles of Associations will be governed by the Law on Companies of the Republic of Lithuania.

All the other issues not being agreed in the present Articles of Association shall be governed by the Civil Code of the Republic of Lithuania, the Law on Companies and Law on Securities of the Republic of Lithuania and other legal acts of the Republic of Lithuania.

The present Articles of Association were signed on _________________________, 2014.

Director

ARTICLES OF ASSOCIATION

of the public joint – stock company INVL Baltic Farmland

I. GENERAL PROVISIONS

1. A public joint-stock company INVL Baltic Farmland (hereinafter referred to as "Company") is a limited civil liability private legal person with economic, financial and organizational independence.

2. The Company will act in accordance with the present Articles of Association, Civil Code of the Republic of Lithuania, Law on Companies and Law on Securities of the Republic of Lithuania and other legal acts.

3. The Company's legal form: public joint-stock company.

4. The period of Company's activity is unlimited.

5. The business year of the Company shall be a calendar year.

6. The Company's name will be: public joint-stock company „INVL Baltic Farmland".

II. TARGETS AND SUBJECT OF THE COMPANY'S ACTIVITY

7. The Company's activity target: satisfaction of the Company's shareholders' interests, ensuring a constant increase in value of shares owned by the Company's shareholders. For this purpose the Company shall:

7.1. improve the structure of the investment portfolio;

7.2. carry out an active investing and re-investing activities.

7.3. supervise economic-financial activity of companies controlled by the Company.

8. The subjects of the Company's activity are the following: investment activity; services; construction; manufacturing; sales. The Company has a right also to be involved into other activities which do not contradict with laws of the Republic of Lithuania. Licensed activity and activity to be performed according to established procedure shall be performed by the Company provided that all appropriate licenses or permits have been obtained.

III. AUTHORIZED CAPITAL

9. The Authorized capital of the Company shall be LTL 3 294 209 (three million two hundred and ninety four thousand two hundred and nine).

10. The Authorized capital can be increased upon resolution of the General Shareholders' Meeting according to the order established in the Company Law of the Republic of Lithuania.

11. The Authorized capital can be decreased upon resolution of the General Shareholders' Meeting according to the order established in the Company Law of the Republic of Lithuania or according to court decision in cases provided in the Company Law of the Republic of Lithuania.

IV. NUMBER OF COMPANY'S SHARES, THEIR FACE VALUE AND RIGHTS PROVIDED TO SHAREHOLDERS BY THE SHARES OWNED

12. The Company's authorized capital is divided into 3 294 209 (three million two hundred and ninety four thousand two hundred and nine) ordinary registered shares.

13. Face value per share shall be LTL 1 (one).

14. The Company's shares are not material. They shall be documented by appropriate records made on personal securities accounts. Personal securities accounts of the Company's shareholders are managed according to the order established in appropriate legal acts.

15. The Company may issue ordinary shares having the status of employee shares.

16. The rights and duties of the shareholders are prescribed by the Law on Companies of the Republic of Lithuania and other legal acts of the Republic of Lithuania.

V. COMPANY'S GOVERNING BODIES

17. The governing bodies of the Company shall be: the General Shareholders' Meeting, the Board and the Company's Head. The Supervisory Board shall not be formed in the Company.

18. The Board is a collegial Company's governing body. It shall consist of 3 (three) members and function for the 4-year period. The Board members shall elect the Chairman of the Board.

19. The Company's sole governing body shall be the Company's Head (Director)

20. The scope of competence of the General Shareholders' Meeting, the order of its arrangement as well as other issues connected to the General Shareholders' Meeting and its resolutions, the scope of competence of the Company's Board and the Company's Head, the order of election (appointment) and recall as well as other issues connected to the Company's Board and the Company's Head shall be governed by chapter V of the Company Law of the Republic of Lithuania.

21. The Company's Board is to adopt the decision regarding issuance of bonds.

22. The Company's Head has the right according to the order established in the Civil Code of the republic of Lithuania to issue a Power of Attorney to the Company's employees.

VI. PROCEDURE OF ANNOUNCEMENT OF THE COMPANY'S NOTIFICATIONS

23. Notice about call of the Company's General Shareholders' Meeting shall be publicly announced as well as the documents related to the Meeting shall be provided to the shareholders of the Company according to the rules established in the Law on Companies and Law on Securities of the Republic of Lithuania.

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25. Upon a shareholder's written demand, the Company not later than within 7 days from the date of receipt of the written demand will make available to this shareholder the requested documents provided these documents contain Company's commercial (industrial) secrets. Copies of the requested documents may be sent to the shareholder by registered post or submitted in person.

26. A shareholder or a group of shareholders holding or managing more than 1/2 shares after having provided the Company with written and prepared upon established form obligation not to disclose the Company's commercial (industrial) secrets, shall have the right to inspect all the Company's documents.

27. In case a shareholder requires to provide the Company's documents' copies, a certain fee can be imposed in regard with the Company's expenses related to copying, submission and the Company's employees' time spent and other expenses related to the Company's information and documents providing, however the amount of this fee cannot exceed the information submission expenses fixed and approved by the Company's Head. The copies will be submitted having received the appropriate shareholder's written demand and having paid the fee amount according to the order established by this article.

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The present Articles of Association were signed on _________________________, 2014.

Director

ARTICLES OF ASSOCIATION

of the public joint – stock company INVL Technology

I. GENERAL PROVISIONS

1. A public joint-stock company INVL Technology (hereinafter referred to as "Company") is a limited civil liability private legal person with economic, financial and organizational independence.

2. The Company will act in accordance with the present Articles of Association, Civil Code of the Republic of Lithuania, Law on Companies and Law on Securities of the Republic of Lithuania and other legal acts.

3. The Company's legal form: public joint-stock company.

4. The period of Company's activity is unlimited.

5. The business year of the Company shall be a calendar year.

6. The Company's name will be: public joint-stock company „INVL Technology".

II. TARGETS AND SUBJECT OF THE COMPANY'S ACTIVITY

7. The Company's activity target: satisfaction of the Company's shareholders' interests, ensuring a constant increase in value of shares owned by the Company's shareholders. For this purpose the Company shall:

7.1. improve the structure of the investment portfolio;

7.2. carry out an active investing and re-investing activities.

7.3. supervise economic-financial activity of companies controlled by the Company.

8. The subjects of the Company's activity are the following: investment activity; services; construction; manufacturing; sales. The Company has a right also to be involved into other activities which do not contradict with laws of the Republic of Lithuania. Licensed activity and activity to be performed according to established procedure shall be performed by the Company provided that all appropriate licenses or permits have been obtained.

III. AUTHORIZED CAPITAL

9. The Authorized capital of the Company shall be LTL 592 730 (five hundred and ninety-two thousand seven hundred and thirty).

10. The Authorized capital can be increased upon resolution of the General Shareholders' Meeting according to the order established in the Company Law of the Republic of Lithuania.

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12. The Company's authorized capital is divided into 592 730 (five hundred and ninety-two thousand seven hundred and thirty) ordinary registered shares.

13. Face value per share shall be LTL 1 (one).

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The present Articles of Association were signed on _________________________, 2014.

Director

INFORMATION ON THE PUBLIC JOINT-STOCK COMPANY INVL BALTIC REAL ESTATE, FORMED IN THE SPLIT – OFF

On the basis of those Terms, 47.95% of the total assets, equity and liabilities of the public joint-stock company Invalda LT will be split-off. 30.9% of the total assets, equity and liabilities (**book values**) of the Split-off Company shall be transferred to the public joint-stock company INVL Baltic Real Estate.

Interim financial statements prepared for 31 December 2013 include:

Thousand LTL	**INVL Baltic Real Estate, AB standalone balance sheet**	**INVL Baltic Real Estate, AB consolidated balance sheet**
Percentage	30.90%	
Intangible assets		3
Property, plant and equipment		41
Investment property		129,461
Investments in subsidiaries	38,698	
Loans granted	14,269	13,738
Loan granted to Cedus Invest, UAB	293	293
Trade and other receivables		1,148
Deferred income tax asset		5
Prepayments and deferred charges	5	2,952
Cash and cash equivalents	777	2,527
Total assets	**54,042**	**150,168**
Loans	4,506	91,941
Deferred income tax liability		11,721
Other short-term liabilities		2,185
Total liabilities	**4,506**	**105,847**
Total equity	**49,536**	**44,321**

Key data on the public joint-stock company INVL Baltic Real Estate, formed in the Split – Off:

	Description
Name of the legal entity	Public joint-stock company INVL Baltic Real Estate
Legal form of the legal entity	Public joint-stock company
Registered address	Seimyniskiu str. 1 A, Vilnius
Company code	Shall be provided in accordance with Legal acts of the Republic of Lithuania after registration of the Split-off Company in the Register of Legal Entities
The VAT payer‘s code	Shall be provided in accordance with Legal acts of the Republic of Lithuania after registration of the Split-off Company in the VAT payer’s register.
Register which accumulates and stores the data about the legal entity	Vilnius Branch of the Register of Legal Entities
Authorized capital	7 044 365 litas, which will be formed in line with the Spin-off terms.
Fully paid authorized capital	7 044 365 litas
Number of shares	7 044 365
Nominal value per one share	1 litas
Class of the shares	Ordinary registered shares
Type of the shares	Un-certificated
ISIN code of the shares	Shall be provided in accordance with Legal acts of the Republic of Lithuania after registration of the Split-off Company in the Register of Legal Entities
Regulated market on which the shares are traded	NASDAQ OMX Vilnius. Shares will be admitted to trading under minimum statutory terms.
Share account manager	Contract will be executed in accordance with Legal acts of the Republic of Lithuania after the registration of the Split-off Company.

The shares of Split-Off Companies are allocated to Shareholders of the public joint-stock company Invalda LT proportional to their stake in the public joint-stock company Invalda LT; therefore, the public joint-stock company’s INVL Baltic Real Estate shareholders’ structure will remain similar to Invalda LT shareholders’ structure (taking into account the nonessential deviations possible due to arithmetic rounding).

Public joint-stock company INVL Baltic Real Estate shall own the shares of the INVL Baltic Real Estate, UAB (which shall change its name during the Split-Off and give the right to the symbolic name INVL Baltic Real Estate to the Split-Off Company). Public joint-stock company’s Invalda LT real estate segment results are presented in the consolidated financial statements of Invalda LT.

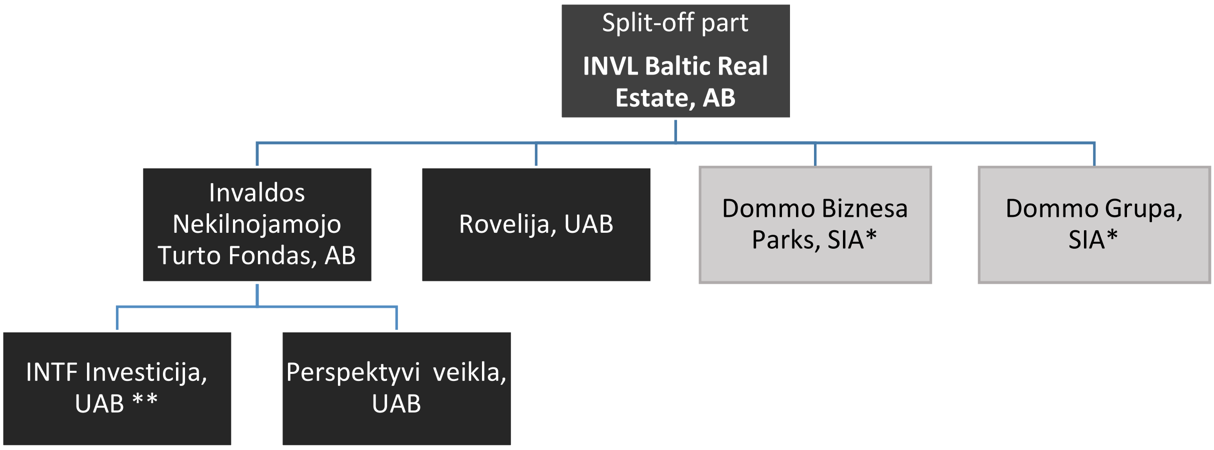
Public joint-stock company Invalda LT began investing into real estate through its subsidiaries in 1992. 28 January 1997, limited liability company Pastana was registered, which primary activity included the management of real estate. 25 June 2004 the company was reorganized into a joint stock company, in the Fall of 2004, in the way of reorganization, joint stock company Pastana took over real estate of Invalda LT Group companies’ AB Gildeta and AB Kremi. 29 December 2004 name of the company was changed into the joint-stock company Invaldos Nekilnojamojo Turto Fondas.

At the end of 2005 Invaldos Nekilnojamojo Turto Fondas signed contracts with Teo LT Group for the purchase of eight real estate objects. The target area of the buildings was about 40 thousand sq. m., the total transaction amount – LTL 72.2 million (at that time it was one of the largest real estate transactions in Lithuania).

In 2007 Invalda LT Group sold three office buildings and two logistics centers in Vilnius and Kaunas to the company owned by Irish investors for LTL 78.85 million, in 2008 three office buildings in Vilnius were sold for LTL 48.55 million. Invalda LT-owned companies built and later sold the hotel Holiday Inn in Vilnius, also developed several residential construction projects in Lithuania and Latvia.

Annex 7

ESTIMATED CONTROL STRUCTURE OF THE JOINT-STOCK COMPANY INVL BALTIC REAL ESTATE



*INVL Baltic Real Estate, AB will own 50% of creditors' claims in both the Dommo Biznesa Parks, SIA and Dommo Grupa, SIA (corporate debt exceeds the market value of assets held). Real estate will be pledged to INVL Baltic Real Estate for the loans granted by this company.

** Investment value of shares of INTF Investicija, UAB is evaluated at LTL 0 in the financial statements of the public joint-stock company Invalda LT, since the liabilities of INTF Investicija, UAB exceeded the value of the property (there is a real risk associated with business continuity of INTF Investicija, UAB).

Companies, which will belong to INVL Baltic Real Estate, have invested in an office, warehouse, manufacturing purpose real estate sites in Lithuania and Latvia. Almost all objects bring rental income, some have further development prospects.

IBC, Class A business center Seimyniskių str.1a/Seimyniskiu str.3 Vilnius (Invaldos Nekilnojamojo Turto Fondas, AB)

IBC Business Center - a versatile, functional business premises complex. IBC is located in a very convenient location - on the right bank of the Neris River in the central part of Vilnius, situated near important public institutions and businesses at the main business artery in the Constitution Avenue, therefore is easily and quickly accessible from any place in Vilnius.

IBC, Class A business center consists of two buildings, in which about 6700 sq. m. are being leased (the total area of buildings - 13 200 sq m). The center owns 250 spots parking lot in the protected courtyard, also in the two-storey covered and underground garages. IBC Business Center is being consistently developed, more and more services are offered each year.

Basic information:

Total area: 13 200 sq. m.

Leased area: 6 700 sq. m.

Land area: 1.47 ha (total area of IBC complex)

Property market value at the end of 2013: LTL 42 550 000

IBC, Class B business center A.Juozapavicciaus str. 6 / Slucko str. 2, Vilnius (Invaldos Nekilnojamojo Turto Fondas, AB)

IBC, Class B business center consists of 4 buildings, in which about 10 600 sq. m. of different purpose premises are being leased (the total area of buildings –11 400 sq m). The center owns 200 spots parking lot in the protected courtyard.

The IBC business center has a development opportunity, detailed plan of the area is prepared.

Basic information:

Total area: 11 400 sq. m.

Leased area: 10 600 sq. m.

Land area: 1.47 ha (total area of IBC complex)

Property market value at the end of 2013: LTL 34 450 000

Ofice building Palanga str. 4, Vilnius (Invaldos Nekilnojamojo Turto Fondas, AB)

Business center is located in one of the busiest places in the Old Town of Vilnius, between Vilnius, Pamenkalnio, Islandijos and Palangos streets. Vilnius Old Town - one of the most important components of the city and its center, the oldest part of the city of Vilnius, situated on the left bank of the Neris River. Old Town area - protected and managed in accordance with the special heritage protection well, small business and residential function are being supported. There is a closed, guarded parking and underground garage in the area, convenient public transport access. Radvilu Palace, Teacher's House, Lithuanian Technical Library, St. Catherine's Church and other cultural attractions, cafes, restaurants are located near the building.

Basic information:

Total area: 9 700 sq. m.

Leased area: 6 200 sq. m.

Land area: 0.49 ha

Property market value at the end of 2013: LTL 25 000 000

Zygio Business Center – office building J. Galvydzio str. 7 / Zygio str. 97, Vilnius (Invaldos Nekilnojamojo Turto Fondas, AB)

Žygio business center - the yellow brick, authentic nineteenth century architecture, renovated office building, perfectly adapted to modern office activities. The building stands in the Northern town (J. Galvydzio str. 7 / Žygio str. 97) – in a strategically attractive, busy part of Vilnius, easily accessible by car and public transport. Other commercial and business centers, banks, the State Tax Inspectorate, Social Insurance, Employment Exchange, medical clinics and various business services companies, attracting large flows of people, are located nearby. Also, even four large shopping centers – Domus Gallery, Parkas, Hyper Rimi, Banginis-Senukai, are located near the business center. Distance to the center of Vilnius is about 3.5 km. 70 spots covered parking lot is installed next to the building.
The object has a development potential, building permit for the construction of a new building is obtained.

Basic information:

Total area: 3 200 sq. m.

Leased area: 2 600 sq. m.

Land area: 0.60 ha

Property market value at the end of 2013: LTL 10 180 000

Office building Kirtimu str. 33, Vilnius (Invaldos Nekilnojamojo Turto Fondas, AB)

Administrative buildings and warehouses are in a strategically convenient location, in respect to storage/manufacturing, in the industrial area, the southwestern part of Vilnius, Kirtimu street. This complex is very suitable for logistics, as it is located near the Western city bypass, which is one of the most important traffic arteries of Vilnius city. Engineering infrastructure is well-developed in the area.

Basic information:

Total area: 3 000 kv. m

Leased area: 2 500 kv. m

Land area: 0.67 ha

Property market value at the end of 2013: LTL 2 570 000

Dommo Business Park manufacturing/warehouse and office premises complex in Latvia (assets are owned by SIA DOMMO Group and SIA DOMMO biznesa parks, pledged to AB Invalda LT for the loans granted)

The area is strategically well-located, to the right of Jelgava road, in front of the intersection with Jurmala - Tallinn bypass. Distance to the center of Riga and the airport is 13 km, the port - 16 km. The area is suitable for the development of logistics centers.

Basic information:

Total area: 12 800 sq. m.

Leased area: 12 600 sq. m.

Land area: 58.21 ha

Property market value at the end of 2013: LTL 27 612 000

Manufacturing, warehousing and office buildings complex Visoriu str. 20, Vilnius (INTF Investicija, UAB)

It is 6 buildings complex for the production and storage activities. The object is located in the Eastern outskirts of Fabijoniskes, Visoriu street. Production, industrial, warehouse buildings dominate around the object, but in the South/Southwest side complex borders with Visorių forest park, in the West - with low-rise residential area. The town center is about 8 km far. The buildings are located in an over 3 acres fenced, protected area.

Investment value of shares of INTF Investicija, UAB is evaluated at 0 Lt in the joint-stock company's Invalda LT financial statements, since the liabilities of INTF Investicija, UAB exceeded the value of the property (there is a real risk associated with business continuity of INTF Investicija, UAB).

Basic information:

Total area: 8 700 sq. m.

Leased area: 8 700 sq. m.

Land area: 3.15 ha

Property market value at the end of 2013: LTL 14 000 000

Residential house Kalvariju str. 11, Vilnius (UAB Rovelija)

The house borders with IBC complex area owned by Invaldos Nekilnojamojo Turto Fondas, AB. Company owns 5 of 6 apartments located in this building.

REVIEW OF THE BALTIC COUNTRIES ECONOMY AND REAL ESTATE

Macroeconomic situation

According to the latest forecasts, Lithuanian economy in 2014 will maintain the growth momentum and will be one of the fastest growing economies in the European Union. The main drivers of the economy will be increasing domestic consumption and high volume of investment, the role of exports will decline. Low inflation, rising wages and falling unemployment rate will stimulate domestic consumption, low interest rates and improving business and population expectations will stimulate lending volume growth. Lithuania meets all the Maastricht criteria, thus in 2015 the Litas should be changed to the Euro.

It is forecast that export growth will slow, but the recession will be avoided. The slowdown will be offset by the Europe, which broke out of the recession, and by sustainable growth of the Baltic countries, therefore change in Lithuanian exports in 2014 will remain positive. Russian restrictions on Lithuanian production export had no significant effect on the Lithuanian export performance. The greater threat is the overall slowdown of the Russian economy, which can reduce Lithuanian transport sector exports to this country (Russia has 30% of all export of transport services). Another threat is the growing competition in the oil refining and fertilizer markets, which are exacerbated by relatively high energy prices in Lithuania and growing personnel expenses.

Private consumption will become the main driver of economic growth. Declining unemployment, rising wages and low inflation improves the financial situation of households. The biggest threat to private consumption growth is high long-term (40% of all unemployed) and structural (low-skilled, low-population towns people) unemployment rate.

Office market

Business centers sector in Lithuania was dominated by employment and growing rental price trends in 2013. Active investments were continued in Vilnius business center market – 2 new business centers were opened (Gama in Verkiai and Baltic Hearts II in the New city center added 13,300 sq. m. area to the office market) and another 6 new business centers are being built (73 500 sq. m.). Despite newly opened business centers, the vacancy in the capital continued to fall - over the year it has shrunk more than double from 7.1 to 3.5 percent. Vilnius office market take-up in 2013 remained similar to that in 2012 - about 26 000 sq. m. per year. At the end of the year there was a total of 12 700 sq. m. of modern office space vacant in the capital. All class rents, having increased up to 5% at the beginning of 2013, has remained stable the rest of the time. The average rental price for class A offices reached 42-55 LTL/sq. m., class B1 - 32-42 LTL/sq. m., and class B2 - 23-30 LTL/sq. m. at the end of the year.

New business centers in the capital are being further actively developed – the construction of the Grand Office (Viršuliskes) and Quadrum I (New City Center) business centers, started in 2012, is now in full swing - a total of 37,350 sq. m. At the second half of 2013, a construction of 4 new business centers was started - Baltic Hearts III, K29, Gostauto 12A (New City Center) and Premium (Žirmunai) - a total of 36 150 sq. m. The first business centers under construction should open as early as the middle of 2014, therefore until then further decline in vacancies in Vilnius, and later a successful uptake of new supply, is projected.

The number of investment acquisitions increased in the capital – 4 investment business centers transactions were formed during 2013 (Alpha & Beta & Gamma, Gostauto 40, Danske Bank, Kernave). The total area of the objects was 61 500 sq. m., the value of the investment - almost LTL 310 million.

The vacancy of Kaunas modern business centers decreased at a considerably slower pace than in the capital - during 2013, the vacancy rate fell from 6.9 to 5.8 percent. Class B1 office space was the most absorbed - 770 sq. m., while the free class B2 office space fell by only 50 sq. m. There were 4 400 sq. m. of free modern office space at the end of the year in Kaunas. Slightly changing vacancy of modern business centers in Kaunas does not increase the average segment rents. Class B1 office rents continued to equal 25-35 LTL/sq. m. and B2-class business center facilities could have been rented for 18-25 LTL/sq. m. No brighter change in rental prices in Kaunas is expected in the near future.

There has been recorded a significant vacancy rate decrease in Klaipeda in 2013. Over the year, this indicator fell from 18.1 to 14.0 percent in the port city. At year-end, total of about 7 350 sq. m. of the modern office space was recorded in Klaipeda. Klaipeda office market continues to be dominated by the small tenants, who, in contrast to the large local or multinational companies, give priority to simpler and cheaper accommodations rather than the top notch. Class B2 segment average rents increased by an average of 1 litas and reached 16-20 LTL/sq. m. Meanwhile, the A and B1 class business centers average rental rates remained stable throughout the year 2013 and amounted to respectively 30-35 LTL/sq. m. and 22-30 LTL/sq. m. In this port city segment of the market no major changes are expected in the nearest future. This is influenced by, while improving, still prevailing unattractive business centers market indicators to developers - high vacancies and low rents.

Manufacturing/warehouse facilities market

Industrial production and export volumes in Lithuania, having settled a bit in the second half of 2013, maintained a solid growth in the overall yearly context. Market expansion of storage facilities continued. Investments in the development of logistics centers in the country were revived.

Manufacturing output in Lithuania reached 62.5 billion Lt mark in 2013. Comparing to the same period ratio in 2012 (LTL 60.5 billion), 3.9% growth is observed. The volume of exports grew even at a faster rate. During the 11 months of 2013, it reached 77.8 billion Lt and, comparing to the same period in 2012 (LTL 72.5 billion), it grew by 7.3 percent. Thus, although there was no growth recorded in the second half of the year due to the rising controversy of export markets in the East, Lithuanian industrial output and export volume has maintained solid growth in the overall context of 2013.

In all major cities of Lithuania a decline in vacancy was observed - for modern logistics centers in Vilnius, the vacancy fell to 0.9% (3 600 sq. m.), Kaunas rate also remained close to 0%, Klaipeda vacancy rate reached 0.5% (350 sq. m.). Logistics centers managers increased rents for the new tenants by 5-10% at the beginning of 2013. Lease price of the modern logistics centers in the capital was 12-17 LTL/sq. m. at the end of the year, in Kaunas and Klaipeda - 11-15 LTL/sq. m. Old logistics centers in Vilnius rent price was 6-10 LTL/sq. m., in Kaunas and Klaipeda - 5-9 LTL/sq. m. Constructions of logistics centers in Vilnius - Transekspedicija II (17 000 sq. m.), and Klaipeda - Vlantana II (15 000 sq. m.), started in 2013, are in full swing. The development of existing centers in Vilnius should be begun by Arvada’s services (8500 sq. m.), in Klaipeda – by Ad Rem Lez (8200 sq. m.) in 2014.

Companies in the major cities also actively invest in the old construction production facilities acquisition and renovation or build new warehouses for their needs ("built-to-suit"), seeking to optimize the cost of the rental. This type of constructed warehouses area typically range from a few to 10 thousand sq. m. In 2013, manufacturing companies Hormann Lithuania (5000 sq. m.) and Wurth Lithuania (5700 sq. m.) began building "built-to-suit" type stores near Vilnius. In Kaunas these companies include trading company Osama (2 000 sq. m.) and Gintarine vaistine (9600 sq. m.), in Klaipeda - Klaipedos Juru Kroviniu Kompanija, AB (KLASCO, 8 000 sq. m.).

The improving industry and logistics centers market situation opens the possibilities for investment acquisitions in Lithuania. In the first half of the year, Estonian fund Capital Mill purchased Zariju logistics center in Vilnius (22 000 sq. m.) for about LTL 35 million. It is expected that investments in the sector should be higher in 2014.

ESTIMATED CONTROL STRUCTURE OF THE PUBLIC JOINT-STOCK COMPANY INVL BALTIC REAL ESTATE

Public joint-stock company INVL Baltic Real Estate bodies include:

- General meeting of shareholders;
- The Board (elected from 3 members);
- Manager (director).

The governing bodies will be elected (appointed) before the registration of the public joint-stock company INVL Baltic Real Estate, information about elected (appointed) Board members and the Manager of the company will be disclosed no later than the next business day after the election (appointment) on the website of the public joint-stock company Invalda LT, www.invaldalt.com.

RISK FACTORS, RELATED TO THE PUBLIC JOINT-STOCK COMPANY INVL BALTIC REAL ESTATE

This document provides information about the risk factors associated with activities and securities of the public joint-stock company INVL Baltic Real Estate, created in the split-off, separating the part, which is associated with investments into the real estate, of the public joint-stock company Invalda LT.

Information, provided in this document, should not be considered complete and covering all aspects of the risk factors associated with public company's INVL Baltic Real Estate activity and securities.

Risk factors, associated with activities of INVL Baltic Real Estate

The total investment risk

The value of the investment in real estate can vary in the short term, depending on the general economic conditions, rent and purchase prices of real estate, demand and supply fluctuations. Investment in real estate should be carried out in the medium and long term, so that investor can avoid the short-term price fluctuations. Investing in real estate is connected with the higher than medium risks.

Liquidity risk

It is the risk of incurring losses due to low liquidity of the market, when it becomes difficult to sell the assets at the desired time and at the desired price. In order to manage this risk, public joint-stock company INVL Baltic Real Estate will keep monitoring the real estate market, will prepare in advance for property sales process, thereby reducing the liquidity risk.

Real estate development risk

Real estate development projects, undertaken by the public joint-stock company INVL Baltic Real Estate, may take longer than anticipated or be more costly than expected, which may reduce the return on investments of the public joint-stock company INVL Baltic Real Estate. In managing this risk, the company will allocate sufficient resources to the real estate development project budgets' and time control.

Leverage usage risk

Leverage usage risk is associated with potential real estate depreciation, which was acquired using borrowed money. The higher the leverage used, the greater the likelihood of this risk. The level of bank loans of the public joint-stock company's INVL Baltic Real Estate subsidiary – Invaldos Nekilnojamojo Turto Fondas, AB, is close to 50% of its real estate market value. Loan agreements are valid until 15 December 2015, principal loan amount is repaid at maturity.

Investment diversification risk

This is the risk that one failed investment will significantly influence results of the public joint-stock company INVL Baltic Real Estate. In order to reduce the risk, company will include a sufficient number of different real estate properties in its portfolio, thus maintaining an appropriate level of diversification.

Tax increase risk

Tax laws change may lead to a greater taxation of the public joint-stock company INVL Baltic Real Estate and its group companies, which in turn may reduce the profits and assets of the company.

Inflation and deflation risk

It is likely that during its operational period public joint-stock company INVL Baltic Real Estate will face both inflation and deflation risks as investments in real estate are long term. At high inflation, the value of lease agreements, which are not subject to inflation or at high deflation, the value of lease contracts, which are linked to inflation, will decrease.

Credit risk

Public joint-stock company INVL Baltic Real Estate will seek to lease real estate in the highest price possible. There is a risk that tenants will not fulfill their obligations - it would adversely affect the profit of INVL Baltic Real Estate. Large parts of liabilities not fulfilled in time may cause disturbances in activities of public joint-stock company INVL Baltic Real Estate, there might be a need to seek additional sources of financing, which may not always be available.

Public joint-stock company INVL Baltic Real Estate also bears the risk of holding funds in bank accounts or investing in short-term financial instruments.

Currency risk

Public joint-stock company INVL Baltic Real Estate forms transactions in Litas or Euros; therefore the currency risk is low. Lithuania plans to adopt the Euro since 2015. There is a risk that before the introduction Lithuanian Central Bank may change fixed LTL/EUR rate, which may reduce the investment value of the public joint-stock company INVL Baltic Real Estate.

Interest rate risk

Interest rate risk mainly includes loans with a variable interest rate. Rising interest rates will increase the public joint-stock company's INVL Baltic Real Estate debt service costs, which will reduce the return on investment. If considered necessary, the public joint-stock company INVL Baltic Real Estate will get insured from interest rate risk engaging in the relevant transactions.

Reliance on the company's assets administrator

Invaldos Nekilnojamojo Turto Fondas, AB has entered into an agreement at a market price with Inreal Valdymas, UAB for the company's asset management and administration services. Under this agreement, Inreal Valdymas, UAB, as an administrator of the property, is committed to increase companies' value and maintain high quality of service for buildings' tenants and employees. In case of change in administrative prices in the market, new contracts under less favorable conditions can be created with administrator, which may directly influence company's costs' increase.

Dependence on tenants

If subsidiaries of public joint-stock company INVL Baltic Real Estate fail to achieve expected revenue from the rental of buildings or maintain high employment rate, they may be faced with permanent non-reimbursable cost problem of tenants. This risk may appear due to dramatic increase in rented accommodation supply and a drop in demand, the fall in rents. Failing to lease space under expected price/volume or after current tenants terminate their leases, could cause corporate earnings to be reduced without a change in fixed costs. Accordingly, their profits will also fall.

Sub-lease agreement risk

In 2007, Invaldos Nekilnojamojo Turto Fondas, AB has sold 5 real estate properties and entered into the lease agreement with the buyer, under which they agreed to sub-lease the property until 2017 October. Currently, the company is incurring about LTL 100 000 loss per month due to sublease. This amount varies depending on the income from the sub-lease, property maintenance costs incurred and the rent paid.

Large shareholders risk

Three joint-stock company's INVL Baltic Real Estate shareholders together with related parties after the split – off will hold more than 90% of shares and their voting will influence the election of the directors of company, essential decisions regarding the joint-stock company's INVL Baltic Real Estate management, operations and financial position. There is no guarantee that the major shareholders' decisions will always coincide with the opinion and interest of the minority shareholders. Large shareholders have the right to block the proposed solutions of other shareholders.

The Split-Off from the public joint-stock company Invalda LT risk

The public joint-stock company INVL Baltic Real Estate will be established in the process of split-off of the public joint-stock company Invalda LT and will take over 30.9 percent of assets, equity and liabilities of the public joint-stock company Invalda LT. If certain public joint-stock company's Invalda LT obligations will not be distributed to all companies operating after the separation, then all post-split-off-based companies will be jointly liable for it. Each of the companies' responsibility will be limited by the size of equity, attributable under the Split-Off conditions.

When any obligation of the public joint-stock company Invalda LT under the terms of the split-off will be assigned to one of the companies', established after the split-off, that company will be liable to answer the obligation. If this company does not meet the whole or part of the obligation, and there is no additional guarantee provided to creditors under the Company Law, all post-split-off companies will be jointly liable for that obligation (or part of it). Each of the companies' responsibility will be limited by the size of equity, attributable under the split-off conditions.

Market-related risks

Market risk

Shareholders of public joint-stock company INVL Baltic Real Estate bear the risk of incurring losses due to adverse changes in the market price of the shares. The stock price drop may be caused by negative changes in company's assets value and profitability, general stock market trends in the region and the world. Trading in shares of the public joint-stock company INVL Baltic Real Estate may depend on the broker and analyst comments and published independent analyses of the company and its activities. The unfavorable analysts' outlook of the shares of public joint-stock company INVL Baltic Real Estate may adversely affect the market price of the shares. Non-professional investors assessing the shares are advised to seek the assistance of intermediaries of public trading or other experts in this field.

Liquidity risk

If demand for shares decreases or they are unlisted from the stock exchange, investors will face the problem of realization of shares. If financial situation of public joint-stock company INVL Baltic Real Estate deteriorates, the demand for company's shares may drop, which will lead to fall in share price.

Dividend payment risk

Dividend payment to shareholders of public joint-stock company INVL Baltic Real Estate is not guaranteed and will depend on the company's profitability, investment plans and the overall financial situation.

Tax and legal risk

Changes in the equity-related legislation or state tax policy can change attractiveness of shares of the public joint-stock company INVL Baltic Real Estate. This may reduce the liquidity of the shares of the company and/or price.

Inflation risk

When inflation increases, the risk, that the stock price change may not offset the current rate of inflation, appears. In this case, the real returns from capital gain on market shares for traders may be less than expected.

The initial stock price risk

Shares of joint-stock company INVL Baltic Real Estate, prior to inclusion in the stock market, have not been publicly traded. As a result, their stock price, having added them to the trading list, will be determined on the basis of the purchase and sale orders, which may depend on subjective factors, such as the market and the economic situation, performance evaluation of the public joint-stock company INVL Baltic Real Estate, the interest of investors. As a result, the initial share price may not reflect accurately the true value and have high fluctuations.

The legal status change risk

Public joint-stock company INVL Baltic Real Estate intends to have closed-end investment company license, issued by the Bank of Lithuania. This will lead to changes in the company's shareholders' protection and certain operating restrictions. Closed-end investment company shareholders are under no obligation to publish an official tender offer; the company has a limited duration and is a subject to certain diversification requirements. Becoming a closed-end investment company will influence only certain restrictions on the activities and supervision, which may increase the company's operating costs.

INFORMATION ON THE PUBLIC JOINT-STOCK COMPANY INVL BALTIC FARMLAND FORMED IN THE SPLIT – OFF

On the basis of those Terms, 47.95 percent of the total assets, equity and liabilities of the public joint-stock company Invalda LT will be split-off. 14.45 percent of the total assets, equity and liabilities (**book values**) of the Company participating in the Split-Off shall be transferred to the public joint-stock company INVL Baltic Farmland.

Interim financial statements prepared for 31 December 2013 include:

Thousand Lt	**Unconsolidated balance sheet of INVL Baltic Farmland, AB**	**Consolidated balance sheet of INVL Baltic Farmland, AB**
Percentage	14.45%	
Intangible assets		20
Property, plant and equipment		4
Investment property		36,087
Investments in subsidiaries	6,102	
Investments in associates and joint ventures		
Investments available for sale		
Loans granted	16,046	
Loan granted to Cedus Invest, UAB	2,693	2,693
Trade and other receivables		214
Deferred income tax asset	68	68
Prepayments and deferred charges		5
Financial assets at fair value through profit (loss) statement		
Cash and cash equivalents	363	477
Total assets	**25,272**	**39,568**
Loans	2,107	2,107
Deferred income tax liability		2,971
Other short-term liabilities		105
Total liabilities	**2,107**	**5,183**
Total equity	**23,165**	**34,385**

KEY DATA ON THE PUBLIC JOINT-STOCK COMPANY INVL BALTIC FARMLAND FORMED IN THE SPLIT – OFF

	Description
Name of the legal entity	Public joint-stock company INVL Baltic Farmland
Legal form of the legal entity	Public joint-stock company
Registered address	Seimyniskiu str. 1 A, LT-09312, Vilnius, Lithuania
Company code	Shall be provided in accordance with Legal acts of the Republic of Lithuania after registration of the Split-Off Company in the Register of Legal Entities
The VAT payer‘s code	Shall be provided in accordance with Legal acts of the Republic of Lithuania after registration of the Split-Off Company in the VAT payer’s register.
Register which accumulates and stores the data about the legal entity	Vilnius Branch of the Register of Legal Entities
Authorized capital	LTL 3 294 209, which will be formed in line with the Split-Off terms.
Fully paid authorized capital	LTL 3 294 209
Number of shares	3 294 209
Nominal value per one share	LTL 1
Class of the shares	Ordinary registered shares
Type of the shares	Un-certificated
ISIN code of the shares	Shall be provided in accordance with Legal acts of the Republic of Lithuania after registration of the Split-Off Company in the Register of Legal Entities
Regulated market on which the shares are traded	NASDAQ OMX Vilnius. Shares will be admitted to trading under minimum statutory terms.
Share account manager	Contract will be executed in accordance with Legal acts of the Republic of Lithuania after the registration of the Split-Off Company.

The shares of Split-Off companies are appointed to Shareholders of the public joint-stock company Invalda LT proportional to their stake in the public joint-stock company Invalda LT; therefore, shareholders’ structure of the public joint-stock company INVL Baltic Farmland will remain similar to Invalda LT (taking into account the nonessential deviations possible due to arithmetic rounding).

The public joint-stock company INVL Baltic Farmland shall own the shares of the limited liability companies investing in agricultural land and INVL Baltic Farmland, UAB (which shall change its name during the Split-Off and give the right to the symbolic name INVL Baltic Farmland to the Split-Off Company). The public joint-stock company’s Invalda LT agricultural land segment results are presented in the consolidated financial statements of the public joint-stock company Invalda LT.

The public joint-stock company Invalda LT began investing into agricultural land in Lithuania in 2004 (primary investments were performed through a subsidiary – Ekotra, UAB).

The restructuration of the owned agricultural land portfolio, when the plots were grouped by geographical areas, was finished at the end of the third quarter of 2013.

Currently, Invalda LT owns 100 percent of the below stated limited liability companies’ shares, which jointly owned 2.9 thousand ha of agricultural land at the end of 2013. This land is leased to farmers and agricultural companies. In the long-term, the aim is to profit from the growth of rental prices and the increase of land values.

Detailed information about the assets, liabilities and equity, transferable to the public joint-stock company INVL Baltic Farmland, is presented in Annex 10 (Part 4). Below are the details of the private companies investing into agricultural land, whose sole shareholder is currently the public joint-stock company Invalda

LT, and whose shares will be transferred to the public joint-stock company INVL Baltic Farmland during the Split-Off:

Name	Company code	Authorized capital, LTL	Equity, LTL	Loans from Invalda LT, LTL	Land value, LTL	Available land area, ha
Avizele, UAB	303113077	163 325	184 567	570 000	783 500	107.37
Berzyte, UAB	303112915	103 018	393 625	1 195 691	1 636 300	147.392
Dirvolika, UAB	303112954	461 063	1 510 285	894 937	2 605 900	192.0262
Duonis, UAB	303112790	298 189	1 192 094	1 075 312	2 451 600	176.2961
Ekotra, UAB	303112623	291 463	1 333 265	1 288 397	2 882 100	229.3674
Kvietukas, UAB	303112687	153 513	736 117	712 056	1 595 700	118.6868
Laukaitis, UAB	303112694	221 922	1 312 188	1 085 880	2 645 900	193.4379
Lauknesys, UAB	303112655	142 396	781 801	596 565	1 539 600	107.8356
Linaziede, UAB	303112922	179 352	291 574	461 944	742 900	91.9959
Pusaitis, UAB	303113102	105 248	601 730	460 000	1 140 000	81.0793
Puskaitis, UAB	303112769	262 889	1 309 928	1 197 885	2 719 500	205.6418
Seja, UAB	303113013	171 650	1 006 404	409 000	1 589 900	88.6713
Vasarojus, UAB	303112776	759 566	1 608 492	1 224 430	2 987 100	270.4975
Zalve, UAB	303113045	401 825	881 896	1 056 501	2 099 600	200.3675
Zemgale, UAB	303112744	403 143	911 878	1 248 170	2 321 800	234.0548
Zemynele, UAB	303112559	108 326	552 993	458 430	1 081 800	70.4742
Ziemkentys, UAB	303112648	561 551	2 713 325	2 110 515	5 263 300	408.7962

2012 was a good year for Lithuanian agriculture: growing farms efficiency and competition led to the increase of prices of the land lease and the land itself. Nevertheless, the average price of land in Lithuania remains one of the lowest in the European Union.

Agriculture land market was active in 2013 – large farmers increased the area of land owned, so the Central Lithuania, where the land is the most fertile, captured significant price gains.

Since 2014, changes to the Agricultural Land Acquisition temporary law entered into force. Under these changes, the persons cannot acquire more than 500 acres of agricultural land. Also, the amount of people having pre-emptive right to purchase the land was expanded. Correction determines that the public joint-stock company INVL Baltic Farmland and its Group companies will not be able to invest directly in agricultural land and that increase of the managed portfolio in Lithuania is only possible buying the shares of companies which own the agricultural land.

Based on the estimates of management of the public joint-stock company Invalda LT, the total value of the agricultural land, owned by the Group companies, equaled LTL 36.1 million (LTL 12.2 thousand per acre) in 2013. A positive change in the value of land amounted to LTL 11.2 million, having accounted for deferred income tax effect – 9.5 million, and led to sector gains.

A large part of the rental income in 2013 was invested in improving the quality of land - cadastral measurements of vast part of portfolio and chemical analysis of soil were performed.

Compared with the beginning of 2013, the agriculture land portfolio, managed through the subsidiaries of the public joint-stock company Invalda LT decreased due to the Split-Off of the public joint-stock company Invalda, after which 45.5 percent of all agriculture land, belonging to the Group companies of the public joint-stock company Invalda, were transferred to the public joint-stock company Invalda Privatus Kapitalas.

According to the Department of Statistics, in 2013, compared with 2012, the cultivated land area in Lithuania, increased by 4 percent and amounted to 1.255 million hectares, but yields declined by 4 percent, up to 4.555 million tons. This means that, compared with the record year 2012, fertility declined by 8 percent.

Harvested area, yield and production for all farms

	Harvested area, th. ha		Yield, th. tons		Fertility, 100 kg/ha	
	2012	2013	2012	2013	2012	2013
Grain crops, total	**1202.1**	**1255.4**	**4736.5**	**4550.0**	**39.4**	**36.2**
Winter cereals	594.7	640.7	2810.0	2623.0	47.3	40.9
Summer cereals	565.0	569.8	1846.6	1836.3	32.7	32.2
Leguminous plants	42.4	44.9	79.9	90.7	18.9	20.2

The highest yield of grain crops was in Marijampole, Siauliai and Kaunas counties, 4.7, 4.3 and 4.2 tons per hectare, respectively.

ESTIMATED CONTROL STRUCTURE OF THE PUBLIC JOINT-STOCK COMPANY INVL BALTIC FARMLAND

The public joint-stock company INVL Baltic Farmland governing bodies include:

- General shareholders' meeting;
- The Board (elected from 3 members);
- The Manager (director).

The governing bodies will be elected (appointed) before the registration of the public joint-stock company INVL Baltic Farmland, information about persons elected (appointed) for the Members of the Board and the Manager of the company will be disclosed no later than the next business day after the election (appointment) on the website of the public joint-stock company Invalda LT, www.invaldalt.com.

RISK FACTORS, RELATED TO JOINT-STOCK COMPANY INVL BALTIC FARMLAND

This document provides information about the risk factors associated with the public joint-stock company INVL Baltic Farmland, whose activities will be associated with investments in agricultural land, activities of the Company and its securities.

Information, provided in this document, should not be considered exhaustive and covering all aspects of the risk factors associated with activity and securities of INVL Baltic Farmland.

Risk factors, associated with activities of INVL Baltic Farmland

Prohibition of direct purchase of agricultural land

The public joint-stock company INVL Baltic Farmland will invest in agricultural land in Lithuania through its owned private companies. In 1 January 2014 changes to the Agricultural Land Acquisition temporary law (No. IX-1314) entered into force, providing that a person or related persons may buy agricultural land in a way that the total share of the state and others acquired agricultural land in the area is not more than 500 ha. This means that the public joint-stock company INVL Baltic Farmland and its owned private companies will not be able to directly purchase agricultural land (unless transactions were started before the Law entered into force), and managed agricultural land portfolio could be increased only by the acquisition of shares or other securities of companies owning agricultural land.

Prohibition to purchase more than 500 acres of agricultural land can reduce the amount of buyers of agricultural land, owned by subsidiaries of the public joint-stock company INVL Baltic Farmland, and thus the liquidity and price of the asset.

Risk of additional restrictions on the acquisition or transfer of land

Politicians and various sectors of society have been recently giving a variety of proposals on how to limit the availability to purchase and transfer agricultural land. There may be a ban on the transfer of agricultural land to foreigners, people who do not work on it, or do not live in a certain area, the minimum agricultural land holding period may be introduced. These and similar potential limitations may adversely affect agricultural land liquidity, its prices and reduce assets of the public joint-stock company INVL Baltic Farmland.

The total investment risk

The value of the investment in agricultural land can vary in the short term, depending on the harvest, prices of agricultural products, local demand and supply fluctuations, competition between farmers and financial situation. Investment in agricultural land should be carried out in the medium and long term, so that investor can avoid the short-term price fluctuations. Investing in real estate is connected with the long-term risks.

Agricultural production and other commodity price volatility risk

Agricultural products and other commodities prices are historically characterized by very large fluctuations, on which, in many cases, depends the price of agricultural land. The main factor affecting profitability of agricultural business is the price of the crop (wheat, canola, etc.), but fuel, labor, fertilizers' and other commodity prices also affect the cost of agricultural activity, therefore their increase lowers profit margins and reduces the ability to pay higher prices for agricultural land leases. If high fuel, fertilizer and labor costs coincide with the fall of agricultural output prices, farmers and investors in the agricultural sector may suffer a loss.

Common agricultural risk

The public joint-stock company INVL Baltic Farmland will seek to lease its owned agricultural land to farmers and agricultural companies for the highest price possible. Factors that could adversely affect the agricultural sector may be: weather conditions (floods, droughts, heavy rains, hail, frost, weeds, pests, diseases, fire, climate change related worsening conditions and others). Any of these factors, together or separately, could have a negative impact on farmers' incomes and farmland values. Part of the risks, not all, can be insured, but the insurance costs reduce agricultural profitability, thus not all Lithuanian farmers do it.

Reliance on the European Union and national subsidies

Lithuanian and the European Union farmers' activities and profits are highly dependent on the European Union's Common Agricultural Policy (CAP) **-** EU and national subsidies for agricultural activities. Recent changes to the CAP are valid for the period 2014-2020 and provide that direct payments for the Lithuanian farmers in 2014 will average 149 euros, in 2020 - 196 euros per hectare (now Lithuania payments to farmers equal 144 euros) and will form 75 percent of all EU farmers received payments average.

Elimination of direct payments could have a negative impact on agricultural land rents and values.

Land illiquidity risk

Investments in agricultural land under certain market conditions are relatively illiquid, thus finding buyers for these lands can take time. Investors may consider the investment in agricultural land only if they do not have needs for the sudden liquidity.

Risk of legislative and regulatory changes

Lithuanian law, the European Union directives and other legislative changes may affect the income of farmers and agricultural land rents. For example, changes affecting agricultural products price controls, export restrictions, customs entry or withdrawal, more stringent environmental restrictions could adversely affect the profitability of agriculture.

Tax increase risk

Tax laws change may lead to a greater taxation of the public joint-stock company INVL Baltic Farmland and its group companies, which in turn may reduce the profits and assets of the company.

Inflation and deflation risk

It is likely that during its operational period the public joint-stock company INVL Baltic Farmland will face both inflation and deflation risks as investments in agricultural land are long term. If the profit from the agriculture land rent will be less than the inflation rate, it will result in loss of purchasing power. It is estimated that investment in agricultural land profitability is highly correlated with inflation.

Credit risk

The public joint-stock company INVL Baltic Farmland will seek to lease agricultural land plots in the highest price possible to farmers in Lithuania and agricultural companies. There is a risk that tenants of the land will not fulfill their obligations - it would adversely affect the profit of the public joint-stock company INVL Baltic Farmland. Large parts of liabilities not fulfilled in time may cause disturbances in activities of the public joint-stock company INVL Baltic Farmland, there might be a need to seek additional sources of financing, which may not always be available.

The public joint-stock company INVL Baltic Farmland also bears the risk of holding funds in bank accounts or investing in short-term financial instruments.

Liquidity risk

The public joint-stock company INVL Baltic Farmland may be faced with a situation where it will not be able to settle with suppliers and other creditors in time. The company will seek to maintain adequate liquidity levels or secure funding in order to reduce this risk.

Currency risk

The public joint-stock company INVL Baltic Farmland forms agricultural land rental transactions in litas or Euros; therefore the currency risk is low.

Interest rate risk

Interest rate risk mainly includes loans with a variable interest rate. The public joint-stock company INVL Baltic Farmland plans to use very small amount of debt. Rising interest rates worldwide may adversely affect the values of property - agricultural land.

Large shareholders risk

Three shareholders of the public joint-stock company INVL Baltic Farmland together with related parties at the start of company's activities will hold more than 90 percent of shares and their voting will influence the election of the directors of company, essential decisions regarding management of the public joint-stock company INVL Baltic Farmland, operations and financial position. There is no guarantee that the decisions made by the major shareholders' will always coincide with the opinion and interest of the minority shareholders. Large shareholders have the right to block the proposed solutions of other shareholders.

The Split-Off from the public joint-stock company Invalda LT risk

The public joint-stock company INVL Baltic Farmland will be established in the process of split-off of the public joint-stock company Invalda LT and will take over 14.45 percent of assets, equity and liabilities of the public joint-stock company Invalda LT. If certain public joint-stock company's Invalda LT obligations will not be distributed to all companies operating after the separation, then all post-split-off-based companies will be jointly liable for it. Each of the companies' responsibility will be limited by the size of equity, attributable under the Split-Off conditions.

When any obligation of the public joint-stock company Invalda LT under the terms of the split-off will be assigned to one of the company, established after the split-off, that company will be liable to answer the obligation. If this company does not meet the whole or part of the obligation, and there is no additional guarantee provided to creditors under the Company Law, all post-split-off companies will be jointly liable for that obligation (or part of it). Each of the companies' responsibility will be limited by the size of equity, attributable under the split-off conditions.

Market-related risks

Market risk

Shareholders of the public joint-stock company INVL Baltic Farmland bear the risk of incurring losses due to adverse changes in the market price of the shares. The stock price drop may be caused by negative changes in assets value and profitability of the company, general stock market trends in the region and the world. Trading of shares of the public joint-stock company INVL Baltic Farmland may depend on comments of the brokers and analysts and published independent analyzes of the company and its activities. The unfavorable analysts' outlook of the shares of the public joint-stock company INVL Baltic Farmland may adversely affect the market price of the shares. Non-professional investors assessing the shares are advised to seek the assistance of intermediaries of public trading or other experts in this field.

Liquidity risk

If demand for shares decreases or they are deleted from the stock exchange, investors will face the problem of realization of shares. If the financial situation of the public joint-stock company's INVL Baltic Farmland deteriorates, the demand for company's shares may drop, which will lead to fall in share price.

Dividend payment risk

Dividend payment to the shareholders of the public joint-stock company INVL Baltic Farmland is not guaranteed and will depend on the profitability, investment plans and the overall financial situation of the company.

Tax and legal risk

Changes in the equity-related legislation or state tax policy can change shares attractiveness of the public joint-stock company INVL Baltic Farmland. This may reduce the liquidity of the shares of the company and/or price.

Inflation risk

When inflation increases, the risk, that the stock price change may not offset the current rate of inflation, appears. In this case, the real returns from capital gain on market shares for traders may be less than expected.

The initial stock price risk

The shares of the public joint-stock company INVL Baltic Farmland, prior to inclusion in the stock market, have not been publicly traded. As a result, their stock price, having added them to the trading list, will be determined on the basis of the purchase and sale orders, which may depend on subjective factors, such as the market and the economic situation, as well as performance evaluation of the public joint-stock company INVL Baltic Farmland, the interest of investors. As a result, the initial share price may not reflect accurately the true value and have high fluctuations.

The legal status change risk

The public joint-stock company INVL Baltic Farmland intends to apply for closed-end investment company license, issued by the bank of Lithuania. This will lead to changes in the shareholders' protection of the company and certain operating restrictions. Closed-end investment company shareholders are under no obligation to publish an official tender offer, the company has a limited duration and is a subject to certain diversification requirements. Becoming a closed-end investment company will influence only certain restrictions on the activities and supervision, which may increase the company's operating costs.

INFORMATION ON THE PUBLIC JOINT-STOCK COMPANY INVL TECHNOLOGY, FORMED IN THE SPLIT – OFF

On the basis of the Split-Off terms, 47.95 percent of the total assets, equity and liabilities of the public joint-stock company Invalda LT will be split-off. 2.6 percent of the total assets, equity and liabilities (**book values**) of the Company participating in the Split-Off shall be transferred to public joint-stock company INVL Technology.

Interim financial statements prepared for 31 December 2013 include:

Thousand, LTL	**Unconsolidated balance sheet of INVL Technology, AB**	**Consolidated balance sheet of INVL Technology, AB**
Percent	2.60 percent	
Intangible assets		7,028
Property, plant and equipment		2,087
Investments into subsidiaries	4,003	
Loans granted		
Loan granted to Cedus Invest, UAB	479	479
Trade and other receivables		13,528
Deferred income tax assets		69
Reserves		809
Prepayments and deferred charges		363
Cash and cash equivalents	65	3,732
Total assets	**4,547**	**28,095**
Loans	379	13,943
Deferred income tax liability		68
Trade creditors		7,936
Other current liabilities		4,444
Total liabilities	**379**	**26,391**
Total equity	**4,168**	**1,704**

KEY DATA ON THE PUBLIC JOINT-STOCK COMPANY INVL TECHNOLOGY FORMED IN THE SPLIT – OFF:

	Description
Name of the legal entity	public joint - stock company INVL Technology
Legal form of the legal entity	public joint - stock company
Registered address	Seimyniskiu str. 1A, LT-09312, Vilnius, Lithuania
Company code	shall be provided after registration in accordance with Legal acts of the Republic of Lithuania of the Split-Off Company in the Register of Legal Entities
The VAT payer‘s code	shall be provided in accordance with Legal acts of the Republic of Lithuania after registration of the Split-Off Company in the VAT payer’s register.
Register which accumulates and stores the data about the legal entity	Vilnius Branch of the Register of Legal Entities
Authorized capital	LTL 592 730 , will be formed in line with those Terms
Fully paid authorized capital	LTL 592 730
Number of shares	592 730
Nominal value per one share	LTL 1
Class of the shares	ordinary registered shares
Type of the shares	un-certificated
ISIN code of the shares	shall be provided after registration in accordance with Legal acts of the Republic of Lithuania of the Split-Off Company in the Register of Legal Entities
Regulated market on which the shares are traded	NASDAQ OMX Vilnius. Shares will be admitted to trading under minimum statutory terms.
Share account manager	the agreement will be executed after registration of the Split - Off Company

The shares of Split-Off Companies are allocated to Shareholders of the public joint-stock company Invalda LT proportional to their stake in the public joint-stock company Invalda LT; therefore, shareholders’ structure of the public joint-stock company INVL Technology will remain similar to Invalda LT (taking into account the nonessential deviations possible due to arithmetic rounding).

Public joint-stock company INVL Technology shall own 80 percent of shares in BAIP Group, UAB as well as other assets and liabilities listed in the Annex 10 (Part 5). IT segment results of the public joint-stock company Invalda LT are presented in the consolidated financial statements of the public joint-stock company Invalda LT.

BAIP Group, UAB (code 300893533) - is a group of specialized IT companies working in the field of business environment improvement projects, integrated national information system’ design, critical IT infrastructure’s resilience, national cyber security and cyber defence.

History:

Positor, UAB (current name – BAIP Group, UAB) was established by Invalda LT, AB together with the team of IT specialists in 2007. The company acquired Baltic Amadeus Infrastrukturos Paslaugos, UAB, a company separated from Baltic Amadeus, providing infrastructure projects and other services,.

BAIP Group, UAB acquired companies Acena, UAB, providing Microsoft solutions, and a small company Informatikos pasaulis, UAB in 2008.

BAIP Group, UAB acquired 100 percent of shares in Norway company Norway Registers Development as well as acquired control over Lithuanian company NRD, UAB, providing programing services, in 2011.

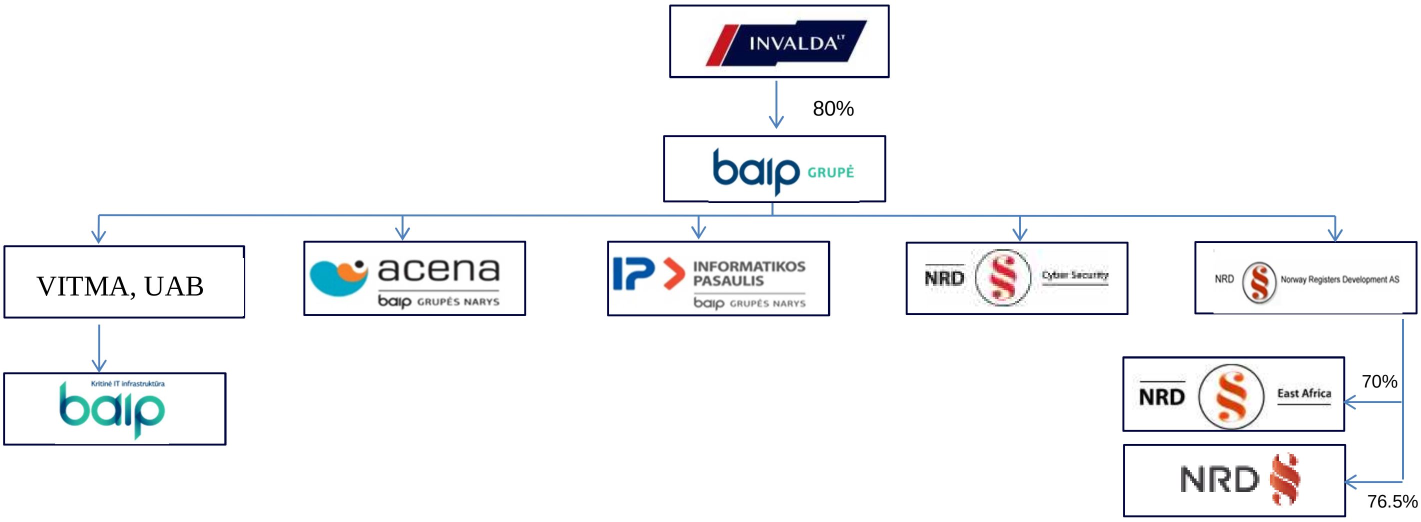
In 2013 Norway Registers Development, AS acquired the company 360 Smart Consulting (current name - Norway Registers Development East Africa) situated in Tanzania.

NRD CS, UAB, offering cyber securities services, started operating in the market in the beginning of 2014. BAIP Group, UAB holds 100 percent of shares in NRD CS, UAB.

The company		**Manager**	**Description of services**
BAIP Group, UAB (Lithuania)		Kazimieras Tonkunas	Investments into information technology (IT) companies
VITMA, UAB		Kazimieras Tonkunas	Investments into information technology (IT) companies
BAIP, UAB (Lithuania)		Gytis Umantas	IT infrastructure solutions. IT security consultations. IT infrastructure support services
NRD CS, UAB (Lithuania)		Vilius Benetis	Cyber security services
Acena, UAB (Lithuania)		Marius Lescinskas	IT infrastructure support services
Informatikos pasaulis, UAB (Lithuania)		Marius Lescinskas	IT infrastructure solutions
Norway Registers Development AS (Norway)		Rimantas Zylius (since 2014)	Creation of new register reforms in various countries. Providing consultancy on the information system design
NRD, UAB (Lithuania)		Arnoldas Sidlauskas	Creation of new register reforms in various countries. Providing consultancy and implementation of the information system design, other services
NRD East Africa (Tanzania)		Sebastian Marondo	Creation of new register reforms in various countries. Providing consultancy on the information system design

Annex 9

Group structure:



Key information on BAIP Group, UAB and companies owned by BAIP Group, UAB

Name	**Company code**	**Authorised capital (LTL)**	**Number of shares**	**Amount of owned shares**	**Major shareholders**
BAIP Group, UAB	300893533	5 000 000	5 000 000	0	Invalda LT, AB (INVL Technology, AB after the Split-Off) holds 80 percent (or 4000 shares) of the total amount of issued shares
BAIP, UAB	301318539	10 000	100	0	BAIP Group, UAB holds 100 percent of shares in the company
Limited liability company Vitma	121998756	2 532 200	2 532 200	0	BAIP Group, UAB holds 100 percent of shares in the company
Limited liability company Acena	300935644	126 000	12 600	0	BAIP Group, UAB holds 100 percent of shares in the company
Informatikos pasaulis, UAB	126396718	250 000	2 500	0	BAIP Group, UAB holds 100 percent of shares in the company
Limited liability company NRD	111647812	881 500	10 250	67	BAIP Group, UAB holds 76.5 percent of shares in the company
NRD CS, UAB	303115085	10 000	10 000	0	BAIP Group, UAB holds 100 percent of shares in the company
Norway Registers Development AS		61 290	1 500	0	BAIP Group, UAB holds 100 percent of shares in the company
Norway Registers Development East Africa Limited		15 976	1 000	0	BAIP Group, UAB holds 70 percent of shares in the company

More information about development and description of services of BAIP Group, UAB and companies owned by BAIP Group, UAB is provided on www.baipgrupe.lt/en.

During the Split-Off Invalda LT, AB shall transfer to the public joint-stock company INVL Technology 100 percent of owned shares in INVL Technology, UAB (which shall change its name during the Split-Off and give the right to the symbolic name INVL Technology to the Split-Off company).

Competitors review

Main competitors of BAIP, UAB in the Lithuanian market are Atea Baltic, UAB, Blue Bridge, UAB as well as Alna, UAB, and Santa Monica Networks, UAB. Norway Registers Development AS Group competes with local as well as international companies in the international markets.

Prime Investment, UAB provides ranking of the leading Baltic IT services companies. The ranking of TOP-20 Baltic IT services companies for the year 2012 is listed below:

Prime TOP-20 Baltic IT services companies in 2012, Euro '000

		Company	IT services revenue			% of total revenue	Total revenue		
			2012	2011	Growth, % y-o-y	2012	2012	2011	Growth, % y-o-y
1	↑(1)	Nortal	39.553	33.576	18%	94%	41.914	34.647	21%
2	↓(1)	Tieto Baltics*	36.848	34.101	8%	94%	39.099	34.583	13%
3	n/a	Elion	19.669	20.056	-2%	56%	34.988	36.166	-3%
4	↔	Exigen Services	17.515	15.776	11%	90%	19.368	16.720	16%
5	↑(1)	BDC (fmr. Baltic Data Center)	16.917	13.708	23%	81%	20.983	15.886	32%
6	↓(1)	Affecto Lietuva	16.684	16.167	3%	100%	16.684	16.167	3%
7	↓(4)	Alna Group	15.783	17.218	-8%	70%	22.534	22.223	1%
8	↓(1)	Santa Monica Networks Group	15.589	11.740	33%	27%	57.008	51.853	10%
9	↔	Atea	13.788	10.992	25%	16%	86.700	56.000	55%
10	↓(2)	Lattelecom Technology	13.454	11.593	16%	88%	15.334	12.859	19%
11	n/a	Helmes	7.972	6.909	15%	69%	11.634	10.113	15%
12	↓(1)	Blue Bridge	7.877	8.477	-7%	31%	25.188	23.215	8%
13	↑(2)	Rix Technologies	5.106	4.176	22%	100%	5.106	2.090	23%
14	↑(2)	New Vision Baltija	4.473	3.674	22%	38%	11.692	8.327	40%
15	↓(2)	Sintagma (Asseco)	4.390	5.788	-24%	82%	5.369	8.168	-34%
16	n/a	NFQ	4.253	2.308	84%	100%	4.253	2.308	84%
17	↑(1)	DEAC	4.140	2.626	58%	85%	4.877	3.260	50%
18	↓(1)	Tilde	3.906	3.441	14%	100%	3.906	3.441	14%
19	↓(5)	Elsis Group	3.234	3.950	-18%	63%	5.174	5.983	-14%
20	↔	No Magic	3.077	2.883	7%	100%	3.077	2.883	7%
					10,9%				18,5%

*Preliminary information.

SOURCE: Prime Investment, UAB

ESTIMATED MANAGEMENT STRUCTURE OF THE PUBLIC JOINT-STOCK COMPANY INVL TECHNOLOGY

Governing bodies of the public joint-stock company INVL Technology include:

- General shareholders' meeting;
- The Board (elected from 3 members);
- The Manager (director).

The governing bodies will be elected (appointed) before the registration of the public joint-stock company INVL Technology, information about elected (appointed) Board Members and as the Manager of the company will be disclosed no later than the next business day after the election (appointment) on the website of the public joint-stock company Invalda LT, www.invaldalt.com.

RISK FACTORS, RELATED TO THE PUBLIC JOINT-STOCK COMPANY INVL TECHNOLOGY

This document provides information about the risk factors associated with activity and securities of the public joint-stock company INVL Technology, a Split-Off part from the public joint-stock company Invalda LT. Activities of the split-off company will be associated with investments into IT companies.

Information, provided in this document, should not be considered complete and covering all aspects of the risk factors associated with the public joint-stock company's INVL Technology activity and securities.

Risk factors, associated with activities of INVL Technology

Rapid changes in technology and market

Changes in the IT and related markets take place rapidly therefore failure to adapt to these changes can lead to impairment of profitability and reduction of value of the investment.

Dependence on managing bodies and human resources

Information technology services companies highly depend on human resources. Profit and value can reduce significantly if the key persons leave the company of INVL Technology, AB. The risk can be reduced using implementation of the right motivation system, which should tally with the conditions in the market.

Agreement of shareholders of BAIP Group, UAB

Owned portfolio of 80 percent of shares in BAIP Group, UAB will be the main asset of the public joint-stock company INVL Technology. Shareholders of the public joint-stock company INVL Technology has signed an agreement, which includes decision making as well as trading in share and options motivation system for the management of the company. Implementation of provisions of an agreement may result in situation that owned amount of votes in the public joint-stock company INVL Technology will no longer last in majority right in making essential decisions among the shareholders. On certain occurrence, success in achievement of goals of the management and after realisation of stock options, the part of shares in BAIP Group, UAB, owned by the public joint-stock company INVL Technology may reduce to 50.01 percent. Moreover, an order on shares trading settled in the agreement may prevent to achieve maximum investment value. An agreement settles that after achieving target equity value, 49.99% of the price above would belong to the management

The total investment risk

The value of the investment in IT services companies can vary in the short term, depending on the market situation. Investment in IT services companies should be carried out in the long term, so that investor can avoid the short-term price fluctuations. Investing in IT services companies is connected with the risk bigger that medium.

Investments illiquidity risk

Investments in IT services companies under certain market conditions are relatively illiquid, thus finding buyers for these companies can take time. Investors may consider the investment in IT services companies only if they do not have needs for the sudden liquidity.

Risk of legislative and regulatory changes

Law system change and other changing legislative in Lithuania as well as in other countries, where the public joint-stock company INVL Technology participates in the market, may affect the activity, income and value of IT services companies.

Tax increase risk

Tax laws change may lead to a greater taxation of the public joint-stock company INVL Technology and its group companies (directly and indirectly), which in turn may reduce the profits and assets of the company.

Inflation and deflation risk

It is likely that during its operational period the public joint-stock company INVL Technology will face both inflation and deflation risks. If the profit from the investments will be less than the inflation rate, it will result in loss of purchasing power.

Credit risk

There is a risk that buyers of the production and services of the public joint-stock company INVL Technology will not fulfil their obligations - it would adversely affect the profit of the public joint-stock company INVL Technology. Large parts of liabilities not fulfilled in time may cause disturbances in activities of the public joint-stock company INVL Technology, there might be a need to seek additional sources of financing, which may not always be available.

The public joint-stock company INVL Technology also bears the risk of holding funds in bank accounts or investing in short-term financial instruments.

Liquidity risk

The public joint-stock company INVL Technology may be faced with a situation where it will not be able to settle with suppliers and other creditors in time. The company will seek to maintain adequate liquidity levels or secure funding in order to reduce this risk.

Currency risk

The public joint-stock company INVL Technology bears the currency risk of USA dollar and other currencies.

Interest rate risk

Interest rate risk mainly includes loans with a variable interest rate.

Large shareholders risk

Three shareholders of the public joint-stock company INVL Technology together with related parties after the split-off will hold together more than 90 percent of shares in company and shares and their voting will influence the election the election of the Members of the Board as well as the essential decisions regarding management of the public joint-stock company INVL Technology, operations and financial position. There is no guarantee that the decisions of the major shareholders' will always coincide with the opinion and interest of the minority shareholders. Large shareholders have the right to block the proposed solutions of other shareholders.

The Split-Off from the public joint-stock company Invalda LT risk

The public joint-stock company INVL Technology will be established in the process of split-off of the public joint-stock company Invalda LT and will take over 2.6 percent of assets, equity and liabilities of the public joint-stock company Invalda LT. If certain public joint-stock company's Invalda LT obligations will not be distributed to all companies operating after the separation, then all post-split-off-based companies will be jointly liable for it. Each of the companies' responsibility will be limited by the size of equity, attributable under the Split-Off conditions.

When any obligation of the public joint-stock company Invalda LT under the terms of the split-off will be assigned to one of the companies', established after the split-off, that company will be liable to answer the obligation. If this company does not meet the whole or part of the obligation, and there is no additional guarantee provided to creditors under the Company Law, all post-split-off companies will be jointly liable for that obligation (or part of it). Each of the companies' responsibility will be limited by the size of equity, attributable under the split-off conditions.

Market-related risks

Market risk

Shareholders of the public joint-stock company INVL Technology bear the risk of incurring losses due to adverse changes in the market price of the shares. The stock price drop may be caused by negative changes in company's assets value and profitability, general stock market trends in the region and the world. Trading in shares of the public joint-stock company INVL Technology may depend on the comments of brokers and analysts as well as published independent analyses of the company and its activities. The unfavourable analysts' outlook of the public joint-stock company's INVL Technology shares may adversely affect the market price of the shares. Non-professional investors assessing the shares are advised to seek the assistance of intermediaries of public trading or other experts in this field.

Liquidity risk

If demand for shares decreases or they are unlisted from the stock exchange, investors will face the problem of realization of shares. If the financial situation of the public joint-stock company INVL Technology deteriorates, the demand for company's shares may drop, which will lead to fall in share price.

Dividend payment risk

Dividend payment to shareholders of the public joint-stock company INVL Technology is not guaranteed and will depend on the profitability, investment plans and the overall financial situation of the company.

Tax and legal risk

Changes in the equity-related legislation or state tax policy can effect attractiveness of shares of the public joint-stock company INVL Technology. This may reduce the liquidity of the shares of the company and/or price.

Inflation risk

When inflation increases, the risk, that the stock price change may not offset the current rate of inflation, appears. In this case, the real returns from capital gain on market shares for traders may be less than expected.

The initial stock price risk

Shares in the public joint-stock company INVL Technology, prior to inclusion in the stock market, have not been publicly traded. As a result, their stock price, having added them to the trading list, will be determined on the basis of the purchase and sale orders, which may depend on subjective factors, such as the market and the economic situation, performance evaluation of the company as well as the interest of investors. As a result, the initial share price may not reflect accurately the true value and have high fluctuations.

The legal status change risk

The public joint-stock company INVL Technology intends to apply for closed-end investment company license, issued by the bank of Lithuania. This will lead to changes in the protection of company's shareholders' and certain operating restrictions. Shareholders of closed-end investment company are under no obligation to publish an official tender offer; the company has a limited duration of operating and is a subject to certain diversification requirements. Becoming a closed-end investment company will influence only certain restrictions on the activities and supervision, which may increase the company's operating costs.

THE BALANCE SHEET OF THE SPLIT – OFF OF INVALDA LT, AB AND INFORMATION ABOUT ASSETS, LIABILITIES AND EQUITY TRANSFERRED TO THE SPLIT-OFF COMPANIES

THE BALANCE SHEET OF THE SPLIT – OFF OF INVALDA LT, AB AS OF 12 DECEMBER 2013

Litas (LTL)	**THE BALANCE SHEET OF INVALDA LT, AB AS OF 12 DECEMBER 2013**	**INVL Baltic Real Estate, AB**	**INVL Baltic Farmland, AB**	**INVL Technology, AB**	**Invalda LT, AB after the split-off**
Percent		30.90%	14.45%	2.60%	52.05%
Intangible assets	49,716				49,716
Property, plant and equipment	32,719				32,719
Investments into subsidiaries	52,839,656	38,698,035	6,102,022	4,003,300	4,036,299
Investments into associates and joint ventures	25,107,714				25,107,714
Investments available-for-sale	1,705,328				1,705,328
Loans granted	59,902,235	14,268,333	16,045,713		29,588,189
Loan granted to Cedus Invest, UAB	16,528,664	293,295	2,693,294	478,512	13,063,563
Trade and other receivables	2,555,904				2,555,904
Deferred income tax assets	8,008,161		67,500		7,940,661
Prepayments and deferred charges	44,894	4,942			39,952
Financial assets at fair value through profit loss	5,602,373				5,602,373
Cash and cash equivalents	2,514,856	777,091	363,397	65,386	1,308,982
Total assets	**174,892,220**	**54,041,696**	**25,271,926**	**4,547,198**	**91,031,400**
Authorised capital	22,797,297	7,044,365	3,294,209	592,730	11,865,993
Share premium	33,138,695	10,239,857	4,788,541	861,606	17,248,691
Reserves	76,908,738	23,764,800	11,113,313	1,999,627	40,030,998
Retained profit	27,464,830	8,486,632	3,968,668	714,086	14,295,444
Total equity	**160,309,560**	**49,535,654**	**23,164,731**	**4,168,049**	**83,441,126**
Loans	12,682,265	4,506,042	2,107,195	379,149	5,689,879
Other current liabilities	1,900,395				1,900,395
Total liabilities	**14,582,660**	**4,506,042**	**2,107,195**	**379,149**	**7,590,274**

All the assets, liabilities and equity of Invalda LT, AB will be split in such way that the ratio mentioned in the Split-Off terms and in this particular annex should remain unchanged. The above mentioned ratio will not apply on each balance sheet item of Companies participating in the Split-Off.

THE BALANCE SHEET OF INVALDA LT, AB AND INFORMATION ABOUT ASSETS, LIABILITIES AND EQUITY TRANSFERRED TO THE SPLIT-OFF COMPANIES

THE CONSOLIDATED BALANCE SHEET OF INVALDA LT, AB AS OF 31 DECEMBER 2013

Thousand, LTL	Invalda LT, AB consolidated balance sheet as of 31 December 2013	INVL Baltic Real Estate, AB	INVL Baltic Farmland, AB	INVL Technology, AB	Invalda LT, AB consolidated balance sheet after the split-off	Loans eliminated on consolidation among group companies
Intangible assets	8,334	3	20	7,028	1,283	
Property, plant and equipment	5,416	41	4	2,087	3,284	
Investment properties	180,548	129,461	36,087	0	15,000	
Investments into joint ventures	87,110	0	0	0	87,110	
Investments available-for-sale	1,705	0	0	0	1,705	
Loans granted	30,297	14,031	2,693	479	36,713	-23,619
Trade and other receivables	21,440	1,148	214	13,528	6,550	
Deferred income tax assets	8,420	5	68	69	8,278	
Inventories	2,959	0	0	809	2,150	
Prepayments and deferred charges	4,006	2,952	5	363	686	
Financial assets at fair value through profit loss	5,602	0	0	0	5,602	
Cash and cash equivalents	12,096	2,527	477	3,732	5,360	
Total assets	**367,933**	**150,168**	**39,568**	**28,095**	**173,721**	**-23,619**

Thousand, LTL	Invalda LT, AB consolidated balance sheet as of 31 December 2013	INVL Baltic Real Estate, AB	INVL Baltic Farmland, AB	INVL Technology, AB	Invalda LT, AB consolidated balance sheet after the split-off	Loans eliminated on consolidation among group companies
Borrowings	109,833	91,941	2,107	13,943	25,461	-23,619
Financial lease liabilities	214	0	0	64	150	
Trade payables	10,271	313	54	7,936	1,968	
Deferred income tax liabilities	15,355	11,721	2,971	68	595	
Government grants	46	0	0	46	0	
Advanced received	2,196	157	21	966	1,052	
Other liabilities	8,790	1,715	30	3,368	3,677	
Total liabilities	**146,705**	**105,847**	**5,183**	**26,391**	**32,903**	**-23,619**
Total equity	**221,228**	**44,321**	**34,385**	**1,704**	**140,818**	**0**

CONSOLIDATED PROFIT (LOSS) STATEMENT OF INVALDA LT, AB, PARTICIPATING IN THE SPLIT-OFF, AS OF YEAR 2013

Thousand, LTL	Invalda LT, AB consolidated balance sheet as of 31 December 2013	INVL Baltic Real Estate, AB	INVL Baltic Farmland, AB	INVL Technology, AB	Invalda LT, AB consolidated balance sheet after the split-off	Loans eliminated on consolidation among group companies
Sales revenue	98,219	23,506	1.258	50,274	23,181	0
Other revenues	1,785	52	10	128	3,306	-1,711
Profit from transfer of subsidiaries and associates	1,333	0	0	0	1,333	0
Change of value of investment property	10,047	-2,256	11,303	0	1,000	0
Financial assets at fair value	1,540	0	0	114	1,426	0
Gain of the split-off	84,819	0	0	0	84,819	0
Changes in inventories of finished goods, work in progress	-32	0	0	0	-32	0
Raw materials and consumables	-33,560	-35	-8	-27,190	-6,327	0
Residential real estate price	-1,967	-1,967	0	0	0	0
Employee benefits expenses	-24,173	-1,625	-168	-10,365	-12,015	0
Provision and impairment of asset	4,826	5,145	-74	-178	-67	0
Premises rent and utilities	-13,306	-11,265	-4	-627	-1,410	0
Depreciation and amortization	-3,979	-142	-8	-2,498	-1,331	0
Repair and maintenance of premises	-6,899	-3,109	0	-26	-3,764	0
Other expenses	-13,808	-3,611	-529	-7,260	-2,408	0
Operating profit	**104,845**	**4,693**	**11,780**	**2,372**	**87,711**	**-1,711**
Finance costs	-2,332	-2.999	0	-1,476	432	1,711
Share of profit from associates and joint ventures	7,120	-89	0	0	7,209	0
Profit before income tax	**109,633**	**1.605**	**11,780**	**896**	**95,352**	**0**
Income tax expense	-3,169	429	-1,636	-172	-1,790	0
Profit for the period from continuing operation	**106,464**	**2,034**	**10,144**	**724**	**93,562**	**0**
Profit/ (loss) after income tax for discontinued operation	3,962	0	0	0	3,962	0
PROFIT FOR THE PERIOD	**110,426**	**2,034**	**10,144**	**724**	**97,524**	**0**

THE BALANCE SHEET OF INVALDA LT, AB AND INFORMATION ABOUT ASSETS, LIABILITIES AND EQUITY TRANSFERRED TO THE SPLIT-OFF COMPANIES

THE ASSETS, LIABILITIES AND EQUITY TRANSFERRED TO INVL BALTIC REAL ESTATE, AB

30.9 percent of assets, liabilities and equity of Invalda LT, AB will be transferred to the Split-Off company INVL Baltic Real Estate, AB. The transferred part comprises of (on the day of the preparation of the Split-Off terms):

No.	The name	A part (percent)
	ASSET	
1	Invaldos Nekilnojamojo Turto Fondas, AB, code 152105644, the ordinary registered shares	100
2	Rovelija, UAB, code 30257584, the ordinary registered shares	100
3	The right of claims to Rovelija, UAB related to loans agreements	100
4	The right of claims to Dommo Biznesa Parks, SIA	100
5	The right of claims to Dommo Grupa, SIA	100
6	The right of claims to DPB Invest, SIA	100
7	The right of claims to Gints Vilgerts	100
8	INVL Baltic Real Estate, UAB, code 303252098, the ordinary registered shares	100
9	A part of cash and the right of claims to Cedus Invest, UAB	The amount of cash and/or right of claims to Cedus Invest, UAB shall be transferred in a way that the book value of transferable assets does not exceed 30.9 percent of total assets of Invalda LT, AB on the e transfer - acceptance certificates signing day.
	EQUITY	Each separate balance sheet item will be divided according to the ratio stated in the split-off terms. The changes in the balance sheet due to arithmetical rounding will be adjusted using sum of the allocated retained earnings.
	LIABILITIES	
1	Liabilities to Invaldos Nekilnojamojo Turto Fondas, AB.	100
2	Part of liabilities to Siauliu bankas, AB	A part of liabilities to Siauliu bankas, AB shall be transferred in a way that the book value of transferable liabilities does not exceed 30.9 percent of total liabilities of Invalda LT, AB on the transfer - acceptance certificates signing day.

THE BALANCE SHEET OF INVALDA LT, AB AND INFORMATION ABOUT ASSETS, LIABILITIES AND EQUITY TRANSFERRED TO THE SPLIT-OFF COMPANIES

THE ASSETS, LIABILITIES AND EQUITY TRANSFERRED TO INVL BALTIC FARMLAND, AB

14.45 percent of assets, liabilities and equity of Invalda LT, AB will be transferred to the Split-Off company INVL Baltic Farmland, AB. The transferred part comprises of (on the day of the preparation of the Split-Off terms):

No.	The name	A part (percent) or absolute amount (LTL)
	ASSETS	
1	Shares in public joint-stock companies listed in Table No. 1 of this Annex and right of claim to them due to the loan agreements	100
2	Deferred income tax asset	LTL 450 000 taxing operation loss
3	A part of cash and the right of claims to Cedus Invest, UAB	The amount of cash and/or right of claims to Cedus Invest, UAB shall be transferred in a way that the book value of transferable assets does not exceed 14.45 percent of total assets of Invalda LT, AB on the transfer - acceptance certificates signing day.
	EQUITY	Each separate balance sheet item will be divided according to the ratio stated in the terms of the split-off. The changes in the balance sheet due to arithmetical rounding will be adjusted using sum of the allocated retained earnings.
	LIABILITIES	
1	Part of liabilities to Siauliu bankas, AB	A part of liabilities to Siauliu bankas, AB shall be transferred in a way that the book value of transferable liabilities does not exceed 14.45 percent of total liabilities of Invalda LT, AB on the transfer - acceptance certificates signing day.

Table no. 1

Detail information about transfer of shares in INVL Baltic Farmland, AB and loans granted to them on 31 December 2013:

The name	Code	Authorised capital, LTL	Amount of shares	Loans granted by Invalda LT, AB, LTL
Avizele, UAB	303113077	163 325	163 325	570 000
Berzyte, UAB	303112915	103 018	103 018	1 195 691
Dirvolika, UAB	303112954	461 063	461 063	894 937
Duonis, UAB	303112790	298 189	298 189	1 075 312
Ekotra, UAB	303112623	291 463	291 463	1 288 397
Kvietukas, UAB	303112687	153 513	153 513	712 056
Laukaitis, UAB	303112694	221 922	221 922	1 085 880

Lauknesys, UAB	303112655	142 396	142 396	596 565
Linaziede, UAB	303112922	179 352	179 352	461 944
Pusaitis, UAB	303113102	105 248	105 248	460 000
Puskaitis, UAB	303112769	262 889	262 889	1 197 885
Seja, UAB	303113013	171 650	171 650	409 000
Vasarojus, UAB	303112776	759 566	759 566	1 224 430
Zalve, UAB	303113045	401 825	401 825	1 056 501
Zemgale, UAB	303112744	403 143	403 143	1 248 170
Zemynele, UAB	303112559	108 326	108 326	458 430
Ziemkentys, UAB	303112648	561 551	561 551	2 110 515
INVL Baltic Farmland, UAB	303252162	10 000	10 000	-

Annex 10
Part 5

THE BALANCE SHEET OF INVALDA LT, AB AND INFORMATION ABOUT ASSETS, LIABILITIES AND EQUITY TRANSFERRED TO THE SPLIT-OFF COMPANIES

THE ASSETS, LIABILITIES AND EQUITY TRANSFERRED TO INVL TECHNOLOGY, AB

2.6 percent of assets, liabilities and equity of Invalda LT, AB will be transferred to the Split-Off company INVL Technology, AB. The transferred part comprises of (on the day of the preparation of the Split-Off terms):

No.	The name	A part (percent)
	ASSETS	
1	80 percent of ordinary registered shares in BAIP Grupe UAB, code 300893533.	100
2	100 percent of ordinary registered shares in INVL Technology, UAB, code 303252340.	100
3	A part of cash and the right of claims to Cedus Invest, UAB	The amount of cash and/or right of claims to Cedus Invest, UAB shall be transferred in a way that the book value of transferable assets does not exceed 2.6 percent of total assets of Invalda LT, AB on the the transfer - acceptance certificates signing day.
	EQUITY	Each separate balance sheet item will be divided according to the ratio stated in the terms of the split-off. The changes in the balance sheet due to arithmetical rounding will be adjusted using sum of the allocated retained earnings.
	LIABILITIES	
1	Part of liabilities to Siauliu bankas, AB	A part of liabilities to Siauliu bankas, AB shall be transferred in a way that the book value of transferable liabilities does not exceed 2.6 percent of total liabilities of Invalda LT, AB on the transfer - acceptance certificates signing day.