

# CITYSERVICE

In service of your property

## AB „CITY SERVICE“

Consolidated interim financial statements for the  
six months period ended 30 June, 2014  
(unaudited)



## STATEMENTS OF FINANCIAL POSITION

	GROUP		COMPANY	
	As of 30 June 2014	As of 31 December 2013	As of 30 June 2014	As of 31 December 2013
<b>Assets</b>				
<b>NON-CURRENT ASSETS</b>				
Goodwill	33,432	33,306	-	-
Other intangible assets	53,721	54,456	542	490
Property, plant and equipment	67,434	63,163	1,454	812
Investment property	280	280	-	-
Investments into subsidiaries	-	-	121,754	121,754
Investments into associates	6,301	652	5,110	-
Non-current financial assets receivables and prepayments	10,727	7,267	17,847	50,731
Deferred income tax asset	17,070	15,702	436	421
<b>Total non-current assets</b>	<b>188,965</b>	<b>174,826</b>	<b>147,143</b>	<b>174,208</b>
<b>CURRENT ASSETS</b>				
Inventories	4,610	5,692	-	-
Prepayments	5,361	10,034	149	183
Trade receivables	182,948	180,147	39,328	47,278
Receivables from related parties (including loans granted)	395	152	32,966	6,037
Other receivables and current assets	20,765	9,787	5,600	1,618
Cash and cash equivalents	43,951	38,528	15,424	936
<b>Total current assets</b>	<b>258,030</b>	<b>244,340</b>	<b>93,467</b>	<b>56,052</b>
Assets held for sale (Ecoservice UAB waste management and eco-business)	-	63,256	-	55,091
<b>Total assets</b>	<b>446,995</b>	<b>482,422</b>	<b>240,610</b>	<b>285,351</b>

**STATEMENTS OF FINANCIAL POSITION (cont'd)**

	GROUP		COMPANY	
	As of 30 June 2014	As of 31 December 2013	As of 30 June 2014	As of 31 December 2013
<b>Equity and liabilities</b>				
<b>Equity attributable to equity holders of the Company</b>				
Share capital	31,610	31,610	31,610	31,610
Reserves and share premium	83,002	83,002	82,991	82,991
Foreign currency translation	(2,303)	(2,188)	-	-
Retained earnings (deficit)	107,535	105,100	58,679	53,285
Reserves of a disposal group classified as held for sale (Ecoservice UAB waste management and eco-business)	-	(8,763)	-	-
	<b>219,844</b>	<b>208,761</b>	<b>173,280</b>	<b>167,886</b>
Non-controlling interests	2,020	2,488	-	-
<b>TOTAL EQUITY</b>	<b>221,864</b>	<b>211,249</b>	<b>173,280</b>	<b>167,886</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Non-current borrowings	48,001	51,179	47,090	50,705
Financial lease obligations	5,226	4,127	706	337
Deferred income tax liabilities	8,690	8,129	-	-
Non-current payables	3,145	3,160	405	405
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>66,062</b>	<b>66,595</b>	<b>48,201</b>	<b>51,447</b>
<b>Current liabilities</b>				
Current portion of non-current borrowings	7,421	6,258	7,230	6,041
Current portion of financial lease obligations	1,583	1,623	78	93
Short term loans	9,482	10,147	247	19,747
Trade payables	68,029	95,300	4,653	16,782
Payables to related parties (including loans received)	3,465	12,882	4,082	20,290
Advances received	16,040	15,713	1,968	1,917
Other current liabilities	54,049	45,727	871	1,148
<b>TOTAL CURRENT LIABILITIES</b>	<b>160,069</b>	<b>187,650</b>	<b>19,129</b>	<b>66,018</b>
Liabilities associated with assets held for sale (Ecoservice UAB waste management and eco-business)	-	16,928	-	-
<b>Total equity and liabilities</b>	<b>446,955</b>	<b>482,422</b>	<b>240,610</b>	<b>285,351</b>

**STATEMENTS OF COMPREHENSIVE INCOME (for the period 1 January - 30 June)**

	GROUP		COMPANY	
	2014 1 <sup>st</sup> half	2013 1 <sup>st</sup> half	2014 1 <sup>st</sup> half	2 013 1 <sup>st</sup> half
<b>Continued operations</b>				
Sales	335,115	255,567	23,582	28,496
Cost of sales	(272,318)	(205,206)	(18,479)	(21,598)
<b>Gross profit</b>	<b>62,797</b>	<b>50,361</b>	<b>5,103</b>	<b>6,898</b>
General and administrative expenses	(45,565)	(36,705)	(4,125)	(3,636)
Other operating income, net	316	1,159	155	143
<b>Profit from operations</b>	<b>17,548</b>	<b>14,815</b>	<b>1,133</b>	<b>3,405</b>
Income (expenses) from financial and investment activities, net	(832)	(3,461)	8,260	6,310
<b>Profit before tax</b>	<b>16,716</b>	<b>11,354</b>	<b>9,393</b>	<b>9,715</b>
Income tax	(3,137)	(2,283)	15	(350)
<b>Net profit from continued operations</b>	<b>13,579</b>	<b>9,071</b>	<b>9,408</b>	<b>9,365</b>
<b>Discontinued operations</b>				
Net profit from discontinued operations (Ecoservice UAB waste management and eco-business)	1,165	2,484	-	-
<b>Net profit</b>	<b>14,744</b>	<b>11,555</b>	<b>9,408</b>	<b>9,365</b>
<b>Other comprehensive income</b>				
Exchange differences on translation of foreign operations	(115)	(1,344)	-	-
<b>Total comprehensive income</b>	<b>14,629</b>	<b>10,211</b>	<b>9,408</b>	<b>9,365</b>
<b>Attributable to:</b>				
The shareholders of the Company	15,212	10,894	9,408	9,365
Non-controlling interests	(468)	661	-	-
	<b>14,744</b>	<b>11,555</b>	<b>9,408</b>	<b>9,365</b>
<b>Total comprehensive income attributable to:</b>				
The shareholders of the Company	15,097	9,550	9,408	9,365
Non-controlling interests	(468)	661	-	-
	<b>14,629</b>	<b>10,211</b>	<b>9,408</b>	<b>9,365</b>
<b>Basic and diluted earnings per share (LTL)</b>				
From continued operations	0.44	0.26		
From discontinued operations	0.04	0.08		

**STATEMENTS OF COMPREHENSIVE INCOME (for the period 1 April - 30 June)**

	GROUP		COMPANY	
	2014 Q2	2013 Q2	2014 Q2	2 013 Q2
<b>Continued operations</b>				
Sales	154,843	104,797	5,855	6,417
Cost of sales	(125,286)	(81,945)	(4,995)	(5,204)
<b>Gross profit</b>	<b>29,557</b>	<b>22,852</b>	<b>860</b>	<b>1,213</b>
General and administrative expenses	(23,897)	(18,208)	(2,113)	(1,991)
Other operating income, net	207	711	78	73
<b>Profit (loss) from operations</b>	<b>5,867</b>	<b>5,355</b>	<b>(1,175)</b>	<b>(705)</b>
Income (expenses) from financial and investment activities, net	1,678	(2,046)	11,942	6,561
<b>Profit before tax</b>	<b>7,545</b>	<b>3,309</b>	<b>10,767</b>	<b>5,856</b>
Income tax	(1,824)	(790)	3	231
<b>Net profit from continued operations</b>	<b>5,721</b>	<b>2,519</b>	<b>10,770</b>	<b>6,087</b>
<b>Discontinued operations</b>				
Net profit from discontinued operations (Ecoservice UAB waste management and eco-business)	-	1,720	-	-
<b>Net profit</b>	<b>5,721</b>	<b>4,239</b>	<b>10,770</b>	<b>6,087</b>

**STATEMENTS OF SHANGES IN EQUITY**

<u>GROUP</u>	Share capital	Share premium	Foreign currency translation reserve	Other reserves	Retained earnings	Discontinued operations	Total	Non-controlling interest	Total
<b>Balance as of 1 January 2013</b>	<b>31,610</b>	<b>73,830</b>	<b>(2,179)</b>	<b>9,172</b>	<b>70,304</b>	<b>-</b>	<b>182,737</b>	<b>2,307</b>	<b>185,044</b>
Net profit	-	-	-	-	10,894	-	10,894	661	11,555
Income (expenses) recognised directly in equity	-	-	(1,344)	-	-	-	(1,344)	-	(1,344)
Total income (expense) for the period	-	-	(1,344)	-	10,894	-	9,550	661	10,211
<b>Balance as of 30 June 2013</b>	<b>31,610</b>	<b>73,830</b>	<b>(3,523)</b>	<b>9,172</b>	<b>81,198</b>	<b>-</b>	<b>192,287</b>	<b>2,968</b>	<b>195,255</b>
<b>Balance as of 1 January 2014</b>	<b>31,610</b>	<b>73,830</b>	<b>(2,188)</b>	<b>9,172</b>	<b>105,100</b>	<b>(8,763)</b>	<b>208,761</b>	<b>2,488</b>	<b>211,249</b>
Net profit	-	-	-	-	15,212	-	15,212	(468)	14,744
Dividends declared	-	-	-	-	(4,014)	-	(4,014)	-	(4,014)
Income (expenses) recognised directly in equity	-	-	(115)	-	-	-	(115)	-	(115)
Total income (expense) for the period	-	-	(115)	-	11,198	-	11,083	(468)	10,615
Reserves of disposed group	-	-	-	-	(8,763)	8,763	-	-	-
<b>Balance as of 30 June 2014</b>	<b>31,610</b>	<b>73,830</b>	<b>(2,303)</b>	<b>9,172</b>	<b>107,535</b>	<b>-</b>	<b>219,844</b>	<b>2,020</b>	<b>221,864</b>

<u>COMPANY</u>	Share capital	Share premium	Legal reserve	Other reserves	Retained earnings	Total
<b>Balance as of 1 January 2013</b>	<b>31,610</b>	<b>73,830</b>	<b>3,161</b>	<b>6,000</b>	<b>32,949</b>	<b>147,550</b>
Net profit	-	-	-	-	9,365	9,365
<b>Balance as of 30 June 2013</b>	<b>31,610</b>	<b>73,830</b>	<b>3,161</b>	<b>6,000</b>	<b>42,314</b>	<b>156,915</b>
<b>Balance as of 1 January 2014</b>	<b>31,610</b>	<b>73,830</b>	<b>3,161</b>	<b>6,000</b>	<b>53,285</b>	<b>167,886</b>
Net profit	-	-	-	-	9,408	9,408
Dividends declared	-	-	-	-	(4,014)	(4,014)
<b>Balance as of 30 June 2014</b>	<b>31,610</b>	<b>73,830</b>	<b>3,161</b>	<b>6,000</b>	<b>58,679</b>	<b>173,280</b>

**STATEMENTS OF CASH FLOWS**

	GROUP		COMPANY	
	2014 1st half	2013 1st half	2014 1st half	2013 1st half
<b>Cash flows from (to) operating activities</b>				
Net profit from continued operations	13,579	9,071	9,408	9,365
Net profit from discontinued operations	1,165	2,484	-	-
<b>Adjustments for non-cash items:</b>				
Income tax expenses (gain)	3,137	2,345	(15)	350
Depreciation and amortisation	5,598	8,891	176	72
Impairment and discounting of accounts receivable	3,627	4,022	98	(57)
Loss on disposal of property, plant and equipment	4	49	-	-
Dividend (income)	(34)	-	(17,679)	-
(Gain) loss from sale of investments	(423)	-	4,727	-
Share of net profit of associate	(539)	-	-	-
Other financial activity, net	2,050	2,520	4,692	317
	<b>28,164</b>	<b>29,382</b>	<b>1,407</b>	<b>10,047</b>
<b>Changes in working capital:</b>				
Decrease (increase) in inventories	207	(682)	-	1
(Increase) decrease in receivables and other current assets	(23,052)	(4,823)	6,706	1,197
Decrease in prepayments	301	2,249	34	78
(Decrease) increase in trade payables and payables to related parties	(37,276)	(22,966)	(29,218)	1,863
Income tax (paid)	(5,377)	(1,191)	(45)	9
Increase (decrease) in advances received and other current liabilities	10,590	396	(523)	30
<b>Net cash flows from (to) operating activities</b>	<b>(26,443)</b>	<b>2,365</b>	<b>(21,639)</b>	<b>13,225</b>
<b>Cash flows from (to) investing activities</b>				
(Acquisition) of non-current assets (except investments)	(5,072)	(3,972)	(415)	(288)
Proceeds from sale of non-current assets	693	-	-	-
(Acquisition) of investments in subsidiaries and associates	(156)	(61)	-	-
Disposal of investments in subsidiaries and associates	46,510	-	46,337	-
Dividends and interest received	54	55	17,682	7,400
<b>Net cash flows from (to) investing activities</b>	<b>42,029</b>	<b>(3,978)</b>	<b>63,604</b>	<b>7,112</b>
<b>Cash flows from (to) financing activities</b>				
Dividends (paid)	(4,014)	-	(4,014)	-
(Repayment) proceeds from loans	(2,680)	(11,075)	(21,926)	(19,749)
(Repayment) of financial lease liabilities	(1,487)	(884)	(101)	1
Interest (paid)	(1,982)	(1,099)	(1,436)	(649)
<b>Net cash flows from (to) financial activities</b>	<b>(10,163)</b>	<b>(13,058)</b>	<b>(27,477)</b>	<b>(20,397)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>5,423</b>	<b>(14,671)</b>	<b>14,488</b>	<b>(60)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>38,528</b>	<b>32,914</b>	<b>936</b>	<b>129</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>43,951</b>	<b>18,243</b>	<b>15,424</b>	<b>69</b>

\* Group cash flows for 2013 1st half comprise total consolidated Group, including discontinued operations.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

AB City Service (hereinafter - "the Company") is a public limited liability company registered in the Republic of Lithuania on 28 January 1997.

The Company controls corporate group, engaged in provision of facility management and integrated utility services in Western, Central and Eastern Europe. The City Service group is the market leader in facility management and integrated utility services in the Baltic States. It provides services in the following cities and regions: in the municipalities of Vilnius, Kaunas, Klaipėda, Šiauliai, Alytus, Utena, Marijampolė, Palanga, Trakai, Širvintos, Radviliškis, Neringa, Varėna, Kazlų Rūda, Vilkaviškis, Šilutė, Panevėžys and Pagėgiai in Lithuania; in Poland; in Spain; in Riga and separate regions in Latvia; in St. Petersburg and Stavropol in Russian Federation.

#### 1.1. ACTIVITIES

City Service group provides facility management; maintenance and repair of engineering systems; management and renovation of energy resources; technical and energy audit of buildings; maintenance and cleaning of territories and premises. The most important buildings segments, administered by the City Service group are: residential apartment buildings; commercial buildings; public buildings; industrial buildings. The total area of buildings under the management of the Group is 32.1 million sq. m. at present.

City Service group carried on implementing confirmed strategy and was further looking for organic growth opportunities in Central and Western Europe, Latvia and Lithuania as well in the first half of this year. Extensive negotiations with potential foreign and local companies regarding their acquisition, reorganization and implementation according to the Group's business model and standards were carried out.

The Company's subsidiary in Spain acquired company Administraciones Santa Pola SL, rendering residential facility management services in the region of Alicante. In this way, the Company entered into residential facility management market in Spain.

The Company also acquired 100 (one hundred) percent of shares in UAB Mūsų butas, which renders residential facility management services in Šiauliai.

At this reporting period, when the Company completed the shares purchase - sale agreements of UAB Baltijos liftai and UAB Ecoservice (including its subsidiaries), the Company and its subsidiaries had fully implemented the requirements of Article 4.84 of the Civil Code of the Republic of Lithuania, establishing that the entities, administering objects of common use in buildings apartment may not be engaged in or related to heat, electricity, gas or water suppliers, as well as to entities, providing waste transportation and elevators technical maintenance services, in case they operate in the territory of the same municipality. These changes in operational environment will enable Company to continue successful development of residential facility management services.

#### 1.2. SHARE CAPITAL OF THE COMPANY

The share capital of the Company is LTL 31,610 thousand as of 30 June 2014. It is divided into 31,610 thousand ordinary shares with the nominal value of LTL 1 each. All shares of the Company are paid up.

The Company does not have any other classes of shares than ordinary shares mentioned above, there are no any restrictions of share rights or special control rights for the shareholders settled in the Articles of Association of the Company. No shares of the Company are held by itself or its subsidiaries. No convertible securities, exchangeable securities or securities with warrants are outstanding; likewise, there are no outstanding acquisition rights or undertakings to increase share capital.

On 30 June 2014 all 31,610 thousand ordinary shares of the Company are included into the Official List of NASDAQ OMX Vilnius Stock Exchange (ISIN Code of the shares is [LT0000127375](#)). Trading Code of the shares on NASDAQ OMX Vilnius Stock Exchange is CTS1L.



### 1.3. SHAREHOLDERS OF THE COMPANY

On 30 June 2014 the total number of shareholders of the Company was 1789.

Company's shares distribution among shareholders who have more than 5 % shares of the Company as of 30 June 2014 was the following:

	Number of shares held	Owned percentage of the share capital and votes, %
ICOR UAB, legal entity code 300021944, address: Konstitucijos av. 7, Vilnius, Lithuania	20,205,595	63.92 %
East Capital (Lux) Funds, legal entity code LUESSE22	3,334,788	10.55 %
Genesis Emerging Markets OPP FD LTD, legal entity code OC 306866, address Cricket Square, Hutchins Drive KY 1-1111, Cayman Islands	1,605,183	5.08%
Other private and institutional shareholders	6,464,434	20.45 %
<b>TOTAL</b>	<b>31,610,000</b>	<b>100 %</b>

### 1.4. SHARE PRICE DEVELOPMENT FOR THE REPORTING PERIOD



Source: NASDAQ OMX Vilnius

## 1.5. CITY SERVICE GROUP

On 30 June 2014 the City Service AB group consists of City Service AB and the following subsidiaries (hereinafter referred to as „the Group“):

COMPANY	Country	Share of the stock held by the Group as of 30 June 2014	Share of the stock held by the Group as of 30 June 2013	Main activities
UAB Antakalnio būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Aukštaitijos būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Baltijos būsto priežiūra	Lithuania	100%	100%	Dormant
UAB Baltijos NT valdymas	Lithuania	100%	100%	Real estate management
UAB Baltijos pastatų valdymas	Lithuania	100%	100%	Dormant
UAB Dainavos būstas	Lithuania	100%	100%	Dormant
UAB Danės būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Economus	Lithuania	100%	100%	Administration of buildings
UAB Justiniškių būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Jūros būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Kauno centro būstas	Lithuania	100%	100%	Dormant
UAB Karoliniškių būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Karoliniškių turgus	Lithuania	100%	-	Marketplace administration services
UAB Konarskio turgelis	Lithuania	100%	-	Marketplace administration services
UAB Lazdynų butų ūkis	Lithuania	100%	100%	Administration of dwelling-houses
UAB Lazdynų būstas	Lithuania	100%	100%	Dormant
UAB Mano aplinka	Lithuania	100%	100%	Maintenance and cleaning of territories and premises
UAB Mano būstas LT	Lithuania	100%	100%	Commercial real estate management and building maintenance
UAB Mano Sauga	Lithuania	99.27%	99.27%	Security services
UAB Namų priežiūros centras	Lithuania	100%	100%	Administration of dwelling-houses
UAB Naujamiesčio būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Nemuno būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Nemuno būsto priežiūra	Lithuania	100%	100%	Dormant
UAB Pašilaičių būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Pempininkų būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Radviliškio būstas	Lithuania	100%	100%	Administration of dwelling-houses

UAB Saulėtos dienos	Lithuania	100%	-	Administration of dwelling-houses
UAB SKOLOS LT	Lithuania	100%	100%	Debt collection services
UAB Šiaulių būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Šilutės būstas	Lithuania	99.84%	99.84%	Administration of dwelling-houses
UAB Vėtrungės būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Vilkpėdės būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Vilniaus turgus	Lithuania	100%	100%	Dormant
UAB Vingio būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Viršuliškių būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Žaidas	Lithuania	99.33%	99.33%	Administration of dwelling-houses
UAB Žardės būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Žirmūnų būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Miesto valymas	Lithuania	100%	-	Maintenance and cleaning of territories and premises
Concentra Servicios y Mantenimiento, S.A.	Spain, Madrid	100%	-	Commercial real estate management and building maintenance
Administraciones Santa Pola S.L.	Spain, Alicante	100%	-	Administration of dwelling houses
SIA Riga City Service	Latvia, Riga	100%	100%	Commercial real estate management and building maintenance
City Service Poland Sp. z.o.o	Poland, Warsaw	100%	100%	Dormant
City Service Polska Sp. z.o.o	Poland, Warsaw	100%	-	Dormant
City Service Grupa Techniczna Sp. z.o.o.	Poland, Warsaw	100%	-	Building maintenance
INTERBUD MAX Sp. z.o.o	Poland, Warsaw	100%	100%	Dormant
Zespół Zarządców Nieruchomości Sp. z.o.o.	Poland, Warsaw	100%	100%	Administration of dwelling-houses
EnergiaOK Sp. z o.o.	Poland, Warsaw	100%	-	Dormant
ТОВ Київ Сіті Сервіс	Ukraine, Kiev	100%	100%	Dormant
ОАО Сити Сервис / ОАО City service	Russia, St. Petersburg	100%	100%	Administration of dwelling-houses
ЗАО Сити Сервис / ЗАО City service	Russia, St. Petersburg	100%	100%	Administration of dwelling-houses
ОАО Специализи-рованное ремонтно-наладочное управление	Russia, St. Petersburg	100%	100%	Construction and engineering
ООО Жилкомсервис № 3 Фрунзенского района	Russia, St. Petersburg	80%	80%	Administration of dwelling-houses
ООО «Чистый дом»	Russia, St. Petersburg	100%	100%	Maintenance and cleaning of territories
ООО "Подъемные механизмы"	Russia, St. Petersburg	99%	99%	Elevator installing & tech. support

ООО «Управляющая компания -1»	Russia, Stavropol	76%	76%	Administration of dwelling-houses
ООО «ПРОМИНТЕР - управление проектами»	Russia, Stavropol	100%	100%	Administration of dwelling-houses
ООО «Управляющая компания -2»	Russia, Stavropol	76%	76%	Administration of dwelling-houses
ООО «Управляющая компания -3»	Russia, Stavropol	76%	76%	Administration of dwelling-houses
ООО «Управляющая компания -4»	Russia, Stavropol	76%	76%	Administration of dwelling-houses
ООО «Управляющая компания -5»	Russia, Stavropol	76%	76%	Administration of dwelling-houses
ООО «УК -5»	Russia, Stavropol	100%	100%	Administration of dwelling-houses
ООО «Управляющая компания -6» (legal entity code 2635085674)	Russia, Stavropol	76%	76%	Administration of dwelling-houses
ООО «Управляющая компания -6» (legal entity code 2635105070)	Russia, Stavropol	100%	100%	Administration of dwelling-houses
ООО «Жилищная Управляющая компания № 6»	Russia, Stavropol	100%	100%	Administration of dwelling-houses
ООО «Управляющая компания - 8»	Russia, Stavropol	100%	100%	Administration of dwelling-houses
ООО «Управляющая компания - 10»	Russia, Stavropol	100%	100%	Administration of dwelling-houses

The Group's and the Company's investment in an associate as of 30 June 2014 included an investment in Marijampolės butų ūkis UAB (34% of the share capital) and in AWT Holding UAB (25% of the share capital).

## 1.6. COMPANY'S BOARD

As of 30 June 2014, the Board of the Company comprises of the following persons:

Name and surname	Position	Start of term	End of term
Andrius Janukonis	Board Chairman	April 30, 2013	April 30, 2017
Gintautas Jaugielavičius	Board Member	April 30, 2013	April 30, 2017
Darius Leščinskas	Board Member	April 30, 2013	April 30, 2017
Jonas Janukėnas	Board Member	April 30, 2014	April 30, 2017

The Board members do not control any shares of the Company.



### Andrius Janukonis

Andrius Janukonis (born in 1971) is the Chairman of the Board of AB City Service (since 2009). He holds a Master's degree in Law. He works as a consultant for ICOR UAB and is the chairman of the board of the company (since 2004).



### Gintautas Jaugielavičius

Gintautas Jaugielavičius (born in 1971) is a Member of the Board of AB City Service (since 2005). He holds a Bachelor's degree in Economics. At present, he works as a consultant for ICOR UAB and is a member of the board of the company (since 2004).



### Darius Leščinskas

Darius Leščinskas (born in 1968) is a Member of the Board of AB City Service (since 2009). He holds a Master's degree in Law. At present, he works as a consultant for ICOR UAB and is a member of the board of the company (since 2004).



### Jonas Janukėnas

Refer described below (note 1.7).

## 1.7. COMPANY'S MANAGEMENT

As of 30 June 2014 and as of date of submission of this report, the key managers of the Company and of the Group are as follows:

Name and surname	Position within the Company	Start of employment
Jonas Janukėnas	General Manager	2007
Vytautas Turonis	Executive Manager for Lithuania	2004
Edvinas Paulauskas	Executive Manager	2005
Tomas Augutavičius	Chairman of the Board of City Service group in Russia	2006
Jonas Šimkevičius	Member of the Board of Group company, operating in Latvia	2005
Vytautas Jastremskas	Member of the Supervisory board of the Group company, operating in Poland	2013
Anna Górecka - Kolasa	Head of the Group company, operating in Poland	2004
Fernando López Abril	General Manager of the Group company, operating in Spain	2010

They do not control any shares of the Company.



### Jonas Janukėnas

Jonas Janukėnas (born in 1976) is the General Manager of AB City Service (since September, 2013). Since 2007 Mr Janukėnas was Financial and Administrative Manager of AB City Service. Mr Janukėnas is also the Chairman of the Board at Mano būstas LT UAB (since July, 2012). He holds a Master's degree in Business Administration. Prior to coming to work at the Company, he worked as the Financial Manager of UAB Litesko (2001 - 2007) and Senior Auditor and Risk Management Consultant at the Vilnius division of Andersen (1998 - 2001).

At present, the main task of the General Manager is to head the Group and take charge of planning and coordination of important development projects in Poland, Spain, as well as other markets in Eastern and Western Europe



### Vytautas Turonis

Vytautas Turonis (born 1972 m.) is the General Manager at Mano būstas LT UAB and works as the Executive Manager for Lithuania at City Service AB. He holds a Bachelor's degree in International Business. Previously he worked as the Marketing Manager of UAB Specialus Autotransportas (2003 - 2004). He started to work in the Company as the Market Development Department Manager (2004 - 2008).

Vytautas Turonis is responsible for the Group's activities throughout Lithuania.



### Edvinas Paulauskas

Edvinas Paulauskas (born in 1976) is the Executive Manager at City Service AB and Mano būstas LT, UAB. Previously he worked as the Commercial director (since 2008). Edvinas Paulauskas started working in the Company as the Project Manager (2005-2006). He holds a Bachelor's degree in Environment Engineering.

Edvinas Paulauskas is responsible for the Group's activities in the commercial and exploitation departments as well as in the innovation and energy efficiency chapter throughout Lithuania and foreign markets.



**Tomas Augutavičius**

Tomas Augutavičius (born 1973 m.) is the Chairman of the Board of City Service group in Russia (since 2009). He holds a Bachelor degree in technology. He started working in the Company as Head of Kaunas Department (2006 - 2009).

The Chairman of the Board of City Service group in Russia Tomas Augutavičius is responsible for activities of companies operating in Russia.



**Jonas Šimkevičius**

Jonas Šimkevičius (b. 1980) is a member of the Board of the company Riga City Service, operating in Latvia. Previously J. Šimkevičius worked for the company as a project manager. (2005-2007) and before that he held different positions in the companies Limatika (2004-2005) and Ranga IV (2002-2004). J. Šimkevičius has the Bachelor's degree in constructions, engineering.

J. Šimkevičius is responsible for the Group's activities in Latvia.



**Vytautas Jastremskas**

Vytautas Jastremskas (b. 1970) is a member of the Supervisory Council of the company ZZN, operating in Poland. In addition, he holds position of the Head of City Service Polska and works as a project manager of City Service AB in Poland. V. Jastremskas has been working for the company since January 2013, prior to that he provided services as an external consultant. V. Jastremskas holds the Master of Sciences degree in law and has experience in legal and organizational activities, as well as in business development on foreign markets.

At present V. Jastremskas is responsible for development projects and control of activities of the Group companies in Poland.



**Anna Górecka - Kolasa**

Anna Górecka - Kolasa (b. 1975) is the head of the company ZZN, operating in Poland. A. Górecka - Kolasa has been working for the company since 2004, prior to that she hold positions of Management and Control Director, Chief Analysis Specialist and Deputy Accountant General (2004-2013). A. Górecka-Kolasa has higher education in the area of management and marketing.

A. Górecka-Kolasa is responsible for the activities of ZZN throughout Poland.



**Fernando López Abril**

Fernando López Abril (b. 1969) is Director General of the company Concentra Servicios y Mantenimiento. Previously (in 2010-2012) he held the position of the company's Business Development Director. Before joining the Group company, F. López Abril was employed as Commercial Director of the company AMS-ALDESA (2007-2010), worked as a regional manager for the company CESP- FERROVIAL (2004-2007) and held position of Director of Technological Systems and Nuclear Services Department at the company BORG Service (1999-2004). F. López Abril holds the Master of Sciences degree in agricultural engineering.

F. López Abril is responsible for the Group's activities in Spain.

## 1.8. ACTIVITY AND SEGMENT INFORMATION

Information on main activity segments:

	2014 1 <sup>st</sup> half		2013 1 <sup>st</sup> half		2012 1 <sup>st</sup> half	
	Buildings' administration		Buildings' administration		Buildings' administration*	
	Resale of utility services	Administration services	Resale of utility services	Administration services	Resale of utility services	Administration services
Revenue: Company	-	23,582	-	28,496	-	34,163
Revenue: Group	57,900	277,215	62,533	193,034	93,891	176,829

Information on main geographical segments for the Group:

	2014 1 <sup>st</sup> half				2013 1 <sup>st</sup> half				2012 1 <sup>st</sup> half*			
	Spain	Poland	Baltic states	CIS States	Spain	Poland	Baltic states	CIS States	Spain	Poland	Baltic states	CIS States
Revenue	79,186	40,583	124,939	90,407	-	40,673	118,706	96,188	-	-	104,656	166,064
Net profit (loss)	(106)	2,003	10,336	1,346**	-	789***	6,951	1,331****	-	-	7,132	2,883

\* Information about total consolidated Group is presented, including discontinued operations.

\*\* Includes LTL 434 thousand foreign currency exchange loss.

\*\*\* Includes LTL 1,621 thousand foreign currency exchange loss.

\*\*\*\* Includes LTL 741 thousand foreign currency exchange loss.



Main activity indicators for the Group (continued operations):

	2014 1 <sup>st</sup> half	2013 1 <sup>st</sup> half	Change (%)
Area of multi-flat apartment buildings under administration (million square meters)	22.3	20.5	8.8%
Area of public. commercial building and a typical properties under administration (million square meters)	9.8	3,5	180.0%
Number of employees	5,289	3,547	49.1%
Sales for the period*	335,115	255,567	31.1%
Sales (main activity)*	277,215	193,034	43.6%
Gross margin*	22.7%	26.1%	(13.0%)
EBITDA margin*	8.3%	10.5%	(21.0%)
EBIT margin*	6.3%	7.7%	(18.2%)
Net margin*	4.9%	4.7%	4.2%
Number of shares (thousand)	31,610	31,610	0.0%
Return on equity	6.1%	4.6%	32.6%
Return on assets	3.0%	2.4%	25.0%
Financial Net Debt to equity**	9.5%	14.7%	(35.4%)

\* Calculated by reducing sales for the resale of utility services.

\*\* Interest bearing debt (net of cash balance) to Shareholders' equity.

## 2. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

### 3. GOODWILL

	GROUP
<b>COST:</b>	
Balance as of 1 January 2013	64,711
Additions	154
Disposals	(871)
Exchange differences	(716)
Discontinued operations	(27,144)
Balance as of 31 December 2013	36,134
Additions	289
Disposals	(163)
Balance as of 30 June 2014	36,260
<b>IMPAIRMENT</b>	
Balance as of 1 January 2013	19,429
Impairment for the year	2,538
Discontinued operations	(19,139)
Balance as of 31 December 2013	2,828
Impairment for the year	-
Balance as of 30 June 2014	2,828
<b>Net book value as of 30 June 2014</b>	<b>33,432</b>
<b>Net book value as of 31 December 2013</b>	<b>33,306</b>

#### Investments and other changes during the six months of the year 2014

On 3 January 2014, the Company acquired 100% shares of Cleaning Partner Sp. z.o.o. The value of the contract is PLN 5 million.

On 16 January 2014, the Company through a subsidiary acquired 100% shares of City Service Grupa Techniczna Sp. z.o.o. The value of the contract is PLN 5 thousand. At the moment City Service Grupa Techniczna Sp. z.o.o renders technical maintenance services in Poland.

On 21 February 2014, the Company signed an agreement on sale of UAB Ecoservice shares. On 31 March 2014, share transfer transaction was closed, after Competition Council authorized the transaction and other conditions of the transaction were fulfilled. Value of the transaction is LTL 56.6 million (EUR 16.4 million), including dividends amounting to LTL 5.2 million (EUR 1.5 million) paid to the Company. Shares of UAB Ecoservice are transferred to UAB AWT Holding. Control and controlling interest of the later shall belong to 75% share owner BaltCap Private Equity Fund II, with remaining 25% shares in Company's possession which were accounted as investment in associated company.

On 10 April 2014, considering the structural changes in Poland operating market subsidiaries, as well as the fact that the subsidiary Cleaning Partner Sp. z.o.o. had significant undisclosed financial obligations to employees, 100 percent of Cleaning Partner Sp. z.o.o shares have been sold.

On 25 April 2014, continuing the process of unbundling the activities, the cleaning activities from UAB Naujamiesčio būstas have been transferred to separate newly established legal entity. Cleaning activities from UAB Naujamiesčio būstas were transferred to UAB Miesto valymas (the Group owns 100% of shares), legal entity code is 303297727.

On 30 April 2014, the Ordinary General Meeting of the Shareholders of the Company has been held. The shareholders approved the audited financial statement for the year 2013, distributed the Company's profit for the year 2013, a new member of the Board was elected. Shareholders also approved Ernst & Young Baltic UAB, company code 110878442, as an audit company for the performance of the audit of the Company's consolidated financial statements for the year 2014 and for the evaluation of the Company's consolidated annual report. The meeting has also established the payment conditions for audit services. During the meeting the Company decided to purchase its own shares and to withdraw from activities in St. Petersburg and Stavropol.

On 14 May 2014, Company through a subsidiary has acquired Administraciones Santa Pola S.L. that manages 211 thousand sq. m. of residential facilities in Alicante province, in Spain. Revenues of acquired company were EUR 115 thousand in 2013, and subcontracted turnover reached EUR 1.4 million. The company was acquired for EUR 90 thousand.

On 26 June 2014, Company's subsidiaries in Poland - City Service Polska Sp. z o.o. and City Service Poland Sp. z o.o. - established new subsidiary EnergiaOK Sp. z o.o. Both companies own 50% of the EnergiaOK Sp. z o.o. shares. The establishment of new subsidiary is related with the possible business development in Poland.

On 30 June 2014, the transaction of 100% shares sale of UAB Baltijos liftai, registration no. 302496587, was completed. The value of the transaction was LTL 3.6 million (EUR 1.04 million), including the dividends paid. The shares were purchased by private persons from the Republic of Latvia. The Group has accounted profit of LTL 1.4 million (EUR 405 thousand) from the transaction.

#### 4. OTHER INTANGIBLE ASSETS

Movement of other intangible assets in 2014 1<sup>st</sup> half and 2013 is presented below:

	<u>GROUP</u>	<u>COMPANY</u>
<b>COST:</b>		
Balance as of 1 January 2013	87,014	15
Additions arising from acquisitions of subsidiaries	17	-
Additions	919	493
Disposals	(419)	-
Discontinued operations	(22,280)	(1)
Exchange differences	(192)	-
Retirements	(237)	-
Reclassifications	55	-
Balance as of 31 December 2013	<u>64,877</u>	<u>507</u>
Additions	985	105
Disposals of subsidiaries	(291)	-
Exchange differences	(10)	-
Retirements	(94)	-
Balance as of 30 June 2014	<u>65,467</u>	<u>612</u>
<b>ACCUMULATED AMORTISATION:</b>		
Balance as of 1 January 2013	10,434	12
Charge for the year	4,464	6
Disposals	(31)	(1)
Impairment	2,262	-
Discontinued operations	(6,484)	-
Exchange differences	(4)	-
Retirements	(220)	-
Balance as of 31 December 2013	<u>10,421</u>	<u>17</u>
Charge for the period	1,496	53
Disposals of subsidiaries	(89)	-
Retirements	(82)	-
Balance as of 30 June 2014	<u>11,746</u>	<u>70</u>
<b>Net book value as of 30 June 2014</b>	<b>53,721</b>	<b>542</b>
<b>Net book value as of 31 December 2013</b>	<b>54,456</b>	<b>490</b>

## 5. PROPERTY, PLAND AND EQUIPMENT

### Group

	Buildings	Vehicles	Other property, plant and equipment	Construction in progress	Total
<b>COST:</b>					
Balance as of 1 January 2013	39,935	29,851	36,434	145	106,365
Additions arising from acquisitions of subsidiaries	-	712	1,146	-	1,858
Additions	917	5,032	3,503	834	10,286
Disposals	(4,124)	(519)	(233)	(24)	(4,900)
Discontinued operations	(2,338)	(17,082)	(8,103)	-	(27,523)
Exchange differences	(267)	(391)	(720)	(1)	(1,379)
Retirements	(129)	(998)	(3,961)	(54)	(5,142)
Reclassifications	368	-	57	(480)	(55)
Balance as of 31 December 2013	34,362	16,605	28,123	420	79,510
Additions	3,310	3,208	2,515	1,182	10,215
Disposals of subsidiaries	-	(811)	(1,511)	-	(2,322)
Disposals	(1,279)	(478)	(132)	(127)	(2,016)
Exchange differences	(9)	(54)	(67)	1	(129)
Retirements	(26)	(40)	(330)	-	(396)
Reclassifications	-	-	3	(3)	-
Balance as of 30 June 2014	36,358	18,430	28,601	1,473	84,862
<b>ACCUMULATED DEPRECIATION:</b>					
Balance as of 1 January 2013	4,634	9,819	4,843	-	19,296
Charge for the year	1,442	5,491	6,132	-	13,065
Disposals	(361)	(448)	(169)	-	(978)
Discontinued operations	(375)	(7,073)	(2,575)	-	(10,023)
Exchange differences	(9)	(173)	(116)	-	(298)
Retirements	(56)	(799)	(3,860)	-	(4,715)
Balance as of 31 December 2013	5,275	6,817	4,255	-	16,347
Charge for the period	757	1,600	1,745	-	4,102
Disposals of subsidiaries	-	(359)	(876)	-	(1,235)
Disposals	(1,104)	(246)	(63)	-	(1,413)
Exchange differences	(1)	(18)	(19)	-	(38)
Retirements	(11)	(3)	(321)	-	(335)
Balance as of 30 June 2014	4,916	7,791	4,721	-	17,428
<b>Net book value as of 30 June 2014</b>	<b>31,442</b>	<b>10,639</b>	<b>23,880</b>	<b>1,473</b>	<b>67,434</b>
<b>Net book value as of 31 December 2013</b>	<b>29,087</b>	<b>9,788</b>	<b>23,868</b>	<b>420</b>	<b>63,163</b>

## 6. BORROWINGS

Borrowings of the Group and the Company as of 30 June 2014 and 31 December 2013 were as follows:

Creditor	Currency of the loan	Amount of the loan (in currency of the loan)	Final repayment date	GROUP		COMPANY	
				Balance as of 30 June 2014 (in LTL)	Balance as of 31 December 2013 (in LTL)	Balance as of 30 June 2014 (in LTL)	Balance as of 31 December 2013 (in LTL)
<b>CURRENT LOANS</b>							
Nordea Bank (overdraft)	EUR	3,000	09.09.2014	247	1,649	247	1,649
Nordea Bank (overdraft)	LTL	10,358	09.09.2014	-	3,672	-	3,672
Banco Bilbao Vizcaya Argentaria, S.A. (factoring)	EUR	462	-	-	1,588	-	-
Bankia S.A. (factoring)	EUR	1,500	-	4,646	2,190	-	-
Caixabank S.A. (factoring)	EUR	400	-	442	-	-	-
Banco Popular Español S.A.	EUR	300	10.11.2014	1,036	1,036	-	-
Bankia S.A. (credit line)	EUR	500	28.09.2014	1,644	12	-	-
Banco Popular Español S.A.	EUR	305	31.12.2015	1,053	-	-	-
Bank Zachodni WBK S.A.	PLN	1,000	14.11.2014	414	-	-	-
Group Account (eliminated in the consolidated group accounts)*	Unspecified	Unspecified	Unspecified	-	-	-	14,426
<b>CURRENT LOAN BALANCE</b>				<b>9,482</b>	<b>10,147</b>	<b>247</b>	<b>19,747</b>
<b>NON-CURRENT LOANS</b>							
Nordea Bank	EUR	6,611	09.09.2018	22,587	22,825	22,587	22,825
Nordea Bank	EUR	10,141	09.09.2018	31,733	33,921	31,733	33,921
Banco Popular Español S.A.	EUR	200	10.12.2016	584	691	-	-
Banco Popular Español S.A.	EUR	150	20.06.2017	518	-	-	-
Less: current portion of noncurrent borrowings				(7,421)	(6,258)	(7,230)	(6,041)
<b>NON-CURRENT LOANS BALANCE</b>				<b>48,001</b>	<b>51,179</b>	<b>47,090</b>	<b>50,705</b>

\* Based on overdraft agreement signed on 9 September 2013 with the Company, its Lithuanian subsidiaries and with Nordea Bank, the Group can use net cash balances of the Company and its Lithuanian subsidiaries as inter-group borrowings.

For the loans and overdraft the Company and its subsidiaries have pledged to Nordea Bank real estate and bank accounts of the Company and its Lithuanian subsidiaries. Shares of UAB Mano būstas LT (entity code 300883806) are pledged to Nordea Bank as well.

## 7. COST OF SALES (continued operations)

	GROUP		COMPANY	
	2014 1 st half	2013 1 st half	2014 1 st half	2013 1 st half
Services of subcontractors and materials used	164,435	157,777	18,239	21,370
Wages and salaries and social security	106,372	43,880	240	227
Depreciation	1,511	2,431	-	-
Cost of goods sold	-	1,114	-	1
Other	-	4	-	-
<b>Total cost of sales</b>	<b>272,318</b>	<b>205,206</b>	<b>18,479</b>	<b>21,598</b>

## 8. GENERAL AND ADMINISTRATIVE EXPENSES (continued operations)

	GROUP		COMPANY	
	2014 1 st half	2013 1 st half	2014 1 st half	2013 1 st half
Wages and salaries and social security	21,647	17,789	2,105	1,495
Depreciation and amortization	4,087	3,027	176	72
Allowance for and write-off of receivables	3,627	3,840	98	(57)
Consulting and similar expenses	1,850	1,286	842	963
Commissions for collection of payments	1,458	1,494	25	20
Rent of premises and other assets	1,244	985	121	139
Advertising	1,125	515	121	135
Fuel expenses	902	634	71	58
Business trips and training	670	580	245	251
Computer software maintenance	609	681	6	18
Insurance	609	551	37	23
Transportation	593	447	46	27
Communication expenses	521	454	64	46
Representational costs	492	200	36	64
Taxes other than income tax	418	264	7	12
Utilities	343	549	34	268
Bank payments	238	243	4	4
Charity and support	48	-	-	-
Other	5,084	3,166	87	98
<b>Total general and administrative expenses</b>	<b>45,565</b>	<b>36,705</b>	<b>4,125</b>	<b>3,636</b>

## 9. OTHER OPERATING INCOME (EXPENSES), NET (continued operations)

	GROUP		COMPANY	
	2014 1 st half	2013 1 st half	2014 1 st half	2013 1 st half
Income from rent, net	256	110	452	244
(Loss) gain on disposal of property, plant and equipment	(4)	(129)	-	-
Other income (expenses), net	64	1,178	(297)	(101)
<b>Total other operating activity</b>	<b>316</b>	<b>1,159</b>	<b>155</b>	<b>143</b>

## 10. FINANCE INCOME AND (EXPENSES), NET (continued operations)

	GROUP		COMPANY	
	2014 1 st half	2013 1 st half	2014 1 st half	2013 1 st half
Interest income	353	360	1,085	936
Dividend income	34	-	17,679	7,400
Foreign currency exchange gain	-	209	-	8
Profit on sale of investments	423	-	-	-
Share of net profit of associate	539	-	-	-
Other financial income	141	683	-	-
<b>Total finance income</b>	<b>1,490</b>	<b>1,252</b>	<b>18,764</b>	<b>8,344</b>
Interest (expenses)	(1,763)	(969)	(1,235)	(1,253)
Foreign currency exchange loss	(509)	(3,349)	(64)	(781)
Loss on sale of investments	-	-	(4,727)	-
Other financial (expenses)	(50)	(395)	(4,478)	-
<b>Total finance (expenses)</b>	<b>(2,322)</b>	<b>(4,713)</b>	<b>(10,504)</b>	<b>(2,034)</b>
<b>Financial activity, net</b>	<b>(832)</b>	<b>(3,461)</b>	<b>8,260</b>	<b>6,310</b>



## 11. RELATED PARTY TRANSACTIONS

The parties are considered related when one party has the possibility to control the other one or have significant influence over the other party in making financial and operating decisions. The related parties of the Group and the Company and considered the following:

- Global energy consulting OU (Estonia) - the ultimate shareholder of the Company since 2013;
- UAB ICOR - the shareholder of the Company;
- Subsidiaries of UAB ICOR (same ultimate controlling shareholder);
- Subsidiaries of AB City Service (for the list of the subsidiaries, see also Note 1);
- Mr J. Janukėnas, V. Turonis, E. Paulauskas, T. Augutavičius, J. Šimkevičius, V. Jastremskas, A. Górecka - Kolasa, F. López Abril (Management of the Company);

Transactions with related parties include sales and purchases of goods and services in the ordinary course of business, and acquisitions and disposals of property, plant and equipment. Property, plant and equipment to related parties during the six months of 2014 were sold for the net book value.

The sales price for the intercompany subsidiary purchase and sale transactions are established by the management and shareholders of the UAB ICOR and/or Global energy consulting OU and AB City Service considering the results of independent valuations, if any, undertaken for the purposes of the transfer pricing regulations - which may not always be at their fair value.

There are no guarantees or pledges given or received in respect of the related party payables and receivables. Related party receivables and payables are expected to be settled in cash or set-off against payables / receivables to / from a respective related party.

2014 1 st half			Receivables and prepayments	Loans granted	Payables (long and short-term)
GROUP	Purchases	Sales			
UAB ICOR	1,014	14	-	-	439
Subsidiaries of UAB ICOR:					
AB Axis Industries	865	430	22	-	330
Other subsidiaries of UAB ICOR	1,861	924	308	-	3
Associates and other related parties	3,185	381	65	-	2,693
<b>Total</b>	<b>6,925</b>	<b>1,749</b>	<b>395</b>	<b>-</b>	<b>3,465</b>

## 12. SUBSEQUENT EVENTS

Negotiation on 100% of the UAB Rolvika shares acquisition is ongoing by the Company. On 16 of July, 2014, the application for authorization of transaction was submitted to the Competition Council of the Republic of Lithuania. The Company has no binding agreements regarding this transaction at the time of issuance of these financial statements.

On 22 July, the Company through its subsidiary acquired 100% shares of UAB Mūsų butas, which renders residential facility management services for 91 thousand sq. m. of multi-household in Šiauliai city. Value of the transaction is LTL 907 thousand. The main UAB Mūsų butas activity is administration of dwelling-houses.

On 28 July, the Company's subsidiary in Poland - City Service Polska Sp. z.o.o. - became the sole shareholder of EnergiaOK Sp. z.o.o. and also increased its authorized capital until PLN 1.1 million.

On 5 August, the Company established new subsidiary - UAB Pastatų priežiūra, legal entity code 303363198. Establishment of the company is related with the possible business development in Lithuanian market.