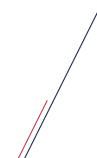


Invalda LT, AB Consolidated Interim Report for 9 months of 2014

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

Approved by the Board of Invalda LT, AB on 27 November 2014

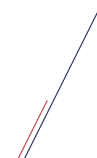


Translation note:

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

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I. GENERAL INFORMATION

1. Reporting period for which the report is prepared

The report is prepared for the nine month of 2014 (January – September). The report is unaudited.

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

2.1. Information about the Issuer

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

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

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

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

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

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

2.3. Information about the Issuer's group of companies

At the end of the reporting period the company acted in the field of asset management business and managed other investments. Invalda LT, AB managed companies operating in agricultural, facility management and other business sectors.

The business model of Invalda LT is redesigned according to asset management principles. Invalda LT, AB acquired specialised pension funds management company MP Pension Funds Baltic in September 2014. Invalda LT owns 100 percent of shares in Invalda LT Investments, a company seeking to receive the asset management company licence issued by the Bank of Lithuania. On 4 November 2014 the company together with partners signed the Finasta group Share Purchase Agreement.

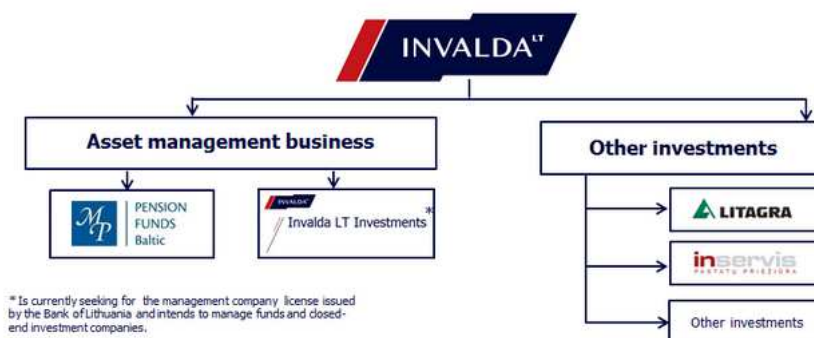
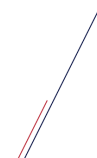


Fig. 2.3.1. The main sectors of Invalda LT, AB group as of 30 September 2014



3. Agreements with intermediaries on public trading in securities

Invalda LT, AB has signed agreements with these intermediaries:

- Finasta, AB FMI (Maironio str. 11, Vilnius, Lithuania; tel. +370 5 278 6833) – the agreement on investment services, the agreement on management of securities accounting, the agreement on payment of dividends;
- Bank Finasta, AB (Maironio str. 11, Vilnius, Lithuania; tel. +370 5 203 2233) – the agreement on management of securities account, the agreement on investment services;
- Siauliu Bankas, AB (Tilzes str. 149, Siauliai, Lithuania; tel. +370 41 595 607) – the agreement on management of securities account and intermediation;
- DnB Bankas, AB (J. Basanaviciaus str. 26, Vilnius, Lithuania; tel. +370 5 239 3503) – the agreement on financial instruments account management, implementation of orders and offering recommendations;
- SEB Bankas, AB (Gedimino ave. 12, Vilnius, Lithuania; tel. +370 5 268 2370) – the agreement on management of securities account;
- Medicinos Bankas, UAB (Pamenkalnio str. 40, Vilnius, Lithuania; tel. +370 5 264 4845) - the agreement on management of securities account;
- Danske Bank A/S, Lithuania branch (Saltoniskiu str. 2, Vilnius, Lithuania; tel. +370 5 521 6666) - the agreement on investment services;
- FMI Orion Securities, UAB (A. Tumeno str. 4. (block B), Vilnius, Lithuania; tel. +370 5 231 3841) - the agreement on investment services;
- Bank Zachodni WBK S.A. (Rynek 9/11, 50-950 Wroclaw, Poland; tel. +61 856 4445) – the agreement of intermediation;
- AB SEB Pank (Tornimae str. 2., 15010, Tallin, Estonia; tel. +372 6657 772) - the agreement of intermediation.

4. Information on Issuer's branches and representative offices

Invalda LT, AB has no branches or representative offices.

II. INFORMATION ABOUT SECURITIES

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

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

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

6. Structure of the authorized capital

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

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

All shares are fully paid-up and no restrictions apply on their transfer.

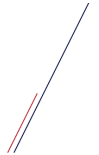
Invalda LT manages MP Pension Funds Baltic, a specialised pension funds management company, since 23 September 2014. According to Lithuanian law, a natural or legal person (or persons acting in concert), indirectly willing to acquire or increase their shareholding in an asset management company (more than 20, 30 or 50 percent), have to obtain a decision from the Bank of Lithuania not to object this acquisition. This means that investors, willing to acquire more than 20 percent shareholding in Invalda LT, AB, can do so only with a prior decision from the Bank of Lithuania.

6.1. Information about the Issuer's treasury shares

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

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

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



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

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

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

Company uses no services of liquidity providers.

Table 7.2. Trading in Invalda LT, AB shares

| | 9 months of 2012 | 9 months of 2013 | 9 months of 2014 |
|------------------|------------------|------------------|------------------|
| Share price, EUR | | | |
| - open | 1.930 | 1.970 | 3.380 |
| - high | 2.940 | 2.950 | 3.490 |
| - low | 1.871 | 1.960 | 2.760 |
| - average | 2.299 | 1.962 | 1.878 |
| - close | 2.370 | 2.830 | 2.850 |
| Volume, units | 1,891,746 | 2,086,971 | 65,258 |
| Turnover, EUR | 4,597,133.49 | 4,798,901.12 | 205,939.17 |
| Trades, units | 4,261 | 3,611 | 406 |

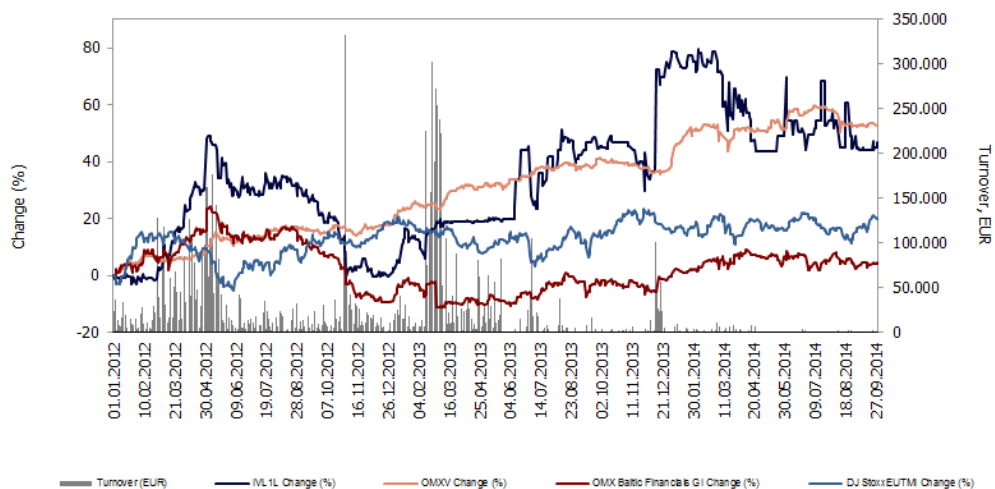
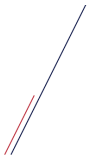


Fig. 7.3. Turnover of Invalda LT, AB shares, change of share price and indexes



8. Shareholders

8.1. Information about shareholders of the company

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

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

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

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

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

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

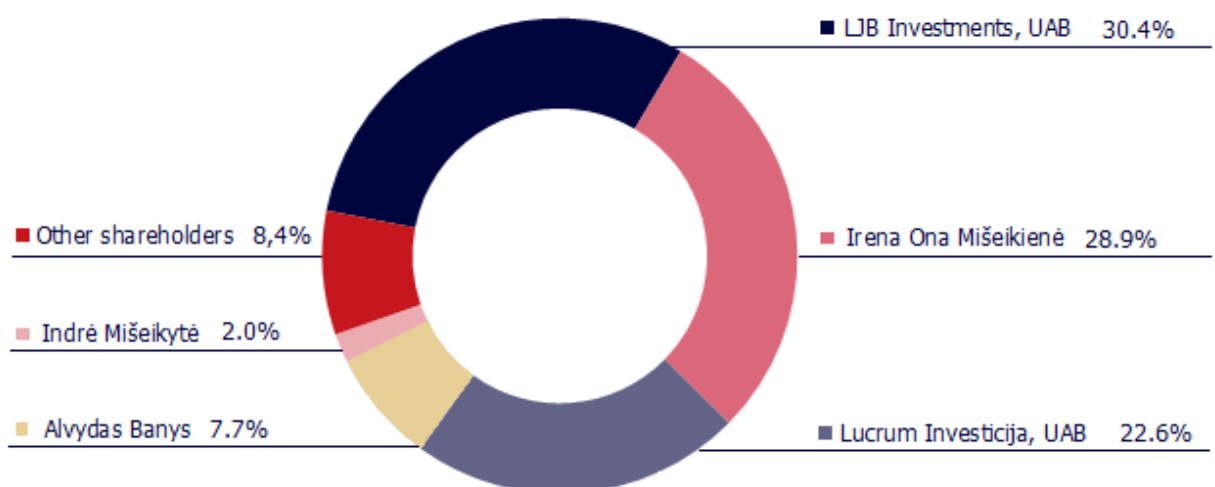
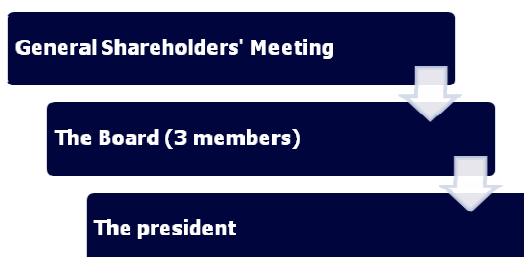


Fig. 8.1.2. Votes as of 30 September 2014

III. ISSUER'S MANAGING BODIES

9. The managing bodies of the Issuer



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

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

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



Alvydas Banyas – Chairman of the Board

| | |
|---|--|
| The term of office | From 2013 until 2016 |
| Educational background and qualifications | Vilnius Gediminas Technical University. Faculty of Civil Engineering. Master in Engineering and Economics. Junior Scientific co-worker. Economic's Institute of Lithuania's Science Academy. |
| Work experience | Since 1 July 2013 Invalda LT, AB - Advisor Since 2007 LJB Investments, UAB - Director Since 2007 JLB Property, UAB - Director 1996 – 2006 Invalda, AB - Vice President 1996 – 2007 Nenuorama, UAB - President |
| Owned amount of shares in Invalda LT | Directly: 910,875 units of shares. 7.68 % of authorised capital, 7.68 % of votes. Together with controlled company LJB Investments: 4,523,205 units of shares, 38.12 % of authorized capital, 38.12 % of votes. Total votes (together with people acting in concert) – 91.59 %. |
| Participation in other companies | BAIP Grupe, UAB – Member of the Board Invalda LT Investments, UAB – Chairman of the Board INVL Baltic Farmland, AB – Chairman of the Board INVL Baltic Real Estate, AB – Chairman of the Board INVL Technology, AB – Chairman of the Board MP Pension Funds Baltic, UAB – Member of the Board Litagra, UAB – Member of the Board |
| Owned shares and votes of other companies | INVL Baltic Farmland, AB – 62.73 % (together with people acting in concert) INVL Baltic Real Estate, AB – 50.3 % (together with people acting in concert) INVL Technology, AB – 50.3 % (together with people acting in concert) LJB Property, UAB – 99.99 % LJB Investments, UAB – 82.26 % PL Investicija, UAB – 18,75 % Gulbinu Turizmas, UAB – 7.7 % |



Indrė Mišeikytė – Member of the Board

| | |
|---|--|
| The term of office | From 2013 until 2016 |
| Educational background and qualifications | Vilnius Gediminas Technical University. Faculty of Architecture. Master in Architecture |
| Work experience | Since May 2012 Invalda LT, AB - Advisor Since June 2013 Invalda Privatus Kapitalas, AB – Advisor Since 2002 Inreal Valdymas, UAB - Architect From 2000 until 2002 Gildeta, UAB - Architect |
| Owned amount of shares in Invalda LT, AB | Directly: 236,867 units of shares, 2 % of authorised capital, 2 % of votes Total votes (together with people acting in concert) – 91.59 %. |
| Participation in other companies | Invalda Privatus Kapitalas, AB – Member of the Board INVL Baltic Farmland, AB – Member of the Board INVL Baltic Real Estate, AB – Member of the Board INVL Technology, AB – Member of the Board |
| Owned shares and votes of other companies | INVL Baltic Farmland, AB – 62.73 % (together with people acting in concert) INVL Baltic Real Estate, AB – 50.3 % (together with people acting in concert) INVL Technology, AB – 50.3 % (together with people acting in concert) DIM Investment, UAB – 25 % Margio Investicija, UAB – 16.67 % Tuta, UAB – 5.25 % |



Darius Šulnis – Member of the Board, the President

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

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| | |
|---|---|
| Participation in other companies | Invaldos Nekilnojamojo Turto Fondas, AB – Chairman of the Board Litagra, UAB – Member of the Board BAIP Grupe, UAB – Chairman of the Board Invalda LT Investments, UAB – director, member of the Board INVL Baltic Farmland, AB – director, member of the Board INVL Baltic Real Estate, AB – director, member of the Board INVL Technology, AB – director, member of the Board MP Pension Funds Baltic, UAB – Chairman of the Board |
| Owned shares and votes of other companies | INVL Baltic Farmland, AB – 62.73 % (together with people acting in concert) INVL Baltic Real Estate, AB – 50.3 % (together with people acting in concert) INVL Technology, AB – 50.3 % (together with people acting in concert) Lucrum Investicija, UAB – 100 %. Golfas, UAB – 31 %. |



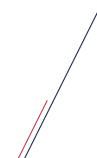
Raimondas Rajeckas – CFO

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

10. Information about the Audit Committee of the company

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

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



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



Danutė Kadanaitė – Member of the Audit Committee

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



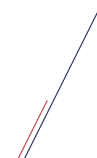
Tomas Bubinas – Independent Member of the Audit Committee

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

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

Within the third quarter of 2014 the remuneration calculated for the Board members of Invalda LT, AB (as employees of the Company) amounted to 550 thousand litas, that is on the average 20.4 thousand litas per month for each member. The remuneration calculated to the president of the Company and CFO totalled to 357 thousand litas, on the average 19.9 thousand litas per month for each.

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



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

12. Overview of the Issuer and its group activity

12.1. Business environment

The growth of Lithuanian economy has slowed down to 2.6 percent in the third quarter of 2014, compared to the same period last year. During the 9 months of 2014 GDP growth was 3.1 percent which is close to the growth rate of 2013 that was 3.2 percent. Such growth rates of country's economy keep Lithuania among the top growing countries in the European Union.

According to the Economy overview prepared by Swedbank in November, 2014, Lithuanian economy growth was lower compared to the first half of 2014 due to the fact that slower growth was observed in almost all subparts of GDP. Manufacturing in the third quarter of 2014 compared to the same period in 2013 grew by 6 percent, while in the first half of 2014 this rate was 9 percent. Retail in the third quarter also demonstrated lower growth rates than during the first half of 2014, 5.7 and 5.0 percent respectively. As described in SEB Macro comment, published on 10 October 2014, export has slowed down by 2.9 percent in August 2014 then compared to August 2013, while during the nine months drop was 2.4 percent. Food export was hit the most, due to the Russian embargo it has dropped by 16.2 percent when comparing August 2014 to August 2013.

Geopolitical tension did not have a significant impact on labour market. Swedbank analysts state that companies were able to turn to other markets or simply were not exposed to the risks. Number of vacancies significantly improved compared to 2013 and unemployment rate keeps falling. In November, 2014 the unemployment rate was 8.3 percent.

Swedbank forecasts in their market overview that GDP in 2014 will grow by 3.0 percent and this forecast is the same as forecasted in the second quarter because negative geopolitical effects are outbalanced by cheaper commodities and growing salaries that positively impact consumption. In 2015 and 2016 economy growth should accelerate even further reaching 3.3 and 3.8 percent respectively. It is expected that consumption and investment stay the main growth drivers. Growing employment and lack of skilled workforce will push salaries up. Together with the above mentioned factor minimal wage increase is expected to in July, 2015 to LTL 1,122.16 (EUR 325). Low interest rates and improving business as well as consumer sentiments should have a positive impact on investment and borrowing growth.

The stock market grew along with economy:

| Index/Shares | 01-01-2014 | 30-09-2014 | + / -% |
|--------------|------------|------------|--------|
| OMX Tallinn | 817.72 | 765.22 | (6.42) |
| OMX Riga | 460.13 | 424.87 | (7.66) |
| OMX Vilnius | 421.60 | 458.10 | 8.66 |

Source - NASDAQ OMX

Table 12.1.1. Key economics indicators:

| Rate | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---------|---------|--------|--------|---------|---------|---------|---------------------------|
| Real GDP, annual change (excluding seasonal and labour days, %) | 11.1 | 1.9 | (14.2) | 1.6 | 6.1 | 3.1 | 3.1 | 3.1 (I–III quarter) |
| Nominal GDP (LTL billion) | 100.272 | 112.894 | 93.001 | 96.683 | 107.891 | 115.026 | 120.695 | 93.507 (I–III quarter) |
| Retail trade turnover (at constant prices, excluding vehicle trade) annual change (%) | 16.1 | 2.2 | (21.3) | (6.7) | 6.1 | 3.9 | 4.5 | 5.4 (I–III quarter) |
| CPI, annual change (%) | 8.1 | 8.5 | 1.3 | 3.8 | 3.4 | 2.8 | 0.4 | (0.1) (September) |
| HICP, annual average change (%) | 5.8 | 11.1 | 4.2 | 1.2 | 4.1 | 3.2 | 1.2 | 0.3 (September) |
| Average monthly wage (4th quarter of 2013, LTL) | 2052 | 2319.1 | 2118.3 | 2121.5 | 2175.0 | 2232.0 | 2340.2 | 2355.7 (II quarter) |
| Annual change of average monthly wage (4th quarter of 2013, LTL) | 18.5 | 13.0 | (8.7) | 0.2 | 2.5 | 2.6 | 4.8 | 4.6 (II quarter) |

Source – SEB Bank.

Table. 12.1.2. Global GDP forecast

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

Source – SEB Nordic Outlook, August 2014, OECD



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

The Company

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

- company licenses, thus becoming similar to funds. The management of companies will be transferred to Invalda LT Investments, established by Invalda LT, which seeks management company license.
- On 28 May 2014 Invalda LT announced about completion of the transactions regarding sale of 45.4 % stake in Vilnius Baldai and expansion of its share in Litagra, one of the largest agricultural business companies in the Baltic states, up to 36.9 %. Invalda LT has received LTL 80.198 million (EUR 23.227 million) for Vilnius Baldai shares and dividends. LTL 24.124 million (EUR 6.987 million) out of this amount, were paid for 45.45 % of Cedus Invest shares. After this acquisition Invalda LT increased its stake in Cedus Invest up to 100 %, and undertook all loans of the company. Cedus Invest owns 36.9 % of Litagra shares.
 - On 30 May 2014 Invalda LT, AB announced the results of Invalda LT group for the first quarter of 2014. Consolidated profit attributable to shareholders of Invalda LT, AB totalled to LTL 2.7 million (EUR 0.8 million) and total consolidated net profit amounted to LTL 2.7 million (EUR 0.8 million).
 - On 4 June 2014 Invalda LT, AB acquired 12.42% percent of shares in INVL Baltic Real Estate and 12.42% of shares in INVL Technology. The joint value of this transaction equals to EUR 2.2 million (LTL 7.6 million).
 - On 29 August Invalda LT, AB announced results of the group for the first 6 months of 2014. Consolidated net profit attributable to shareholders of Invalda LT, AB totaled to LTL 18.8 million (EUR 5.4 million). Consolidated net profit totaled to LTL 18.8 million (EUR 5.4 million). The net profit of Invalda LT, AB for the first half of 2014 amounted to LTL 75.5 million (EUR 21.9 million).
 - On 23 September 2014 Invalda LT announced that on 23 September 2014 a company INVL Fondai, 100% managed by Invalda LT, received a decision of the Supervision Service of the Bank of Lithuania to not object to the acquisition and acquired specialised pension funds management company MP Pension Funds Baltic. EUR 3.3 million (LTL 11.394 million) were paid for 100% of MP Pension Funds Baltic.
 - On 30 September 2014 Invalda LT informed that the company together with its partners seeks to acquire Finasta group. The Board of the Bank of Lithuania issued a permission to acquire Finasta group. The permission is valid till 31 March 2015.
 - On 24 October 2014 the company announced that Bank Snoras Creditors' Committee announced about setting the minimal Finasta Banking Group selling price and the sale method. Also, the Committee authorised the Bankruptcy Administrator to complete the negotiations with the best bidder - consortium of Invalda LT and other investors.
 - On 5 November 2014 Invalda LT announced that the company together with partners has signed the Finasta group Share Purchase Agreement on 4 November 2014. A total of EUR 7 million (LTL 24.2 million) will be paid for the Finasta group (the final price may be higher or lower depending on the changes in Finasta bank equity until the final closing of the deal). Invalda LT will acquire 78.28 percent of both bank Finasta and financial brokerage company Finasta shares and will gain 100 percent of asset management companies Finasta Asset Management in Lithuania and Latvia. The price which will be paid for the shares to be bought by Invalda LT amounts to EUR 6.131 million (LTL 21.2 million). The final closing of the deal is expected once the relevant permissions from Lithuanian Competition Council and Latvian Financial and Capital Market Commission are obtained. The above mentioned permissions have already been applied for.

Change of business model of Invalda LT, AB

- Business model of Invalda LT is redesigned according to classical asset management principles. Company seeks to become one of the leading asset management companies in the region and receive the main income from management activity.
- The Split-Off of Invalda LT, AB was completed on 29 April 2014. From Invalda LT, the company continuing its activity after the split-off, companies INVL Baltic Farmland, which is going to invest into agricultural land, INVL Baltic Real Estate, which will invest into real estate and INVL Technology, which will invest into information technology companies, were created on the basis of the separated part of assets, equity and liabilities.
- 18 companies and loans granted to them were transferred to INVL Baltic Farmland. Presently companies investing into agricultural land altogether own about 3 thousand hectare of land, the consolidated equity at the end of September 2014 amounted to LTL 34.177 million (EUR 9.89 million) or LTL 10.38 (EUR 3.01) per share.
- Invaldos Nekilnojamojo Turto Fondas and Rovelija, loans granted to the company Rovelija and assets in Latvia related to the real estate logistics project were transferred to INVL Baltic Real Estate. At the end of September 2014 consolidated equity capital of INVL Baltic Real Estate amounted to LTL 49.8 million, assets - LTL 136.1 million. Activity of INVL Baltic Real Estate group is financed by Siauliu bank (loans granted amount to LTL 53 million) and Invalda LT group (loans granted amount to LTL 18.6 million). Other liabilities equaled to LTL 14.7 million.

- 80 percent of BAIP Group shares were transferred to INVL Technology. Consolidated revenue of BAIP group in the third quarter of 2014 compared to the same period in 2013 increased 30 percent and amounted to LTL 40.302 million (LTL 31.084 million in 2013), EBITDA increased to 21 percent and totalled to LTL 3.015 million (LTL 2.493 million in 2013). The equity of INVL Technology, AB amounted to LTL 17.104 million or LTL 28.86 (EUR 8.36) per share at the end of September 2014.
- Shares of the newly established companies are quoted on the NASDAQ Vilnius Exchange since 4 June. The newly established companies will pursue apply for a closed-end investment company license and in its nature will become similar to a fund. It is planned that these companies will be managed by Invalda LT Investments owned by Invalda LT.
- All the shareholders of Invalda LT, which is more than 3800, proportionally to their owned amount of shares participate in the capital of the new companies. 52.05% of asset, equity and liabilities (according to book value) of Invalda LT stay in Invalda LT, 14.45% were given in INVL Baltic Farmland, 30.9% - in INVL Baltic Real Estate and 2.6% in INVL Technology.
- The company invested into asset management business in the third quarter of 2014. Invalda LT, AB acquired specialised pension funds management company MP Pension on 23 September 2014. EUR 3.3 million (LTL 11.394 million) were paid for 100% of MP Pension Funds Baltic. On 4 November 2014 the company together with partners signed the Finasta group Share Purchase Agreement. A total of EUR 7 million (LTL 24.2 million) will be paid for the Finasta group (the final price may be higher or lower depending on the changes in Finasta bank equity until the final closing of the deal). Invalda LT will acquire 78.28 percent of both bank Finasta and financial brokerage company Finasta shares and will gain 100 percent of asset management companies Finasta Asset Management in Lithuania and Latvia. The price paid for the shares bought by Invalda LT amounts to EUR 6.131 million (LTL 21.2 million). The final closing of the deal is expected once the relevant permissions from Lithuanian Competition Council and Latvian Financial and Capital Market Commission are obtained. The above mentioned permissions have already been applied for. The permission from Lithuanian Competition Council was received on 26 November 2014.

The group

The asset management sector

At the end of the reporting period Invalda LT in a field of asset management sector acted in specialised pension funds management field. Invalda LT, AB acquired specialised pension funds management company MP Pension Funds Baltic on 23 September 2014. LTL 11.4 million was paid for 100% of MP Pension Funds Baltic. The company provides pension accumulation and long-term savings solutions. The company manages three 2nd pillar and two 3rd pillar pension funds.



Invalda LT owns 100 percent of shares in Invalda LT Investments, a company seeking to receive the asset management company licence issued by the Bank of Lithuania.

On 4 November 2014 the company together with partners signed the Finasta group Share Purchase Agreement. Invalda LT will acquire 78.28 percent of both bank Finasta and financial brokerage company Finasta shares and will gain 100 percent of asset management companies Finasta Asset Management in Lithuania and Latvia. The price will be paid for the shares to be bought by Invalda LT amounts to EUR 6.131 million (LTL 21.2 million). The final closing of the deal is expected once the relevant permissions from Lithuanian Competition Council and Latvian Financial and Capital Market Commission are obtained. The above mentioned permissions have already been applied for. The permission from Lithuanian Competition Council was received on 26 November 2014.

Table 12.2.1. Results of MP Pension Funds Baltic, UAB

| LTL million (if not stated otherwise) | 2012 | 2013 | 9 months of 2014 |
|---------------------------------------|--------|--------|------------------|
| Clients, units | 41,603 | 57,656 | 61,965 |
| Managed assets | 166.4 | 252.1 | 308.2 |
| Revenue | 1.7 | 2.4 | 2.5 |
| Net result | (2.2) | 0.9 | (0.2) |

Other investments

Agriculture

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



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

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

Table 12.2.2. Results of the Litagra, UAB group

| LTL, million | 9 months of 2012 | 9 months of 2013 | 9 months of 2014 |
|---|------------------|------------------|------------------|
| Sales | 301.7 | 309.0 | 323.2 |
| EBITDA | 31.9 | 25.1 | 16.3 |
| Net result, according to the data provided by the company | 18 | 14.6 | 4.5 |

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

Facility management

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



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



Activity results of Inservis group companies improved significantly during the third quarter of 2014. Reorganization of the company's structure as well as increase in amount of the company's clients in the commerce sector initiated improvement. Revenue increased more than third during the nine months of 2014, compared to the same period in 2013.



During the third quarter of 2014 group of companies providing facility management services to its managed real estate portfolio added clients such as Eurovaistine and Lietuvos Pastas and signed a contract for the care of 19 buildings with Kaunas clinical hospital. Also, the group of companies started to provide its services to 68 buildings belonging to NT Valdos and together having area of 190 thousand. sq.m. The group of companies won the competition organised by Lithuanian Armed Forces Logistics Command garrison to launch cleaning work in Vilnius and Panevezys.



Inservis and Jurita activated an electronic customer service system in the third quarter of 2014.

After the split-off in the second quarter of 2014, Invalda LT is now presented as an investment company. After changed accounting to investment company principle, the investments to facility management companies were revaluated at fair value using multiplier method (LTL 11.7 million value as on 30 September 2014) and the Group has recognised LTL 10.3 million profit of net change in fair value.

Table 12.2.3. Results of the facility management

| LTL, million | 9 months of 2012 | 9 months of 2013 | 9 months of 2014 |
|--------------|------------------|------------------|------------------|
| Sales | 9.6 | 10.9 | 14.2 |
| EBITDA | 0.2 | 0.6 | 2.1 |
| Net profit | (0.2) | 0.3 | 1.5 |

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

| thousand litas | Company's | | | Group's | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| | 9 months of 2012 | 9 months of 2013 | 9 months of 2014 | 9 months of 2012 | 9 months of 2013 | 9 months of 2014 |
| Non current assets | 123,228 | 144,511 | 115,540 | 355,865 | 303,406 | 112,943 |
| Current assets | 253,208 | 50,052 | 48,045 | 233,336 | 60,860 | 50,923 |
| Assets classified as held for sale | - | - | - | - | - | - |
| Equity | 363,770 | 167,072 | 160,990 | 413,351 | 207,721 | 160,970 |
| Equity attributable to equity holders of the parent Company | 363,770 | 167,072 | 160,990 | 392,296 | 207,132 | 160,970 |
| Minority interest | - | - | - | 21,055 | 589 | - |
| Non-current liabilities | - | - | - | 125,584 | 115,104 | 911 |
| Current liabilities | 12,666 | 27,491 | 2,595 | 50,266 | 41,441 | 1,958 |
| Result before taxes | 25,859 | 87,907 | 78,672 | 10,286 | 5,357 | 11,810 |
| Net result | 24,156 | 87,292 | 77,973 | 29,440 | 95,795 | 21,211 |
| Net result attributable to holders of the parent Company | - | - | - | 24,257 | 94,784 | 21,273 |

Calculation of the net asset value of Invalda LT, AB

| Invalda LT, AB thousand litas | Evaluation criteria | 2014-09-30 |
|---|-----------------------------------|----------------|
| Investment into asset management | Acquisition cost price | 12,791 |
| Cash and cash equivalents | Book value | 27,899 |
| Deferred income tax asset | Book value | 7,084 |
| Investments into INVL Baltic Real Estate, AB | Market price | 5,547 |
| Investments into INVL Technology, AB | Market price | 2,572 |
| Other listed shares | Market price | 4,299 |
| Investments into Litagra, UAB | Transaction value | 51,609 |
| Investments into Inservis, UAB | Comparative method of multipliers | 11,686 |
| Investments into other subsidiary companies | Liquidation value | 379 |
| Other investments | Book value | 1,705 |
| Loans to group companies of INVL Baltic Real Estate, AB | Book value | 18,642 |
| Loans to group companies of INVL Technology, AB | Book value | 9,338 |
| Other loans | Book value | 8,640 |
| Other assets | Book value | 1,394 |
| | <i>Total assets</i> | 163,585 |
| | <i>Liabilities</i> | 2,595 |
| Net asset value | Book value | 160,990 |

13. Activity plans and forecast of the Issuer and its group

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

14. A description of the principal risks and uncertainties

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

15. Significant investments made during the reporting period

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

The company invested into asset management business in the second half of 2014. Invalda LT, AB acquired specialised pension funds management company MP Pension on 23 September 2014. EUR 3.3 million (LTL 11.394 million) were paid for 100% of MP Pension Funds Baltic.

On 4 November 2014 the company together with partners signed the Finasta group Share Purchase Agreement. A total of EUR 7 million (LTL 24.2 million) will be paid for the Finasta group (the final price may be higher or lower depending on the changes in Finasta bank equity until the final closing of the deal). Invalda LT will acquire 78.28 percent of both bank Finasta and financial brokerage company Finasta shares and will gain 100 percent of asset management companies Finasta Asset Management in Lithuania and Latvia. The price will be paid for the shares to be bought by Invalda LT amounts to EUR 6.131 million (LTL 21.2 million). The final closing of the deal is expected once the relevant permissions from Lithuanian Competition Council and Latvian Financial and Capital Market Commission are obtained. The above mentioned permissions have already been applied for. The permission from Lithuanian Competition Council was received on 26 November 2014.

16. Information on the related parties' transactions

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

The president



Darius Šulnis