

**AB Invalda**

Consolidated annual statutory  
accounts for 2004

**Contents**

Company details	2
Summary of the group	3
Annual report	4
Report of the auditor to the shareholders of AB Invalda	5
Balance sheet	7
Profit and loss account	9
Statement of changes in equity	10
Cash flow statement	11
Notes to the financial statements	13

## **Company details**

### **AB Invalda**

Telephone: +370 5 2790601  
Telefax: +370 5 2790530  
Registration No.: 013320  
Company code: 121304349  
Registered office: Šeimyniškių str. 3, LT-09312 Vilnius

### **Board of Directors**

Alvydas Banys, Chairman  
Algirdas Bučas  
Dailius Juozapas Mišeikis

### **Management**

Algirdas Bučas, President  
Alvydas Banys, Vice-president  
Dailius Juozapas Mišeikis, Vice-president  
Zita Vaitkevičienė, Chief financial officer

### **Auditors**

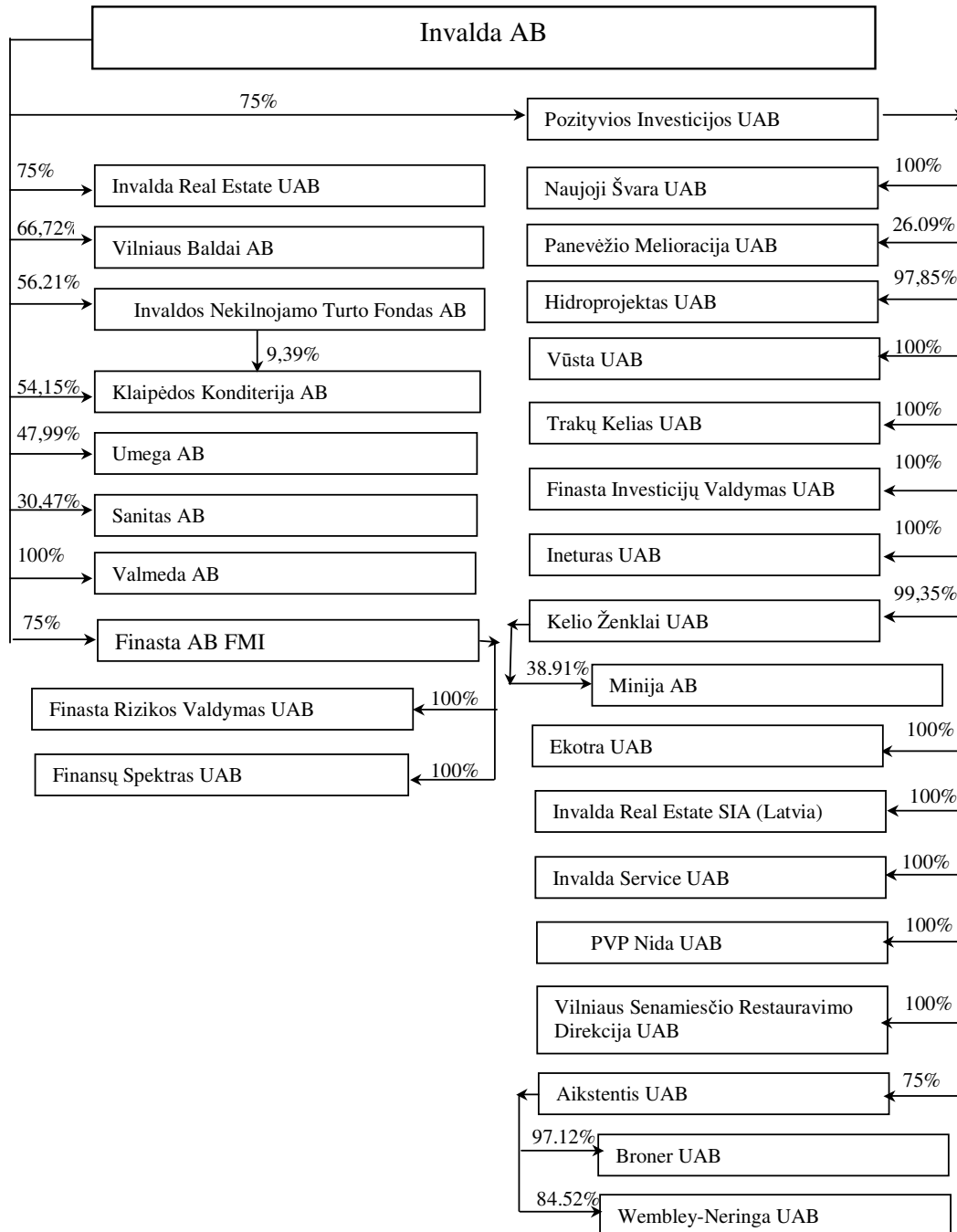
KPMG Lietuva

### **Banks**

Nordea Bank, Lithuanian branch  
AB Hansabankas  
AB Vilniaus Bankas

## Summary of the group

Description of the group could be summarised in the following chart:



## **Annual report**

The Board of Directors and Management have today discussed and adopted the consolidated annual statutory accounts and the annual report.

The consolidated annual statutory accounts have been prepared in accordance with Lithuanian Business Accounting Standards. We consider that the accounting policies used are appropriate and that the consolidated annual statutory accounts thus give a true and fair view.

We recommend the consolidated annual statutory accounts to be approved at the Annual General Meeting.

Vilnius, 22 April 2005

Management:

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Algirdas Bučas  
President

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Alvydas Banys  
Vice-president

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Dailius Juozapas Mišeikis  
Vice-president

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Zita Vaitkevičienė  
Chief financial officer

Board of Directors:

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Alvydas Banys  
Chairman

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Algirdas Bučas

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Dailius Juozapas Mišeikis

## **Report of the auditor to the shareholders of AB Invalda**

### **Scope**

We have audited the accompanying consolidated balance sheet of AB Invalda as at 31 December 2004, and the related consolidated statements of income and cash flows for the year then ended.

### **Respective responsibilities of management and auditors**

These financial statements are the responsibility of the management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The financial statements of a number of subsidiaries, included in consolidation, which reflect total assets of 140,904 tLitas, equity of 56,373 tLitas and turnover of 116,736 tLitas, were audited by other auditors, whose reports have been supplied to us and our opinion is based on the reports of these auditors.

### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

### **Qualification**

Following the Law on Consolidated Financial Statements, the consolidated financial statements in accordance with the Business Accounting Standards were prepared for the first time for the year 2004, therefore, the financial statements do not include any comparative information. We have not audited any opening balances, consequently, can not and do not express any opinion regarding result and cash flow for the year 2004.

The financial statements of a number of subsidiaries included in the consolidation, which reflect total assets of 51,928 tLitas, equity of 5,330 tLitas and turnover of 8,864 tLitas, were not audited and, therefore, we can not and do not express any opinion on these financial statements.

We have relied on the audit, done by other auditors and, having evaluated the reports issued by them, we have noted that part of the reports include qualifications and some of them are without quantifying the amounts. Furthermore, the financial statements of certain subsidiaries and associated companies, as presented to us, do not meet all the requirements of Lithuanian Business Accounting Standards. Taking above into consideration, we are unable to express an opinion regarding the value of non-current assets of approximately 9,300 tLitas and current assets of approximately 13,400 tLitas.

### **Opinion**

In our opinion, based on our audit and the reports of other auditor, except for the possible impact of the matters referred to in the preceding paragraph, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2004, and of the results of its operations and cash flows for the year then ended in accordance with Lithuanian Business Accounting Standards.

Vilnius, 22 April 2005  
KPMG Lietuva

Leif Rene Hansen  
Danish State Authorised  
Public Accountant

Domantas Dabulis  
Certified Auditor

## Balance sheet

(Litas)

Row No.	ASSETS	Note No.	Financial year	Previous financial year
<b>A.</b>	<b>NON-CURRENT ASSETS</b>		182,282,237	
I.	INTANGIBLE NON-CURRENT ASSETS		-3,799,996	
I.1.	Development costs			
I.2.	Goodwill		-4,575,846	
I.3.	Patents, licences			
I.4.	Software		751,704	
I.5.	Other intangible non-current assets		24,146	
II.	TANGIBLE NON-CURRENT ASSETS		165,178,087	
II.1.	Land		2,507,619	
II.2.	Buildings and plant		116,416,093	
II.3.	Machinery and equipment		32,995,944	
II.4.	Transport vehicles		1,733,635	
II.5.	Other fixtures, fittings, tools and equipment		3,435,195	
II.6.	Unfinished construction		5,187,197	
II.7.	Other tangible non-current assets		2,902,404	
III.	FINANCIAL NON-CURRENT ASSETS		20,904,146	
III.1.	Investments in subsidiaries and associates		11,861,672	
III.2.	Loans to subsidiaries and associates		172,640	
III.3.	Amounts receivable after one year		759,417	
III.4.	Other financial non-current assets		8,110,417	
<b>B.</b>	<b>CURRENT ASSETS</b>		105,327,025	
I.	INVENTORIES, PREPAYMENTS AND CONTRACTS IN PROGRESS		19,827,647	
I.1.	Inventories		16,541,119	
I.1.1.	Raw materials and consumables		9,505,433	
I.1.2.	Work in progress		2,049,390	
I.1.3.	Finished goods		4,986,296	
I.1.4.	Goods for resale			
I.2.	Prepayments		965,632	
I.3.	Contracts in progress		2,320,896	
II.	AMOUNTS RECEIVABLE WITHIN ONE YEAR		46,206,920	
II.1.	Trade debtors		31,260,665	
II.2.	Due from subsidiaries and associated companies		1,785,939	
II.3.	Other amounts receivable		13,160,316	
III.	OTHER CURRENT ASSETS		29,745,189	
III.1.	Short-term investments		17,086,017	
III.2.	Term deposits			
III.3.	Other current assets		12,659,172	
IV.	CASH AND CASH EQUIVALENTS		9,547,269	
	<b>TOTAL ASSETS</b>		287,609,262	



## Balance sheet (Litas)

Row No.	EQUITY AND LIABILITIES	Note No.	Financial year	Previous financial year
<b>C.</b>	<b>SHAREHOLDERS' EQUITY</b>		89,849,365	
I.	SHARE CAPITAL		44,450,904	
I.1.	Authorised (subscribed) capital		40,417,339	
I.2.	Subscribed capital unpaid			
I.3.	Share premium account		4,033,565	
I.4.	Own shares			
II.	REVALUATION RESERVE (RESULTS)		13,514,561	
III.	RESERVES		4,214,441	
III.1.	Compulsory reserve		3,020,471	
III.2.	Reserve for acquiring own shares			
III.3.	Other reserves		1,193,970	
IV.	RETAINED EARNINGS (LOSSES)		27,673,345	
IV.1.	Current year profit (loss)		19,631,002	
IV.2.	Previous years profit (loss)		8,042,343	
V.	CURRENCY EXCHANGE CHANGE		-3,886	
<b>D.</b>	<b>MINORITY INTEREST</b>		32,235,363	
<b>E.</b>	<b>GRANTS, SUBSIDIES</b>		3,670	
<b>F.</b>	<b>AMOUNTS PAYABLE AND LIABILITIES</b>		165,520,863	
I.	AMOUNTS PAYABLE AFTER ONE YEAR AND LONG-TERM LIABILITIES		76,696,401	
I.1.	Financial liabilities		73,434,192	
I.1.1.	Leasing (financial lease) or similar liabilities		274,067	
I.1.2.	Credit institutions		73,160,125	
I.1.3.	Other financial liabilities			
I.2.	Trade creditors			
I.3.	Prepayments received			
I.4.	Provisions			
I.4.1.	Obligations and claims			
I.4.2.	Pensions and similar obligations			
I.4.3.	Other obligations			
I.5.	Deferred tax		2,260,979	
I.6.	Other amounts payable and long-term liabilities		1,001,230	
II.	AMOUNTS PAYABLE WITHIN ONE YEAR AND SHORT-TERM LIABILITIES		88,824,463	
II.1.	Current year portion of long-term debts		7,749,801	
II.2.	Financial liabilities		29,785,914	
II.2.1.	Credit institutions		5,529,557	
II.2.2.	Other financial liabilities		24,256,357	
II.3.	Trade creditors		30,224,299	
II.4.	Prepayments received		5,673,256	
II.5.	Payable corporate income tax		5,225,027	
II.6.	Employment related liabilities		1,391,430	
II.7.	Provisions		793,431	
II.8.	Other amounts payable and short-term liabilities		7,981,305	
	<b>TOTAL EQUITY AND LIABILITIES</b>		287,609,262	

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(Duties of the administration manager of the company)

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(Signature)

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(First and last names)

## Profit and loss account

(Litas)

Row No.	Items	Note No.	Financial year	Previous financial year
<b>I.</b>	<b>SALES</b>		205,129,682	
<b>II.</b>	<b>COST OF SALES</b>		146,520,683	
<b>III.</b>	<b>GROSS PROFIT (LOSS)</b>		<b>58,608,999</b>	
<b>IV.</b>	<b>OPERATING EXPENSES</b>		<b>28,885,304</b>	
IV.1.	Sales expenses		3,310,390	
IV.2.	General and administration expenses		25,574,914	
<b>V.</b>	<b>OPERATING PROFIT (LOSS)</b>		<b>29,723,695</b>	
<b>VI.</b>	<b>OTHER ACTIVITIES</b>		<b>1,015,193</b>	
VI.1.	Income		3,632,396	
VI.2.	Expenses		2,617,203	
<b>VII.</b>	<b>FINANCIAL AND INVESTING ACTIVITIES</b>		<b>2,279,086</b>	
VII.1.	Income		7,010,089	
VII.2.	Expenses		4,731,003	
<b>VIII.</b>	<b>ORDINARY PROFIT (LOSS)</b>		<b>33,017,974</b>	
<b>IX.</b>	<b>EXTRAORDINARY GAIN</b>		<b>41,932</b>	
<b>X.</b>	<b>EXTRAORDINARY LOSS</b>		<b>152,434</b>	
<b>XI.</b>	<b>PROFIT (LOSS) BEFORE TAXATION</b>		<b>32,907,472</b>	
<b>XII.</b>	<b>CORPORATE INCOME TAX</b>		<b>6,095,956</b>	
<b>XIII.</b>	<b>PROFIT (LOSS) BEFORE MINORITY INTEREST</b>		<b>26,811,516</b>	
<b>XIV.</b>	<b>MINORITY INTEREST</b>		<b>7,180,514</b>	
<b>XIII.</b>	<b>NET PROFIT (LOSS)</b>		<b>19,631,004</b>	

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(Duties of the administration manager of the company)

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(Signature)

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(First and last names)

## Statement of changes in equity (Litas)

	Paid in authorised capital	Share premium account	Own shares (-)	Revaluation reserve (results)		Legal reserve		Effect of currency exchange change	Other reserves	Retained earnings	Total
				Of non-current tangible assets	Of financial assets	Compulsory	For acquiring own shares				
<b>1. Balance at 31 12 2002</b>											
2. Result of changes in the accounting policies applied											
3. Result of corrections of fundamental errors											
<b>4. Restated balance at 31 12 2002</b>											
5. Revaluation of tangible non-current assets											
6. Revaluation of financial non-current assets											
7. Acquisition / sale of own shares											
8. Not recognised profit / loss in the Profit and Loss Account											
9. Net profit / loss for the current financial year											
10. Dividends											
11. Other payments											
12. Reserves allocated											
13. Reserves used											
14. Increase / decrease in capital											
<b>15. Balance at 31 12 2003</b>	38,000,000	4,033,565		9,038,366	4,476,195	2,429,316		0	1,764,413	10,038,055	69,779,910
16. Revaluation of tangible non-current assets											
17. Revaluation of financial non-current assets											
18. Acquisition of own shares											
19. Not recognised profit / loss in the Profit and Loss Account											
20. Net profit / loss for the current financial year										19,631,002	19,631,002
21. Dividends										-1,900,000	-1,900,000
22. Other payments										-75,000	-75,000
23. Reserves allocated						591,155			-570,443	-20,712	0
24. Reserves used											
25. Increase / decrease in capital	2,417,339										2,417,339
26. Currency exchange change								-3,886			-3,886
<b>27. Balance at 31 12 2004</b>	40,417,339	4,033,565		9,038,366	4,476,195	3,020,471		-3,886	1,193,970	27,673,345	89,849,365

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(Duties of the administration manager of the company)

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(Signature)

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(First and last names)

## Cash flow statement

(Litas)

Row No.	Items	Note No.	Financial year	Previous financial year
<b>I.</b>	<b>Cash flow from operating activities</b>			
I.1.	Net profit (loss)		19,631,003	
I.2.			7,180,513	
I.3.	Depreciation and amortisation		9,959,815	
I.4.	(Increase) decrease in amounts receivable after one year		-804,818	
I.5.	(Increase) decrease in inventories		2,440,992	
I.6.	(Increase) decrease in prepayments		2,295,888	
I.7.	(Increase) decrease in contracts in progress		2,678,205	
I.8.	(Increase) decrease in trade receivables		-27,558,284	
I.9.	(Increase) decrease in liabilities of subsidiaries and associates		129,316	
I.10.	(Increase) decrease in other amounts receivable		-11,296,251	
I.11.	Increase (decrease) in long-term trade payables and received prepayments		866,624	
I.12.	Increase (decrease) in short-term trade payables and received prepayments		25,825,553	
I.13.	Increase (decrease) in employment liabilities		785,447	
I.14.	Increase (decrease) in provisions		-550,317	
I.15.	Increase (decrease) in other amounts payable and liabilities		-7,862,329	
I.16.	Elimination of results of financial and investing activities		-2,279,086	
	<b>Net cash flow from operating activities</b>		21,442,271	
<b>II.</b>	<b>Cash flow from investing activities</b>			
II.1.	Acquisition of non-current assets (except for investments)		-68,235,789	
II.2.	Transfer of non-current assets (except for investments)			
II.3.	Acquisition of long-term investments		-8,933,188	
II.4.	Transfer of long-term investments		1,750,570	
II.5.	Loans issued			
II.6.	Loans recovered			
II.7.	Dividends, interest received			
II.8.	Other increase in cash flow from investing activities		1,390,463	
II.9.	Other decrease in cash flow from investing activities			
	<b>Net cash flow from investing activities</b>		-74,027,944	

## Cash flow statement

(Litas)

Row No	Items	Note No.	Financial year	Previous financial year
<b>III.</b>	<b>Cash flow from financial activities</b>			
III.1.	Cash flow related to shareholders		-1,749,570	
III.1.1.	Emission of shares			
III.1.2.	Owners contributions against losses			
III.1.3.	Redemption of own shares			
III.1.4.	Dividends paid		-1,749,570	
III.2.	Cash flow related to other financing sources		51,899,800	
III.2.1.	Increase in financial liabilities		53,792,871	
III.2.1.1.	Loans received		53,792,871	
III.2.1.2.	Bonds emission			
III.2.2.	Decrease in financial liabilities		-1,893,071	
III.2.2.1.	Loans repaid			
III.2.2.2.	Redemption of bonds			
III.2.2.3.	Interest paid		-1,893,071	
III.2.2.4.	Leasing (financial lease) payments			
III.2.3.	Increase in other liabilities			
III.2.4.	Decrease in other liabilities			
III.2.5.	Increase in other cash flow from financial activities			
III.2.6.	Decrease in other cash flow from financial activities			
	<b>Net cash flow from financial activities</b>		50,150,230	
<b>IV.</b>	<b>Cash flow from extraordinary activities</b>			
IV.1.	Increase in cash flow from extraordinary activities			
IV.2.	Decrease in cash flow from extraordinary activities			
<b>V.</b>	<b>Impact of currency exchange fluctuations on the balance of cash and cash equivalents</b>			
<b>VI.</b>	<b>Increase (decrease) in net cash flow</b>		<b>-2,435,443</b>	
<b>VII.</b>	<b>Cash and cash equivalents in the beginning of the period</b>		<b>11,982,712</b>	
<b>VIII.</b>	<b>Cash and cash equivalents at the end of the period</b>		<b>9,547,269</b>	

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(Duties of the administration manager of the company)

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(Signature)

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(First and last names)

## Notes to the financial statements

### 1. Background information

AB Invalda (hereinafter the Company) was established in 1991.

By the shareholders' decision of 16 September 2004, the minutes of extraordinary meeting of shareholders No. 26), the Company has participated in the reorganisation of AB Invalda, AB Pastana, AB Gildeta and AB Kreimi. The Terms of the Reorganisation were prepared in accordance with the Civil Code of the Republic of Lithuania, the Company Law of the Republic of Lithuania and other legal acts. On the basis of the Terms of Reorganisation, AB Invalda and AB Pastana participated in the reorganisation and AB Gildeta and AB Kreimi were reorganised in accordance with Part 6 of Article 2.97 of the Civil Code of the Republic of Lithuania by the way of split, splitting AB Gildeta and AB Kreimi which ceased their activities after the reorganisation. During the reorganisation AB Invalda took over all non-current financial assets of AB Gildeta and AB Kreimi in the manner prescribed by the Terms of Reorganisation.

Having registered the new wording of the Articles of Association of AB Invalda, the identifying data of AB Invalda, operating after the reorganisation, remained the same, except for the authorised capital which was increased to 40,417,339 Litass by issuing 2,417,339 new ordinary registered shares with a nominal value of 1 Litas. The new issue was made for the purpose of exchange, as provided in the reorganisation terms, by exchanging shares of UAB Nenuorama, a shareholder of AB Kreimi, to the shares of AB Invalda. In accordance with the ratio of shares exchange set, AB Invalda received 298,941 ordinary registered shares with a nominal value of 10 Litas each in exchange for the shares held by AB Gildeta. The difference of 3,859,362 Litas, occurring in the accounting due to these operations, was booked as a negative goodwill in the assets and it will be depreciated in 15 years.

The main field of business activities of the Company is investing and reinvesting of securities, trade in securities and operations with real estate.

### 2. Significant accounting policies

#### Statement of compliance

The consolidated annual accounts of AB Invalda have been prepared in accordance with Lithuanian Business Accounting Standards (BAS).

#### Basis of preparation

The consolidated financial statements of AB Invalda as at 31 December 2004 include financial statements of the Company and its subsidiaries (hereinafter - the Group) and Part of the Group in associated companies. The figures are presented in Litas and the consolidated financial statements are prepared on the historical cost basis.

The preparation of the financial statements in accordance with BAS requires from the management to make judgements, estimates and assumptions that affect on the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from estimates.

### **Basis for consolidation**

The consolidated financial statements comprise AB Invalda, the parent company, and subsidiary undertakings, in which AB Invalda, directly or indirectly, controls more than 50% of the voting rights.

The undertakings, which are not the subsidiary undertakings but in which AB Invalda has 20% or more of voting rights and exercises a considerable influence over the operational and financial management, are the associated undertakings. Participating interest in the associated undertakings are valued according to the equity method at the proportionately owned share of the undertakings' capital and reserves. The proportionally owned share of the associated undertakings' results is included in the profit and loss account.

When consolidating, inter-group income and expenses, inter-group receivables and payables and profit and loss on inter-group transactions are eliminated.

### **Foreign currency transactions**

Transactions in foreign currencies are translated into Litas at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Litas at the exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

### **Balance sheet**

#### **Intangible fixed assets**

Intangible fixed assets are stated at cost price less accumulated amortisation and impairment losses. Amortisation is provided on a straight-line basis over a period of 3-4 years.

#### **Goodwill and negative goodwill**

Goodwill (both positive and negative) represents amounts arising on acquisition of subsidiaries and associates and represents a difference between the cost of the acquisition and the value of the net assets acquired.

Positive goodwill is stated at cost less accumulated amortisation and impairment losses. Amortisation of positive goodwill is calculated on a straight-line basis over a 5 years' period. Negative goodwill is recognised as income on a straight-line basis over the period of 15 years.

In respect of associates, the value of goodwill is included in the book value of the investment in the associate.

### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour costs and an appropriate proportion of production overheads.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lifetime is as follows:

Buildings and plant	8 - 60 years
Machinery and equipment	5 - 8 years
Transport vehicles	6 - 10 years
Other fixed assets	2 - 10 years

Individual purchases of less than 600 Litas or the estimated useful life of an asset of less than 1 year are charged to the profit and loss account in the year of acquisition.

### **Investments**

Investments in associated companies are reported using the equity method.

Investments classified as being available-for-sale are stated at fair value, with any resultant gain or loss being recognised in the income statement. When fair value of the investment can not be measured reliably, the investment is valued at the purchase cost less impairment losses.

Investments classified as held-to-maturity are stated at amortised cost.

### **Inventories**

Raw materials and consumables are valued at acquisition cost. Work in progress and finished goods are valued at cost which includes acquisition cost of raw materials and consumables, plus production cost and other costs directly or indirectly related to individual goods.

### **Amounts receivable**

Trade and other receivable are stated at their cost less impairment losses.



**Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and cash at bank, including call deposits.

**Impairment**

The carrying amounts of the company's assets, other than inventories, are reviewed at each balance sheet date to determine, whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. All impairment losses are recognised in the income statement.

**Calculation of recoverable amount**

The recoverable amount is the greater of the net selling price and the value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

**Legal reserve**

Following the legislation, annual allocation to the legal reserve should amount to at least 5% of the net profit until the reserve makes up 10% of the share capital. The reserve can not be distributed.

**Dividends**

Dividends are recognised as a liability in the period in which they are declared.

**Provisions**

Provision is recognised in the balance when there is a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

**Profit and loss account****Sales**

Revenue from sale of goods and rendering of services is recognised on accrual basis.

Revenue from sale of goods is included in the profit and loss account when the significant risks and rewards of ownership have been transferred to the client.

**Cost of sales**

Cost of sales comprises the costs related to mediation in non-current assets lease and other costs incurred in order to obtain the turnover for the year.

**Operating expenses**

Operating expenses comprise costs regarding sales personnel, advertising, administrative staff, management, office premises and office expenses etc. including depreciation and amortisation.

**Other income and expenses**

Other operating income and charges comprise items secondary in relation to the primary activities including a rental income in connection with letting of property.

**Financial and investing income and expenses**

Financial income and expenses comprise interest receivable and payable, realised and unrealised exchange gains and losses regarding debtors and creditors denominated in foreign currencies.

Dividend income is recognised when the shareholder's right to receive payment is established.

**Result in associated companies**

Result after taxes in associated companies includes a proportional share of profit (loss) after taxes in associated companies.

**Extraordinary gains and losses**

Extraordinary gains and losses comprise income and charges resulting from activities other than ordinary ones.

**Tax on profit for the year**

Tax payable on the taxable income is booked to the profit (loss) account.

**Cash flow statement**

The cash flow statement shows the company's inflows and outflows of cash during the year as well as the financial position at year-end.

**Cash flows from operating activities**

Cash flows arising from operating activities are presented indirectly and are calculated as turnover less operating charges and adjusted for non-cash operating items, changes to the operating capital, financial and extraordinary items paid and corporation tax paid.

**Cash flows from investing activities**

Cash flows arising from investing activities include payments in connection with the acquisition and sale of fixed assets and investments.

**Cash flows from financing activities**

Cash flows arising from financing activities include payments to and from shareholders and raising of and repayments of mortgage loans and other long-term and short-term creditors not included under working capital.

### 3. Intangible non-current assets (Litas)

Items	Negative goodwill of subsidiaries	Positive goodwill of subsidiaries	Software	Other intangible assets	Total
<b>Balance at the end of the previous financial year</b>	-9,400,143	3,525,909			
<b>a) Intangible non-current assets at acquisition value</b>					
At the end of the previous financial year	-10,716,341	4,056,020			
Financial year changes:					
- acquisition of assets	-3,859,363	5,806,385			
- cessions to other persons and written-off assets (-)					
- transfers from one heading to another					
+ / (-)					
<b>At the end of the financial year</b>	-14,575,704	9,862,405	2,012,623	37,327	-2,663,349
<b>b) Amortisation</b>					
At the end of the previous financial year	-1,316,198	530,111			
Financial year changes:					
- amortisation in financial year	-995,164	1,643,798			
- written back (-)					
- amortisation of cessions to other persons and written-off assets (-)					
- transfers from one heading to another					
+ / (-)					
<b>At the end of the financial year</b>	-2,311,362	2,173,909	1,260,919	13,181	1,136,647
<b>c) Decrease in value</b>					
At the end of the previous financial year					
Financial year changes:					
- decrease in value in financial year					
- written back (-)					
- of cessions to other persons and written-off assets(-)					
<b>At the end of the financial year</b>	-12,264,342	7,688,496	751,704	24,146	-3,799,996
<b>d) Balance at the end of the financial year (a)-(b)-(c)</b>					

#### 4. Tangible non-current assets (Litas)

Items	Land	Buildings and plants	Machinery and equipment	Vehicles	Other fixtures, fittings, tools and equipment	Construction in progress	Other tangible assets	Total
<b>Balance at the end of the previous financial year</b>								
<b>a) Acquisition value</b>								
At the end of the previous financial year								
Financial year changes:								
- acquisition of assets								
- cessions and written-off assets (-)								
- transfers from one heading to another +/-(-)								
<b>At the end of the financial year</b>	2,507,619	130,164,954	50,227,607	2,892,983	7,954,247	5,187,197	3,194,592	202,129,199
<b>b) Revaluation</b>								
At the end of the previous financial year								
Financial year changes:								
- increase (decrease) in value +/-(-)								
- of cessions to other persons and written-off assets (-)								
- transfers from one heading to another +/-(-)								
<b>At the end of the financial year</b>								
<b>c) Depreciation</b>								
At the end of the previous financial year								
Financial year changes:								
- depreciation in financial year								
- written back (-)								
- depreciation of cessions to other persons and written-off assets (-)								
- transfers from one heading to another +/-(-)								
<b>At the end of the financial year</b>	0	13,748,861	17,231,663	1,159,348	4,519,052	0	292,188	36,951,112
<b>d) Decrease in value</b>								
At the end of the previous financial year								
Financial year changes:								
- decrease in value in the financial year								
- written back (-)								
- of cessions to other persons and written-off assets (-)								
- transfers from one heading to another +/-(-)								
<b>At the end of the financial year</b>								
<b>e) Balance at the end of the financial year (a)+(b)-(c)-(d)</b>	2,507,619	116,416,093	32,995,944	1,733,635	3,435,195	5,187,197	2,902,404	165,178,087

\* Information about the assets of trust is provided below the table

### 5. Pledge of tangible non-current assets

Name of the assets pledged	Balance value, Litas	End of pledge
Production equipment	25,055,710	December 2011
Buildings (Šeiminiškių g. 1, Vilnius)	18,229,386	June 2011
Buildings (Savanorių pr. 178, Vilnius)	15,809,994	December 2011
Buildings (Juozapavičiaus g. 6/2, Vilnius)	12,696,372	September 2011
Buildings (Vilkpėdės g. 4, Vilnius)	11,147,542	January 2014
Buildings (Slucko g. 8, Vilnius)	10,870,269	April 2011
Building (Šeimyniškių g. 1A, Vilnius)	7,750,711	September 2011
Buildings (Pylimo g. 4, Klaipėda)	4,546,310	October 2011
Building (Šeimyniškių g. 3, Vilnius)	2,288,611	September 2011
Buildings (Miško g. 3, Vilnius)	1,240,374	January 2014
Buildings (Nemenčinės pl. 20, Vilnius)	652,907	May 2005
<b>Total</b>	<b>110,288,186</b>	

### 6. Depreciation rates for tangible non-current assets

Groups of tangible non-current assets*	Average useful life time (in years)
Buildings and plants	8-60
Machinery and equipment	5-8
Transport vehicles	6-10
Other fixtures, fittings, tools and equipment	3-8
Other tangible non-current assets	2-10

### 7. Depreciated tangible non-current assets in use

Name of asset group	Acquisition cost (Litas)
Machinery and equipment	6,689,777
Transport vehicles	641,028
Other fixtures, fittings, tools and equipment	595,727
Other tangible non-current assets	35,266
<b>TOTAL</b>	<b>7,961,798</b>

## 8. Inventories (Litas)

	Items	Raw materials and consumables	Work in progress	Finished goods	Goods for resale	Total
a)	Acquisition value of inventories					
	At the end of the previous financial year	5,983,984	1,830,739	3,949,036	3,185,933	14,949,692
	At the end of the financial year	9,505,433	2,049,390	3,072,062	1,914,234	16,541,119
b)	Write-down to net realisable value (reversals of write-down)					
	At the end of the previous financial year					
	At the end of the financial year					
c)	Net realisable value at the end of the financial year (a) - (b)	9,505,433	2,049,390	3,072,062	1,914,234	16,541,119
	Differences in valuation if LIFO was used					
	Value of inventories pledged	400,000				
	Inventories at third parties					

## 9. Subsidiary companies

Name of subsidiary company	Type of activity	Controlled share (%)	Shareholders' equity (Litas)	Net profit (loss) (Litas)
AB Invaldos Nekilnojamojo Turto Fondas	Real estate transactions	56.21	23,381,537	2,808,567
UAB Invalda Real Estate	Management of real estate, evaluation and mediation	75	1,703,655	182,043
UAB Pozityvios Investicijos	Financial mediation	75	7,523,076	3,522,441
AB FMĮ Finasta	Investment activities	75	18,584,581	6,687,075
AB Vilniaus Baldai	Projecting, production, sale of furniture	66.72	35,853,263	8,234,164
AB Klaipėdos Konditerija	Production of sugar confectionery products and wholesale trade	59.43	5,178,360	134,152
AB Valmeda	Hotel activities	100	15,019,639	838,029

## 10. Associated companies

Name of the company	Type of activity	Controlled share (%)	Shareholders' equity (Litas)	Net profit (loss) (Litas)
AB Umega	Production and sale of metal items, electric ovens for production, production of thermo-isolation materials	47.99	5,692,671	-152,093
AB Sanitas	Production of pharmaceuticals	30.47	25,178,889	4,649,359

## 11. Structure of the authorised capital

	Items	Number of shares	Amount (Litas)
	Structure of the share capital at the end of the financial year		
1.	As to type of shares		
1.1.	Common shares	40,417,339	40,417,339
1.2.	Preferred shares		
1.3.	Employees' shares		
1.4.	Special shares		
1.5.	Other shares		
	<b>TOTAL</b>	<b>40,417,339</b>	<b>40,417,339</b>
2.	Capital owned by the state or municipalities		
	Shares owned by the company		
	Shares owned by subsidiaries	574,629	574,629

## 12. Draft appropriation of profit

Items	Amount (Litas)
Retained earnings at the end of the previous financial year	8,042,343
Net result - profit (loss) - for the financial year	19,631,003
Profit (loss) to be distributed at the end of the financial year	27,673,346
Shareholders' contributions against losses	
Transfers from reserves	
Profit for distribution	27,673,346
Profit distribution:	7,164,151
– to legal reserves	981,550
– to other reserves	
– dividends	6,062,601
– other	120,000
Retained earnings at the end of the financial year	20,509,195



### 13. State of liabilities (Litas)

	Items	Amounts or part of amounts payable		
		During the financial year	After one year but not more than five years	After five years
	Specification of liabilities per type			
	Financial liabilities (including liabilities to subsidiaries and associated companies)	32,230,443	56,024,598	17,409,594
1.	Leasing (financial lease) or similar liabilities	225,346	217,917	56,150
2.	Credit institutions	18,553,914	55,806,681	17,353,444
3.	Other financial liabilities	13,451,183		
4.	Other amounts payable	56,594,020	3,262,209	
	<b>TOTAL</b>	<b>88,824,463</b>	<b>59,286,807</b>	<b>17,409,594</b>

### 14. Information about business segments (Litas)

Items	Segments (of production, goods, types of activities)						Company total	
	Real estate transactions		Sale of financial assets		Financial activities		2004	2003
	2004	2003	2004	2003	2004	2003		
Revenue	109,892,822		52,231,644		43,005,216		205,129,682	
Costs	88,767,366		41,832,386		15,920,931		146,520,683	
Operating profit	21,125,456		10,399,258		27,084,285		58,608,999	

### 15. Rights and liabilities not disclosed in the balance sheet

Items	Amount
Guarantees issued or irrevocably promised by the company	18,201,311
Assets pledged	110,688,186

**16. Financial relations with management and other related parties (Litas)**

	Items	Financial year	Previous financial year	Balance at the end of the financial year
A.	Amounts related to labour relations paid to:			
1.	Management	2,326,729	2,071,341	301,855
2.	Other related parties			
B.	Loans issued by the company to:			
1.	Management	726,726	1,694,100	24
2.	Other related parties	26,804,896	17,741,800	21,130,393
C.	Loans received:			
1.	From management	750,000		
2.	From other related parties	16,978,864	2,822,640	8,340,000
D.	Assets given free of charge to :			
1.	Management			
2.	Other related parties			
E.	Guarantees issued on behalf of the company to:			
1.	Management			
2.	Other related parties			
F.	Other significant amounts calculated during the year to:			
1.	Management	10,800		
2.	Other related parties	5,960,540		4,646,428
G.	Other significant commitments from:			
1.	Management	3,161,842		2,685,989
2.	Other related parties	3,613,422		1,790,880
H.	Assets sold to:			
1.	Management			
2.	Other related parties			
	Average number of management during the year	59	54	

**17. Results from financial and investing activities (Litas)**

	Items	Financial year	Previous financial year
a)	INCOME FROM FINANCIAL AND INVESTING ACTIVITIES	7,010,089	
	Specification of significant amounts:		
	Investment revaluation income	2,347,669	
	Income from associates	1,630,153	
	Profit from securities sold	1,297,919	
	Loan interest	349,324	
	Reversal of reserve after transfer of revaluated assets	283,170	
	Currency exchange gain	138,680	
	Dividends	109,719	
	Discounting of payables	94,942	
	Profit of transfer of assets	70,155	
	Other	688,358	
b)	EXPENSES FROM FINANCIAL AND INVESTING ACTIVITIES	4,731,003	
	Specification of significant amounts		
	Interest costs	3,775,983	
	Provisions for doubtful debts	265,569	
	Costs from securities activities	220,272	
	Bank interest	113,996	
	Currency exchange loss	93,044	
	Other	262,139	
c)	RESULT FROM FINANCIAL AND INVESTING ACTIVITIES (a-b)	2,279,086	

**18. Exchange of goods and services**

Name of goods and services	Financial year	Previous financial year
Advertising	63,586	

**19. Extraordinary items (Litas)**

	Items	Financial year	Previous financial year
<b>a)</b>	<b>TOTAL EXTRAORDINARY GAIN</b>	41,932	
	Specification of amounts:		
	Income from production waste	41,922	
	Other	10	
<b>b)</b>	<b>TOTAL EXTRAORDINARY LOSS</b>	152,434	
	Specification of amounts:		
	Write off of bad debtors liability	122,292	
	Write off of not fully depreciated non-current assets	20,857	
	Delayed interest	98	
	Others	9,187	