

## CONFIRMATION OF RESPONSIBLE PERSONS

Following the Rules on Preparation And Submission Of Periodic And Additional Information Of The Lithuanian Securities Commission and the Law On Securities Of The Republic Of Lithuania, management of Invalda AB hereby confirms that, to the best of our knowledge, the attached interim consolidated financial statements of Invalda AB for the first half of 2007, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of Invalda AB and the Consolidated Group

ENCLOSURE: Invalda AB interim consolidated financial statements for the first half of 2007.

President



Darius Šulnis

Chief financier

Raimondas Rajeckas

# AB INVALIDA

CONSOLIDATED AND PARENT COMPANY'S NOT-AUDITED FINANCIAL STATEMENTS  
FOR THE 1<sup>st</sup> HALF YEAR OF 2007  
PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS AS  
ADOPTED BY THE EUROPEAN UNION

**AB INVALIDA**

**FINANCIAL STATEMENTS FOR THE I HALF YEAR OF 2007**

(all amounts are in LTL thousand unless otherwise stated)

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## **GENERAL INFORMATION**

### **Board of Directors**

Mr. Vytautas Bučas (chairman of the Board)

Mr. Dailius Juozapas Mišeikis

Mr. Darius Šulnis

### **Management**

Mr. Darius Šulnis (president)

Mr. Raimondas Rajeckas (chief financial officer)

### **Registered office and company code**

Šeimyniškių St. 3,

Vilnius,

Lithuania

Company code 121304349

### **Bankers**

Nordea Bank Finland Plc.

AB DnB Nord bankas

AB Šiaulių bankas

AB SEB Vilniaus bankas

AB bankas „Hansabankas“

AB Sampo Bankas

The financial statements were approved and signed by the Management and the Board of Directors on 16 August 2007.

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Mr. Darius Šulnis  
President

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Mr. Raimondas Rajeckas  
Chief financial officer

**AB INVALIDA****FINANCIAL STATEMENTS FOR THE I HALF YEAR OF 2007**

(all amounts are in LTL thousand unless otherwise stated)

**Consolidated and parent Company's income statements**

		Group		Company	
		I Half Year 2007	I Half Year 2006	I Half Year 2007	I Half Year 2006
		(restated)		(restated)	
Revenue					
Furniture production revenue		84,716	64,327	-	-
Rent and other real estate income		19,087	10,150	-	-
Financial mediation revenue		20,832	13,842	-	-
Pharmacy revenue		-	16,171	-	-
Other production and services revenue		3,821	6,640	-	-
Hotel revenue		6,622	6,384	-	-
<b>Total revenue</b>		<b>135,078</b>	<b>117,514</b>	-	-
Other income	8.1	10,540	10,685	209	631
Valuation gains		7,186	28,358	-	-
Valuation losses		-	-	-	-
Changes in inventories of finished goods and work in progress		(1,433)	-	-	-
Raw materials and consumables used		(54,754)	(45,501)	(12)	-
Salaries and related expenses		(33,510)	(30,638)	(849)	(553)
Depreciation and amortisation		(6,900)	(7,083)	(78)	(56)
Subcontractor expenses		(3,486)	(1,471)	-	-
Premises rent and utilities		(6,747)	(4,301)	(190)	(101)
Fees for securities		(1,421)	(6,137)	(40)	(164)
Vehicles maintenance costs		(1,644)	(1,327)	(29)	(26)
Other taxes		(1,966)	(1,528)	(73)	(124)
Advertising and other promotion expenses		(1,822)	(1,592)	(7)	(31)
Repair and maintenance of premises		(743)	(2,677)	(1)	-
Loss on sales of shares		(1,665)	(1,588)	(6,496)	-
Other operating expenses		(9,563)	(9,342)	(3,611)	(274)
Finance income	8.3	5,006	4,452	95,682	19,070
Finance expenses	8.2	(14,653)	(12,665)	(2,739)	(1,590)
Share of profit from associates and joint ventures		11,239	2,668	-	-
<b>Profit before tax</b>		<b>28,742</b>	<b>37,827</b>	<b>81,766</b>	<b>16,782</b>
Income tax expense	6	(6,732)	(7,493)	-	-
<b>Profit for year</b>		<b>22,010</b>	<b>30,334</b>	<b>81,766</b>	<b>16,782</b>
Attributable to:					
Equity holders of the parent		19,245	20,196	-	-
Minority interest		2,765	10,138	-	-
Basic and diluted earnings per share (in LTL)		0.43	0.48	-	-

## Consolidated and parent Company's balance sheets

	Group		Company	
	As of 30 June 2007	As of 31 December 2006	As of 30 June 2007	As of 31 December 2006
	unaudited	audited	unaudited	audited
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment				
Hotels	47,706	49,821	-	-
Other property, plant and equipment	153,327	147,449	574	630
Total property, plant and equipment	9 201,033	197,270	574	630
Investment properties	9 421,127	391,303	-	-
Intangible assets	9 6,201	5,659	12	8
Non-current financial assets				
Investments into subsidiaries	7 -	-	62,605	67,141
Investments into associates and joint ventures	7 199,231	186,509	136,908	118,797
Other non-current investments	1,822	1,851	1,821	1,771
Granted loans	17,039	15,338	32,473	30,350
Total non-current financial assets	218,092	203,698	233,807	218,059
Deferred tax asset	1,367	1,131	-	-
<b>Total non-current assets</b>	<b>847,820</b>	<b>799,061</b>	<b>234,393</b>	<b>218,697</b>
<b>Current assets</b>				
Inventories	16,450	18,499	-	-
Trade and other receivables	122,005	60,822	1,049	-
Short term loans granted	19,524	8,499	107,453	16,981
Prepaid income tax	3,729	4,173	-	-
Prepayments and other current assets	6,513	1,832	3,708	4
Other current investments	34,185	35,959	-	-
Cash and cash equivalents	4 8,641	9,161	16	82
<b>Total current assets</b>	<b>211,047</b>	<b>138,945</b>	<b>112,226</b>	<b>17,067</b>
<b>Non-current assets classified as held for sale</b>	<b>18,111</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>1,076,978</b>	<b>938,006</b>	<b>346,619</b>	<b>235,764</b>

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## Consolidated and parent Company's balance sheets (cont'd)

	Group		Company	
	As of 30 June 2007	As of 31 December 2006	As of 30 June 2007	As of 31 December 2006
	unaudited	audited	unaudited	audited
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
<b>Equity attributable to equity holders of the parent</b>				
Share capital	45,008	45,008	45,008	45,008
Share premium	50,588	50,588	50,588	50,588
Reserves	60,180	28,683	39,001	3,068
Retained earnings	179,005	203,860	82,256	47,675
Foreign exchange reserve	(73)	(48)	-	-
	<b>334,708</b>	<b>328,091</b>	<b>216,853</b>	<b>146,339</b>
<b>Minority interest</b>	<b>14,797</b>	<b>40,407</b>	-	-
<b>Total equity</b>	<b>349,505</b>	<b>368,498</b>	<b>216,853</b>	<b>146,339</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
10 Non-current borrowings	377,869	246,347	96,689	2,901
Financial lease liabilities	6,216	6,267	-	-
Government grants	-	109	-	-
Provisions	105	105	-	-
Deferred tax liability	37,606	35,976	-	-
Other non-current liabilities	256	197	-	-
<b>Total non-current liabilities</b>	<b>422,052</b>	<b>289,001</b>	<b>96,689</b>	<b>2,901</b>
<b>Current liabilities</b>				
10 Current portion of non-current borrowings	77,633	80,104	-	1,350
Current portion of financial lease liabilities	936	1,467	-	-
10 Current borrowings	150,428	138,819	29,562	81,770
Trade payables	27,129	24,707	72	552
Provisions	-	-	-	-
Income tax payable	6,427	2,785	1,083	1,218
Advances received	27,090	19,360	-	-
Other current liabilities	15,778	13,265	2,360	1,634
<b>Total current liabilities</b>	<b>305,421</b>	<b>280,507</b>	<b>33,077</b>	<b>86,524</b>
<b>Total equity and liabilities</b>	<b>1,076,978</b>	<b>938,006</b>	<b>346,619</b>	<b>235,764</b>

(the end)

**AB INVALIDA****FINANCIAL STATEMENTS FOR THE I HALF YEAR OF 2007**

(all amounts are in LTL thousand unless otherwise stated)

**Consolidated and parent Company's statements of changes in equity**

Group	Equity attributable to equity holders of the parent								Minority interest	Total equity
	Share capital	Share premium	Revaluation reserve	Fair value reserves	Other reserves	Translation reserve	Retained earnings	Total		
<b>Balance as of 31 December 2005</b>	<b>41,735</b>	<b>19,815</b>	<b>19,716</b>	<b>3,273</b>	<b>9,463</b>	<b>472</b>	<b>147,034</b>	<b>241,508</b>	<b>93,782</b>	<b>335,290</b>
Net gain (loss) on available-for-sale investments	-	-	-	(2,102)	-	-	-	(2,102)	-	(2,102)
Income (expenses) recognised directly in equity	-	-	-	-	-	-	348	348	-	348
<b>Total income and expenses for the year recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,102)</b>	<b>-</b>	<b>-</b>	<b>348</b>	<b>(1,754)</b>	<b>-</b>	<b>(1,754)</b>
Profit for the 1 <sup>st</sup> half year of 2006	-	-	-	-	-	-	20,073	20,073	10,138	30,211
<b>Total income and expenses for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,102)</b>	<b>-</b>	<b>-</b>	<b>20,421</b>	<b>18,319</b>	<b>10,138</b>	<b>28,457</b>
Minority of subsidiaries acquired	-	-	-	-	-	-	(8,234)	(8,234)	(46,205)	(54,439)
Issue of new shares	3,273	30,773	-	-	-	-	-	34,046	-	34,046
Revaluation reserve release	-	-	(1,079)	-	-	-	1,079	-	-	-
Change in reserves	-	-	-	-	(2,603)	(30)	2,603	(30)	-	(30)
Equity dividends	-	-	-	-	-	-	(8,347)	(8,347)	-	(8,347)
Dividends of subsidiaries	-	-	-	-	-	-	-	-	(15,914)	(15,914)
<b>Balance as of 30 June 2006</b>	<b>45,008</b>	<b>50,588</b>	<b>18,637</b>	<b>1,171</b>	<b>6,860</b>	<b>442</b>	<b>154,556</b>	<b>277,262</b>	<b>41,801</b>	<b>319,063</b>

**AB INVALIDA****FINANCIAL STATEMENTS FOR THE I HALF YEAR OF 2007**

(all amounts are in LTL thousand unless otherwise stated)

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

Group	Equity attributable to equity holders of the parent							Total	Minority interest	Total equity
	Share capital	Share premium	Revaluation reserve	Fair value reserves	Other reserves	Translation reserve	Retained earnings			
<b>Balance as of 31 December 2006</b>	<b>45,008</b>	<b>50,588</b>	<b>18,391</b>	<b>3,432</b>	<b>6,860</b>	<b>(48)</b>	<b>203,860</b>	<b>328,091</b>	<b>40,407</b>	<b>368,498</b>
Net gain (loss) on available-for-sale investments	-	-	-	(2,935)	-	-	-	(2,935)	-	(2,935)
Income (expenses) recognised directly in equity	-	-	-	-	-	-	1,235	1,235	-	1,235
<b>Total income and expenses for the year recognised directly in equity</b>	-	-	-	(2,935)	-	-	1,235	(1,700)	-	(1,700)
Profit for the 1 <sup>st</sup> half year of 2007	-	-	-	-	-	-	19,245	19,245	2,765	22,010
<b>Total income and expenses for the year</b>				(2,935)	-	-	20,480	17,545	2,765	20,310
Minority of subsidiaries acquired	-	-	-	-	-	-	306	306	2,690	2,996
Revaluation reserve release	-	-	(246)	-	-	-	289	43	-	43
Change in reserves	-	-	-	-	34,678	(25)	(34,678)	(25)	-	(25)
Equity dividends	-	-	-	-	-	-	(11,252)	(11,252)	-	(11,252)
Dividends of subsidiaries	-	-	-	-	-	-	-	-	(31,065)	(31,065)
<b>Balance as of 30 June 2007</b>	<b>45,008</b>	<b>50,588</b>	<b>18,145</b>	<b>497</b>	<b>41,538</b>	<b>(73)</b>	<b>179,005</b>	<b>334,708</b>	<b>14,797</b>	<b>349,505</b>



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

Company	Share capital	Share premium	Legal reserve	Fair value reserve	Retained earnings	Total
<b>Balance as of 31 December 2005</b>	<b>41,735</b>	<b>19,815</b>	<b>2,587</b>	<b>771</b>	<b>19,245</b>	<b>84,153</b>
Net profit for the 1 <sup>st</sup> half year of 2006	-	-	-	-	16,782	16,782
<b>Total income and expenses for the year</b>	-	-	-	-	16,782	16,782
Dividends for 2005	-	-	-	-	(8,347)	(8,347)
Transferred to legal reserve	-	-	481	-	(481)	-
Changes in fair value reserve	-	-	-	(771)	-	(771)
Issue of new shares	3,273	30,773	-	-	-	34,046
Minority acquisition	-	-	-	-	8,442	8,442
<b>Balance as of 30 June 2006</b>	<b>45,008</b>	<b>50,588</b>	<b>3,068</b>	<b>-</b>	<b>35,641</b>	<b>134,305</b>

Company	Share capital	Share premium	Legal reserve	Fair value reserve	Retained earnings	Total
<b>Balance as of 31 December 2006</b>	<b>45,008</b>	<b>50,588</b>	<b>3,068</b>	<b>-</b>	<b>47,675</b>	<b>146,339</b>
Net profit for the 1 <sup>st</sup> half year of 2007	-	-	-	-	81,766	81,766
<b>Total income and expenses for the year</b>	-	-	-	-	81,766	81,766
Dividends for 2006	-	-	-	-	(11,252)	(11,252)
Transferred to legal reserve	-	-	1,433	-	(1,433)	-
Transferred to reserve of purchase of own shares	-	-	34,500	-	(34,500)	-
<b>Balance as of 30 June 2007</b>	<b>45,008</b>	<b>50,588</b>	<b>39,001</b>	<b>-</b>	<b>82,256</b>	<b>216,853</b>

**Consolidated and parent Company's cash flow statements**

	Group		Company	
	I Half Year 2007	I Half Year 2006	I Half Year 2007	I Half Year 2006
<b>Cash flows from (to) operating activities</b>				
Net profit	22,010	30,334	81,766	16,782
<b>Adjustments for non-cash items:</b>				
Valuation gain, net	(7,186)	(28,358)	-	-
Depreciation and amortization	6,900	7,083	78	56
(Gain) on disposal of property, plant and equipment	(177)	(164)	-	(23)
(Gain) on disposal of investments	(7,803)	(5,916)	6,292	(599)
Share of net profits of associates and joint ventures	(11,239)	(2,668)	-	-
Interest (income)	(3,184)	(2,824)	(2,819)	(768)
Interest expenses	11,901	8,411	2,728	1,589
Deferred taxes	2,175	5,227	-	-
Current income tax expenses	4,557	2,266	-	-
Allowance for receivables	-	-	3,387	-
Allowance for inventories	-	-	-	-
Change in provisions	-	-	-	-
Dividend (income)	(141)	-	(92,846)	(18,302)
Loss (gain) from other financial activities	930	2,626	(6)	1
	18,743	16,017	(1,420)	(1,264)
<b>Changes in working capital:</b>				
(Increase) decrease in inventories	2,049	(13,380)	-	-
Decrease (increase) in trade and other receivables	(61,183)	(30,532)	(1)	(365)
Decrease in other current assets	(21,018)	-	(3)	33
(Decrease) increase in trade payables	2,422	85,984	(481)	6
Income tax paid	(471)	(1,950)	(134)	(559)
(Decrease) increase in other current liabilities	10,243	-	724	16,592
<b>Net cash flows (to) from operating activities</b>	<b>(49,215)</b>	<b>56,139</b>	<b>(1,315)</b>	<b>14,443</b>

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## Consolidated and parent Company's cash flow statements (cont'd)

	Group		Company	
	I Half Year 2007	I Half Year 2006	I Half Year 2007	I Half Year 2006
<b>Cash flows from (to) investing activities</b>				
(Acquisition) of tangible non-current assets (except investment properties)	(28,648)	(13,183)	(26)	(307)
Proceeds from sale of tangible non-current assets (except investment properties)	258	177	-	29
(Acquisition) of investment properties	(24,382)	(79,348)	-	-
Proceeds of sale of investment properties	2,991	2,637	-	-
(Acquisition) of subsidiaries, net of cash acquired	-	(3,146)	(10)	(2,190)
Proceeds from sales of subsidiaries	(17)	-	-	-
(Acquisition) of associates	(2,364)	(72,547)	(22,508)	(72,547)
Proceeds from sales of associates	230	-	230	-
Loans (granted)	(11,025)	(5,000)	(110,850)	(79,398)
Repayment of granted loans	-	7,954	16,917	66,585
Dividends received	141	869	92,470	18,302
Interest received	3,184	2,824	770	276
(Acquisition) of minority interest	(488)	(1,665)	(1,950)	-
Other cash flow from investing activities	-	2,390	(50)	2,390
<b>Net cash flows (to) investing activities</b>	<b>(60,120)</b>	<b>(158,038)</b>	<b>(25,007)</b>	<b>(66,860)</b>
<b>Cash flows from (to) financing activities</b>				
Cash flows related to company shareholders				
Issue of shares	-	-	-	-
Dividends (paid)	(11,252)	(8,347)	(11,252)	(8,347)
Dividends to minority	(31,065)	(15,914)	-	-
	(42,317)	(24,261)	(11,252)	(8,347)
Cash flows related to other sources of financing				
Proceeds from loans	204,868	205,721	70,895	105,574
Issue of bonds	-	-	-	-
(Repayment) of loans	(64,208)	(87,824)	(31,288)	(43,136)
Interest (paid)	(11,901)	(8,411)	(2,105)	(1,589)
Financial lease (payments)	(582)	-	-	-
Other cash flows from financing activities	22,955	2,626	6	(1)
	151,132	112,112	37,508	60,848
<b>Net cash flows from financial activities</b>	<b>108,815</b>	<b>87,851</b>	<b>26,256</b>	<b>52,501</b>
<b>Impact of currency exchange on cash and cash equivalents</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(520)</b>	<b>(14,048)</b>	<b>(66)</b>	<b>84</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>9,161</b>	<b>32,749</b>	<b>82</b>	<b>4</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>8,641</b>	<b>18,701</b>	<b>16</b>	<b>88</b>

(the end)

## **Notes to the financial statements**

### **1 General information**

AB Invalda (hereinafter "the Company") is a joint stock company registered in the Republic of Lithuania on 20 March 1992. The address of its registered office is as follows:

Šeimyniškių St. 3,  
Vilnius,  
Lithuania.

The Company is a holding entity and is engaged in investment and reinvestment in securities and supervision of business activities of controlled companies. The main activities of the Group include investments to real estate, financial mediation, pharmacy, furniture manufacturing, hotel management, road and bridge construction, other production and services.

The Company's shares are traded on the Current List of Vilnius Stock Exchange.

### **2 Basis of preparation and accounting policies**

#### **Basis of preparation**

The interim condensed financial statements for the six months ended 30 June 2007 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2006.

#### **Significant accounting policies**

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's and Company's annual financial statements for the year ended 31 December 2006, except for the adoption of new Standards and Interpretations, noted below. Adoption of these Standards and Interpretations did not have any effect on the Group's and Company's financial statements.

- IFRS 7 Financial Instruments: Disclosures (effective for annual periods beginning on or after 1 January 2007). IFRS 7 requires disclosures that enable users to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments.
- amendments to IAS 1 ("Capital Disclosures") (effective for annual periods beginning on or after 1 January 2007). This amendment requires the Company and the Group to make new disclosures to enable users of the financial statements to evaluate the Company's and the Group's objectives, policies and processes of managing capital.
- IFRIC 7 Applying the Restatement Approach under IAS 29 "Financial Reporting in Hyperinflationary Economies" (effective for annual periods beginning on or after 1 March 2006). This interpretation provides guidance on how to apply the requirements of IAS 29 in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when that economy was not hyperinflationary in the prior period.
- IFRIC 8 Scope of IFRS 2 (effective after endorsed by European Union, but not earlier than 1 May 2006). This interpretation requires IFRS 2 to be applied to any arrangements where equity instruments are issued for consideration which appears to be less than fair value.
- IFRIC 9 Reassessment of Embedded Derivatives (effective for annual periods beginning on or after 1 June 2006). This interpretation establishes that the date to assess the existence of an embedded derivative is the date an entity first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows.

**2 Basis of preparation and accounting policies (cont'd)**

- IFRIC 10 Interim Financial Reporting and Impairment (effective for annual periods beginning on or after 1 November 2006). This interpretation establishes that the entity shall not reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost.

**Comparative figures**

The Group has changed the presentation of income statement from disclosing expenses by function to expenses by nature, as it better reflects the specifics of the Group. Therefore the income statement of the 1<sup>st</sup> half year of 2006 was restated. Auditors' remarks were taken into consideration. *Sanitas* AB and *Kauno tiltai* AB are classified as associates, not subsidiaries, when the income statement was restated.

**3 Seasonality of operations**

Part of business activities controlled by the Group is seasonal. Road and bridge building business and hotel business give lower revenue and operational profit in the 1<sup>st</sup> half year in contrast to the 2<sup>nd</sup> half year. Investment assets owned by the Group are revaluated and the change of their value is included in the profit/loss statement at the end of a year. In the 1<sup>st</sup> half year of 2007, only one recently obtained unit of assets was revaluated in the subsidiaries.

**4 Cash and cash equivalents**

	<b>Group</b>	<b>Company</b>
	<b>30 June 2007</b>	
Cash at bank	8,424	15
Cash in hand	217	1
	<u>8,641</u>	<u>16</u>

**5 Dividends**

The General Meeting of shareholders of 11 May 2007 allocated LTL 11,252 thousand for dividends, i.e. LTL 0.25 per one share. In 2006, LTL 8,347 thousand were allocated, i.e. LTL 0.20 per one share.

**6 Income tax**

	<b>Group</b>		<b>Company</b>	
	<b>I Half Year</b>	<b>I Half Year</b>	<b>I Half Year</b>	<b>I Half Year</b>
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
<b>Components of income tax expense</b>				
Current income tax charge	(2,175)	(5,227)	-	-
Deferred income tax income (expense)	(4,557)	(2,266)	-	-
Income tax (expenses) income charged to the income statement	<u>(6,732)</u>	<u>(7,493)</u>	<u>-</u>	<u>-</u>

## AB INVALIDA

### CONSOLIDATED AND PARENT COMPANY'S FINANCIAL STATEMENTS FOR THE I HALF YEAR OF 2007

(all amounts are in LTL thousand unless otherwise stated)

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## 7 Investment into subsidiaries and associates

### Acquisitions of 2007

The following companies were newly established within the 1<sup>st</sup> half year of 2007: *Iniciatyvos Fondas Vši* (100% controlled by *Invalda* AB), *INTF Investicija* UAB (100% controlled by *Invaldos Nekilnojamojo Turto Fondas* AB), *Trakų rekreacijos centras* UAB (100% controlled by *Aikstentis* AB), *Positor* UAB (80% controlled by *Invalda* AB as of 31 July 2007). Besides, *Invalda* AB invested in *Vilniaus Baldai* AB, *Sanitas* AB (mainly shares of these companies were acquired from other companies within the Group) and *Kauno tiltai* AB additionally.

The Group acquired 0.70 % of shares of *Vilniaus Baldai* AB for LTL 488 thousand additionally. The value of the additional interest acquired was LTL 184 thousand. The negative difference equal to LTL 304 thousand between the consideration and the value of the interest acquired has been recognised directly to the shareholders equity.

The Group acquired 0.62 % of shares of *Sanitas* AB for LTL 2,498 thousand additionally. The value of the additional interest acquired was LTL 1,920 thousand. The goodwill of LTL 578 thousand was recognized in the value of the investment into associate.

The Group acquired 4.81 % of shares of *Kauno tiltai* AB for LTL 2,364 thousand additionally. The goodwill of LTL 2.660 thousand was recognized in the value of the investment into associate.

### Sales in 2007

Within the 1<sup>st</sup> half year of 2007, the associate *Panevėžio Melioracija* UAB and the subsidiary *Minija* AB was sold.

*Žemes Vystymo Fondas* UAB, *Žemes Vystymo Fondas 11* UAB, *Žemes Vystymo Fondas 12* UAB, *Žemes Vystymo Fondas 14* UAB, *Žemes Vystymo Fondas 15* UAB, *Žemes Vystymo Fondas 16* UAB, *Žemės Vystymo Grupė 3* UAB, *Žemės Vystymo Grupė 4* UAB, *Žemės Vystymo Grupė 5* UAB and *Žemės Vystymo Grupė 6* UAB were sold to the associate *Agrovaldymo Grupė* AB in order to achieve more efficient management. Besides, 0.21 % shares of *Agrovaldymo grupė* AB was sold

## 8 Other revenues and expenses

### 8.1. Other revenues

	Group		Company	
	I Half Year 2007	I Half Year 2006	I Half Year 2007	I Half Year 2006
Gain on sale of securities	9,468	7,504	205	599
Gain on sale of investment properties	176	107	-	-
Other	896	3,074	4	32
	<u>10,540</u>	<u>10,685</u>	<u>209</u>	<u>631</u>

**AB INVALIDA****CONSOLIDATED AND PARENT COMPANY'S FINANCIAL STATEMENTS FOR THE I HALF YEAR OF 2007**

(all amounts are in LTL thousand unless otherwise stated)

**8.2. Finance expenses**

	<b>Group</b>		<b>Company</b>	
	<b>I Half Year 2007</b>	<b>I Half Year 2006</b>	<b>I Half Year 2007</b>	<b>I Half Year 2006</b>
Interest expenses	(11,901)	(8,411)	(2,728)	(1,589)
Foreign currency exchange loss	(1,154)	(399)	(2)	(1)
Other finance expenses	(1,598)	(3,855)	(9)	
	<u>(14,653)</u>	<u>(12,665)</u>	<u>(2,739)</u>	<u>(1,590)</u>

**8.3. Finance income**

	<b>Group</b>		<b>Company</b>	
	<b>I Half Year 2007</b>	<b>I Half Year 2006</b>	<b>I Half Year 2007</b>	<b>I Half Year 2006</b>
Interest income	3,184	2,824	2,819	768
Foreign currency exchange gain	1,033	462	17	-
Dividend income			92,846	18,302
Other finance income	789	1,166	-	-
	<u>5,006</u>	<u>4,452</u>	<u>95,682</u>	<u>19,070</u>

**9 Property, plant and equipment, investment properties, intangible assets**

During the 1<sup>st</sup> half year of 2007, the Group acquired investment properties with cost of LTL 24,382 thousand, property, plant and equipment with cost of LTL 27,834 thousand, and intangible assets with cost of LTL 814 thousand (during the 1<sup>st</sup> half year of 2006 respectively – LTL 79,348 thousand, LTL 12,845 thousand, LTL 338 thousand).

Investment properties with a net book value of LTL 2,816 thousand were disposed of by the Group during the 1<sup>st</sup> half year of 2007, resulting in a net gain on disposal of LTL 176 thousand (during the 1<sup>st</sup> half year of 2006 respectively – LTL 2,530 thousand, LTL 107 thousand).

**10 Borrowings**

Within the 1<sup>st</sup> half year of 2007, the Group took LTL 120,401 thousand as loans from banks and refunded LTL 64,208 thousand to banks (during the 1<sup>st</sup> half year of 2006 respectively – LTL 205,720 thousand, LTL 87,824 thousand).

In January 2007, the Company signed an agreement on the amendment of the lending contract, according to which the maturity date of loan is moved from 31 January 2007 to 31 January 2010. In April 2007, the company signed an agreement on the amendment of credit line contract, according to which the maturity date of loan is moved from 30 April 2007 to 30 April 2009. Thus a amount of EUR 17,433 thousand (an equivalent of LTL 60,193 thousand) is reclassified from the current borrowings as specified in the balance of 31 December 2006 to the non-current borrowings in the balance of 30 June 2007. Besides, the Company took LTL 33,595 thousand as non-current loans from non-banks, within the 1<sup>st</sup> half year.

**AB INVALDA****CONSOLIDATED AND PARENT COMPANY'S FINANCIAL STATEMENTS FOR THE I HALF YEAR OF 2007**

(all amounts are in LTL thousand unless otherwise stated)

**11 Related party transactions**

The Company's transactions with related parties in the 1<sup>st</sup> half year of 2007 and related half year-end balances were as follows:

	<b>Sales to related parties</b>	<b>Purchases from related parties</b>	<b>Amounts owed to related parties</b>	<b>Amounts owed by related parties</b>
AB „Umega“	-	-	-	299
AB FMĮ „Finasta“	-	629	18,587	-
AB „Vilniaus baldai“	564	-	-	15,524
AB „Valmeda“	-	233	23,774	-
UAB „Naujoji švara“	136	-	-	12,136
UAB „Inred“	71	234	43	17,023
UBA „Inreal“	-	20	10	-
AB „Invalidos nekilnojamojo turto fondas“	445	-	-	39,794
UAB „IBC logistika“	113	-	-	10,113
UAB „Saistas“	20	-	-	1,820
UAB „Aikstentis“	-	6	202	-
UAB „Finasta rizikos valdymas“	-	113	6,586	-
UAB „Kelio ženklai“	64	-	-	2,096
SIA „Inreal“	18	-	-	916
SIA „Gravity“	-	-	-	93
AB „Sanitas“	122	-	-	4,435
AB „Kauno tiltai“	111	-	-	4,613
UAB „Nerijos būstas“	129	-	-	3,838
UAB „Laikiniosios sostinės projektai“	114	-	-	5,758
UAB „VIPC Klaipėda“	49	-	-	1,602
AB „Agrovaldymo Grupė“	146	-	-	6,068
UAB „Dommo Nerija“	14	-	-	434
SIA AMMO	-	-	-	2,549
SIA „DOMMO GRUPA“	222	-	-	8,948
Other	213	55	-	93
	<b>2,551</b>	<b>1,290</b>	<b>49,202</b>	<b>138,152</b>

The Company's transactions with related parties in the 1<sup>st</sup> half year of 2006 and related half year-end balances were as follows:

	<b>Sales to related parties</b>	<b>Purchases from related parties</b>	<b>Amounts owed to related parties</b>	<b>Amounts owed by related parties</b>
AB „Invalidos nekilnojamojo turto fondas“	1	67	22	360
UAB „Invalda real Estate“	73	103	20	1,719
AB FMĮ „Finasta“	13	231	18,359	-
UAB „Finasta rizikos valdymas“	13	-	-	1,094
UAB „Finasta investicijų valdymas“	-	-	730	-
UAB „Finansų spektras“	-	40	1,362	-
UAB „Finansų spektro investicija“	-	-	961	-
AB „Vilniaus baldai“	274	-	-	14,759
AB „Valmeda“	-	247	13,915	-
UAB „Saulės investicija“	9	-	-	825
UAB „Naujoji švara“	30	33	1,125	9
UAB „PVP Nida“	-	-	5,023	-
UAB „Aikstentis“	51	-	-	9,927
UAB „Ineturas“	83	76	7,601	-
UAB „Invalda construction management“	-	12	5,454	-
UAB „Ekotra“	17	-	-	1,394

*(cont'd in the next page)*



**AB INVALIDA****CONSOLIDATED AND PARENT COMPANY'S FINANCIAL STATEMENTS FOR THE I HALF YEAR OF 2007**

(all amounts are in LTL thousand unless otherwise stated)

**11 Related party transactions (cont'd)**

	<b>Sales to related parties</b>	<b>Purchases from related parties</b>	<b>Amounts owed to related parties</b>	<b>Amounts owed by related parties</b>
UAB „IBC logistika“	96	-	-	5,596
UAB „Nerijos būstas“	45	-	-	4,457
UAB "Vilniaus senamiesčio restauravimo direkcija"	-	-	-	1,199
UAB „Kelio ženklai“	-	-	-	2,146
SIA Industrial and logistics centre „Lapegles“	-	-	-	14,452
SIA AMMO	-	-	-	2,417
UAB „Broner“	-	-	-	1,105
UAB „Žemės vystymo fondas“	-	-	-	574
UAB „Žemės Vystymo Fondas 11“	-	-	-	422
UAB „Žemės Vystymo Fondas 12“	-	-	-	456
SIA „Inreal“	-	-	-	497
AB „Klaipėdos konditerija“	-	-	2,475	-
UAB „Hidroprojektas“	-	8	1,433	-
Other	61	135	386	479
	<b>766</b>	<b>952</b>	<b>58,866</b>	<b>63,887</b>

*(the end)*

The Group's transactions with related parties in the 1<sup>st</sup> half year of 2007 and related half year-end balances were as follows:

	<b>Sales to related parties</b>	<b>Purchases from related parties</b>	<b>Amounts owed to related parties</b>	<b>Amounts owed by related parties</b>
UAB „DOMMO Nerija“	18	-	-	435
UAB „VIPC Klaipėda“	57	-	-	1,602
UAB „Laikinosios Sostinės Projektai“	1645	-	-	6,004
UAB „MBGK“	155	280	-	683
SIA „AMMO“	130	-	-	2,550
SIA Industrial and logistics centre „Lapegles“	255	61	-	8,960
AB „Agrovaldymo Grupė“	146	-	-	6,068
AB „Umega“	21	-	-	356
AB „Sanitas“	667	-	-	4,844
AB „Kauno tiltai“	216	656	324	4,643
Other	131	-	-	-
	<b>3,441</b>	<b>997</b>	<b>324</b>	<b>36,145</b>

## AB INVALIDA

### CONSOLIDATED AND PARENT COMPANY'S FINANCIAL STATEMENTS FOR THE I HALF YEAR OF 2007

(all amounts are in LTL thousand unless otherwise stated)

#### 11 Related party transactions (cont'd)

The Group's transactions with related parties in the 1<sup>st</sup> half year of 2006 and related half year-end balances were as follows:

	Sales to related parties	Purchases from related parties	Amounts owed to related parties	Amounts owed by related parties
UAB „DOMMO Nerija“	3	-	-	158
SIA „AMMO“	48	-	145	2,492
SIA Industrial and logistics centre „Lapegles“	289	-	-	15,951
UAB „Žemės Vystymo Fondas“	17	-	-	574
UAB „Žemės Vystymo Fondas 11“	14	-	-	422
UAB „Žemės Vystymo Fondas 12“	10	-	-	456
UAB „VIPC Klaipėda“	12	-	-	862
AB „MBGK“	33	-	-	513
UAB „Laikinosios Sostinės Projektai“	27	-	-	3,843
AB „Sanitas“ grupė	856	26	-	2,810
AB „Kauno tiltai“	114	481	40	56
Other	21	-	-	75
	1,444	507	185	28,212

#### 12 Subsequent events

##### The Company

In July 2007 *Invalda* AB, announced intends to sell up to 5% of *Sanitas* AB shares under the favourable situation in the market, in order to retain diversification of company's assets

##### Group

The subsidiary *Invaldos nekilnojamojo turto fondas* AB in July 2007 signed agreement regarding sale of 5 commercial real estate objects. The result of this deal will be calculated in Group's consolidated financial statements of the second half of this year. By this deal about 80% of intended to sell real estate objects are sold. It is expected to receive about LTL 100 million (EUR 29 million) income when all intended objects will be sold.

#### 13 Company's material events of the 1<sup>st</sup> half year of 2007

Extraordinary general shareholders meeting held on 26 January 2007 adopted the decision to reorganize AB *Invalda* and UAB *Nenuorama* by the way of merger, merging to joint-stock company *Invalda* closed joint-stock company *Nenuorama* which before the reorganization would be re-arranged into joint-stock company *Nenuorama*. Also, the Board of the Company was authorized to prepare conditions for reorganization and to announce them according to the laws.

On the 20th of February 2007 the Company announced that it is seeking for investors for Group's hotel sector, some real estate objects rented and developed and into projecting business. Investors are sought for *Invalda*-owned four-star hotel *Holiday Inn Vilnius* and 2-star economy class hotel *Ecotel Vilnius*. In real estate sector it is suggested to realize some fully-developed real-estate objects that nowadays are rented out and successfully functioning and in projecting business it would be looking for ones interested in *Invalda*-owned company *Hidroprojektas*.

On the 8th of March 2007 *Invalda*, seeking to stimulate social initiative, founded a public institution *Iniciatyvos fondas* involved in preparation of various programs for separate society groups. On the most, these programs will be based on raising knowledge, improvement of education, basic attention putting to distant Lithuanian regions' residents integration into active society life.

## AB INVALIDA

### CONSOLIDATED AND PARENT COMPANY'S FINANCIAL STATEMENTS FOR THE I HALF YEAR OF 2007

(all amounts are in LTL thousand unless otherwise stated)

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#### 13 Company's material events of the 1<sup>st</sup> half year of 2007 (cont'd)

Annual general shareholders meeting of Invalda AB did not take place on April 27, 2007, to the absence of quorum. Resolutions adopted by the reconvened ordinary general shareholders meeting that took place on May 11, 2007:

1. To approve Company's financial statements for the year 2006.
2. To approve Company's consolidated financial statements for the year 2006.
3. To approve Company's profit distribution for the year 2006:
  - Undistributed result - profit (loss) - at the end of the previous financial year - 18 858 410 LTL
  - The net result of the financial year - profit (loss) - 28 816 185 Lt
  - Result available for distribution - profit (loss) - at the end of the financial year - 47 674 595 LTL
  - Profit for distribution - 47 674 595 LTLDistribution of the profit:
  - to the reserves provided by law - 1 433 023 LTL
  - to the reserves for purchase of own shares 34 500 000 LTL
  - dividends 11 252 094 LTL (0,25 LTL dividends per one share)
  - Undistributed result - profit (loss) - at the end of the financial year - 498 478 LTL

Unaudited consolidated net profit of the first quarter of 2007 attributable to Invalda AB is 10 mln. LTL. The whole unaudited consolidated net profit of Invalda group for the first quarter of 2007 is 12,9 mln. LTL. Unaudited net profit of the Company for the first quarter of 2007 is 14 mln. LTL.

On April 27, 2007, the largest Invalda's shareholder Nenuorama UAB acquired from other Invalda's shareholders and Board members Alvydas Banys and Dailius Juozapas Mišeikis blocks of shares larger than 10% and paid 15 LTL for one share.

Taking into consideration that Alvydas Banys retired from Chairman of the Board and Board member position from 03.05.2007, at the Board meeting arranged on 09.05.2007 Vytautas Bučas was elected the Chairman of the Board. It is not foreseen to elect the new Board member at the nearest general meeting of shareholders and the Company's Board shall consist of the following three members: Vytautas Bučas, Dailius Juozapas Mišeikis and Darius Šulinis.

A subsidiary of Invalda AB established a new company Positor UAB which main activity is IT services and consulting.

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**AB Invalda**  
**Interim Consolidated Report**  
**for 6 months of 2007**

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Prepared according to the rules on preparation and submission of periodic and additional information, passed by Lithuanian Securities Commission on 23.02.2007, resolution No. 1K-3

Approved on 16.08.2007 by AB Invalda Board decision No. 2007-30



Šeimyniškių str. 3, LT-09312 Vilnius; tel. +370 5 2790601; [post@invalda.lt](mailto:post@invalda.lt) ; [www.invalda.lt](http://www.invalda.lt)

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## 1. Reporting period covered by this report

The Report has been drawn up for the January – June of 2007.

## 2. Information about the issuer

### 2.1. The issuer and contact details

Name of the issuer	Public company Invalda, hereinafter Invalda AB
Enterprise code	1213 04349
Office address	Šeimyniškių Str. 3, LT-09312 Vilnius
Telephone	(+370 5) 279 0601
Fax	(+370 5) 279 0530
E-mail	<a href="mailto:post@invalda.lt">post@invalda.lt</a>
Website	<a href="http://www.invalda.lt">www.invalda.lt</a>
Authorized capital	LTL 45 008 376
Number of shares	45 008 376 ordinary registered shares
Date and place of registration	20 March 1992, Register of Enterprises of Vilnius
Register, in which data about the company are accumulated and stored	Register of Legal Entities

### 2.2. Description of issuer's main activities

Invalda is actively managing investments by:

- » Acquiring share packages and rearranging businesses;
- » Applying of advanced methods of management and funding;
- » Receiving income from managed companies and/or successfully selling share packages providing Company's shareholders with high return;
- » Diversifying risks.

### 2.3. The issuer's authorized capital

Type of shares	Number of shares	Nominal value, LTL	Total nominal value, LTL	Share in the authorized capital, %
Ordinary registered shares	45 008 376	1	45 008 376	100.00

All ordinary registered shares of AB Invalda are fully paid up.  
Restrictions for securities transfer are not applied.

### 2.4. Information about agreements with intermediaries of public trading with securities

AB Invalda signed agreements with the financial brokerage firm AB Finasta (Konstitucijos Ave. 23, Vilnius) concerning management of securities accounting and payment of dividends to the shareholders, also the agreement concerning securities and cash accounting, custody and lending, placement and executions of orders.

Also the Company has signed the agreement for the administering securities account with AB SEB Vilniaus bankas (Gedimino ave.12, Vilnius).

## 2.5. Shareholders

Total number of shareholders on 30 June, 2007 was 5 874.

Shareholders who held title to more than 5 percent of the issuer's authorized capital and/or votes on 30 June, 2007

Name of the shareholder (address of registered office and code of the enterprise)	Number of ordinary registered shares the shareholder holds by the right of ownership, units	Portion of registered capital owned, %	Portion of votes, %		
			Portion of the votes attaching to the shares held by the right of ownership	Portion of votes the shareholder holds indirectly	Total (together with persons acting in concert)
AB „Nenuorama“, J.Tumo-Vaižganto g. 9/1-38, Vilnius 122649227	16 475 587	36.61	26.61	-	54.61
Vytautas Bučas	5 882 003	13.07	13.07	-	
Darius Šulnis	4 471 762	9.94	9.94	-	
Dailius Juozapas Mišeikis	100	0.00	0.00	5.00	5.09
Alvydas Banyš	40 000	0.09	0.09	5.00	

AB bank Snoras (Vivulskio str. 7, Vilnius, company code 112025973) owns 3 008 369 ordinary registered shares of AB Invalda (6.68% of registered capital and votes), 2 990 369 whereof (6.64% of registered capital and votes) are acquired by AB bank Snoras by REPO agreements.

Company has received notification regarding acquisition of share package that MP Investment Bank (Skiopholt 50D, Reykjavik, Iceland, company's code 540599-2469), based on REPO transaction on 08 June 2007 has acquired the share package and increased owned share package up to 5.78% (2 602 036 ORS).

AB “Nenuorama” (J.Tumo-Vaižganto str. 9/1-38, Vilnius, company code 12264922) according to REPO agreements transferred and has obligation to repurchase 5 430 000 ordinary registered shares (12.06 % of registered capital and votes) of AB Invalda.

None of the shareholders have any special controlling rights.

The issuer is not aware of any agreements between the shareholders that could limit transfer of securities and/or their ability to exercise their voting rights.

AB Invalda, its subsidiaries or persons acting under their direction but on their own behalf, do not own shares of the parent enterprise.

## 2.6. Data about trading in the issuer's securities

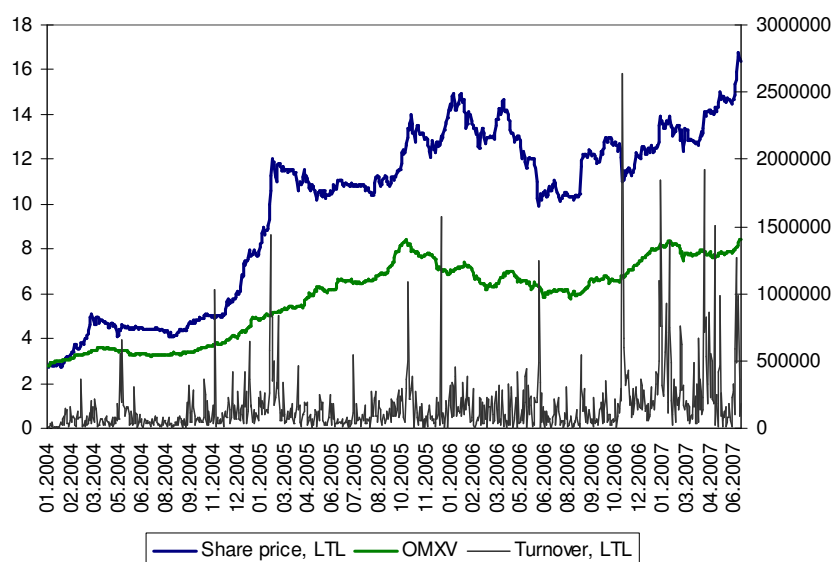
All shares of AB Invalda are listed on the Secondary List of the Vilnius Stock Exchange.

ISIN	LT0000102279
Name	IVL1L
List	BALTIC SECONDARY LIST
Nominal value	1,00 LTL
Total number of securities	45 008 376
Listing date	December 19, 1995

## Trading in the Company's shares on the Vilnius Stock Exchange

Reporting period	Price, LTL			Turnover, LTL			Date of the last session	Total turnover	
	High est	Low est	Last session	Highest	Lowest	Last session		Units	LTL
2005, 1 <sup>st</sup> quarter	12.30	7.51	11.40	1 434 210.51	30 047.77	115 650.40	2005-03-31	1 346 213	13 401 266.93
2005, 2 <sup>nd</sup> quarter	11.55	10.10	10.94	461 703.80	2 180.00	44 274.40	2005-06-30	532 851	5 717 557.12
2005, 3 <sup>rd</sup> quarter	11.20	10.30	11.40	546 755.00	0	134 157.22	2005-09-30	599 304	6 535 790.06
2005, 4 <sup>th</sup> quarter	14.19	11.43	13.85	1 575 400.87	0	65 271.50	2005-12-30	848 027	10 908 049.70
2006, 1 <sup>st</sup> quarter	15.00	12.40	14.25	453 134.88	0	316 825.17	2006-03-31	705 443	9 738 850.43
2006, 2 <sup>nd</sup> quarter	14.70	8.90	10.40	1 245 069.74	0	49 852.90	2006-06-30	845 884	9 758 890.92
2006, 3 <sup>rd</sup> quarter	12.69	10.01	11.90	544 231.69	0	27 137.70	2006-09-29	506 497	5 679 664.96
2006, 4 <sup>th</sup> quarter	13.13	10.90	12.48	2 642 193.18	0	53 438.80	2006-12-29	1 222 064	14 418 616.76
2007, 1 <sup>st</sup> quarter	14.05	12.00	12.75	1 849 966.21	22 014	325 859.20	2007-03-30	1 551 078	20 587 157.91
2007, 2 <sup>nd</sup> quarter	16.85	12.65	16.40	1 924 814.20	0	180 403.60	2007-06-29	1 384 470	20 085 925.75

## Trading in the Company's shares 01.01.2004 – 30.06.2007



## Capitalization of the ordinary registered shares of AB Invalda

Date of the last session	Number of ordinary registered shares, units	Last price, LTL	Capitalization, LTL
31.03.2005	40 417 339	11.40	460 757 664.60
30.06.2005	40 417 339	10.94	442 165 688.66
30.09.2005	40 417 339	11.40	460 757 664.60
30.12.2005	41 734 662	13.85	578 025 068.70
31.03.2006	41 734 662	14.25	594 718 933.50
30.06.2006	41 734 662	10.40	434 040 484.80
29.09.2006	45 008 376	11.90	535 599 674.40
29.12.2006	45 008 376	12.48	561 704 532.48
30.03.2007	45 008 376	12.75	573 856 794.00
29.06.2007	45 008 376	16.40	738 137 366.40



## 2.7. Employees

During the first six months of 2007 the number of employees has not changed and by 30.06.2007 there were 11 employees at Invalda AB.

Collective agreements are not formed in the company. There are no special employee's rights and duties described in employment contracts.

Number of employees and average monthly salary of Invalda AB

	Measuring units	30.06.2007	2006
Total amount of employees	pers.	11	11
Management	pers.	4	5
Specialists	pers.	7	6
Average monthly salary calculated received by:	LTL	9187	9127
Management	LTL	11036	11801
specialists	LTL	7989	6577

## 2.8. Order of ammendment of Issuer's Bylaws

Bylaws of Invalda AB are ammended in accordance with legal acts of Republic of Lithuania.

## 2.9. Issuer's managing bodies

The Supervisory Board is not formed in the company. There is a single collegial Company's governing body - the Board.

The Board Procedures and Regulations, approved on 2007.03.01 states the mechanism of forming the Board which ensures that the interests of minor shareholders will be represented objectively, impartially, and duly. Not later than 10 days before the general meeting of shareholders, where it is planned to elect Board members (member), the information about the candidates to Board members will be fully disclosed to the shareholders with the indication of the candidates' names, surnames, their membership in supervisory and management bodies of other companies, shareholding of other companies exceeding 1/20, and all other circumstances that can affect the independence of the candidate as well as the data on their education, qualifications, professional experience, information regarding any administrative pressure measures applied to them, if any, or punishment for violations of/crimes against the economy, business order, ownership, property rights or property interests, if any, or any commitments or functions which constitute a threat to safe and reliable activities of the Company, or the whether the candidates meet the requirements to managers stipulated in legal acts.

The Board has all authorities provided for in the Company's Bylaw as well as those assigned to the Board by the laws. The activities of the Board are based on collegial consideration of issues and decision-making. The Board considers and approves the Company's business strategy, the Company's management structure and positions of the employees. The Board elects and withdraws the head of the Company, establishes his/her remuneration, other provisions of the employment agreement. The Board establishes the scope of information which shall be considered as the commercial (trade) secret of the Company. The Board analyzes and evaluates the Company's draft annual and consolidated financial statements and draft distribution of the profit (loss) as well as provides them to the general meeting of shareholders. The Board also adopts other decisions assigned to the competence of the Board in the other legal acts, Company's Bylaw or decisions or the general meeting of shareholders. The Board is responsible for the timely convention and arrangement of the general meeting of shareholders.

Extraordinary general meeting of shareholders, held on the 12th of January 2006, elected Alvydas Banys, Dailius Juozapas Mišeikis, Vytautas Bučas and Darius Šulnis as members of the Board for the four years term of office. The new Board started functioning on the 1st of February 2006, Alvydas Banys was elected as the Chairman of the Board. Alvydas Banys resigned from the Board of Invalda AB from 02.05.2007. The new member has not been elected. On the 09.05.2007 members of the Board elected Vytautas Bučas as the Chairman of the Board.

**Members of the Board and Management 30.06.2007**

Name, surname	Vytautas Bučas
Position	Chairman of the Board; elected to the Board for the four years term of office from 12.01.2006
Job experience	Since 2006 – Invalda AB, advisor. 2000 – 2006 SEB Vilniaus bankas, Board member, executive vice president, CFO, Head of IT department. 1992 – 2000 Arthur Andersen, senior auditor, senior manager, manager.
Other positions	Invaldos nekilnojamojo turto fondas AB - Chairman of the Board. Finasta AB FMI - Board member. Finasta įmonių finansai AB - Board member. Vilniaus baldai AB - Chairman of the Board. Girių bizonas UAB - Board member. Kauno tiltai AB - Board member. Sanitas AB - Board member. Hidroprojektas UAB - Board member.
Participation in issuer's share capital	13.07 % of shares and votes owned

Name, surname	Dailius Juozapas Mišeikis
Position	Member of the Board; elected to the Board for the four years term of office from 12.01.2006
Job experience	Since 2006 - Invalda AB - advisor. 1998 - 2006 Invalda AB - vice president. 1992 – 1998 Invalda KIB - director of real estate. 1991 – 1992 Ministry of International Economical Relationship - manager. 1967 – 1991 Experimental and Clinical Medical Science Research Institute - deputy director.
Other positions	Finasta AB FMI - Board member. Valmeda AB - Board member.
Participation in issuer's share capital	5.00 % of votes owned

Name, surname	Darius Šulnis
Position	Member of the Board; elected to the Board for the four years term of office from 12.01.2006. President of Invalda AB since 01.01.2006
Job experience	2002 - 2006 Invalda Real Estate UAB - director. 1994 - 2002 Finasta AB FMI - director.
Other positions	Sanitas AB - chairman of the Board. Hidroprojektas UAB - chairman of the Board. Finasta AB FMI - chairman of the Board. Finasta įmonių finansai AB - chairman of the Board. Agrovaldymo grupė AB - Board member. Dommo grupa SIA (Latvia) - chairman of the Supervisory Board. DOMMO SIA (Latvia) - chairman of the Supervisory Board. AMMO SIA (Latvia) - chairman of the Supervisory Board. Celtniecibas Pasaule SIA (Latvia) - chairman of the Supervisory Board. Vilniaus baldai AB – Board member.
Participation in issuer's share capital	9.94 % share capital and votes.

Name, surname	Raimondas Rajeckas
Position	CFO since 27.11.2006
Job experience	2001 – 2006 Valmeda AB - chief financier. 2000 – 2001 Galinčius AB - chief financier. 2000 – 2001 Invaldos marketingas UAB (present name Inred UAB) - chief financier; 2000 - 2002 Gildeta AB – accountant. 1998 – 2000 Invalda AB – accountant.
Other positions	Vilniaus baldai AB - Board member. Hidroprojektas UAB - Board member. Invaldos nekilnojamojo turto AB fondas - Board member.
Participation in issuer's share capital	–

Information about average salaries, bonuses and other payments from Company's profit made for issuer's Management members within first half of 2007 (before taxes).

	Calculated salaries, thous. LTL
For Board members (4 persons)	263
Average amount per Board member per month	12
For Administration members (5 persons)	309
Average amount per Administration Member per month	11

Company's Board members are members of the Administration also. They were paid salaries as Company's employees.

From the Company's profit of 2006 the total amount of dividends equal to 2589 thousand Litass was paid to 3 members of the Board.

No credits, guarantees and sureties were Grante by the Company to Administration members within reporting period.

## 2.10. Financial and nonfinancial ratios of the Company

	30.06.2007	2006
Net profit, thous. LTL	81 766	28 816
Total assets, thous. LTL	346 619	235 764
Shareholder's equity, thous. LTL	216 853	146 339
ROAE %	45	25
Current ratio	3.4	0.2
Debt/Equity ratio	0.6	0.61
Share price at the end of period, LTL	16.4	12.48
Book value, LTL	4.82	3.25
EPS, LTL	1.82	0.64
Capitalization, mLTL	738.1	561.7
Average price to book value per share ratio	2.88	3.71
Average price and earnings per share ratio	7.63	18.85

## 2.11. References and additional classification on the data represented in the consolidated financial statement

Invalda AB prepares financial accountability according to International Financial Reporting Standards. Interim financial accountability of the Company was not audited.

All clarifications associated with financial accountability of the first half of 2007 are provided in the explanatory letter of financial accountability.

## 2.12. Information about major transactions of related parties

Information about transactions of related parties is disclosed in the explanatory letter of Financial accountability of the first half of 2007.

## 2.13. Significant events, which took place during the first six months of financial year

Significant Invalda AB events of reporting period are described in the explanatory letter of Financial accountability of the first half of 2007.

## 3. Information about group companies

### 3.1. Subsidiaries of Invalda AB group as of 30.06.2007

#### 3.1.1. Subsidiaries in Financial activity sector

	<b>Finasta AB FMĮ</b>	<b>Finasta investicijų valdymas UAB</b>	<b>Finasta įmonių finansai AB</b>
Registration date	21.01.1994	21.07.2003	31.07.2006
Company's code	122570630	126263073	300587351
Address	Vilnius city municip. Vilnius city, Konstitucijos ave. 23	Vilnius city municip. Vilnius city, Konstitucijos ave. 23	Vilnius city municip. Vilnius city, Konstitucijos ave. 23
Phone number	(370~5) 2786833	(370~5) 2732928	(370~5) 2361880
Fax number	(370~5) 2786838	(370~5) 2734898	(370~5) 2102474
E-mail address	<a href="mailto:info@finasta.lt">info@finasta.lt</a>	<a href="mailto:fondai@finasta.lt">fondai@finasta.lt</a>	<a href="mailto:imoniufinansai@finasta.lt">imoniufinansai@finasta.lt</a>
Website	<a href="http://www.finasta.lt">www.finasta.lt</a>	<a href="http://www.finasta.lt">www.finasta.lt</a>	<a href="http://www.finasta.lt">www.finasta.lt</a>
Type of activity	Intermediation in purchasing and selling securities, management of investment portfolio, security accounting	Management of investment and pension funds as well as personal investment portfolios	Consulting and other services for companies
Authorized capital, LTL	3 250 000	2 440 000	150 000
Number of shares, units	32 500	2 440 000	1 500
Nominal value per share, LTL	100	1	100
Number of shares owned by the issuer, units	32 500	2 440 000	1 500
Total nominal value of shares owned by the issuer, LTL	3 250 000	2 440 000	150 000
Portion of capital and votes managed by the issuer, %	100	100	100

	<b>Finasta rizikos valdymas UAB</b>	<b>Finansų spektras UAB</b>	<b>Finansų spektro investicija UAB</b>
Registration date	04.08.2004	18.03.1994	27.12.1990
Company's code	300045450	134003456	132209272
Address	Vilnius city municip. Vilnius city, Konstitucijos ave. 23	Vilnius city municip. Vilnius city, Konstitucijos ave. 23	Vilnius city municip. Vilnius city, Konstitucijos ave. 23
Phone number	(370~5) 2786831	(370~5) 2786833	(370~5) 2786833
Fax number	(370~5) 2786838	(370~5) 2786838	(370~5) 2786838
E-mail address	-	-	-
Website	-	-	-
Type of activity	investment activity	investment activity	investment activity
Authorized capital, LTL	10 000	20 000	1 017 412
Number of shares, units	100	2 000	1 017 412
Nominal value per share, LTL	100	10	1
Number of shares owned by the issuer, units	100	2 000	1 017 412
Total nominal value of shares owned by the issuer, LTL	10 000	20 000	1 017 412
Portion of capital and votes managed by the issuer, %	100	100	100

	<b>Finasta LLC (Ukraine)</b>	<b>Finasta Asset Management AS IPS (Latvia)</b>	<b>Voltera UADBB</b>
Registration date	22.11.2006	11.07.2006	04.06.1998
Company's code	34762675	50003840061	124477185
Address	Ukraine, Kiev, Kominternas str. 5	Latvia, Riga, Tirgonu iela 8	Registration - Vilnius city municip. Vilnius city, A. Jakšto str. 9; Residence – Vilnius city municip. Vilnius city. Lukiškių str. 5-201
Phone number	+380 442340417	+371 750 3105	(370~5) 2611339
Fax number	+380 442340417	+371 750 3099	(370~5) 2122622
E-mail address	<a href="mailto:office@finasta.com.ua">office@finasta.com.ua</a>	<a href="mailto:info@finasta.lv">info@finasta.lv</a>	<a href="mailto:info@voltera.lt">info@voltera.lt</a>
Website	-	<a href="http://www.finasta.lv">www.finasta.lv</a>	<a href="http://www.voltera.lt">www.voltera.lt</a>
Type of activity	financial services	investment and personal portfolio management	insurance broker's activities
Authorized capital, LTL	307 086	495 970	52 000
Number of shares, units	-	100 000	520
Nominal value per share, LTL	-	4,9597	100
Number of shares owned by the issuer, units	-	100 000	361
Total nominal value of shares owned by the issuer, LTL	-	495 970	36 100
Portion of capital and votes managed by the issuer, %	100	100	69,42

### 3.1.2. Subsidiaries in Real estate sector

	<b>Invaldos nekilnojamojo turto fondas AB</b>	<b>Inred UAB</b>	<b>Inreal UAB</b>
Registration date	28.01.1997	22.12.1994	14.06.2006
Company's code	152105644	222894170	300576166
Address	Vilnius city municip. Vilnius city, A. Juozapavičiaus str. 6/2	Vilnius city municip. Vilnius city, A. Juozapavičiaus str. 6/2	Vilnius city municip. Vilnius city, A. Juozapavičiaus str. 7
Phone number	(370~5) 2730944	(370~5) 2730944	(370~5) 2730000
Fax number	(370~5) 2733065	(370~5) 2733065	(370~5) 2730858
E-mail address	<a href="mailto:info@intf.lt">info@intf.lt</a>	<a href="mailto:info@inred.lt">info@inred.lt</a>	<a href="mailto:info@inreal.lt">info@inreal.lt</a>
Website	<a href="http://www.intf.lt">www.intf.lt</a>	<a href="http://www.inred.lt">www.inred.lt</a>	<a href="http://www.inreal.lt">www.inreal.lt</a>
Type of activity	Investments into real estate designated for rent	Real estate management and administering, development of investment projects	Intermediation purchasing or selling real estate, real estate rent and valuation
Authorized capital, LTL	7 965 440	708 400	400 000
Number of shares, units	7 965 440	7 084	40 000
Nominal value per share, LTL	1	100	10
Number of shares owned by the issuer, units	4 477 540	7 084	40 000
Total nominal value of shares owned by the issuer, LTL	4 477 540	708 400	400 000
Portion of capital and votes managed by the issuer, %	56,21	100	100

	<b>Invalda Construction Management UAB</b>	<b>Invalda Service UAB</b>	<b>Vilniaus senamiesčio restauravimo direkcija UAB</b>
Registration date	17.02.1994	25.03.2003	31.05.1995
Company's code	186139653	126180446	120135024
Address	Vilnius city municip. Vilnius city, A. Juozapavičiaus str. 6/2	Vilnius city municip. Vilnius city, Šeimyniškių str. 3	Vilnius city municip. Vilnius city, A. Juozapavičiaus str. 7
Phone number	(370~5) 2725565	(370~5) 2736565	(370~5) 2730944
Fax number	(370~5) 2139073	(370~5) 2736667	(370~5) 2733065
E-mail address	<a href="mailto:info@incm.lt">info@incm.lt</a>	<a href="mailto:info@inservice.lt">info@inservice.lt</a>	-
Website	<a href="http://www.incm.lt">www.incm.lt</a>	<a href="http://www.inservice.lt">www.inservice.lt</a>	-
Type of activity	Management of construction objects, General Contracting	Management of building economy	Real estate operations
Authorized capital, LTL	366 570	500 000	481 870
Number of shares, units	122 190	5 000	48 187
Nominal value per share, LTL	3	100	10
Number of shares owned by the issuer, units	122 190	5 000	48 187
Total nominal value of shares owned by the issuer, LTL	366 570	500 000	481 870
Portion of capital and votes managed by the issuer, %	100	100	100

	<b>Naujoji švara UAB</b>	<b>PVP Nida UAB</b>	<b>IBC logistika UAB</b>
Registration date	12.04.2000	07.11.2003	07.04.2004
Company's code	125235345	126366340	300016395
Address	Vilnius city municip. Vilnius city, A. Juozapavičiaus str. 6/2	Vilnius city municip. Vilnius city, A. Juozapavičiaus str. 6/2	Vilnius city municip. Vilnius city, A. Juozapavičiaus str. 7
Phone number	(370~5) 2730944	(370~5) 2730944	(370~5) 2730944
Fax number	(370~5) 2733065	(370~5) 2733065	(370~5) 2733065
E-mail address	-	-	-
Website	-	-	-
Type of activity	Real estate operations	Real estate operations	Real estate operations
Authorized capital, LTL	972 890	10 000	1 400 000
Number of shares, units	97 289	100	14 000
Nominal value per share, LTL	10	100	100
Number of shares owned by the issuer, units	97 289	100	14 000
Total nominal value of shares owned by the issuer, LTL	972 890	10 000	1 400 000
Portion of capital and votes managed by the issuer, %	100	100	100

	<b>Ineturas UAB</b>	<b>Ekotra UAB</b>	<b>Trakų kelias UAB</b>
Registration date	30.10.2002	12.07.2004	31.05.1999
Company's code	126075527	300040019	124928371
Address	Vilnius city municip., Vilnius city, A. Juozapavičiaus str. 6/2	Registration - Vilnius city municip. Vilnius city, A. Juozapavičiaus str. 6/2 Residence - Kaunas city municip. Kaunas city, K. Donelaičio str. 33	Vilnius city municip., Vilnius city, A. Juozapavičiaus str. 7
Phone number	(370~5) 2730944	(370~37) 225613	(370~5) 2730944
Fax number	(370~5) 2733065	(370~37) 321132	(370~5) 2733065
E-mail address	-	-	-
Website	-	-	-
Type of activity	Real estate operations	Purchase, sales and rent of land	Real estate operations
Authorized capital, LTL	2 000 000	500 000	100 000
Number of shares, units	20 000	5 000	1 000
Nominal value per share, LTL	100	100	100
Number of shares owned by the issuer, units	20 000	5 000	1 000
Total nominal value of shares owned by the issuer, LTL	2 000 000	500 000	100 000
Portion of capital and votes managed by the issuer, %	100	100	100

	<b>Nerijos būstas UAB</b>	<b>Dizaino institutas UAB</b>	<b>Planning company Saistas UAB</b>
Registration date	05.12.2005	29.12.1993	26.05.1993
Company's code	300512402	122288385	133689632
Address	Registration – Neringa city municip. Neringa city, Miško str. 3. Residence - Klaipėda city municip., Klaipėda city, Šimkaus str. 8	Registration – Vilnius city municip., Vilnius city, A. Juozapavičiaus str. 11. Residence - Vilnius city municip. Vilnius city, A. Juozapavičiaus str. 6/2	Vilnius city municip. Vilnius city, A. Juozapavičiaus str. 6/2
Phone number	(370~46) 314313	(370~5) 2730944	(370~5) 2730944
Fax number	(370~46) 314316	(370~5) 2733065	(370~5) 2733065
E-mail address	-	-	-
Website	-	-	-
Type of activity	Real estate operations	Real estate operations	Real estate operations
Authorized capital, LTL	1 000 000	800 900	236 768
Number of shares, units	10 000	80 090	236 768
Nominal value per share, LTL	100	10	1
Number of shares owned by the issuer, units	10 000	80 090	236 768
Total nominal value of shares owned by the issuer, LTL	1 000 000	800 900	236 768
Portion of capital and votes managed by the issuer, %	100	100	100

	<b>Aikstentis UAB</b>	<b>Saulės investicija UAB</b>	<b>Šimtamargis UAB</b>
Registration date	23.12.2003	06.03.2006	29.08.2006
Company's code	126412617	300545039	300593984
Address	Registration – Vilnius city municip., Vilnius city, Šeimyniškių str. 1A Residence - Vilniaus city municip., Vilnius city, Konstitucijos ave. 17	Vilnius city municip. Vilnius city, A. Juozapavičiaus str. 6/2	Registration - Vilnius city municip. Vilnius city, A. Juozapavičiaus str. 6/2 Residence – Kaunas city municip., Kaunas city, K.Donelaičio str. 33
Phone number	(370~5) 2727458	(370~5) 2730944	(370~37) 225613
Fax number	(370~5) 2728335	(370~5) 2733065	(370~37) 321132
E-mail address	-	-	-
Website	-	-	-
Type of activity	Business consulting	Real estate operations	Purchase, sales and lease of land plots
Authorized capital, LTL	10 000	200 000	300 000
Number of shares, units	25	2 000	3 000
Nominal value per share, LTL	400	100	100
Number of shares owned by the issuer, units	18,75	1 500	3 000
Total nominal value of shares owned by the issuer, LTL	7 500	150 000	300 000
Portion of capital and votes managed by the issuer, %	75	75	100



	<b>Riešės investicija UAB</b>	<b>InReal SIA (Latvia)</b>	<b>Gravity SIA (Latvia)</b>
Registration date	11.10.2006	22.07.2004	08.04.2004
Company's code	300606428	40003690957	40003737622
Address	Vilnius city municip. Vilnius city, A. Juozapavičiaus str. 6/2	Latvia, Riga, Mukusalas iela 45/47	Latvia, Riga, Mukusalas iela 45/47
Phone number	(370~5) 2730944	+371 7408676	+371 7627417
Fax number	(370~5) 2733065	+371 7408677	+371 7627793
E-mail address	-	<a href="mailto:info@inreal.lv">info@inreal.lv</a>	-
Website	-	<a href="http://www.inreal.lv">www.inreal.lv</a>	-
Type of activity	Real estate operations	Intermediation in real estate purchasing or selling, real estate rent and valuation	Real estate operations
Authorized capital, LTL	1 500 000	495 970	24 799
Number of shares, units	15 000	100	100
Nominal value per share, LTL	100	4 959,7	247,985
Number of shares owned by the issuer, units	15 000	100	100
Total nominal value of shares owned by the issuer, LTL	1 500 000	495 970	24 799
Portion of capital and votes managed by the issuer, %	100	100	100

	<b>Inreal LLC (Ukraine)</b>	<b>Incredo LLC (Ukraine)</b>
Registration date	17.01.2006	17.05.2006
Company's code	34001410	34355283
Address	Ukraine, Kiev, Kominterna str. 5	Ukraine, Kiev, Kominterna str. 5
Phone number	+380 442340417	+380 442340417
Fax number	+380 442340417	+380 442340417
E-mail address	<a href="mailto:info@inreal.com.ua">info@inreal.com.ua</a>	-
Website	-	-
Type of activity	Real estate operations	Real estate operations
Authorized capital, LTL	1 160 529	25 591
Number of shares, units	-	-
Nominal value per share, LTL	-	-
Number of shares owned by the issuer, units	-	-
Total nominal value of shares owned by the issuer, LTL	-	-
Portion of capital and votes managed by the issuer, %	87,79	100

	<b>INTF investicija UAB</b>	<b>Wembley-Neringa UAB</b>	<b>Broner UAB</b>
Registration date	02.02.2007	28.05.1991	18.01.1995
Company's code	300643227	110013029	110006173
Address	Vilnius city municip., Vilnius city, A.Juozapavičiaus str. 6/2	Registration – Vilnius city municip., Vilnius city, Bukčių str. 64; Residence - Vilnius city municip., Vilnius city, Konstitucijos ave. 17	Registration – Vilnius city municip., Vilnius city, Bukčių str. 64; Residence - Vilnius city municip., Vilnius city, Konstitucijos ave. 17
Phone number	(370~5) 2730944	(370~5) 2727458	(370~5) 2727458
Fax number	(370~5) 2733065	(370~5) 2728335	(370~5) 2728335
E-mail address	-	-	-
Website	-	-	-
Type of activity	nekilnojamojo turto operacijos	nekilnojamojo turto operacijos	nekilnojamojo turto operacijos
Authorized capital, LTL	10 000	531 733	2 102 863
Number of shares, units	10 000	531 733	2 102 863
Nominal value per share, LTL	1	1	1
Number of shares owned by the subsidiary of the issuer, units	10 000	449 396	2 058 525
Total nominal value of shares owned by the subsidiary of the issuer, LTL	10 000	449 396	2 058 525
Portion of capital and votes managed by the subsidiary of the issuer, %	100	84,52	97,89

### 3.1.3. Subsidiaries in Furniture manufacturing sector

	<b>Vilniaus baldai AB</b>	<b>Kelio ženklai UAB</b>
Registration date	09.02.1993	06.09.1994
Company's code	121922783	185274242
Address	Vilnius city municip., Vilnius city, Savanorių ave. 178	Vilkaviškis distr.municip., Pilviškiai town, Geležinkelio str. 28
Phone number	(370~5) 2525700	(370~342) 67756
Fax number	(370~5) 2311130	(370~342) 67644
E-mail address	<a href="mailto:info@vilniausbaldai.lt">info@vilniausbaldai.lt</a>	<a href="mailto:info@keliozenklai.lt">info@keliozenklai.lt</a>
Website	<a href="http://www.vilniausbaldai.lt">www.vilniausbaldai.lt</a>	<a href="http://www.keliozenklai.lt">www.keliozenklai.lt</a>
Type of activity	Furniture production, design and sales	Metal and wood processing and wholesale trading in different materials
Authorized capital, LTL	15 545 068	3 466 133
Number of shares, units	3 886 267	3 466 133
Nominal value per share, LTL	4	1
Number of shares owned by the issuer, units	2 704 828	3 466 133
Total nominal value of shares owned by the issuer, LTL	10 819 312	3 466 133
Portion of capital and votes managed by the issuer, %	69,60	100

### 3.1.4. Subsidiaries in Hotel management sector

	<b>Valmeda AB</b>		<b>Kelionių viešbučiai UAB</b>
Registration date	06.11.1995	Registration date	21.01.1994
Company's code	123280092	Company's code	110591855
Address	Vilnius city municip., Vilnius city, Šeimyniškių str. 1	Address	Vilnius city municip., Vilnius city, Slucko str. 8
Phone number	(370~5) 2103002	Phone number	(370~5) 2102700
Fax number	(370~5) 2103001	Fax number	(370~5) 2102707
E-mail address	<a href="mailto:holiday-inn@ibc.lt">holiday-inn@ibc.lt</a>	E-mail address	<a href="mailto:hotel@ecotel.lt">hotel@ecotel.lt</a>
Website	<a href="http://www.holidayinnvilnius.lt">www.holidayinnvilnius.lt</a>	Website	<a href="http://www.ecotel.lt">www.ecotel.lt</a>
Type of activity	viešbučių valdymas	Type of activity	viešbučių valdymas
Authorized capital, LTL	3 791 400	Authorized capital, LTL	50 000
Number of shares, units	37 914	Number of shares, units	500
Nominal value per share, LTL	100	Nominal value per share, LTL	100
Number of shares owned by the issuer, units	37 914	Number of shares owned by the subsidiary of the issuer, units	500
Total nominal value of shares owned by the issuer, LTL	3 791 400	Total nominal value of shares owned by the subsidiary of the issuer, LTL	50 000
Portion of capital and votes managed by the issuer, %	100	Portion of capital and votes managed by the subsidiary of the issuer, %	100

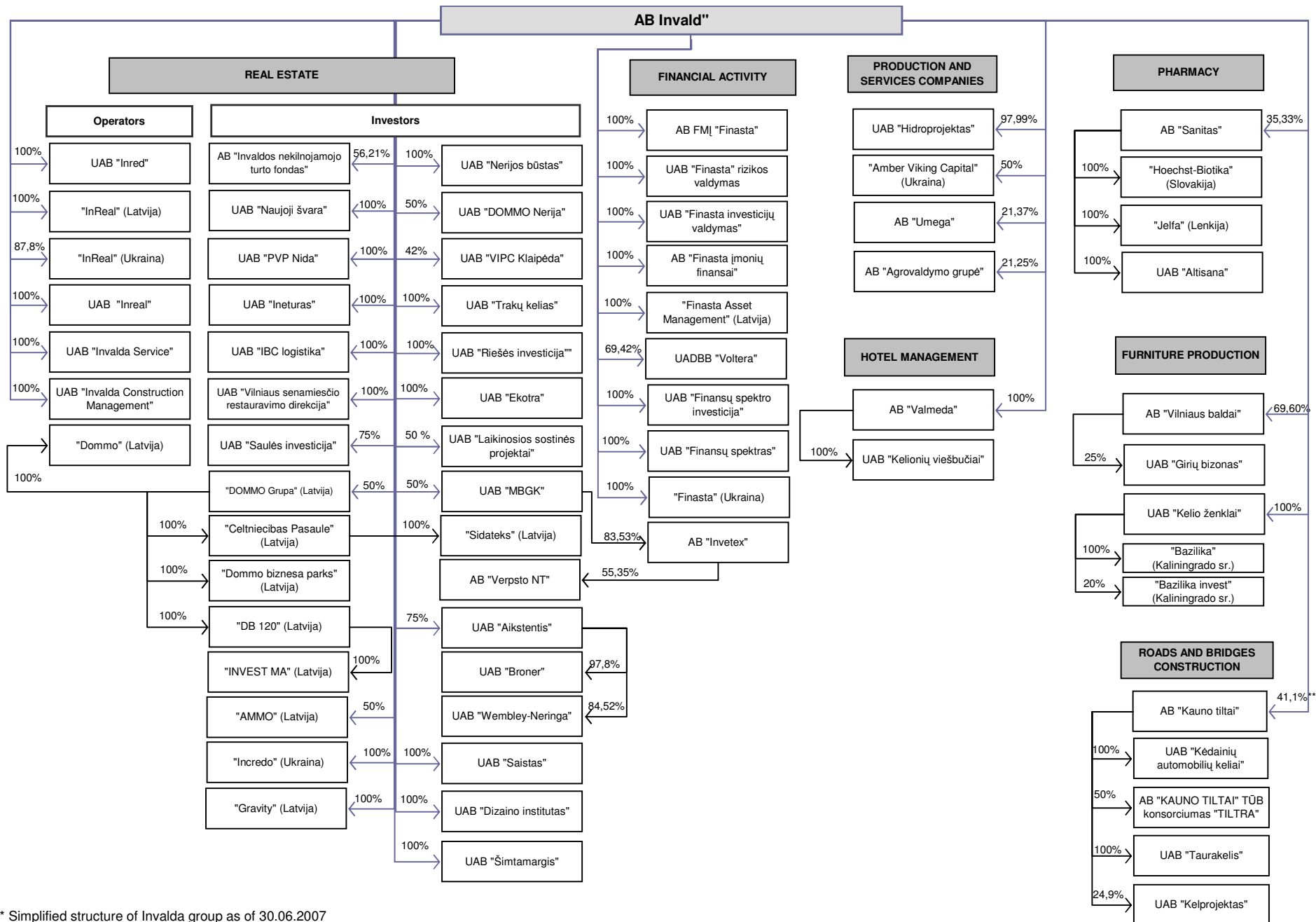
### 3.1.5. Subsidiaries in Production and services sector

	<b>Hidroprojektas UAB</b>		<b>Positor UAB</b>
Registration date	30.11.1990	Registration date	27.06.2007
Company's code	132118698	Company's code	300893533
Address	Kaunas city municip., Kaunas city, A. Strazdo str. 22	Address	Vilnius city municip. Vilnius city, A. Juozapavičiaus str. 6/2
Phone number	(370~37) 200931	Phone number	(370~5) 2790601
Fax number	(370~37) 321501	Fax number	(370~5) 2790530
E-mail address	<a href="mailto:info@hidroprojektas.lt">info@hidroprojektas.lt</a>	E-mail address	-
Website	<a href="http://www.hidroprojektas.lt">www.hidroprojektas.lt</a>	Website	-
Type of activity	Investigation and designing of various water management objects	Type of activity	information technology services and consulting
Authorized capital, LTL	1 014 632	Authorized capital, LTL	10 000
Number of shares, units	1 014 632	Number of shares, units	10 000
Nominal value per share, LTL	1	Nominal value per share, LTL	1
Number of shares owned by the issuer, units	994 264	Number of shares owned by the subsidiary of the issuer, units	10 000
Total nominal value of shares owned by the issuer, LTL	994 264	Total nominal value of shares owned by the subsidiary of the issuer, LTL	10 000
Portion of capital and votes managed by the issuer, %	97,99	Portion of capital and votes managed by the subsidiary of the issuer, %	100

On the 8th of March 2007 Invalda, seeking to stimulate social initiative, founded a public institution Iniciatyvos fondas (company's code 300657209, Vilnius city municip., Vilnius, Šeimyniškių str. 3, phone (+370 5) 2753856) involved in preparation of various programmes for separate society groups.

Companies in Pharmacy and Road and bridges construction sectors are considered as associated.

# Simplified structure of Invalda group



\* Simplified structure of Invalda group as of 30.06.2007

\*\* as of 31.07.2007

### 3.2. Data about Invalda AB group companies securities trading in regulated markets.

Shares of Invalda AB subsidiary Vilniaus baldai AB are listed on the Official List of the Vilnius Stock Exchange.

<b>ISIN</b>	LT0000104267
<b>Name</b>	VBL1L
<b>List</b>	Baltic Main List
<b>Nominal value</b>	4,00 LTL
<b>Total number of securities (units)</b>	3 886 267

Shares of Invalda AB associate Sanitas AB are listed on the Official List of the Vilnius Stock Exchange.

<b>ISIN</b>	LT0000106171
<b>Name</b>	SAN1L
<b>List</b>	Baltic Main List
<b>Nominal value</b>	1,00 LTL
<b>Total number of securities (units)</b>	31 105 920

### 3.3. Analysis of financial and non-financial activity results of group companies; information related to environment and employees.

	<b>30.06.2007</b>	<b>2006</b>
Revenue, thous.LTL	135 078	238 349
Net consolidated profit attributable to the parent company, thousand LTL	19 245	65 533
Net consolidated profit, thousand LTL	22 010	75 552
Total assets, thousand LTL	1 076 978	938 006
Shareholder's equity, thousand LTL	349 505	368 498
ROAE, %	5.8	23.0
Current ratio	0.75	0.50
Debt/Equity ratio	2.1	1.6

1751 employees worked in subsidiaries of Invalda AB on 30.06.2007.

### 3.4. Important Invalda AB subsidiarys'events that took place within reporsting period

INTF investicija UAB, established on the 2<sup>nd</sup> of February 2007, in March purchased from the furniture production company Balticsofa eight buildings (1 administrative, 4 storage and 3 production) of total 8703 square metres area, situated in Vilnius, Visorių street. A plot of land of 3,15 ha total area belongs to the aforementioned buildings.

On the 8<sup>th</sup> of March 2007 Invalda AB, seeking to stimulate social initiative, established a public institution Iniciatyvos fondas, involved in developing of various programmes for separate society groups. The programmes are based on rise in knowledge level, education; much attention in this activity is paid to integration of residents of distant Lithuanian regions into more active social life.

In March 2007 company's Invalda Real Estate UAB name was changed to Inred UAB.

In March 2007 management company Finasta Asset Management, operating in Latvia, registered the second closed investment fund Finasta Beta.

On the 12<sup>th</sup> of April 2007 at the general meeting of shareholders of Vilniaus baldai AB the following Board members were elected: Vytautas Bučas, Raimondas Rajeckas and Darius Šulnis. V. Bučas was elected as the Chairman of the Board.

On the 24<sup>th</sup> of April 2007 at the ordinary general meeting of Jelfa SA shareholders the company's governing bodies were elected for the new term. The following persons were elected to Supervisory board: Saulius Jurgelėnas as the Chairman, Rūta Milkuvienė and Ireneusz Oracz as members. Marek Wojcikowski became the Chairman of the Board; Hagen Dahms, Eladijus Kirijanovas and Inga Urbonavičiūtė the Board members.

At the general meeting of Sanitas AB shareholders arranged on the 26<sup>th</sup> of April 2007 instead of retired members of the Board Dailius Juozapas Mišeikis and Sunil Kumar Nair, Vytautas Bučas and Ashwin Roy were elected for the remaining period of term.

In May 2007 real estate company InReal established its representative office in Šiauliai.

In May 2007 Industrial and Logistics Centre Lapegles SIA changed the name to DOMMO GRUPA SIA

On the 17<sup>th</sup> of May 2007 Bank of Lithuania at its meeting adopted the resolution upon which permission was granted for Finasta įmonių finansai to purchase a 100 percent shares of bank under incorporation Finasta. This was one more successful financial broker's Finasta step establishing a new investment services providing bank. Earlier, the Bank of Lithuania approved the members of the Board of bank Finasta AB.

In June 2007 Invalda AB sold all the shares of furniture production company Miniija.

On the 14<sup>th</sup> of June 2007 the Securities Commission of Lithuania granted the permission to Finasta investicijų valdymas UAB, the Pension and investment fund manager, to join the second level pension funds of Medicinos banko investicijų valdymas, which was acquired half a year ago.

Information technology company Positor was founded on the 28<sup>th</sup> of June 2007..

### **3.5. Plans and forecasts of group companies' activities**

Plans and forecasts of the group that were announced in consolidated annual report of 2006 did not changed until the end of the accounting period.

On 16.08.2007 the Bord of Invalda AB confirmed revised forecasts for 2007.

Making forecasts it was assumed that from the date of announcement of forecasts until 31.12.2007:

- there won't be significant positive or negative changes in value of investment property
- there won't be substantial changes in financial and real estate markets
- there won't be significant changes in the structure and owned investment property of the group, except finishing of planned reorganization with Nenuorama AB.

Moreover, making forecasts any possible sales of assets publicly announced earlier were not estimated, except of real estate sale which was announced on 25.07.2007 and the contract was signed until the day of making forecast.

In 2007 Invalda AB plan to reach consolidated net profit equal to 83.5 mln LTL, the part attributable to the shareholders of the parent company should be equal to 72.4 mln. LTL.

- Finance sector:
  - Net profit attributable to Invalda – 19.9 mLTL;
  - Net profit of the sector – 19.9 mLTL.
- Real estate sector:
  - Net profit attributable to Invalda - 36.9 mLTL;
  - Net profit of the sector - 46.9 mLTL.
- Pharmaceutical sector:
  - Net profit attributable to Invalda -12.7 mLTL;
- Road and bridge construction sector:
  - Net profit attributable to Invalda - 4.1 mLTL;
- Furniture manufacturing sector:
  - Net profit attributable to Invalda – 1.5 mLTL;
  - Net profit of the sector - 2.6 mLTL;
- Hotel management sector:
  - Net profit attributable to Invalda – 1.9 mLTL;
  - Net profit of the sector – 1.9 mLTL.
- Production and services enterprises:
  - Net profit attributable to Invalda - 7.5 mLTL;